

### Fiscal Estimate - 2007 Session

Original       Updated       Corrected       Supplemental

LRB Number <b>07-3684/5</b>		Introduction Number <b>AB-0697</b>
<b>Description</b> virtual charter schools		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" 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 checked="" 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 type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input checked="" type="checkbox"/> Cities
<input type="checkbox"/> Counties	<input checked="" type="checkbox"/> Others	University of Wisconsin
<input checked="" type="checkbox"/> School Districts	<input checked="" 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)(ac), (2)(fm)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DPI 1/15/2008

LRB Number	07-3684/5	Introduction Number	AB-0697	Estimate Type	Original
<b>Description</b> virtual charter schools					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 697 specifies that if a pupil attends a virtual charter school, a person who provides educational services to the pupil in the pupil's home, other than staff of the virtual charter school, is not required to hold a teaching license or permit. Current law provides that a charter school established by a school board must be located in the school district; an independent charter school established by the city of Milwaukee, the University of Wisconsin – Milwaukee, or the Milwaukee Area Technical College must be located in the city of Milwaukee, and an independent charter school established by the University of Wisconsin – Parkside must be located in a unified school district that is located in the county in which the University of Parkside is situated or in an adjacent county. This bill provides that these restrictions do not apply to virtual schools.

Under current law, only pupils who reside in the school district in which an independent charter school is located may attend the charter school. This bill exempts virtual charter schools from that restriction. Current law provides that if the University of Wisconsin – Parkside establishes a charter school, the state must pay a sum to the unified school district in which it is located to reimburse the school district for the reduction in state aid resulting from the loss of pupils to the charter school. This bill provides that this payment does not apply if the charter school established is a virtual charter school. The bill provides that if a pupil who is not a resident of this state attends a virtual charter school established by or under contract with a school board in this state, the school board must charge the pupil tuition in an amount equal to at least the amount used for the per pupil state aid adjustment under the Open Enrollment Program. Finally, the bill clarifies that a pupil may attend a charter school in a nonresident school district through the Open Enrollment Program.

State: AB 697 will have an indeterminate fiscal effect on the Department of Public Instruction in that it could increase the amount of applications for open enrollment, and could potentially increase the number of appeals the Department would have to review. In addition, since this bill increases the number of schools and pupils eligible to enroll in 2r charter schools (since the bill would exempt the virtual charter schools from needing to be located within the City of Milwaukee and UW Parkside from needing to be located in a unified school district that is located in the county or in an adjacent county) and allows 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 virtual charter schools above and beyond the projected enrollments for the current 2r schools. The specific increase in the state's funding to these charter schools would be fully offset by a reduction in general school aids available to all 426 school districts. The number of new virtual 2r charter schools that would be created under this bill is indeterminate.

Local: This bill could increase the number of new virtual charter schools. However, this number is indeterminate, as is the number of pupils who would transfer to virtual charter schools from other school districts, private schools, and home-based private education programs. Therefore, the effect on revenue limit authority, both statewide and in individual school districts, is indeterminate. In addition, the number of new virtual 2r charter schools that would be created under this bill is indeterminate. Therefore, the amount of school districts' general school aid reduced under this bill is unknown, as is the impact on local school property taxes. 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. The number of students attending virtual schools is steadily increasing since the first virtual schools were created in 2002, with the majority of the students attending the virtual schools being non-residents of the chartering districts. The virtual charter schools receive the open enrollment transfer amount of \$6,043 per FTE pupil in 2007-08 for each non-resident pupil.

### Long-Range Fiscal Implications