

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5053/1	Introduction Number AB-0721
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Description
 the number of independent charter schools authorized by the College of Menominee Nation or the Lac Courte Oreilles Ojibwa Community College

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
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		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DPI/ Erin Fath (608) 266-2804	Authorized Signature Erin Fath (608) 266-2804	Date 11/19/2021
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Fiscal Estimate Narratives

DPI 11/19/2021

LRB Number	21-5053/1	Introduction Number	AB-0721	Estimate Type	Original
Description the number of independent charter schools authorized by the College of Menominee Nation or the Lac Courte Oreilles Ojibwa Community College					

Assumptions Used in Arriving at Fiscal Estimate

This bill eliminates the limit on the total number of charter schools that may be authorized by the College of Menominee Nation and the Lac Courte Oreilles Ojibwa Community College (collectively, tribal colleges).

Under current law, the following entities may contract with a person to operate a charter school (charter school authorizers): the Office of Educational Opportunity in the University of Wisconsin System (OEO), the City of Milwaukee, the chancellor of an institution in the UW System, a technical college district board, the county executive of Waukesha County, and the two tribal colleges specified in statute. A charter school authorized by one of these entities is commonly known as an independent charter school (ICS).

Current law limits the number of ICS that may be authorized by the two tribal colleges to no more than six. Current law does not limit the number of charter schools that may be authorized by the other ICS authorizers, except that the OEO has authority to authorize one "recovery" charter school (for students being treated for substance addiction).

Under current law, DPI makes payments to each ICS on the basis of full time equivalent (FTE) pupils enrolled in the ICS (current year count). For most ICS, the payment for the 2020-21 school year is \$9,201; the per-pupil payment amount is indexed annually according to the change in the revenue limit per pupil adjustment provided to school districts and the per-pupil change from the prior year in appropriated state categorical school aids.

For ICS authorized by a tribal college, the payment is calculated according to a different formula specified in state law. Under Wis. Stat. sec. 118.40 (2r) (f) 1., a the tribal college-authorized ICS receive an amount equal to the "per pupil academic base funding the bureau of Indian education in the federal department of the interior provided to tribal schools under 25 CFR 39.1 to 39.1203 in the previous school year". For the 2020-21 school year, the amount is \$8,853 per FTE pupil. However, there is currently proposed legislation that would change the payments to tribal college-authorized ICS to be equal to that of all other ICS (2021 Assembly Bill 420/Senate Bill 423).

The state makes payments directly to the ICS with state GPR. For the ICS authorized by UW-Milwaukee, the City of Milwaukee, UW-Parkside, and the Milwaukee Area Technical College, the cost of those payments are now fully borne by the state (prior to 2021 Act 58, the costs were offset via a proportionate reduction applied to the general aid payment to all school districts receiving state general aid, and those amounts lapse back to the state's general fund).

For all other ICS authorizers, the cost to the state of the per-pupil payments is completely offset, via a reduction imposed on the state general aid payment made to school districts in which the students attending these ICS reside. These district specific aid reductions then lapse back to the state's general fund, thereby offsetting the state's payments to the ICS. The school district does not have authority to levy property taxes directly for that loss in general aid for the ICS students; however, the school district in which the ICS students reside do include those students as part of the revenue limit pupil count, which contributes to the district's revenue raising authority (under state-imposed school district revenue limits).

If this bill were enacted, the two tribal colleges would have authority to open more than six ICS, which could potentially increase the number of students enrolled in tribal-authorized ICS in the state. This would increase the number (and thus total dollar amount) of payments made to tribal college-authorized ICS, which would then be offset by reductions to school district general aid payments.

Local Fiscal Impact: indeterminate – DPI cannot reasonably project whether the tribal colleges would create more than six ICS if this bill became law, or how many additional students would enroll in tribal college-

authorized ICS as a result; but generally, as the number of students enrolled in tribal college-authorized ICS increases, the deductions to the resident school districts' general aid payments also increase.

Long-Range Fiscal Implications

Indeterminate