



## Fiscal Estimate Narratives

DPI 2/16/2021

LRB Number	21-1472/1	Introduction Number	SB-041	Estimate Type	Original
<b>Description</b> applications for the full-time open enrollment program in the 2020-21 and 2021-22 school years and the family income requirement for the Wisconsin Parental Choice Program in the 2021-22 school year					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates non-statutory language to modify current law regarding the public school open enrollment (OE) program and the Wisconsin Parental Choice Program (WPCP).

#### Open Enrollment

1. During the 2020-21 and 2021-22 school years, prohibits the resident school district from denying the application for any reason if a pupil submits an application using the alternative application procedure and indicates the reason is for the best interests of the pupil.
2. Eliminates the current law limitation on the number of nonresident school boards to which a pupil may apply under open enrollment (three) for applications for the 2020-21 school year that are submitted under the alternative application procedure and for applications for the 2021-22 school year that are submitted under the standard application procedure or the alternative application procedure.

#### WPCP

For attendance at a private schools under the WPCP in the 2021-22 school year, the bill modifies the family income eligibility requirement for the WPCP to a family income that is no more than 300 percent of the federal poverty level (the same income eligibility requirement for the Racine & the Milwaukee Parental Choice Programs). Under current law, the income eligibility is 220 percent of the federal poverty limit.

For the 2020-21 school year, for each full time equivalent student, the per pupil payment is \$8,300 for students in grades K through 8, and \$8,946 for students in grades 9-12. Under current law, for students who begin participating in the WPCP in 2015-16 or later, the state makes the per pupil payment for the student to the private school, and the school district in which the student is a resident incurs an aid deduction, and an offsetting revenue limit exemption, in an amount equal to the payment made for the WPCP student to the private school.

The current law mechanism for "new" WPCP students allows the district to levy property taxes to offset the aid deduction incurred for the WPCP student. If districts do not levy the amount permitted for a WPCP student, the cost of the aid deduction is in effect borne by the school district, thereby reducing general operating funds for students attending school in the school district.

Assuming the school district levies for the allowable WPCP exemption, the aid deduction is offset with property tax levy. Thus, the fiscal impact of additional students participating the WPCP is felt by property tax payers in school districts. There is no cost to the state for additional new students participating to the WPCP, because the payments made to the private schools are offset by the corresponding aid deductions to public school districts, and those aid deductions lapse back to the state's general fund.

#### Local Fiscal Impact [Indeterminate]

Open Enrollment provisions - the impact on districts will depend on whether more students open enroll into or out of the school district as a result of the bill (the fiscal impact could be a net aid reduction or aid transfer [increase] to the school district). The department cannot reasonably project how open enrollment applications may vary as a result of the bill. Thus the fiscal impact is indeterminate.

WPCP provisions - the bill could result in additional students being determined eligible for the 2021-22 school year, and thus participating in the WPCP. Once a student is deemed eligible for the WPCP they are eligible to remain in the program, regardless of changes in family income. The impact of additional students participating in the WPCP are most likely to be felt by property tax payers. The department is not able to reasonably project

the additional number of WPCP students as a result of the provisions in this bill; thus, the local impact is indeterminate.

**Long-Range Fiscal Implications**