

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2408/2	Introduction Number AB-947
Description The establishment of charter schools by certain colleges or universities	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<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)(ac) and 20.255(2)(fm)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DPI/ Jennifer France (608) 266-1344	Michael Bormett (608) 266-2804
Date	
2/10/2006	

Fiscal Estimate Narratives

DPI 2/10/2006

LRB Number	05-2408/2	Introduction Number	AB-947	Estimate Type	Original
Description The establishment of charter schools by certain colleges or universities					

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 2r charter schools) directly or to contract for the operation of charter schools. With certain exceptions, only pupils who reside in the school district in which an independent charter school is located may attend the charter school. The operators of the independent charter schools receive state aid for each pupil attending the charter school.

This bill authorizes any college or university that is located on reservation or off-reservation trust land and that is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, to establish or contract for the establishment of 2r charter schools. The bill requires that any charter schools established be located on reservation or off-reservation trust land. Only pupils who reside in the school district in which the charter school is located may attend the charter school.

Currently, the 2r charter program is funded from a separate, GPR sum sufficient appropriation established for that purpose. The cost of the payments from the appropriation is offset by a lapse from the general school aids appropriation to the general fund in an amount equal to the estimated payments under the program. The Department of Public Instruction (DPI) is required to proportionately reduce the general school aids from which each of the 426 school districts is eligible to be paid by an amount totaling the charter lapse. A school district's revenue limit calculation is not affected by the charter school aid reduction. Thus, a school district can increase its property tax levy to offset any aid reduction made related to the charter program.

In 2005-06, there are 15 2r charter schools operated by the University of Wisconsin-Milwaukee, the University of Wisconsin-Parkside, and the city of Milwaukee. Independent charter schools receive \$7,519 per pupil in the 2005-06 school year. Statewide local property taxpayers' share of this cost is \$7,519, or 100 percent, of the per pupil cost.

State Fiscal Effect:

This bill could increase the number of 2r charter schools and could therefore increase the number of pupils eligible to enroll in 2r charter schools. These numbers, however, are indeterminate. 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 could increase the state's costs of funding 2r charter schools by \$7,519 per eligible pupil enrolled. However, the DPI's administrative costs associated with increasing the number of charter schools could be absorbed within the agency's budget.

Local Fiscal Effect:

The number of new independent charter schools and pupils that would be created under this bill is indeterminate. Therefore, the amount of school districts' general school aid reduced under this bill is unknown. Furthermore, the extent to which pupils could leave school districts to attend independent charter schools, and thus, reduce public school district membership for general school aid and revenue limits would also be unknown.

Long-Range Fiscal Implications