



Private School Choice Programs

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Private School Choice Programs

Under the Milwaukee, Racine, and statewide Wisconsin private school choice programs, state funds are used to pay for the cost of children from eligible families in the City of Milwaukee, the Racine Unified School District (RUSD), or other Wisconsin school districts statewide to attend private schools participating in the program. Pupils began attending private schools under the Milwaukee program in 1990-91, the Racine program in 2011-12, and the statewide program in 2013-14.

This paper provides information on the following aspects of the choice program: (1) a brief historical overview of the program; (2) the major statutory provisions governing the program; (3) pupil participation; (4) program funding; and (5) the results of evaluations of the program that were authorized by statute. Appendix I to this paper describes the legal challenges to the program during its early history.

Historical Overview

As enacted in 1989 Act 336, there were relatively few requirements placed on schools in the Milwaukee program, which was more limited in scope at that time. The program was open to pupils in the City of Milwaukee with a family income less than 175% of the federal poverty level. Private schools in the choice program were required to be nonsectarian and located in the City of Milwaukee. Choice schools had to comply with federal nondiscrimination laws, meet the health and safety codes applicable to public schools, meet one of the four standards related to pupil achievement or parental involvement to continue to be eligible to participate in the pro-

gram, and meet certain administrative deadlines. No more than 1% of the enrollment in the Milwaukee Public Schools (MPS) could participate in the program, and no more than 49% of a choice school's enrollment could consist of choice pupils. These thresholds were increased to 1.5% and 65%, respectively, under 1993 Act 16.

The Milwaukee program expanded in 1995 Act 27, which allowed sectarian schools to participate in the program, increased the participation limit to 15% of MPS enrollment, deleted the percentage limit on the share of choice pupils in a choice school, and required that choice schools be subject to uniform financial accounting standards and provided for an annual independent financial audit.

Additional requirements on choice schools related to financial operations were enacted under 2003 Act 155. That act also created penalty provisions under which the State Superintendent could immediately terminate schools from the program, bar schools from participating in the program in the current year, or withhold payment from parents of pupils in choice schools. Under 2005 Act 125, choice schools were required to achieve accreditation and administer a nationally-normed standardized test in certain subjects to pupils in certain grades. That act also increased the enrollment limit for the program to 22,500 pupils. Act 125 also specified that continuing pupils and siblings of pupils would be eligible for the program if their family income was under 220% of the federal poverty level.

Numerous accountability requirements were placed on schools in the Milwaukee program under 2009 Act 28. That act required choice schools to administer the same assessments to choice pupils as required of public school pupils under

state and federal law, adopt a policy regarding pupil promotion to certain grades, and adopt pupil academic standards. The act also raised the academic credentials needed by staff in a choice school and the hours of instruction that a choice school needed to provide.

The Milwaukee program was expanded under 2011 Act 32, which deleted the enrollment limit on the program, raised the income threshold to 300% of the federal poverty level, and deleted the geographic requirement for schools in the program.

Act 32 also created a process under which a private school choice program could be created in eligible school districts other than MPS. Under the act, pupils in a district would be eligible to participate in a choice program substantially similar to the Milwaukee program if the district met the following criteria:

a. in the most recent October 15 equalization aid run, the district's equalized value per member was no more than 80% of the statewide average;

b. in the most recent October 15 equalization aid run, the district's shared cost per member was no more than 91% of the statewide average;

c. the district was eligible for high poverty aid in the most recent determination of eligibility for that program (meaning that at least 50% of the district's enrollment is eligible for the free or reduced-price lunch program); and

d. the district is located, in whole or in part, in a city of the second class.

Within 10 days of the effective date of the act, the Department of Public Instruction (DPI) was required to make a determination as to which districts met the criteria described above. Pupils in a district that met all of the criteria could participate in the choice program for other eligible dis-

tricts beginning in 2011-12. RUSD was the only district to meet these criteria.

Under Act 32, by November 15 of the second year of each fiscal biennium, DPI was required to compile a list of districts that meet all of the criteria. Pupils in eligible districts would be eligible to participate in the choice program for other eligible districts beginning in the following school year. Once a district had been determined to meet the above criteria, pupils in that district would remain eligible to participate in the choice program for other eligible districts in future years. However, under 2011 Act 215, the process under which additional school districts would become eligible for a choice program was closed on April 20, 2012, so that RUSD was the only district in which a choice program was created under the provisions of Act 32.

Under 2011 Act 32, participation in the Racine program was limited to no more than 250 FTE pupils in 2011-12 and 500 FTE pupils in 2012-13. Beginning in the 2013-14 school year, no pupil participation limit has applied to the Racine program.

The private school choice program was further expanded under 2013 Act 20, which created a statewide private school choice program. Any pupil residing in a Wisconsin school district is eligible to participate in a program substantially similar to the Milwaukee and Racine programs, if the pupil's family income does not exceed 185% of the federal poverty level. Act 20 limited pupil enrollment to 500 pupils in the 2013-14 school year and 1,000 pupils in the 2014-15 school year, with participation from any one district limited to no more than 1% of that district's total enrollment. Additionally, the number of private schools that could participate in the program was limited to the 25 schools that received the greatest number of applications in 2013-14. In 2014-15, the schools that participated in 2013-14 were allocated the same number of pupils as they had in 2013-14. The remaining pupils under the 1,000

pupil limit applicable to 2014-15 were allocated to the 25 schools that received the greatest number of applications in 2014-15.

Under 2015 Act 55, the 1,000 pupil limit on the statewide choice program was eliminated. Instead, the total number of pupils residing in a school district who can participate in the program is limited to no more than 1% of that school district's prior year membership in 2015-16 and 2016-17. Beginning in 2017-18, the participation limit will increase by one percentage point in each year until the limit reaches 10% in 2025-26. Beginning in 2026-27, no limit will apply. Act 55 also eliminated the restriction on the number of private schools that can participate in the statewide choice program.

Statutory Requirements

The following section describes the major statutory provisions governing the Milwaukee, Racine, and statewide private school choice programs. Separate statutory sections govern the Milwaukee program [s. 119.23] and the Racine and statewide programs [s. 118.60], but those sections are substantially similar. In the following section of this paper, the provisions described apply to both programs, unless otherwise noted in the text.

Limits on Pupil Eligibility. Participation is limited to pupils in grades kindergarten through twelve. To be eligible to attend a choice school for the first time, the total family income of a pupil in the Milwaukee or Racine programs must not exceed 300% of the federal poverty level. For new pupils in 2016-17, 300% of the federal poverty level is \$48,219 for a family of two; \$60,810 for a family of three; \$73,401 for a family of four; and \$12,591 for each additional family member above four. For pupils in the statewide program, total family income must not exceed

185% of the federal poverty level. For new pupils in 2016-17, 185% of the federal poverty level is \$29,735 for a family of two; \$37,499 for a family of three; \$45,263 for a family of four; and \$7,764 for each additional family member above four.

A pupil attending a choice school whose family income increases may continue to attend a choice school. If a pupil who attended a private school under the statewide program in the previous school year applies to attend a choice school in any other school district, the pupil's family income does not need to be verified a second time.

Family income is defined as the federal adjusted gross income of the parents or legal guardians residing in the same household as the pupil for the tax year preceding the school year for which family income is being verified or, if not available, for the tax year preceding the tax year preceding the school year for which family income is being verified. Family income for a family in which the pupil's parents or guardians are married is reduced by \$7,000 before the verification is made. With the \$7,000 reduction, a married couple with two children could have family income up to \$80,401 and be eligible for the Milwaukee or Racine programs, or family income up to \$52,263 and be eligible for the statewide program.

To verify income eligibility for the choice program, a choice school must submit to DPI the names, addresses, social security numbers, and tax identification numbers, if any, of the pupil's parents or guardians that reside in the same household as the pupil, whether and to whom the parents or legal guardians are married, the names of all the other members of the pupil's family residing in the same household as the pupil, and the school year for which family income is being verified. The Department of Revenue (DOR) must review the information submitted and verify the eligibility or ineligibility of a pupil to participate based on family income.

DOR may take no other action on the basis of the information submitted by DPI. DOR must notify DPI if it is unable to verify family income or to verify whether the pupil is eligible or ineligible to participate in the program based on family income. DPI must then use an alternative process, as established by DPI, to determine whether the pupil is eligible to participate in the program based on family income. DPI may not request any additional verification of income from the family of a pupil once DOR has verified that the pupil is eligible to participate in the program based on family income. DPI must establish a procedure for determining family income eligibility for those pupils for whom no social security number or tax identification number has been provided.

Prior year attendance criteria have also applied to pupils in the Racine program since the program started. To be eligible to participate in the Racine program, a pupil must satisfy one or more of the following: (a) was enrolled in a public school in RUSD in the prior year; (b) was not enrolled in school in the prior year; (c) was enrolled in the Racine or statewide programs in the prior year; or (d) be enrolling in kindergarten, first grade, or ninth grade in the current year.

Similar criteria were first applied to the statewide program in the 2016-17 school year. To be eligible to participate in the statewide program, a pupil must satisfy one or more of the following: (a) was enrolled in a public school in the school district in which the pupil resides in the prior year; (b) was not enrolled in school in the prior year; (c) was enrolled in the Racine or statewide programs in the prior year; or (d) be enrolling in kindergarten, first grade, or ninth grade in the current year.

Admission and Selection Procedures. The State Superintendent of Public Instruction is required to annually inform families of the private schools participating in the programs. Applications must be submitted to the private schools on a

form provided by the State Superintendent during specified time periods. For the statewide program, state law specifies that applications must be submitted between February 1 and April 20. For the Milwaukee and Racine programs, applications are accepted during specified application periods throughout the year. If more than one pupil from the same family applies to attend the same school, a single application may be used.

Within 60 days after receipt of the application, the school must notify an applicant, in writing, whether the pupil has been accepted. A choice school may reject an applicant only if it has reached its maximum general capacity or seating capacity. If a school rejects an application, the notice must include the reason why it cannot admit the applicant. If a private school rejects an applicant due to a lack of space, the pupil may transfer his or her application to another participating private school that has space available.

An applicant who has been rejected by a choice school may be admitted to a choice school for the following school year, provided that the applicant still meets the residency requirement for the program. In that following school year, DPI may not require the school to submit financial information regarding the applicant or to verify the eligibility of the applicant to participate in the program on the basis of family income.

The State Superintendent must ensure that private schools accept pupils on a random basis, except that a school may give preference to pupils in the following order, beginning in the 2016-17 school year: (1) pupils who attended the private school under the private school choice program during the previous year; (2) siblings of pupils who attended the private school under the choice program during the previous school year; (3) pupils who attended a different private school under a private school choice program in the previous school year; (4) siblings of pupils who attended a private school under a private school choice program in the previous year; and (5) sib-

lings of pupils who have been randomly selected to attend a private school under the choice program but who did not attend a private school under a private school choice program in the previous school year.

For the Racine and statewide programs, each accepted pupil's parent or guardian must notify DPI by the 3rd Friday in September that the pupil is currently participating in the program using a form provided by DPI. The form must require the pupil's parent or guardian to indicate the school year during which the pupil first began participating in the Racine or statewide choice program.

Enrollment Limit. No enrollment limit currently applies to the Milwaukee or Racine programs. For the statewide program, the total number of pupils residing in a school district who are participating in the program cannot exceed 1% of that district's prior year membership in 2015-16 and 2016-17. Beginning in 2017-18, the limit will increase by one percentage point in each year until it reaches 10% in 2025-26. Beginning in 2026-27, no limit will apply.

Annually by May 1, each private school that receives applications under the statewide choice program must report to DPI the number of pupils who applied to attend the school under the program and the names of applicants whose siblings also applied to attend a private school under the program. DPI must determine the total number of applicants residing in each school district, counting pupils who applied to attend more than one private school under the program only once. DPI must then determine whether the number of applicants residing in each district would cause the total number of choice pupils residing in that district to exceed its participation limit.

In the 2016-17 and 2017-18 school years, if the number of applicants would not cause a school district to exceed its participation limit, DPI is required to randomly select applicants for the available slots in each private school, with

preference given to certain pupils as described above. Beginning in the 2018-19 school year, if the number of applicants would not cause a district to exceed its participation limit, DPI will notify each private school that all applicants may be accepted into the private school under the program for the next school year.

In any year, if the number of applicants would cause a school district to exceed its pupil participation limit, DPI must determine which applications to accept on a random basis, with preference given to certain pupils as described above, and establish a waiting list in accordance with the statutory order of pupil preference. If a private school determines that an accepted pupil will not attend the private school under the statewide choice program, the school must notify DPI. If DPI determines that the number of pupils participating in the program has fallen below the school district's participation limit, DPI must fill any available slot in that district using the district's waiting list.

A pupil whose application is not accepted because the number of participants from his or her school district of residence exceeds the district's participation limit can participate in the program if he or she attended a private school under the statewide choice program in the previous school year and if the private school has not exceeded its maximum general capacity or seating capacity.

Requirements of the Private Schools. A number of legal requirements are placed on schools that participate in the choice program.

DPI is required to notify each choice school of any proposed changes to the choice program or to administrative rules governing the program prior to the beginning of the school year in which the changes take effect. By law, this includes changes to application or filing deadlines, but does not include changes to provisions governing health or safety.

General Compliance. The participating schools must meet all state health and safety laws or codes applicable to public schools and a number of federal laws and regulations which apply to both public and private schools. At the time the private school files a notice of intent to participate in the program, the school must agree to comply with federal law that prohibits discrimination on the basis of race, color, or national origin.

School Eligibility. In 2015-16 and 2016-17, only private schools that have been in continual operation as a private school since May 1, 2013, are permitted to participate in the statewide program.

Intent to Participate and Auditor Fee. Choice schools must notify the State Superintendent of their intent to participate in the program and the number of pupils for which the school has space by January 10 of the prior school year. A choice school must pay an annual fee to DPI with its notice of intent to participate in the program. DPI is required to set the fee in administrative rule at an amount such that the total fee revenue covers the costs of employing one full-time auditor to evaluate the financial information submitted to the Department by schools participating in the choice program. For the 2016-17 school year, the fee was \$600. Fee revenue is deposited in a program revenue appropriation, which was budgeted at \$134,600 in 2016-17.

New Private Schools. The law defines a new private school as one which has been open in Wisconsin for less than 12 consecutive months, or one with fewer than 40 pupils enrolled in two or fewer grades.

New private schools must submit required documents by August 1 of the school year immediately preceding the school year in which the school intends to participate in the program. Required documents include: (a) a notice of intent to participate in the program and an agreement to comply with procedural requirements; (b) a com-

plete anticipated budget for the first fiscal period of the school's participation in the choice program demonstrating that the school will have a positive cash flow in each month of the fiscal period and no operating deficit, including anticipated total enrollments and enrollments of choice pupils, estimated revenues and costs, a schedule of anticipated beginning and ending net choice program assets, a schedule of monthly cash flow requirements, and contingent funding sources to be used if enrollments are lower than expected; (c) the mailing address for the school, or, if no building has been secured, the mailing address of an administrator of the school; (d) the pupil achievement standard the school intends to meet to maintain eligibility for the choice program; (e) the nonrefundable fee established by DPI; and (f) information related to the school's policies and governing board. The school must also obtain preaccreditation from an approved preaccrediting entity by December 15 of that year. By December 31 of the school year immediately preceding the school year in which the new private school intends to participate in the program, DPI must notify the school in writing whether it has met the above requirements. If not, the school may not participate in the choice program in the following year, but may reapply using the same process.

Additionally, a new private school must demonstrate by August 1 of the first school year in which it is participating in the choice program that it has contracted with a third-party payroll service that will remit state and federal payroll taxes for all school employees. By November 1 of the school's first year of participation in the choice program, the school must submit an updated budget reflecting enrollments in the school on the third Friday of September of that year, and any changes in revenues, costs, and cash flow requirements. New private schools must also meet the additional requirements for schools participating in the choice program for the first time.

Tuition and Fees. A choice school may not

charge or receive any additional tuition payment for a choice pupil other than the state choice payment if the pupil is in grades K-8 or if the pupil is in grades 9-12 and the family income of the pupil does not exceed 220% of the federal poverty level.

A choice school may charge a pupil tuition in an amount determined by the school, in addition to the state choice payment, if the pupil is in grades 9-12 and the family income of the pupil is greater than 220% of the federal poverty level. A choice school is responsible for determining whether tuition may be charged to a pupil on the basis of family income. Each choice school must establish an appeals process to the governing body of the school relating to determination of family income.

For tuition purposes, in 2016-17, 220% of the federal poverty level is \$35,360 for a family of two; \$44,593 for a family of three; \$53,826 for a family of four; and \$9,233 for each additional family member above four. As with the eligibility determination, family income for a family in which the pupil's parents or guardians are married is reduced by \$7,000 before the verification is made.

A choice school may recover the cost of providing the following to a choice pupil through reasonable fees in an amount determined by the school and charged to the pupil: (a) personal use items, such as uniforms, gym clothes, and towels; (b) social and extracurricular activities if not necessary to the school's curriculum; (c) musical instruments; (d) meals consumed by pupils of the school; (e) high school classes that are not required for graduation and for which no credits toward graduation are given; (f) transportation; and (g) before-school and after-school child care. A school may not prohibit an eligible pupil from attending the school, expel or otherwise discipline a pupil, or withhold or reduce a pupil's grades because the pupil or the pupil's parent or guardian cannot pay or has not paid any such fees charged.

Pupil Achievement Standards. Each private school is required to meet at least one of the following standards in order to continue to be eligible to participate in the program in the following school year:

1. At least 70% of the pupils in the program advance one grade level each year.
2. The school's average attendance rate for pupils in the program is at least 90%.
3. At least 80% of the pupils in the program demonstrate significant academic progress.
4. At least 70% of the families of pupils in the program meet parental involvement criteria established by the school.

The determination of whether a school meets at least one of the standards is made by the State Superintendent.

Religious Activity. A school participating in the choice program cannot require a choice pupil to participate in any religious activity in the school if the pupil's parent or guardian submits a written request to the pupil's teacher or the school's principal that the pupil be exempt from such activities.

Financial Requirements. Each private school is subject to uniform accounting standards established by DPI.

Each private school is required to maintain a cash and investment balance that is at least equal to its reserve balance. If a private school ceases to participate in or is barred from the choice programs and the school's reserve balance is positive, the school must refund the reserve balance to DPI. If a private school participating in the programs has a reserve balance that is greater than 50% of the total amount the private school received under either the Milwaukee choice program or the Racine and statewide choice pro-

grams in the previous school year, the governing body of the private school must approve a plan for how it will use the amount of the reserve balance that exceeds 50% of the total amount the private school received under the choice programs in the previous school year.

By August 1 before the first school year a new school participates in the program, or by May 1 if the school begins participating in the program during summer school, each school participating in the program must submit to DPI:

1. For a private school participating in the Racine or Milwaukee programs, a copy of the school's current certificate of occupancy issued by the municipality within which the school is located. If the school moves to a new location, the school must submit a copy of the new certificate of occupancy issued by the municipality within which the school is located to DPI before pupils attend school at the new location and before the next membership count date (either the third Friday in September or the second Friday in January). If the municipality within which the school is located does not issue certificates of occupancy, the school may submit a certificate issued by the local or regional governmental unit with the authority to issue certificates or a letter or form from the municipality that explains that the municipality does not issue certificates of occupancy. By law, a temporary certificate of occupancy does not meet this requirement.

2. Evidence of financial viability, as prescribed by DPI in administrative rule. Under rules promulgated by DPI, financial viability is defined as the ability of a school to pay for goods and services, make debt payments, and pay other obligations as they come due.

3. Proof that the school's administrator has participated in a fiscal management training program approved by DPI.

Additionally, by November 1 of the first

school term in which a private school participates in a choice program, the school must submit to DPI budget reflecting the enrollments in the private school on the immediately preceding 3rd Friday in September and any related changes in revenues, costs, and cash flow requirements, using a form provided by DPI.

Audit Requirements. Annually, by October 15 following a school year in which a school participated in the choice program, the school must submit to DPI:

1. An independent financial audit of the private school conducted by an independent certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents the private school's eligible education expenses. Eligible education expenses are defined in law as all direct and indirect costs associated with a private school's educational programming for pupils enrolled in grades K-12 that are reasonable for the private school to achieve its educational purposes, as determined by the governing body of the private school in a written policy and tested by an independent auditor. Eligible education expenses include those related to management, insurance, transportation, extracurricular programming and activities, facility and equipment costs, development expenses, and child care programming. A cost is not included if an independent auditor determines, after testing, that it is not associated with the private school's educational programming for pupils enrolled in grades K-12 that is reasonable for the private school to achieve its educational purposes, as determined by the governing body of the private school in a written policy.

The audit must be conducted in accordance with generally accepted accounting principles, with allowable modifications for long-term fixed assets. The audit must include a calculation of the private school's net eligible education expenses and a calculation of the balance of the private

school's fund for future eligible education expenses. The audit must be conducted in accordance with the auditing standards established by the American Institution of Certified Public Accountants, and DPI is prohibited from requiring that an auditor comply with standards that exceed the scope of the standards of the American Institution of Certified Public Accountants.

If a private school participating in a choice program is part of an organization and the private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or of the organization of which it is a part. If the school chooses to submit an audit of only the private school, the independent auditor is required to use his or her professional judgement to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school. If a private school participates in more than one choice program, the school may submit one comprehensive financial audit to satisfy the audit requirements.

2. Beginning in the second school year a private school participates in a choice program, a copy of a management letter prepared by the auditor.

3. Evidence of sound fiscal and internal control practices, as prescribed by DPI by rule. An independent auditor engaged to evaluate the private school's fiscal and internal control practices must conduct his or her evaluation, including determining sample sizes, in accordance with attestation standards established by the American Institution of Certified Public Accountants. The fact that a private school reports a negative reserve balance alone is not evidence that the private school does not have the financial ability to continue operating or that the private school does not follow sound fiscal and internal control practices. The independent auditor engaged to evaluate the private school's fiscal and internal control practice must also review any concerns raised in

the private school's management letter.

4. If an independent auditor engaged to evaluate the private school's fiscal and internal control practice determines that the governing body of the private school has not taken reasonable actions to remedy any concerns raised in the management letter submitted in the previous school year, a report prepared by the independent auditor must be included that addresses the auditor's findings related to the governing body's actions to remedy any concerns related to the governing body's actions to remedy any concerns raised in the management letter for the previous school year.

After receiving the audit information, DPI must notify each private school whether or not additional information is required for DPI to complete its review of the audit by no later than February 15, or 120 days after the date on which the audit was received, whichever is later. DPI may request that an auditor provide additional information if the request is related to DPI's review of the audit. DPI must determine whether the school has provided the information and met the requirements by April 1. Prior to April 1, DPI may contact the auditor who prepared the independent financial audit only regarding matters that may impact the school's financial statement by an amount that is greater than 1% of the total amount the school received for the previous school year and any items or information DPI determines is missing from the audit. DPI may communicate with an auditor as necessary for the purpose of assessing the financial viability of a private school participating in the program. An auditor who receives a written communication must respond to DPI within 10 school days of receiving the written communication.

Staff Credentials. With certain exceptions, all teachers and administrators in a school participating in the choice program are required to have a bachelor's degree or an educational credential higher than a bachelor's degree, including a mas-

ters or doctorate, from a nationally or regionally accredited institution of higher education or a teaching or administrator's license issued by DPI. For the purposes of this requirement, a teacher is defined as a person who has primary responsibility for the academic instruction of pupils. An administrator is defined as the superintendent, supervising principal, executive director, or other person who acts as the administrative head of the school.

Neither a teacher in a choice school who teaches only courses in rabbinical studies, nor an administrator of a choice school that prepares and trains pupils in rabbinical studies, is required to have a bachelor's degree.

Any teacher's aide employed by a choice school is required to have graduated from high school, been granted a declaration of equivalency of high school graduation, been granted a high school diploma by the administrator of a home-based educational program, or been issued a general education development certificate of high school equivalency.

School Accreditation. A choice school must achieve accreditation by December 31 of the third school year following the first school year in which it participates in the choice program. The statutorily-recognized accrediting agencies are Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, Wisconsin Association of Christian Schools, Christian Schools International, Association of Christian Schools International, the diocese or archdiocese within which the school is located, and any other organization recognized by the National Council for Private School Accreditation.

If, during the accrediting process, an accrediting agency determines that a school does not

meet all of the current law requirements for a private school, the accrediting agency must report that failure to DPI. Under current law, an institution is considered a private school if its education program meets the following criteria: (a) the primary purpose of the program is to provide private or religious-based education; (b) the program is privately controlled; (c) the program provides at least 875 hours of instruction each school year, although more hours are required under the choice program as described later; (d) the program provides a sequentially progressive curriculum of fundamental instruction in reading, language arts, mathematics, social studies, science, and health; (e) the program is not operated or instituted for the purpose of avoiding or circumventing the compulsory school attendance requirement; and (f) the pupils in the institution's educational program, in the ordinary course of events, return annually to the homes of their parents or guardians for not less than two months of summer vacation, or the institution is licensed as a child welfare agency.

If a private school participating in the choice program is accredited to offer instruction in any high school grade, but not any elementary grade and seeks to begin offering elementary grades, the school must apply for and achieve accreditation to offer the elementary grades. If a school is accredited to offer instruction in any elementary grades but not high school grades and seeks to begin offering high school grades, the school must apply for and achieve accreditation in the high school grades.

A private school that is a first-time participant in the choice program and that is not accredited must obtain preaccreditation by August 1 before the first school term of participation in the program, or by May 1 if the school begins participating in the program during summer school. Preaccreditation is defined as the review and approval of an educational plan. This review includes consideration of whether the school submitting the plan meets the statutory requirements of a private

school.

Schools may seek preaccreditation from the following entities: the Institute for the Transformation of Learning (ITL) at Marquette University, Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, Wisconsin Association of Christian Schools, Christian Schools International, Association of Christian Schools International, or the diocese or archdiocese within which the school is located. In any school year, a private school may apply for and seek to obtain preaccreditation from only one of the above-listed entities. A school that fails to obtain preaccreditation in a school year may apply for and seek to obtain preaccreditation from one of the above-listed entities in the following school year.

By law, the fact that a school has obtained preaccreditation does not require an accreditation organization to accredit the private school. If, during the preaccreditation process, an entity determines that a school does not meet the statutory requirements of a private school, it must report that information to DPI. An accredited school is not required to obtain preaccreditation as a prerequisite to providing instruction to additional grades or in an additional or new school.

After achieving accreditation, a school must maintain its accreditation from an approved accrediting entity for as long as the private school continues to participate in the choice program. If a school learns that its accrediting entity has been disqualified, the school must immediately notify DPI in writing and must obtain accreditation from an approved organization no more than three years from the date on which it learned its accrediting organization was disqualified. Schools are required to provide evidence of accreditation to DPI annually by January 15 in the form of a letter prepared by an accrediting entity

confirming the school's accreditation, and to notify DPI if its accreditation status changes.

Pupil Testing. Private choice schools with at least 20 choice pupils must administer the examinations adopted or approved by the State Superintendent to all pupils in grades 4, 8, 9, 10, and 11 who are attending the school through the choice program. Choice schools are also required to administer the 3rd grade standardized reading test developed by DPI to all choice pupils in that grade.

Choice schools must also administer all tests in reading, mathematics, and science that are required for public school pupils under federal law to all choice pupils in the relevant grades. Federal law currently requires that all pupils be tested in reading and math each year in 3rd through 8th grades and once in high school, and in science once each in elementary, middle, and high school. Beginning in the 2015-16 school year, the Wisconsin Forward exam is used to assess Wisconsin pupils, including choice pupils, in 3rd through 8th grades in English language arts, math, and science. Pupils in grades 9 through 11 participate in assessments developed by ACT, which test skills including reading and math. Choice schools are also authorized to administer additional standardized tests to choice pupils.

A choice school must excuse a pupil from taking standardized examinations if the pupil's parent or guardian requests it. Choice schools must include special education pupils in these assessments and provide appropriate accommodations and alternate assessments where necessary and as indicated in a pupil's individualized education program. A choice school, in accordance with criteria established by the State Superintendent, may determine not to administer an examination to a limited-English speaking pupil, may permit the pupil to be examined in his or her native language, or may modify the format and administration of an examination for such pupils.

When calculating the percentage of choice pupils at each proficiency level, DPI is required to use the number of pupils to whom the examinations were administered at each grade level in the school, excluding pupils whose parents requested that they be excused from the examinations, rather than the total number of pupils enrolled at each grade level. Public schools report results including pupils whose parents requested that they be excused from testing in the total of "not tested" pupils. DPI publishes testing results from private choice schools on its website (<http://dpi.wi.gov/assessment/parental-choice-program/data>).

Additionally, any private school participating in a private school choice program is prohibited from granting a high school diploma to any pupil who has not successfully completed the state civics assessment. Under state law, the civics assessment consists of 100 questions that are identical to the questions that may be asked of a person during the process of applying for U.S. citizenship by the United States Citizenship and Immigration Services. A pupil must answer at least 60 out of 100 questions correctly to pass the assessment, and a pupil who does not pass the assessment can retake it until he or she achieves a passing score. Pupils with disabilities are required to complete the assessment, unless their individualized education plan specifies that the test should not be administered, but do not need to achieve a passing score in order to graduate. Pupils with limited English proficiency must be allowed to take the assessment in their language of choice. The private school may determine the format and timing of the assessment.

Accountability Reports. If a private choice school maintains an Internet site and is included in the most recent school accountability report, the school is required to post a prominent link to the pages in that most recent accountability report concerning the school. The link must be posted on the homepage of the school's Internet site within 30 days after DPI publishes the ac-

countability report.

Private choice schools were included in the state accountability reports for the first time in the reports issued in Fall, 2016, using data from the 2015-16 school year. An accountability report is issued for every choice school based on data from choice pupils only. Each choice school can also choose to receive a second accountability report that includes all pupils attending the private school if the school submits data for all pupils at the school to DPI.

All choice schools are required to use a student information system that is compatible with DPI's data collection system to provide information required for the accountability reports. Choice schools are only required to provide information about pupils attending the school under a choice program, unless the school chooses to receive an accountability report that includes all pupils attending the school.

Academic Standards. Choice schools must adopt pupil academic standards in mathematics, science, reading and writing, geography, and history. Academic standards include content, performance, and proficiency standards that specify what pupils should know and be able to do, how pupils will demonstrate they are meeting a standard, and how well pupils must perform in a given subject area.

Pupil Promotion. A choice school must adopt a written policy specifying criteria for promoting choice pupils from 4th to 5th grade and from 8th to 9th grade. The criteria must include: (a) the pupil's scores on standardized assessments, unless the pupil has been excused from taking examinations; (b) the pupil's academic performance; (c) teacher recommendations, which must be based solely on the pupil's academic performance; and (d) any other academic criteria specified by the school. A choice school is prohibited from promoting a choice pupil from the 4th to 5th grade and 8th to 9th grade unless the pupil satisfies the

criteria specified in the school's policy.

A choice school must also develop a policy specifying the criteria for granting a high school diploma to a choice pupil. The criteria must include the pupil's academic performance and teacher recommendations, as well as successful completion of the state civics assessment. A choice school is prohibited from granting a high school diploma to a choice pupil unless the pupil has satisfied the criteria specified in the school's policy. A choice school must issue a diploma to a choice pupil who satisfactorily completes the course of instruction and any other requirements necessary for high school graduation.

Hours of Pupil Instruction. A school participating in the choice program must annually provide at least 1,050 hours of direct pupil instruction in grades 1 to 6 and at least 1,137 hours of direct pupil instruction in grades 7 to 12. These requirements currently apply to public school districts. Under current law, private schools not participating in the choice program are required to provide at least 875 hours of instruction each school year for each grade.

Required Meetings. Choice schools are required to annually schedule two meetings at which members of the governing body of the school will be present and at which pupils and the parents or guardians of pupils applying to attend the school or attending the school may meet and communicate with the members of the governing body. Within 30 days after the start of the school term, schools must notify DPI in writing of the scheduled meeting dates and, at least 30 days before the scheduled meeting date, must notify in writing each pupil or the parent or guardian of each minor pupil applying to attend the school or attending the school of the meeting date, time, and place.

Visitor Policy. Choice schools must develop a written policy governing visitors and visits to the school.

Pupil Records. Choice schools are required to maintain pupil applications and correspondence to or about a pupil attending the school under a choice program for a period of at least five years. Documents can be retained electronically or in paper format.

Additionally, choice schools must maintain progress records for each pupil attending the school under the choice program while the pupil attends the school and for at least five years after the pupil ceases to attend the school.

If a choice school ceases operating, it must immediately transfer all of the progress records of choice pupils to the school board of the district within which the pupil resides and send written notice of this transfer to each pupil, or to the parent or guardian of a minor pupil. If the school that ceases operation is affiliated with an organization that will maintain the progress records of each choice pupil who attended the school for at least five years after the school ceases operation, the school may instead transfer a pupil's records to that organization, rather than to the school district, if the pupil or the parent or guardian of a minor pupil consents in writing to the release of the progress records to the affiliated organization. The school must send a signed written notice from each pupil or the parent or guardian of each minor pupil who consents to the transfer of progress records under this provision to DPI. The written notice must include the name, phone number, mailing address, and other relevant contact information of the organization that will maintain the progress records, and a declaration by the affiliated organization that the organization agrees to maintain the progress records for at least five years after the school ceases operation.

Choice schools are required to provide a choice pupil or the parent or guardian of a choice pupil with a copy of the pupil's progress records upon request.

If a choice school receives written notice that

a pupil intends to enroll or has enrolled in another school or school district, the school must transfer all pupil records for that pupil to that school or school district within five days.

Provision of Information. Each school participating in the choice program must provide to each pupil, or the parent or guardian of each minor pupil, who applies to attend the school all of the following information:

a. the name, address, and telephone number of the school and the name of one or more contact persons at the school;

b. a list of the names of the members of the school's governing body and of the school's shareholders, if any;

c. a notice stating whether the school is an organization operated for profit or not for profit, and, if the school is a nonprofit organization, a copy of the certificate issued under section 501(c)(3) of the Internal Revenue Code verifying the school's status;

d. a copy of the appeals process used if the school rejects the applicant;

e. a copy of the policy developed by the school specifying the criteria for granting a high school diploma;

f. a copy of the non-harassment policy used by the school and the procedures for reporting and obtaining relief from harassment;

g. a copy of the suspension and expulsion policies and procedures used by the school and the procedures for appealing a suspension or expulsion;

h. a copy of the policy used by the school for accepting or denying the transfer of credits earned by a choice pupil for the satisfactory completion of coursework at another school; and

i. a copy of the written policy developed by the school governing visitors and visits to the school.

A choice school must also provide the material specified above and the following information to DPI by August 1 of each year:

a. for the previous school year, the number of pupils enrolled in the school through the choice program, including the number of pupils who participated in the choice program prior to 2015-16 and the number of pupils who first participated in the choice program in the 2015-16 school year or later for schools in the Racine and statewide programs;

b. for the previous school year, the number of pupils enrolled in the school but not participating in the choice program;

c. for each of the previous five school years in which the school has participated in the choice program, pupil scores on required standardized tests administered in the previous school year, to the extent permitted under the federal Family Educational Rights and Privacy Act; and

d. a copy of the academic standards adopted by the school.

Choice schools must provide all of the above information upon request to any pupil, or to the parent or guardian of any minor pupil, who is attending or who applies to attend the school.

Choice schools must also provide to DPI a signed statement from each individual who is a member of the school's governing body verifying their role in the school.

Indoor Environmental Quality. Schools participating in the choice program are required to develop and implement a plan for maintaining environmental quality in the school. Prior to choice schools developing their plans, DPI de-

veloped a model management plan and practices.

Choice schools are required to develop a plan for maintaining indoor environmental quality by October 1 of a school's first year in the choice program. Schools are required to implement the plan by the beginning of a school's second year in the choice program. Choice schools are required to provide a copy of the plan to any person upon request.

Removal of Schools from the Program. The State Superintendent can issue an order immediately terminating a school's participation in the choice program if he or she determines that conditions at the school present an imminent threat to the health or safety of pupils.

The State Superintendent may issue an order barring a school from participating in the program in the current school year if he or she determines that the school has done any of the following:

1. Failed to meet at least one of the four standards mentioned above by the date specified by DPI rule (currently June 30 of each year).
2. Failed to provide the notice of intent to participate and pay the auditor fee by February 1.
3. Misrepresented information relating to the certificate of occupancy, evidence of financial viability, accreditation, or proof of attendance at the fiscal management training required of new schools, or failure to provide that information by the date required.
4. Failed to provide the independent financial audit or evidence of sound fiscal practices.
5. Failed to refund to the state any overpayment made by the date specified by DPI rule (generally within 45 or 60 days of notification).
6. Failed to provide DPI with information about the number of pupils attending the school

under the choice programs and scores on standardized assessments.

7. Failed to comply with the provision regarding pupil participation in religious activities.
8. Failed to adopt pupil academic standards.
9. Failed to schedule and provide notice for two required meetings.
10. Failed to develop a written visitor policy.
11. Failed to ensure that teacher's aides have the required educational credentials.
12. Failed to provide any of the information listed above to a pupil or a parent or guardian of a minor pupil who is attending or who applies to attend the school, or as required to DPI.
13. Failed to administer the 3rd grade reading test to choice pupils.
14. Failed to issue a diploma to a choice pupil who satisfactorily completes the requirements necessary for high school graduation.
15. Failed to comply with the various provisions regarding pupil records (excluding the five-day records transfer provision for choice pupils enrolling in another school or school district).
16. Retained a disqualified person. A disqualified person means a person who, when a school was barred or terminated from the program, satisfied at least one of the following criteria: (a) had a controlling ownership interest in, or was the administrator or an officer, director, or trustee, of the school; (b) was a person designated by the administrator of the school to assist in processing pupil applications; or (c) was responsible for an action or circumstance that led to the school being barred or terminated from the program. Such a person is disqualified for a seven-year period beginning on the date of the order issued by the State Superintendent. A school may

be barred if it retains a disqualified person, for compensation or as a volunteer, as an owner, officer, director, trustee, administrator, person designated by the administrator to assist in processing pupil applications, or person responsible for administrative, financial, or pupil health and safety matters.

If the State Superintendent determines that any of the following have occurred, he or she may issue an order barring a choice school from participating in the program in the subsequent school year:

1. A school has not provided required evidence of accreditation or notified DPI if its accreditation status has changed.
2. A school's application for accreditation had been denied by an accrediting organization.
3. A school has not achieved accreditation within the statutorily required timeframe.

The State Superintendent is required to bar a school from participating in the program at the end of the current school year if the State Superintendent determines that: (a) a school has failed to continuously maintain accreditation; (b) the governing body of the school has withdrawn the school from the accreditation process; or (c) that the school's accreditation has been revoked, denied, or terminated.

Whenever the State Superintendent issues an order barring a school from participating in the program, he or she must immediately notify the parent or guardian of each pupil attending the school. In addition, the State Superintendent may withhold payment from a school if it violates the section of law [s. 118.60 or s. 119.23] governing the program.

In 2015-16, one school was removed from the Milwaukee program and four were unable to enter the Milwaukee program due to the various

accountability provisions. One of the four schools that applied to participate in the Milwaukee program and was determined to be ineligible also applied for the statewide program and was determined to be ineligible. One school that applied to the Racine program was ineligible to participate. No schools were terminated from the Racine or statewide programs in 2015-16. Since 2003-04, 57 schools have been removed from the Milwaukee program. One school has been removed from the Racine program since its inception.

Responsibilities of Public School Districts.

MPS, RUSD, and other districts are statutorily required to provide transportation to program participants, but only to the extent transportation is required to be provided for other private school pupils under current law. The districts are eligible to receive state categorical aids for pupils who are transported at the districts' expense.

Additionally, school districts are required to annually notify parents or guardians about educational options in the district, including private schools participating in a choice program. The information must be included as a link on the homepage of the district's Internet site. Public schools must also include a notice of educational options when providing the parent or guardian of each pupil enrolled in or attending the school with a copy of the school's annual accountability report.

Program Participation

Table 1 provides historical information on participation in the choice programs. A listing of the private schools participating in the Milwaukee program in 2016-17 and the September pupil headcount and FTE data for each school is shown in Appendix II. Similar information is shown for the Racine program in Appendix III and the statewide program in Appendix IV. The head-

Table 1: Participation in the Choice Programs

Fiscal Year	Milwaukee		Racine		Statewide	
	Private Schools	Aid Membership	Private Schools	Aid Membership	Private Schools	Aid Membership
1990-91	7	300				
1991-92	6	512				
1992-93	11	594				
1993-94	12	704				
1994-95	12	771				
1995-96	17	1,288				
1996-97	20	1,616				
1997-98	23	1,497				
1998-99	83	5,761				
1999-00	90	7,575				
2000-01	100	9,238				
2001-02	102	10,497				
2002-03	102	11,304				
2003-04	106	12,882				
2004-05	117	14,071				
2005-06	125	14,604				
2006-07	124	17,088				
2007-08	122	18,558				
2008-09	127	19,428				
2009-10	111	20,372				
2010-11	102	20,256				
2011-12	106	22,220	8	219		
2012-13	112	23,812	11	485		
2013-14	110	24,811	13	1,169	25	499
2014-15	113	25,745	15	1,660	31	994
2015-16	117	26,470	19	2,057	82	2,483
2016-17*	121	27,302	19	2,464	121	2,993

*Preliminary

count and FTE data is unaudited and is therefore subject to revision. The aid membership on which payments are made also includes the January, 2017, FTE count, which is not yet available, and therefore not shown in either appendix.

Program Funding

The following section summarizes statutory provisions regarding payments made under the choice programs as well as the various funding mechanisms used in the history of the Milwaukee, Racine, and statewide programs.

Choice Payments. Under the choice programs, the State Superintendent is required to pay the school in which a pupil is enrolled, on behalf of the pupil's parent or guardian, from two separate, general purpose revenue (GPR) sum sufficient appropriations. This payment is made in four equal installments in September, November, February, and May of each school year. Each installment may consist of a single check for all pupils attending the school under the choice program.

In the 2016-17 school year, per pupil payments are equal to \$7,323 for a pupil enrolled in a grade from kindergarten to eight and \$7,969 for a pupil enrolled in a grade from nine to 12. In

future years, payments will increase by the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

If a private school enrolls pupils under the choice programs in any grade between K-8 and also in any grade between 9-12, the payment per pupil for that school is an amount determined by: (a) multiplying the number of choice pupils enrolled in the school in any grade between K-8 by the payment amount for those grades; (b) multiplying the number of choice pupils enrolled in the school in any grade between 9-12 by the payment amount for those grades; (c) adding those two amounts together; and (d) dividing that sum by the total number of choice pupils enrolled in the school.

The State Superintendent is also required to pay each choice school, on behalf of the parent or guardian, for choice pupils enrolled in a choice school for summer classroom or laboratory periods for necessary academic purposes. Annually, by October 1, each choice school is required to file a report with DPI stating the FTE number of pupils enrolled in summer programs who were attending the school on the second Friday of January of the school term immediately preceding that summer or whose applications had been accepted for attendance at the private school in the school term immediately following that summer. Schools offering summer school receive an amount equal to 5% of the per pupil choice payment that could have been paid at the end of the immediately preceding school term for the grade in which the pupil is attending summer school. A school is eligible to receive a summer school payment for a pupil if: (a) the school offers a minimum of 19 summer days of instruction; (b) each day of summer instruction is comprised of at least 270 minutes of instruction; and (c) the pupil attends at least 15 days of summer instruction. The State Superintendent must include the

entire summer school payment with the November installment, but the summer payment must be made in a separate check.

If a choice school closes after the third Friday in September in a given school year, the school district in which the pupil resides receives a share of any choice payments for that school year that have not yet been paid to the choice school on behalf of that pupil if the pupil enrolls in the public school district in that year. The payment equals the choice per pupil amount as defined above times 61.6% (the state's share that applied in 2012-13) times 25% for each of the remaining installment payments for that pupil. Payments are made from a sum sufficient appropriation from the general fund for this purpose. No funding was paid from this appropriation in 2015-16.

Past Laws Governing Choice Payments.

Prior to 2015 Act 55, choice payments were set equal to the lesser of a maximum payment amount or the school's costs for educational programming. In determining a school's operating and debt service costs for educational programming, DPI was required to subtract only the following items, up to the actual cost of the service or material related to each item: (a) fees charged to pupils for books and supplies used in classes and programs; (b) rentals for school buildings; (c) food service revenues; (d) governmental financial assistance; and (e) interest and other income resulting from the investment of debt proceeds.

In the cost determination, DPI was required to include an amount equal to 10.5% of the fair market value of the school and its premises if: (a) legal title to the school's buildings and premises were held in the name of the school's parent organization or other related party; and (b) the school requested that the Department do so. Any request made by a school remained effective in subsequent school years and could not be withdrawn by the school. If, immediately prior to July 1, 2011, a school's operating and debt service

costs, as determined by DPI, included the amount described above, that amount would continue to be included in subsequent school years.

Additionally, under 2013 Act 20, a choice school was allowed to accumulate up to 15% of its annual operating and debt service costs related to educational programming in a reserve account beginning in the 2013-14 school year. Any increase to that reserved amount had to be included in DPI's determination of the school's operating and debt service costs related to programming for that school year.

The maximum payment amount has varied over time. Prior to 1999 Act 9, payments were equal to the lesser of the school's per pupil cost or the average equalization aid per pupil received by MPS. In Act 9, the payment was modified to equal the lesser of the school's per pupil cost or the amount paid per pupil in the previous school year plus the per pupil revenue limit increase provided to school districts in that school year. Under 2003 Act 33, the maximum per pupil payment amount was adjusted by the percentage increase in the general schools aids appropriation. This mechanism was used until 2009-10, when the maximum payment amount was set in statute. The per pupil payment for the choice programs in 2011-12, 2012-13, and 2013-14 was equal to the lesser of \$6,442 or the private school's operating and debt service cost per pupil related to educational programming, as determined by DPI.

2013 Act 20 set the maximum per pupil payment in 2014-15 equal to \$7,210 for a pupil enrolled in a grade from kindergarten to eight and \$7,856 for a pupil enrolled in a grade from nine to 12, and established the current indexing mechanism for future increases based on the revenue limit per pupil adjustment provided to school districts in the current year plus any increase in total categorical aid funding per pupil, as described above.

Choice Funding. The Milwaukee private school choice program is funded through a combination of state GPR and local funding. Under the program, payments to private schools are made from a sum-sufficient GPR appropriation. To partially offset the cost of the program, an aid reduction is made to the aid that would otherwise be paid to MPS equal to a percentage of the total cost of the program. In 2016-17, the aid reduction equals 25.6%. The aid reduction will equal 22.4% in 2017-18, and will continue to decrease by 3.2 percentage points in each year until the program is fully state funded in 2024-25. MPS can levy property taxes to make up for the aid reduction.

In the October 15, 2016, general school aids distribution, DPI used an estimate of \$203.7 million for the total cost of the Milwaukee choice program in 2016-17. As a result, the general aid that would otherwise be paid to MPS was reduced by 25.6% of that amount (\$52.1 million) to partially offset the GPR cost of the Milwaukee program. In 2016-17, MPS will receive \$5.3 million in high poverty aid. After consideration of those aid payments, the net aid reduction for MPS related to the choice program is \$46.8 million, which represents 7.7% of the district's estimated 2016-17 gross aid eligibility, and 23.0% of the cost of the Milwaukee program. MPS levied all but \$170,000 of the maximum allowed under revenues limits and backfilled this aid reduction with levy. The state's general fund bears the remaining \$156.9 million cost of the Milwaukee program. As a result, the net funding split for the Milwaukee program in 2016-17 is 77.0% state general fund/23.0% MPS.

For the statewide and Racine private school choice programs, per pupil payments for continuing pupils (pupils who first participated in the 2014-15 school year or prior) are fully funded through state GPR. Payments for incoming pupils (pupils who first participated in the 2015-16 school year or later) are funded through a reduction in the state aid that would otherwise be paid

to those pupils' school districts of residence.

To make up for the aid reduction for incoming pupils, school districts receive a revenue limit adjustment for each pupil in the current year equal to the aid reduction. If a school district chooses to levy to the maximum, its total resources are unaffected by the choice aid reduction, because it replaced the aid reduction with local levy. School districts also include incoming pupils in their pupil count for membership in calculating state general aid in the following aid year.

In the October 15, 2016, general school aids distribution, DPI used an estimate of \$18.3 million for the cost of the Racine program and \$22.6 million for the cost of the statewide program in 2016-17. The aid reduction was equal to \$8.8 million for the Racine program and \$16.7 million for the statewide program. Appendix V shows the aid reduction made to each district attributable in incoming choice pupils in 2016-17.

Table 2 shows the gross GPR appropriation for the Milwaukee program and the Racine and statewide programs in 2015-16 and 2016-17, as well as the aid reduction and net GPR cost for each.

Past Laws Governing Choice Funding. The Milwaukee program has always been funded from a separate sum sufficient appropriation. During the time of state two-thirds funding from 1996-97 to 2002-03, that appropriation was statutorily excluded from the definitions of state school aids and partial school revenues for pur-

poses of calculating the two-thirds funding goal.

Although changes were made to choice program funding prior to 1999 Act 9, the same basic mechanism for funding the program was in place from 1990-91 through 1998-99. Prior to Act 9, MPS was, with certain exceptions, generally able to count the number of pupils participating in the choice program in its membership for revenue limit and general school aids purposes. Equalization aid for MPS was reduced by the average equalization aid per member received by MPS times the number of eligible pupils attending private schools participating under the choice program. In addition, the State Superintendent was required to ensure that equalization aid paid to other school districts was neither reduced nor increased as a result of the payments to choice schools or the MPS aid reduction. Further, the State Superintendent was required to ensure that the amount of the aid reduction to MPS lapse to the general fund, thus fully offsetting the cost of the program.

Under 1999 Act 9, the definition of membership was changed to completely exclude pupils enrolled in a choice school from being counted in MPS' membership. Also under Act 9, the incidence of the aid reduction was changed. Rather than the full reduction coming from MPS' aid, the reduction was made by reducing the general school aids for which MPS was eligible by one-half of the reduction, while the general school aids for which all the other school districts in the state were eligible to be paid was reduced proportionately by an amount totaling the other half. A school district's revenue limit calculation was not

**Table 2: Estimated Choice Program Costs (in Millions)
2015-16 and 2016-17**

	<u>Milwaukee*</u>		<u>Racine and Statewide</u>		<u>Total</u>	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17*
GPR	\$196.4	\$203.7	\$33.5	\$40.9	\$229.9	\$244.6
Aid Reduction	<u>56.6</u>	<u>52.1</u>	<u>16.1</u>	<u>25.5</u>	<u>72.7</u>	<u>77.6</u>
Net GPR	\$139.8	\$151.6	\$17.4	\$15.4	\$157.2	\$167.0

*Excludes high poverty aid.

affected by the choice reduction. Thus, a district could increase its property tax levy to offset any aid reduction made related to the choice program. Because this property tax levy was included in partial school revenues under the two-thirds funding calculation, total funding for general school aids was increased by two-thirds of the amount of the choice lapse, which partially offset the statewide reduction amount.

While the choice program was funded from a separate appropriation that was excluded from the definition of state school aids and partial school revenues for the purpose of calculating two-thirds funding, the provisions requiring the general school aids reduction and allowing districts to levy to offset the aid reduction caused the estimated cost of the choice program to increase partial school revenues. This effective inclusion of the estimated costs of the choice program in partial school revenues resulted in a higher funding level for general school aids than there would otherwise have been in the absence of the aid reduction and levy offset provisions. For some districts, the additional aid received under the equalization aid formula was greater than the initial choice reduction. Other districts did not receive enough additional aid to offset the choice reduction.

Under 2001 Act 16, the general school aid reduction for non-MPS school districts was deleted. As a result, 1999-00 and 2000-01 were the only years that districts other than MPS had their general aid reduced for the choice program. Act 16 required that general aid for MPS in each year be reduced by an amount equal to 45% of the total cost of the choice program, which is comparable to the net reduction incurred by MPS under prior law. The amount levied by MPS to offset the choice reduction was not counted in partial school revenues, meaning no additional general school aid was generated by this choice levy for distribution to all districts under the equalization aid formula. This provision resulted in the general fund paying for 55% of the choice program

and MPS for 45%. The elimination of the state's two-thirds funding commitment in 2003 Act 33 did not affect the 55% general fund / 45% MPS funding split for the program.

Under 2007 Act 20, a separate aid program was created to provide aid to districts with high poverty. A district qualifies for aid if more than 50% of its pupils were eligible for free or reduced price lunch in the year preceding each biennium. The aid distributed per pupil is calculated by dividing the appropriated amount by the prior year aid membership of all eligible districts. By law, any aid MPS receives from this program must be used to offset the choice levy attributable to the reduction in general school aid.

Choice funding was further modified in 2009 Act 28. Prior to 2009-11, the reduction to the general aid for MPS was equal to 45% of the estimated cost of the choice program. This aid reduction decreased to 41.6% of the cost of the choice program in 2009-10 and 38.4% of the cost of the program in 2010-11, 2011-12, and 2012-13. This decrease in the aid reduction was accomplished by paying aid to the City of Milwaukee equal to 3.4% of the cost of the program in 2009-10 and 6.6% of the cost of the program in the 2010-11, 2011-12, and 2012-13. DPI is required to annually inform the MPS Board in writing of the result of the calculation of City aid, and to annually pay the City of Milwaukee the amount of City aid from the general school aids appropriation using the same payment schedule as for equalization aids. The City must use the City aid to defray the choice program levy it raises on behalf of MPS. These funds are considered state aid for revenue limit purposes.

Under 2013 Act 20, the MPS aid reduction was further decreased. Beginning in the 2013-14 school year and annually thereafter, the aid reduction equals a percentage determined by subtracting 3.2 percentage points from the percentage in the previous school year. This established a 12-year phase-out of the MPS aid reduction,

after which the program will be fully state funded in 2024-25.

For the Racine program, DPI was required under 2011 Act 32 to reduce the general aid for which RUSD was eligible by 38.4% of the estimated total cost of the Racine program. The October 15, 2011, general aid calculation used an estimate of nearly \$1.55 million for the cost of the Racine program in 2011-12, and RUSD's general aid was reduced by nearly \$594,000 in 2011-12. The October 15, 2012, general aid calculation used an estimate of \$3.2 million for the cost of the Racine program in 2012-13, and RUSD's general aid was reduced by \$1.2 million. Under revenue limits, RUSD was permitted to levy to make up for the aid reduction. Under 2013 Act 20, the 38.4% aid reduction to RUSD was deleted, meaning that in the 2013-14 and 2014-15 school years, the Racine program was fully state funded. The state program was also fully state funded in those years.

As noted above, 2015 Act 55 introduced the current law funding mechanism for the Racine and statewide choice programs, under which continuing pupils are fully funded with state GPR and incoming pupils are fully funded through a reduction to the aid that would otherwise be paid to those pupils' districts of residence. Under the act, school districts can count incoming choice pupils for general aids in the following aid year, and received a revenue limit adjustment for each pupil in the current year equal to the district's base revenue per pupil in 2015-16. The revenue limit adjustment was modified in 2015 Act 289 to be equal to each district's aid reduction beginning in 2016-17.

Table 3 summarizes state funding for the Milwaukee program since its inception. The per pupil amount and aid reductions shown in the table are those determined under the relevant statutory provisions that applied in the indicated year. The total state payment and aid reduction figures are based on the October general aid dis-

tributions prepared by DPI. The city choice program aid is included in the initial general aid reduction numbers. The final figures may have been adjusted based on final choice participation and aid eligibility data. Finally, it should be noted that the choice program funding data in Table 3 reflect only the amount and incidence of the aid reduction from the general school aids appropriation. The interactions of the choice program with the revenue limit and equalization aid formulas and the state's two-thirds funding of partial school revenues prior to 2003-04 described earlier are not addressed in Table 3.

Table 4 presents similar information for the Racine and statewide private school choice programs.

Program Evaluation

Under 1989 Act 336, the State Superintendent was authorized to conduct evaluations of the choice program. This authority was repealed in 1995 Act 27. Five reports were prepared for DPI by Professor John Witte of UW-Madison evaluating the first five years (1990-91 through 1994-95) of the program. In general, the evaluations concluded that: (a) the program had accomplished the purpose of making alternative school choices available to low-income families whose children were not succeeding in school; (b) parents were very satisfied with the program and have been highly involved in their children's education with attendance rates comparable to the MPS average for elementary schools; (c) the attrition rate in the program declined during the first four years and leveled off in the fifth year, but in the last two years evaluated, was comparable to pupil mobility rates in MPS; and (d) when test scores were controlled for gender, race, income, grade, and prior achievement, there was no systematic evidence that choice pupils do either better or worse than MPS pupils on achievement tests.

Table 3: State Funding of the Milwaukee Private School Choice Program

	Aid Membership	Per Pupil Amount	Choice Program Aid Estimate (in Millions)	MPS			Net Percent of Aid	All Other Districts	
				General Aid Reduction (in Millions)	High Poverty Aid (in Millions)	Net Aid Reduction (in Millions)		Total Reduction (in Millions)	Percent of Each District's Aid
1990-91	300	\$2,446	0.7	0.7		0.7	0.3%		
1991-92	512	2,643	1.4	1.4		1.4	0.5		
1992-93	594	2,745	1.6	1.6		1.6	0.6		
1993-94	704	2,985	2.1	2.1		2.1	0.7		
1994-95	771	3,209	2.5	2.5		2.5	0.8		
1995-96	1,288	3,667	4.6	4.6		4.6	1.2		
1996-97	1,616	4,373	7.1	7.1		7.1	1.6		
1997-98	1,497	4,696	7.0	7.0		7.0	1.5		
1998-99	5,761	4,894	28.7	28.7		28.7	5.6		
1999-00	7,575	5,106	39.1	19.5		19.5	3.4	\$19.5	0.6%
2000-01	9,238	5,326	49.0	24.5		24.5	4.1	24.5	0.7
2001-02	10,497	5,553	59.4	26.7		26.7	4.4		
2002-03	11,304	5,783	65.6	29.5		29.5	4.7		
2003-04	12,882	5,882	76.2	34.3		34.3	5.3		
2004-05	14,071	5,943	87.4	39.3		39.3	6.0		
2005-06	14,604	6,351	93.7	42.2		42.2	6.2		
2006-07	17,088	6,501	110.5	49.7		49.7	7.2		
2007-08	18,558	6,501	120.3	54.1	\$7.4	46.7	7.0		
2008-09	19,428	6,607	128.8	58.0	9.9	48.1	7.4		
2009-10	20,372	6,442	130.1	54.1	9.7	44.4	6.9		
2010-11	20,256	6,442	130.8	50.2	9.7	40.5	6.3		
2011-12	22,220	6,442	144.3	55.4	5.8	49.6	8.3		
2012-13	23,812	6,442	154.6	59.4	5.8	53.6	9.0		
2013-14	24,811	6,442	161.1	56.7	4.8	51.9	8.7		
2014-15	25,745	7,210 (K-8)							
		7,856 (9-12)	191.0	61.1	4.8	56.3	9.3		
2015-16	26,470	7,214 (K-8)							
		7,860 (9-12)	196.4	56.6	5.3	51.3	8.4		
2016-17*	27,302	7,323 (K-8)							
		7,969 (9-12)	203.7	52.1	5.3	46.8	7.7		

*Preliminary.

Table 4: State Funding for the Racine and Statewide Private School Choice Programs (\$ in Millions)

	<u>Racine Private School Program</u>			<u>Statewide Private School Choice Program</u>		
	Aid Membership	Estimated Payment	General Aid Reduction	Aid Membership	Estimated Payment	General Aid Reduction
2011-12	219	\$1.6	\$0.6	0	\$0.0	\$0.0
2012-13	485	3.2	1.2	0	0.0	0.0
2013-14	1,169	7.5	0.0	499	3.2	0.0
2014-15	1,660	12.2	0.0	994	7.3	0.0
2015-16	2,057	15.1	4.2	2,483	18.4	11.9
2016-17	2,464	18.3	8.8	2,993	22.6	16.7

As required by 1989 Act 336, the Legislative Audit Bureau (LAB) released an evaluation of the choice program in February, 1995. LAB agreed with Professor Witte's conclusions regarding parental satisfaction with, and involvement in, the program, attendance rates for choice pupils, and attrition rates. However, the Audit Bureau found that his conclusions regarding comparative academic performance were stronger than could be supported by the limited data available due to factors such as pupil attrition and small sample sizes. The LAB concluded that no conclusions could be drawn. In the 1995 evaluation, the Audit Bureau indicated that the program had not had a substantial fiscal effect on MPS for two reasons. First, the program had not diverted a large number of pupils from MPS and had only reduced the increase in MPS enrollment since the program began. Second, the loss of revenue experienced by MPS did not appear to have impeded the district's ability to fund educational activities for other pupils during the period covered by the LAB evaluation. Choice payments never equaled more than 0.8% of the district's equalization aids during the period covered by the LAB evaluation.

As required by 1995 Act 27, the Audit Bureau released a second evaluation of the program in February, 2000. LAB surveyed participating families about the choice program, and found that most respondents heard about the program through informal sources such as friends or relatives, and that most selected choice schools based

on perceived educational quality. Of the choice schools surveyed, LAB determined that nearly three-quarters could be classified as religious. While the Audit Bureau noted that the performance of pupils in MPS and choice schools could not easily be compared given that not all schools administer the same standardized testing, nearly 90% of the choice schools that responded to the Audit Bureau surveys submitted to at least one form of independent quality review or performance measurement and that all schools reported compliance with the statutory performance standards that were selected.

With respect to the possible negative fiscal effects of the choice program on MPS, the Audit Bureau noted that a full cost-benefit analysis of the program would require making assumptions about the choice program. LAB noted, however, that while total revenue received by MPS was not significantly affected by the choice program, costs to MPS property taxpayers were higher than they would have been in the absence of the choice program, given that MPS could increase its property tax levy to offset lost equalization aid. The Audit Bureau also noted that, in the context of state funding of two-thirds of partial school revenues in place at the time of evaluation, total state aid to MPS had increased, while total property taxes had decreased since the start of the choice program.

Another framework for evaluation of the choice program was established in 2005 Act 125.

Under that act, annually from 2006 through 2011, choice schools were required to provide the scores of all standardized tests that they administer to the School Choice Demonstration Project (SCDP), a national collaboration of researchers designing school choice program evaluations which is currently based at the University of Arkansas. The Audit Bureau was required to review and analyze the standardized test score data received from the SCDP. Based on its review, LAB was required to report to the Legislature annually from 2007 to 2011 on: (a) the results of standardized tests administered by choice schools; (b) the scores of a representative sample of choice pupils on the WKCE administered in the 4th, 8th, and 10th grades and the Wisconsin reading comprehension test administered in the 3rd grade; and (c) the scores of a comparable group of MPS pupils on the WKCE and reading comprehension tests. As part of its evaluation, the SCDP also assessed other aspects of the choice program over the five years, such as the effects of the program on pupil attainment, K-12 finance, the demographics of the City, school integration, and the characteristics of participating schools.

The SCDP released reports on choice testing in February of 2008, March of 2009, and April of 2010, March of 2011, and February of 2012. For its February, 2012, report on descriptive test score data, the SCDP analyzed information from 102 choice schools that administered the WKCE to choice pupils in 2010-11 in the 4th, 8th, and 10th grades. On the WKCE, 4th grade choice pupils scored lower than low-income 4th grade MPS pupils on reading, math, and science. In 8th and 10th grade, choice pupils scored higher than low-income MPS pupils in reading and science, but lower in math. Because these are only descriptive comparisons, researchers from the SCDP noted that the data could not be used to draw any conclusions about the effectiveness of the choice program compared to MPS, which requires data from the longitudinal study.

To conduct the longitudinal study, researchers

from the SCDP reported on the methods that were used to generate comparable panels of pupils from choice schools and MPS schools for which to compare WKCE results. Researchers from the SCDP began the longitudinal study by constructing samples of 2,727 pupils each in grades 3 through 9 from the choice program and from MPS matched to the choice sample on achievement level and demographics. In the first year of the report, the SCDP reported on baseline descriptive statistics for both groups from the WKCE. The analyses from the second, third, and fourth years generally concluded that there were few statistically significant differences in achievement growth in reading or math between the pupils the choice and the MPS samples. In the fifth year, the SCDP found that pupils in the choice sample exhibited larger growth in reading achievement than the MPS sample. They also found that some analyses indicated that pupils in the choice sample also exhibited larger growth in math achievement, but that the results were not conclusive. The researchers did note, however, that there was some evidence that the achievement growth by the choice sample in the fifth year was a result of the new requirement that year that choice schools administer the WKCE to all choice pupils in the relevant grades. The researchers also discussed issues relating to pupil mobility and attrition from the original samples.

The Audit Bureau issued its reports on the testing data in September of 2008 and in August of each year from 2009 through 2012. In the August, 2012, report, LAB indicated that it reviewed the data submitted by the SCDP and generally confirmed test score averages and related analyses reported by the SCDP, with some differences based on treatment of missing test score data and pupil transfers between MPS and choice schools. LAB also concurred with the SCDP that the extent to which the choice program affected pupil achievement could not be definitely determined because of the introduction of the testing requirement in the final year of the study.

APPENDIX I

Legal Challenges to the Choice Program

Once the choice program was enacted in 1990, its legality was immediately challenged. In May, 1990, the State Supreme Court was petitioned by several teacher, administrator, and parent groups and the Milwaukee branch of the NAACP to review the program. The petitioners argued that the program was unconstitutional because it violated: (1) the doctrine that public funds may be expended for only public purposes because the program "contains no educational controls, measures or standards of accountability;" (2) the state constitutional requirement that schools be as uniform as practicable; and (3) the state constitutional provision prohibiting the Legislature from passing a private or local provision as part of a multi-subject bill.

Although the State Supreme Court denied the request, six private schools in Milwaukee and several pupils and their parents wishing to participate in the program brought an action before the Circuit Court of Dane County (Davis v. Grover) seeking to compel the State Superintendent to immediately implement the program and to prohibit the State Superintendent from imposing any requirements on participating schools beyond those already specified in the private school choice law. The parties who previously requested the Supreme Court to review the program joined as intervenors in the Circuit Court action asking again that the law be declared unconstitutional.

In August, 1990, the Circuit Court ruled that the program was not unconstitutional. With regard to the public purpose challenge, the Court concluded that education is a public purpose and that the choice program is the Legislature's attempt "to improve the quality of education to the benefit of the entire state." Further, the Court held that the legislation "has sufficient accounta-

bility and control to maintain its public purpose." With regard to the uniformity clause challenge, the Court reasoned that the private schools participating in the program do not become public school districts even though they accept public school pupils and are, therefore, not required to meet the statutory standards required of public school districts. Finally, the Court dismissed the local/private bill challenge by concluding that the legislation is intended to have "a direct and immediate effect on a specific statewide concern or interest" and, therefore, is "neither a local nor a private law."

In addition, the Circuit Court ruled that while the State Superintendent has the authority to ensure that participating schools meet the requirements both of the private school choice law and of other state and federal provisions, "he may not insist on compliance in a manner more onerous or demanding than that insisted upon for other participating programs and public schools." The Circuit Court opinion also agreed with the U.S. Department of Education that the private schools in the program were not required to comply with federal and state laws regarding education for children with disabilities. While the private schools may not deny qualified pupils with disabilities access to their programs, the responsibility to offer them a free and appropriate education still rests with MPS.

In November, 1990, the Court of Appeals reversed the Circuit Court decision and declared the program unconstitutional by concluding that it was a local/private provision passed as part of a multi-subject bill. The Court of Appeals did not address the other two constitutional challenges previously dismissed by the Circuit Court. In March, 1992, the State Supreme Court, by a 4-3

vote, reversed the Court of Appeals decision and ruled that the choice program was not unconstitutional.

Initially, only nonsectarian private schools could participate in the program. In 1995 Act 27, the choice program was expanded to include sectarian schools and a number of other changes were made to the program. The Act 27 changes were challenged in court and a preliminary injunction prohibiting implementation of the Act 27 changes to the program was issued by the Dane County Circuit Court. An original action for removal of the case from the Circuit Court was brought before the Wisconsin Supreme Court and, on March 29, 1996, the Supreme Court issued a decision stating that it was evenly divided on the issues. As a result, the matter was returned to the Circuit Court and the preliminary injunction was continued.

On August 15, 1996, the Dane County Circuit Court made permanent the injunction relating to the expansion of the program to sectarian schools, but lifted the injunction as to nonsectarian schools, which allowed the provisions of Act 27 to take effect for nonsectarian schools in 1996-97.

On January 15, 1997, the Dane County Circuit Court issued a ruling that found that the Act 27 expansion of the program to sectarian schools violated Article I, Sec. 18 of the Wisconsin Constitution (prohibiting state support for religious societies) and the public purpose doctrine. The program, as it relates to nonsectarian schools, was determined to be constitutional. However, the Court found that the Act 27 provisions relating to the program were a local or private bill in violation of Article IV, Sec. 18 of the state Constitution. Under a stipulation before the Court, the program continued to operate, as modified by Act 27, for nonsectarian schools in 1996-97 and 1997-98.

On August 22, 1997, a majority of the Court of Appeals concluded that the Act 27 expansion of the choice program to sectarian schools was invalid under Article I, Sec. 18 of the Wisconsin Constitution because it directed payments of money from the state treasury for the benefit of religious societies. On June 10, 1998, the Wisconsin Supreme Court reversed the decision of the Court of Appeals and upheld the constitutionality of the amended choice program (Jackson v. Benson). In accordance with this ruling, the injunction barring the implementation of the amended choice program was dissolved and the program expansion to sectarian schools took effect in 1998-99. On November 9, 1998, the U.S. Supreme Court declined, without comment, to hear an appeal stemming from the Wisconsin Supreme Court decision.

While the U.S. Supreme Court declined to hear an appeal on the Wisconsin case, on June 27, 2002, the Court upheld the constitutionality of the Ohio Pilot Project Scholarship Program in Zelman v. Simmons-Harris. Under the Ohio program considered in the case, families in the Cleveland School District were provided tuition aid to attend participating public or private schools of the parent's choosing and tutorial aid for pupils who choose to remain enrolled in public school. Sectarian and nonsectarian schools in the Cleveland School District and public schools in adjacent districts were allowed to participate, and aid was distributed based on the financial need of the parents and the educational option chosen for the pupil. The Court held that the Ohio program did not violate the Establishment Clause of the First Amendment of the U.S. Constitution because it was enacted for a valid secular purpose, is neutral with respect to religion, permits participation of various types of schools, and provides assistance directly to a broad class of citizens who direct aid to sectarian schools as a result of their independent and private choice.

APPENDIX II

Milwaukee Private School Choice Program Headcount and FTE 2016-17 School Year

School Name	3rd Friday in September Headcount	FTE	Summer School FTE
A Promise of Hope Academy	63	55.4	
Academy of Excellence	796	768.0	234
Atlas Preparatory Academy, Inc.	693	678.6	
Atonement Lutheran School	306	294.8	81
Beautiful Savior Lutheran School	1	1.0	
Believers in Christ Christian Academy	245	237.0	
Blessed Sacrament Catholic School	178	170.5	
Blessed Savior Catholic School	579	550.0	46
Calvary's Christian Academy, School of the Arts	59	56.6	
Carter's Christian Academy, Inc.	281	271.5	20
Catholic East Elementary	186	177.2	
Christ St Peter Lutheran School	229	217.0	
Christian Faith Academy of Higher Learning	102	98.4	
Clara Mohammed School	209	203.0	
Cristo Rey Jesuit Milwaukee High School	220	220.0	166
CrossTrainers Academy	263	256.6	54
Destiny High School	285	285.0	28
Divine Destiny School	153	142.5	
Divine Mercy School	28	27.5	
Divine Savior Holy Angels High School	95	95.0	
Dominican High School	117	117.0	
Early View Academy of Excellence	274	268.8	
Eastbrook Academy	207	199.8	
Elm Grove Lutheran School	33	32.0	
First Immanuel Lutheran School	5	5.0	
Garden Homes Lutheran School	251	242.2	
Good Shepherd's Lutheran School - West Allis	31	29.5	
Grace Christian Academy	172	164.0	
Grace Lutheran School	49	45.5	
Granville Lutheran School	237	228.2	68
Greater Holy Temple Christian Academy	691	667.4	
Hales Corners Lutheran School	48	47.0	
Heritage Christian Schools	194	194.0	
Hickman Academy Preparatory School	276	260.0	
Hillel Academy	59	59.0	
Holy Redeemer Christian Academy	401	396.2	
Holy Wisdom Academy	242	233.6	
Hope Christian High School	305	305.0	
Hope Christian School: Caritas	238	238.0	

School Name	3rd Friday in September		Summer School
	Headcount	FTE	FTE
Hope Christian School: Fidelis	196	181.2	
Hope Christian School: Fortis	490	477.0	
Hope Christian School: Prima	572	550.0	
Hope Christian School: Semper	384	361.5	
Immanuel Lutheran School - Brookfield	120	116.4	
Institute of Technology and Academics	260	249.6	
Jo's Learning Academy	52	42.8	38
Kettle Moraine Lutheran High School	9	9.0	
King's Academy, Inc	202	192.8	
Lutheran Special School	25	25.0	
Malaika Early Learning Center	94	82.8	
Marquette University High School	132	132.0	
Martin Luther High School	245	245.0	
Mary Queen of Saints Catholic Academy	37	35.5	
Messmer Catholic Schools	1,642	1,600.5	390
Milwaukee Lutheran High School	629	629.0	35
Milwaukee Seventh Day Adventist School	195	187.0	
Mother of Good Counsel School	216	207.5	
Mount Calvary Lutheran School	185	178.5	
Mount Lebanon Lutheran School	216	205.5	57
Mount Olive Lutheran School	137	132.0	
Nativity Jesuit Middle School	177	167.5	113
New Testament Christian Academy	129	121.0	22
Northwest Catholic School	215	208.0	50
Northwest Lutheran School	240	233.6	
Notre Dame School of Milwaukee	406	391.6	176
Our Father's Lutheran School	19	18.5	
Our Lady Queen of Peace	161	152.0	
Pilgrim Lutheran School - Wauwatosa	239	227.0	
Pius XI High School	395	395.0	30
Prince of Peace	455	447.4	
Right Step, Inc.	135	135.0	
Risen Savior Lutheran School	231	223.0	75
Saint Adalbert School	470	453.2	
Saint Agnes School	72	70.5	
Saint Anthony School	1,931	1,883.8	504
Saint Catherine School	164	154.8	
Saint Charles Borromeo School	131	125.0	
Saint Coletta Day School	2	2.0	
Saint Gregory the Great Parish School	203	196.5	
Saint Joan Antida High School	144	144.0	
Saint John Kanty School	189	182.6	
Saint John's Lutheran School - Glendale	33	31.5	
Saint John's Lutheran School - Milw	157	149.5	
Saint Josaphat Parish School	235	227.8	
Saint Joseph Academy - Milwaukee	443	415.4	

School Name	3rd Friday in September		Summer School
	Headcount	FTE	FTE
Saint Joseph School - Wauwatosa	22	20.5	
Saint Lucas Lutheran School	115	110.5	
Saint Marcus Lutheran School	733	703.4	161
Saint Margaret Mary School	253	242.5	56
Saint Martin of Tours Parish School	18	18.0	
Saint Martini Lutheran School	251	243.0	88
Saint Matthias Parish School	85	81.4	
Saint Paul's Lutheran School - West Allis	35	31.5	
Saint Peter-Immanuel Lutheran School - Milwaukee	176	170.0	
Saint Philip's Lutheran School	136	129.0	
Saint Rafael the Archangel School	374	362.0	
Saint Roman Parish School	258	243.5	
Saint Sebastian School	202	195.0	31
Saint Thomas Aquinas Academy - Milwaukee	127	124.5	
Saint Thomas More High School	245	245.0	
Saint Vincent Pallotti Catholic School	176	171.2	
Salam School	668	645.0	143
Salem Evangelical Lutheran School	131	125.0	
Sharon Junior Academy	7	6.5	
Sherman Park Lutheran School	240	232.8	75
Shining Star Christian Schools, Inc.	219	211.5	
Shoreland Lutheran High School	0	0.0	
Siloah Lutheran School	184	178.0	37
Tamarack Waldorf School	223	219.0	
Texas Bufkin Christian Academy	72	68.5	
Torah Academy of Milwaukee	22	22.0	
TransCenter for Youth	100	100.0	
Trinity Lutheran School - Mequon	57	57.0	
United to Serve Academy	326	314.5	125
Victory Christian Academy	181	173.0	
Wells Street Academy	5	5.0	
Wisconsin Academy	36	36.0	
Wisconsin Lutheran High School	403	403.0	68
Word of Life Evangelical Lutheran School	72	68.0	
Yeshiva Elementary School	192	184.0	
Zion Lutheran School	<u>29</u>	<u>28.0</u>	<u> </u>
Total (Unaudited Numbers)*	28,188	27,302.4	2,971.0

*The aid membership on which choice program payments are made is equal to the average number of FTE pupils enrolled on the third Friday in September and the second Friday in January, plus the summer school FTE.

APPENDIX III

Racine Private School Choice Program Headcount and FTE 2016-17 School Year

School Name	3rd Friday in September Headcount	FTE	Summer School FTE
Academy of Excellence	0	0.0	
CERT School	6	6.0	3
Concordia Lutheran School	125	125.0	
Evergreen Elementary	291	276.0	
Friedens Lutheran School	4	4.0	
Hope Christian School: Via	163	163.0	
John Paul II Academy	158	158.0	
Lutheran High School Association of Racine	134	134.0	
Our Father's Lutheran School	0	0.0	
Our Lady of Grace Academy	193	185.4	
Renaissance School	320	307.2	
Saint Catherine's High School	445	445.0	
Saint John's Lutheran School	117	100.0	
Saint Joseph School	90	90.0	
Saint Matthew School	30	27.5	
Shoreland Lutheran High School	100	100.0	
Trinity Lutheran School - Caledonia	71	71.0	
Trinity Lutheran School - Racine	147	139.0	
Wisconsin Lutheran School	<u>138</u>	<u>132.5</u>	<u> </u>
Total (Unaudited Numbers)*	2,532	2,463.6	3

*The aid membership on which choice program payments are made is equal to the average number of FTE pupils enrolled on the third Friday in September and the second Friday in January, plus the summer school FTE.

APPENDIX IV

**Statewide Private School Choice Program Headcount and FTE
2016-17 School Year**

City	School Name	Headcount	FTE
Appleton	Fox Valley Lutheran High School	90	90.0
	Saint Francis Xavier Catholic School System, Inc.	156	153.0
	Saint Paul Lutheran School	15	15.0
Ashland	Our Lady of The Lake School	18	15.0
Beloit	Rock County Christian School	118	118.0
Berlin	Saint John Lutheran School	6	6.0
Bonduel	Saint Paul Lutheran School	14	14.0
Boyd	Saint Joseph Catholic School	11	10.0
Brookfield	Immanuel Lutheran School	13	11.8
Burlington	Catholic Central High School	2	2.0
	Saint John's Lutheran School	39	38.0
Butler	Saint Agnes School	3	3.0
Caledonia	Trinity Lutheran School - Caledonia	1	1.0
Cedarburg	First Immanuel Lutheran School	6	4.5
Chippewa Falls	McDonell Area Catholic Schools	60	60.0
Clintonville	Saint Martin Lutheran School	8	8.0
Columbus	Wisconsin Academy	4	4.0
Dousman	Saint Bruno Parish School	7	6.5
Eau Claire and Altoona	Regis Catholic Schools	134	134.0
Elm Grove	Elm Grove Lutheran School	4	3.0
Fond du Lac	Saint Mary's Springs Academy	67	65.0
	Winnebago Lutheran Academy	50	50.0
Franklin	Saint Martin of Tours Parish School	8	7.6
Freedom	Saint Peter Lutheran School	28	28.0
Genesee Depot	Saint Paul School	1	1.0
Glendale	Saint John's Lutheran School	2	2.0
Grafton	Saint Paul Lutheran School	13	11.0

City	School Name	Headcount	FTE
Green Bay	Bay City Christian School	11	9.5
	Green Bay Area Catholic Education - East	114	114.0
	Green Bay Area Catholic Education - South	35	35.0
	Green Bay Area Catholic Education - West	27	27.0
	Northeastern Wisconsin Lutheran High School	6	6.0
	Notre Dame de la Baie Academy	57	57.0
	Pilgrim Lutheran School	3	3.0
	Saint Mark Lutheran School	32	31.0
Greendale	Martin Luther High School	11	11.0
Greenfield	Our Father's Lutheran School	10	8.0
Hales Corners	Hales Corners Lutheran School	16	14.5
Hartland	Divine Redeemer Lutheran School	13	9.5
	Lake Country Lutheran High School	7	7.0
Jackson	Kettle Moraine Lutheran High School	78	78.0
	Morning Star Lutheran School	8	6.5
Kenosha	Friedens Lutheran School	72	70.0
	Saint Joseph Catholic Academy	110	107.5
La Crosse and Onalaska	Aquinas Catholic Schools	109	107.0
Lake Geneva	First Evangelical Lutheran School	8	7.0
Lake Mills	Lakeside Lutheran High School	25	25.0
Luxemburg	Saint Paul Lutheran School	6	5.0
Madison	Lighthouse Christian School	48	45.6
Manitowoc	Manitowoc Lutheran High School	15	15.0
	Roncalli High School	31	31.0
	Saint Francis of Assisi School	48	44.5
Marinette	Saint Thomas Aquinas Academy	11	10.5
Marshfield	Columbus Catholic Schools	54	53.0
Menomonee Falls	Grace Lutheran School	18	15.5
	Zion Lutheran School	5	5.0
Mequon	Trinity Lutheran School - Mequon	6	5.5
Merrill	Trinity Lutheran School - Merrill	26	26.0
Milwaukee	Academy of Excellence	0	0.0
	Christ St Peter Lutheran School	0	0.0
	Hillel Academy	6	6.0
	Lutheran Special School	2	2.0
	Milwaukee Lutheran High School	6	6.0
	Milwaukee Seventh Day Adventist School	0	0.0
	Mount Olive Lutheran School	6	6.0
	Nativity Jesuit Middle School	5	4.5
	Pius XI High School	4	4.0
	Prince of Peace	1	0.6
Risen Savior Lutheran School	3	2.6	

City	School Name	Headcount	FTE
Milwaukee cont.	Saint Joan Antida High School	0	0.0
	Saint John's Lutheran School	2	1.5
	Saint Joseph Academy	5	3.8
	Saint Lucas Lutheran School	12	11.0
	Saint Matthias Parish School	6	5.6
	Saint Rafael the Archangel School	2	1.6
	Saint Thomas More High School	2	2.0
	Saint Vincent Pallotti Catholic School	1	1.0
	Salam School	5	5.0
	Wisconsin Lutheran High School	13	13.0
Muskego	Saint Leonard School	2	1.5
Neenah and Menasha	Saint Mary Catholic Schools	96	96.0
New Berlin	Heritage Christian Schools	73	73.0
New London	Emanuel Lutheran School	16	14.5
Oconomowoc	Saint Jerome Parish School	6	4.5
	Saint Paul's Evangelical Lutheran School	7	7.0
Oostburg	Oostburg Christian School	23	20.5
Osceola	Valley Christian School - Osceola	18	16.5
Oshkosh	Lourdes Academy	67	67.0
	Valley Christian School - Oshkosh	56	56.0
Plymouth	Saint John Lutheran School	22	22.0
Portage	Saint John's Lutheran School	27	27.0
Racine and Kenosha	Renaissance School	0	0.0
Randolph	Randolph Christian School Society, Inc.	4	3.5
Reedsburg	Saint Peters Lutheran School	12	11.5
Shawano	Saint James Lutheran School	27	27.0
Sheboygan	Bethlehem Lutheran School	16	16.0
	Immanuel Lutheran School	10	9.5
	Saint Paul Lutheran School	19	18.5
	Sheboygan Area Lutheran High School	29	29.0
	Sheboygan Christian School	35	35.0
	Trinity Lutheran School - Sheboygan	11	10.5
Somers	Shoreland Lutheran High School	20	20.0
South Milwaukee	Divine Mercy School	2	2.0
Stevens Point	Pacelli Catholic Schools	78	78.0
Watertown	Good Shepherd Lutheran School - Watertown	11	9.5
Waukesha	Beautiful Savior Lutheran School	3	3.0
	Catholic Memorial High School	42	42.0
	Waukesha Catholic School System	47	45.5

City	School Name	Headcount	FTE
Waupun	Central Wisconsin Christian School	31	31.0
Wausau	Newman Catholic Schools	94	94.0
	Trinity Lutheran School - Wausau	27	26.0
Wauwatosa	Saint Joseph School	9	9.0
West Allis	Good Shepherd's Lutheran School - West Allis	4	3.5
	Grace Christian Academy	18	18.0
	Mary Queen of Saints Catholic Academy	10	10.0
	Saint Paul's Lutheran School	8	7.0
	Victory Christian Academy	2	2.0
West Bend	Good Shepherd Evangelical Lutheran School - West Bend	18	17.5
Whitefish Bay	Dominican High School	3	3.0
Wisconsin Rapids	Assumption Catholic Schools	57	57.0
	Immanuel Lutheran School	<u>22</u>	<u>21.0</u>
	Total (Unaudited Numbers)*	3,061	2,992.7

*The aid membership on which choice program payments are made is equal to the average number of FTE pupils enrolled on the third Friday in September and the second Friday in January, plus the summer school FTE.

APPENDIX V

State General Aid Reduction Attributable to Incoming Choice Pupils in the Racine and Statewide Choice Programs 2016-17 School Year

District	Aid Reduction	District	Aid Reduction
Altoona	\$52,553	Germantown	\$114,668
Appleton Area	791,525	Grafton	86,153
Arrowhead UHS	15,938	Granton Area	7,969
Ashland	109,845	Green Bay Area	1,160,476
Ashwaubenon	56,215	Green Lake	7,969
Beaver Dam	75,814	Greendale	34,321
Beloit	335,349	Greenfield	126,429
Beloit Turner	53,199	Hamilton	113,161
Berlin Area	73,876	Hartford UHS	79,690
Bloomer	22,615	Hartland-Lakeside J3	40,277
Bonduel	7,323	Hilbert	29,292
Bowler	7,323	Holmen	103,168
Boyceville Community	7,323	Horicon	7,969
Brillion	7,969	Hortonville	147,858
Brown Deer	42,301	Howards Grove	23,261
Burlington Area	257,597	Howard-Suamico	37,907
Cadott Community	48,246	Hustisford	7,969
Cambria-Friesland	7,323	Janesville	142,367
Campbellsport	31,876	Jefferson	23,261
Cedar Grove-Belgium Area	81,199	Johnson Creek	7,969
Cedarburg	18,308	Kaukauna Area	91,752
Central/Westosha UHS	15,938	Kenosha	1,004,541
Chetek-Weyerhaeuser	21,969	Kettle Moraine	40,277
Chippewa Falls Area	118,460	Kewaskum	87,013
Clintonville	51,261	Kewaunee	57,507
Cornell	29,292	Kiel Area	23,907
Cudahy	64,916	Kimberly Area	77,106
D C Everest Area	154,429	Kohler	7,969
Denmark	15,938	Lacrosse	278,703
Depere	93,476	Lake Geneva J1	36,615
Desoto Area	38,553	Lake Geneva-Genoa UHS	23,907
Dodgeland	7,969	Lake Mills Area	31,876
Durand	7,323	Little Chute Area	70,861
East Troy Community	7,969	Lomira	23,907
Eau Claire Area	513,039	Loyal	7,323
Elkhorn Area	22,615	Luxemburg-Casco	36,615
Elmbrook	71,593	Madison Metropolitan	213,835
Fall River	15,938	Manawa	15,292
Fond Du Lac	362,269	Manitowoc	150,982
Fontana J8	7,323	Marinette	32,954
Fort Atkinson	31,876	Marion	21,969
Fox Point J2	7,323	Markesan	7,969
Franklin Public	89,254	Marshall	7,969
Freedom Area	95,845	Marshfield	58,584
Genoa City J2	21,969	Mayville	14,646

District	Aid Reduction	District	Aid Reduction
McFarland	\$15,367	Seneca	\$7,323
Menasha	242,088	Seymour Community	59,230
Menomonee Falls	208,274	Shawano	190,398
Mequon-Thiensville	94,122	Sheboygan Area	445,409
Merrill Area	175,752	Sheboygan Falls	44,584
Middleton-Cross Plains	27,445	Shiocton	15,938
Mishicot	47,600	Slinger	14,646
Mondovi	7,323	Somerset	10,985
Monona Grove	7,684	South Milwaukee	37,907
Montello	7,969	Southern Door County	7,969
Monticello	15,938	Spencer	21,969
Mukwonago	7,323	Stanley-Boyd Area	32,954
Muskego-Norway	22,615	Stevens Point Area	339,225
Neenah	340,517	Stoughton Area	15,292
New Berlin	222,920	Sturgeon Bay	7,969
New Holstein	7,969	Sun Prairie Area	7,969
New London	170,582	Tomorrow River	7,323
Nicolet UHS	23,907	Turtle Lake	37,907
North Fond Du Lac	38,553	Two Rivers	109,628
Northern Ozaukee	10,985	Union Grove J1	7,323
Oak Creek-Franklin	70,215	Union Grove UHS	15,938
Oakfield	15,938	Unity	7,323
Oconomowoc Area	100,799	Valders Area	7,969
Oconto	14,646	Verona Area	29,653
Omro	59,230	Waterford Graded	7,323
Onalaska	105,106	Waterloo	7,969
Oostburg	73,230	Watertown	108,768
Osceola	21,969	Waukesha	826,631
Oshkosh Area	405,778	Waupaca	15,938
Osseo-Fairchild	7,323	Waupun	133,106
Palmyra-Eagle Area	30,584	Wausau	428,610
Pardeeville Area	21,969	Wauwatosa	171,659
Parkview	37,261	West Allis	649,881
Peshigo	25,631	West Bend	424,083
Pewaukee	10,985	West Deperre	97,783
Pittsville	3,662	West Salem	29,938
Plymouth	112,429	Weyauwega-Fremont	31,876
Port Edwards	7,323	Whitnall	37,907
Port Washington-Saukville	15,292	Wild Rose	7,323
Portage Community	175,752	Winneconne Community	29,938
Pulaski Community	45,876	Wisconsin Rapids	92,830
Racine	8,784,962	Wittenberg-Birnamwood	31,230
Randolph	26,277	Wrightstown Community	<u>30,584</u>
Reedsburg	84,215	Total	\$25,478,842
Reedsville	62,460		
Ripon Area	15,938		
Rosendale-Brandon	23,907		
Saint Croix Falls	45,230		
Saint Francis	22,615		
Salem	14,646		