

Fiscal Estimate Narratives

DPI 9/2/2003

LRB Number	03-2953/1	Introduction Number	AB-472	Estimate Type	Original
Subject					
Milwaukee Parental Choice Program; income limit					

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. 2003 AB 472 would modify current law by increasing the income limit for students participating in the program to 220% of the federal poverty level (FPL).

If this provision had been in effect for the 2003-04 school year the income limit would have increased as follows:

Household Size/175% of FPL/220% of FPL/Increase

1/\$15,924/\$20,018/\$4,094

2/\$21,460/\$26,977/\$5,517

3/\$26,996/\$33,936/\$6,940

4/\$32,532/\$40,895/\$8,363

5/\$38,068/\$47,854/\$9,786

6/\$43,604/\$54,813/\$11,209

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 increase the low-income requirement. 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. The cost of one additional student to participate in the program would be as follows:

Per Student MPCP Cost in 2004-05

2004-05 MPCP State Aid Amount \$5,943*

55% funded by GPR \$3,269

45% funded by MPS \$2,674

* 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.

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.

Long-Range Fiscal Implications

It is 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.