

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2649/1	Introduction Number AB-0323	
Description Reduction in school aid to the Milwaukee Public Schools to offset costs of the Milwaukee Parental Choice Program		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input 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		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 Affected Ch. 20 Appropriations <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)		
Agency/Prepared By DPI/ Donald Smith (608) 267-2003	Authorized Signature Michael Bormett (608) 266-2804	Date 10/2/2013

Fiscal Estimate Narratives

DPI 10/2/2013

LRB Number	13-2649/1	Introduction Number	AB-0323	Estimate Type	Original
Description Reduction in school aid to the Milwaukee Public Schools to offset costs of the Milwaukee Parental Choice Program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the estimated cost of the payments made to the private schools participating in the Milwaukee Parental Choice Program (MPCP) is partially offset by a reduction in the general school aid otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 38.4 percent of the cost.

Beginning in the 2013–14 school year, the 38.4 percent aid reduction is reduced by 3.2 percentage points each year, resulting in a total phase-out of the aid reduction in 12 years.

This bill requires a 9.6 percentage point reduction each year, resulting in a four-year phase-out of the MPS aid reduction.

The difference in reduction in school aid to MPS between current law and the proposed bill is detailed in the attached table (assuming annual pupil growth of five percent and a flat per pupil payment).

Local:

Assuming an annual growth in the number of pupils in the program of five percent and a flat per pupil payment, the total amount of general school aid reductions to MPS over 12 years will be lowered by \$358,565,885.

State:

Assuming an annual growth in the number of pupils in the program of five percent and a flat per pupil payment, the total GPR paid by the state over 12 years will be increased by \$358,565,885.

Long-Range Fiscal Implications

2013-15 Assembly Bill 323

School Year	Total Cost	Percent Reduction Current Law	MPS Aid Reduction Current Law	Percent Reduction Proposed	MPS Aid Reduction Proposed	Difference
2012-13	150,742,800	38.40%	57,885,235	38.40%	57,885,235	0
2013-14	164,271,000	35.20%	57,823,392	28.80%	47,310,048	10,513,344
2014-15	197,808,400	32.00%	63,298,688	19.20%	37,979,213	25,319,475
2015-16	207,698,820	28.80%	59,817,260	9.60%	19,939,087	39,878,173
2016-17	218,083,761	25.60%	55,829,443	0.00%	0	55,829,443
2017-18	228,987,949	22.40%	51,293,301	0.00%	0	51,293,301
2018-19	240,437,347	19.20%	46,163,971	0.00%	0	46,163,971
2019-20	252,459,214	16.00%	40,393,474	0.00%	0	40,393,474
2020-21	265,082,175	12.80%	33,930,518	0.00%	0	33,930,518
2021-22	278,336,283	9.60%	26,720,283	0.00%	0	26,720,283
2022-23	292,253,097	6.40%	18,704,198	0.00%	0	18,704,198
2023-24	306,865,752	3.20%	9,819,704	0.00%	0	9,819,704
2024-25	322,209,040	0.00%	0	0.00%	0	0
Total	3,129,100,838		521,679,467		163,113,583	358,565,885

*Projection assumes a 5 percent growth in each year beginning with 2015-16.

*Assumes the per pupil payment is flat in future years based on current statute which has no ongoing increase in the per pupil revenue limit or categorical aids.