



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

September 26, 2023

TO: Representative Evan Goyke
Room 112 North, State Capitol

FROM: Christa Pugh, Program Supervisor

SUBJECT: Fiscal Effects of Recommendations by the Blue Ribbon Commission on School Funding as Change to 2023 Act 19

At your request, I am providing information relating to the potential fiscal effects of recommendations of the Blue Ribbon Commission on School Funding (Commission).

The Commission published a report containing its recommendations on January 4, 2019. That report was organized by topic area and referenced the option papers prepared for the Commission by this office.

You asked for updated information on the potential fiscal effects that would result if the Commission's recommendations were implemented in the 2023-25 biennium. Attachment 1 shows the biennial GPR fiscal effect of each of the recommendations by topic and option paper number. Attachment 2 shows the annual revenue limit increases recommended by the Commission, where a specific change was proposed. The attachments assume the 2023-25 biennial budget as passed in 2023 Act 19 as the starting point, and show the additional funding that would be required for each option above the amounts provided in Act 19.

Two factors relating to the Commission's recommendations warrant consideration. First, the Commission identified a range of GPR funding options, but did not prioritize or choose among them. Second, the Commission recommended that the Legislature restore a two-thirds funding commitment to mitigate the levy impacts of its other recommendations. The GPR cost of two-thirds funding would depend on which of the other recommendations are adopted, so no fiscal effect is shown.

I hope that this information is helpful. Please contact me if you have questions.

CP/bh
Attachments

ATTACHMENT 1

Potential Range of Biennial GPR Fiscal Effects of 2019 Blue Ribbon Commission Recommendations as Change to 2023 Act 19 (in Millions)

	Recommendation Number				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Paper #13 Timing of School Aids	\$70.0	\$11.0			
Paper #17 Special Education Aid*	0.0	0.0	288.3	460.9	0.0
Paper #20 High Cost Transportation Aid**	7.5	N.A.	N.A.		
Paper #21 Sparsity Aid	0.0	24.4	48.6	71.4	
Paper #22 Gifted and Talented Pupils	5.0	2.0	1.0		
Paper #23 Mental Health***	N.A.	15.0			
Paper #24 School District Consolidation	0.0	1.5	0.0	0.25	0.0
Paper #25 Early Childhood	0.0	2.0	0.0		
Paper #26 Incentives for Shared Services	4.0				
Paper #27 Summer Learning Loss	7.2	3.0			
Paper #28 Educator Workforce Shortage	1.5	0.0			

* Estimated additional funding required to reach recommended proration rates, as change to 2023 Act 19 funding.

** The cap on the stopgap provision was eliminated under 2023 Act 19.

*** Program was modified under Act 19 to be distributed on a per pupil basis, as recommended under Recommendation #2; the funding shown is the amount to increase the per pupil payments from an estimated \$31 per pupil under Act 19 to the amounts included in the recommendations.

ATTACHMENT 2

Estimated Annual Revenue Limit Fiscal Effects as Change to 2023 Act 19 (in Millions)

Discussion of Fiscal Effect

Paper #10 Per Pupil Adjustment and Per Pupil Aid	Recommended future increases of unspecified amount through the per pupil adjustment under revenue limits.		
Paper #11 Declining Enrollment	Modify the current declining enrollment adjustment -- effect on revenue limits will vary by school district.		
Paper #15 Revenue Limit Adjustments	Consider revenue limit adjustments for various factors -- amount of increase to revenue limits depends on specifics of proposal		
Paper #16 Per Pupil Adjustment Inflation Indexing	Effect on revenue limits would depend on the level of inflation.		
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3 and Annually Thereafter</u>
Paper #18 English Language Learner Pupils	\$40.0	\$80.0	\$120.0
Paper #19 Low-Income Pupils	260.0	520.0	780.0
Paper #25 Early Childhood	Unknown revenue limit increase from allowing full-day kindergarten pupils to be counted as 1.0 FTE.		