



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-1137/P2
FFK:cjs:jm

In 1-23
owb 1-24 [if possible]

P3
RML
JLD

DOA:.....Stritchko, BB0406 - School choice funding from equalization aids

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

and elimination of
statewide
program caps
LPS - please update topic on request sheet

x
1
don't gen

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill makes various changes to the Racine Parental Choice Program (RPCP) and the statewide parental choice program (statewide choice program).

Payments to participating private schools.

Under current law, for each pupil attending a private school under the RPCP or the statewide choice program, DPI pays the private school an amount equal to the lesser of (a) the participating private school's operating and debt service cost per pupil and (b) a maximum amount provided by law. For the 2014-15 school year, the maximum per pupil amount provided by law is \$7,210 or \$7,856, depending on the pupil's grade. For each school year after the 2014-15 school year, the maximum per pupil payment is the maximum amount in the previous year plus any increase in the per pupil revenue limit and any increase in the total categorical aid funding per pupil. Under current law, for certain pupils attending summer or interim classes at a private school under the RPCP or the statewide choice program, DPI must also pay the participating private school an additional amount equal to equal to five percent of the maximum per pupil choice payment that could have been paid for the pupil in the preceding school term. Currently, payments DPI makes to private schools participating in the RPCP or the statewide choice program are paid from a sum sufficient appropriation.

This bill changes the payments DPI makes to participating private schools for pupils who begin attending the private school under the RPCP or the statewide choice program in the 2015–16 school year or in any school year thereafter (new choice pupil). Under the bill, beginning with the aid calculation for the 2016–17 school year, for a new choice pupil, DPI pays a participating private school an amount equal to the per pupil amount of equalization aid that the new choice pupil's resident school district is eligible to receive in that school year. The bill also requires DPI to make an additional payment for certain new choice pupils attending summer or interim classes at a participating private school in an amount equal to five percent of the new choice pupil's resident district's per pupil equalization aid in the immediately preceding school term. The payments DPI makes to private schools participating in the RPCP or the statewide choice program for new choice pupils are paid from the sum certain appropriation for general equalization aids.

This bill does not change payments made to a private schools participating in the RPCP or the statewide choice program for pupils who began attending a participating private school before the 2015–16 school year.

Equalization aid formula

Under current law, pupils attending a private school under the RPCP or the statewide choice program are not included in a school district's membership for the purpose of calculating the equalization aid that the school district is eligible to receive. Under the bill, beginning with the aid calculation for the 2016–17 school year, for the purpose of calculating the amount of equalization aid that a school district is eligible to receive, a school district's membership includes new choice pupils residing in the school district that are reported as attending a private school under the RPCP or the statewide choice program. The bill also requires that the amount of ~~equalization aid that each school district receives~~ is reduced by the total amount DPI paid to participating private schools for new choice pupils who reside in that school district. *move*

Caps in the statewide choice program

Current law limits the number of pupils who may participate in the statewide choice program to 1,000 pupils. Additionally, no more than one percent of any school district's total enrollment may attend private schools under the statewide choice program. Current law also limits the number of private schools that may participate in the statewide choice program. This bill eliminates the limitations on the number of pupils and private schools that may participate in the statewide choice program.

Requirements for new choice pupils in the statewide program.

Under current law, a pupil who resides in the Racine Unified School District must satisfy one of the following to attend a private school under the RPCP:

1. He or she was enrolled in a public school in the school district in the previous school year.
2. He or she was not enrolled in school in the previous school year.
3. He or she attended a private school under the RPCP in the previous school year.
4. He or she is applying to kindergarten, 1st grade, or 9th grade.

This bill creates the same requirement for new choice pupils in the statewide choice program.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (ac) of the statutes is amended to read:

2 20.255 (2) (ac) *General equalization aids and eligible and other school district*
3 *parental choice program payments.* The amounts in the schedule for the payment of
4 educational aids under ss. 121.08, 121.09, 121.095, 121.105, 121.137 and subch. VI
5 of ch. 121 and to make payments to private schools under s. 118.60 (4) (bk), (4m) (am),
6 and (4r) (bm).

 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 2.** 20.255 (2) (fr) of the statutes is amended to read:

8 20.255 (2) (fr) *Parental choice program for eligible school districts and other*
9 *school districts; pupils participating before the 2015–16 school year.* A sum sufficient
10 to make the payments to private schools under s. 118.60 (4) (bg) and (4m) (a).

 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 3.** 20.255 (2) (fv) of the statutes is amended to read:

12 20.255 (2) (fv) *Milwaukee Parental Choice Program and the parental choice*
13 *program for eligible school districts and other school districts; transfer pupils.* A sum
14 sufficient to make the payments under ss. 118.60 (4r) (am) and 119.23 (4r).

15 **SECTION 4.** 118.60 (1) (b) of the statutes is repealed.

16 **SECTION 5.** 118.60 (1) (dm) of the statutes is created to read:

17 118.60 (1) (dm) “Resident school district” means the school district in which a
18 pupil resides.

1 **SECTION 6.** 118.60 (2) (a) (intro.) of the statutes is amended to read:

2 118.60 (2) (a) (intro.) Subject to pars. (ag) and (ar), any pupil in grades
3 kindergarten to 12 who resides within an eligible school district may attend any
4 private school under this section and, subject to pars. (ag), (ar), ~~(be)~~, (bm), and (bs),
5 any pupil in grades kindergarten to 12 who resides in a school district, other than
6 an eligible school district or a 1st class city school district, may attend any private
7 school under this section if all of the following apply:

8 **SECTION 7.** 118.60 (2) (a) 2m. of the statutes is created to read:

9 118.60 (2) (a) 2m. For a pupil who resides in a school district, other than an
10 eligible school district or a 1st class city school district, that begins participating in
11 the the program under this section in the 2015–16 school year or any school year
12 thereafter, the pupil satisfies one or more of the following:

13 a. The pupil was enrolled in a public school in the school district in which the
14 pupil resides during the previous school year.

15 b. The pupil was not enrolled in school in the previous school year.

16 c. The pupil attended a private school under this section in the previous school
17 year.

18 d. The pupil is applying to kindergarten, first grade, or 9th grade in a private
19 school participating in the program under this section.

****NOTE: This is based on the existing requirements for pupils participating in the
Racine parental choice program. Please note that this criteria would permit a pupil who
previously participated in the Racine parental choice program (the pupil attended a
private school under s. 118.60) to enter the statewide choice program if the pupil moves
outside of the Racine school district. Okay?

20 **SECTION 8.** 118.60 (2) (be) of the statutes is repealed.

21 **SECTION 9.** 118.60 (3) (a) (intro.) and 1. (intro.) of the statutes are consolidated,
22 renumbered 118.60 (3) (a) (intro.) and amended to read:

1 118.60 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit
2 an application, on a form provided by the state superintendent, to the participating
3 private school that the pupil wishes to attend. If more than one pupil from the same
4 family applies to attend the same private school, the pupils may use a single
5 application. Within 60 days after receiving the application, the private school shall
6 notify each applicant, in writing, whether his or her application has been accepted.
7 If the private school rejects an application, the notice shall include the reason.
8 Subject to pars. (ag) and (ar), a private school may reject an applicant only if it has
9 reached its maximum general capacity or seating capacity. ~~Except as provided in~~
10 ~~pars. (ag) and (ar), the~~ The state superintendent shall ensure that the private school
11 determines which pupils to accept on a random basis, except that: 1. ~~The~~ the private
12 school may give preference in accepting applications to any of the following:

13 **SECTION 10.** 118.60 (3) (a) 1. a. to c. of the statutes are renumbered 118.60 (3)
14 (a) 1. to 3.

15 **SECTION 11.** 118.60 (3) (a) 2. of the statutes is repealed.

16 **SECTION 12.** 118.60 (3) (ag) of the statutes is repealed.

17 **SECTION 13.** 118.60 (3) (ar) of the statutes is repealed.

18 **SECTION 14.** 118.60 (3) (c) of the statutes is amended to read:

19 118.60 (3) (c) If a participating private school rejects an applicant who resides
20 in a school district, other than an eligible school district or a 1st class city school
21 district, because the private school has too few available spaces, the applicant may
22 transfer his or her application to a participating private school that has space
23 available. An applicant rejected under this paragraph may, subject to sub. (2) (be)
24 and (bm), be admitted to a private school participating in the program under this
25 section for the following school year.

1 **SECTION 15.** 118.60 (3) (d) of the statutes is created to read:

2 118.60 (3) (d) By the 3rd Friday in September and by the 2nd Friday in January,

3 a pupil or a pupil's parent or guardian shall notify, using a form provided by the

4 department, the pupil's resident school district and the department that the pupil is

5 currently participating in the program under this section. The form provided by the

6 department under this paragraph shall require a pupil or a pupil's parent or

7 guardian to indicate the school year during which the pupil first began participating

8 in the program under this section.

****NOTE: Is this language accurate or do you want parents to report children participating in a PCP on the 3rd Friday in September and the 2nd Friday in January, which is more similar to school district membership counts.

9 **SECTION 16.** 118.60 (4) (bg) 3. (intro.) of the statutes is amended to read:

10 118.60 (4) (bg) 3. (intro.) ~~In~~ Subject to subd. 6., in the 2015–16 school year and

11 in each school year thereafter, upon receipt from the pupil's parent or guardian of

12 proof of the pupil's enrollment in the private school during a school term, the state

13 superintendent shall pay to the private school in which the pupil is enrolled on behalf

14 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), the

15 lesser of the following:

16 **SECTION 17.** 118.60 (4) (bg) 6. of the statutes is created to read:

17 118.60 (4) (bg) 6. This paragraph applies only to pupils who participated in the

18 program under this section before the 2015–16 school year.

19 **SECTION 18.** 118.60 (4) (bk) of the statutes is created to read:

20 118.60 (4) (bk) 1. In this paragraph, "equalization aid per pupil" means an

21 amount determined by dividing the amount of aid a school district is eligible to

22 receive under s. 121.08 after making any reduction under s. 121.08 (4) (a) but before

1 making any reduction under s. 121.08 (4) (c) by the school district's membership used
2 to calculate that aid.

3 2. For a pupil who begins participating in the program under this section in the
4 2015-16 school year or any school year thereafter, upon receipt from the pupil's
5 parent or guardian of proof of the pupil's enrollment in the private school during a
6 school term, the state superintendent shall pay to the private school in which the
7 pupil is enrolled on behalf of the pupil's parent or guardian, from the appropriation
8 under s. 20.255 (2) (ac), an amount equal to the equalization aid per pupil for the
9 pupil's resident school district.

10 3. By October 15, using the most accurate data available, the state
11 superintendent shall calculate the equalization aid per pupil amount in the current
12 school year for pupils residing in each school district. Any adjustments to that
13 calculation shall be made by increasing or decreasing the payment to a participating
14 private school made in September of the following school year. *Ins 7-14 ✓*

****NOTE: This language is based on s. 121.15 (4) (b). If a private school does not
participate in the PCP in the following year, how would any necessary adjustment be
handled?*

15 **SECTION 19.** 118.60 (4) (c) of the statutes is renumbered 118.60 (4) (c) 1. and
16 amended to read:

17 118.60 (4) (c) 1. The Subject to subd. 2., the state superintendent shall pay 25
18 percent of the total amount under this subsection in September, 25 percent in
19 November, 25 percent in February, and 25 percent in May. Each installment may
20 consist of a single check for all pupils attending the private school under this section.
21 The state superintendent shall include the entire amount under sub. (4m) in the
22 November installment, but the payment shall be made in a separate check from the
23 payment under this subsection.

1 **SECTION 20.** 118.60 (4) (c) 2. of the statutes is created to read:

2 118.60 (4) (c) 2. Beginning with payments for the 2015–16 school year, the
3 portion of the September payment that is for a pupil under par. (bk) shall be based
4 on the equalization aid per pupil, as defined in par. (bk), in the previous school year
5 for the pupil’s resident school district. Any adjustment to ensure that a participating
6 private school receives the total amount due under this section for pupil payments
7 under par. (bk) shall be made by increasing or decreasing the amount paid in May
8 of the current school year.

****NOTE: Does this achieve your intent? The part of the September payment to a participating school for new choice pupils would be based on the previous year’s equalization aid per pupil for the pupil’s resident district (presumably the pupil’s current resident district). Any adjustment necessary to correct the September payment based on the current year’s equalization aid per pupil will be made to the May payment in the current year.

9 **SECTION 21.** 118.60 (4m) (a) (intro.) of the statutes is renumbered 118.60 (4m)
10 (a) 1m. (intro.) and amended to read:

11 118.60 (4m) (a) 1m. (intro.) In addition to the payment under sub. (4), the state
12 superintendent shall, subject to par. (b), pay to each private school participating in
13 the program under this section, on behalf of the parent or guardian of each pupil
14 attending summer school in the private school under this section during a summer
15 and in the manner described in sub. (4) (c), from the appropriation under s. 20.255
16 (2) (fr), an amount determined as follows:

17 **SECTION 22.** 118.60 (4m) (a) 1. of the statutes is renumbered 118.60 (4m) (a) 1m.

18 a.

19 **SECTION 23.** 118.60 (4m) (a) 2. of the statutes is renumbered 118.60 (4m) (a) 1m.

20 b. and amended to read:

21 118.60 (4m) (a) 1m. b. Multiply the amount under subd. ~~1.~~ 1m. a. by 0.05.

22 **SECTION 24.** 118.60 (4m) (a) 2m. of the statutes is created to read:

1 118.60 (4m) (a) 2m. This paragraph applies only to pupils who participated in
2 the program under this section before the 2015–16 school year.

3 **SECTION 25.** 118.60 (4m) (am) of the statutes is created to read:

4 118.60 (4m) (am) For a pupil who begins participating in the program under
5 this section in the 2015–16 school year or any school year thereafter, in addition to
6 the payment under sub. (4) and subject to par. (b), the state superintendent shall pay
7 to the private school participating in the program under this section that the pupil
8 attends during a summer in the manner described in sub. (4) (c), on behalf of the
9 pupil's parent or guardian, from the appropriation under s. 20.255 (2) (ac), an amount
10 determined as follows:

11 1. Determine the amount that would have been paid for the pupil under sub.
12 (4) (bk) in the immediately preceding school term.

13 2. Multiply the amount under subd. 1. by 0.05.

****NOTE: Please confirm this is consistent with your intent.

14 **SECTION 26.** 118.60 (4m) (b) (intro.) of the statutes is amended to read:

15 118.60 (4m) (b) (intro.) A participating private school may receive a per pupil
16 payment under par. (a) or (am) if all of the following are satisfied:

17 **SECTION 27.** 118.60 (4m) (b) 3. of the statutes is amended to read:

18 118.60 (4m) (b) 3. Each pupil for whom the private school seeks a payment
19 under par. (a) or (am) attends no fewer than 15 days of summer instruction at the
20 private school during that summer.

21 **SECTION 28.** 118.60 (4r) (intro.) of the statutes is renumbered 118.60 (4r) (am)
22 (intro.) and amended to read:

23 118.60 (4r) (am) (intro.) If, after the 3rd Friday in September in any school year,
24 a private school participating in the program under this section closes, for each

1 installment under sub. (4) (c) that was not paid to the private school in that school
 2 year, the state superintendent shall pay to the board of the school district within
 3 which the pupil resides, from the appropriation under s. 20.255 (2) (fv), the amount
 4 determined, for each pupil who participated in the program under this section before
 5 the 2015-16 school year who had been attending the private school under this section
 6 in that school year and who enrolls in the school district within which the pupil
 7 resides in that school year, as follows:

8 **SECTION 29.** 118.60 (4r) (a) of the statutes is renumbered 118.60 (4r) (am) 1.

9 **SECTION 30.** 118.60 (4r) (b) of the statutes is renumbered 118.60 (4r) (am) 2. and
 10 amended to read:

11 118.60 (4r) (am) 2. Multiply the product under ~~par. (a)~~ subd. 1. by 0.25.

12 **SECTION 31.** 118.60 (4r) (bm) of the statutes is created to read:

13 118.60 (4r) (bm) If, after the 3rd Friday in September in any school year, a
 14 private school participating in the program under this section closes, for each
 15 installment under sub. (4) (c) that was not paid to the private school in that school
 16 year, the state superintendent shall pay to the board of the school district within
 17 which the pupil resides, from the appropriation under s. 20.255 (2) (ac), the amount
 18 determined, for each pupil who participated in the program under this section
 19 beginning in the 2015-16 school year or any school year thereafter who had been
 20 attending the private school under this section in that school year and who enrolls
 21 in the school district within which the pupil resides in that school year, as follows:

22 ^{NO #} 1. ^{by ing} Multiply the amount determined under sub. (4) (bk) by 0.616 ^{0.25}

23 2. Multiply the product under par. (a) by 0.25.

****NOTE: Please confirm that this is consistent with your intent.

24 **SECTION 32.** 118.60 (6m) (b) 1. of the statutes is amended to read:

1 118.60 **(6m)** (b) 1. The number of pupils attending the private school under this
2 section in the previous school year who began participating in the program under
3 this section in the 2015–16 school year or any school year thereafter and the number
4 of pupils attending the private school under this section in the previous school year
5 who began participating in the program under this section before the 2015–16 school
6 year.

7 **SECTION 33.** 118.60 (10) (a) 3. of the statutes is amended to read:

8 118.60 **(10)** (a) 3. Failed to refund to the state any overpayment made under
9 s. 118.60 (4) (b), ~~2011 stats., or s. 118.60 (4) (bg), 2011 stats., or under sub. (4) (bg)~~ or
10 (4m) by the date specified by department rule.

11 **SECTION 34.** 121.004 (5) of the statutes is amended to read:

12 121.004 **(5)** MEMBERSHIP. “Membership” Except as provided in s. 121.07,
13 “membership” for any school district is the sum of pupils enrolled as reported under
14 s. 121.05 (1) or (2), as appropriate, and the summer average daily membership
15 equivalent for those academic summer classes, interim session classes, and
16 laboratory periods approved for necessary academic purposes under s. 121.14 (1) (a)
17 1. and 2. and those online classes described in s. 121.14 (1) (a) 3.

18 **SECTION 35.** 121.07 (2) of the statutes is created to read:

19 121.07 **(2)** MEMBERSHIP. For purposes of computing the amount of state aid paid
20 under s. 121.08, beginning with state aid paid for the 2016–17 school year,
21 “membership” means the membership, as defined in s. 121.004 (5), of the school
22 district in the previous school year plus the number of pupils residing in the school
23 district who are attending a private school under s. 118.60 in the current school year
24 and who did not participate in the program under s. 118.60 before the 2015–16 school
25 year, as reported under s. 118.60 (3) (d).

1 **SECTION 36.** 121.08 (4) (c) of the statutes is created to read:

2 121.08 (4) (c) The amount of state aid that a school district is eligible to be paid
3 from the appropriation under s. 20.255 (2) (ac) shall be reduced by the total amount
4 paid under s. 118.60 (4) (bk) and (4m) (am) for pupils residing in the school district
5 who are attending a private school participating in the program under s. 118.60.

6

(END)

INS
12-5

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1137/P3ins
FFK:.....

INS 7-14

1 NO
2 If the private school is not participating in the program under this section in
3 September of the following school year, the department shall make any adjustments
4 to the calculation by making a separate payment to the private school or if the
5 adjustment is a decrease, the private school shall refund the department for any
overpayment it received under sub. (4) or (4m). sub.

5 this subsection

****NOTE: The language is pretty vague and is based on PI 35.045(1)(g)3. Please let me know if you want to be more specific and include timing or notice requirements.

END INS 7-14

INS 12-5

6 SECTION 1. 121.90 (2) (am) 1. of the statutes is amended to read:

7 121.90 (2) (am) 1. Aid under ~~ss. 121.08~~ ^{s. plain} as if any reduction under s. 121.08 (4)
8 (c) had not occurred, ^{and ss.} 121.09, 121.105, and 121.136 and subch. VI, as calculated for
9 the current school year on October 15 under s. 121.15 (4) and including adjustments
10 made under s. 121.15 (4).

****NOTE: Please confirm that this achieves your intent.

11 SECTION 9134. Nonstatutory provisions; Public Instruction. ✓

12 (1) ENROLLMENT IN THE STATEWIDE PARENTAL CHOICE PROGRAM IN THE 2015-16
13 SCHOOL YEAR. The department of public instruction may not require a pupil who was
14 awarded a slot in a participating private school under section 118.60 (3) (ar) of the
15 statutes for the 2015-16 school year or was placed on a waiting list for a slot at a
16 participating private school under section 118.60 (3) (ar) of the statutes for the
17 2015-16 school year to reapply to attend the private school in the 2015-16 school
18 year under the parental choice program under s. 118.60 of the statutes,



Section

****NOTE: This prohibits DPI from requiring a pupil to reapply. Does it also need to prohibit a private school from requiring a pupil to reapply? Please let me know if this is not consistent with your intent.

History: 1993 a. 16; 1995 a. 27; 1997 a. 27, 113, 237, 286; 1999 a. 9, 32, 186; 2001 a. 109; 2005 a. 225; 2007 a. 20, 200; 2009 a. 28; 2011 a. 32; 2013 a. 20, 257.

END INS 12-5

Knepp, Fern

From: Stritchko, Megan E - DOA <MeganE.Stritchko@wisconsin.gov>
Sent: Saturday, January 24, 2015 10:17 AM
To: Knepp, Fern
Subject: LRB 1137/P2 - Choice in Equalization Aids

Hi Fern,

We received notice of an additional change to LRB 1137/P2. Rather than have the per pupil payment to the choice school equal to the resident district's state aid per pupil, we would like all choice schools under the new payment model to receive the same per pupil payment, which should be equal to the average of all of the participating district's average state aid per pupil. In other words, our aim is to add the per pupil state aid amounts for all of the districts losing kids to choice under the new model and then divide the total by the number of districts losing kids to choice. In effect, this should "smooth" out the payments to the choice schools so that they don't receive different payment amounts depending on which district the student resides in. The resident district's deduction will remain the same.

Make sense? It's somewhat confusing to try to explain via email, so feel free to give me a call if you need to. I should be in the office today until early afternoon.

Thanks,

Megan

Megan Stritchko
Executive Policy and Budget Analyst
Wisconsin Department of Administration
(608) 266-7329

Knepp, Fern

From: Stritchko, Megan E - DOA <MeganE.Stritchko@wisconsin.gov>
Sent: Saturday, January 24, 2015 1:09 PM
To: Knepp, Fern
Subject: RE: LRB 1137/P2 - Choice in Equalization Aids

My understanding is that on the most simple level, we reduce the resident district's equalization aid payment for each student enrolling in choice post-2015-16.

The full pot of "money" that we have for all of the individual district aid reductions is divided by the number of students that are receiving the choice payment from equalization aids, so that each school receiving a per pupil payment for students in the program post-2015-16 is the same.

For example:

If we have 10 choice kids post 2015-16 and they're spread out among 3 districts:

- 4 kids from District 1 with average per pupil = 5,000
- 3 kids from District 2 with average per pupil = 7,500
- 3 kids from District 3 with average per pupil = 2,500

Each district has a reduction for all of their choice kids at their individual district equalization aid per pupil (ie District 1 reduction = 20,000, District 2 reduction = 22,500 and District 3 reduction = 7,500).

Our "choice pot" = $(4 \times 5,000) + (3 \times 7,500) + (3 \times 2,500) = 50,000$

50,000/10 choice kids = 5,000 per pupil payment for each kid, regardless of which district he/she resides.

I'm still in the office if this doesn't make any sense... 6-7329.

From: Knepp, Fern [mailto:Fern.Knepp@legis.wisconsin.gov]
Sent: Saturday, January 24, 2015 12:53 PM
To: Stritchko, Megan E - DOA
Subject: RE: LRB 1137/P2 - Choice in Equalization Aids

Thanks, Megan. Instead of the per pupil equalization in the pupil's resident district, all choice schools receive the same per pupil payment which is the statewide average per pupil equalization aid payment. The reduction for a school district is the number of pupils in the district going to a choice school times that average payment. What if the reduction is more than the school district's equalization aid? Do you want reductions from other aid and a back up sum sufficient similar to open enrollment adjustments?

I am at home. If it is easier to chat, feel free to call me on my cell 608-228-5350

From: Stritchko, Megan E - DOA [MeganE.Stritchko@wisconsin.gov]
Sent: Saturday, January 24, 2015 10:16 AM
To: Knepp, Fern
Subject: LRB 1137/P2 - Choice in Equalization Aids

Hi Fern,

We received notice of an additional change to LRB 1137/P2. Rather than have the per pupil payment to the choice school equal to the resident district's state aid per pupil, we would like all choice schools under the new payment model to receive the same per pupil payment, which should be equal to the average of all of the participating district's average state aid per pupil. In other words, our aim is to add the per pupil state aid amounts for all of the districts losing kids to choice under the new model and then divide the total by the number of districts losing kids to choice. In effect, this should "smooth" out the payments to the choice schools so that they don't receive different payment amounts depending on which district the student resides in. The resident district's deduction will remain the same.

Make sense? It's somewhat confusing to try to explain via email, so feel free to give me a call if you need to. I should be in the office today until early afternoon.

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Megan

Megan Stritchko

Executive Policy and Budget Analyst

Wisconsin Department of Administration

(608) 266-7329



by 3:30

State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1137/P3
FFK:cjs&jld:jf

1/24

slays

DOA:.....Stritchko, BB0406 - School choice funding from equalization aids and elimination of statewide program caps

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

do NOT gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill makes various changes to the Racine Parental Choice Program (RPCP) and the statewide parental choice program (statewide choice program).

Payments to participating private schools.

Under current law, for each pupil attending a private school under the RPCP or the statewide choice program, DPI pays the private school an amount equal to the lesser of (a) the participating private school's operating and debt service cost per pupil and (b) a maximum amount provided by law. For the 2014-15 school year, the maximum per pupil amount provided by law is \$7,210 or \$7,856, depending on the pupil's grade. For each school year after the 2014-15 school year, the maximum per pupil payment is the maximum amount in the previous year plus any increase in the per pupil revenue limit and any increase in the total categorical aid funding per pupil. Under current law, for certain pupils attending summer or interim classes at a private school under the RPCP or the statewide choice program, DPI must also pay the participating private school an additional amount equal to equal to five percent of the maximum per pupil choice payment that could have been paid for the pupil in the preceding school term. Currently, payments DPI makes to private schools

Material moved from page 2

average per pupil amount of equalization aid for school districts in which new choice pupils reside (average equalization aid per pupil)

participating in the RPCP or the statewide choice program are paid from a sum sufficient appropriation.

This bill changes the payments DPI makes to participating private schools for pupils who begin attending ^athe private school under the RPCP or the statewide choice program in the 2015-16 school year or in any school year thereafter (new choice pupil). Under the bill, beginning with the aid calculation for the 2016-17 school year, for a new choice pupil, DPI pays a participating private school an amount equal to the per pupil amount of equalization aid that the new choice pupil's resident school district is eligible to receive in that school year. The bill also requires DPI to make an additional payment for certain new choice pupils attending summer or interim classes at a participating private school in an amount equal to five percent of the new choice pupil's resident district's per pupil equalization aid in the immediately preceding school term. The payments DPI makes to private schools participating in the RPCP or the statewide choice program for new choice pupils are paid from the sum certain appropriation for general equalization aids.

This bill does not change payments made to a private schools participating in the RPCP or the statewide choice program for pupils who began attending a participating private school before the 2015-16 school year.

Equalization aid formula

Under current law, pupils attending a private school under the RPCP or the statewide choice program are not included in a school district's membership for the purpose of calculating the equalization aid that the school district is eligible to receive. Under the bill, beginning with the aid calculation for the 2016-17 school year, for the purpose of calculating the amount of equalization aid that a school district is eligible to receive, a school district's membership includes new choice pupils residing in the school district that are reported as attending a private school under the RPCP or the statewide choice program. The bill also requires that the amount of each school district's equalization aid is reduced by the total amount DPI paid to participating private schools for new choice pupils who reside in that school district. A reduction for payments made for new choice pupils is not considered for purposes of calculating a school district's revenue limits.

Caps in the statewide choice program

Current law limits the number of pupils who may participate in the statewide choice program to 1,000 pupils. Additionally, no more than one percent of any school district's total enrollment may attend private schools under the statewide choice program. Current law also limits the number of private schools that may participate in the statewide choice program. This bill eliminates the limitations on the number of pupils and private schools that may participate in the statewide choice program.

Requirements for new choice pupils in the statewide program.

Under current law, a pupil who resides in the Racine Unified School District must satisfy one of the following to attend a private school under the RPCP:

1. He or she was enrolled in a public school in the school district in the previous school year.
2. He or she was not enrolled in school in the previous school year.
3. He or she attended a private school under the RPCP in the previous school year.

an amount determined by multiplying the school district's per pupil equalization aid amount by the number of

average equalization aid per pupil

move to page 1

be

not considered for purposes of calculating a school district's revenue limits

4. He or she is applying to kindergarten, 1st grade, or 9th grade.

This bill creates the same requirement for new choice pupils in the statewide choice program.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (ac) of the statutes is amended to read:

2 20.255 (2) (ac) *General equalization aids and eligible and other school district*
3 *parental choice program payments.* The amounts in the schedule for the payment of
4 educational aids under ss. 121.08, 121.09, 121.095, 121.105, 121.137 and subch. VI
5 of ch. 121 and to make payments to private schools under s. 118.60 (4) (bk), (4m) (am),
6 and (4r) (bm).

 ***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 2.** 20.255 (2) (fr) of the statutes is amended to read:

8 20.255 (2) (fr) *Parental choice program for eligible school districts and other*
9 *school districts; pupils participating before the 2015-16 school year.* A sum sufficient
10 to make the payments to private schools under s. 118.60 (4) (bg) and (4m) (a).

 ***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 3.** 20.255 (2) (fv) of the statutes is amended to read:

12 20.255 (2) (fv) *Milwaukee Parental Choice Program and the parental choice*
13 *program for eligible school districts and other school districts; transfer pupils.* A sum
14 sufficient to make the payments under ss. 118.60 (4r) (am) and 119.23 (4r).

15 **SECTION 4.** 118.60 (1) (b) of the statutes is repealed.

16 **SECTION 5.** 118.60 (1) (dm) of the statutes is created to read:

X

1 118.60 (1) (dm) "Resident school district" means the school district in which a
2 pupil resides.

3 SECTION 6. 118.60 (2) (a) (intro.) of the statutes is amended to read:

4 118.60 (2) (a) (intro.) Subject to pars. (ag) and (ar), any pupil in grades
5 kindergarten to 12 who resides within an eligible school district may attend any
6 private school under this section and, subject to pars. (ag), (ar), (be), (bm), and (bs),
7 any pupil in grades kindergarten to 12 who resides in a school district, other than
8 an eligible school district or a 1st class city school district, may attend any private
9 school under this section if all of the following apply:

10 SECTION 7. 118.60 (2) (a) 2m. of the statutes is created to read:

11 118.60 (2) (a) 2m. For a pupil who resides in a school district, other than an
12 eligible school district or a 1st class city school district, that begins participating in
13 the the program under this section in the 2015-16 school year or any school year
14 thereafter, the pupil satisfies one or more of the following:

15 a. The pupil was enrolled in a public school in the school district in which the
16 pupil resides during the previous school year.

17 b. The pupil was not enrolled in school in the previous school year.

18 c. The pupil attended a private school under this section in the previous school
19 year.

20 d. The pupil is applying to kindergarten, first grade, or 9th grade in a private
21 school participating in the program under this section.

22 SECTION 8. 118.60 (2) (be) of the statutes is repealed.

23 SECTION 9. 118.60 (3) (a) (intro.) and 1. (intro.) of the statutes are consolidated,
24 renumbered 118.60 (3) (a) (intro.) and amended to read:

1 118.60 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit
2 an application, on a form provided by the state superintendent, to the participating
3 private school that the pupil wishes to attend. If more than one pupil from the same
4 family applies to attend the same private school, the pupils may use a single
5 application. Within 60 days after receiving the application, the private school shall
6 notify each applicant, in writing, whether his or her application has been accepted.
7 If the private school rejects an application, the notice shall include the reason.
8 ~~Subject to pars. (ag) and (ar), a~~ A private school may reject an applicant only if it has
9 reached its maximum general capacity or seating capacity. ~~Except as provided in~~
10 ~~pars. (ag) and (ar), the~~ The state superintendent shall ensure that the private school
11 determines which pupils to accept on a random basis, except that: 1. ~~The~~ the private
12 school may give preference in accepting applications to any of the following:

13 **SECTION 10.** 118.60 (3) (a) 1. a. to c. of the statutes are renumbered 118.60 (3)
14 (a) 1. to 3.

15 **SECTION 11.** 118.60 (3) (a) 2. of the statutes is repealed.

16 **SECTION 12.** 118.60 (3) (ag) of the statutes is repealed.

17 **SECTION 13.** 118.60 (3) (ar) of the statutes is repealed.

18 **SECTION 14.** 118.60 (3) (c) of the statutes is amended to read:

19 118.60 (3) (c) If a participating private school rejects an applicant who resides
20 in a school district, other than an eligible school district or a 1st class city school
21 district, because the private school has too few available spaces, the applicant may
22 transfer his or her application to a participating private school that has space
23 available. An applicant rejected under this paragraph may, subject to sub. (2) ~~(be)~~
24 and (bm), be admitted to a private school participating in the program under this
25 section for the following school year.

1 **SECTION 15.** 118.60 (3) (d) of the statutes is created to read:

2 118.60 (3) (d) By the 3rd Friday in September, a pupil or a pupil's parent or
3 guardian shall notify, using a form provided by the department, the department that
4 the pupil is currently participating in the program under this section. The form
5 provided by the department under this paragraph shall require a pupil or a pupil's
6 parent or guardian to indicate the school year during which the pupil first began
7 participating in the program under this section.

8 **SECTION 16.** 118.60 (4) (bg) 3. (intro.) of the statutes is amended to read:

9 118.60 (4) (bg) 3. (intro.) ~~In~~ Subject to subd. 6., in the 2015–16 school year and
10 in each school year thereafter, upon receipt from the pupil's parent or guardian of
11 proof of the pupil's enrollment in the private school during a school term, the state
12 superintendent shall pay to the private school in which the pupil is enrolled on behalf
13 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), the
14 lesser of the following:

15 **SECTION 17.** 118.60 (4) (bg) 6. of the statutes is created to read:

16 118.60 (4) (bg) 6. This paragraph applies only to pupils who participated in the
17 program under this section before the 2015–16 school year.

18 **SECTION 18.** 118.60 (4) (bk) of the statutes is created to read:

19 118.60 (4) (bk) 1. In this paragraph, "equalization aid per pupil" means an
20 amount determined by dividing the amount of aid a school district is eligible to
21 receive under s. 121.08 after making any reduction under s. 121.08 (4) (a) but before
22 making any reduction under s. 121.08 (4) (c) by the school district's membership used
23 to calculate that aid.

24 2. For ^{an incoming choice} a pupil who begins participating in the program under this section in the
25 2015–16 school year or any school year thereafter, upon receipt from the pupil's

Ins
6-18

1 parent or guardian of proof of the pupil's enrollment in the private school during a
 2 school term, the state superintendent shall pay to the private school in which the
 3 pupil is enrolled on behalf of the pupil's parent or guardian, from the appropriation
 4 under s. 20.255 (2) (ac), ^{the} ~~an~~ amount ^{determined by the state superintendent} equal to the equalization aid per pupil for the ^{as follows:}
 5 pupil's resident school district.

IVS
7-5

6 3. By October 15, using the most accurate data available, the state
 7 superintendent shall calculate the equalization aid per pupil amount ^{under subd. 2.} ~~in~~ the current ^{for}
 8 school year for pupils residing in each school district. Any adjustments to that
 9 calculation shall be made by increasing or decreasing the payment to a participating
 10 private school made in September of the following school year. If the private school
 11 is not participating in the program under this section in September of the following
 12 school year, the department shall make any adjustments to the calculation by
 13 making a separate payment to the private school or if the adjustment is a decrease,
 14 the private school shall refund the department for any overpayment it received
 15 under this subsection or sub. (4m).

****NOTE: The language is pretty vague and is based on PI 35.045(1)(g)3. Please
 let me know if you want to be more specific and include timing or notice requirements.

16 **SECTION 19.** 118.60 (4) (c) of the statutes is renumbered 118.60 (4) (c) 1. and
 17 amended to read:

18 118.60 (4) (c) 1. The Subject to subd. 2., the state superintendent shall pay 25
 19 percent of the total amount under this subsection in September, 25 percent in
 20 November, 25 percent in February, and 25 percent in May. Each installment may
 21 consist of a single check for all pupils attending the private school under this section.
 22 The state superintendent shall include the entire amount under sub. (4m) in the

1 118.60 (4) (c) 1. The Subject to subd. 2., the state superintendent shall pay 25
2 percent of the total amount under this subsection in September, 25 percent in
3 November, 25 percent in February, and 25 percent in May. Each installment may
4 consist of a single check for all pupils attending the private school under this section.
5 The state superintendent shall include the entire amount under sub. (4m) in the
6 November installment, but the payment shall be made in a separate check from the
7 payment under this subsection.

8 **SECTION 19.** 118.60 (4) (c) 2. of the statutes is created to read:

9 118.60 (4) (c) 2. Beginning with payments for the 2015–16 school year, the
10 portion of the September payment that is for a pupil under par. (bk) shall be based
11 on the per pupil payment under par. (bk) in the previous school year, ~~for the pupil's~~
12 ~~resident school district.~~ Any adjustment to ensure that a participating private school
13 receives the total amount due under this section for pupil payments under par. (bk)
14 shall be made by increasing or decreasing the amount paid in May of the current
15 school year. NOTE

16 **SECTION 20.** 118.60 (4m) (a) (intro.) of the statutes is renumbered 118.60 (4m)
17 (a) 1m. (intro.) and amended to read:

18 118.60 (4m) (a) 1m. (intro.) In addition to the payment under sub. (4), the state
19 superintendent shall, subject to par. (b), pay to each private school participating in
20 the program under this section, on behalf of the parent or guardian of each pupil
21 attending summer school in the private school under this section during a summer
22 and in the manner described in sub. (4) (c), from the appropriation under s. 20.255
23 (2) (fr), an amount determined as follows:

24 **SECTION 21.** 118.60 (4m) (a) 1. of the statutes is renumbered 118.60 (4m) (a) 1m.
25 a.

91 ~~ADD~~ Note: Should this actually start in the 2016-17 school year. Since payments will not be made under par. (bk) until the 2015-16 school year? If not, on what should the September 2015 payment be based?

1 November installment, but the payment shall be made in a separate check from the
2 payment under this subsection.

3 SECTION 20. 118.60 (4) (c) 2. of the statutes is created to read:

4 118.60 (4) (c) 2. Beginning with payments for the 2015-16 school year, the
5 portion of the September payment that is for a pupil under par. (bk) shall be based
6 on the equalization aid per pupil, ^{payment under} as defined in par. (bk), in the previous school year
7 for the pupil's resident school district. Any adjustment to ensure that a participating
8 private school receives the total amount due under this section for pupil payments
9 under par. (bk) shall be made by increasing or decreasing the amount paid in May
10 of the current school year.

11 SECTION 21. 118.60 (4m) (a) (intro.) of the statutes is renumbered 118.60 (4m)
12 (a) 1m. (intro.) and amended to read:

13 118.60 (4m) (a) 1m. (intro.) In addition to the payment under sub. (4), the state
14 superintendent shall, subject to par. (b), pay to each private school participating in
15 the program under this section, on behalf of the parent or guardian of each pupil
16 attending summer school in the private school under this section during a summer
17 and in the manner described in sub. (4) (c), from the appropriation under s. 20.255
18 (2) (fr), an amount determined as follows:

19 SECTION 22. 118.60 (4m) (a) 1. of the statutes is renumbered 118.60 (4m) (a) 1m.
20 a.

21 SECTION 23. 118.60 (4m) (a) 2. of the statutes is renumbered 118.60 (4m) (a) 1m.
22 b. and amended to read:

23 118.60 (4m) (a) 1m. b. Multiply the amount under subd. ~~1.~~ 1m. a. by 0.05.

24 SECTION 24. 118.60 (4m) (a) 2m. of the statutes is created to read:

1 118.60 (4m) (a) 2m. This paragraph applies only to pupils who participated in
2 the program under this section before the 2015–16 school year.

3 **SECTION 25.** 118.60 (4m) (am) of the statutes is created to read:

4 118.60 (4m) (am) For a pupil who begins participating in the program under
5 this section in the 2015–16 school year or any school year thereafter, in addition to
6 the payment under sub. (4) and subject to par. (b), the state superintendent shall pay
7 to the private school participating in the program under this section that the pupil
8 attends during a summer in the manner described in sub. (4) (c), on behalf of the
9 pupil's parent or guardian, from the appropriation under s. 20.255 (2) (ac), an amount
10 determined as follows:

11 1. Determine the amount that would have been paid for the pupil under sub.
12 (4) (bk) in the immediately preceding school term.

13 2. Multiply the amount under subd. 1. by 0.05.

14 **SECTION 26.** 118.60 (4m) (b) (intro.) of the statutes is amended to read:

15 118.60 (4m) (b) (intro.) A participating private school may receive a per pupil
16 payment under par. (a) or (am) if all of the following are satisfied:

17 **SECTION 27.** 118.60 (4m) (b) 3. of the statutes is amended to read:

18 118.60 (4m) (b) 3. Each pupil for whom the private school seeks a payment
19 under par. (a) or (am) attends no fewer than 15 days of summer instruction at the
20 private school during that summer.

21 **SECTION 28.** 118.60 (4r) (intro.) of the statutes is renumbered 118.60 (4r) (am)
22 (intro.) and amended to read:

23 118.60 (4r) (am) (intro.) If, after the 3rd Friday in September in any school year,
24 a private school participating in the program under this section closes, for each
25 installment under sub. (4) (c) that was not paid to the private school in that school

1 year, the state superintendent shall pay to the board of the school district within
2 which the pupil resides, from the appropriation under s. 20.255 (2) (fv), the amount
3 determined, for each pupil who participated in the program under this section before
4 the 2015-16 school year who had been attending the private school under this section
5 in that school year and who enrolls in the school district within which the pupil
6 resides in that school year, as follows:

7 **SECTION 29.** 118.60 (4r) (a) of the statutes is renumbered 118.60 (4r) (am) 1.

8 **SECTION 30.** 118.60 (4r) (b) of the statutes is renumbered 118.60 (4r) (am) 2. and
9 amended to read:

10 118.60 (4r) (am) 2. Multiply the product under ~~par. (a)~~ subd. 1. by 0.25.

11 **SECTION 31.** 118.60 (4r) (bm) of the statutes is created to read:

12 118.60 (4r) (bm) If, after the 3rd Friday in September in any school year, a
13 private school participating in the program under this section closes, for each
14 installment under sub. (4) (c) that was not paid to the private school in that school
15 year, the state superintendent shall pay to the board of the school district within
16 which the pupil resides, from the appropriation under s. 20.255 (2) (ac), the amount
17 determined, for each pupil who participated in the program under this section
18 beginning in the 2015-16 school year or any school year thereafter who had been
19 attending the private school under this section in that school year and who enrolls
20 in the school district within which the pupil resides in that school year, by
21 multiplying the amount determined under sub. (4) (bk) by 0.25.

22 **SECTION 32.** 118.60 (6m) (b) 1. of the statutes is amended to read:

23 118.60 (6m) (b) 1. The number of pupils attending the private school under this
24 section in the previous school year who began participating in the program under
25 this section in the 2015-16 school year or any school year thereafter and the number

⑨
* * * * * Note: Please confirm this is accurate in light of the
changes made to par. (bk).

1 of pupils attending the private school under this section in the previous school year
2 who began participating in the program under this section before the 2015-16 school
3 year.

4 **SECTION 33.** 118.60 (10) (a) 3. of the statutes is amended to read:

5 118.60 (10) (a) 3. Failed to refund to the state any overpayment made under
6 s. 118.60 (4) (b), 2011 stats., or s. 118.60 (4) (bg), 2011 stats., or under sub. (4) (bg) or
7 (4m) by the date specified by department rule.

8 **SECTION 34.** 121.004 (5) of the statutes is amended to read:

9 121.004 (5) MEMBERSHIP. "Membership" Except as provided in s. 121.07 (2)
10 "membership" for any school district is the sum of pupils enrolled as reported under
11 s. 121.05 (1) or (2), as appropriate, and the summer average daily membership
12 equivalent for those academic summer classes, interim session classes, and
13 laboratory periods approved for necessary academic purposes under s. 121.14 (1) (a)
14 1. and 2. and those online classes described in s. 121.14 (1) (a) 3.

15 **SECTION 35.** 121.07 (2) of the statutes is created to read:

16 121.07 (2) MEMBERSHIP. For purposes of computing the amount of state aid paid
17 under s. 121.08, beginning with state aid paid for the 2016-17 school year,
18 "membership" means the membership, as defined in s. 121.004 (5), of the school
19 district in the previous school year plus the number of pupils residing in the school
20 district who are attending a private school under s. 118.60 in the current school year
21 and who did not participate in the program under s. 118.60 before the 2015-16 school
22 year, as reported under s. 118.60 (3) (d).

23 **SECTION 36.** 121.08 (4) (c) of the statutes is created to read:

24 121.08 (4) (c) The amount of state aid that a school district is eligible to be paid
25 from the appropriation under s. 20.255 (2) (ac) shall be reduced by the total ^{an} amount

determined as follows: Ins 11-25

1 paid under s. 118.60 (4) (bk) and (4m) (am) for pupils residing in the school district
2 who are attending a private school participating in the program under s. 118.60.

3 **SECTION 37.** 121.90 (2) (am) 1. of the statutes is amended to read:

4 121.90 (2) (am) 1. Aid under ss. s. 121.08, as if any reduction under s. 121.08
5 (4) (c) had not occurred, and ss. 121.09, 121.105, and 121.136 and subch. VI, as
6 calculated for the current school year on October 15 under s. 121.15 (4) and including
7 adjustments made under s. 121.15 (4).

***NOTE: Please confirm that this achieves your intent.

8 **SECTION 9134. Nonstatutory provisions; Public Instruction.**

9 (1) ENROLLMENT IN THE STATEWIDE PARENTAL CHOICE PROGRAM IN THE 2015-16
10 SCHOOL YEAR. The department of public instruction may not require a pupil who was
11 awarded a slot in a participating private school under section 118.60 (3) (ar) of the
12 statutes for the 2015-16 school year or was placed on a waiting list for a slot at a
13 participating private school under section 118.60 (3) (ar) of the statutes for the
14 2015-16 school year to reapply to attend the private school in the 2015-16 school
15 year under the parental choice program under section 118.60 of the statutes, as
16 affected by this act.

***NOTE: This prohibits DPI from requiring a pupil to reapply. Does it also need
to prohibit a private school from requiring a pupil to reapply? Please let me know if this
is not consistent with your intent.

17 (END)

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1137/P5/p4
FFK:.....
MS

INS 6-15 18

1 1. In this paragraph, "incoming choice pupil" means a pupil who begins
2 participating in the program under this section in the 2015-16 school year or any
3 school year thereafter who is enrolled in a private school under this section during
4 the school term.

END INS 6-15 18

INS 6-21 7-5

- 5 a. Identify each school district in which an incoming choice pupil resides.
- 6 b. For each school district identified under subd. 2. a., calculate that school
7 district's per pupil equalization aid by dividing the total amount of state aid that the
8 school district is eligible to receive under s. 121.08 after ^{the}making the reduction
9 under s. 121.08 (4) (a) but before ^{making}the reduction under s. 121.08 (4) (c) by the school
10 district's membership that was used to calculate the state aid under s. 121.08.
- 11 c. For each school district identified under subd. ^{2.}2. a., multiply the school
12 district's per pupil equalization aid calculated under subd. 2. b. by the number of
13 incoming choice pupils residing in the school district.
- 14 d. Add together all of the amounts determined under subd. 2. c. for school
15 districts identified under subd. ^{2.}2. a.
- 16 e. Divide the amount determined under subd. 2. d. by the total number of
17 incoming choice pupils.

END INS 6-21 7-5

1 1. Divide the amount of state aid that the school district is eligible to be paid
2 from the appropriation under s. 20.255 (2) (ac), calculated ^{after} (as if) the reduction under
3 par. (a) ^{is made} had not occurred, by the school district's membership.

4 2. Multiply the quotient under subd. 1. by the number of pupils ^{residing in the school district} for whom the
5 department ^{is required to make} made a payment under s. 118.60 (4) (bk).

***NOTE: This reduction does not take into account any payments made under s.
118.60 (4m) (am). Okay?

END INS 11-25

Knepp, Fern

From: Stritchko, Megan E - DOA <MeganE.Stritchko@wisconsin.gov>
Sent: Thursday, January 29, 2015 3:11 PM
To: Knepp, Fern
Subject: LRB 1137/P4 - Choice in Equalization Aids

Hi Fern,

I have answers/edits to your changes to LRB 1137/P4:

- Re: your note on page 7: I think the language you have from PI 35 is fine – I don't think we want to be more specific than that in statute.
- Re: your note on page 8: I think that we do want to delay that provision to the 2016-17 school year. As far as the initial September payment for 15-16 goes, I think we want DPI to estimate what they think the per pupil payment will be to the best of their ability.
- Re: your note on page 11: Could we use 50% rather than 61% under current law? Ie we multiply the per pupil payment by 50%, then pay out 25% of that for each installment? Make sense?
- Re: your first note on page 12: We should include summer school payments under s. 118.60(4m)(am) in the state aid reduction. Let's use the summer school membership for the preceding summer. Ie for the 2016-17 school year, use the choice summer school attendance for the summer of 2016 in that reduction.
- Re: your second note on page 12: Revenue limit language meets our intent.
- Re: your note on page 13: Yes, please add language that prohibits a school from making a student reapply as well as DPI.

Please call if anything's unclear.

Thank you!!!

Megan

Megan Stritchko
Executive Policy and Budget Analyst
Wisconsin Department of Administration
(608) 266-7329

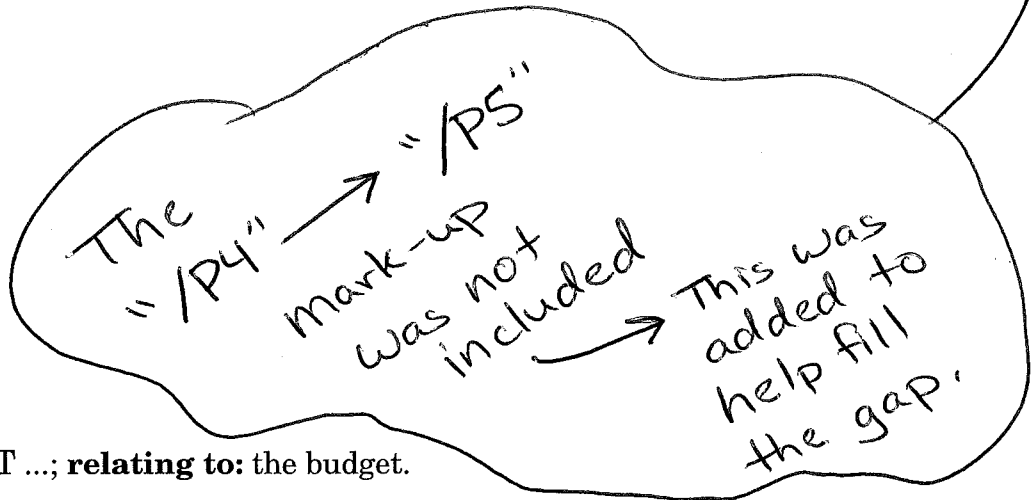


State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1137/P4
FFK:cjs&jld:jm

DOA:.....Stritchko, BB0406 – School choice funding from equalization aids and elimination of statewide program caps

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION



1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill makes various changes to the Racine Parental Choice Program (RPCP) and the statewide parental choice program (statewide choice program).

Caps in the statewide choice program

Current law limits the number of pupils who may participate in the statewide choice program to 1,000 pupils. Additionally, no more than one percent of any school district's total enrollment may attend private schools under the statewide choice program. Current law also limits the number of private schools that may participate in the statewide choice program. This bill eliminates the limitations on the number of pupils and private schools that may participate in the statewide choice program.

Payments to participating private schools.

Under current law, for each pupil attending a private school under the RPCP or the statewide choice program, DPI pays the private school an amount equal to the lesser of (a) the participating private school's operating and debt service cost per pupil and (b) a maximum amount provided by law. For the 2014-15 school year, the maximum per pupil amount provided by law is \$7,210 or \$7,856, depending on the pupil's grade. For each school year after the 2014-15 school year, the maximum per

pupil payment is the maximum amount in the previous year plus any increase in the per pupil revenue limit and any increase in the total categorical aid funding per pupil. Under current law, for certain pupils attending summer or interim classes at a private school under the RPCP or the statewide choice program, DPI must also pay the participating private school an additional amount equal to equal to five percent of the maximum per pupil choice payment that could have been paid for the pupil in the preceding school term. Currently, payments DPI makes to private schools participating in the RPCP or the statewide choice program are paid from a sum sufficient appropriation.

This bill changes the payments DPI makes to participating private schools for pupils who begin attending a private school under the RPCP or the statewide choice program in the 2015–16 school year or in any school year thereafter (new choice pupil). Under the bill, for a new choice pupil, DPI pays a participating private school an amount equal to the average per pupil amount of equalization aid for school districts in which new choice pupils reside (average equalization aid per pupil) in that school year. The bill also requires DPI to make an additional payment for certain new choice pupils attending summer or interim classes at a participating private school in an amount equal to five percent of the average equalization aid per pupil in the immediately preceding school term. Payments DPI makes to private schools participating in the RPCP or the statewide choice program for new choice pupils are paid from the sum certain appropriation for general equalization aids.

This bill does not change payments made to a private schools participating in the RPCP or the statewide choice program for pupils who began attending a participating private school before the 2015–16 school year.

Equalization aid formula

Under current law, pupils attending a private school under the RPCP or the statewide choice program are not included in a school district's membership for the purpose of calculating the equalization aid that the school district is eligible to receive. Under the bill, beginning with the aid calculation for the 2016–17 school year, for the purpose of calculating the amount of equalization aid that a school district is eligible to receive, a school district's membership includes new choice pupils residing in the school district that are reported as attending a private school under the RPCP or the statewide choice program. The bill also requires that the amount of each school district's equalization aid be reduced by an amount determined by multiplying the school district's per pupil equalization aid amount by the number of new choice pupils who reside in that school district. A reduction for payments made for new choice pupils is not considered for purposes of calculating a school district's revenue limit.

Requirements for new choice pupils in the statewide program.

Under current law, a pupil who resides in the Racine Unified School District must satisfy one of the following to attend a private school under the RPCP:

1. He or she was enrolled in a public school in the school district in the previous school year.
2. He or she was not enrolled in school in the previous school year.

3. He or she attended a private school under the RPCP in the previous school year.

4. He or she is applying to kindergarten, 1st grade, or 9th grade.

This bill creates the same requirement for new choice pupils in the statewide choice program.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (ac) of the statutes is amended to read:

2 20.255 (2) (ac) *General equalization aids and eligible and other school district*
3 *parental choice program payments.* The amounts in the schedule for the payment of
4 educational aids under ss. 121.08, 121.09, 121.095, 121.105, 121.137 and subch. VI
5 of ch. 121 and to make payments to private schools under s. 118.60 (4) (bk), (4m) (am),
6 and (4r) (bm).

 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 2.** 20.255 (2) (fr) of the statutes is amended to read:

8 20.255 (2) (fr) *Parental choice program for eligible school districts and other*
9 *school districts; pupils participating before the 2015–16 school year.* A sum sufficient
10 to make the payments to private schools under s. 118.60 (4) (bg) and (4m) (a).

 ****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 3.** 20.255 (2) (fv) of the statutes is amended to read:

12 20.255 (2) (fv) *Milwaukee Parental Choice Program and the parental choice*
13 *program for eligible school districts and other school districts; transfer pupils.* A sum
14 sufficient to make the payments under ss. 118.60 (4r) (am) and 119.23 (4r).

15 **SECTION 4.** 118.60 (1) (b) of the statutes is repealed.

16 **SECTION 5.** 118.60 (2) (a) (intro.) of the statutes is amended to read:

1 118.60 (2) (a) (intro.) Subject to pars. (ag) and (ar), any pupil in grades
2 kindergarten to 12 who resides within an eligible school district may attend any
3 private school under this section and, subject to pars. (ag), (ar), ~~(be)~~, (bm), and (bs),
4 any pupil in grades kindergarten to 12 who resides in a school district, other than
5 an eligible school district or a 1st class city school district, may attend any private
6 school under this section if all of the following apply:

7 **SECTION 6.** 118.60 (2) (a) 2m. of the statutes is created to read:

8 118.60 (2) (a) 2m. For a pupil who resides in a school district, other than an
9 eligible school district or a 1st class city school district, that begins participating in
10 the program under this section in the 2015–16 school year or any school year
11 thereafter, the pupil satisfies one or more of the following:

12 a. The pupil was enrolled in a public school in the school district in which the
13 pupil resides during the previous school year.

14 b. The pupil was not enrolled in school in the previous school year.

15 c. The pupil attended a private school under this section in the previous school
16 year.

17 d. The pupil is applying to kindergarten, first grade, or 9th grade in a private
18 school participating in the program under this section.

19 **SECTION 7.** 118.60 (2) (be) of the statutes is repealed.

20 **SECTION 8.** 118.60 (3) (a) (intro.) and 1. (intro.) of the statutes are consolidated,
21 renumbered 118.60 (3) (a) (intro.) and amended to read:

22 118.60 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit
23 an application, on a form provided by the state superintendent, to the participating
24 private school that the pupil wishes to attend. If more than one pupil from the same
25 family applies to attend the same private school, the pupils may use a single

1 application. Within 60 days after receiving the application, the private school shall
2 notify each applicant, in writing, whether his or her application has been accepted.
3 If the private school rejects an application, the notice shall include the reason.
4 Subject to pars. (ag) and (ar), a A private school may reject an applicant only if it has
5 reached its maximum general capacity or seating capacity. ~~Except as provided in~~
6 ~~pars. (ag) and (ar), the~~ The state superintendent shall ensure that the private school
7 determines which pupils to accept on a random basis, except that: ~~1. The~~ the private
8 school may give preference in accepting applications to any of the following:

9 **SECTION 9.** 118.60 (3) (a) 1. a. to c. of the statutes are renumbered 118.60 (3)
10 (a) 1. to 3.

11 **SECTION 10.** 118.60 (3) (a) 2. of the statutes is repealed.

12 **SECTION 11.** 118.60 (3) (ag) of the statutes is repealed.

13 **SECTION 12.** 118.60 (3) (ar) of the statutes is repealed.

14 **SECTION 13.** 118.60 (3) (c) of the statutes is amended to read:

15 118.60 (3) (c) If a participating private school rejects an applicant who resides
16 in a school district, other than an eligible school district or a 1st class city school
17 district, because the private school has too few available spaces, the applicant may
18 transfer his or her application to a participating private school that has space
19 available. An applicant rejected under this paragraph may, subject to sub. (2) ~~(be)~~
20 and (bm), be admitted to a private school participating in the program under this
21 section for the following school year.

22 **SECTION 14.** 118.60 (3) (d) of the statutes is created to read:

23 118.60 (3) (d) By the 3rd Friday in September, a pupil or a pupil's parent or
24 guardian shall notify, using a form provided by the department, the department that
25 the pupil is currently participating in the program under this section. The form

1 provided by the department under this paragraph shall require a pupil or a pupil's
2 parent or guardian to indicate the school year during which the pupil first began
3 participating in the program under this section.

4 **SECTION 15.** 118.60 (4) (bg) 3. (intro.) of the statutes is amended to read:

5 118.60 (4) (bg) 3. (intro.) ~~In~~ Subject to subd. 6., in the 2015–16 school year and
6 in each school year thereafter, upon receipt from the pupil's parent or guardian of
7 proof of the pupil's enrollment in the private school during a school term, the state
8 superintendent shall pay to the private school in which the pupil is enrolled on behalf
9 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), the
10 lesser of the following:

11 **SECTION 16.** 118.60 (4) (bg) 6. of the statutes is created to read:

12 118.60 (4) (bg) 6. This paragraph applies only to pupils who participated in the
13 program under this section before the 2015–16 school year.

14 **SECTION 17.** 118.60 (4) (bk) of the statutes is created to read:

15 118.60 (4) (bk) 1. In this paragraph, "incoming choice pupil" means a pupil who
16 begins participating in the program under this section in the 2015–16 school year or
17 any school year thereafter who is enrolled in a private school under this section
18 during the school term.

19 2. For an incoming choice pupil, upon receipt from the pupil's parent or
20 guardian of proof of the pupil's enrollment in the private school during a school term,
21 the state superintendent shall pay to the private school in which the pupil is enrolled
22 on behalf of the pupil's parent or guardian, from the appropriation under s. 20.255
23 (2) (ac), the amount determined by the state superintendent as follows:

24 a. Identify each school district in which an incoming choice pupil resides.

1 b. For each school district identified under subd. 2. a., calculate that school
2 district's per pupil equalization aid by dividing the total amount of state aid that the
3 school district is eligible to receive under s. 121.08 after making the reduction under
4 s. 121.08 (4) (a) but before making the reduction under s. 121.08 (4) (c) by the school
5 district's membership that was used to calculate the state aid under s. 121.08.

6 c. For each school district identified under subd. 2. a., multiply the school
7 district's per pupil equalization aid calculated under subd. 2. b. by the number of
8 incoming choice pupils residing in the school district.

9 d. Add together all of the amounts determined under subd. 2. c. for school
10 districts identified under subd. 2. a.

11 e. Divide the amount determined under subd. 2. d. by the total number of
12 incoming choice pupils.

13 3. By October 15, using the most accurate data available, the state
14 superintendent shall calculate the per pupil amount under subd. 2. for the current
15 school year. Any adjustments to that calculation shall be made by increasing or
16 decreasing the payment to a participating private school made in September of the
17 following school year. If the private school is not participating in the program under
18 this section in September of the following school year, the department shall make any
19 adjustments to the calculation by making a separate payment to the private school
20 or if the adjustment is a decrease, the private school shall refund the department for
21 any overpayment it received under this subsection or sub. (4m).

****NOTE: The language is based on PI 35.045(1)(g)3. Please let me know if you
want to be more specific and include timing or notice requirements.

22 **SECTION 18.** 118.60 (4) (c) of the statutes is renumbered 118.60 (4) (c) 1. and
23 amended to read:

1 118.60 (4) (c) 1. The Subject to subd. 2., the state superintendent shall pay 25
2 percent of the total amount under this subsection in September, 25 percent in
3 November, 25 percent in February, and 25 percent in May. Each installment may
4 consist of a single check for all pupils attending the private school under this section.
5 The state superintendent shall include the entire amount under sub. (4m) in the
6 November installment, but the payment shall be made in a separate check from the
7 payment under this subsection.

8 **SECTION 19.** 118.60 (4) (c) 2. of the statutes is created to read:

9 118.60 (4) (c) 2. Beginning with payments for the 2015–16 school year, the
10 portion of the September payment that is for a pupil under par. (bk) shall be based
11 on the per pupil payment under par. (bk) in the previous school year. Any adjustment
12 to ensure that a participating private school receives the total amount due under this
13 section for pupil payments under par. (bk) shall be made by increasing or decreasing
14 the amount paid in May of the current school year.

 ***NOTE: Should this actually start in the 2016–17 school year since payments will
not be made under par. (bk) until the 2015–16 school year? If not, on what should the
September 2015 payment be based?

15 **SECTION 20.** 118.60 (4m) (a) (intro.) of the statutes is renumbered 118.60 (4m)
16 (a) 1m. (intro.) and amended to read:

17 118.60 (4m) (a) 1m. (intro.) In addition to the payment under sub. (4), the state
18 superintendent shall, subject to par. (b), pay to each private school participating in
19 the program under this section, on behalf of the parent or guardian of each pupil
20 attending summer school in the private school under this section during a summer
21 and in the manner described in sub. (4) (c), from the appropriation under s. 20.255
22 (2) (fr), an amount determined as follows:

1 **SECTION 21.** 118.60 (4m) (a) 1. of the statutes is renumbered 118.60 (4m) (a) 1m.

2 a.

3 **SECTION 22.** 118.60 (4m) (a) 2. of the statutes is renumbered 118.60 (4m) (a) 1m.

4 b. and amended to read:

5 118.60 (4m) (a) 1m. b. Multiply the amount under subd. ~~1.~~ 1m. a. by 0.05.

6 **SECTION 23.** 118.60 (4m) (a) 2m. of the statutes is created to read:

7 118.60 (4m) (a) 2m. This paragraph applies only to pupils who participated in
8 the program under this section before the 2015-16 school year.

9 **SECTION 24.** 118.60 (4m) (am) of the statutes is created to read:

10 118.60 (4m) (am) For a pupil who begins participating in the program under
11 this section in the 2015-16 school year or any school year thereafter, in addition to
12 the payment under sub. (4) and subject to par. (b), the state superintendent shall pay
13 to the private school participating in the program under this section that the pupil
14 attends during a summer in the manner described in sub. (4) (c), on behalf of the
15 pupil's parent or guardian, from the appropriation under s. 20.255 (2) (ac), an amount
16 determined as follows:

17 1. Determine the amount that would have been paid under sub. (4) (bk) in the
18 immediately preceding school term.

19 2. Multiply the amount under subd. 1. by 0.05.

20 **SECTION 25.** 118.60 (4m) (b) (intro.) of the statutes is amended to read:

21 118.60 (4m) (b) (intro.) A participating private school may receive a per pupil
22 payment under par. (a) or (am) if all of the following are satisfied:

23 **SECTION 26.** 118.60 (4m) (b) 3. of the statutes is amended to read:

1 118.60 (4m) (b) 3. Each pupil for whom the private school seeks a payment
2 under par. (a) or (am) attends no fewer than 15 days of summer instruction at the
3 private school during that summer.

4 **SECTION 27.** 118.60 (4r) (intro.) of the statutes is renumbered 118.60 (4r) (am)
5 (intro.) and amended to read:

6 118.60 (4r) (am) (intro.) If, after the 3rd Friday in September in any school year,
7 a private school participating in the program under this section closes, for each
8 installment under sub. (4) (c) that was not paid to the private school in that school
9 year, the state superintendent shall pay to the board of the school district within
10 which the pupil resides, from the appropriation under s. 20.255 (2) (fv), the amount
11 determined, for each pupil who participated in the program under this section before
12 the 2015-16 school year who had been attending the private school under this section
13 in that school year and who enrolls in the school district within which the pupil
14 resides in that school year, as follows:

15 **SECTION 28.** 118.60 (4r) (a) of the statutes is renumbered 118.60 (4r) (am) 1.

16 **SECTION 29.** 118.60 (4r) (b) of the statutes is renumbered 118.60 (4r) (am) 2. and
17 amended to read:

18 118.60 (4r) (am) 2. Multiply the product under ~~par. (a) subd. 1.~~ by 0.25.

19 **SECTION 30.** 118.60 (4r) (bm) of the statutes is created to read:

20 118.60 (4r) (bm) If, after the 3rd Friday in September in any school year, a
21 private school participating in the program under this section closes, for each
22 installment under sub. (4) (c) that was not paid to the private school in that school
23 year, the state superintendent shall pay to the board of the school district within
24 which the pupil resides, from the appropriation under s. 20.255 (2) (ac), the amount
25 determined, for each pupil who participated in the program under this section

1 beginning in the 2015–16 school year or any school year thereafter who had been
2 attending the private school under this section in that school year and who enrolls
3 in the school district within which the pupil resides in that school year, by
4 multiplying the amount determined under sub. (4) (bk) by 0.25.

****NOTE: Please confirm this is accurate in light of the changes made to par. (bk).

5 **SECTION 31.** 118.60 (6m) (b) 1. of the statutes is amended to read:

6 118.60 (6m) (b) 1. The number of pupils attending the private school under this
7 section in the previous school year who began participating in the program under
8 this section in the 2015–16 school year or any school year thereafter and the number
9 of pupils attending the private school under this section in the previous school year
10 who began participating in the program under this section before the 2015–16 school
11 year.

12 **SECTION 32.** 118.60 (10) (a) 3. of the statutes is amended to read:

13 118.60 (10) (a) 3. Failed to refund to the state any overpayment made under
14 s. 118.60 (4) (b), 2011 stats., or s. 118.60 (4) (bg), 2011 stats., or under sub. (4) (bg) or
15 (4m) by the date specified by department rule.

16 **SECTION 33.** 121.004 (5) of the statutes is amended to read:

17 121.004 (5) MEMBERSHIP. “Membership” Except as provided in s. 121.07 (2),
18 “membership” for any school district is the sum of pupils enrolled as reported under
19 s. 121.05 (1) or (2), as appropriate, and the summer average daily membership
20 equivalent for those academic summer classes, interim session classes, and
21 laboratory periods approved for necessary academic purposes under s. 121.14 (1) (a)
22 1. and 2. and those online classes described in s. 121.14 (1) (a) 3.

23 **SECTION 34.** 121.07 (2) of the statutes is created to read:

1 121.07 (2) MEMBERSHIP. For purposes of computing the amount of state aid paid
2 under s. 121.08, beginning with state aid paid for the 2016–17 school year,
3 “membership” means the membership, as defined in s. 121.004 (5), of the school
4 district in the previous school year plus the number of pupils residing in the school
5 district who are attending a private school under s. 118.60 in the current school year
6 and did not participate in the program under s. 118.60 before the 2015–16 school
7 year, as reported under s. 118.60 (3) (d).

8 **SECTION 35.** 121.08 (4) (c) of the statutes is created to read:

9 121.08 (4) (c) The amount of state aid that a school district is eligible to be paid
10 from the appropriation under s. 20.255 (2) (ac) shall be reduced by an amount
11 determined as follows:

12 1. Divide the amount of state aid that the school district is eligible to be paid
13 from the appropriation under s. 20.255 (2) (ac), calculated after the reduction under
14 par. (a) is made, by the school district’s membership.

15 2. Multiply the quotient under subd. 1. by the number of pupils residing in the
16 school district for whom the department is required to make a payment under s.
17 118.60 (4) (bk).

 ****NOTE: This reduction does not take into account any payments made under s.
118.60 (4m) (am). Okay?

18 **SECTION 36.** 121.90 (2) (am) 1. of the statutes is amended to read:

19 121.90 (2) (am) 1. Aid under ~~ss. s.~~ s. 121.08, as if any reduction under s. 121.08
20 (4) (c) had not occurred, and ss. 121.09, 121.105, and 121.136 and subch. VI, as
21 calculated for the current school year on October 15 under s. 121.15 (4) and including
22 adjustments made under s. 121.15 (4).

 ****NOTE: Please confirm that this achieves your intent.

23 **SECTION 9134. Nonstatutory provisions; Public Instruction.**

1 (1) ENROLLMENT IN THE STATEWIDE PARENTAL CHOICE PROGRAM IN THE 2015-16
2 SCHOOL YEAR. The department of public instruction may not require a pupil who was
3 awarded a slot in a participating private school under section 118.60 (3) (ar) of the
4 statutes for the 2015-16 school year or was placed on a waiting list for a slot at a
5 participating private school under section 118.60 (3) (ar) of the statutes for the
6 2015-16 school year to reapply to attend the private school in the 2015-16 school
7 year under the parental choice program under section 118.60 of the statutes, as
8 affected by this act.

 ****NOTE: This prohibits DPI from requiring a pupil to reapply. Does it also need
to prohibit a private school from requiring a pupil to reapply? Please let me know if this
is not consistent with your intent.

9

(END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1137/P5dn
FFK:wlj:rs

This draft reconciles LRB-1137/P4, LRB-0633/P3 and LRB-1261/P1. All of these drafts should continue to appear in the compiled bill.

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