

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3000/3		Introduction Number AB-0919	
Description The Milwaukee Parental Choice Program			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <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 checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input 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 checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.255 (1)(dw); 20.255 (1)(hg)	
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 4/17/2008

LRB Number	07-3000/3	Introduction Number	AB-0919	Estimate Type	Original
Description The Milwaukee Parental Choice Program					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes a number of changes in the Milwaukee Parental Choice Program (MPCP), under which a pupil who resides in the City of Milwaukee may attend a private school at state expense under certain conditions.

Some of these changes such as the standards and hours of pupil instruction; high school diplomas, grade promotion, and maintenance of pupil records; religious activities; nondiscrimination; the adoption of academic standards and disclosure requirements have no fiscal impact for the purposes of this estimate because they impose costs on a private entity (the MPCP school), and not on state or local government.

Issues that would have a fiscal impact are discussed below.

Teacher licensing:

Beginning in the 2009-10 school year, this bill directs each private school participating in the MPCP to ensure that every teacher, supervisor, administrator, and professional staff member holds a license or a permit to teach issued by the Department of Public Instruction (DPI). Currently, persons are not required to be licensed to teach in any private school.

The department's fee for all licenses is \$100 per year except for those who have completed their training outside of Wisconsin (\$150). This money would be used to support the agency's licensing and program approval operations. The department does not have data regarding how many teachers, supervisors, administrators, and professional staff members serve in MPCP schools. Therefore, the amount of revenue the department would realize if this provision of the bill becomes law is indeterminate.

Pupil assessment:

Current law requires each private school participating in the MPCP to administer a nationally normed standardized test in reading, mathematics, and science to pupils attending the school under the program in the fourth, eighth, and tenth grades. This bill requires each private school participating in the MPCP to administer the examinations adopted or approved by DPI. Moreover, the federal No Child Left Behind Act requires public school assessments in reading and mathematics in each of grades three to eight and at least once in grades ten to twelve; and in science at least once in grades three to five, six to nine, and ten to twelve. This bill imposes these requirements on private schools participating in the MPCP for pupils attending the schools under the MPCP.

Private schools, including MPCP schools, currently must pay Wisconsin's contractor, CTB/McGraw-Hill \$32 per-student for use of the exams. This fee includes publication of WKCE test materials, shipping and handling of test materials to the school's site, pick-up service for the test materials, scoring of the tests, and delivery of the scoring reports. Therefore, the current total estimated state per administration cost would be \$615,100 GPR, based on the 2007 third Friday in September MPCP headcount of 19,223 (\$32 times 19,223 students). It should be noted that the \$32 per-student fee may rise before the 2009-10 school year, when this program would begin according to the terms of the bill. Costs would also increase if more students are enrolled in MPCP in the 2009-10 school year than is presently the case.

Enrollment Cap:

Under this bill, the enrollment cap for the MPCP would be reduced from 22,500 FTE students under current law to approximately 13,800 FTE in 2008-09 (15% of MPS' membership). In 2008-09, it is currently estimated that 19,000 FTE students will participate in the MPCP. Thus, this bill would result in a 2008-09

MPCP enrollment that is 5,200 FTE students less than is estimated under current law.

Under current law, the state general fund pays 55% of the total cost of the MPCP, while MPS pays the remaining 45% of the MPCP cost through a reduction to its general equalization aid. The MPCP per student payment will be \$6,607 in 2008-09, resulting in an estimated total MPCP cost of \$125.5 million under current law. Since this bill would reduce the MPCP enrollment by 5,200 FTE it would also reduce the total cost of the MPCP in 2008-09 by \$34.3 million (5,200 FTE multiplied by \$6,607 per FTE) compared to current law. Using the current funding methodology for the MPCP, this bill would result in a savings of \$18.9 million GPR in 2008-09 and a reduction of \$15.4 million in MPS general equalization aid deduction, compared to current law. Since the MPS general equalization aid deduction for the MPCP would be lower due to this bill, the additional net state general equalization aid MPS would receive could be used to reduce its property taxes in 2008-09 by this amount compared to current law since this bill would not affect the calculation of MPS' revenue cap.

The fiscal impact of the provisions in this bill related to the percentage of pupils enrolled in a private school in the MPCP that may participate in the MPCP could affect the number of private schools participating in the program. However, the extent to which private schools would be impacted by this provision in the future is unknown. Therefore, the fiscal effect of this provision is indeterminate.

Legislative Audit Bureau review:

Under the terms of the bill, the Legislative Audit Bureau (LAB) is to review and analyze standardized test data annually from 2007 until 2011. The department may be called upon to provide data to LAB and to discuss that data with LAB staff. It is assumed that the cost of the department fulfilling these responsibilities under can be absorbed by the department.

Long-Range Fiscal Implications