



**WISCONSIN LEGISLATIVE COUNCIL
STAFF MEMORANDUM**

Memo No. 14-1

TO: MEMBERS OF THE SPECIAL COMMITTEE ON STATE-TRIBAL RELATIONS

FROM: David L. Lovell, Principal Analyst

RE: Parental School Choice (School Voucher) Programs

DATE: July 6, 2014

Parental school choice programs, also called school voucher programs, use state funds to pay for the cost of attendance at a private school. The purpose of the programs is to allow a low- to moderate-income child to attend a private school, at no charge, as an alternative to attending a public school in the child's local school district.

The first parental choice program, the Milwaukee Parental Choice Program (MPCP), was established in 1989; low-income pupils began attending private schools under this program in 1990-91. Participation in the program has grown progressively from 300 students at seven private schools to 25,397 students at 108 private schools in 2013-14; 125 schools have registered to participate in the 2014-15 school year.

2011 Wisconsin Act 32 expanded the parental school choice program to the Racine Unified School District beginning in the 2011-12 school year. Thirteen private schools participated in the Racine Parental Choice Program (RPCP) and 15 schools have registered to participate in the 2014-15 school year.

2013 Wisconsin Act 20 created the statewide Wisconsin Parental Choice Program (WPCP). Act 20 set limits on the size of this program; these limits are described later in this Memo.

STATE PAYMENTS TO CHOICE SCHOOLS

For the 2013-14 school year, the per pupil amount paid to schools participating in the program was the lesser of \$6,442 or the private school's per-pupil operating and debt service cost related to educational programming, as determined by The Department of Public Instruction (DPI). In 2013-14, the total state payments for the program were approximately

\$161 million. The MPCP was funded 35.2% from a reduction in general state aid to Milwaukee Public Schools and 64.8% from state general purpose revenue (GPR). For the RPCP, there was \$7.5 million in funding for 1,220 pupils in 2013-14, which was fully funded by GPR. The WPCP is also fully funded by GPR. In the 2013-14 school year, this program served 509 pupils at an estimated cost of \$3.2 million.¹

REQUIREMENTS FOR CHOICE SCHOOLS

Each private school participating in the program must meet at least one of the following standards:

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

Each private school participating in the program is also subject to uniform accounting standards established by DPI and annually must submit to DPI an independent financial audit and evidence of sound fiscal and internal control practices.

Wisconsin law requires each private school participating in the school choice program to do all of the following:

- Administer to any pupil attending the third grade in the private school under the school choice program a standardized reading test developed by DPI.
- Adopt pupil academic standards.
- Ensure that any teacher's aide employed by the private school has graduated from high school, been granted a declaration of equivalency of high school graduation, or been issued a general educational development (GED) certificate of high school equivalency.
- Annually, schedule two meetings at which members of the governing body of the private school will be present and communicate with pupils, and the parents or guardians of pupils, applying to attend the private school or attending the private school.

¹ The GPR appropriations for these programs are what is termed "sum sufficient." Sum sufficient appropriations "are appropriations which are expendable from the indicated source in the amounts necessary to accomplish the purpose specified." [s. 20.001 (3) (d), Stats.] In other words, there is no specified limit on the amount of a sum sufficient appropriation. In this context, this means that the DPI may make payments to private schools for as many eligible students as enroll in the schools.

- Maintain progress records for each pupil attending the private school under the school choice program while the pupil attends the school and, in general, for at least five years after the pupil ceases to attend the school.
- Upon request, provide a copy of the pupil's progress records to a pupil or the parent or guardian of a minor pupil who is attending the private school under the school choice program.
- Issue a high school diploma or certificate to each pupil who attends the private school under the school choice program and satisfactorily completes the course of instruction and any requirements necessary for high school graduation.
- If a private school ceases operating as a private school, immediately transfer all of the progress records to the school board unless the school transfers the records to an organization with which it is affiliated that will maintain the records for five years.

When the MPCP was established, only nonsectarian (nonreligious) private schools could participate in the program. However, in 1995, the MPCP was expanded to include sectarian schools; the RPCP and WPCP also include sectarian schools. A private school may not require a pupil attending the private school under the school choice program to participate in any religious activities if the pupil's parent or guardian submits a written request that the pupil be exempt from such activities.

PARTICIPATION IN THE WPCP

Neither the MPCP nor the RPCP have limits on the number of private schools or students that may participate, but there are limits on both for the WPCP.

Limits on Student Participation

In the 2013-14 school year, the first year of the program, the total number of students that could enroll in the WPCP, statewide, was limited to 500; in the second and subsequent years of the program, this statewide cap is increased to 1,000 students.

In addition to the statewide caps, the number of students residing in any individual school district that may enroll in the WPCP may not exceed one percent of the district's membership.²

Selection of Schools in the WPCP

In the 2013-14 school year, 48 private schools registered to participate in the WPCP. The 25 schools with the highest number of students eligible to participate in the program were eligible to participate for that year. The 500 student slots in the program were allocated to the

² "Membership" in this context, is a measure of the number of school-age children in a public school district, including children not enrolled in the district's schools.

25 schools randomly, with a guarantee that each participating school would receive at least 10 slots.

For the 2014-15 school year, 68 private schools have registered to participate.³ The original 25 schools are eligible to continue in the program, and will be guaranteed the ability to enroll the same number of students in the program as they enrolled in the first year. The 500 additional student slots in this year will be allocated to the 25 schools with the highest number of eligible students in the same manner as the first 500 slots were allocated.⁴

In subsequent years, any available student slots will be allocated in the same manner. Since the 1,000-student cap will remain, slots will become available for allocation only if a participating school drops out of the program or enrolls fewer students than in the preceding year.

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³ These include 13 schools that participated in the MPCP or the RPCP in the 2012-13 school year. These schools are not eligible to participate if the student limit is reached.

⁴ Theoretically, this could result in a total of 50 private schools participating in the program. However, since it is likely that at least some of the original 25 schools would again be in the group of schools with the highest number of eligible students, these schools would get additional slots and the total number of participating schools would be somewhere between 25 and 50.