

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3468/1	Introduction Number AB-698
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Subject
 Enrollment of UW-Parkside charter school

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

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
<input checked="" type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	

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)(fm)	

Agency/Prepared By DPI/ Michael Bormett (608) 266-2804	Authorized Signature Michael Bormett (608) 266-2804	Date 10/25/2005
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Fiscal Estimate Narratives

DPI 10/25/2005

LRB Number 05-3468/1	Introduction Number AB-698	Estimate Type Original
Subject Enrollment of UW-Parkside charter school		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, school boards may enter into contracts with individuals, groups, businesses, or governmental bodies to establish charter schools, which operate with fewer constraints than traditional public schools. Current law also permits the University of Wisconsin–Milwaukee, the University of Wisconsin–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of charter schools.

For the University of Wisconsin–Parkside charter school, current law limits the enrollment to 400 pupils. This bill increases the limit to 480 pupils beginning in the 2006–07 school year. In 2005-06, this charter school is projected to enroll approximately 390 pupils.

State Fiscal Effect

By increasing by 80 the number of pupils eligible to enroll in the UW-Parkside 2r charter school and receiving state aid for their attendance, this bill would increase the state's costs of funding this school. The specific increase in the state's funding to the charter school would be fully offset by a reduction in general school aids available to all 426 school districts.

The following example provides information related to the cost of a single additional newly eligible pupil enrolling in a 2r charter school if this bill were effective in the 2005-06 school year:

Per Student 2r Charter School Cost

2005-06 2r charter school state aid amount: \$7,519
Statewide local property taxpayers share: \$7,519

While the actual number of additional pupils is indeterminate, the total maximum effect of AB 698 on charter school state aid cost, if in effect in 2005-06: $\$7,519 \times 80 = \$601,520$.

Local Fiscal Effect

Under current law, payments to 2r charter schools are fully offset by a proportionate reduction in the general equalization aids of all 426 public school districts. By increasing the number of pupils eligible to enroll in the UW-Parkside 2r charter school, each school district's general equalization aid would be proportionally reduced by the additional amount the 2r charter school appropriation is increased. As calculated above, the maximum impact would have been \$601,520 in 2005-06 for up to 80 additional pupils.

Under revenue limits, school districts may levy property taxes to make up for the amount of equalization aid lost due to these increased 2r charter school payments. Given the multitude of factors involved in computing general equalization aid, it is not possible to predict the impact of any additional local property tax for any particular school district. Therefore, the local fiscal effect of this bill upon individual property taxpayers is indeterminate.

Long-Range Fiscal Implications