



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #643

Milwaukee Parental Choice Program Financing -- Choice Pupils Counted in MPS Enrollment for Per Pupil Property Value and High Poverty Aid (DPI -- General School Aids and Revenue Limits)

[LFB 2009-11 Budget Summary: Page 520, #4 and 5]

CURRENT LAW

Under the Milwaukee parental choice program, state funds are used to pay for the cost of children from low-income families to attend, at no charge, private schools located in the City of Milwaukee. Pupils in grades K-12 with family incomes less than 175% of the federal poverty level (\$37,439 for a family of four in the 2008-09 school year) who reside in the City are initially eligible to participate in the program. Continuing pupils and siblings of current choice pupils are eligible to participate if family incomes are less than 220% of the federal poverty level (\$47,065 for a family of four in the 2008-09 school year). The limit on the number of pupils who can participate in the program is statutorily set at 22,500 full-time equivalent pupils. Pupils participating in the choice program are not included in the membership count of the Milwaukee Public Schools (MPS) for the calculation of revenue limits or general school aids.

For each pupil attending a choice school, the state pays the parent or guardian an amount that is equal to the lesser of: (a) the private school's operating and debt service cost per pupil related to educational programming, as determined by the Department of Public Instruction (DPI); or (b) the amount paid per pupil in the previous school year adjusted by the percentage change, if positive, in the general school aids appropriation from the previous school year to the current school year.

The choice program is funded from a separate, GPR sum sufficient appropriation established for that purpose. The cost of the payments from the appropriation is partially offset by a reduction in the general school aids otherwise paid to MPS by an amount equal to 45% of the total cost of the choice program. Under revenue limits, MPS may levy property taxes to make

up for the amount of aid lost due to this reduction, less the amount of high poverty aid paid to MPS. After consideration of high poverty aid, in 2008-09 the general fund will pay for 63% of the choice program and MPS for 37%. Other than MPS, all school districts' aid payments and property tax levies are not directly affected by the choice program funding structure.

A school district is eligible for high poverty aid if, in the October preceding a biennium, at least 50% of the district's enrollment is eligible for free or reduced-price lunch. By law, for all districts except MPS, high poverty aid is subject to revenue limits. For MPS, high poverty aid must be used to reduce the choice levy. In either case, the effect of this aid is to reduce the property tax levy of the eligible district. In 2008-09, 24 districts received high poverty aid.

Beginning in 2009-10, an eligible district's high poverty aid entitlement will be calculated by dividing the appropriation amount by the total number of pupils enrolled in all eligible districts in the given year. This per pupil amount will be adjusted by the percentage increase in the general school aids appropriation in the current fiscal year and then by the percentage increase in state personal income in the prior calendar year. For each district, this adjusted per pupil amount will be multiplied by its third Friday in September enrollment in the current year in order to calculate its aid entitlement. The aid entitlement for each eligible district cannot be less than its aid entitlement in the prior year, adjusted by the same percentage increases applied to the per pupil amount. If total aid entitlements exceed available funding, DPI must prorate the payments.

GOVERNOR

Choice Pupils Counted in MPS Enrollment for Per Pupil Property Value. Specify that a portion of the pupils attending choice schools be added to MPS membership for the purpose of determining the property value per pupil for MPS under the equalization aid formula. Specify that the following percentages of choice pupils would be added for state aid distributed in the indicated school year: (a) 10% in 2009-10; (b) 20% in 2010-11; (c) 30% in 2011-12; (d) 40% in 2012-13; and (e) 50% in 2013-14 and each school year thereafter. Specify that choice enrollment would be added using prior year data, similar to the current law pupil membership definition used for all districts under the aid formula.

High Poverty Aid. Provide \$3,000,000 GPR annually to increase funding for high poverty aid above annual base level funding of \$12,000,000 GPR. The bill would maintain the current law provisions for the calculation of aid.

DISCUSSION POINTS

Historical Background

1. The overall amount of choice funding in a given year is determined by the number of pupils participating and the state-determined payment amount. How those costs are funded is also

determined by state law. At different times throughout the history of the program, the funding mechanism has involved, to varying degrees, the state's general fund, MPS, and the other school districts in the state.

2. From 1990-91 through 1998-99, MPS was, with certain exceptions, generally able to count the number of pupils participating in the choice program in its membership for revenue limits and general school aids. General school aid for MPS was reduced by the average equalization aid per member received by MPS times the number of pupils in the choice program. The MPS aid reduction lapsed to the general fund, fully offsetting the cost of the program.

3. Under 1999 Act 9, the definition of membership was changed to completely exclude choice pupils from being counted in MPS membership. Also under Act 9, the incidence of the aid reduction was changed. Rather than the full reduction coming from MPS aid, the reduction was made by reducing the general school aids for which MPS was eligible by one-half of the estimated cost of the program, while the general school aids for which all other districts were eligible to be paid was reduced proportionately by an amount totaling the other half. A school district's revenue limit calculation was not affected by the choice reduction. Thus, a school district could increase its property tax levy to offset any aid reduction made related to the choice program.

4. Under 2001 Act 16, the general school aid reduction for non-MPS school districts was deleted. The 45% aid reduction for MPS was enacted, which was comparable to the net reduction incurred by MPS under prior law after consideration of various offsets related to the two-thirds funding law. The amount levied by MPS to offset the choice reduction was not counted in partial school revenues, eliminating any funding interaction under two-thirds funding. As a result, the general fund paid for 55% of the choice program and MPS for 45%.

5. High poverty aid was created in 2007 Act 20. Under this program, the state provides additional funding to support the cost of the choice program, reducing the MPS levy to offset the choice aid reduction.

Choice and MPS Levies Per Pupil

6. One issue that has been raised regarding the financing of the choice program is the disparity between the amount of local taxpayer support for choice pupils compared to MPS pupils. In recent years when this issue was raised, those concerned would note that the property tax levied per pupil for the choice program was greater than the amount levied per pupil for MPS. Attachment 1 provides information on the choice and MPS levies per pupil for 2005-06 through 2008-09

7. With an estimated 19,500 choice pupils in 2008-09, the \$58.0 million levy to replace the choice aid reduction for 2008-09, prior to consideration of high poverty aid, equals approximately \$2,973 per choice pupil. After the \$9.9 million in high poverty aid is included, the net choice levy per pupil drops to \$2,467 per choice pupil.

8. The total MPS levy in 2008-09 is \$301.1 million. Excluding the net choice levy of \$48.1 million and the \$11.2 million community service levy, the remainder of the MPS levy is

\$241.8 million. With a current year three-year average enrollment of 89,492 under revenue limits, the MPS levy is approximately \$2,702 per pupil. Thus, for 2008-09, the MPS levy per pupil is \$235 higher than the choice levy per pupil. In the absence of high poverty aid, the choice levy per pupil would have been \$271 higher than the MPS levy per pupil.

9. These per pupil levy figures change from year to year, as revenue limit and aid calculations for MPS change. As shown in Attachment 1, the choice levy per pupil was greater than the MPS levy per pupil by \$1,042 in 2005-06 and \$971 in 2006-07. In 2007-08, the first year that high poverty aid was provided, the net choice levy per pupil was \$275 higher than the MPS levy per pupil. In 2008-09, after consideration of high poverty aid, the MPS levy per pupil was \$235 higher than the net choice levy per pupil.

10. The property tax levy in 2008-09 for MPS was \$9.70 per \$1,000 of equalized value, or 9.70 mills. This is above the statewide average of 8.58 mills for all 426 school districts (including K-8 and union high schools), or 8.61 mills for the 370 K-12 school districts. Of the 9.70 mill levy for MPS, 1.55 mills was attributable to the choice program. The net choice levy represents 16.0% of the total levy for MPS.

School Choice Demonstration Project

11. The School Choice Demonstration Project (SCDP), a national collaboration of researchers currently based at the University of Arkansas, is conducting a comprehensive longitudinal evaluation of the choice program. In March of 2009, the SCDP released its second report on the fiscal impact of the choice program. As in its first report, the SCDP found that the choice program resulted in a positive overall taxpayer savings, but that the distribution was uneven.

12. For 2008-09, the SCDP estimated the net fiscal benefit of the choice program to be \$37.2 million. This estimate is based on the assumption that 90% of choice pupils would otherwise have attended MPS and that state support of K-12 partial school revenues would remain unchanged. The SCDP also reported on the net impact of the program over the range of what were deemed to be the most reasonable assumptions regarding the percentage of choice pupils that would have attended MPS. The net impact ranged from \$0.3 million for 70% MPS attendance to \$55.7 million for 100% MPS attendance.

13. Using the 90% MPS attendance assumption, the SCDP estimated that the state general fund benefited by \$30.0 million and non-MPS property taxpayers benefited by \$52.0 million from the choice program. Milwaukee property taxpayers were estimated to be adversely affected by \$44.7 million.

14. The SCDP report also discussed the method of comparing the per pupil levies for the choice program and for MPS as a measure of the funding for the choice program. The report notes that while the choice program generates a levy of \$2,467 per pupil in 2008-09, the departure of a choice pupil from MPS does not reduce the Milwaukee levy by \$2,702 per pupil in that year. Rather, the report notes that the departure of choice pupils from MPS works to reduce the MPS revenue limit and equalization aid by equivalent amounts, resulting in no change in the MPS levy.

15. The report offers two options for the Legislature to address the uneven distribution of the fiscal effect of the choice program in relation to Milwaukee property taxpayers. The first option would be to integrate the choice program into MPS finances by letting MPS fully count the pupils for revenue limits and equalization aid and having the state deduct the full cost of the program from MPS aid. This option would, however, would benefit MPS for each choice pupil it loses, because the aid received for the pupil would exceed the choice funding reduction for the pupil.

16. The second option would be to continue to exclude choice pupils from the MPS revenue limit and equalization aid calculations and eliminate the choice aid reduction. Because the revenue limit savings would exceed the costs of the choice program, this option would disadvantage the state's general fund, however.

17. The difficulty in resolving the funding disparities resulting from the choice program, as noted in the report, is the difference between the per pupil choice payment and the MPS revenue limit authority per pupil. As long as those amounts differ, there will be a net overall public savings from the choice program, with the gains split between state and local taxpayers as a result of the statutory funding system determined by the Legislature.

18. There are several different approaches to modifying the funding mechanism for the choice program. AB 75 would allow MPS to count a percentage of choice pupils in its enrollment for the purposes of determining its per pupil property value under the equalization aid formula. The bill would also provide an additional \$3 million for high poverty aid. A third option for modifying choice funding would be to modify the percentage of the choice aid reduction made to MPS general aid.

Choice Pupils Counted in MPS Enrollment for Per Pupil Property Value

19. A major objective of the equalization aid formula is tax base equalization. The formula operates under the principle of equal tax rate for equal per pupil expenditures. In pure form, this means that a school district's property tax rate does not depend on the property tax base of the district, but rather on the level of expenditures. The provision of state aid through the formula allows a district to support a given level of per pupil expenditures with a similar local property tax rate as other districts with the same level of per pupil expenditures, regardless of property tax wealth. There is an inverse relationship between equalization aid and property valuations. Districts with low per pupil property valuations receive a larger share of their costs through the formula than districts with high per pupil property valuations.

20. The equalization aid formula is calculated using school district data (pupil membership, shared costs, and equalized valuations) from the prior school year. There are three guaranteed valuations used in the equalization formula that are applied to three different expenditure levels. The rate at which shared costs are aided through the formula is determined by comparing a district's per pupil property value to the three guaranteed valuations. Equalization aid is provided to make up the difference between the district's actual tax base and the state's guaranteed tax base.

21. Under AB 75, the equalized property valuation for MPS would not be changed, but the MPS membership for determining its property value per member would be higher than under current law as a result of including some choice pupils in that figure. This would reduce MPS' property value per pupil for the purpose of the aid calculation. As a result, more equalization aid would be needed to fill in the state's guaranteed tax base for MPS. To the extent more equalization aid would be paid to MPS, less equalization aid would be distributed to the other districts in the state.

22. Had MPS been able to include 10% of choice pupils in its membership for the 2008-09 aid calculation, it is estimated that \$4.6 million in additional aid would have been received by MPS, and \$4.6 million less, in aggregate, by other school districts. Had MPS been able to include 50% of choice pupils in 2008-09, this redistribution would have totaled an estimated \$21.2 million.

23. Under both the 10% and 50% scenarios, one district (MPS) would have received more aid. A total of 362 districts would have received less aid, while aid to 63 districts would have remained unchanged. Under the 10% scenario, the \$4.6 million in aid that would have been redistributed represents 0.1% of total net payments, while the \$21.2 million in aid redistributed under the 50% scenario represents 0.5% of total net payments. Under revenue limits, the increase in aid to MPS would have reduced the amount the MPS Board could levy. Districts that would have lost aid under the provision would have had the option of increasing their levy to make up for that aid loss.

24. This approach to modifying the choice funding mechanism would have no effect on the general fund, because it would only result in a redistribution of aid. It would, however, directly involve most other school districts in the state and the property taxpayers in those districts in the financing of the choice program for the first time since the 1999-01 biennium. To the extent that the choice program is viewed as a state-level program for children in Milwaukee, directly involving the other districts in the state in choice financing can raise concerns.

25. However, given that local property taxpayers outside of Milwaukee can be argued to have indirectly benefited from the current funding mechanism of the choice program, as described in the SCDP report, it could be viewed as appropriate to involve them directly in the funding of the program to reduce the adverse impact on Milwaukee property taxpayers.

High Poverty Aid -- Funding Level

26. Of the \$12 million appropriated for high poverty aid in 2008-09, MPS received \$9.9 million. Under current law, this funding reduced the amount MPS could levy to replace the 45% aid reduction attributable to the choice program. The remaining \$2.1 million was paid to 23 other school districts. For these districts, high poverty aid is under revenue limits, which results in a reduction in the levy equal to their high poverty aid payments.

27. DOA staff indicate that the Governor's recommendation to provide an additional \$3 million in high poverty aid was intended to hold MPS harmless in their aid payment on a per pupil basis as compared to 2008-09 based on the information on high poverty aid eligibility for 2009-10

that was available at the time the administration was preparing the budget bill.

28. Based on more recent eligibility data, more districts will likely be eligible for aid in 2009-10. Attachment 2 lists the districts that were eligible for aid in 2008-09 and the districts likely to be eligible for aid in 2009-10 based on the most recent enrollment data available. The funding provided under the bill would likely be insufficient to meet the policy goal intended by the administration. If the Committee wanted to meet that goal, it is estimated that an additional \$2 million annually would be needed over the funding provided in the bill (Alternative B2).

29. If the Committee chooses other methods of modifying the financing structure of the choice program, however, it could choose to provide only base level funding for high poverty aid (Alternative B3). In addition, the Governor's intended policy goal of maintaining some level of MPS funding could be accomplished by altering the funding distribution for high poverty aid, which would not require additional aid funding.

High Poverty Aid -- Funding Distribution

30. In considering the formula for the distribution of high poverty aid, the Committee could choose to either make relatively minor changes to the statutory language for the program to clarify the calculation or make more substantive changes to simplify the funding distribution.

31. In preparing for the 2009-10 aid calculation, staff at DPI have identified three aspects of the high poverty aid calculation that could be clarified to provide statutory guidance to the agency (Alternative C1):

a. The definition of membership used to determine the initial per member aid amount is not clearly defined in statute, and the membership used to calculate a district's aid entitlement would be unaudited data. To clarify the calculation, the Committee could specify that both of these enrollment counts could use the definition of membership used to calculate equalization aid.

b. The provisions of current law indexing certain aid factors to personal income growth does not specify the source or timing of the statistics. To clarify the calculation, the Committee could specify that the calculation be based on the most recent data published by the Bureau of Economic Analysis in the federal Department of Commerce on or near March of the previous school year. To accommodate this change, the calendar years used would also have to be moved back one year.

c. The sequence of the prior year hold harmless and the prorate language in statutes is arguably ambiguous. To clarify the calculation, the Committee could specify that the hold harmless determination be done in the calculation immediately prior to the prorate provision.

32. With respect to the general school aids indexing provisions, a new federal appropriation would be created under the bill for moneys received from the state fiscal stabilization fund under the American Recovery and Reinvestment Act that are distributed to school districts as equalization aid. The bill as drafted would not incorporate this appropriation into the indexing of

the high poverty aid factors. On a similar indexing provision for the maximum per pupil choice payment, the administration requested that the adjustment be calculated using the sum of the state general fund appropriation and federal appropriation for general school aids. This change would apply to the general school aids appropriations for 2009-10 and 2010-11. The Committee could also make this change for high poverty aid (Alternative C2).

33. If the Committee wishes to consider other more substantive changes to simplify the aid calculation, one alternative would be to distribute the aid on the basis of the number of pupils enrolled in the district (Alternative C3). This would be similar to the way aid was distributed in the 2007-09 biennium. Given that high poverty aid is provided in a sum certain appropriation, distributing the amount of funding appropriated on a per pupil basis would treat all districts similarly and be the simplest way to calculate district aid eligibility.

34. If the Committee wants to provide a hold harmless to MPS for the amount of high poverty aid, it can modify the formula to explicitly specify that, if a per pupil aid calculation generates a lower aid entitlement for MPS compared to the prior year, then MPS' high poverty aid would equal the amount paid in the prior year. Aid to the remaining districts would be calculated on a per pupil basis in an amount that would distribute the remainder of the funding (Alternative C4).

35. Another option would be to delete the provisions for indexing various factors in the calculation to growth in general school aid funding and state personal income (Alternative C5). If high poverty aid were provided in a sum sufficient appropriation, the indexing provisions would increase the likelihood that districts would generate a larger aid entitlement than in the prior year. Because funding is provided in a sum certain appropriation, however, the indexing provisions serve to increase the likelihood that aid will have to be prorated. This alternative would maintain the hold harmless provision, which would allow districts that received aid in prior years to be advantaged relative to newly-eligible districts before any proration is applied to the payments.

MPS General School Aid Reduction for Choice Program

36. Under the bill, there would be three methods of providing additional support to MPS related to the choice program: (a) the 55% state support of program costs remaining after the MPS aid reduction; (b) high poverty aid, which provided an additional 8% state support of program costs in 2008-09; and (c) MPS including a portion of choice pupils in its enrollment for per pupil property value under the equalization aid formula. It could be argued that the method of financing the choice program under the bill would be complex and could be simplified.

37. A third way of modifying choice program financing is to change the 45% choice reduction made to MPS general aid eligibility. In her 2007-09 biennial agency budget request, the State Superintendent recommended that the choice funding split be set at 75% state/25% MPS. Under that recommendation, the state would have supported roughly the same percentage of choice costs as it does MPS shared costs under the equalization aid formula. This was based on the most recent aid data available at the time of that budget request.

38. For 2008-09, it is estimated that MPS equalization aid eligibility will support 72.5%

of shared costs. Total general school aid eligibility (including integration aid) is estimated to support 78.0% of MPS shared costs. To support the same percentage of choice costs as MPS shared costs, a 75% state/25% MPS split would approximate the average percentage support that MPS receives under general school aid.

39. Modifying the funding split for the choice program is the clearest way to change the level of state and MPS support provided for the program. Further, it would not directly involve other school districts in the funding of the program.

40. This option would, however, require additional general fund expenditures for the choice program. Using the choice program per pupil payments used by the administration under the bill and reestimated pupil participation, it is estimated that reducing the MPS aid reduction from 45% to 25% of the choice program costs (Alternative D1) would increase the state share of the program by \$27.1 million GPR in 2009-10 and in 2010-11. The MPS aid reduction would decrease by an equal amount in each year.

41. The Committee could choose to phase in the 75% state/25% MPS split over a four-year period (Alternative D3). In the 2009-11 biennium, the funding splits would be 60% state/40% MPS in 2009-10 and 65% state/35% MPS in 2010-11. Under this alternative, the state share of the program costs would increase by \$6.8 million GPR in 2009-10 and \$13.5 million GPR in 2010-11. The MPS aid reduction would decrease by an equal amount in each year.

42. To simplify the funding of the choice program and reduce the costs of either of those alternatives to the general fund, the Committee could also choose to modify high poverty aid to make MPS ineligible for the aid, reduce the high poverty aid appropriation by MPS' 2008-09 payment amount (\$9,864,300), and redirect the funding to the increased state share of the choice program (Alternative D2 or D4). This would make the funding split, rather than high poverty aid, the primary mechanism for determining the funding shares of the choice program without disadvantaging other school districts that received high poverty aid. However, this would also decrease the reduction in the MPS levy. Under Alternative D4, in order to avoid an increase in the MPS choice levy, MPS would still receive high poverty aid in 2009-10.

43. The funding adjustments for 2010-11 shown in Alternatives D1 through D4 are calculated as changes to the amount provided in AB 75 for the choice program in 2010-11 adjusted for reestimated pupil participation. Depending on the decision of the Committee in Paper #640 relating to the per pupil payment under the choice program, the funding modifications for 2010-11 may need to be adjusted.

ALTERNATIVES

A. Choice Pupils Counted in MPS Enrollment for Per Pupil Property Value

1. Adopt the Governor's recommendation to specify that the following percentages of choice pupils be added to MPS membership for the purpose of determining the guaranteed

valuations for MPS under the equalization aid formula: (a) 10% in 2009-10; (b) 20% in 2010-11; (c) 30% in 2011-12; (d) 40% in 2012-13; and (e) 50% in 2013-14 and each school year thereafter.

2. Delete provision.

B. High Poverty Aid -- Funding Level

1. Adopt the Governor's recommendation to provide \$3,000,000 annually to increase funding for high poverty aid. Total funding for high poverty aid would be \$15,000,000 annually.

2. Modify the Governor's recommendation by providing an additional \$2,000,000 annually over the funding in the bill for high poverty aid. Total funding for high poverty aid would be \$17,000,000 annually.

ALT B2	Change to Bill Funding
GPR	\$4,000,000

3. Delete provision. Total funding for high poverty aid would be \$12,000,000 annually.

ALT B3	Change to Bill Funding
GPR	-\$6,000,000

C. High Poverty Aid -- Funding Distribution

1. Modify current law governing the calculation of high poverty aid to: (a) specify that the enrollment counts for the calculation of aid use the equalization aid membership definition; (b) specify that the personal income adjustments be calculated using the most recent data published by the Bureau of Economic Analysis in the federal Department of Commerce by March of the previous school year; (c) move the calendar years for the personal income adjustments back one year; (d) specify that the hold harmless determination be done in the calculation immediately prior to the prorate provision; and (e) specify that the general school aid adjustment be calculated using the sum of the state and federal appropriations for general school aids for 2009-10 and 2010-11.

2. Modify current law governing the calculation of high poverty aid to specify that the general school aid indexing provision be calculated using the sum of the state general fund appropriation and federal appropriation for general aid for 2009-10 and 2010-11.

3. Eliminate current law governing the high poverty aid calculation and, instead, distribute the aid by: (a) dividing total funding by the number of pupils enrolled in all eligible school districts to arrive at a per pupil aid amount; and (b) multiplying the per pupil aid amount by

the number of pupils in an eligible district. Define pupils enrolled, using the equalization aid membership definition.

4. In addition to C3, specify that MPS aid in the current year could not be less than its aid in the prior year, subject to available funding. Specify that any remaining funding be distributed to eligible districts on a per pupil basis.

5. Modify current law governing the calculation of high poverty aid to delete the indexing adjustments related to general school aids and personal income growth. In addition, specify that: (a) the enrollment counts for the calculation of aid use the equalization aid membership definition; and (b) the hold harmless determination be done in the calculation immediately prior to the prorate provision.

6. Maintain current law.

D. MPS General School Aid Reduction for Choice Program

1. Reduce the MPS general school aid reduction for the choice program from 45% to 25%, beginning in 2009-10. As a result, the MPS aid reduction and levy would decrease by \$27,088,700 annually. This would result in increased net GPR costs for the choice program equal to those amounts in those years.

ALT D1	Change to Bill Funding
GPR	\$0
MPS Aid Reduction	<u>- 54,177,400</u>
Net GPR	\$54,177,400

2. In addition to D1, reduce funding for high poverty aid by \$9,864,300 annually and specify that MPS would not be eligible for high poverty aid beginning in 2009-10. (The net effect on the MPS levy would be a reduction of \$17,224,400 annually.)

ALT D2	Change to Bill Funding
GPR	- \$19,728,600
MPS Aid Reduction	<u>- 54,177,400</u>
Net GPR	\$34,448,800

3. Reduce the MPS aid reduction for the choice program from 45% to: (a) 40% in 2009-10; (b) 35% in 2010-11; (c) 30% in 2011-12; and (d) 25% in 2012-13 and thereafter. The MPS aid reduction and levy would decrease by \$6,772,200 in 2009-10 and \$13,544,300 in 2010-11. This would result in increased net GPR costs for the choice program equal to those amounts in those years.

ALT D3	Change to Bill
	Funding
GPR	\$0
MPS Aid	
Reduction	<u>- 20,316,500</u>
Net GPR	\$20,316,500

4. In addition to D3, reduce funding for high poverty aid by \$9,864,300 in 2010-11 and specify that MPS would not be eligible for high poverty aid beginning in 2010-11. (The net effect on the MPS levy would be reductions of \$6,772,200 in 2009-10 and of \$3,680,000 in 2010-11.)

ALT D4	Change to Bill
	Funding
GPR	- \$9,864,300
MPS Aid	
Reduction	<u>- 20,316,500</u>
Net GPR	\$10,452,200

5. Maintain current law.

Prepared by: Russ Kava
Attachments

ATTACHMENT 1

Choice and MPS Levies Per Pupil

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Choice				
Levy for the 45% Aid Reduction	\$42,157,620	\$49,732,650	\$54,120,825	\$57,976,425
High Poverty Aid	N.A.	N.A.	\$7,437,493	\$9,864,309
Net Choice Levy	\$42,157,620	\$49,732,650	\$46,683,332	\$ 48,112,116
Choice Enrollment Used for Aid Reduction	14,751	17,000	18,500	19,500
Choice Levy per Pupil Without High Poverty Aid	\$2,858	\$2,925	\$2,925	\$2,973
Choice Levy per Pupil With High Poverty Aid	N.A.	N.A.	\$2,523	\$2,467
MPS				
Total MPS Levy	\$226,360,163	\$244,416,781	\$264,062,915	\$301,058,185
Community Service Levy	\$8,077,455	\$9,327,455	\$10,340,610	\$11,142,826
MPS Levy Less Net Choice and Comm. Serv. Levies	\$176,125,088	\$185,356,676	\$207,038,973	\$241,803,243
MPS Current Year Revenue Limit Enrollment	96,978	94,871	92,082	89,492
MPS Levy per Pupil	\$1,816	\$1,954	\$2,248	\$2,702
Choice Levy less MPS Levy per Pupil Without High Poverty Aid	\$1,042	\$971	\$677	\$271
Choice Levy less MPS Levy per Pupil With High Poverty Aid	N.A.	N.A.	\$275	-\$235

ATTACHMENT 2

High Poverty Aid Eligibility

2008-09 (24 Districts)

Adams-Friendship Area
Alma Center

Bayfield
Beecher-Dunbar-Pembine
Beloit

Bowler
Bruce
Butternut

Elcho
Flambeau
Gilman
Glidden
Goodman-Armstrong

Lac Du Flambeau #1

Menominee Indian
Milwaukee
Necedah Area

Northwood

Siren
South Shore

Wautoma Area

Webster

White Lake
Winter

2009-10 (47 Districts)

Abbotsford
Adams-Friendship Area
Alma Center
Almond-Bancroft
Ashland
Augusta
Bayfield
Beecher-Dunbar-Pembine
Beloit
Birchwood
Boscobel Area

Bruce
Butternut
Clayton
Delavan-Darien
Elcho
Flambeau
Gilman

Goodman-Armstrong
Granton Area
Green Bay Area
Hayward Community
Kickapoo Area
Lac Du Flambeau #1
Ladysmith-Hawkins
LaFarge
Lake Geneva J1
Mellen
Menominee Indian
Milwaukee
Necedah Area
New Auburn

Racine
Riverdale
Seneca
Sharon J11
Shell Lake
Siren

Thorp
Tri-County Area
Unity
Wausaukee
Wautoma Area
Wauzeka-Steuben
Webster
Weyerhaeuser Area

Winter