

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4482/1	Introduction Number AB-0675
-----------------------------	------------------------------------

Description
 aid for driver education courses, granting rule-making authority, and making an appropriation

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 type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

<input type="checkbox"/> No Local Government Costs		5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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 20.255 (2) (en)	

Agency/Prepared By DPI/ Erin Fath (608) 266-2804	Authorized Signature Erin Fath (608) 266-2804	Date 12/20/2019
--	---	---------------------------

Fiscal Estimate Narratives

DPI 12/20/2019

LRB Number	19-4482/1	Introduction Number	AB-0675	Estimate Type	Original
Description aid for driver education courses, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Public Instruction to reimburse school districts, operators of independent charter schools, and private schools participating in parental choice programs for providing a driver education course to pupils who are least 16 years old and have at least a 2.3 grade point average (GPA), if the district or school offers a driver education course.

For purposes of reimbursing a private school participating in a parental choice program, the bill requires DPI to reimburse the private school only for those pupils who meet the criteria and are attending the private school under the parental choice program.

To estimate the potential costs of fully funding driver education in school districts, as provided for under the bill, this department reviewed both public and private driving education programs.

Sun Prairie High School offers a quarter credit for classroom instruction. Because the course is for high school credit there is no fee charged to the student. According to information provided by the school district (2018), the cost to the district is roughly \$125 to \$130 per student for the classroom portion only (based on cost data in prior year). The total and per-student costs of district-provided drivers education instruction likely varies across school districts, depending on class size and variance in cost to the district of offering drivers education instruction (i.e., cost of staff compensation / curriculum).

CESA 2 offers a large driver education program. They currently charge \$400 for a package of classroom and behind-the-wheel (BTW) instruction, comprised of \$150 for classroom instruction and \$250 for BTW instruction. Students who take the classroom portion online are charged an additional \$ fee.

Four Lakes Driving School, located in the Madison area, charges \$450 for a classroom and BTW instruction package or \$300 for BTW instruction only.

In the 2018-19 school year school year, there were 208,867 pupils enrolled in grades 10, 11, and 12 (proxy for students ages 16 through 19) in public schools, independent charter schools, and private parental choice schools (21.3% of total pupil enrollments). The enrollments for the private parental choice schools includes all enrolled pupils, whether participating in a parental choice program or private pay. If we assume that 50% of the enrollment in those private parental choice schools are pupils participating in a choice program, the universe of potentially eligible students under the bill is a bit lower, at 301,664.

It is unknown how many of the currently age-eligible pupils enrolled in eligible public and private schools would enroll in a driver education course, as some of those pupils may have already obtained a driver's license, some may not meet the 2.3 GPA eligibility requirement (for a district to be aided), and some may choose not to enroll even if eligible.

An alternate approach to estimate the potential cost of the proposed aid program is to assume that participation would mirror the rates of participation when the prior law driver education aid program was in place. The highest participation rate (as a percent of statewide membership) was 4.8 percent. The department does not have sufficient information to project the proportion of age-eligible pupils that would likely meet the minimum 2.3 GPA requirement; however, the participation rate could be reduced to 4.0% to account for some pupils not being eligible under the GPA criteria. Applying 4.0% to the 2018-19 enrollment data for applicable grades yields 36,804 pupils statewide that might take advantage of a driver's education program offered in their school.

State:

At the lower range of potential costs, \$130 per pupil for classroom only instruction would translate into an estimated \$4,784,520 annually. A middle range cost of \$300 per pupil for combined classroom and BTW instruction would translate into an estimated cost of \$10,673,160 annually. And, at the highest end of the range, \$450 per pupil for classroom and BTW instruction would translate into an estimated \$16,561,800 annually. Thus, because the bill provides for a sum-sufficient appropriation, state expenditures in the initial years of the proposed aid program could range from roughly \$4.78 million to \$16.56 million, under the assumptions presented above. The cost could be lower if not all districts or schools offer driver education courses. The proportion of school districts, independent charter schools, and private parental choice schools that offer driver education could increase if the driver's education aid proposed under the bill were in place, as state reimbursement likely would produce an incentive to offer the program.

Local:

Any aid received by the school district, independent charter school operator and private parental choice school would offset actual costs, under the bill as proposed. This state aid would be received outside the revenue limit (for public school districts) and beyond the current law per pupil payments for independent charter schools and private parental choice schools; thus representing additional expenditure capacity. To the extent that a school district currently use state general aid or property tax revenue (received under the cap) to pay the costs associated with driver education courses, the provision of state aid outside of the revenue limit cap for drivers education would have the effect of freeing up controlled revenues for other purposes.

Long-Range Fiscal Implications