

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1613/1	Introduction Number AB-0077
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Description
 state aid payments to school districts

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

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	5. Types of Local Government Units Affected
<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	
		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <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 checked="" 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 DPI/ Carl Bryan (608) 267-9127	Authorized Signature Erin Fath (608) 266-2804	Date 2/27/2017
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Fiscal Estimate Narratives

DPI 2/27/2017

LRB Number 17-1613/1	Introduction Number AB-0077	Estimate Type Original
Description state aid payments to school districts		

Assumptions Used in Arriving at Fiscal Estimate

This bill changes the manner in which state aid is paid to school districts.

Under current law, the Department of Public Instruction (department) pays state aid to school districts for each school year in the following four installments: 15 percent in September, 25 percent in December, 25 percent in March, and 35 percent in June. Current law also requires the department to make a payment of \$75,000,000 to school districts on the 4th Monday in July of the following school year and to proportionately reduce the percentages described above for the current school year to reflect this lump sum payment.

This bill changes the percentage of state aid paid in each installment to 25 percent.

Local: The bill would not affect the total state aid for which a school district is eligible. The change proposed under this bill would provide an even distribution of state general aid payments, providing more state general aid resources at the beginning of the fiscal year, and fewer at the end of the fiscal year.

Raising the September aid payment from 15 to 25 percent could result in larger adjustments to the December, March and June aid payments, as a result of reconciling payments within a year, because the September payment, which is based on the prior year's actual aid payment, would now comprise a larger portion of the district's total aid payments within a year. The fiscal impact as a result of this bill would vary by district, based on each district's prior year aid payments and current year aid certification.

State: While this bill does not have an impact on the state's total expenditures, the bill would shift general aid payments to school districts in a way that draws greater amounts of GPR earlier in the fiscal year. The larger aid payments in September would likely impact cash flow within the state's general fund, which in turn could trigger actions to balance the cash flow (e.g., inter-fund borrowing or short-term borrowing). The Department of Public Instruction is not in a position to assess the impact of this bill on the state's cash flow capabilities.

Long-Range Fiscal Implications