

Fiscal Estimate Narratives

DPI 3/12/2010

LRB Number	09-4078/1	Introduction Number	AB-0772	Estimate Type	Original
Description Creating an Office of School Standards and Licensure in the city of Milwaukee and requiring all public schools and certain private schools in the city of Milwaukee to obtain a license in order to operate					

Assumptions Used in Arriving at Fiscal Estimate

City of Milwaukee Office of School Standards and Licensure:

This bill establishes an Office of School Standards and Licensure (office) in the city of Milwaukee (city) headed by a person appointed by the Mayor to serve at his or her pleasure. The bill requires that no school may be operated in the city unless an operating license has been issued for the school by the office. The bill defines "school" as a public school operated by the Board of School Directors (board or MPS), a charter school operating in the city, and a private school participating in the Milwaukee Parental Choice Program (MPCP). Under the bill, the board, the governing body of each private school participating in the MPCP, and the operator of each charter school located in the city must apply to the office for an operating license.

The bill establishes two classes of operating licenses that must be obtained from the office in the following order: 1.) a provisional operating license, which may not be renewed; and 2.) a permanent operating license, which may be renewed. The bill establishes criteria that must be met to obtain a provisional operating license and criteria that must be met to obtain a permanent operating license. 2009 AB-772 also sets duties of the office regarding rule-making to govern implementation of the inspection and licensure program, specifies what steps the office must take when receiving an application for an operating license, and requires the office to make announced and unannounced inspections of each school for which an operating license is or may be or has been issued. The bill requires the office to annually submit a comprehensive written report detailing the policies, operations, revenues, and expenditures of the office, and summarizing the licensing decisions of the office to the Governor, the appropriate standing committees of the Legislature, the State Superintendent, the city Common Council, and the Mayor of the city.

State Fiscal Effect: This portion of the bill does not assign new responsibilities to the Department of Public Instruction. To the extent the office established in the bill authorizes fewer 2r charter or MPCP schools to operate, the state may have reduced costs in payments to such schools. In addition, the number of approved schools in MPS could affect its eligible shared costs, which could result in a redistribution of state school aid. Those impacts are indeterminate.

Local Fiscal Effect: The department does not have access to information that would indicate how much cost would be incurred by the City of Milwaukee to establish and operate the Office of School Standards and Licensure. Therefore, the local cost for this portion of the bill is indeterminate. The number of schools approved to operate in MPS by the office could affect the district's shared costs, which could affect the amount of state school aid received. This effect is indeterminate.

Changes to Full-time Open Enrollment Program:

AB 772 eliminates the two criteria related to the special educational needs of children with disabilities from the list of permissible criteria for the acceptance or rejection of a nonresident pupil whose resident school district is MPS. The bill also requires MPS to limit the number of its resident pupils attending public school in other school districts under the Open Enrollment Program to the number of resident pupils attending public school in other school districts in the 2009–10 school year.

State Fiscal Effect: There will be no state fiscal effect. While the distribution of state school aids could change, the same amount of overall dollars will be available.

Local Fiscal Effect: Indeterminate. This bill could affect the distribution of state school aids. In the case of open enrolled pupils, the resident school district needs to pay the open enrollment tuition (which is estimated to be \$6,443 per pupil for the 2009-10 school year) to the non-resident district. The resident district retains revenue limit authority for that pupil. AB 772 would prohibit non-resident school districts from denying a pupil

from MPS an open enrollment spot due to his/her special education needs. This could result in more MPS pupils with special education needs attempting to open enroll to other neighboring districts. Non-resident, suburban districts could be faced with the need to hire additional special education teachers, purchase additional special education materials or equipment, or create new special education programs to accommodate the MPS pupils that open enroll there. These effects are indeterminate.

Language in AB 772 would limit the number of pupils that can open enroll out of MPS in the 2010-11 school year to the number that did in the 2009-10 school year. Non-resident districts must notify open enrollment applicants whether or not their applications have been approved or denied in early April 2010. Under the bill, if more MPS pupils were accepted by nonresident districts to attend under OE for 2010-11 rather than 2009-10, the bill directs the board of directors of MPS to randomly determine which students would maintain their OE eligibility, and which would have their applicants revoked.

Long-Range Fiscal Implications