

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-3738/1		Introduction Number AB-0696	
Description Authorizing a school board to create a capital improvement trust fund			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input checked="" type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
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		Date	
		2/17/2014	

Fiscal Estimate Narratives

DPI 2/17/2014

LRB Number	13-3738/1	Introduction Number	AB-0696	Estimate Type	Original
Description Authorizing a school board to create a capital improvement trust fund					

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes a school board that has approved a long-term capital improvement plan that is for a minimum of 10 years to establish a fund for the purpose of financing the capital improvements included in the long-term plan. The bill prohibits a school board from spending any money deposited in the fund for a period of five years from the date the fund is created. After the initial five-year period, a school board may spend money in the fund only for the purposes described in the school board's long-term plan. Additionally, a school board is expressly prohibited from transferring money in the fund to any other school district fund. Finally, the bill specifies that, for purposes of calculating equalization aid, money deposited in a long-term capital improvement trust fund is counted as a shared cost at the time the money is deposited in the fund and is not a shared cost at the time the money is expended from the fund.

State:

The department would incur programming expenses to create a new fund for school districts in the school finance system. The cost of this programming is estimated at \$27,000 for 8 weeks worth of contractor time. This cost could not be absorbed by the department.

The new fund would require technical support to school districts from department staff. These costs are indeterminate and could be absorbed by the department.

Local:

Under the new proposed fund school districts would be able to count as shared cost the deposits in the long-term capital improvement trust fund. Under current law if a district just held revenues in the fund balance they would not be able to count them as shared costs. To the extent that school districts' shared costs change due to using this new fund, the amount of aid they receive in the equalization aid formula may change. School districts utilizing this fund that are negatively aided at the 3rd tier may lose aid, while districts that are positively aided may gain aid. Currently there are 120 districts negatively aided at the 3rd tier.

It is unknown how many districts would utilize a long-term capital improvement trust fund or how much would be deposited in the funds. Therefore, the impact on any individual school district is indeterminate.

Long-Range Fiscal Implications