

Fiscal Estimate Narratives

DPI 9/14/2015

LRB Number	15-3103/2	Introduction Number	AB-0332	Estimate Type	Corrected
Description Pupil participation limit in the statewide parental choice program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the limit on the total number of pupils residing in a school district who may participate in the statewide parental choice program (pupil participation limit) in the 2015-16 and 2016-17 school years is 1 percent of the school district's membership (as used for general aid calculation purposes) in the previous school year. Beginning with the 2017-18 school year, the district-specific pupil participation limit increases one percentage point each school year until the limit reaches 10 percent in the 2025-26 school year, after which there is no pupil participation limit in the statewide parental choice program.

This bill creates an exception to the pupil participation limit described above. The exception allows a pupil who attended a private school under the statewide parental choice program in the previous year to attend a private school under the statewide parental choice program if the pupil's application to attend a private school under the statewide parental choice program is not accepted because the pupil's resident school district has exceeded its pupil participation limit. In other words, this bill creates the equivalent of a "grandfather clause", in order to ensure that pupils who had already participated in the statewide choice program are not made ineligible to participate in the program in the subsequent school year due to the results of the random selection process, which is required under state law when the total number of applicants exceeds the district specific pupil participation limit.

Pupils who would become eligible to participate in the statewide choice program in the 2015-16 school year as a result of the modifications proposed under this bill would be considered "continuing pupils" in the statewide choice program and would be funded directly from the existing GPR sum sufficient appropriation for the statewide choice program under 20.255 (2)(fr). This is in contrast to "incoming choice pupils", who are, by definition under 2015 Act 55, pupils that begin participating in the statewide choice program in the 2015-16 school year or thereafter. Payment for incoming pupils will originate from the same GPR sum sufficient appropriation as for continuing choice pupils; however, the cost to the state's general fund is offset via a reduction to the general state aid payment from the incoming choice pupils' district of residence (aid reductions stay in the appropriation under s.20.255(2)(ac) and lapse back to the state's general fund). In addition, the resident district counts incoming choice pupils for revenue limit and general aid purposes.

In contrast, the continuing choice pupils in the statewide choice program will continue to be directly funded from the GPR sum sufficient appropriation. There will be no offsetting aid reduction to school districts' general aid payments for the continuing choice pupils.

STATE IMPACT

There would be no fiscal impact on the state's general fund resulting from the passage of this bill. This is because the pupils who would become eligible to again participate in the statewide choice program in FY16 were already included in the projected "continuing" choice pupil count for FY16 that was the basis of the estimated GPR required to make payments under the statewide choice program. That is, the cost of the payments on behalf of these continuing choice pupils is already captured within the existing Chapter 20 appropriation under s.20.255(2)(fr), as affected by 2015 Act 55. If this bill fails to become law, the state would forgo savings that otherwise would result from these pupils not continuing as participants in the statewide parental choice program.

LOCAL IMPACT

The exact number of pupils affected by the proposed modifications under this bill for FY16 will not be known with certainty until schools complete the "3rd Friday in September" pupil count, on September 18, 2015 (reports are due from schools on October 1, 2015).

There would be no fiscal impact to school districts as a result of the modifications included in this bill, as the modifications impact the number of pupils paid for only from the state's separate GPR appropriation for the statewide choice program. That is, these pupils would not otherwise have been funded via an aid

reduction to the resident school district, nor would they have been counted by the school district, if the pupil continued to enroll in a private school (as a non-participant in the choice program).

If the bill were NOT to become law, and these pupils were to enroll in a public school in 2015-16, instead of continuing to enroll in a private school as a non-participant in the statewide choice program, then the pupil's resident school district would count the pupil for revenue limit and general aid purposes and would also directly bear the costs of educating the pupil (the same as any other publicly enrolled pupil).

Long-Range Fiscal Implications