



Legislative Fiscal Bureau

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March 15, 2017

TO: Senator Janet Bewley
Room 126 South, State Capitol

FROM: Christa Pugh and Russ Kava

SUBJECT: Funding for K-12 General School Aids and Private School Choice Programs

At your request, we are providing information about GPR funding for the Milwaukee, Racine, and statewide private school choice programs and funding for general school aids.

Choice Program Payments

Under the Milwaukee, Racine, and statewide private school choice programs, the state pays a statutorily-determined amount for each pupil attending a private school under the programs.

You asked for the choice payment amount for the 2010-11 school year and the payment amounts for the 2016-17 school year. In 2010-11, the per pupil payment was equal to \$6,442 for pupils in all grades. In 2016-17, the per pupil payment is equal to \$7,323 for pupils in grades K-8 and \$7,969 for pupils in grades 9-12. The weighted average per pupil payment in 2016-17 is approximately \$7,461, based on the percentage of full-time equivalent (FTE) pupils in the Milwaukee, Racine and statewide choice programs who are enrolled in grades K-8 and the percentage enrolled in grades 9-12.

Under Assembly Bill 64/Senate Bill 30 (the Governor's budget proposal), it is estimated that the payments will increase by \$217 in each year of the 2017-19 biennium. Estimated payments for a K-8 pupil would equal \$7,540 in 2017-18 and \$7,757 in 2018-19. For a 9-12 pupil, estimated payments would equal \$8,186 in 2017-18 and \$8,403 in 2018-19.

Total Cost of Private School Choice Programs and Gross GPR Appropriations

The attachment shows the GPR appropriation amounts, aid reductions, and net GPR cost of the Milwaukee, Racine, and statewide private school choice programs. Since the beginning of the Milwaukee private school choice program, DPI has been required by law to reduce the general aid for which MPS is eligible in each year by a percentage of the estimated total cost of the program. In 2016-17, the percentage was 25.6%, and it will equal 22.4% in 2017-18 and 19.2% in 2018-19. This percentage will be reduced by 3.2 percentage points each year until no aid reduction is made

beginning in 2024-25.

Additionally, beginning in 2015-16, the full cost of payments for incoming pupils in the Racine and statewide private school choice programs (pupils who begin participating in the programs in 2015-16 or later), is reduced from the general aid of those pupils' school districts of residence. School districts are able to count those pupils for general aid purposes on a prior year basis, and receive a revenue limit adjustment equal to the amount of the aid reduction in the current year.

The attachment also shows gross GPR appropriations in each year, and the gross and net cost of the choice programs as a percentage of gross GPR appropriations.

School Aid Appropriations, Reductions, and Payments

Table 1 provides information on general school aid appropriations, reductions, and payments in 2010-11 and under the Governor's budget proposal in 2018-19. The table shows the amounts appropriated for the main general school aids appropriation (which funds equalization, integration, and special adjustment aid) in both years. The statutory aid reductions for the Milwaukee private school choice program and the independent charter school program for each year are shown. Schools districts do not receive revenue limit authority related these pupils or count them for general aid purposes, but they are able to levy to replace these aid reductions. The table then shows the statewide general aid certification, which is the total of the amounts that districts would use to set their levies under revenue limits.

Table 1 then shows the statutory aid reductions for incoming pupils in the Racine and statewide private school choice programs and the special needs scholarship program for each year. Schools districts receive revenue limit authority related these pupils and count them for general aid purposes, and they are not able to levy to replace these aid reductions. The table then shows statewide net general aid payments after all reductions are considered. Also shown is the amount appropriated for high poverty aid (a separate general aid appropriation), the sum of the net general aid payment and high poverty aid, the pupil membership used to calculate equalization aid (the membership for 2016-17, the most recent year for which audited aid membership data is available, is shown for 2018-19), as well as the net general aid payment per pupil for each year (using the 2016-17 aid membership to calculate 2018-19 aid per pupil under the Governor's budget proposal).

TABLE 1
General Aid Appropriations, Reductions, and Payments

	<u>2010-11</u>	2018-19 <u>AB 64/SB 30</u>
Gross General School Aids Appropriation	\$4,652,500,000	\$4,656,848,000
Milwaukee Choice Reduction	-50,216,700	-42,705,400
Independent Charter Reduction	<u>-57,296,100</u>	<u>-72,424,800</u>
General Aid Certification	\$4,544,987,200	\$4,541,717,800
Racine/Statewide Choice Reduction	N.A.	-\$47,054,000
Special Needs Scholarship Reduction	<u>N.A.</u>	<u>-6,217,000</u>
Net General Aid Payment	\$4,544,987,200	\$4,488,446,800
High Poverty Aid	<u>\$18,700,000</u>	<u>\$16,830,000</u>
Net General Aid Total	\$4,563,687,200	\$4,505,276,800
Pupil Membership	858,205	854,402*
Net Aid Payment Per Pupil	\$5,318	\$5,273

*2016-17 aid membership.

Table 2 shows the net general aid total from Table 1 and categorical school aid appropriations in 2010-11 and in 2018-19 under the Governor's budget proposal. As in Table 1, aid per pupil for 2018-19 under the Governor's budget proposal is calculated using the 2016-17 aid membership.

TABLE 2
General Aid Payments and Categorical Aid Appropriations

	<u>2010-11</u>	2018-19 <u>AB 64/SB 30</u>
Net General Aid Total	\$4,563,687,200	\$4,505,276,800
Categorical Aid	<u>653,834,600</u>	<u>1,222,008,700</u>
Total	\$5,217,521,800	\$5,727,285,500
Pupil Membership	858,205	854,402*
Net Aid Payment Per Pupil	\$6,080	\$6,703

*2016-17 aid membership.

We hope this information is helpful. Please let us know if you have additional questions.

CP/RK/sas
Attachment

ATTACHMENT

**Total Cost of Private School Choice Programs and Gross GPR Appropriations
2009-10 to 2016-17 and Proposed for 2017-18 and 2018-19
(\$ in Millions)**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Under AB 64/SB 30</u> <u>2017-18</u>	<u>2018-19</u>
Milwaukee Private School Choice Program										
GPR	\$130.1	\$130.8	\$144.3	\$154.6	\$161.1	\$191.0	\$196.4	\$207.1	\$212.6	\$222.4
Aid Reduction	<u>54.1</u>	<u>50.2</u>	<u>55.4</u>	<u>59.4</u>	<u>56.7</u>	<u>61.1</u>	<u>56.6</u>	<u>53.0</u>	<u>47.6</u>	<u>42.7</u>
Net GPR	\$76.0	\$80.6	\$88.9	\$95.2	\$104.4	\$129.9	\$139.8	\$154.1	\$165.0	\$179.7
Racine and Statewide Private School Choice Programs										
GPR	\$0.0	\$0.0	\$1.6	\$3.2	\$10.8	\$22.0	\$33.5	\$45.0	\$50.5	\$60.6
Aid Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>16.1</u>	<u>27.0</u>	<u>37.0</u>	<u>47.1</u>
Net GPR	\$0.0	\$0.0	\$1.6	\$3.2	\$10.8	\$22.0	\$17.4	\$18.0	\$13.5	\$13.5
Choice Total										
GPR	\$130.1	\$130.8	\$145.9	\$157.8	\$171.9	\$213.0	\$229.9	\$252.1	\$263.1	\$283.0
Aid Reduction	<u>54.1</u>	<u>50.2</u>	<u>55.4</u>	<u>59.4</u>	<u>56.7</u>	<u>61.1</u>	<u>72.7</u>	<u>80.0</u>	<u>84.6</u>	<u>89.8</u>
Net GPR	\$76.0	\$80.6	\$90.5	\$98.4	\$115.2	\$151.9	\$157.2	\$172.1	\$178.5	\$193.2
Gross GPR Appropriations	\$12,940.4	\$14,109.3	\$13,840.6	\$14,755.2	\$15,013.5	\$15,883.2	\$15,749.2	\$17,015.0	\$16,899.2	\$17,619.1
Choice as a Percent of Gross GPR										
Total Choice GPR	1.0%	0.9%	1.1%	1.1%	1.1%	1.3%	1.5%	1.5%	1.6%	1.6%
Net Choice GPR	0.6%	0.6%	0.7%	0.7%	0.8%	1.0%	1.0%	1.0%	1.1%	1.1%