

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5985/1	Introduction Number AB-0968
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Description
 creating a Charter School Authorizing Board and allowing the board to authorize independent charter schools

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input checked="" type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input checked="" type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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 2/16/2022
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Fiscal Estimate Narratives

DPI 2/16/2022

LRB Number	21-5985/1	Introduction Number	AB-0968	Estimate Type	Original
Description creating a Charter School Authorizing Board and allowing the board to authorize independent charter schools					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a school board, the Office of Educational Opportunity in the UW System, the City of Milwaukee, the chancellor of an institution in the UW System, a technical college district board, the county executive of Waukesha County, the college of Menominee Nation, and the Lac Courte Oreilles Ojibwa community college may contract with a person to operate a charter school. Those entities are commonly referred to as charter school authorizers, and a charter school established by a charter school authorizer other than a school board is known as an independent charter school (ICS).

This bill creates the Charter School Authorizing Board, attached to the Department of Public Instruction, and expands the entities that may establish independent charter schools to include the CSAB. The CSAB consists of the state superintendent of public instruction, two members appointed by the state superintendent, two members appointed by the governor, and six members, who are not legislators, appointed by the leaders in the senate and assembly. The bill specifies that no appointed member of the CSAB may serve more than two consecutive terms. The bill prohibits the CSAB from promulgating rules and provides that any standard or statement of policy adopted by the CSAB is exempt from the rule-making process.

Under current law, the cost to the state of making payments to ICS authorized by certain entities is offset by a reduction to the school district in which the student attending the ICS resides. The aid reductions lapse to the state's general fund, thereby cancelling out the cost to the state for these ICS.

The school district that incurs the aid reduction includes the ICS pupils in the district's pupil count for revenue limit, thereby generating revenue (tax levy) authority on behalf of the ICS pupil. The district also includes the ICS pupils for general aid purposes, but the inclusion of those ICS does not translate into an equal amount of general aid. The impact of including additional ICS pupils in the general aid pupil count of an individual district's general aid cannot be isolated, as the formula distributes aid based on relative costs per pupil and relative property value per pupil.

Local Fiscal Impact: indeterminate. DPI cannot accurately project the likely number of additional pupils that would enroll in new ICS authorized by the CSAB, as proposed in the bill.

State Fiscal Impact: none (costs of payments to new ICS would be fully offset by aid reductions to school districts).

Long-Range Fiscal Implications