**Private School Voucher Financial Impacts**

**(Website links updated on June 30, 2016)**

**2015-16**

Beginning in 2015-16, state law directs DPI to include *NEW* students attending a private school with a state funded voucher for the purpose of: (a) determining a new non-recurring revenue limit exemption (Line 10.H.); (b) reducing a district’s state aids payment in June 2016; and (c) increasing a district’s 2015-16 membership used for state aid purposes in 2016-17.

The private school voucher funding mechanism is complicated. DPI will make the membership adjustments and calculate the revenue limit and state aid impacts.  Districts do *NOT* report the private school voucher student counts to DPI.  Districts do *NOT* calculate the financial impacts related to the private school voucher students.  DPI will provide both the membership and financial details to the school districts.

The 2015-16 financial impacts can be viewed by going to the SFS Team page at [**http://dpi.wi.gov/sfs**](http://dpi.wi.gov/sfs) and going to the “Latest Information” section on the right side. Once at that location, select “[Private Voucher School Financial Impacts](http://sfs.dpi.wi.gov/sites/default/files/imce/sfs/xls/2015-16%20Choice%20Revenue%20Limit%20Authority%20and%20State%20Aid%20Reduction%20by%20District-Sort%20Alpha.xlsx)”. The district details can be viewed [**here**](http://dpi.wi.gov/sites/default/files/imce/sfs/xls/2015-16%20FINAL%20Choice%20Revenue%20Limit%20Authority%20and%20State%20Aid%20Reduction%20by%20District-Sort%20Alpha.xlsx). This information lists each school district alphabetically by district name and contains both the final 2015-16 equalization aid reduction and the non-recurring revenue limit exemption amount included on Line 10.H. of the 2015-16 revenue limit worksheet.

State law requires private schools to receive voucher payments ($7,214 for students in grades K-8 and $7,860 for students in grades 9-12) based on current year information.  For 2015-16 payments, the 3rd Friday in September 2015 and the 2nd Friday in January 2016 are the student count dates used to calculate the payment for NEW or “incoming” pupils.  The voucher schools are paid 1/2 the annual payment based on the 3rd Friday in September student count and 1/2 the annual payment based on the 2nd Friday in January student count. Private schools have annual student membership audits and DPI will adjust the payments based on audited information.

**Student Privacy**

DPI will not be providing school districts with the names of students that are receiving a private school voucher. In many cases, there are too few students receiving a voucher from each school district and to release the name would compromise student confidentiality. DPI has created a process to assist private schools in properly identifying the school district of **residence. For additional information see the** [**WPCP Residency Documentation Bulletin**](https://www.google.com/url?q=http://dpi.wi.gov/sites/default/files/imce/sms/Choice/WPCP%2520Residency%2520Bulletin%25202015-16.pdf&sa=U&ved=0ahUKEwi9h4byh97JAhWCMz4KHYOhAhsQFggEMAA&client=internal-uds-cse&usg=AFQjCNGmbqL_s5ssqp9g3zRAW6AYlrN0lQ)or at[**http://dpi.wi.gov/sites/default/files/imce/sms/Choice/WPCP%20Residency%20Bulletin%202015-16.pdf**](http://dpi.wi.gov/sites/default/files/imce/sms/Choice/WPCP%20Residency%20Bulletin%202015-16.pdf)Private schools are required to have annual student membership audits and DPI staff review these audits.

**WUFAR Coding**

The expenditure for the state aid reduction for the private school vouchers should be coded to Object 387 Function 438000 in Fund 10.  The certified state equalization aid should be recorded at its gross amount using Source 621.

***Debit****: Function 438000 Object 387 – General Voucher Amount Parental Choice Private School Payments*

***Credit****: Fund 10 Source 621 – General Equalization Ai*

 **Revenue Limit Levy Authority**

It is important to note that if a school board chooses to levy less than the private school voucher non-recurring revenue limit authority, the following year’s revenue limit carry-over total will be reduced dollar for dollar. In other words, this new non-recurring revenue limit exemption is treated the same way as other non-recurring revenue limit exemptions if a school board chooses to levy less than the maximum allowed.

How the expenditure for the state aid reduction for the private school vouchers impacts a district’s shared costs will depend on how much additional tax is levied per the non-recurring exemption.  In addition, DPI will adjust a school district’s 2015-16 aid membership to include the final audited private school voucher students.

**2016-17**

In 2016-17, the nonrecurring revenue limit exemption will equal the corresponding reduction in the state aid the district will receive. Because each student who qualifies under this program is part of a nonrecurring revenue limit exemption in the current year, the student must qualify again in the coming school years. If that same student qualifies for this program in the future they will be included again in the same manner.

Beginning in 2016-17, state law directs DPI to increase each of the 142 districts’ 2015-16 membership used for state aid purposes by the number of “incoming voucher students”. The addition of 2,186 FTE private school voucher students to state aid membership will result in a redistribution of the 2016-17 state aids that could impact all school districts.

**Other Related Law Changes**

* If the school district did not receive an equalization aid payment sufficient to cover the voucher aid reduction, the balance is reduced from other state aid received by the district.

* In 2015-16 and 2016-17, the total number of pupils residing in the district who could participate in the choice program from each district is limited to no more than 1% of the district’s prior year membership. Beginning in the 2017-18 school year, the enrollment limit will increase by one percentage point in each year until the enrollment limit reaches 10% of the district’s prior year enrollment. In the year after the limit reaches 10%, no enrollment limit would apply.

* Each participating private voucher school is required to report the following information to DPI following the close of the application period in each year: (a) the number of pupils who have applied to attend the private school under the statewide choice program; and (b) the applicants who are siblings of pupils who have applied. If the number of applications from any district exceeds the number of available slots from that district, DPI is required to select pupils from that district by random draw, giving preference to pupils as established in the law.

Source: Department of Public Instruction, School Financial Services Team, June 30, 2016