



## Fiscal Estimate Narratives

DPI 10/14/2021

LRB Number	21-3553/1	Introduction Number	SB-608	Estimate Type	Original
<b>Description</b> the prior year pupil attendance requirement to participate in the Racine Parental Choice Program or the statewide parental choice program and allowing a pupil who changes residence to transfer from the Racine Parental Choice Program or Milwaukee Parental Choice Program to the statewide parental choice program					

### Assumptions Used in Arriving at Fiscal Estimate

This bill expands eligibility for the Wisconsin Parental Choice Program (WPCP) and the Racine Parental Choice Program (RPCP) by adding an additional prior year attendance eligibility provision for those programs, by adding a provision that allow students that participated in the Special Needs Scholarship Program to meet the prior year attendance requirement.

This bill also allows students to transfer their application to the WPCP if the school accepted a MPCP or RPCP application for the student no later than the last weekday in July, the school verified the application was eligible, and the student moved after the last weekday in April and by the 3rd Friday in August. This bill would allow the application to transfer to the WPCP provided there is space at the school, the student met the eligibility requirements at the time of application, and, if changing to the WPCP, the income requirements for the WPCP are met. In addition, the WPCP limits on student participation (no more than seven% from each school district for the 2022-23 school year) may not be exceeded.

For the current school year, 2021-22, the bill provides that transfer requests for MPCP and RPCP applications received by April 2021 can be made between November 1 and no later than November 12, 2021. Transfer students in 2021-22 would be funded by GPR (General Purpose Revenue).

For subsequent school years, students that transfer under the provisions in the proposed bill would be funded with a resident school district general aids deduction if they did not participate in the RPCP or WPCP prior to the 2015-16 school year. It is not known how many students may move and request a transfer of their application.

State Impact: Indeterminate

The bill could impact GPR expenditure for FY22 for student transfers described in the bill that occur between November 1 – November 12; however, DPI cannot accurately estimate the fiscal impact to the state without knowing how many transfer applications would be submitted.

Local: Indeterminate

The bill could impact the number of students the participating in the various private school parent choice programs. State payments for students enrolled in a private choice school are the same for the MPCP, RPCP, and MPCP (\$8,336 for grades K-8 and \$8,982 for grades 9-12). Generally, for the RPCP and WPCP, the payments to the private school are offset by a reduction to the state aid payment for the school districts in which the choice students reside, and the school district receives an adjustment on its revenue limit to offset the aid reduction (i.e., can levy property taxes to replace the lost aid). To the extent that students transfer an application from the RPCP or MPCP program to a WPCP private school, the state resources and the resulting property tax levy impact associated with those transfers is shifted among school districts. DPI cannot accurately estimate the fiscal impact to the state without knowing how many transfer applications would be submitted.

For the MPCP, the aid reduction is specific to the Milwaukee Public School (MPS) district and MPS is permitted to levy for that aid reduction; however, the MPS aid reduction is a portion of the total cost for MPCP students, and that portion is decreasing each year until it reaches 0 percent in the 2024-25 school year. Thus, for the MPCP, the state is covering an increasing share of the costs for the program, until it is paid for entirely with state resources by the 2024-25 school year. To the extent that the bill results in fewer students enrolled in an MPCP private school (due to a transfer to a WPCP school), there could be fewer students for whom the state pays the full cost. DPI cannot project how many students would transfer and therefore cannot project t

## Long-Range Fiscal Implications