

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3122/2	Introduction Number SB-253
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Subject
 Charter schools; allow UW campuses to establish

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 checked="" type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <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
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

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 20.255(2)(fm)	

Agency/Prepared By DPI/ Michael Bormett (608) 266-2804	Authorized Signature Michael Bormett (608) 266-2804	Date 12/12/2003
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Fiscal Estimate Narratives

DPI 12/12/2003

LRB Number	03-3122/2	Introduction Number	SB-253	Estimate Type	Original
Subject					
Charter schools; allow UW campuses to establish					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, school boards may enter into contracts with individuals, groups, businesses, or governmental bodies to establish charter schools. Current law also permits the University of Wisconsin-Milwaukee, the University of Wisconsin-Parkside, the Milwaukee Area Technical College, and the City of Milwaukee to operate charter schools [under Wis. Stat. s 118.40 (2r)] (2r charter schools) directly or to contract for the operation of charter schools. Presently, only pupils who reside in the school district in which a 2r charter school is located may attend the charter school.

This bill allows any 4-year institution or 2-year college campus within the University of Wisconsin System to operate or to contract for the operation of, under s. 118.40 (2r), a charter school with the approval of the Board of Regents.

State fiscal effect:

Currently, there are 137 charter schools in Wisconsin, 24 of which are chartered by the board of directors of the Milwaukee Public Schools (MPS). There are 11 charter schools operated by University of Wisconsin-Milwaukee, the University of Wisconsin-Parkside, the Milwaukee Area Technical College, or the city of Milwaukee (2r charter schools).

This bill could increase the number of 2r charter schools and therefore increase the number of pupils eligible to enroll in 2r charter schools. By increasing the number of schools and pupils eligible to enroll in these charter schools and allowing these schools to receive state aid for their attendance, the bill would increase the state's costs of funding 2r charter schools. The increase in the state's costs would be dependent upon the number of newly eligible pupils enrolling in new 2r charter schools above and beyond the projected enrollments for the current 2r schools. The specific increase in the state's funding to the charter schools would be fully offset by a reduction in general school aids available to all 426 school districts. The number of new 2r charter schools that would be created under this bill is indeterminate.

The following example provides information related to the cost of a single additional newly eligible pupil enrolling in a 2r charter school if this bill were effective in the 2004-05 school year:

Per Student 2r Charter School Cost

2004-05 2r charter school state aid amount--\$7,111
Statewide local property taxpayers' share--\$7,111

Given the multitude of factors involved in computing general equalization aid, it is not possible to predict the impact of any additional property tax for any particular school district.

Local fiscal effect:

Under current law, payments to 2r charter schools are fully offset by a proportionate reduction in the general equalization aids of all 426 public school districts. By increasing the number of pupils eligible to enroll in 2r charter schools, each school district's general equalization aid would be proportionally reduced by the additional amount that the 2r charter school appropriation is increased. Under revenue limits, school districts may levy property taxes to make up for the amount of equalization aid lost due to these increased 2r payments. The specific increase in school district property tax levies would be dependent upon the additional number of pupils entering these schools, which is unknown. Therefore, the local fiscal effect of this bill on individual property taxpayers is indeterminate.

Long-Range Fiscal Implications