

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4266/1	Introduction Number AB-0865
Description limit on the number of pupils who may attend a private school under the Milwaukee Parental Choice Program.	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" 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 checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" 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 checked="" 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)(fu)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DPI/ Michael TeRonde (608) 266-5186	Michael Bormett (608) 266-2804
Date	
3/31/2010	

Fiscal Estimate Narratives
DPI 3/31/2010

LRB Number 09-4266/1	Introduction Number AB-0865	Estimate Type Original
Description limit on the number of pupils who may attend a private school under the Milwaukee Parental Choice Program.		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the number of pupils who may attend a private school under the Milwaukee Parental Choice Program (MPCP, or program) is limited to 22,500. This bill will modify current law by eliminating the cap on MPCP enrollment, beginning in 2010-11.

Per Student MPCP cost:

Effective for the 2010-2011 school year, the cost of one additional pupil to participate in the program allowed under current law is \$6,442 or the private school's operating and debt service cost per student, whichever is less. For purposes of this analysis, \$6,442 will be used. (The total per pupil figure may be less if a school's per pupil cost as determined in the school's financial information report is lower than the state aid amount.) Of this amount of aid, 61.6% (\$3,968) will be funded from state GPR under a sum sufficient appropriation; the remaining 38.4% (\$2,474) will be funded from a reduction in state general aid to Milwaukee Public Schools (MPS). MPS is allowed to replace the \$2,474 reduction in general state aid with an increase in its property tax levy.

State Fiscal Effect:

While the department believes that the number of new students who would participate in this program in the bill was enacted is indeterminate, the following table provides three possible enrollment scenarios.

Scenario 1 -- 1,000 additional pupils enroll in MPCP:

Total Fiscal Effect: \$6,442,000 (1,000 times \$6,442)
61.6% State GPR Effect: \$3,968,272
38.4% MPS Aid Reduction and Amount of Permissive Property Tax Increase: \$2,473,728

Scenario 2 -- 2,000 additional pupils enroll in MPCP:

Total Fiscal Effect: \$12,884,000 (2,000 times \$6,442)
61.6% State GPR Effect: \$7,936,544
38.4% MPS Aid Reduction and Amount of Permissive Property Tax Increase: \$4,947,456

Scenario 3 -- 3,000 additional pupils enroll in MPCP:

Total Fiscal Effect: \$19,326,000 (3,000 times \$6,442)
61.6% State GPR Effect: \$11,904,816
38.4% MPS Aid Reduction and Amount of Permissive Property Tax Increase: \$7,421,184

Also, additional pupils would result in increased agency program administrative costs (more applications and more parent checks to process).

Local Fiscal Effect:

The bill could result in a reduction of MPS' general equalization aid in 2010-11 compared to what it would otherwise receive under current law. Since the bill would not directly affect the MPS revenue limit calculation, the MPS school board would have to determine whether it would increase its property tax levy to replace the additional reduction in state general aid. These effects are dependent on the number of additional pupils that would participate in the MPCP above 22,500 FTE in 2010-11. Therefore the local fiscal effect of this bill is indeterminate.

Long-Range Fiscal Implications

To the extent that the increased number of students allowed to participate in the MPCP as a result of this bill would have otherwise attended MPS, MPS' revenue limit would be decreased under current law.