

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-5304/1</b>	<b>Introduction Number</b> <b>AB-1042</b>
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**Description**  
 combining the choice programs and granting rule-making authority

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" 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		
<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
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 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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.255 (1) (a)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Erin Fath (608) 266-2804	Erin Fath (608) 266-2804	2/5/2024

Fiscal Estimate Narratives

DPI 2/5/2024

LRB Number	23-5304/1	Introduction Number	AB-1042	Estimate Type	Original
<b>Description</b> combining the choice programs and granting rule-making authority					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill modifies current law to combine state statutes related to the state's three private school parental choice programs (Milwaukee, Racine, and Wisconsin programs). Specifically, under the bill, beginning in the 2026-27 school year, DPI would administer the three parent choice programs as a single program, created under the bill as the Private School Choice Program (PSCP).

The bill creates a reenrollment process for students continuing in the PSCP where students continuing in the PSCP at the same school do not need to apply to the PSCP for the next school year. This bill does not change the underlying student eligibility requirements or program funding. The bill makes other in the PSCP related to virtual instruction, physical location of the private schools, substitute teaching permit, financial audit (fiscal and internal control practices report), and initial requirements for newly participating private schools.

The bill also includes changes to the Special Needs Scholarship Program (SNSP) to make certain program requirements more consistent with those of the three parental choice programs. The proposed changes for the SNSP are related to accreditation, financial audit (fiscal and internal control practices report), teacher certification, and the ability for a student to opt out of participating in any religious activity.

**State Fiscal Impact**

The bill creates additional position authority in DPI to implement the proposed changes and to maintain ongoing work related to the private school choice program: 2.0 full time equivalent (FTE) permanent civil service positions. However, the bill does not provide additional budget authority (funding) for the positions. The department anticipates that information technology (IT) work will be required to update the application systems and administrative systems in order to implement the changes under the bill.

Because the bill does not include additional budget authority for the two position or for IT work, DPI would need to make a request to the Joint Committee on Finance, under Wis. Stat. sec. 13.10, to release state funds for these purposes. The budget authority increase would occur in DPI's general program operations appropriation, under Wis. Stat. sec. 20.255 (1) (a). DPI estimates those costs as follows:

1.0 FTE School Administration Consultant: \$116,600 for salary/fringe benefit costs and \$17,400 for fixed costs/desktop support (total of \$134,000 annually\*).

1.0 FTE IS Systems Development Services Specialist: \$127,900 for salary/fringe benefit costs and \$18,300 for fixed costs/desktop support (total of \$146,200 annually\*).

Total personnel cost for both positions: \$280,200 annually\*.

\*The personnel costs do not include the impact of future general wage adjustments or account for turnover savings; these factors are addressed in the standard budget adjustments that occur every two years within the state's biennial budget process.

**Information Technology Work (update applications/systems)**

Five contractor positions at \$87.00/hour and 2,080 hours/year (total of \$904,800 for all five contractor positions, annually). DPI estimates that the IT contractors would be working for three years, meaning the totally cost associated with the work would be \$2,714,400 over three years.

IT contractor positions:

- 1 Scrum Master/Product Owner
- 2 Application Developers (1 Senior)
- 1 Business Analyst

## 1 Quality Assurance

### Combined Costs

As shown in the attached work sheet, the breakdown of the estimated costs are as follows:

- Salary and fringe benefit costs: \$244,500 (annually)
- Supplies and services: \$1,185,000 (annually) [includes \$35,700 in fixed/desktop support for the two permanent positions and \$904,800 annually for contractor positions).

### **Long-Range Fiscal Implications**

Ongoing personnel costs for the two permanent positions.

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 23-5304/1	<b>Introduction Number</b> AB-1042	
<b>Description</b> combining the choice programs and granting rule-making authority		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$244,500	\$
(FTE Position Changes)	(2.0 FTE)	
State Operations - Other Costs	940,500	
Local Assistance	0	
Aids to Individuals or Organizations	0	
<b>TOTAL State Costs by Category</b>	<b>\$1,185,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	1,185,000	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,185,000	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Erin Fath (608) 266-2804	Erin Fath (608) 266-2804	2/5/2024