

Fiscal Estimate Narratives

DPI 3/5/2015

LRB Number	15-0660/2	Introduction Number	AB-0064	Estimate Type	Original
Description					
Allowing each technical district board to authorize independent charter schools focused on occupational education and training or science, technology, engineering, and math					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, school boards may enter into contracts to establish charter schools, which operate with fewer constraints than traditional public schools. Current law also permits the University of Wisconsin (UW) –Milwaukee, UW–Parkside, Milwaukee Area Technical College (MATC), and the city of Milwaukee to establish charter schools directly or to contract for the operation of charter schools. A charter school established by an entity other than a school board is known as an independent charter school (ICS). This bill allows each technical college district board, including the MATC district board, to authorize an ICS that provide a curriculum focused on occupational education and training or science, technology, engineering, and math. An independent charter technical school must be located within the boundaries of the authorizer’s technical college district or in a county adjacent to the district. This bill does not otherwise affect MATC’s authority under current law to authorize independent charter schools.

Local: If enacted, the bill could result in more independent charter schools in the state, potentially increasing ICS pupil enrollments. There are two ways that increased ICS enrollments could impact public school districts. One, to the extent that the pupils enrolling in the new ICS come from a public school, that school district’s membership, as used for calculation of revenue limits and state General Aid, would be reduced (potential loss of revenue limit authority and aid). Second, to the extent that more pupils are enrolled in an ICS statewide, the state’s total payments to ICS schools would increase. The cost of the payments to ICS schools is born by school district, as a proportionate reduction to the general aid payment for all school districts. Thus, the bill has the potential to increase the ICS related aid reduction to school districts. Because school districts have the ability to increase their levies to offset the ICS aid reduction, the bill could result in higher school tax levies.

It is not possible to estimate at this time the number of pupils that would enroll into new ICS as a result of the bill; thus the local impact is indeterminate.

State: Due to the funding structure for pupils enrolled in an ICS, there is no net impact on the state’s General Fund under the proposed legislation. Rather, assuming the total expenditures for the ICS payments increases as a result of the bill, the result would be increased dollar reductions to school district general aid payments. The impact would be to redistribute state funds between the ICS payments and general aid payments to school districts.

Long-Range Fiscal Implications