

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2660/1	Introduction Number AB-1036
Description aid for driver education courses, granting rule-making authority, and making an appropriation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>	
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>	
Fund Sources Affected Affected Ch. 20 Appropriations <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 (2) (en)	
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Date 4/4/2018	

Fiscal Estimate Narratives

DPI 4/4/2018

LRB Number	17-2660/1	Introduction Number	AB-1036	Estimate Type	Corrected
Description aid for driver education courses, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Public Instruction to reimburse school districts, operators of independent charter schools, and private schools participating in parental choice programs for providing a driver education course to pupils who are least 16 years old and have at least a 2.3 grade point average (GPA), if the district or school offers a driver education course.

For purposes of reimbursing a private school participating in a parental choice program, the bill requires DPI to reimburse the private school only for those pupils who meet the criteria and are attending the private school under the parental choice program.

To estimate the potential current costs of fully funding driver education in school districts, as provided for under the bill, this estimate reviewed both public and private driving educations programs.

Sun Prairie High School currently offers a quarter credit for classroom instruction. Since the course is for high school credit there is no fee charged to the student. According to school officials it costs the district about \$125 to \$130 per student for the classroom portion only.

CESA 2, which offers a large program with many school districts contracting through them, charges \$400 for a package of classroom and Behind-The-Wheel (BTW) instruction, comprised of \$150 for classroom and \$250 for BTW instruction. Students who take the classroom portion online are charged an additional \$25 fee.

Private driver training schools:

AAA charges approximately \$400 for both classroom and BTW instruction combined.

Four Lakes Driving School, located in the Madison area, charges \$450 for a classroom and BTW instruction package or \$300 for BTW instruction only.

Currently, pupils who are age 16 through 19 comprise approximately 21.5% of statewide enrollments in public schools, independent charter schools and private parental choice schools (for FY16, this translates into about 185,250 pupils). It is unknown how many of the currently 16 to 19 year pupils enrolled in public schools, independent charter schools and private parental choice schools would enroll in a driver education course, as some of those pupils may have already obtained a driver's license, some may not meet the 2.3 GPA eligibility requirement (for a district to be aided), and some may choose not to enroll even if eligible.

An alternate approach to estimate the potential cost of the proposed aid program is to assume that participation would mirror the rates of participation when the prior law driver education aid program was in place. The highest participation rate (as a percent of statewide membership) was 4.8 percent. The Department does not have sufficient information to project the proportion of age-eligible pupils that would likely meet the minimum 2.3 GPA requirement; however, the participation rate could be reduced to 4.0% to account for some pupils not being eligible under the GPA criteria. Applying 4.0% to the FY16 statewide membership in public schools, and enrollments in independent charter schools and private parental choice schools, a projected 35,841 pupils might represent the upper limit of enrollments in driver education courses offered by school districts, independent charter schools and private parental choice schools.

State:

At a cost estimate of \$130 per pupil for classroom only instruction, this would translate into \$4,659,300; at a cost of \$300 per pupil for combined classroom and BTW instruction, this would translate into

\$10,752,300. Thus, because the bill provides for a sum-sufficient appropriation, state expenditures in the initial years of the proposed aid program could range from roughly \$4.66 million to \$10.75 million, under the assumptions presented above. The cost could be lower if not all districts or schools offer driver education courses. Currently about 33% of school districts (134 out of 423) offered driver education in FY 17. At this rate of participation, costs could range from \$1.54 million to \$3.55 million. However, in FY 03, participation was much higher at 77% (presumably because school districts were aided at that time). At this level of participation by districts/schools, the costs could range from \$3.59 million to \$8.28 million.

Local:

Under the bill, school districts, independent charter school operators, and private parental choice schools would be eligible to be reimbursed for the full costs of offering driver education courses for pupils who are at least age 16 and have a minimum GPA of 2.3. Any aid received by the school district, independent charter school operator and private parental choice school would offset actual costs, under the bill as proposed. This state aid would be received outside the revenue limit (for public school districts) and beyond the current law per pupil payments for independent charter schools and private parental choice schools; thus representing additional expenditure capacity. To the extent that a school district currently use state general aid or property tax revenue (received under the cap) to pay the costs associated with driver education courses, the provision of state aid outside of the revenue limit cap for drivers education would have the effect of freeing up controlled revenues for other purposes.

Long-Range Fiscal Implications

This sum-sufficient state expenditure beginning in FY 19 would be an ongoing state expenditure unless changed in the future by the legislature.