

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-0887/1	Introduction Number SB-003
------------------------------------	--

Description
 Accountability provisions for private schools participating in a parental choice program and requiring the exercise of rule-making authority

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input 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	

Agency/Prepared By DPI/ Katie Schumacher (608) 267-9127	Authorized Signature Erin Fath (608) 266-2804	Date 2/17/2015
---	---	--------------------------

Fiscal Estimate Narratives

DPI 2/17/2015

LRB Number	15-0887/1	Introduction Number	SB-003	Estimate Type	Original
Description Accountability provisions for private schools participating in a parental choice program and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Family income for pupil eligibility

Under this bill, beginning in the 2015-16 school year, no pupil whose family income exceeds 1.85 times the federal poverty level may attend a participating private school under any of the parental choice programs. The bill makes no changes to the provisions governing a pupil who is attending a private school under the program and whose family income increases.

The department does not track exact income levels of pupils in the parental choice program other than that the pupil qualifies for the program.

Local:

The distribution of pupils applying to the existing Milwaukee and Racine parental choice programs with family incomes between 1.85 and 3.0 times the federal poverty level (FPL) is unknown. It is not possible to determine the number of pupils that would no longer be eligible under this bill (due to family income exceeding 1.85 FPL), thus the exact impact on private schools participating is indeterminate.

State:

The distribution of pupils applying to the existing Milwaukee and Racine parental choice programs with family incomes between 1.85 and 3.0 times the FPL is unknown. It is not possible to determine the number of pupils that would no longer be eligible under this bill (due to family income exceeding 1.85 FPL), thus the exact impact on the state participating is indeterminate.

Per pupil payments

This bill eliminates current law for determining per pupil payments to participating private schools. Under this bill, beginning in the 2015-16 school year, for each pupil enrolled in a private school under a parental choice program, the department must pay the lesser of the following: a) the private school's per pupil educational costs; b) a rolling average of the tuition paid by a pupil attending the private school, but not under a parental choice program, in the current and two preceding school years; or c) \$6,442.

Under current law, in the 2014-15 school year, for each pupil enrolled in a private school under a parental choice program, the department must pay to the private school an amount equal to the private school's per pupil operating and debt service cost that is related to educational programming (educational costs) or \$7,210 for a pupil enrolled in a grade from kindergarten to 8 and to \$7,856 for a pupil enrolled in a grade from 9 to 12 (the maximum payment per pupil). Beginning in the 2015-16 school year, the maximum per pupil payment in any given school year is equal to the maximum per pupil payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Local:

Since the maximum payment per pupil is more (at least \$7,210 for a pupil enrolled in a grade from kindergarten to 8 and at least \$7,856 for a pupil enrolled in a grade from 9 to 12) under current law than under the bill (\$6,442), private schools would receive less funding under the bill.

State:

The department would pay private schools participating in parental choice programs less in 2015-16 than under current law. The exact decrease is indeterminate and would be based on the number of pupils enrolled in the choice programs, the educational costs of the private school, the per pupil revenue limit

adjustment for 2015-16, and the tuition paid by pupils attending private schools under the choice programs; all factors that are unknown at this time.

Teacher licensure

With certain exceptions, this bill requires that all instructional staff of private schools participating in a parental choice program hold a license or permit issued by the department. "Instructional staff" means all professional employees who have as part of their responsibility direct contact with pupils or with the private school's instructional program.

Local:

Private schools may have a reduced supply of teachers that are properly licensed to teach. They may also have to pay more to individuals now that those individuals must take steps to become licensed. However, it is unknown how many licensed teachers are available relative to demand and whether licensed individuals are cheaper to hire than current private school teachers. Thus, the cost is indeterminate. It is also unknown how many licensed teachers are currently employed in private schools participating in a parental choice program.

State:

The Department will have to absorb the costs of licensing additional instructional staff. It is unknown how many new private school instructional staff would need to be licensed, and would have to pay the required licensing fee. Thus, costs and revenue to the department are indeterminate.

Background investigations for teachers and administrators

This bill requires each private school participating in a parental choice program to conduct a background check of each teacher and administrator employed by the private school on the effective date of the bill. The bill also requires each participating private school to conduct a background check prior to extending an offer of employment to an individual who applies to teach in or serve as an administrator of the private school. Finally, the bill requires the private school to annually conduct a background check of each teacher and administrator employed by the private school. The bill prohibits a participating private school from employing a teacher or administrator who would not be eligible for employment in a public school for any of the reasons identified above.

Local:

Under this bill, private schools participating in a parental choice program will have to absorb the costs of conducting background checks of teachers and administrators. It is unknown how many private schools participating in a parental choice program already conduct background checks on teachers and administrators and thus it is not possible to predict the number of background checks that would be needed. The cost of background checks will vary depending on how each school chooses to conduct the background checks. Thus the costs of conducting background investigations for private schools in a parental choice program are indeterminate.

State:

No fiscal effect.

Reading readiness assessments of participating pupils

Under current law, each school board and the governing body of each independent charter school must assess each pupil enrolled in four-year-old kindergarten to second grade for reading readiness. This bill extends these requirements to private schools participating in a parental choice program. The requirement applies only to those pupils attending the private school under the program.

Local:

Private schools participating in a choice program would incur staff cost for training and for administering the reading assessments. The cost is indeterminate.

State:

The Department would incur additional costs for providing reading assessments to pupils participating in a choice program but the exact cost is unknown.

It is projected that the State would incur \$129,344 in additional costs for reading assessments in 2015-16 and similar additional costs in 2016-17. These costs are based on 2014-15 enrollments in the Milwaukee, Racine and Wisconsin parental choice programs which were used to determine that at least 688 additional reading assessment kits would be needed at a cost of \$188 per kit.

Criteria for awarding a high school diploma to participating pupils

Beginning in the 2015-16 school year, this bill requires a private school participating in a parental choice program to include in its policy the requirements for granting a high school diploma applicable to public school pupils. These requirements include earning a specified minimum number of credits in certain subjects and, in grades 9 to 12, being enrolled in a class or participating in an activity approved by the school board during each class period of each school day.

Local:

It is unknown what percentage of existing private schools participating in a parental choice program already meet the criteria established in this bill. A private school that does not meet the criteria may incur some costs in updating their graduation requirements. A private school may also need to hire additional staff or staff with different expertise to meet the requirements. The overall fiscal impact on private schools is indeterminate.

State:

There is no fiscal impact on the department.

Corporal punishment of pupils enrolled in a participating private school

Under current law, no official, employee, or agent of a school district (school employee) may subject a pupil enrolled in the school district to corporal punishment. Current law permits a school employee to use reasonable and necessary force under certain circumstances, including to obtain possession of a weapon from a pupil, protect the safety of others, or quell a disturbance. Each school board must establish a policy to outline the circumstances in which a school employee may use reasonable and necessary force. This bill extends these provisions regarding corporal punishment to private schools participating in a parental choice program.

Local:

Private schools would be required to establish a policy to outline the circumstances in which a school employee may use reasonable and necessary force. The cost for private schools to establish a policy is indeterminate.

State:

There is no fiscal impact on the department.

Expulsion of pupils from participating private schools

This bill directs the department to promulgate rules establishing a procedure for the expulsion of pupils attending a private school under a parental choice program by the governing body of the private school. The rules must adhere as closely as feasible to the statutory provisions governing the expulsion of pupils from public schools.

Local:

It is unknown how many private schools participating in a parental choice program already have an expulsion policy that will meet the requirements established under this bill. Therefore it is unknown how many private schools participating in a parental choice program will need to change their expulsion policy under this bill. The cost to private schools to change such policies is indeterminate.

It is unknown how many pupils would be expelled under policies established in compliance with this bill, and of those pupils, how many would request a hearing. The potential cost for legal services related to any hearings is indeterminate.

State:

The department is required to promulgate rules under this bill. The cost to promulgate these rules is indeterminate and is expected to be absorbed within the department's existing budget.

It is unknown how many pupils may be expelled from private schools participating in a parental choice program as a result of the rules promulgated under this bill. An increase or decrease in expulsions as compared to under current law would result in a corresponding increase or decrease to GPR payments made to private schools participating in parental choice programs. The overall change in GPR payments is indeterminate.

Regular building inspection of certain participating private schools

Under current law, before a private school may participate in a parental choice program, the private school must submit to the department a copy of the certificate of occupancy issued for the private school building by the municipality within which the private school is located. This bill requires a private school located in a municipality that does not issue certificates of occupancy to annually obtain a building inspection of the school building.

Local:

It is unknown how many private schools currently or prospectively participating in a parental choice program are located in a municipality that does not issue occupancy certificates. It is also unknown the cost of an annual inspection in the communities that private schools are physically located. The overall cost to private schools participating in a parental choice program of this provision is indeterminate.

State:

There is no fiscal impact on the state.

Release of private school data by the department

Under current law, the department may only release data related to enrollment of, standardized test results for, and other information related to pupils participating in a parental choice program all at the same time, uniformly, and completely. This bill eliminates this requirement.

Local:

There is no fiscal impact to private schools.

State:

All costs to release information regarding private schools participating in a parental choice program will be absorbed within the department's existing budget under both current law and this bill. Thus, there is no fiscal impact on the department.

Public inspection of records

This bill requires a private school participating in a parental choice program to permit public inspection and copying of any record of the private school that relates to pupils attending the private school under the program to the same extent as required of, and subject to the same terms and enforcement provisions that apply to, a school board.

Local:

Private schools participating in parental choice programs would be required to make certain records accessible for public review. Private schools participating in a parental choice program may experience additional staff tasks around providing this access. The overall fiscal impact to private schools participating in a parental choice program is indeterminate.

State:

There is no fiscal impact on the department.

Physical location of private schools participating in a parental choice program

This bill requires that a private school be located in this state in order to participate in a parental choice

program.

Local:

There is no fiscal effect on local school districts.

State:

To the extent that this provision reduces the number of available seats in private schools participating in the parental choice program than would be available under current law, it could reduce state payments to eligible schools. This effect is indeterminate. At this time, all private schools participating in the choice programs are physically located in the state.

Percentage enrollment of voucher pupils in private schools

This bill provides that a private school may participate in a parental choice program only if it has been in operation for the attendance of pupils for at least two school years. The bill also provides that no more than 49 percent of a private school's enrollment may consist of pupils attending the private school under a parental choice program.

Local:

This bill would result in 101 private schools that participated in a parental choice program in 2014-15 to either reduce the number of pupils accepted through the program to get below the 49 percent threshold or close entirely. This would result in up to 26,621 fewer pupils in the choice program (25,494 in Milwaukee and 1127 in Racine and 0 in the statewide program), however the exact number is indeterminate.

It is unknown how many pupils no longer receiving a voucher would return to the public school system, stay in the private school but pay tuition, or choose another option. For each pupil returning to the public school system, the member count and revenue limit authority in the pupil's school district would increase. These increases, and the resulting decrease in per member property value, would result in a redistribution of general equalization aids statewide and a potential property tax changes in response to changes in general equalization aid received by school districts.

Under current law no school district other than MPS has its general equalization aid reduced to fund a portion of the cost of the parental choice program.

State:

This bill would result in 101 private schools that participated in a parental choice program in 2014-15 to either reduce the number of pupils accepted through the program to get below the 49 percent threshold or close entirely. This would result in up to 26,621 fewer pupils in choice program, however the exact number is indeterminate.

Under the Milwaukee choice program, a portion of the cost of the program is born by the Milwaukee Public School (MPS) district. This occurs as a reduction in MPS' general equalization aid payment; the reduction is lapse back to the state's General Fund, thereby offsetting the cost to the state of the payments to private schools under the Milwaukee Choice program. To the extent that fewer pupils are enrolled in participating choice schools in the Milwaukee choice program, the state's payments to those schools would decrease, representing a savings to the state's general fund. However, the state's general fund savings would, in effect, be offset by the smaller aid reduction to MPS (smaller lapse back to the state's General Fund to offset the program's costs).

To the extent that there would be fewer pupils enrolled in the Wisconsin (statewide) or Racine choice programs, the state's payments to those choice schools would decrease, a savings to the state's general fund (there is no aid reduction related to the choice program to schools districts whose residents attend a private school under the Wisconsin or Racine choice programs).

Requirements for public meetings by private schools participating in a parental choice program

Currently, a private school participating in a parental choice program must schedule two meetings each year at which members of the school's governing board will be present and at which pupils and prospective pupils and their parents may meet and communicate with the members of the governing board.

This bill requires a private school participating in a parental choice program to hold at least one such meeting each month. The bill requires that the meetings be open to the public and that the private school provide public notice of the meetings in the same manner as notice of meetings of governmental bodies is required to be provided. Finally, the bill authorizes the department to issue an order barring the private school from participating in the parental choice program for the current school year if the private school violates these requirements.

Local:

Boards of private schools participating in the parental choice program would be required to have 12 public meetings per year, an increase of 10 meetings over the current requirement. The cost for a private school board to hold a public meeting is indeterminate. In addition, it is unknown if any private schools participating in the parental choice program already hold more than the required 2 meetings per year. Therefore the cost to private schools participating in parental choice programs is indeterminate.

State:

There is no fiscal impact on the department.

Long-Range Fiscal Implications