



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

2017

Joint Committee on Finance

Paper #516

Independent Charter School Program Reestimate (Public Instruction -- Choice, Charter, and Open Enrollment)

[LFB 2017-19 Budget Summary: Page 361, #19]

CURRENT LAW

Under the independent charter school program, the City of Milwaukee, UW-Milwaukee, and UW-Parkside currently operate or contract to operate charter schools, and DPI pays the operators of these schools a statutorily-determined per pupil amount each year (\$8,188 in 2016-17). The per pupil payment under the program in a given year is equal to the sum of the prior year's payment plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive.

Payments to these schools are funded from a sum sufficient appropriation from the general fund. The cost of these payments is offset by a lapse of an equal amount from the general school aids appropriation to the general fund. By law, DPI is required to proportionally reduce the general aid for which each school district is eligible by an amount totaling the estimated payments for these charter schools. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions.

GOVERNOR

Delete \$9,727,200 GPR in 2017-18 and \$4,542,400 GPR in 2018-19 as a reestimate of sum sufficient funding for the independent charter school program. Total funding would decrease from base level funding of \$76,967,200 in 2016-17 to \$67,240,000 in 2017-18 and \$72,424,800 in 2018-19. The reestimate assumes that 8,000 pupils in 2017-18 and 8,400 pupils in 2018-19 will participate in the program and that, based on the revenue limit and categorical aid provisions in the bill, the per pupil payment under the program would increase from \$8,188 in 2016-17 to \$8,405 in 2017-18 and \$8,622 in 2018-19, a \$217 annual increase in each year.

(Base level funding for the independent charter school program was set at \$76,967,200 as part of the sum sufficient reestimates done in January of 2016. Using more recent enrollment estimates, under the October 15, 2016, general school aids distribution prepared by DPI, independent charter school program expenditures were estimated to be \$62,222,800 in 2016-17.)

MODIFICATION

Delete \$3,362,000 GPR in 2017-18 and \$3,448,800 GPR in 2018-19, and reduce the related proportional aid reduction by equal amounts, to reflect projected enrollment in the program.

Explanation: Based on more recent information on the enrollment in and status of the independent charter schools, it is estimated that total enrollment will be 7,600 pupils in 2017-18 and 8,000 pupils in 2018-19. The reestimate uses the charter payments of \$8,405 per pupil in 2017-18 and \$8,622 per pupil in 2018-19 under the bill.

	Change to	
	Base	Bill
GPR	- \$21,080,400	- \$6,810,800
Aid Reduction	<u>- 21,080,400</u>	<u>- 6,810,800</u>
Net GPR	\$0	\$0

Prepared by: Russ Kava