

# **Follow the Money**

Comparing publicly funded school options in Wisconsin

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2024 Wisconsin State Education Convention

January 18, 2024

# WASBO: Who we are and what we do

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## Mission

To provide professional development, foster a network of support, and advocate for funding that ensures **outstanding educational opportunities for all children in Wisconsin**

We carry out our mission through **nonpartisan, fact-based** research, analysis, and advocacy

**Rooted in  
WASBO's mission:  
Support FOR the  
public schools that  
serve all Wisconsin  
children.**

Wisconsin has a long history of creating schooling options in K-12 education – that continues today...

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### Goals of WASBO's advocacy work (what is our lane?)

Inform, educate, advocate for K-12 education stakeholders and policymakers to think beyond election cycles –

Shine light on data, trends, and policy questions that foster understanding of long-term fiscal impacts of policy decisions on K-12 education in general, public schools specifically

Shape the conversation around public values:  
Transparency, accountability, efficient use of taxpayer resources, fiscal sustainability, equity

# On ramp:

## 2023-25 Budget:

### Impacts by school type

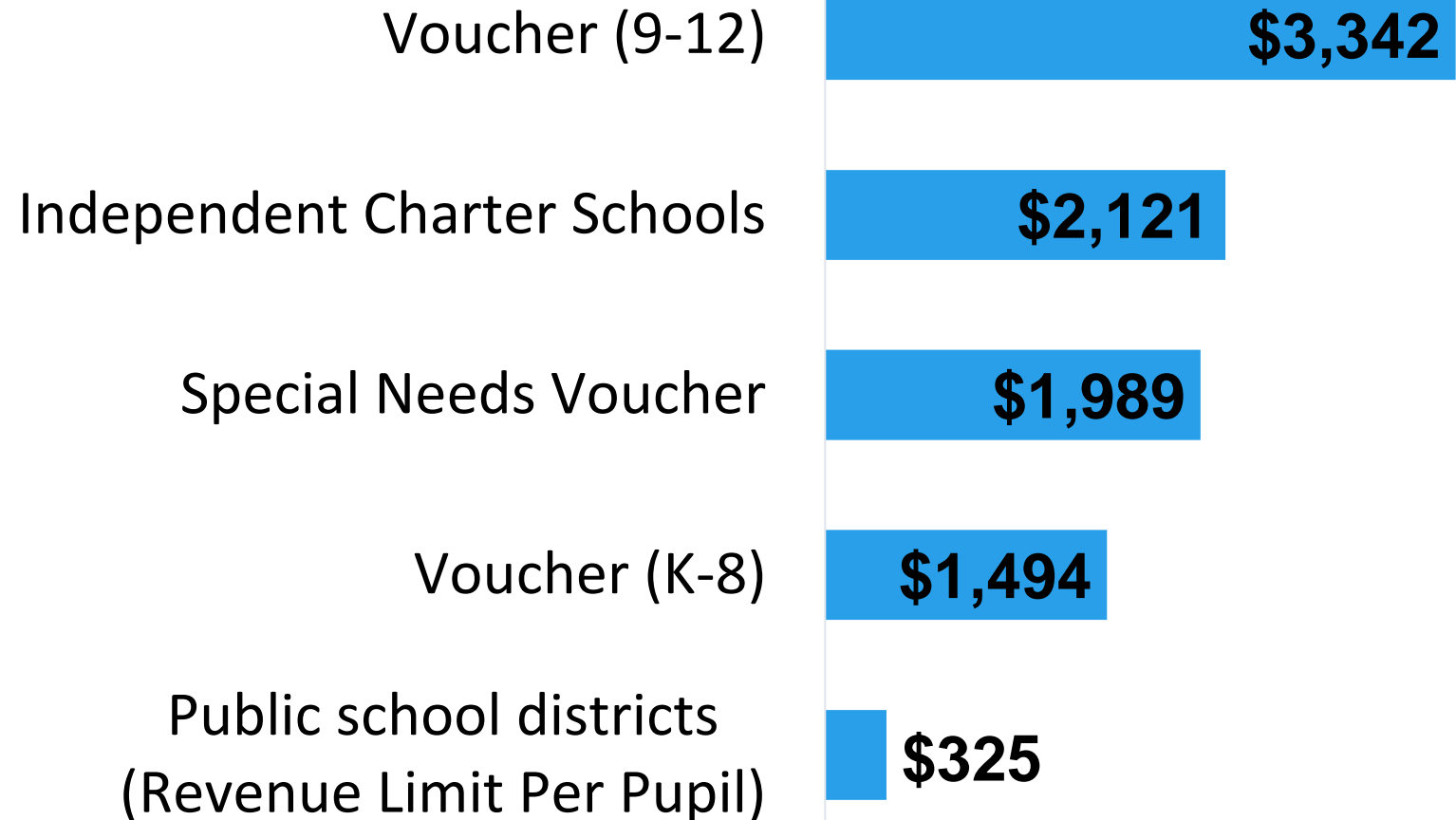
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What is going on here?

What is the context for these differences?

What do they mean for the schools/students they serve?

## 2023-24 change to per pupil payments over prior year (\$)



# Follow the Money

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Comparing publicly funded school options in Wisconsin

## Taxpayer-funded schools

Size | scope | history: Public, charter, voucher options

## Fiscal features

Funding mechanics | Impacts on taxpayers

## Key distinctions

Different purposes and mandates in each sector

## Viewing funding in context of costs

Distinctions affects costs and available resources

## National landscape | Local implications

School choice is on the rise nationally | What can we learn?



## **Taxpayer-funded schools**

Size | scope | history: Public, charter, voucher options

# **Educational options in Wisconsin**

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**Public school districts**

**Open enrollment:** Largest school choice program in state:  
71,489 students in 2021-22 (8.6% of statewide membership)

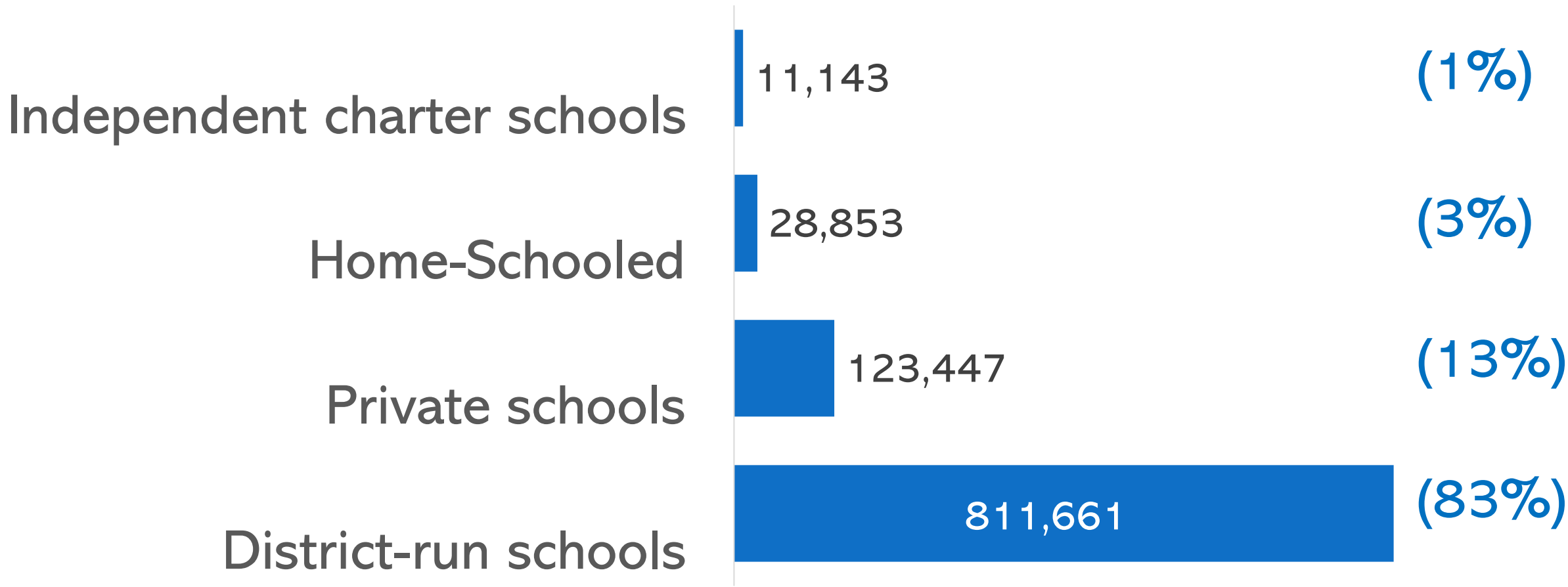
**Charter schools:** District or Independent; Virtual charters

**Private schools – Parental choice / voucher programs**

**Private schools – Private pay / tuition**

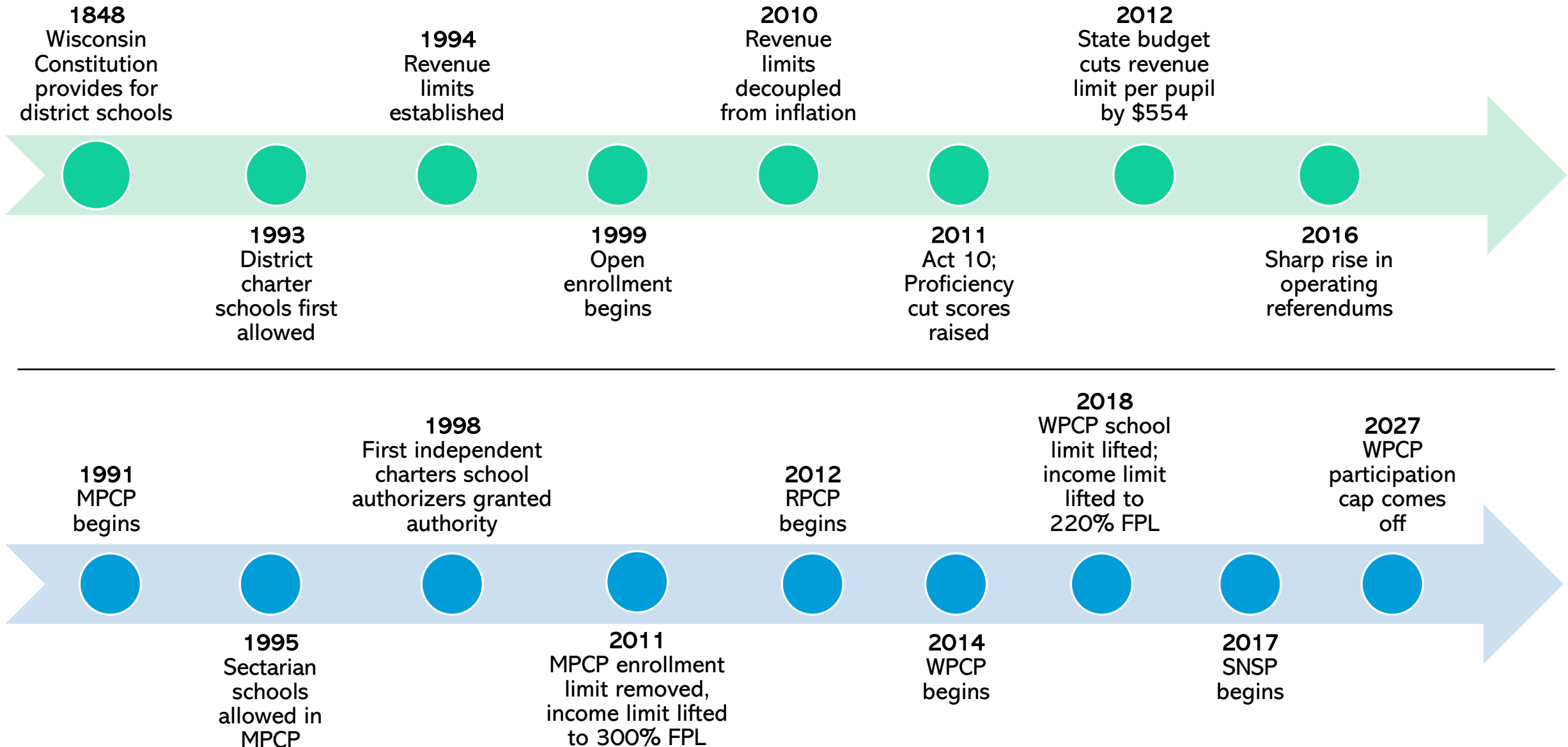
**Tribal schools and Home-based private education**

# Education in Wisconsin: Enrollment by school type (2022-23)





# Key events: Public schools | Private & ICS



# Snapshot of 2023-24 Choice (voucher) and Independent charter programs

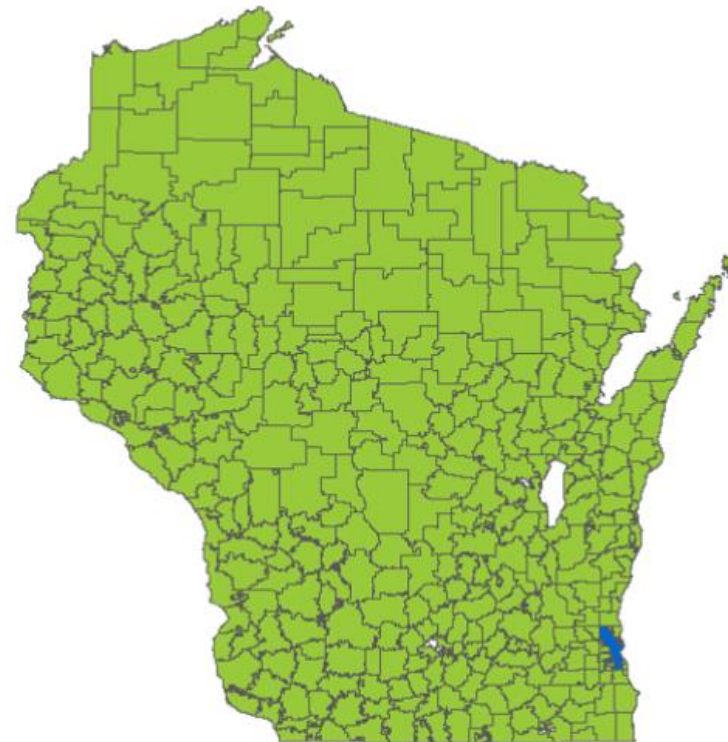
	FTE	Number of Schools	No. SDs with students in program
MPCP (est. 1990-91)	28,185	130	1
RPCP (est. 2011-12)	3,934	35	1
WPCP (est. 2013-14)	18,711	330	349
SNSP (est. 2016.17)	2,652	179	193
<b>TOTAL (Choice)</b>	<b>53,482</b>	<b>*</b>	<b>*</b>
ICS	11,228	35	92

\* No school or district total shown, as some schools enroll students in multiple programs

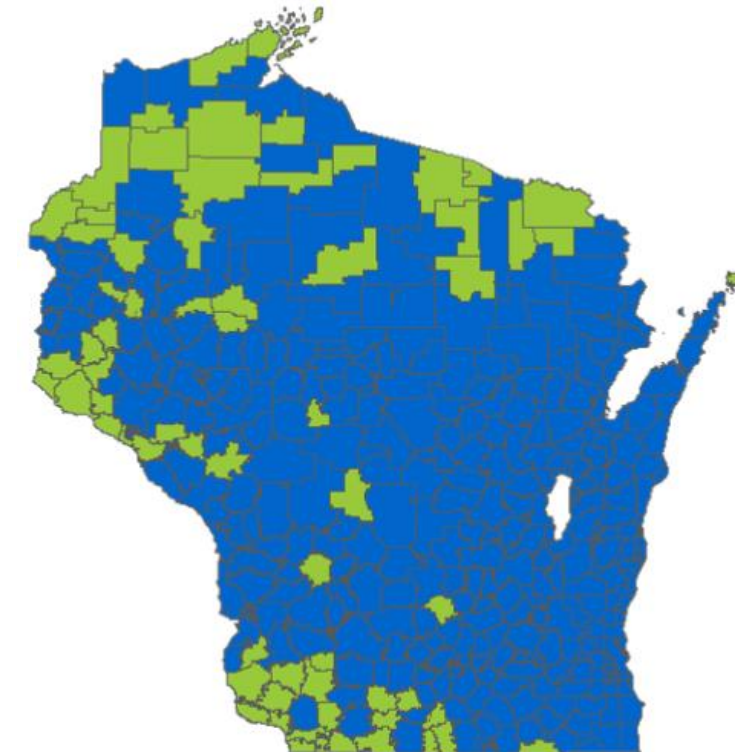
# Growth and reach of voucher schools

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2009-10  
(1 district)



2022-23  
(82% of districts)



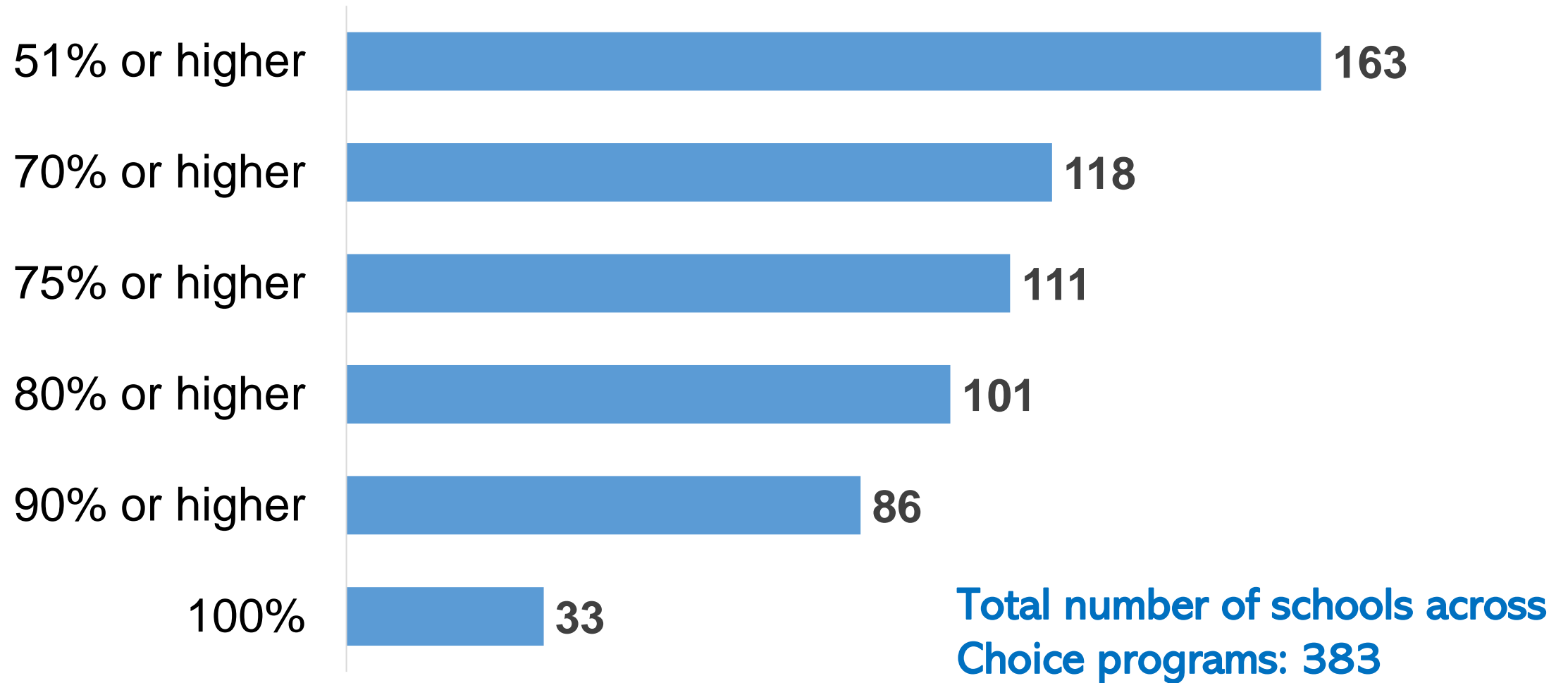
Choice program  
expansion

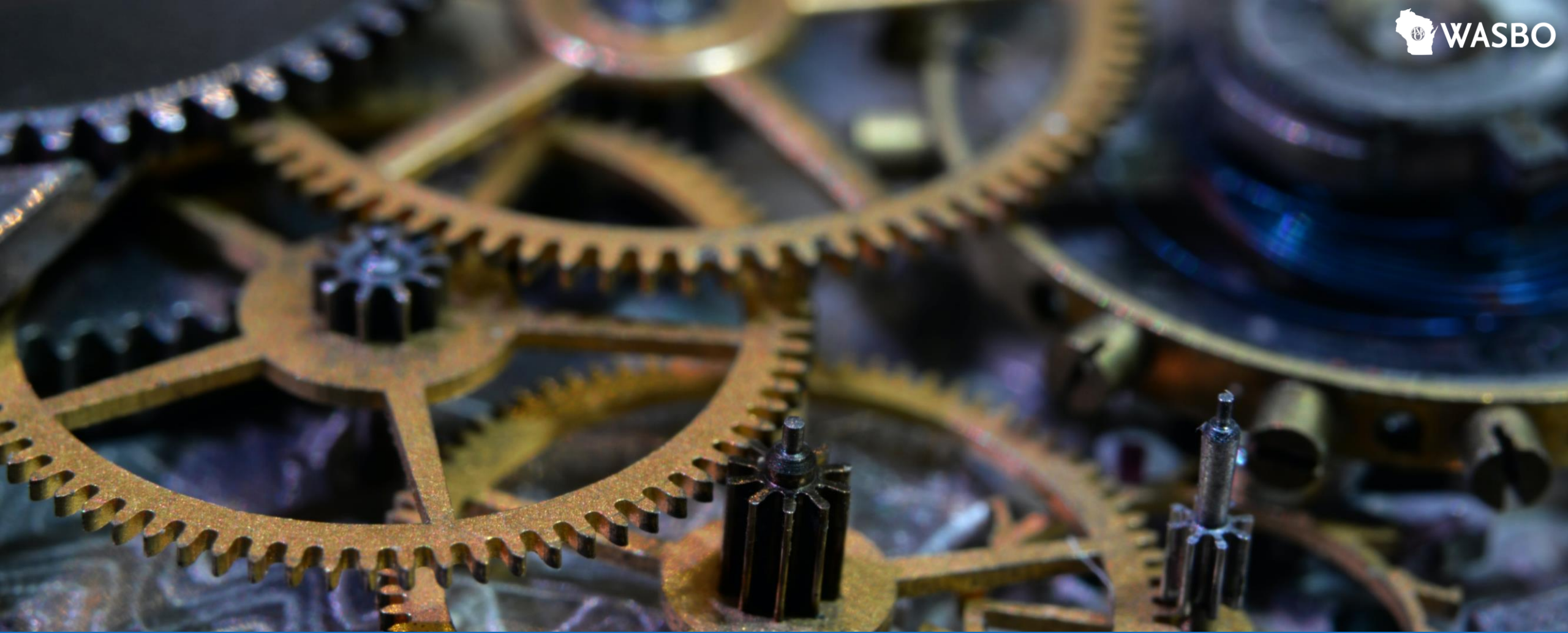
2009-10 to 2022-23

# What percent of Choice private schools are majority-voucher funded?

	Milwaukee	Racine	Wisconsin	SNSP	All voucher programs
100%	13.1%	2.9%	0.3%	1.1%	8.6%
90% or higher	43.8%	8.6%	0.6%	0.6%	22.5%
80% or higher	56.9%	20.0%	1.2%	1.1%	26.4%
75% or higher	57.7%	22.9%	1.5%	1.1%	29.0%
70% or higher	60.0%	28.6%	1.5%	0.0%	30.8%
51% or higher	67.7%	31.4%	9.7%	0.0%	42.6%

# Number of schools with various concentrations of voucher students across all Choice programs





## **Fiscal features**

Funding mechanics | Impacts on taxpayers

# Voucher/ICS costs

## 2023-24 estimates (\$ millions)

Total statewide aid reduction of \$306.6 million is 5.72% of total general school aids *(will be covered by property taxes)*

	Reduction in SD State Aids	State GPR Funded	Total Program Cost
MPCP	\$ 9.43	\$ 285.38	\$ 294.81
RPCP	\$ 37.10	\$ 4.40	\$ 41.50
WPCP	\$ 193.24	\$ 2.16	\$ 195.40
SNSP	\$ 38.69	\$ -	\$ 38.69
<b>TOTAL (Choice)</b>	<b>\$ 278.47</b>	<b>\$ 291.94</b>	<b>\$ 569.73</b>
ICS			\$ -
Legacy		\$ 109.16	\$ 109.16
New Authorizer and OEO	\$ 28.10		\$ 28.10
<b>TOTAL (ICS)</b>	<b>\$ 28.10</b>	<b>\$ 109.16</b>	<b>\$ 137.26</b>
<b>GRAND TOTAL</b>	<b>\$ 306.57</b>	<b>\$ 401.09</b>	<b>\$ 706.99</b>

# Public schools: Schools governed by elected school boards

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**Eligibility:**  
**All children  
in Wisconsin**

“The legislature shall provide by law for the establishment of district schools, which shall be as nearly uniform as practicable, and... shall be free and without charge for tuition to **all children** between the ages of 4 and 20 years.”

*Wisconsin Constitution Article X Section 3*

School boards and districts are agents of the state for the purpose of administering the educational system but retain **considerable local control** over the affairs of their schools



# Public schools

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**Revenue limit per pupil – Varies by district**

2022-23 avg: \$11,888 (includes resources used to pay voucher schools)

The amount of revenue a district can raise per pupil from general school aids (based on property wealth) and property tax. Different for every district.

Makes up the vast majority of school district budgets

**Per pupil aid: \$742 per pupil**

Flat per pupil general aid, outside of revenue limits

**Categorical aids: Varies by district**

Covers portion of costs related to specific mandated or high-need functions such as special education, transportation, and mental health – not generally required of voucher schools/ICS

**Operating referendums to raise the revenue limit**

An increasingly used tool to help school districts cover inflationary costs

## Funding/ Payments

(a very high-level view)

# Independent charter schools:

## Charter schools not authorized by school districts

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### Eligibility

Students can reside statewide. Generally, schools can be located anywhere statewide

Must be nonsectarian in admission, employment, programs, operations

Must accept all applicants if capacity allows (cannot discriminate in admission or participation)

If applicant demand exceeds capacity, must accept students at random

# Independent charter schools: Charter schools not authorized by school districts

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2023-24 per pupil payments:

\$11,385 (Same for K-8 and 9-12)

ICS are also eligible for most state categorical aid programs

Function like school districts for the purposes of federal law (e.g., they have access to federal Title and IDEA funds)

Funding/  
payments

# Fiscal impacts of independent charter programs on school districts

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Legacy ICS (3 authorizers) – 100% GPR

New ICS (starting in 2015-16)

Current year: School district aid is reduced by ICS payments

Following year: District counts those students for aid and revenue limit purposes

# Milwaukee, Racine, Wisconsin parental choice programs

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## Application Grade or Prior Year Attendance Requirement (RPCP and WPCP Only):

- be applying to grades K4, K5, 1, or 9, *OR*
- attend public school, school in other state, home school, choice program or choice waiting list

=> % enrolled in public school 2022-23: 6% for Wisconsin; 8.8% for Racine

## Income limits in first year of participation only (new students)

- 300% of federal poverty level: \$83,250 for family of 4 – Milwaukee/Racine
- 220% federal poverty level: \$61,050 for family of 4 – Wisconsin (statewide)

Each program has its own open application periods: Parents may apply to one or more schools for their student(s) during the available open application period(s)

## Eligibility

Prior attendance |  
Income |  
Application timing

# Milwaukee, Racine, Wisconsin parental choice programs

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## Eligibility

## Residency | Participation limits

All students must meet a **residency requirement** and provide documentation each year directly to the school(s):

- MPCP: Students must reside in the city of Milwaukee
- RPCP: Students must reside in the Racine Unified School District
- WPCP: Students must reside in Wisconsin but outside the city of Milwaukee and the Racine Unified School District

### **2023-24 Participation limits** (Wisconsin program only)

No more than 8% of pupils residing in a public school  
Limit increases by 1 percentage point each year up to  
10% in 2025-26

2026-27 – No limit

# Milwaukee, Racine, Wisconsin parental choice programs

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2023-24 per pupil payments:

K-8: \$9,893

9-12: \$12,387 (This is higher revenue limit  
per pupil for some districts)

Funding/  
Payments

Wisconsin and Racine: Funded in two ways

Students prior to 2015-16: 100% GPR

Students 2016-17 to present: Funded through aid  
deduction/property tax levy of resident school district

# Special Needs Scholarship Program (SNSP)

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## Eligibility

Students with an IEP or services plan

No income limit | No participation limit |

No application timing restrictions |

No prior year enrollment restrictions

If child no longer has disability, they receive a partial scholarship (same value as regular voucher)



# Special Needs Scholarship Program (SNSP)

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## Funding/ Payments

\$15,065 per pupil in the current year – no cost accounting required (2023-24)

If costs exceed \$15,065, school can submit a Statement of Actual Cost

# Special Needs Scholarship Program (SNSP)

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## Funding/ Payments

## If school submits Statement of Actual Cost...

School receives 100% of costs up to \$22,598 (150% of the full voucher amount in 2023-24)

Note: Public schools will see an estimated 33.3% for special education and 40% for high cost special education in 2023-24

Paid for with resident school district aid deduction.

If costs exceed \$22,598, 90% of the remainder is covered with state GPR

2022-23: 7 schools applied for 1 student each (7 students)

# Voucher/ICS payments are indexed to increases for public schools

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Voucher/ICS payments are “coupled” with state budget increases in funding sources for public schools (NOT cuts)

Statutory base per pupil payment gets bumped up by:

- Per member dollar change in revenue limit per pupil
- Per member dollar change in categorical aids
- A percent of the low revenue ceiling

**Reverse is not true:** Public schools do not receive a bump from voucher/ICS increases

# Other public funding for private schools

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All private schools in Wisconsin are eligible for certain state categorial aids:

School lunch aid, breakfast aid, milk aid | Robotics grants

Voucher schools also are eligible for:

School performance improvement grants, school mental health grants

# Other public funding for private schools

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All private schools are entitled to district-provided **transportation** (using state aids), **services for students with disabilities** (using federal IDEA funds), and **programs for economically disadvantaged students** (using federal Title funds)

In many cases, school districts absorb the costs to administer these programs without charging for/or getting funding for administrative costs

# Fiscal impacts of Milwaukee Choice program on Milwaukee Public Schools

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Historically, cost has been shared between GPR and MPS school levy

State has buying down cost until 2024-25 when 100% of cost will be covered with state GPR

2023-24: Last year of state/MPS cost share:  
96.8% GPR funded; 3.2% state aid reduction/school levy

# **Fiscal impacts of Wisconsin/Racine/SNSP Choice programs on school districts**

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**Wisconsin and  
Racine:  
Funded in two ways**

**Students who entered prior to 2015-16:  
100% GPR**

**Students who entered 2015-16 to present  
(and all SNSP students):  
Funded through aid deduction/property tax  
levy of resident school district**

# Fiscal impacts of Wisconsin/Racine/SNSP Choice programs on school districts

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## Current year

District aid is reduced by cost of vouchers – reduces aid available for all districts statewide

Districts get a nonrecurring exemption to levy **local taxpayers** to offset aid cuts.  
New vouchers 100% on local levy



# Fiscal impacts of Racine/Statewide/SNSP Choice programs on school districts

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## Following year

Resident district counts voucher students for aid  
BUT NOT revenue limit

Reduces wealth per pupil in aid formula – could  
generate some aid to make up loss (assuming  
your district gets aid). But unlikely to recover full  
aid reduction from prior year

Reduces amount of aid available for ALL  
OTHER school districts in state

# Fiscal impacts of Racine/Statewide/SNSP Choice programs on school districts

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## Future

Essentially, current private school vouchers are paid for statewide through a combination of state aid and property tax levy (not state GPR)

2026-27: End of cap on number of participating students in RPCP/WPCP (not income limits) – **more schools but fewer students – may worsen demographic declining enrollment pressures, especially in rural areas**

Pending bills propose shifting all voucher/ICS costs onto state GPR



# Key distinctions

Different purposes and mandates in each sector

# Key legal requirements of public school districts

## School districts are subject to dozens of state statutes

Most are under **Public Instruction** (Chapters 115-121) for school operations, school district governance, special education, school finance...

**But also**, laws pertaining to budget and finance for municipalities, elections, public officials, the state retirement system, labor laws, transportation and vehicles, public health, state employee trust funds, higher education, and more

**“...district schools...  
as nearly uniform as  
practicable”**

[Wis. Const. art. X, § 3](#)

**To fulfill that constitutional  
requirement:**

**Every district is subject to  
20 Wisconsin  
Educational  
Standards**

Licensure	Guidance and counseling	Safe and healthful facilities	Education for employment
Personnel evaluation	Staff development	Hours of instruction	Health, P.E., art & music
Children at risk	Third grade reading tests	Remedial reading	Emergency nursing
Curriculum plan	Performance disclosure reports	Achievement tests	Kindergarten
Library media	Instruction	High school graduation standards	Gifted and talented pupils

# Key legal requirements for public schools

## Public employee benefits

School districts are subject to state laws governing public employee benefits, including the employer contribution to the WRS (6.9% in 2024)

## Professional staff licensure

Every teacher, supervisor, administrator, and professional staff member holds a certificate, license, or permit issued by DPI

## Public officials, records, meetings

School boards take official oaths to support the U.S. and state constitutions, uphold public records and open meetings law, abide by code of ethics

# Key legal requirements for public schools

## Special education

Comply with federal special education laws such as IDEA and the ADA. Must provide a free and appropriate education (FAPE), i.e. provide special education services under an IEP. These mandates must be met even though federal and state funding covers less than a third of the cost (as of 2022-23)

## Responsibilities to private schools (voucher and non-voucher)

Identify and provide **special education** services to student with disabilities (using proportionate share of federal IDEA dollars reserved for private school students)

# Key legal requirements for public schools

## Transportation

Provide transportation for students who live at least two miles away from their neighborhood school.

## Responsibilities to private schools (voucher and non-voucher)

Provide transportation to students who meet certain residence and distance-from-school criteria, even if the school starts before the public school starts



# Additional considerations

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**Special education:** Only public SwDs have a right to Free and Appropriate Public Education (FAPE). Parents who choose voucher school waive rights to FAPE

**Discrimination:** Voucher schools have to comply with federal discrimination law on race, color, national origin – NOT – sex, sexual orientation, disability, and other statuses

Public schools are the safety net when student's disability cannot be served in the private school

**Public schools  
serve the needs  
of all students:  
SCOW pointed  
to three groups**

Wisconsin supreme court gave us a constitutional standard for adequate and equitable school funding almost 25 years ago:

Wisconsin students have a right to an equal opportunity for a sound basic education...[which] acknowledges that students and districts are not fungible and takes into account districts with disproportionate numbers of:

- disabled students,
- economically disadvantaged students, and
- students with limited English language skills

So long as the legislature is providing sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the constitution, the state school finance system will pass constitutional muster.”

*Justice Patrick Crooks – Vincent v. Voight, July 11, 2000*

# Students with disabilities

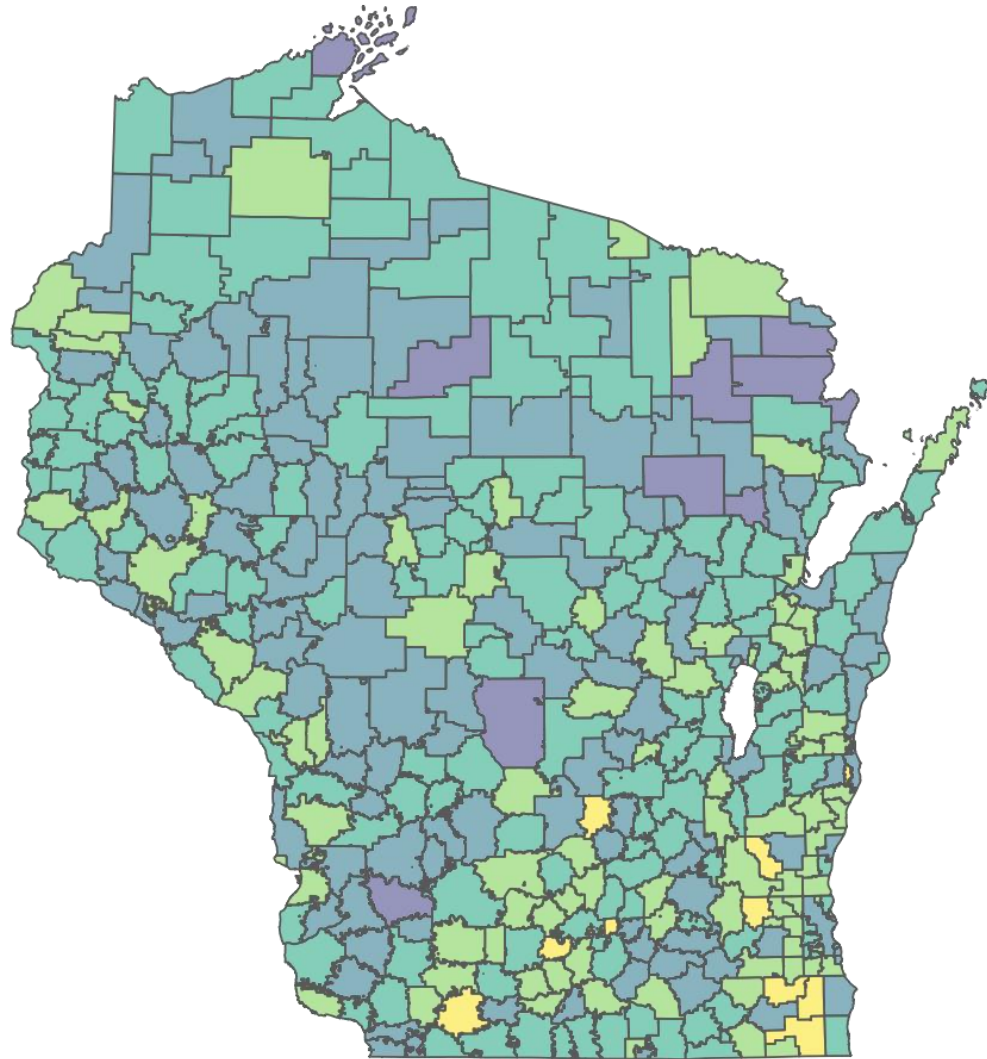
## 2022-23

2023-24 estimated reimbursement rate for mandated special education: **33.3%**

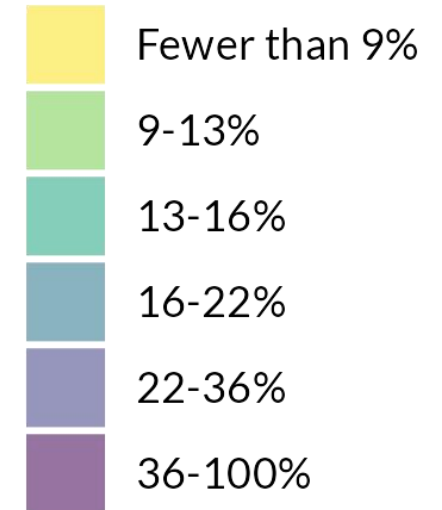
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Most districts have at least 9% SwDs

On average districts have 15% SwDs



Students with Disabilities



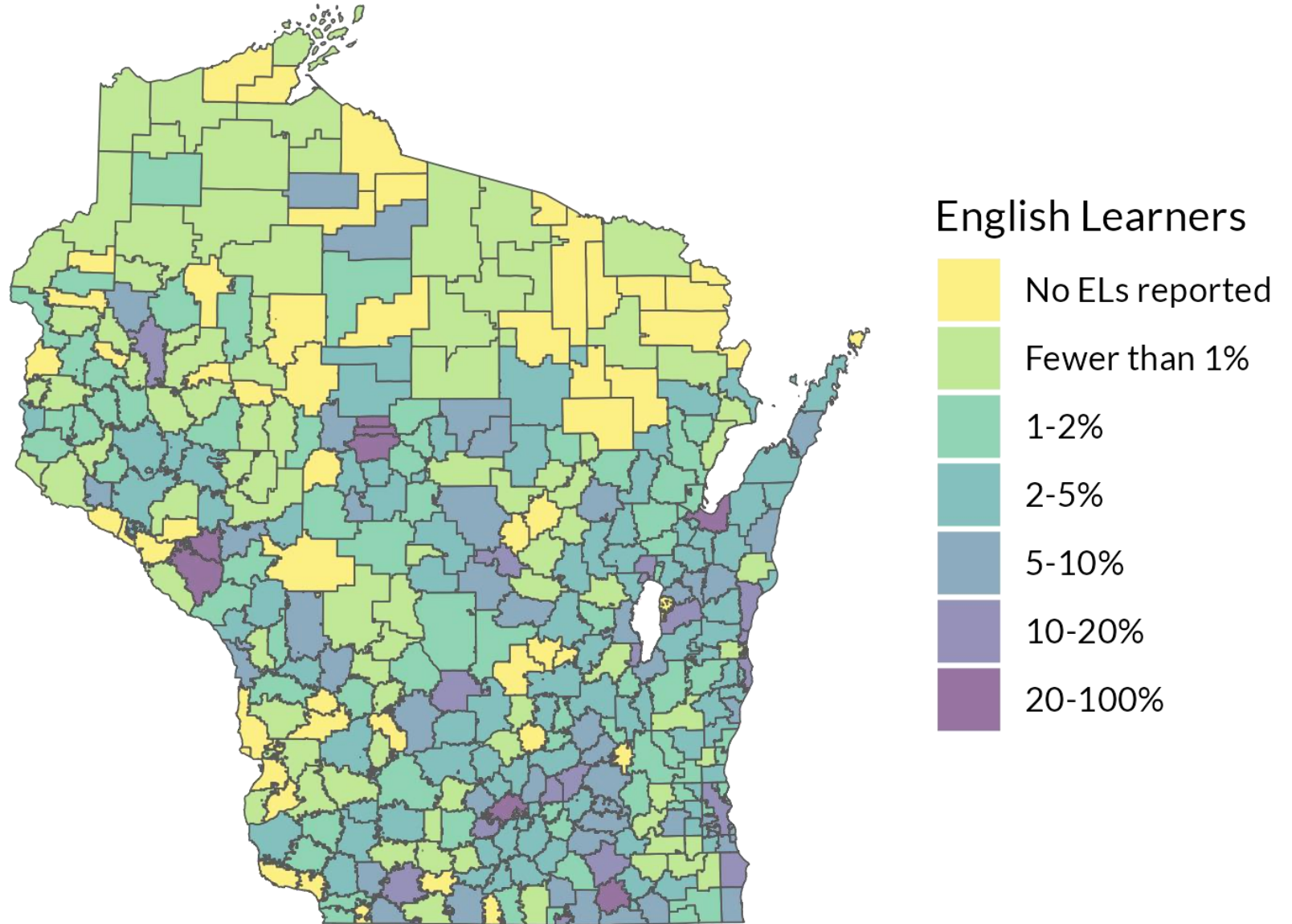
# English learners

## 2022-23

No dedicated aid for all ELs

356 districts (84.6%) enroll ELs

Only 50 districts get Bilingual Bicultural Aid (est. 8.9% reimbursement rate in 2023-24)



# Economically disadvantaged students

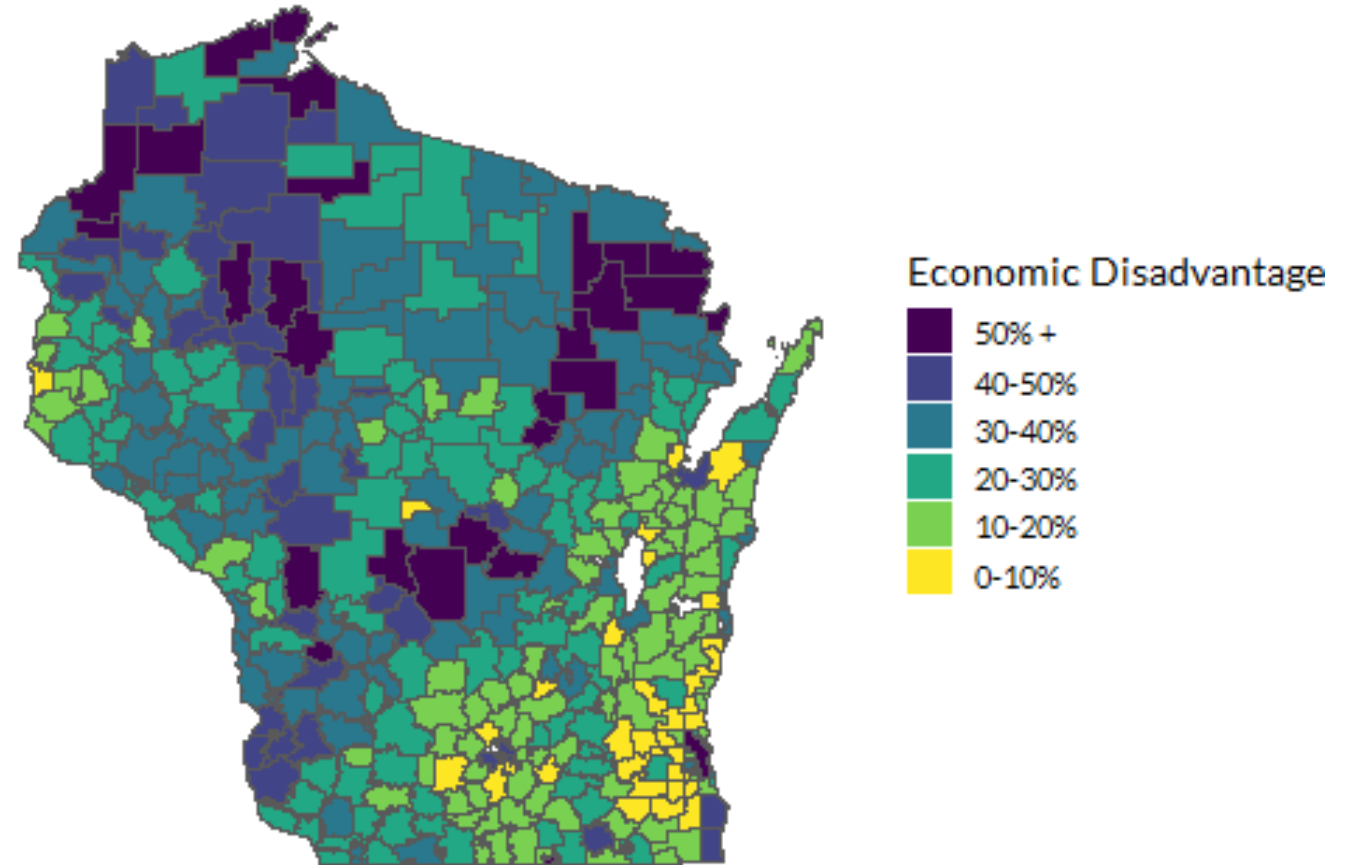
2022-23

About 1 in 5 districts have a majority of students who are economically disadvantaged

Federal Title funds support the needs of these student. **No dedicated state funding source**

# Poverty is growing in Wisconsin

Percent of Economically Disadvantaged Students  
School Year 2006-07



# Charter schools: brief background

Operate on a contract (“charter”) between with an authorizer (e.g., technical colleges, UW schools, and several other entities)

Established to “foster an environment of innovation and parental choice.” Intended as “living laboratories that influence the larger public school system and introduce an element of competition within that system.”

Generally, exempt from many state laws for public schools (including hours of instruction)

Subject to all federal laws governing K-12 education (including those related to special education and discrimination)

# Key legal requirements for charter schools

Comply with health and safety requirements applicable to traditional public schools

Require instructional staff to hold a DPI-issued license or permit

Administer statewide assessments to students

Participate in state report card accountability system

Adopt academic standards

Approve only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices

Authorizers give preference in charter contracts to charter schools serving children-at-risk

# Key legal requirements for private voucher schools

Comply with health and safety requirements applicable to traditional public schools

Prohibited from discrimination on admission/participation on the basis of race, color, national origin (Note: Disability, sexual orientation, sex, and other statuses not protected)

Submit annual independent financial audit to DPI

Teachers and administrators must hold at least a bachelor's degree (not required to hold DPI license)

Administer statewide assessments to students

Choice students are included in state accountability school report cards

Adopt academic standards

Provide set amount of instructional hours by grade



# In sum:

**School districts serve distinct purposes (relative to charter and voucher schools)**

**These mandates bring costs, but not necessarily funding**

**Beware of apples-to-oranges:  
Per pupil funding comparisons are not valid unless they account for cost differences**

	Public districts	Charter	Private	
			Non-voucher	Voucher
Special education: Own students	✓	✓		
Special education: Private school students	✓ Limited			
Transportation: Own students	✓			
Transportation: Private school students	✓			
DPI Teacher licensure	✓	✓		
Enroll any student in district	✓			✓ Within school capacity
State assessments	✓	✓		✓ Limited
Establish technical prep program	✓			



**Viewing funding in context of costs**  
Distinctions affect costs and available resources

# **How are these distinctions related to cost (and funding)?**

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Modeling a school district “apple” to compare with voucher payments

# Assumptions

A voucher payment is comparable in scope and purpose to school district per pupil revenue limit and per pupil categorical aids

Legal mandates on school districts add costs that are not required to be borne by voucher schools. School districts receive some state and federal aids. But considerable costs remain that are not fully funded

A school district payment can only be comparable to a voucher school payment if it takes those “un-aided” costs into account

The largest school-district-specific mandated expenditures are transportation and special education

# Methodology

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$$\begin{array}{l} \text{Base revenue limit} + \text{Recurring and nonrecurring exemptions} + \text{Per pupil aid} + \text{Transportation aid and high cost transportation aid} \\ \text{MINUS} \\ \text{General fund transportation expenditures} + \text{Special ed transfer from general fund} \\ \text{DIVIDED BY} \\ \text{Current membership average} \end{array}$$

# Statewide

Locale		Per Pupil Payments	\$ Diff	% Diff	Number of districts	
STATEWIDE	n=420				Above	Below
Average school district net payment		\$ 10,935	-	-	-	-
Voucher K-8		\$ 8,336	\$ 2,599	23.8%	420	0
Voucher 9-12		\$ 8,982	\$ 1,953	17.9%	409	11
Special needs voucher		\$ 13,013	\$ (2,078)	-19.0%	35	385
ICS		\$ 9,201	\$ 1,734	15.9%	395	25

**Note: This model uses final 2021-22 DPI data (most recent available) and 2021-22 voucher payments for comparison purposes**

# City districts

Locale		Per Pupil Payments			Number of districts	
CITY	n=17		\$ Diff	% Diff	Above	Below
Average school district net payment		\$ 10,703	-	-	-	-
Voucher K-8		\$ 8,336	\$ 2,367	22.1%	17	0
Voucher 9-12		\$ 8,982	\$ 1,721	16.1%	17	0
Special needs voucher		\$ 13,013	\$ (2,310)	-21.6%	1	16
ICS		\$ 9,201	\$ 1,502	14.0%	17	0

**Note: This model uses final 2021-22 DPI data (most recent available) and 2021-22 voucher payments for comparison purposes**

# Suburban districts

Locale		Per Pupil Payments	\$ Diff	% Diff	Number of districts	
Suburb	n=77				Above	Below
Average school district net payment		\$ 10,690	-	-	-	-
Voucher K-8		\$ 8,336	\$ 2,354	22.0%	77	0
Voucher 9-12		\$ 8,982	\$ 1,708	16.0%	75	2
Special needs voucher		\$ 13,013	\$ (2,323)	-21.7%	3	74
ICS		\$ 9,201	\$ 1,489	13.9%	74	3

**Note: This model uses final 2021-22 DPI data (most recent available) and 2021-22 voucher payments for comparison purposes**



# Town districts

Locale		Per Pupil Payments	\$ Diff	% Diff	Number of districts	
Town	n=91				Above	Below
Average school district net payment		\$ 10,475	-	-	-	-
Voucher K-8		\$ 8,336	\$ 2,139	20.4%	91	0
Voucher 9-12		\$ 8,982	\$ 1,493	14.3%	91	0
Special needs voucher		\$ 13,013	\$ (2,538)	-24.2%	4	87
ICS		\$ 9,201	\$ 1,274	12.2%	85	6

**Note: This model uses final 2021-22 DPI data (most recent available) and 2021-22 voucher payments for comparison purposes**

# Rural districts

Locale		Per Pupil Payments	\$ Diff	% Diff	Number of districts	
Rural	n=235				Above	Below
Average school district net payment		\$ 11,210	-	-	-	-
Voucher K-8		\$ 8,336	\$ 2,874	25.6%	235	0
Voucher 9-12		\$ 8,982	\$ 2,228	19.9%	226	9
Special needs voucher		\$ 13,013	\$ (1,803)	-16.1%	27	208
ICS		\$ 9,201	\$ 2,009	17.9%	219	16

**Note: This model uses final 2021-22 DPI data (most recent available) and 2021-22 voucher payments for comparison purposes**

# Observations

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Adjusted average school district net payment is \$2,599 or 24% higher than K-8 vouchers and \$1,953 or 18% higher than 9-12 vouchers

That's substantially lower than estimates cited by voucher advocates

Schools taking special needs vouchers receive \$2,078 or 19% more than 385 school districts after special education costs are accounted for

Locale analysis gives rough idea of how cost structures differ by location. Rural average highest of all locales.

## Important context

This model only takes special education and transportation into account. School districts incur **costs for many other functions** and requirements that do not apply to voucher schools/ICS

**This model does not reflect 2023-25 budget increases for voucher/ICS.** There are now school districts that receive *less* than voucher schools, especially at the high school level – **before accounting for any mandated costs**

Recall: **SNSP payments are designed to cover 100% (or close) of costs.** School districts recoup less than 1/3<sup>rd</sup> of their special education costs

Enrollment of students with disabilities varies across school type. 2022-23 averages: 15% in public schools, 10% in ICS, and 1.8% in voucher schools that reported SwD counts for voucher participants

**Consider the  
premise:  
Equal funding for  
every student**

Constitution does not require equal per pupil spending even among school districts

Public schools have a very broad/public purpose – drives their cost structures. **Legislature created the voucher and charter programs explicitly as *alternatives to public school districts*** – with fewer requirements and more flexibility

Public, independent charter, and voucher schools are not the same. **Does it make sense to assume they *should* be funded in the same manner or in the same amounts?**

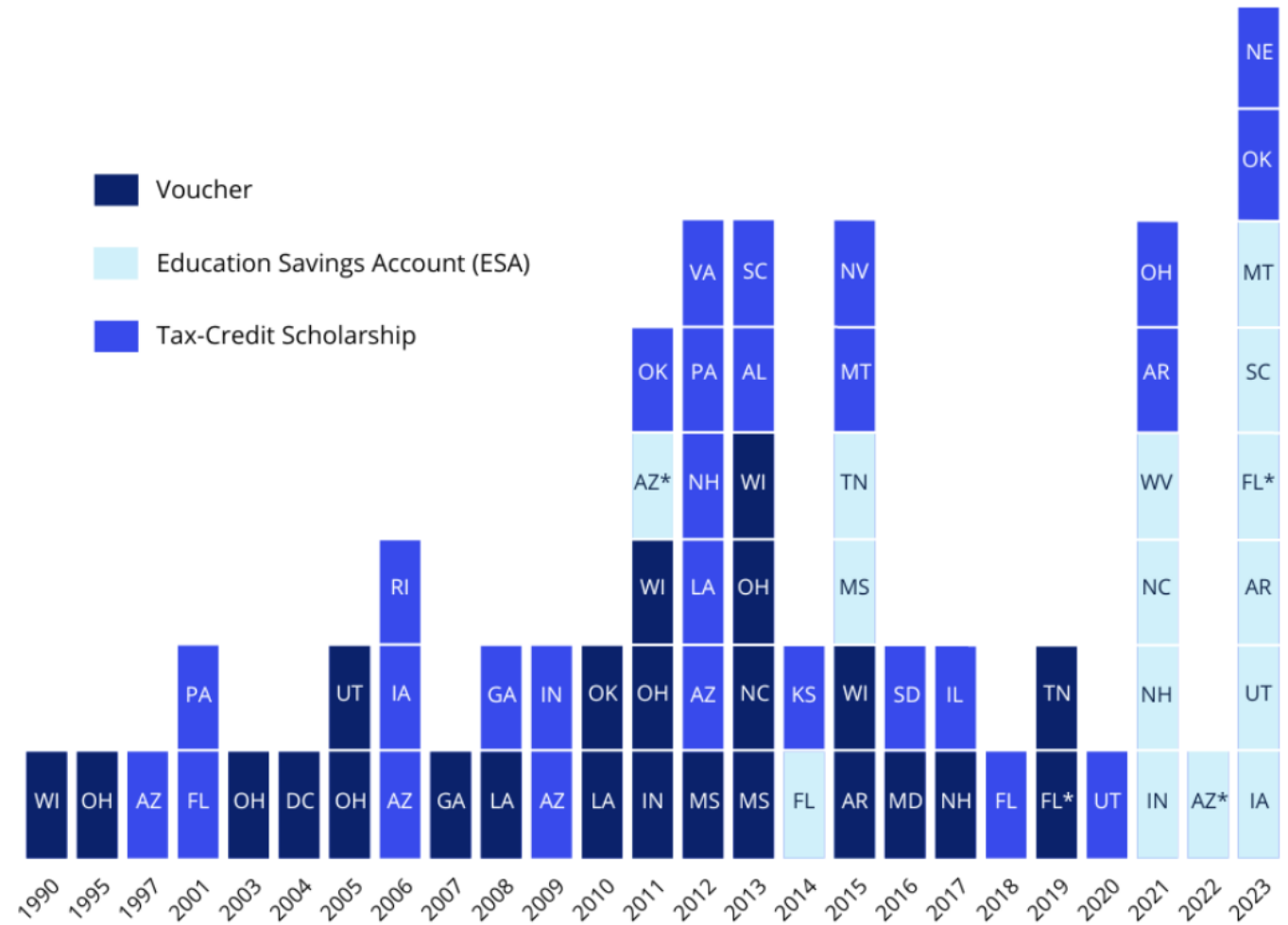


## **National landscape | Local implications**

**School choice is on the rise | What can we learn?**

**Growth in voucher programs has exploded in recent years, ...mainly in the form of universal savings accounts**

## Private-School-Choice Programs Enacted, By Year



Vermont (1869) and Maine (1873) had "town tuitioning" programs established prior to Milwaukee's 1990 voucher program.

\*Arizona's 2011 ESA program became a universal program in 2022. Florida's 2019 voucher program, "Family Empowerment Scholarships," expanded in 2023 to serve all students and converted traditional scholarships into savings accounts, expanding the allowable uses of funds beyond tuition.

Source: EdChoice

FutureEd

# Arizona school voucher program growth explodes to \$900 million for the upcoming school year

The projected costs are nearly 1,400% more than initial estimates

BY: GLORIA REBECCA GOMEZ - JUNE 1, 2023 2:36 PM



**Trend: Voucher program growth starts small and targeted and then explodes – creating fiscal crises for states**

As in Wisconsin, voucher programs nationwide often begin with caps and targeted for students with disabilities or low-income students attending public schools

This is followed by a shift toward universal programs – open to any family – regardless of income, disability, or attendance at a public school and often with no enrollment caps

Actual growth and costs often exceed estimates - by a lot



**Potential for significant growth in voucher programs in WI:**

**Will it mean less spending on public education?**

Private schools have signaled the boost in per pupil voucher funding in the 2023-25 state budget will allow them to open new schools or expand existing ones

2026-27: Wisconsin's voucher program's enrollment caps will be lifted

**What happened in other states?**

Of 7 states that increased spending on voucher programs between 2008 and 2019, six, including Wisconsin either increased per-pupil funding at a lower rate or cut funding for public schools during the same period (AZ, FL, GA, IN, LA, WI)

# Concerns for rural districts – compelling case to think carefully about voucher growth

Voucher programs exacerbate fiscal stress for small declining enrollment districts – will get hit especially hard if even a small school pops up and pulls even a couple dozen students

As schools lose enrollment, funding goes down and spending becomes less efficient (costly)

Sounds familiar...Outgoing legislator, Steve Kestell (Elkart Lake) sounded an alarm in 2014 that reflects today's national trends:

“[E]xpanding school choice could exacerbate **already declining enrollment in rural schools**...That [rural schools] problem will be on steroids with the wide-open school choice program cutting across the state,” Kestell said. “No one has even tried to explain how we're going to deal with that as a state. No one has tried to explain how we're going to fund parallel school programs. Because that's where we're heading.”

**Pending bills:**

**“Decoupling”  
voucher and ICS  
funding from  
school district  
aid/school levy**

**SB 838/SB 652: Phase out current funding sources/ methods for vouchers and ICS. Replaces school district aid reductions/property tax levies with state GPR**

**Current estimated total cost of all programs (2023-24):  
~\$700 million**

**Program costs likely to grow**

- **Enrollment caps come off in 2026-27**
- **Voucher supporters favor also removing income caps  
– would move program toward universal access**

**Relieves school districts from levying for private schools.**

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**Would divert significant state GPR to parallel K-12 systems.  
Effect on resources for public schools (the only constitutionally  
required system)...especially when programs grow?**

## Policy options: Embed safeguards for public schools in voucher expansion policies

**Indiana**'s voucher program limits funding for each voucher student to 90% of the state's public school spending per pupil.

**Oklahoma** (largely out of **concern for rural districts**) packaged its choice program with significant investments in public schools – Infused substantial new resources into state aid and school buildings AND specified that spending on the Choice program would be reduced if spending on public schools went down

**Arizona**'s governor proposed reining in costs by requiring even current voucher students to attend a public school for 100 days to qualify for a voucher.

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**Wisconsin!** Make sure any “decoupling” brings investments in public schools – How about 60% sum sufficient special education reimbursement? Protect existing aid? Require common transparency and reporting requirements across all schools – We need apples-to-apples data to make good policy decisions

# Things to consider as we look ahead...

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In public policy, we face finite resources...creates tradeoffs; winners and losers

How many school funding systems can the state support and how much can they grow sustainably?

We have real needs in public schools that we still need to meet. These schools serve the vast majority of Wisconsin students. How can they be protected and strengthened amid any school choice growth?

Can we learn from the mistakes of other states, or will we step in the same holes?



# Wisconsin Association of School Business Officials

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## Contact Us

Anne Chapman | WASBO Research Director

[Anne.Chapman@wasbo.com](mailto:Anne.Chapman@wasbo.com)