

### Fiscal Estimate - 2009 Session

Original       Updated       Corrected       Supplemental

LRB Number <b>09-3893/1</b>		Introduction Number <b>AB-0808</b>	
<b>Description</b> Student achievement guarantee in education program contracts			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input checked="checked" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input checked="checked" type="checkbox"/> Indeterminate			
5.Types of Local Government Units Affected			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input checked="checked" type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b> DPI/ Michael Bormett (608) 266-2804		<b>Authorized Signature</b> Michael Bormett (608) 266-2804	<b>Date</b> 3/22/2010

## Fiscal Estimate Narratives

DPI 3/22/2010

LRB Number	<b>09-3893/1</b>	Introduction Number	<b>AB-0808</b>	Estimate Type	<b>Original</b>
<b>Description</b> Student achievement guarantee in education program contracts					

### Assumptions Used in Arriving at Fiscal Estimate

This bill changes the requirement that a school board maintain the reduced class size achieved during the last school year of the original SAGE contract as a condition for receiving payments under an existing SAGE contract, and permits a school board operating under an existing SAGE contract to do each of the following: 1.) satisfy the class size requirement by reducing the class size to no more than 18 pupils; and 2.) combine two classes with two classroom teachers to achieve a total class size of 30 pupils.

The bill also authorizes a school board, in the 2010-11 school year, to enter into a new, renewable, five-year SAGE contract with the Department of Public Instruction (DPI) to reduce class size to 18 pupils in grades kindergarten to three in one or more schools in the school district if, in the previous school year, at least one school in the school district had an enrollment of at least 50 per cent low income and all of the following are satisfied: 1.) in the previous school year, the school had an enrollment that was at least 30 per cent low income; 2.) the school is not receiving a grant from DPI for a preschool through grade five program; 3.) the school is not already a beneficiary of a SAGE contract. The school board may combine two classes with two classroom teachers to achieve a total class size of 30 pupils.

Finally, under the bill, DPI may not waive any requirement of the SAGE program in any SAGE contract entered into or renewed after the effective date of the bill.

#### State Fiscal Effect:

None - the bill does not affect the SAGE aid appropriation. However, the number of districts that may choose to enter into new SAGE contracts for schools as authorized in the bill is indeterminate, as is the number of students who would become eligible for SAGE aid. This could affect the distribution of SAGE aid, but the effect is indeterminate. In addition, without waivers, it is assumed that employee hours currently spent on waivers will be shifted to enhanced monitoring of SAGE class sizes.

#### Local Fiscal Effect:

School districts may not realize savings from classes with a ratio of two teachers per 30 pupils since this amounts to one teacher per 15 students, the current class size ratio. School districts may realize savings in SAGE schools/classes that have a ratio of one teacher for every 18 pupils instead of one teacher for every 15 pupils. The dollar amount of these savings is indeterminate.

In addition, the number of districts that may choose to enter into new SAGE contracts for schools as authorized in the bill is indeterminate, as is the number of students who would become eligible for SAGE aid. The possible fiscal effect on districts is indeterminate.

### Long-Range Fiscal Implications