

Fiscal Estimate Narratives

DPI 10/25/2005

LRB Number	05-3014/3	Introduction Number	AB-631	Estimate Type	Original
Subject					
Tribal Charter School Authorizing Board					

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. 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 [under Wis. Stat. s 118.40 (2r)] (2r charter schools) directly or to contract for the operation of charter schools. Only pupils who reside in the school district in which a 2r charter school is located may attend the charter school.

This bill creates an independent state agency, the Tribal Charter School Authorizing Board. The board consists of one member representing each of Wisconsin's 11 federally recognized American Indian tribes and bands, appointed by and serving at the pleasure of the governing body of each tribe. The bill authorizes the board to contract for the establishment of charter schools, also under s. 118.40 (2r). The bill requires that any charter school established be located on reservation or off-reservation trust land. Only pupils who reside in the attendance area established by the board for that charter school may attend the charter school.

State fiscal effect:

In 2005-06, there are 14 charter schools operated by University of Wisconsin-Milwaukee, the University of Wisconsin-Parkside, the Milwaukee Area Technical College, or the city of Milwaukee (2r charter schools).

This bill could increase the number of 2r charter schools and therefore increase the number of pupils eligible to enroll in 2r charter schools. By increasing the number of schools and pupils eligible to enroll in these charter schools and allowing these schools to receive state aid for their attendance, the bill would increase the state's costs of funding 2r charter schools. The increase in the state's costs would be dependent upon the number of newly eligible pupils enrolling in new 2r charter schools above and beyond the projected enrollments for the current 2r schools. The specific increase in the state's funding to the charter schools would be fully offset by a reduction in general school aids available to all 426 school districts. The number of new 2r charter schools that would be created under this bill is indeterminate.

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

Given the multitude of factors involved in computing general equalization aid, it is not possible to predict the impact of any additional property tax for any particular school district.

Long-Range Fiscal Implications