

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4957/1	Introduction Number AB-0805
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Description
 excluding certain college credit in high school programs from the Early College Credit Program

Fiscal Effect

State:

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

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - 2. Decrease Costs
 - 3. Increase Revenue
 - 4. Decrease Revenue
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts
- Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory

Fund Sources Affected	Affected Ch. 20 Appropriations
<input 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	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 1/16/2018

LRB Number	17-4957/1	Introduction Number	AB-0805	Estimate Type	Original
Description excluding certain college credit in high school programs from the Early College Credit Program					

Assumptions Used in Arriving at Fiscal Estimate

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The bill excludes certain college-level courses offered to high school pupils enrolled in a public school from the Early College Credit Program (ECCP).

Background – ECCP

The ECCP was created under 2017 WI Act 59 and will become effective on July 1, 2018. Under the ECCP, a high school pupil attending a public or a private school may enroll in an institution of higher education for the purpose of taking one or more nonsectarian courses. Under the ECCP, institution of higher education (IHE) is defined to mean an institution within the University of Wisconsin System, a tribally controlled college, and a private, nonprofit institution of higher education located in this state.

Under the ECCP, a pupil may take the course to earn high school credit or postsecondary credit or both. The IHE participates in cost sharing via a limit on the maximum tuition to be charged for a course taken under the ECCP. The cost of the tuition charge for courses taken under the ECCP is shared among the state (via aid, provided as reimbursement to the school), the school board of the pupil's school or the governing body of the private school the pupil attends, and in some cases, the pupil. The share that each responsible party pays is dependent on whether the course is taken for high school credit (or just for postsecondary credit), and whether the course taken at the IHE is comparable to a course offered by the school board or private school.

Act 59 provides \$1,753,500, beginning in FY19, for payments to school districts and private schools as state aid for costs incurred under the ECCP, in the following proportions* **:

1. For a student who took a course for high school credit (even if also for postsecondary credit): 25 percent of the actual cost of tuition for the course*. The school district/private school in effect is responsible for 75 percent of the actual cost of the course in this case.
2. For a student who took a course for postsecondary credit only: 50 percent of the actual cost of tuition for the course*. The pupil is responsible for 25 percent of the actual cost of the course, unless the charge would be deemed to pose undue financial burden for the pupil's family. The school district/private school in effect is responsible for 25 to 50 percent of the actual cost of the course in this case.

* Here, "actual cost" of tuition for the course refers to the amount that the IHE is permitted to charge, as specified in Act 59 (see below).

** State Payments will be prorated if the appropriation is insufficient to fully fund all eligible claims for reimbursements submitted by school districts and private schools.

Allowable Tuition Charge (by the IHE) under the ECCP:

1. For courses that a pupil takes at UW College campuses (2-year institutions), not to exceed one-half of the amount that would be charged to a state resident undergraduate student enrolled at the UW College (per credit).
2. For courses that a pupil takes at other UW institutions (4-year institutions), not to exceed one-third of the amount that would be charged to a state resident undergraduate student enrolled at the UW institution (per credit).

3. For courses that a pupil takes at a private, non-profit IHE, not to exceed one-third of the amount that would be charged to a state resident undergraduate student enrolled at UW-Madison (per credit).

Additionally, if the pupil takes that course at a high school in a school district (for high school credit), the school board of the school district in which the pupil is enrolled (rather than the IHE) would be responsible for the costs of books and other necessary materials for the course.

School districts and private schools will be responsible for making payment to the IHE within 30 days after the end of the semester in which the students were enrolled in a course under the ECCP.

School districts and private schools will also be responsible for reporting to the Department of Public Instruction (DPI) regarding costs incurred for courses taken by students under the ECCP, so that the DPI can calculate state aid. The appropriation for state aid to school districts and private schools resides with the Department of Workforce Development (DWD). Act 59 requires DWD to transfer monies to DPI, for distribution of the state aid to school districts and private schools that are eligible for reimbursement of tuition costs paid for students taking courses under the ECCP.

AB 805

The bill provides that a course that satisfies all of the following requirements is not considered a course under the ECCP:

1. The course is offered to pupils under an agreement between a school board and the Chancellor of one of the four-year institutions of the University of Wisconsin System before, on, or after the effective date of the bill.
2. Instruction in the course takes place in a school building in the school district or a school district facility.
3. The teacher who provides instruction in the course is employed by the school district and has been certified or approved to teach the course by the participating University of Wisconsin System institution.

Under this bill, the IHE would not be subject to ECCP limits on allowable tuition costs and the post-secondary courses excluded by this legislation would not be subject to the cost sharing model under the ECCP. The bill does not specify a cost sharing model for the courses excluded from the ECCP.

Based on the current costing model for the types of courses that would be excluded from the ECCP under this bill (in which the pupil's family is responsible for the tuition charge), it is possible that under this bill, costs would be shifted to the pupil and their families (as compared to ECCP-eligible courses).

While a school district or private school may incur costs related to providing the staff and space for the course, they would not be eligible to receive state aid for the ECCP-excluded courses. This, in turn, will likely result in fewer claims for state aid by school districts and private schools (compared to retaining these courses under the ECCP, as under current law). This would have the effect of reducing the pool of eligible claims, which may reduce the amount that state aid is prorated. Because the ECCP has not yet become effective, and DPI has no data on either the likely claims by school districts and private schools under the ECCP or under the bill, it is not possible to determine the magnitude of the impact of the bill on state aid payments to school districts and private schools.

Finally, under AB 805, reporting requirements would not apply to courses excluded from the ECCP program. While this would have no fiscal impact at either the state or local level, this will result in less data available to measure the number of courses offered and the credits earned by Wisconsin high school students. Having less data may make it more difficult to measure overall program effectiveness and the need for future modifications.

Long-Range Fiscal Implications