

Pupil Fees

WASBO “Winter At A Glance”

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WISCONSIN DEPARTMENT OF
Public Instruction
Jill K. Underly, PhD, State Superintendent

Agenda

- **Pros and Cons of School Fees**
- **What is Allowable and What is Prohibited**
- **Summer and Interim Session Fees**
- **Fees & State Aid**
- **Fees & Revenue Limits**

School Fees website: [DPI SFS School Fees](#)



Question 1

Does your district assess school fees? Yes or No

Question 2

Does your district offer a summer or interim session program?
Yes or No



Summary of Question 1

Does your district assess school fees? XX out of XX districts assess fees.

Summary of Question 2

Does your district offer a summer or interim session program? XX out of XX districts hold summer or interim sessions.



Small group discussion

Discuss the following questions in your group:

What are the pros and cons of assessing school fees?

If fees are collected, how much revenues are brought in and what are those monies used for? Do the revenues collected from fees impact your district's equalization aid and/or revenue limit calculation?

How is school fee information shared with students and their families?

At the end of this activity, each group will be asked to share a summary of their discussions.

Pupil Fees - Perspectives

Small group
sharing time.



Pupil Fees - Perspectives

- Proponents argue that user fees can result in lower local taxes and increased services for students.
- Opponents argue that fees place a burden on poor and middle-income families, thereby denying them equal educational opportunities.
- Local taxpayers and parents

What is Allowable and What is Prohibited?

Constitutional and Statutorily Limitations To Student Fees

- State Constitution
- Sinclair Case – AG opinion
- State Statutes
- Local Board Policy



Applying *Sinclair* & the Statutes

Based upon the *Sinclair* case, the above State Statutes, and Opinions of the Attorney General, "User Fees" generally fall into one of the five following categories:

Category I: Fees are not permissible for any student

Category II: Limitations for indigent students

Category III: Charges permissible for non-indigent students

Category IV: Charges permissible for any student

Category V: School District discretion

Category I: Prohibited

1. Tuition/instruction costs
2. Teacher salaries or benefits
3. Buildings, maintenance
4. Teaching apparatus –computer hardware and software, microfilm readers, projectors, industrial arts equipment (presses, saws, etc.) home economic equipment (stove, sewing machine, etc.), art equipment (kilns, dark room, etc.)



Category I: Prohibited

5. Course fees for any course which is either required for graduation or given credit towards graduation or aided under 121.14 (summer school).
6. Transportation as required by 121.54(8).



Category II: Limitations

Indigent students must be provided the following:

1. Textbooks
2. "School supplies" (pens, pencils, paper)
3. Advanced Placement Tests



Category III: Limited

Charges permissible for non-indigent students:

1. May sell or rent textbooks and workbooks
2. School supplies, pens, paper (“Consumables”)



Category IV: Permissible



Permissible for any student, regardless of indigency:

1. Social and extracurricular activities, as they are not necessary elements of a high school career.
2. Individual use items (e.g., towels, gym suits, band instruments).

Category V: Discretionary

School District has discretion to charge fees for:

1. Meals for staff and students
2. Pre-kindergarten (not 4K): fees may be charged or waived for students unable to pay
3. Classes which are not required for graduation and for which no credits toward graduation are given
4. Transportation to and from extracurricular activities
5. Before and after-school daycare

Group activity

In your group, discuss the following:

Does your school have a Board policy governing student fees? If so, what is included in that policy? If not, discuss the next questions.

- What is the process to calculate the amount of school fees? How many staff members are assigned to work with school fees and what portion of a day/week do they work with school fees?
- What procedure would be followed if a family decided not to pay the school fee? Are there exemptions for low-income families?
- Discuss other revenue sources for districts to consider pursuing.

Summary

- The authority of the school board to assess user fees is powerful but limited.
- Care must be taken to use this authority judiciously.
- Copies of local board policies on school fees should be available on request.
- The basis for the fee should be clear to the parent

Summer and Interim Session Fee Reporting Requirements



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Summer and Interim Session

Why do summer and interim session fees matter?

If a district meets the statutory requirements pertaining to school fees for summer school, the district may claim membership for General Aid and Revenue Limit purposes.

Summer membership is determined differently from regular school year membership:

- The district reports summer and interim session minutes (which are converted to FTE), and
- Only those minutes that are supported appropriately with fees are countable.

Summer and Interim Session

If the district claims pupils for summer membership for aid/revenue limit purposes:

There shall be no cost to the resident student beyond those allowed:

1. Individual use supplies (towels, gym clothes, band instruments, notebooks, pencils), and
2. Textbooks or similar items (workbooks).

Items for which fees are charged must be legally permitted and actually purchased for summer school use.

Summer and Interim Session

If the class is not aided, not required, or not credited towards graduation, fees may be charged but must be based upon the actual cost of the class.

Summer and interim session fees may not be used to subsidize other classes or students.

Reconcile Fees for Summer Session

Revised PI 1804 workbook has a reconciliation worksheet.

Report fees charged and cost of individual items on a per student per course basis.

If you collect any fee, you are responsible for verifying that it is allowed and actual.

Verify that the amount collected as a fee is the amount spent on the item(s) used by the student(s) in those summer school classes.

Auditing Summer Membership

What will auditors ask for?

- PI-1804 W-2 Membership worksheet and fee reconciliation worksheet
- List of classes and fees per course
- Documentation of cost per student by course for the classes that charge fees including:
 - ✓ Detailed report of the appropriate function & object and identify for your auditor those used for summer session by class
 - ✓ Invoices substantiating the costs reported in the workbook

Auditing Summer School

What will auditors test for?

Fees are not charged as a flat fee across all courses

Costs identified by course are eligible costs

Fees charged (by course) do not exceed eligible costs.



Auditing Summer Membership

If a fee is deemed excessive or inappropriate:

- Refund the excess fee charged to the student by October 1st
- DPI may assess an aid penalty
- DPI may reduce summer membership FTE

Auditing Summer Membership

What to do at this point in the school year?

If your district held summer school during 2022-23, this is the time to review the district's fees, including fee reconciliation, in order to determine compliance with state law:

- If you determine excess or inappropriate fees were charged, still time to rectify the situation; the district should reimburse the pupil by vouchering a check to the pupil's family.
- Can't do a "fix" after a membership audit – so act now, before 2020-21 membership audits are announced (late January 2021).



Fees and State Aid

How Do Fees Impact a District's State Aid?

Fees & State Aid

By now, you are probably aware of the factors in State Equalization/General Aid are Shared Costs.

So, how do fees collected by a district affect the district's Shared Costs?

Fees & State Aid

Calculating Shared Costs for General Aid

1. Revenues from sources other than state General Aid and local property taxes are summed, called “Deductible Receipts”

“Deductible Receipts” therefore include revenues from:

- ✓ Categorical Aid
- ✓ Federal or State Grants
- ✓ Student Fines
- ✓ Gate Receipts
- ✓ Gifts/Donations, and
- ✓ Fees

Fees & State Aid

Calculating Shared Costs for General Aid

2. District expenditures for general operations and debt service are added together.
3. The “Deductible Receipt” revenue, used to fund some of the general operations & debt service expenditures in #1 above, is deducted from expenditures.
4. Balance is “Shared Costs”

Fees & State Aid

Calculating Shared Costs for General Aid

- As deductible receipts increase, Shared Costs decrease, therefore ... fewer shared costs than otherwise would be.
 - Positioned in the equalization aid formula determines how changes in shared costs impact state aid:
 - ✓ “Positively-Aided” – a lower shared cost decreases aid
 - ✓ “Negatively-Aided” – a lower shared cost aid might actually increase aid (depends if district is so negatively aided as to receive just Primary Aid or no Equalization aid)
- ** The impact of Fees on State Aid is therefore district specific, depending on where in the aid formula the district is**



Fees and State Aid: How Do Fees Impact a District's Allowable Revenue Limit?

Fees & Revenue Limits

Fees do not affect the district's revenue limit – districts spend fees outside the revenue limit.

This means that fees increase the available dollars that can be collected and used by the district.

Fees, though, are not a large source of revenues for the district's operating budget and would have minimal impact on addressing budget deficits.

DPI SFS Resources

SFS Team web pages regarding fees & membership issues

- School Fees: [School fees](#)
- Summer School: [Summer School](#)
- Membership Audits: [Membership Audits – Overview](#)
- Contact us at dpifin@dpi.wi.gov

Addenda

State Constitution

- The Wisconsin Constitution, Art. X, sec. 3, limits the school district's authority to assess fees except under limited circumstances.
- Therefore, great care must be taken to ensure that any "user fees" are legally authorized.
- The "School Fees" webpage is designed to explain what those limits are and answer the most common questions that arise in this area. The webpage can be found at this link [DPI SFS School Fees](#)

State Constitution

Specifically, the State Constitution states:

"The legislature shall provide by law for the establishment of district schools ... such schools shall be free and without charge for tuition to all children between the ages of 4 and 20 years..."

(Article X, Section 3)



Interpreting Article X, Sect. 3

Board of Education v. Sinclair, 65 Wis. 2d 179 (1974):

Art X, Sec. 3 of the constitution was interpreted by the Wisconsin Supreme Court.

At that time, the Court defined "free education" as the school building, equipment and teachers but "books and supplies" were not included.

Interpreting Article X, Sect. 3

- Using “books and supplies” as a benchmark, the Court concluded that public schools *may* charge fees for specific materials necessary to complete the coursework, such as books and items of a similar nature, except in cases of indigency.
- The Court also authorized charges for social and extra-curricular activities because they are not “necessary elements of a high school career.”

Interpreting Article X, Sect. 3

- Among the items the court determined must be provided without charge were microfilm readers, electronic listening devices and "apparatus" items.
- In addition, schools may not charge for instructional time, such as teacher salaries, building costs or maintenance.
- The court also concluded that any course that is credited for graduation, even if it is not required for graduation, must be provided without charge.

Interpreting Article X, Sect. 3

Therefore, user fees, if permitted by statute, are constitutional as long as they are not intended to defray the cost of instruction, buildings, building maintenance and "apparatus". State statutes list specific fees that are or are not authorized.

See appendix for individual statutory citations.

Statutory Language

The following statutes authorize fees:

Sec. 118.03(2) permits schools to sell textbooks to students.

Sec. 118.04(3) permits schools to charge nonresident tuition for summer school classes.

Sec. 118.155(2) requires the parent or person sponsoring religious instruction to pay the costs of transportation to and from the release time for religious instruction.

Sec. 118.04(4) permits schools to charge "reasonable fees for social, recreational or extracurricular summer classes and programs which are neither credited toward graduation nor aided under 121.14(1) [summer school aid].

Statutory Language

The following statutes authorize fees:

Sec. 118.05(2) permits fees to be charged for conservation camps.

Sec. 120.10(15) permits a school district's annual meeting to authorize the school board to furnish textbooks under conditions prescribed by the annual meeting or by the school board.

Sec. 120.13(10) permits a school board to furnish school meals to pupils and pay for the meals out of school district funds. The school board may charge pupils and staff for the cost of the meals.

Sec. 120.13(13) permits a school board to charge a reasonable fee for attendance at pre-kindergarten classes but the fee or a portion may be waived for any person unable to make payment.

Sec. 120.13(14) permits a school board to charge fees for all or part of the cost of a day care program established pursuant to sec. 120.13(14).

Statutory Language

The following statutes authorize fees:

Sec. 120.13(19) permits a school board to charge a fee to cover all or part of the costs associated with community programs and services that are outside the regular curricular and extracurricular programs for pupils.

Sec. 120.13(27m) does not require schools to pay for the transportation of indigent students who are not required to be transported under 121.54.

Sec. 121.41(2) permits a school board to establish and collect reasonable fees for any driver education program or part of a program which is neither required nor credited toward graduation. The fee may be waived for indigent pupils.

Sec. 121.54(7) permits a school board to charge for transportation to extracurricular events.

Sec. 121.545 permits a parent or guardian to contract with a school board and pay to the school board a fee sufficient to cover the transportation costs for pupils not required to be transported pursuant to sec. 121.54(1) - (6) and 121.57.

Statutory Language

The following statutes **prohibit** fees:

Sec. 121.54(8) prohibits a school board from charging pupils or their parents for transportation that the school district is required by law to provide.

Sec. 120.12(11) makes it a duty of the school board to provide books and school supplies for indigent children residing in the district.

Sec. 120.12(22) requires school districts to pay for advanced placement exams for any pupil enrolled in the school district who is eligible for free or reduced -priced lunches under 42 U.S.C. 1758.

Sec. 120.12(17) requires school districts to pay the tuition of students attending the UW system if the course being taken is not available at the school district and the student will receive high school credit for the course.

Sec. 118.37(5) requires school districts to pay for tuition, fees, books and other necessary materials of courses taken at the UW or the WTCS by the pupil pursuant to sec. 118.37, and the lesser of actual cost or net cost as determined pursuant to sec. 118.37(5)(c)(2), Stats., for courses taken at a private institution of higher education by the pupil pursuant to sec. 118.37.

Frequently Asked School Fee Questions



Frequently Asked Questions

Can the district charge for laptop computers or tablets, etc.?

This is newer territory for many districts and there are many questions:

- ✓ Can we charge for cost of the equipment (e.g., laptop, iPad)?
- ✓ Can we charge a general technology fee (e.g., \$50/year) and let the pupil keep the item after X years, to encourage proper treatment of the technology and/or to offset insurance costs?
- ✓ Can we charge “rent” (e.g., \$50/year)? [like renting a textbook]
- ✓ Is the electronic device like a textbook or like an apparatus?

SFS Team position: a plain reading of the statutes surrounding fees and the State Constitution strongly suggests that if a district is going to require pupils to acquire and use the device, such fees would not be permitted under current law.

Frequently Asked Questions

How much can the district charge for allowable fees?

- 1. Fees must be supported by the actual cost of the provided service. Example: general fee of \$30 per student to cover miscellaneous school supplies would probably not be legal. However, if it is supported by evidence that each child receives at least \$30 worth of school supplies that would otherwise be provided by the parent, the fee is allowable.**
- 2. A school district may face challenges if it offers a discounted price or volume discount for families with more than one child in the district.**
- 3. If the district wants to provide a discount, it should be based upon indigency or need rather than cost.**

Frequently Asked Questions

Can a school district charge students for driver's education?

- 1. If the student is given credit toward graduation, if the class is required for graduation, or if the class is aided under §121.14 (summer school), the district may not charge for instruction or for the use of any apparatus necessary to the instruction, such as vehicle cost or simulator cost.**
- 2. It may charge non-indigent students for the book and/or workbook required or any other personal/individual use item that is associated with the class.**

Frequently Asked Questions

Can a school district charge students for summer and interim sessions?

- 1. There shall be no cost to the resident student or parent beyond incidental supplies, textbook or similar items (workbooks) if the district claims state aid under §121.14 [State Aid for Summer Classes].**
- 2. If the student is a resident of the district and the class is necessary for a grade promotion, high school graduation, or is given credit toward graduation, the district may not charge for the instruction, building costs or apparatus.**
- 3. If the class is not required, credited or aided, the fees must be based upon the actual cost of the class.**
- 4. Fees may not be used to subsidize other classes or students.**
- 5. Items for which fees are charged must be legally permitted and accounted for on a per student per course basis.**

Frequently Asked Questions

Can a school district withhold records or grades if a fee has not been paid? ****NO**** (Part 1)

The federal Family Education Rights and Privacy Act (FERPA), 20 USC 1232g & its implementing regulations (34 CFR 99), and state law, §118.125(2)(a) & (b), mandate that pupils & their parents have access to & be given copies of their pupil records.

- ✓ Transfer to another school: §118.125(4), Stats., requires public schools to transfer records within 5 days of a written request by the parent, adult student or the new school.

Frequently Asked Questions

Can a school district withhold records or grades if a fee has not been paid? ****NO**** (Part 2)

- ✓ Two new general provisions expanding school board powers were added to *state* law in 1995 that arguably might support the view that records could be withheld under state law for failure to pay fees, there was no such change under FERPA.
- ✓ Thus, withholding records could still jeopardize any federal funding the district receives and could result in a court challenge to the practice. The approved method for recovery of unpaid fees is small claims court.

Frequently Asked Questions

Can a school district charge a fee for a late payment of a student fee? No

- ✓ **The approved method for recovery of unpaid fees is small claims court.**

Are school districts allowed to charge a fee for the use of credit card?

- ✓ **Only if the school district provides other payment options, i.e., cash, check, etc.**

PI-1804 Fee Reconciliation

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	Reporting period:	Summer of	0	Interim Session Held	September 2,	0	thru September 1,					0	
2	District Name	0			School Name Interim Only	0							
3	District Contact Person Completing this Report												
4	Name												
5	FEES - if fees are charged												
6	Phone Area Code/No.												
7	Must be based on an allowable and actual cost per student per course												
8	Email												
9	Maintain records documenting the cost of each item												
10	Title												
11	Complete the reconciliation at end of summer or interim session												
12	FAILURE TO COMPLETE THIS FEE RECONCILIATION WILL RESULT AN AID PENALTY												
13	If course fee revenue is in excess of eligible course costs:												
14	EQUAL TO ALL SUMMER OR INTERIM SESSIONS FEES COLLECTED												
15	1) Refund student by October 1st; 2) DPI aid penalty; 3) DPI FTE reduction												
16	Academic Courses FEE Reconciliation												
17	Course Title	Fee Charged for Course	Number of Fee Waivers Granted	Number of Residents charged a Fee	Number of Non-Residents charged a Fee	Enter Value of Each Individual Use Supply or Material Provided (per Student per Class)					Total Individual Supplies Cost	Individual REFUND DUE	EXCESS FEE REVENUES (Rounded)
18						Item 1	Item 2	Item 3	Item 4	Item 5			
19	0	-									\$ -	\$ -	\$ -
20	0	-									\$ -	\$ -	\$ -
21	0	-									\$ -	\$ -	\$ -
22	0	-									\$ -	\$ -	\$ -
23	0	-									\$ -	\$ -	\$ -
24	0	-									\$ -	\$ -	\$ -
25	0	-									\$ -	\$ -	\$ -
26	0	-									\$ -	\$ -	\$ -

1804 W2 Academic Courses AcadCourses_Fee Reconciliation

READY 100%