

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2902/2	Introduction Number AB-0377	
Description Accountability provisions for private schools participating in a parental choice program and requiring the exercise of rule-making authority		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input 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 checked="" 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 <u>0</u> <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		
Affected Ch. 20 Appropriations		
20.255 (2) (fr), 20.255 (2) (fu), and 20.255 (1) (f)		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 11/20/2013

LRB Number	13-2902/2	Introduction Number	AB-0377	Estimate Type	Original
Description Accountability provisions for private schools participating in a parental choice program and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes a number of changes to the law governing the Milwaukee Parental Choice Program, the Racine Parental Choice Program, and the statewide parental choice program (parental choice programs). The changes are to take effect in the 2014–15 school year.

Family income for pupil eligibility

Current law permits a pupil to attend a participating private school under the Racine Parental Choice Program or the Milwaukee Parental Choice Program if the pupil resides in the Racine Unified School District (RUSD) or the Milwaukee Public School District (MPS), respectively, and the family income of the pupil does not exceed 3.0 times the federal poverty level. 2013 Wisconsin Act 20 (the biennial budget bill) (Act 20) established a new parental choice program under which a pupil who resides in a school district other than RUSD or MPS may, beginning in the 2013–14 school year, attend a participating private school if the family income of the pupil does not exceed 1.85 times the federal poverty level. Under each parental choice program, if the family income of a pupil who is attending a private school under the program increases, the pupil may continue to attend a private school under the program.

Under this bill, beginning in the 2014–15 school year, no pupil whose family income exceeds 1.85 times the federal poverty level may attend a participating private school under any of the parental choice programs. The bill makes no changes to the provisions governing a pupil who is attending a private school under the program and whose family income increases.

Per pupil payments

Under current law, in the 2013–14 school year, for each pupil enrolled in a private school under a parental choice program, the department must pay to the private school an amount equal to the private school's per pupil operating and debt service cost that is related to educational programming (educational costs) or \$6,442

(the maximum payment per pupil), whichever is less. Also under current law, in the 2014–15 school year, the maximum payment per pupil increases to \$7,210 for a pupil enrolled in a grade from kindergarten to 8 and to \$7,856 for a pupil enrolled in a grade from 9 to 12.

Beginning in the 2014–15 school year, if a private school enrolls pupils under a parental choice program in any grade from K to 8 and also in any grade from 9 to 12, current law prohibits the department from determining separate educational costs for pupils enrolled in grades K to 8 and for pupils enrolled in grades 9 to 12. Instead, the maximum payment per pupil for that school would be an amount determined by: (a) multiplying the number of pupils enrolled in the school under a choice program in any grade from K to 8 by the maximum payment amount for those grades; (b) multiplying the number of pupils enrolled in the school under a choice program in any grade from 9 to 12 by the maximum payment amount for those grades; (c) adding those two amounts together; and (d) dividing that sum by the total number of pupils enrolled in the school under a parental choice program.

Finally, under current law, beginning in the 2015–16 school year, the maximum per pupil payment in any given school year is equal to the maximum per pupil payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

This bill eliminates these methods for determining per pupil payments to participating private schools. Under this bill, beginning in the 2014–15 school year, for each pupil enrolled in a private school under a parental choice program, the department must pay the lesser of the following: a) the private school's per pupil educational costs; b) a rolling average of the tuition paid by a pupil attending the private school, but not under a parental choice program, in the current and two preceding school years; or c) \$6,442..

Teacher licensure

With certain exceptions, current law requires that the teachers and administrators employed by a private school participating in a parental choice program have at least a bachelor's degree from an accredited institution of higher education. The teachers and administrators are not required to be licensed by the department.

With certain exceptions, this bill requires that all instructional staff of private schools participating in a parental choice program hold a license or permit issued by the department. "Instructional staff" means all professional employees who have as part of their responsibility direct contact with pupils or with the private school's instructional program.

Reading readiness assessments of participating pupils

Under current law, in the 2013–14 school year, each school board and the governing body of each independent charter school must assess each pupil enrolled in four-year-old kindergarten to first grade for reading readiness. Beginning in the 2014–15 school year, each school board and charter school governing board must annually assess each pupil enrolled in four-year-old kindergarten to second grade for reading readiness.

This bill extends these requirements to private schools participating in a parental choice program. The requirements apply only to those pupils attending the private school under the program. The bill also authorizes the state superintendent of public instruction to issue an order barring a private school from participating in a parental choice program if it violates the requirement described above.

Criteria for awarding a high school diploma to participating pupils

Current law requires the governing body of each private school participating in a parental choice program to develop a policy specifying criteria for granting a high school diploma to pupils attending the school under the program. The criteria must include the pupil's academic performance and the recommendations of teachers. The private school may not grant a high school diploma to any pupil attending the school under the program unless the pupil satisfies the criteria specified in the policy.

Beginning in the 2014–15 school year, this bill requires a private school participating in a parental choice program to include in its policy the requirements for granting a high school diploma to public school pupils. These requirements include earning a specified minimum number of credits in certain subjects and, in grades 9 to 12, being enrolled in a class or participating in an activity approved by the school board during each class period of each school day.

The bill also authorizes the state superintendent of public instruction to issue an order barring a private school from participating in a parental choice program if the private school fails to include these new requirements in its high school graduation policy.

Corporal punishment of pupils enrolled in a participating private school

Under current law, no official, employee, or agent of a school district (school employee) may subject a pupil enrolled in the school district to corporal punishment. Current law defines corporal punishment to mean the intentional infliction of physical pain which is used as a means of discipline." Current law permits a school employee to use reasonable and necessary force under certain circumstances, including to obtain possession of a weapon from a pupil, protect the safety of others, or quell a disturbance. Each school board must establish a policy to outline the circumstances in which a school employee may use reasonable and necessary force.

This bill extends these provisions regarding corporal punishment to private schools participating in a parental choice program, and permits the state superintendent to issue an order barring the private school from participating in a parental choice program for the current school year if the private school fails to comply with these provisions.

Expulsion of pupils from participating private schools

Under current law, a pupil may be expelled from a public school for repeatedly violating school rules; making a bomb threat; or endangering or threatening to endanger the property, health, or safety of others. A pupil who has a firearm at school must be expelled for at least one year. Before expelling a pupil, the school board must provide a hearing at which the pupil or his or her parent may be represented by an attorney. After the hearing, the school board must issue a written decision, which may be appealed to the state superintendent of public instruction.

This bill directs the department to promulgate rules establishing a procedure for the expulsion of pupils attending a private school under a parental choice program by the governing body of the private school. The rules must adhere as closely as feasible to the statutory provisions governing the expulsion of pupils from public schools.

The bill also authorizes the state superintendent to issue an order barring a private school from participating in a parental choice program for the current school year if the private school violates the rules described above.

Regular building inspection of certain participating private schools

Under current law, before a private school may participate in a parental choice program, the private school must submit to the department a copy of the certificate of occupancy (certificate) issued for the private school building by the municipality within which the private school is located. If the municipality does not issue certificates, the private school may submit either a certificate issued by a local or regional governmental unit with authority to issue such a certificate or a letter or form from the municipality that explains that the municipality does not issue certificates.

This bill requires a private school located in a municipality that does not issue certificates to annually obtain a building inspection of the school building.

Miscellaneous other provisions

Under current law, the department may only release data related to enrollment of, standardized test results for, and other information related to pupils participating in a parental choice program all at the same time, uniformly, and completely. This bill eliminates this requirement.

This bill requires a private school participating in a parental choice program to permit public inspection and copying of any record of the private school that relates to pupils attending the private school under the program to the same extent as required of, and subject to the same terms and enforcement provisions that apply to, a school board. The bill authorizes the department to issue an order barring the private school from participating in the parental choice program for the current school year if the private school violates this requirement.

This bill requires that a private school be located in this state in order to participate in a parental choice program.

This bill provides that a private school may participate in a parental choice program only if it has been in operation for the attendance of pupils for at least two school years. The bill also provides that no more than 49 percent of a private school's enrollment may consist of pupils attending the private school under a parental choice program.

Currently, a private school participating in a parental choice program must schedule two meetings each year at which members of the school's governing board will be present and at which pupils and prospective pupils and their parents may meet and communicate with the members of the governing board.

This bill requires a private school participating in a parental choice program to hold at least one such meeting each month. The bill requires that the meetings be open to the public and that the private school provide public notice of the meetings in the same manner as notice of meetings of governmental bodies is required to be provided. Finally, the bill authorizes the department to issue an order barring the private school from participating in the parental choice program for the current school year if the private school violates these requirements.

Family income for pupil eligibility

The department does not track exact income levels of pupils in the parental choice program other than that the pupil qualifies for the program.

Local:

The percentage of pupils applying to the existing Milwaukee and Racine parental choice programs fall between 1.85 and 3.0 times the federal poverty level is unknown. Therefore, the exact impact on private schools participating is indeterminate.

State:

The percentage of pupils applying to the existing Milwaukee and Racine parental choice programs fall between 1.85 and 3.0 times the federal poverty level is unknown. Therefore, the exact impact on the state is indeterminate.

Per pupil payments

2013 Wisconsin Act 20 provided \$ 21,085,000 GPR for the increase in per pupil payments in the 2014-15 school year. This bill would repeal the increase in per pupil payments.

Local:

Private schools participating in parental choice programs would receive an estimated \$21,085,000 less in payments in 2014-15 than under current law.

State:

The department would pay private schools participating in parental choice programs an estimated \$21,085,000 less in 2014-15 than under current law.

Teacher licensure

Local:

Private schools may have a reduced supply of teachers that are properly licensed to teach. They may also have to pay more to individuals now that those individuals need to complete an education program. However, it is unknown how many licensed teachers are available relative to demand and whether individuals completing education programs are cheaper to hire than current private school teachers. Thus, the cost is indeterminate. It is also unknown how many licensed teachers are currently employed in private schools participating in a parental choice program.

State:

The Department will have to absorb the costs of licensing additional instructional staff. It is unknown how many new private school instructional staff would need to be licensed, and would have to pay the required licensing fee. Thus, costs and revenue to the department are indeterminate.

Reading readiness assessments of participating pupils

Local:

Private schools participating in a choice program would incur staff cost for training and for administering the reading assessments. The cost is indeterminate.

State:

Utilizing current enrollment numbers, the state would incur \$86,449 in additional costs for reading assessments in 2013-14 and \$79,439 in additional costs in 2014-15. These costs are based on current grade level enrollments in Milwaukee and Racine private schools participating in a choice program of: 2,123 pupils in 4 Year-Old Kindergarten, 2,400 pupils in 5 Year-Old Kindergarten, 2,251 pupils in 1st grade, and 2,091 pupils in 2nd grade and test costs of \$12.76 per assessment in 2013-14 and \$8.96 per assessment in 2014-15.

Growth in the existing choice programs and statewide expansion would increase costs under this bill at a rate of \$12.76 per pupil for 2013-14 and \$8.96 per pupil in 2014-15. It is unknown what percentage of pupils enrolling in the statewide expansion currently attends public schools in Wisconsin. Any increase in cost at

private schools participating in the choice program for these pupils would be offset by a corresponding decrease in the public schools those pupils previously attended. The overall fiscal impact on the state is indeterminate.

Criteria for awarding a high school diploma to participating pupils

Local:

It is unknown what percentage of existing private schools participating in a parental choice program already meet the criteria established in this bill. A private school that does not meet the criteria may incur some costs in updating their graduation requirements. A private school may also need to hire additional staff or staff with different expertise to meet the requirements. The overall fiscal impact on private schools is indeterminate.

State:

There is no fiscal impact on the department.

Corporal punishment of pupils enrolled in a participating private school

Local:

Private schools would be required to establish a policy to outline the circumstances in which a school employee may use reasonable and necessary force. The cost for private schools to establish a policy is indeterminate.

State:

There is no fiscal impact on the department.

Expulsion of pupils from participating private schools

Local:

It is unknown how many private schools participating in a parental choice program already have an expulsion policy that will meet any requirements established under this bill. Therefore it is unknown how many private schools participating in a parental choice program will need to change their expulsion policy under this bill. The cost to private schools to change such policies is indeterminate.

It is unknown how many pupils would be expelled under policies established in compliance with this bill, and of those pupils, how many would request a hearing. The potential cost for legal services related to any hearings is indeterminate.

State:

The department is required to promulgate rules under this bill. The cost to promulgate these rules is indeterminate and is expected to be absorbed within the department's existing budget.

It is unknown how many pupils may be expelled from private schools participating in a parental choice program as a result of the rules promulgated under this bill. An increase or decrease in expulsions as compared to under current law would result in a corresponding increase or decrease to GPR payments made to private schools participating in parental choice programs. The overall change in GPR payments is indeterminate.

Regular building inspection of certain participating private schools

Local:

It is unknown how many private schools currently or prospectively participating in a parental choice program are located in a municipality that does not issue occupancy certificates. It is also unknown the cost of an annual inspection in the communities that private schools are physically located. The overall cost to private schools participating in a parental choice program of this provision is indeterminate.

State:

There is no fiscal impact on the state.

Release of private school data by the department

Local:

There is no fiscal impact to private schools.

State:

All costs to release information regarding private schools participating in a parental choice program will be absorbed within the department's existing budget under both current law and this bill. Thus, there is no fiscal impact on the department.

Public inspection of records

Local:

Private schools participating in parental choice programs would be required to make certain records accessible for public review. Private schools participating in a parental choice program may experience additional staff tasks around providing this access. The overall fiscal impact to private schools participating in a parental choice program is indeterminate.

State:

There is no fiscal impact on the department.

Physical location of private schools participating in a parental choice program

Local:

There is no fiscal effect on local school districts.

State:

To the extent that this provision reduces the number of available seats in private schools participating in the parental choice program than would be available under current law, it could reduce state per pupil payments to eligible schools. This effect is indeterminate.

Percentage enrollment of voucher pupils in private schools

Local:

This bill would result in 96 private schools that participated in a parental choice program in 2012-13 to either reduce the number of pupils accepted through the program to get below the 49 percent threshold or close entirely. This would result in up to 23,600 fewer pupils in choice program (23,455 in Milwaukee and 155 in Racine), however the exact number is indeterminate.

Private schools participating in parental choice programs could receive up to \$152,031,200 less in funding in the 2013-14 school year under this bill.

It is unknown how many pupils no longer receiving a voucher would return to the public school system, stay in the private school but pay tuition, or choose another option. For each pupil returning to the public school system, the member count and revenue limit authority in the pupil's school district would increase. These increases, and the resulting decrease in per member property value, would result in a redistribution of general equalization aids statewide and a potential property tax increase to recover reduced aid.

Under current law Milwaukee Public School District (MPS) has its general equalization aid reduced to fund 38.4 percent of the cost of the parental choice program. Under this bill the aid reduction could be up to \$57,996,553 less in the 2013-14 school year.

Under current law no school district other than MPS has its general equalization aid reduced to fund a portion of the cost of the parental choice program.

State:

This bill would result in 96 private schools that participated in a parental choice program in 2012-13 to either reduce the number of pupils accepted through the program to get below the 49 percent threshold or close entirely. This would result in up to 23,600 fewer pupils in choice program, however the exact number is indeterminate.

Under current law state GPR fund 61.6 percent of the cost of the Milwaukee parental choice program and 100.0 percent of the parental choice program in other districts. Under this bill the state would pay private schools participating in parental choice programs up to \$94,034,647 GPR less in funding in the 2013-14 school year.

Requirements for public meetings by private schools participating in a parental choice program

Local:

Boards of private schools participating in the parental choice program would be required to have 12 public meetings per year, an increase of 10 meetings over the current requirement. The cost for a private school board to hold a public meeting is indeterminate. In addition, it is unknown if any private schools participating in the parental choice program already hold more than the required 2 meetings per year. Therefore the cost to private schools participating in parental choice programs is indeterminate.

State:

There is no fiscal impact on the department.

Long-Range Fiscal Implications