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Private School Voucher Funding and the Impact on School Districts

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Agenda

- Revenue Limits
- General School Aids
- Private School Choice Programs (Vouchers)
- Voucher Impacts
- School Board Options
- Questions

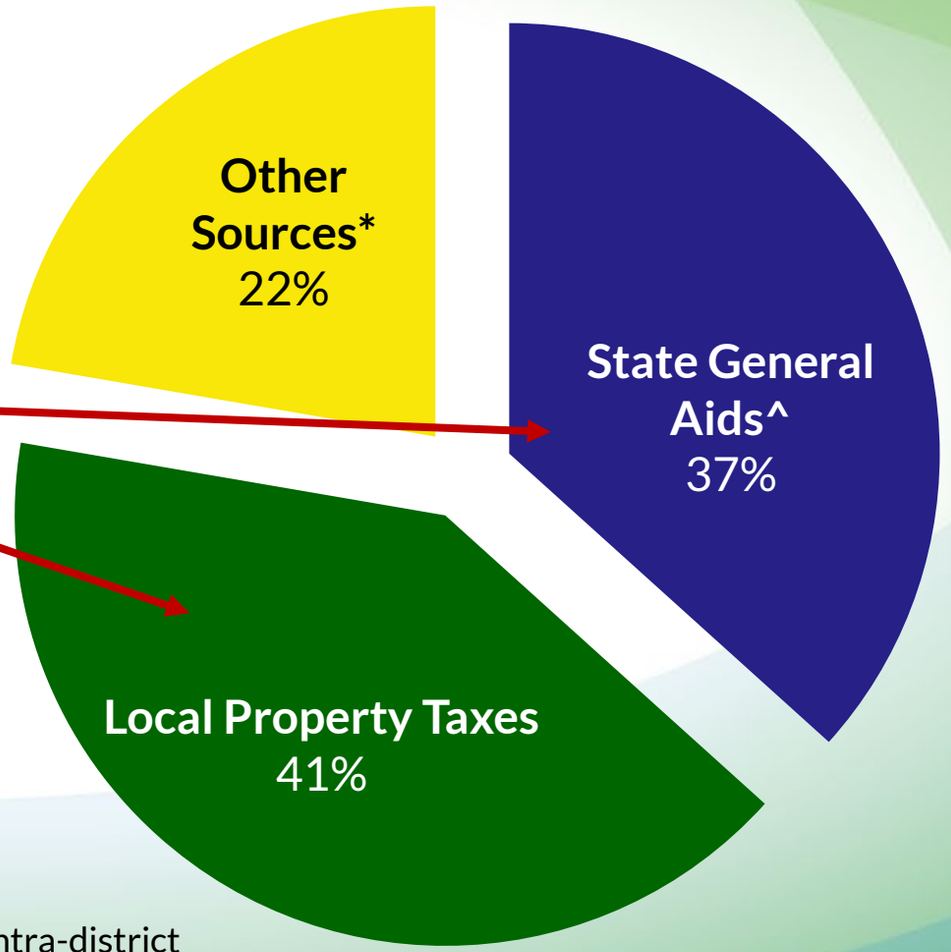
Revenue Limits, State Aids and Controlled Property Tax Levies

Revenue Limit − **State Aid** (General + High Poverty + Computer + Exempt Personal Property) = **Controlled Property Tax Levy**

Importance of Revenue Limit Revenue

<u>CONTROLLED</u>

Although the mix of aid and taxes is different across districts, the Revenue Limit can control 70-90% of the General Fund revenue budget!



^ State General Aids includes: equalization aid, special adjustment aid, inter-district & intra-district aids, and high poverty aid (i.e., state aids received under the districts' revenue limit caps).

* Other Sources include: state categorical aids, federal aid, and non-property tax local revenue (i.e., revenue received outside of the districts' revenue limit caps).

What is Controlled or "Within" Revenue Limits?

- **Regulates Revenues for Funds 10, 38 and 41**
  - General Fund (10)
    - Property Tax Levy
    - General State Aid
    - Computer Aid
  - Non-Referendum Debt Service Fund (38)
    - Property Tax Levy
  - Capital Projects Fund (41)
    - Property Tax Levy

What is "Outside" Revenue Limits?

- Categorical Aids (Special Education, Per Pupil Aid, Library, Transportation, AGR, Sparsity, etc.)
- State and Federal Grants
- Student Fees, Gate Receipts, and Donations
- Tax Levy for Referendum Approved Debt Service Fund (39)
- Tax Levy for Community Service Fund (80)

Revenue Limit Membership

- **Membership Does <u>Not Equal</u> Students in Seats**
  - Includes residents attending School Board authorized charter schools (type of public school)
  - Includes resident Open Enrollment (OE) students attending elsewhere
  - Includes resident students attending New/Other independent charter schools
  - Pro-rates for part-time students, such as four year-old Kindergarten
  - 40% of Summer School FTE

Revenue Limit Membership

2020-21	2021-22	2022-23
Membership	Membership	Membership
Sept 2018		
Sept 2019	Sept 2019	
Sept 2020	Sept 2020	Sept 2020
	Sept 2021	Sept 2021
		Sept 2022

- Notice how an on-going membership change must be in place for 3 years before the full impact is realized in the revenue limit membership calculation.

Revenue Limit Formula

Resident Membership (FTE) × $ per member + On-going and one-time exemptions = Revenue Limit Authority

<u>Three-Year Average</u>
September Full Time Equivalency (FTE)
40% Summer School
New Independent Charter School

Revenue Limit Formula

Resident Membership (FTE) × $ per member + On-going and one-time exemptions = Revenue Limit Authority

Amounts differ between school districts

"Low Revenue Ceiling" creates minimum

Legislature determines state-wide per-member annual adjustments

"Recurring" (On-going) exemptions create district-specific increases

Allowable Exemptions to the Revenue Limit

What are the most common Exemptions to expand a district's specific revenue limit?

- Non-Recurring Exemptions (one time annual)
  - Make this year's revenue increase
    - Declining Enrollment
    - "Hold Harmless"
    - Private School Vouchers (WPCP, RPCP and SNSP)
    - Energy Efficiency
    - Non-Recurring Referendum
- Recurring Exemptions (ongoing permanent)
  - Makes this + future years' revenue increase
    - Transfer of Service
    - Recurring Referendum

What Exemptions Does Your District Have?

- Non-Recurring Exemptions (one time annual)
  - Make this year's revenue increase
    - Declining Enrollment
    - "Hold Harmless"
    - Private School Vouchers (WPCP, RPCP and SNSP)
    - Energy Efficiency
    - Non-Recurring Referendum
- Recurring Exemptions (ongoing permanent)
  - Makes this + future years' revenue increase
    - Transfer of Service
    - Recurring Referendum

1	**DISTRICT:**	Madison Metropolitan	3269
2	DATA AS OF 3/1/2023 10:30 AM		
3	**Line 1 Amount May Not Exceed (Line 11 - (Line 7B+Line 10)) of Final 21-22 Revenue Limit**		
4	2021-22 General Aid Certification (21-22 Line 12A, src 621)	+	40,256,461
5	2021-22 Hi Pov Aid (21-22 Line 12B, Src 628)	+	1,443,569
6	2021-22 Computer Aid Received (21-22 Line 12C, Src 691)	+	1,754,226
7	2021-22 Aid for Exempt Personal Property (21-22 Line 12D, Src 691)	+	1,327,105
8	2021-22 Fnd 10 Levy Cert (21-22 Line 14A, Levy 10 Src 211)	+	315,993,263
9	2021-22 Fnd 38 Levy Cert (21-22 Line 14B, Levy 38 Src 211)	+	3,667,783
10	2021-22 Fnd 41 Levy Cert (21-22 Line 14C, Levy 41 Src 211)	+	5,000,000
11	2021-22 Aid Penalty for Over Levy (21-22 FINAL Rev Lim, June 2022)	-	0
12	2021-22 Total Levy for All Levied Non-Recurring Exemptions*	-	12,339,595
13	**NET 2022-23 Base Revenue Built from 2021-22 Data (Line 1)**	=	**357,102,812**
14			
15	*For the Non-Recurring Exemptions Levy Amount, enter actual amount for which district levied; (7B Hold Harmless, Non-		
16	Recurring Referenda, Declining Enrollment, Energy Efficiency Exemption, Refunded/Rescinded Taxes, Prior Year Open		
17	Enrollment Pupils, Reduction for Ineligible Fund 80 Expends, Other Adjustments, Private School Voucher Aid Deduction,		
18	Private School Special Needs Voucher Aid Deduction)		
19			
20	**September & Summer FTE Membership Averages**		
21	Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%.		
22			
23	**Line 2:** Base Avg:((19+.4ss)+(20+.4ss)+(21+.4ss)) / 3 =		**26,732**

	2019	2020	2021
25 Summer FTE:	559	208	412
26 % (40,40,40)	224	83	165
27 Sept FTE:	26,979	26,188	25,678
28 New ICS - Independent	236.10	299.20	345.40
29 Charter Schools FTE			
30 Total FTE	27,439	26,570	26,188

31				
32				
33	**Line 6:** Curr Avg:((20+.4ss)+(21+.4ss)+(22+.4ss)) / 3 =			**26,343**

	2020	2021	2022
35 Summer FTE:	208	412	338
36 % (40,40,40)	83	165	135
37 Sept FTE:	26,188	25,678	25,547
38 New ICS - Independent	299.20	345.40	589.80
39 Charter Schools FTE			
40 Total FTE	26,570	26,188	26,272

The Line 6 "Current Average" shown above is used for Revenue Limits. The average used for Per Pupil Aid does not include "New ICS - Independent Charter Schools FTE." The PPA average appears below after data is entered for 2022:

41		
42		**25,932**
43		
44	**Line 10B: Declining Enrollment Exemption =**	**5,196,507**
45	Average FTE Loss (**Line 2 - Line 6,** if > 0)	389
46	**X** 1.00 =	389
47	**X (Line 5, Maximum 2022-2023 Revenue per Memb) =**	13,358.63
48	**Non-Recurring Exemption Amount:**	5,196,507
49		
50	**Fall 2022 Property Values**	
51	2022 TIF-Out Tax Apportionment Equalized Valuation	36,362,105,132
52		
53	CELL COLOR KEY: Auto-Calc DPI Data	District-Entered
54	**Worksheet is available at: http://dpi.wi.gov/sfs/limits/worksheets/revenue**	
55	Calculation Revised: 8/5/2020. Rounding in Total FTE buckets	

2022-2023 Revenue Limit Worksheet

1.	2022-23 Base Revenue (Funds 10, 38, 41)	(from left)	357,102,812
2.	Base Sept Membership Avg (2019+.4ss, 2020+.4ss, 2021+.4ss)/3	(from left)	26,732
3.	2022-23 Base Revenue Per Member (Ln 1 / Ln 2)	(with cents)	13,358.63
4.	2022-23 Per Member Change (A+B)		0.00
	2022-23 Low Revenue Ceiling per s.121.905(1):	10,000.00	
A.	Allowed Per-Member Change for 22-23	0.00	
B.	Low Rev Incr ((Low Rev Ceiling-(3+4A))-4C) NOT<0	0.00	
C.	Value of the CCDEB (22-23 DPI Computed-CCDEB Dists only)	0.00	
5.	2022-23 Maximum Revenue / Member (Ln 3 + Ln 4)		13,358.63
6.	Current Membership Avg (2020+.4ss, 2021+.4ss, 2022+.4ss)/3	(from left)	26,343
7.	2022-23 Rev Limit, No Exemptions (Ln 7A + Ln 7B)	(rounded)	357,102,812
A.	Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	351,906,390	
B.	Hold Harmless Non-Recurring Exemption	5,196,422	
8.	Total 2022-23 Recurring Exemptions (A+B+C+D+E)	(rounded)	9,000,000
A.	Prior Year Carryover	0	
B.	Transfer of Service	0	
C.	Transfer of Territory/Other Reorg (if negative, include sign)	0	
D.	Federal Impact Aid Loss (2020-21 to 2021-22)	0	
E.	Recurring Referenda to Exceed (If 2022-23 is first year)	9,000,000	
9.	2022-23 Limit with Recurring Exemptions (Ln 7 + Ln 8)		366,102,812
10.	Total 2022-23 Non-Recurring Exemptions (A+B+C+D+E+F+G+H+I)		9,546,032
A.	Non-Recurring Referenda to Exceed 2022-23 Limit	0	
B.	Declining Enrollment Exemption for 2022-23 (from left)	5,196,507	
C.	Energy Efficiency Net Exemption for 2022-23 (see pg 4 for details)	0	
D.	Adjustment for Refunded or Rescinded Taxes, 2022-23	203,736	
E.	Prior Year Open Enrollment (uncounted pupil[s])	431,960	
F.	Reduction for Ineligible Fund 80 Expenditures (enter as negative)	0	
G.	Other Adjustments (Fund 39 Bal Transfer)	0	
H.	WPCP and RPCP Private School Voucher Aid Deduction	3,305,795	
I.	SNSP Private School Voucher Aid Deduction	408,034	
11.	2022-23 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		375,648,844
12.	Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		48,672,206
A.	2022-23 OCT 15 CERT OF GENERAL AID	44,249,363	
B.	State Aid to High Poverty Districts (not all districts)	1,443,569	
C.	State Aid for Exempt Computers (Source 691)	1,754,226	
D.	State Aid for Exempt Personal Property (Source 691)	1,225,048	
	DISTRICTS MUST USE THE OCT 15 AID CERT WHEN SETTING THE DISTRICT LEVY.		
13.	**Allowable Limited Revenue:** (Line 11 - Line 12) (10, 38, 41 Levies)		**326,976,638**
14.	**Total Limited Revenue To Be Used** (A+B+C)	**Not >line 13**	**326,896,486**
	Entries Required Below: Enter amnts needed by purpose and fund:		
A.	Gen Operations: Fnd 10 Src 211	321,896,486	(Proposed Fund 10)
B.	Non-Referendum Debt (inside limit) Fund 38 Src 211	0	(to Budget Rpt)
C.	Capital Exp, Annual Meeting Approved: Fund 41 Src 211	5,000,000	(to Budget Rpt)
15.	**Total Revenue from Other Levies (A+B+C+D)**		35,639,713
A.	Referendum Apprvd Debt (Fund 39 Debt-Src 211)	19,926,000	
B.	Community Services (Fund 80 Src 211)	15,470,204	(to Budget Rpt)
C.	Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	243,509	(to Budget Rpt)
D.	Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16.	**Total Fall, 2022 REPORTED All Fund Tax Levy** (14A + 14B + 14C + 15)		**362,536,199**
	Line 16 is the total levy to be apportioned in the PI-401.	Levy Rate =	0.00997017

Districts are responsible for the integrity of their revenue limit data & computation. Data appearing here reflects information submitted to DPI and is unaudited.

Equalization Aid Factors

What affects the amount of a district's Equalization Aid?

- **District Factors (Prior Year Audited)**
  - Shared Cost (Costs funded with property taxes and general school aids)
  - Students = Membership (Average of 3rd Friday in September + 2nd Friday in January FTE, plus 100% of Summer FTE, plus several other adjustments)
  - Equalized property value
- **State Factors**
  - Cost ceilings
  - Guaranteed valuations per member
  - Amount of funding the State puts into the formula

State Aids Membership – "Several Other Adjustments"

In addition to students in district classroom:

- Public School Open Enrollment
- **Wisconsin Private School Voucher Students**
- **Racine Private School Voucher Students**
- **Special Needs Scholarship Program (Voucher) Students**
- New Independent Charter Schools (ICSP)
- Challenge Academy Students
- Part-time Attendance F.T.E. of Resident and Non-Resident Private/Home-Schooled Students
- Foster Group Home Students

See:

- http://dpi.wi.gov/sfs/children/enrollment/membership-info-reporting

General School Aids Overview

- General School Aids contains three different components:
  - Equalization Aids
  - Integration (Chapter 220) Aids
  - Special Adjustment (85% Hold Harmless) Aids
- General equalization aids are received within school district revenue limits, thus increases or decreases in such state aids directly affect school district property tax levies.
- General equalization aids may be used by school districts for any purpose.
- Changes in any one school district's "factors" (membership, costs, property value) affect the distribution of general equalization aid in most other school districts.

2022-23 Reductions to General School Aids

Program	Impact	Method	Total Amount
New Independent Charter Schools	84 Districts	Withheld	$19.0 million
Wisconsin Parental Choice Program	338 Districts	Withheld	$139.5 million
Milwaukee Parental Choice Program	Milwaukee	Deducted	$15.4 million
Racine Parental Choice Program	Racine	Withheld	$28.9 million
Special Needs Scholarship Program	175 Districts	Withheld	$27.7 million

- $5,201.6 million in general school aids. The statewide reduction of $230.5 million is 4.4% of total general school aids.

Private School Voucher (Choice) Programs

- In 2022-23, four separate private school voucher programs exist:
  1. Milwaukee Parental Choice Program
  2. Racine Parental Choice Program
  3. Wisconsin Parental Choice Program
  4. Special Needs Scholarship Program

- A summary table including the:
  - participating private schools;
  - number of participating students (enrollment and FTE) by program by school;
  - estimated total annual payment received by the private school;
  - total number of students receiving a state funded voucher (the four programs combined) and the percentage of total private school student enrollment

  https://dpi.wi.gov/parental-education-options/choice-programs/data

Private School Voucher (Choice) Programs

- Parental Education Options Team
- Private School Choice Programs
- Private School Choice Programs: Data and Reports
- Once on the page go to the Section "School Enrollment and Estimated Payment (MPCP, RPCP, WPCP & SNSP)"
- 2022-23 PDF Excel

Private School Choice Programs (MPCP, RPCP, WPCP) & Special Needs Scholarship Program (SNSP) Summary*
2022-23 School Year Student HC, FTE & Annualized Payment

	School Name	3rd Friday September 2022													
		MPCP Student FTE	RPCP Student FTE	WPCP Student FTE	SNSP Student FTE	Total Choice & SNSP Student FTE	Total All Student FTE	Estimated Annualized Payment**	MPCP Student HC	RPCP Student HC	WPCP Student HC	SNSP Student HC	Total Choice & SNSP Student HC	Total All Student HC	% Choice & SNSP
1	Abundant Life Christian School - Madison			139.0		139.0	334.0	$1,193,301.00			139		139	334	41.6%
2	Academy of Excellence - Milwaukee	748.8	80.2	1,088.2	9.0	1,926.2	1,926.2	$16,445,700.80	772	81	1,111	9	1,973	1,973	100.0%
3	All Saints Catholic School - Berlin				2.0	2.0	144.0	$26,152.00				2	2	144	1.4%
4	All Saints Grade School - Denmark			5.0		5.0	5.0	$41,995.00			5		5	5	100.0%
5	Aquinas Academy - Menomonee Falls	9.0		68.5		77.5	167.5	$650,922.50	9		71		80	173	46.2%
6	Aquinas Catholic Schools - La Crosse			147.5	23.5	171.0	956.0	$1,569,575.50			150	24	174	983	17.7%
7	Assumption Catholic Schools - Wisconsin Rapids			166.0	26.0	192.0	426.0	$1,759,895.00			166	26	192	426	45.1%
8	Assumption of the Blessed Virgin Mary School - Pulaski			34.6		34.6	63.0	$290,605.40			37		37	69	53.6%
9	Atlas Preparatory Academy, Inc. - Milwaukee	415.0				415.0	415.0	$3,649,560.79	419				419	419	100.0%
10	Atonement Lutheran School - Milwaukee	404.6		8.8		413.4	417.4	$3,504,851.51	417		10		427	431	99.1%
11	Bader Hillel High, Inc. - Glendale	42.0		11.0	6.0	59.0	68.0	$582,990.60	42		11	6	59	68	86.8%
12	Badger State Baptist School - Oak Creek	55.5	11.0	29.5		96.0	150.5	$819,224.00	57	12	30		99	155	63.9%
13	Bay City Christian School - Green Bay			200.0		200.0	268.0	$1,706,932.00			206		206	280	73.6%
14	Beautiful Savior Lutheran School - Waukesha			26.0	17.0	43.0	82.0	$426,635.00			28	17	45	87	51.7%
15	Believers in Christ Christian Academy - Milwaukee	149.4				149.4	150.4	$1,271,606.60	153				153	154	99.4%
16	Bethany Lutheran School - Hustisford			26.5		26.5	48.5	$222,573.50			27		27	51	52.9%
17	Bethlehem Evangelical Lutheran School - Menomonee Falls			27.5	31.5	59.0	273.0	$591,419.50			30	32	62	289	21.5%
18	Bethlehem Lutheran School - Sheboygan			70.5		70.5	159.0	$592,129.50			73		73	164	44.5%
19	Blessed Sacrament Catholic School - Milwaukee	153.0		7.0	4.0	164.0	171.6	$1,396,144.00	157		7	4	168	176	95.5%
20	Blessed Savior Catholic School - Milwaukee	380.0		9.0		389.0	391.0	$3,267,211.00	392		9		401	403	99.5%
21	Burlington Catholic School - Burlington			55.0		55.0	386.0	$461,945.00			55		55	401	13.7%
22	Calvary Baptist Christian School - Watertown			94.5		94.5	146.0	$793,705.50			98		98	151	64.9%
23	Carter's Christian Academy, Inc. - Milwaukee	224.0			10.0	234.0	238.5	$2,073,244.72	231			10	241	247	97.6%

Parental "Choice" Options – 2022-23

2022-23 Funding Comparison for "WI Choice Programs"

Program	2022-23 Full Time Equivalent (FTE) Payment	State/Local Funding Sources	Counted in Resident District's State Aid	Counted in Resident District's Revenue Limit	Nonrecurring Revenue Limit Exemption	Increase Levy to Backfill Deduction	Other
MPCP – Milwaukee Private School Vouchers	$8,399 K-8 $9,045 9-12	93.6% GPR general fund 6.4% MPS state general aid	No	No	No	Yes	MPS receives High Poverty Aid to reduce levy related to MPCP.
RPCP – Racine Private School Vouchers	$8,399 K-8 $9,045 9-12	100% GPR (for students participating prior to 15-16)	No	No	No	No	
		Aid transfer equal to voucher payment from Racine (for students first participating in 15-16)	Yes	No	Yes, equal to state aid deduction	No	One year delay for state aids membership
WPCP – Wisconsin Private School Vouchers (Statewide)	$8,399 K-8 $9,045 9-12	100% GPR (for students participating prior to 15-16)	No	No	No	No	
		Aid transfer equal to voucher payment from resident school districts (for students first participating in 15-16)	Yes	No	Yes, equal to state aid deduction	No	One year delay for state aids membership

Continued on next page

Private Choice Programs and Per Student Payments

These three private school choice programs:

- Milwaukee Parental Choice Program (MPCP)-enacted in 1990-91
- Racine Parental Choice Program (RPCP)-enacted in 2011-12
- Wisconsin Parental Choice Program (WPCP)-enacted in 2013-14

Each program is funded on a current year basis with sum sufficient funds.

- 2022-23 Per FTE Student Payments:

Grades K-8	$8,399
Grades 9-12	$9,045

Milwaukee Parental Choice Program (MPCP)

Fiscal Year	Number of MPCP Schools	Full-Time Equivalent (FTE) Students	MPCP FTE Student Payment K-8/9-12	MPCP Total State Aid Payments/ Program Cost
1990-91	6	300	$2,446	$733,800
1998-99	83	5,761	$4,894	$28,194,300
2008-09	123	19,428	$6,607	$127,061,900
2010-11	100	20,256	$6,442	$129,183,100
2017-18	125	27,670	$7,530/$8,176	$213,300,000
2018-19	129	28,100	$7,754/$8,400	$221,800,000
2022-23 (estimated)	129	28,958	$8,399/$9,045	$240,900,000

MPCP: State/Local Funding

- In 2022-23, the state directly pays 93.6% of the cost of the MPCP while Milwaukee Public Schools (MPS) pays 6.4% of the cost ($15.4 million this year) through a reduction in its state general school aids.

- MPS can increase its property tax levy to replace this state general aid reduction under its revenue limit; however, MPS cannot count choice students in its membership for state general aid purposes and does not receive a revenue limit adjustment for each MPCP student.

- Under current law, the state General Purpose Revenue (GPR) share increases by 3.2% annually through 2023-24 and MPS' share decreases by the same figure each year until the MPCP is entirely GPR state-funded in 2024-25.

- MPS also receives $3.9 million in High Poverty Aid in 2022-23 to reduce its property tax levy related to the MPCP.

Racine Parental Choice Program (RPCP) History

Fiscal Year	Number of RPCP Schools	Total Full-Time Equivalent (FTE) Students	RPCP FTE Student Payment K-8/9-12	RPCP Total State Aid Payments/ Program Cost
2011-12	8	219	$6,442	$1,408,200
2012-13	11	485	$6,442	$3,125,300
2013-14	13	1,169	$6,442	$7,529,400
2014-15	15	1,659	$7,210/$7,856	$12,154,300
2015-16	19	2,057	$7,214/$7,860	$15,089,900
2016-17	19	2,420	$7,323/$7,969	$18,022,900
2017-18	23	2,852	$7,530/$8,176	$21,876,300
2018-19	26	3,240	$7,754/$8,400	$26,600,000
2022-23 (estimated)	31	3,935	$8,399/$9,045	$33,000,000

Wisconsin Parental Choice Program (WPCP)

Fiscal Year	Number of WPCP Schools	Total Full-Time Equivalent (FTE) Students	WPCP FTE Student Payment K-8/9-12	WPCP Total State Aid Payments/ Program Cost
2013-14	25	498	$6,442	$3,212,300
2014-15	31	994	$7,210/$7,856	$7,345,200
2015-16	82	2,483	$7,214/$7,860	$18,369,200
2016-17	121	2,978	$7,323/$7,969	$22,382,500
2017-18	153	4,359	$7,530/$8,176	$33,612,100
2018-19	213	6,880	$7,754/$8,400	$54,600,000
2022-23 (estimated)	314	17,079	$8,399/$9,045	$141,700,000

RPCP/WPCP: State/Local Funding

1. **Students enrolled in the RPCP/WPCP prior to 2015-16:**
   - Vouchers paid with state GPR funding until student exits program.
   - Students are not counted in a district's membership for state general aid or revenue limit purposes.
2. **Students enrolling in the RPCP/WPCP in 2015-16 or thereafter:**

   <u>State General Aids</u>
   - Resident district pays for RPCP/WPCP students through a reduction in its state general aids.
   - RPCP/WPCP students are counted in their resident district's membership for state general aid purposes in the following year.
   - 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 was limited to no more than 1% of the district's prior year membership.

RPCP/WPCP: State/Local Funding

2. **Students enrolling in the RPCP/WPCP in 2015-16 or thereafter (continued):**

State General Aids

- 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 (2025-26). Beginning in 2026-27, no enrollment limit would apply.

Revenue Limits

- Resident districts receive a revenue limit adjustment equal to the per student choice payment, allowing them to replace the state general aid reduction through increased property taxes if the resident school board chooses to do so.

RPCP State/Local Funding History

Fiscal Year	RPCP FTE Students	RPCP Direct State GPR Funding	State General Aid Deduction/Local Property Taxpayer Funding
2011-12	219	$1,408,200	$0
2012-13	485	$3,125,300	$0
2013-14	1,169	$7,529,400	$0
2014-15	1,659	$12,154,300	$0
2015-16	2,057	$10,925,100	$4,164,500
2016-17	2,420	$9,482,900	$8,540,000
2017-18	2,852	$8,252,000	$13,624,000
2018-19	3,240	$7,319,000	$18,296,000
2022-23 (estimated)	3,935	$4,100,000	$28,900,000

WPCP State/Local Funding History

Fiscal Year	WPCP FTE Students	# of School Districts with WPCP Student	WPCP Direct State GPR Funding	State General Aid Deduction/Local Property Taxpayer Funding
2013-14	498	N/A	$3,212,300	$0
2014-15	994	N/A	$7,345,200	$0
2015-16	2,483	141	$6,535,900	$11,833,200
2016-17	2,978	182	$5,837,000	$16,545,400
2017-18	4,359	225	$5,120,000	$28,492,000
2018-19	6,880	256	$4,649,000	$49,972,000
2022-23 (estimated)	17,079	275	$2,200,000	$139,500,000

Choice Program Expansion 2009-10 through 2022-23 (animation slide)

Private (and Private Choice) Schools: State Categorical Aids

- All private schools in Wisconsin are eligible for the following state categorical aid programs:
  - School lunch aid;
  - School breakfast aid;
  - School day milk aid; and
  - Robotics league participation grants.

- Private schools participating in one of the state's choice programs are also eligible for some additional state categorical aid programs:
  - School performance improvement grants; and
  - School mental health aid.

Special Needs Scholarship Program (SNSP)

- The SNSP is funded on a current year basis with sum sufficient funds.
- SNSP Per FTE K-12 Student Payments:

  2022-23 $13,076

<u>State General Aids</u>

- Resident district pays for SNSP students through a reduction in its state general aids.
- SNSP students are counted in their resident district's membership for state general aid purposes in the following year.

<u>Revenue Limits</u>

- Resident districts receive a revenue limit exemption/adjustment equal to the per student payment allowing the school board to replace the state aid deduction through increased property taxes.

SNSP State/Local Funding History

Fiscal Year	# of SNSP Private Schools	Full-Time Equivalent (FTE) Students	# of Districts with SNSP Student	SNSP Direct State GPR Funding	State General Aid Deduction/ Local Property Taxpayer Funding
2016-17	26	215	22	0	$2,579,000
2017-18	28	244	25	0	$2,962,000
2018-19	76	676	84	0	$8,352,000
2022-23 (estimated)	162	2,217	175	0	$27,800,000

Private School Choice/Voucher Summary

Racine and Wisconsin Parental Choice Programs (RPCP/WPCP)

- **For choice students enrolled in the RPCP/WPCP PRIOR to 2015-16:**
  - These choice students are paid directly with state General Purpose Revenue (GPR). The State directly pays 100% of the costs of these vouchers.
  - There is no reduction from a school district's state general aids for these students.
    - School Boards do not increase property taxes
  - These choice students are not counted in a school district's membership for state general aid or revenue limit purposes.

Private School Choice/Voucher Summary General Aids Impact

For choice/voucher students enrolled in the RPCP/WPCP since 2015-16 and SNSP students since 2017-18, the State General Aids Impacts:

- The choice student's resident district pays their voucher through a reduction in its state general aids.
- If a district does not receive enough state general aid to cover this reduction, the balance is taken from other state aids (e.g., Per Pupil Aid) received.
- In the following year, these choice students are counted in their resident district's membership for state general aids.
- A district may recoup some state general aid depending on its "position" in the state general aid formula, but is very unlikely to fully recover its prior year state aid reduction.

Private School Choice/Voucher Summary Revenue Limit Impact

For choice students enrolled in the RPCP/WPCP since 2015-16 and SNSP students since 2017-18 the Revenue Limits Impacts:

- Private school Choice students are not counted in a district's revenue limit membership
- The choice student's resident district receives a non-recurring revenue limit adjustment equal to the per FTE choice payment in the current year, allowing a school board to replace the state aid reduction through increased property taxes.
- If a school board chooses to levy less than the private school voucher non-recurring revenue limit exemption, 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.

School Board Options and Impacts

<u>School District Budgets – Current Year (Year 1)</u>

- **For choice students enrolled in the RPCP/WPCP since 2015-16 and SNSP students since 2017-18,** the school board must choose one of the following **three options** (or a combination):
  1. **Increase property taxes** to replace the loss of state school aids in order to maintain existing student educational programs.
  2. **Use fund balance** or some other source of revenues to replace the loss of state school aids to maintain current student programs.
  3. **Reduce current district expenditures** equal to the state aids deduction.

School Board Options and Impacts

<u>School District Budgets – Following Year (Year 2)</u>

For choice students enrolled in the RPCP/WPCP since 2015-16 and SNSP students since 2017-18,

- These choice students **<u>are</u> counted** in their resident district's membership **for state general aid purposes** in the following year's state aid calculation. <u>Not</u> counted for revenue limits.
- **A district <u>may</u> recoup some state general aid depending on its "position" in the state general aid formula, but is <u>very unlikely</u> to fully recover its prior year state aid reduction.**
  - ❖ **If a district receives additional school aids, other district(s) receive less school aids. Zero-sum gain.**

Private Vouchers = Property Tax Increases

- **Adding private school choice students** to the general aid membership changes one of the factors used to determine state equalization aids. This **results in a <u>redistribution</u> of the existing level of general school aids.** The impacts are:
  - ❖ **If a district receives additional school aids, other district(s) receive less school aids.**
  - ❖ **Revenue Limits – State Aids = Property Taxes**
  - ❖ **The effect is as though the choice/voucher expansion is funded statewide with property taxes.**

Questions ?

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