

Fiscal Estimate Narratives

ETF 3/24/2011

LRB Number	11-1359/1	Introduction Number	AB-0051	Estimate Type	Original
Description Creating a Charter School Authorizing Board, providing additional charter school authorizers, eliminating the limit on the number of pupils who may attend virtual charter schools, modifying teacher licensure requirements, eliminating the limit on the reduction in general school aid used to fund independent charter schools, covering certain charter school employees under the Group Insurance Board health coverage plan for local government employees, allowing a charter school to elect to participate in the Wisconsin Retirement System, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill would allow charter schools under contract with Charter School Authorization Board (an independent state agency created by this bill) to elect to become a participating employer under the Wisconsin Retirement System (WRS). It also allows these charter schools to participate in the local government health insurance plans administered by the Group Insurance Board.

Assuming that the number of new employers electing to participate in Employee Trust Funds (ETF) administered programs does not materially change; implementation and on-going administrative costs would not be significantly impacted.

The bill provides that the authorizer of the charter school is immune from civil and criminal liability. As such, there is a potential an employer could default on the payment of contributions and/or premiums. Under current law, ETF is directed to use the GPR sum sufficient appropriation under s. 20.515 (1c) to cover amounts due to health insurance plans for employers who do not make timely payments (the GPR appropriation is reimbursed when employer payments are received. As such, if a charter school defaults on health insurance premiums, there is a possibility that these GPR amounts will not be repaid. Costs associated with this are indeterminate.

In terms of the WRS, in the case of a default of a participating charter school employer, it is not clear what entity would assume the defaulting employer's liability. As such, it is conceivable that these costs may be recovered from other participating employers. Costs associated with this possibility are indeterminate.

Long-Range Fiscal Implications