

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2366/2</b>	<b>Introduction Number</b> <b>AB-259</b>	
<b>Subject</b> MPCP; pupil eligibility		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs      4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <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)(fu)		
<b>Agency/Prepared By</b> DPI/ Michael Bormett (608) 266-2804	<b>Authorized Signature</b> Michael Bormett (608) 266-2804	<b>Date</b> 8/14/2003

## Fiscal Estimate Narratives

DPI 8/14/2003

LRB Number <b>03-2366/2</b>	Introduction Number <b>AB-259</b>	Estimate Type <b>Updated</b>
<b>Subject</b>		
MPCP; pupil eligibility		

### Assumptions Used in Arriving at Fiscal Estimate

Current law student eligibility for the Milwaukee Parental Choice Program (MPCP) is based on three criteria: (1) residency in the city of Milwaukee; (2) household income that does not exceed 175% of the federal poverty level; and (3) prior year school enrollment. Specifically, s. 119.23(2)(a)2. Stat., provides that in the prior school year the student must have either been enrolled in: (a) the Milwaukee Public Schools (MPS); (b) participated in the MPCP; (c) enrolled in one of grades kindergarten through 3 in a private school in the city of Milwaukee but not in the MPCP; or (d) not enrolled in school anywhere. Current law also limits student participation in the MPCP to 15% of MPS membership (approximately 15,000 students).

2003 AB 259 would modify current law by eliminating: (1) the income limit for students continuing in the program; (2) the prior year school enrollment requirement; and (3) the 15% limit on student participation. These changes would be effective starting in the 2004-05 school year. A technical amendment may be necessary to correct an erroneous cross-reference.

Starting in the 2004-05 school year, it is anticipated that there would be some fiscal effect, indeterminate, as result of this bill's provisions to eliminate the low-income requirements for continuing students and prior year enrollment requirements. It is not anticipated that the number of students participating in the program in the 2004-05 school year would exceed the current law limit of approximately 15,000 students as a result of AB 259. It is not known how many students residing in the city of Milwaukee would become eligible for the program under this bill, would choose to participate and find an available seat at a MPCP private school. However, if the changes were effective in the 2004-05 school year the cost of one additional student to participate in the program would be as follows:

#### Per Student MPCP Cost

2004-05 MPCP State Aid Amount \$5,943\*  
55% funded by GPR \$3,269  
45% funded by MPS \$2,674

The \$3,269 is funded from a sum sufficient general purpose revenue (GPR) appropriation. The remaining \$2,674 is funded by reducing MPS general aid. MPS is allowed to replace the \$2,674 reduction in state general aid with an increase in its property tax levy.

\* May be less if a school's per pupil cost as determined in the school's financial information report is lower than the state aid amount.

While the Department believes the number of new students that would participate in the program due to these provisions is indeterminate, Partners Advancing Values in Education (PAVE), a private organization providing scholarships to students at private schools has estimated that 650 students it currently provides scholarships for would be eligible for MPCP payments if this bill was passed. Using PAVE's numbers, the cost to the state for an additional 650 now PAVE-funded students to participate in the MPCP would be as follows:

#### Estimated Additional MPCP Cost:

Number of Newly-Eligible Students: 650  
Total MPCP Cost: \$3,862,950  
55% funded by GPR: \$2,124,622  
45% funded by MPS: \$1,738,328

## **Long-Range Fiscal Implications**

It may be reasonable to assume that in future biennia participation in the program could exceed the current law limit of 15,000 students due to normal program growth and the expanded eligibility provisions of this bill.