

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-5665/1</b>	<b>Introduction Number</b> <b>SB-964</b>
------------------------------------	--

**Description**  
 Creating a Charter School Authorizing Board and allowing the board to authorize independent charter schools

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
  - 2.  Decrease Costs
  - 3.  Increase Revenue
  - 4.  Decrease Revenue
- 5. Types of Local Government Units Affected
  - Towns
  - Counties
  - School Districts
  - Village
  - Others
  - WTCS Districts
  - Cities
- Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Erin Fath (608) 266-2804	Erin Fath (608) 266-2804	2/16/2022

## Fiscal Estimate Narratives

DPI 2/16/2022

LRB Number	<b>21-5665/1</b>	Introduction Number	<b>SB-964</b>	Estimate Type	<b>Original</b>
<b>Description</b> Creating a Charter School Authorizing Board and allowing the board to authorize independent charter schools					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a school board, the Office of Educational Opportunity in the UW System, the City of Milwaukee, the chancellor of an institution in the UW System, a technical college district board, the county executive of Waukesha County, the college of Menominee Nation, and the Lac Courte Oreilles Ojibwa community college may contract with a person to operate a charter school. Those entities are commonly referred to as charter school authorizers, and a charter school established by a charter school authorizer other than a school board is known as an independent charter school (ICS).

This bill creates the Charter School Authorizing Board, attached to the Department of Public Instruction, and expands the entities that may establish independent charter schools to include the CSAB. The CSAB consists of the state superintendent of public instruction, two members appointed by the state superintendent, two members appointed by the governor, and six members, who are not legislators, appointed by the leaders in the senate and assembly. The bill specifies that no appointed member of the CSAB may serve more than two consecutive terms. The bill prohibits the CSAB from promulgating rules and provides that any standard or statement of policy adopted by the CSAB is exempt from the rule-making process.

Under current law, the cost to the state of making payments to ICS authorized by certain entities is offset by a reduction to the school district in which the student attending the ICS resides. The aid reductions lapse to the state's general fund, thereby cancelling out the cost to the state for these ICS.

The school district that incurs the aid reduction includes the ICS pupils in the district's pupil count for revenue limit, thereby generating revenue (tax levy) authority on behalf of the ICS pupil. The district also includes the ICS pupils for general aid purposes, but the inclusion of those ICS does not translate into an equal amount of general aid. The impact of including additional ICS pupils in the general aid pupil count of an individual district's general aid cannot be isolated, as the formula distributes aid based on relative costs per pupil and relative property value per pupil.

Local Fiscal Impact: indeterminate. DPI cannot accurately project the likely number of additional pupils that would enroll in new ICS authorized by the CSAB, as proposed in the bill.

State Fiscal Impact: none (costs of payments to new ICS would be fully offset by aid reductions to school districts).

### Long-Range Fiscal Implications