

FISCAL ESTIMATE FORM

1999 Session

LRB #-0015/3

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Introduction # AB 229

Admin. Rule #

Subject

Changing the statutes governing the Milwaukee Parental Choice Program (MPCP), which allows certain pupils to attend participating private schools in Milwaukee at state expense.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties MPS
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.255 (1) (a) \$30,000.00

This bill makes a number of changes to the statutes governing the Milwaukee Parental Choice Program (MPCP).

Local Fiscal Effect:

The bill would have a local fiscal effect as follows:

1) The bill increases the total family income limit for eligibility for the MPCP from 1.75 times the federal poverty level to 2.2 times the federal poverty level.

Private Schools:

Currently, 21,622 pupils attend private schools in Milwaukee. The Department of Public Instruction (DPI) estimates approximately 6,784, or 38%, of those pupils are now eligible under the current income limit. This bill would raise the income limit so 1,297 additional private school pupils would become eligible. Schools that participate in the MPCP are funded at \$4,900 per participating student, the per pupil equalization aid amount received by MPS. If all 1,297 of these pupils would participate, at a cost of \$4,900 per pupil, the additional reduction in aid to MPS would be approximately \$6,355,300 (1,297 x \$4,900).

Public Schools:

Currently, 100,756 pupils attend public schools in Milwaukee. Approximately 71,565, or 71%, of those pupils are eligible to participate in the MPCP. This bill would raise the income limit and make an additional 7,416 pupils eligible to participate in the MPCP. If all 7,416 of these pupils participate at a cost of \$4,900 per pupil, the additional reduction in aid to MPS due to the bill would be approximately \$36,338,400 (7,416 x \$4,900).

(cont.)

Long-Range Fiscal Implications:

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2) Under current law, only those pupils in grades kindergarten to three who, in the previous school year, were attending a private school located in Milwaukee are eligible to participate in the program. The bill would permit all private school pupils who, in the previous year, were attending a private school located in Milwaukee to participate in the MPCP.

Private Schools:

Currently, 13,585 pupils attend grades 4-12 at private schools in Milwaukee. Approximately 5,162 or 38% of those pupils would be eligible to participate under the bill. If all 5,162 of these pupils participate at a cost of \$4,900 per pupil, the additional reduction in aid to MPS would be approximately \$25,293,800 (5,162 x \$4,900).

Public Schools:

The provision would have no local fiscal effect regarding public schools.

Total Local Fiscal Effect:

The total potential aid reduction to MPS associated with this bill due to increased MPCP enrollment due to the expansion to grades 4-12 in private schools and the increased income limit would be approximately \$67,987,500 (\$6,355,300+36,338,400+ \$25,293,800).

It should be noted that, under the revenue limits, MPS is authorized to increase its levy by an amount equal to the aid reduced. It is unknown whether the MPS board would increase its levy or how much that increase would be. It should also be noted that only 15% of MPS enrollment (approximately 15,000) are currently permitted to participate in the MPCP. Approximately 6,200 pupils are currently participating in the program.

3) Under current law, a private school must notify the Department of Public Instruction of its intent to participate in the MPCP by May 1 of the previous year. This bill would change the date to February 1.

There are no significant costs associated with this provision.

Local Fiscal Effects of AB 229

Private Sch. Grades	1998-99 enr.	1) grade	2) income limit
K-3	8,037	3,054	482
4-12	13,585	5,162	815
Total	21,622	8,216	1,297

Newly eligible pupils in bold.
Total = 6459

Public Schools	1998-99 enr.	1) grade	2) income limit
Total	100,756	0	7,416

Newly eligible pupils in bold.
Total = 7,416

State Fiscal Effect:

The state's payment for a pupil attending a private school under the MPCP is an amount equal to the per pupil equalization aid amount received by MPS or an amount equal to the private school's operating and debt service cost per pupil, whichever is less. DPI sends the check, which is made out to the pupil's parent or guardian, to the private school. The parent or guardian must endorse the check for the use of the private

school. The bill retains this payment procedure for pupils attending sectarian private schools. For pupils attending nonsectarian private schools, the bill provides for the payment to be made directly to the school.

The bill would provide for greater administrative ease by paying vouchers directly to nonsectarian schools. Under this bill, in the 1998-99 school year, DPI would have issued 30 checks (to the 30 nonsectarian schools) four times a year for a total of 120 checks, rather than almost 2,100 checks to the parents or guardians of pupils attending nonsectarian schools four times a year for a total of 8,400 checks. Furthermore, the 30 nonsectarian schools in the program would not have to ensure that parents or guardians of their MPCP students endorse their checks for use by the school.

If the number of students participating in the MPCP increases due to this bill, the need for additional DPI staff resources to process payments may become necessary. There may also be potential cost savings due to the provision allowing nonsectarian schools to receive direct payments. The potential costs or savings of these provisions are indeterminable because the number of new MPCP students attending a sectarian or nonsectarian school in the future is unknown.

The bill also directs DPI, in cooperation with the pupil assignment council, to establish a public information campaign to promote MPCP to eligible students and their parents. The bill increases the department's appropriation for Educational Leadership; General programs operations under s. 20.255(1)(a) by \$30,000 GPR in FY00 to pay for these activities.

Finally, if this bill results in increases to MPS's tax levy partial school revenues would increase statewide. The state's cost to fund 2/3 of partial school revenues would also increase.