



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #512

Open Enrollment Transportation Aid (DPI -- Categorical Aids)

[LFB 2021-23 Budget Summary: Page 473, #21]

CURRENT LAW

Under the full-time open enrollment program, a pupil may attend a public school outside their school district of residence, if their parent or guardian complies with certain application dates and procedures. The pupil's parent is responsible for transporting the pupil to and from the school, except that if a child with disabilities requires transportation under their individual education plan, the nonresident district must provide transportation for the child. A district is allowed to provide transportation for any nonresident or resident pupil participating in the open enrollment program.

Parents of pupils who are eligible for the federal free or reduced-price lunch program may apply to DPI for reimbursement of transportation costs. (In 2020-21, a child in a family of four with an income of less than \$48,470 qualifies for a free or reduced-price lunch.) DPI determines the reimbursement amount, which may not exceed the parent's actual costs or three times the statewide average per pupil transportation costs, whichever is less. By the second Friday following the first Monday in May, DPI is required to provide each parent an estimate of the amount of reimbursement that the parent will receive in the following school year.

Base level funding of \$454,200 GPR is appropriated for open enrollment transportation aid. If the appropriation is insufficient, payments are prorated.

DISCUSSION POINTS

1. The open enrollment program began in the 1998-99 school year, with funding provided for transportation aid. Funding in the early years of the program was sufficient to fully fund eligible transportation claims. Funding was first prorated in 2002-03, when \$500,000 was appropriated for this aid.

2. While the appropriation has, during its history, also funded transportation aid at various times for the part-time open enrollment program and dual enrollment programs, almost all of the eligible claims and funding have been under the full-time open enrollment program.

3. Table 1 shows, for each year since 2008-09, the number of families submitting claims for open enrollment transportation aid and total approved eligible claims for the aid.

TABLE 1

Open Enrollment Transportation Aid Participation and Claims

	<u>Families Submitting Claims</u>			<u>Approved Eligible Claims</u>		
	<u>Families</u>	<u>Change to Prior Year</u>		<u>Claims</u>	<u>Change to Prior Year</u>	
<u>Amount</u>		<u>Percent</u>	<u>Amount</u>		<u>Percent</u>	
2008-09	840			\$1,011,900		
2009-10	1,107	267	31.8%	1,475,900	\$464,000	45.9%
2010-11	914	-193	-17.4	1,334,300	-141,600	-9.6
2011-12	796	-118	-12.9	1,378,400	44,100	3.3
2012-13	842	46	5.8	1,418,400	40,000	2.9
2013-14	924	82	9.7	1,571,800	153,400	10.8
2014-15	1,094	170	18.4	1,757,200	185,400	11.8
2015-16	1,296	202	18.5	2,164,000	406,800	23.2
2016-17	1,237	-59	-4.6	2,048,000	-116,000	-5.4
2017-18	1,537	300	24.3	2,433,600	385,600	18.8
2018-19	1,324	-213	-13.9	2,189,100	-244,500	-10.0
2019-20	1,313	-11	-0.8	1,824,900	-364,200	-16.6

4. Table 2 shows, for the same time period, the amount appropriated for open enrollment transportation aid, approved eligible claims, and the resulting proration rate.

TABLE 2**Open Enrollment Transportation Aid Appropriation History**

	<u>Appropriation</u>	<u>Approved Eligible Claims</u>	<u>Proration Rate</u>
2008-09	\$500,000	\$1,011,900	49.4%
2009-10	482,500	1,475,900	32.7
2010-11	482,500	1,334,300	36.2
2011-12	434,200	1,378,400	31.5
2012-13	434,200	1,418,400	30.6
2013-14	434,200	1,571,800	27.6
2014-15	434,200	1,757,200	24.7
2015-16	434,200	2,164,000	20.1
2016-17	434,200	2,048,000	21.2
2017-18	454,200	2,433,600	18.7
2018-19	454,200	2,189,100	20.7
2019-20	454,200	1,824,900	24.9

5. Table 3 shows the average approved claim and the average claim payment for each year, as well as the difference between the two.

TABLE 3**Open Enrollment Transportation Aid Claims and Payments**

	<u>Approved Claim</u>	<u>Average Claim Payment</u>	<u>Difference</u>
2008-09	\$1,205	\$595	-\$610
2009-10	1,333	436	-897
2010-11	1,460	528	-932
2011-12	1,732	545	-1,187
2012-13	1,685	516	-1,169
2013-14	1,701	470	-1,231
2014-15	1,606	397	-1,209
2015-16	1,670	335	-1,335
2016-17	1,656	351	-1,305
2017-18	1,583	296	-1,287
2018-19	1,653	343	-1,310
2019-20	1,390	346	-1,044

6. While there is annual variation in the number of families submitting claims, approved claims, and claim payments, the general trend has been toward a steeper prorate and lower average claim payments. To the extent that families with lower incomes would be unable to pay the unfunded portion of their claims, it could deter them from participating in the program, effectively reducing the available educational opportunities for children.

7. The bill would provide \$645,700 in 2021-22 and \$759,400 in 2022-23 over base level funding for open enrollment transportation aid. The administration estimates that the requested funding would fund 50% of eligible claims for each year of the biennium, assuming a 10% annual increase in approved eligible claims.

8. Any number of options exist to provide additional funding for this aid, if the Committee chooses. The alternatives present four options to provide funding for estimated proration rates of 25%, 30%, 35%, and 50% of eligible claims. The actual prorate will likely differ based on actual claims submitted and approved.

ALTERNATIVES

1. Provide \$97,800 in 2021-22 and \$153,000 in 2022-23 for open enrollment transportation aid, which would result in an estimated proration rate of 25% in each year.

ALT 1	Change to Base
GPR	\$250,800

2. Provide \$208,200 in 2021-22 and \$274,500 in 2022-23, which would result in an estimated proration rate of 30% in each year.

ALT 2	Change to Base
GPR	\$482,700

3. Provide \$318,600 in 2021-22 and \$395,900 in 2022-23, which would result in an estimated proration rate of 35% in each year.

ALT 3	Change to Base
GPR	\$714,500

4. Provide \$645,700 in 2021-22 and \$759,400 in 2022-23, which would result in an estimated proration rate of 50% in each year.

ALT 4	Change to Base
GPR	\$1,405,100

5. Take no action.

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