



2023 SENATE BILL 838

December 26, 2023 - Introduced by Senators JAGLER, HUTTON, FEYEN, CABRAL-GUEVARA, KAPENGA, KNODL, NASS, QUINN, STAFSHOLT, STROEBEL, TOMCZYK, WANGGAARD and TESTIN, cosponsored by Representatives SCHUTT, MAXEY, ALLEN, BEHNKE, BODDEN, BRANDTJEN, DITTRICH, DONOVAN, EDMING, GOEBEN, HURD, MAGNAFICI, MELOTIK, MICHALSKI, MOSES, PENTERMAN, RETTINGER, RODRIGUEZ, ROZAR, SCHMIDT, TUSLER, WICHGERS, WITTKE and NEDWESKI. Referred to Committee on Education.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to repeal** 121.08 (4) (b) 1. and 3.; **to consolidate, renumber and amend**
2 121.08 (4) (b) (intro.) and 2.; **to amend** 115.7915 (4m) (f) 1. a., c., d., df. and dh.,
3 118.60 (4d) (a), 118.60 (4d) (b) 1. a., b., c. and d., 121.07 (2) (b), 121.07 (2) (c) and
4 121.137 (2); and **to create** 115.7915 (1) (am) of the statutes; **relating to:**
5 reductions to state aid paid to school districts for payments made under
6 parental choice programs and the Special Needs Scholarship Program.

Analysis by the Legislative Reference Bureau

This bill ends reductions to state aid paid to school districts for per pupil payments made under the Racine Parental Choice Program, the Wisconsin Parental Choice Program, and the Special Needs Scholarship Program beginning with payments made for pupils who begin in these programs in the 2024-25 school year. Under the bill, current law applies to payments made under the RPCP, WPCP, and SNSP for pupils who began participating in these programs before July 1, 2024 (legacy pupils).

The Racine and Wisconsin Parental Choice Programs and the Special Needs Scholarship Program

Under current law, per pupil payments to private schools participating in the RPCP, WPCP, and SNSP are paid from sum sufficient appropriations, ensuring that full payments are made to private schools for pupils participating in each of the

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programs. Current law also requires the Department of Public Instruction to reduce each school district's equalization aid by an amount equal to the total per pupil payments paid to private schools participating in the RPCP, WPCP, and SNSP that are attributable to pupils residing in that school district. If a school district does not receive equalization aid sufficient to cover the aid reduction, the balance is reduced from other state aid received by the school district. These aid reductions are deposited in the general fund. In general, these reductions reimburse the general fund for per pupil payments made under the RPCP, WPCP, and SNSP. Under current law, pupils who participated in the RPCP or WPCP before the 2015-16 school year are not included for purposes of the equalization aid reduction.

The bill eliminates reductions to equalization aid for per pupil payments made under the RPCP, WPCP, and SNSP for pupils who begin participating in the RPCP, WPCP, or SNSP in the 2024-25 school year.

Under current law, a pupil participating in the RPCP, WPCP, or SNSP for whom a per pupil payment was made in the previous year is included in the pupil's resident school district's membership for purposes of calculating general state aids. A school district's membership in the previous school year is a factor used to calculate equalization aid. Current law also allows a school district to increase its revenue limit for a school year by the amount of the aid reduction described above for that school year. Under the bill, only legacy pupils for whom a per pupil payment is made in the previous year are counted for purposes of calculating state aid.

The Milwaukee Parental Choice Program

Under current law, payments to private schools participating in the MPCP are paid from a sum sufficient appropriation, ensuring that full payments are made to private schools for all pupils participating in the MPCP. Current law also requires DPI to reduce the general state aid for Milwaukee Public Schools by a percentage of the amount paid to private schools participating in the MPCP and deposit the reduction in the general fund. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction.

Current law describes the amount of the reduction to MPS in two parts. In the 2023-24 school year, the first part of the reduction to the general state aid for MPS is 3.2 percent of the total per pupil payments made to private schools participating in the MPCP. Under current law, this part of the reduction is reduced by 3.2 percentage points each school year until the 2024-25 school year, at which time there is no reduction. The bill repeals this provision on July 1, 2024, when the provision becomes obsolete.

The second part of the MPS general state aid reduction under current law is equal to 6.6 percent of the total per pupil payments made to private schools participating in the MPCP. However, current law requires DPI to provide additional state aid, known as first class city school levy aid, to the City of Milwaukee and requires the City of Milwaukee to pay the amount received to the school board. In other words, the school board receives the amount of the reduction through first class city school levy aid. The bill does not eliminate this reduction or the first class city school levy aid.

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

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

1 **SECTION 1.** 115.7915 (1) (am) of the statutes is created to read:

2 115.7915 (1) (am) “Legacy pupil” means a child who attended a private school
3 participating in the program under this section under a scholarship under this
4 section before July 1, 2024.

5 **SECTION 2.** 115.7915 (4m) (f) 1. a., c., d., df. and dh. of the statutes are amended
6 to read:

7 115.7915 (4m) (f) 1. a. Determine the sum of the amount paid for each child
8 legacy pupil residing in the school district for whom a payment is made under par.
9 (a) in that school year.

10 c. Determine the number of legacy pupils residing in the school district for
11 whom a payment is made under par. (e) in that school year.

12 d. Multiply the number of legacy pupils under subd. 1. c. by the per pupil
13 amount paid under par. (e) for that school year.

14 df. Identify the children legacy pupils residing in the school district for whom
15 a payment is made under sub. (4p) in that school year.

16 dh. Sum the payments made under sub. (4p) (a) for ~~all of the children~~ legacy
17 pupils identified under subd. 1. df. for that school year.

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

19 118.60 (4d) (a) In this subsection, “~~incoming~~ legacy choice pupil” means a
20 pupil who resides in a school district, other than a 1st class city school district, who
21 begins participating in the program under this section ~~in~~ after the ~~2015-16~~ 2014-15

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1 school year ~~or any~~ and before the 2024-25 school year thereafter, and who is enrolled
2 in a private school under this section.

3 **SECTION 4.** 118.60 (4d) (b) 1. a., b., c. and d. of the statutes are amended to read:

4 118.60 **(4d)** (b) 1. a. Identify the ~~incoming~~ legacy choice pupils residing in the
5 school district for whom a payment is made under sub. (4) (bg) in that school year.

6 b. Sum the payments made under sub. (4) (bg) for ~~all of the~~ legacy choice pupils
7 identified under subd. 1. a. for that school year.

8 c. Identify the ~~incoming~~ legacy choice pupils residing in the school district for
9 whom a payment is made under sub. (4m) in that school year.

10 d. Sum the payments made under sub. (4m) (a) for ~~all of the~~ legacy choice pupils
11 identified under subd. 1. c. for that school year.

12 **SECTION 5.** 121.07 (2) (b) of the statutes is amended to read:

13 121.07 **(2)** (b) The number of pupils residing in the school district in the
14 previous school year who were ~~incoming~~ legacy choice pupils, as defined in s. 118.60
15 (4d) (a), and for whom a payment was made under s. 118.60 (4) (bg) in the previous
16 school year.

17 **SECTION 6.** 121.07 (2) (c) of the statutes is amended to read:

18 121.07 **(2)** (c) The number of legacy pupils, ~~as defined in s. 115.7915 (1) (am),~~
19 residing in the school district in the previous school year for whom a payment was
20 made under s. 115.7915 (4m) (a) or (e) in the previous school year.

21 **SECTION 7.** 121.08 (4) (b) (intro.) and 2. of the statutes are consolidated,
22 renumbered 121.08 (4) (b) and amended to read:

23 121.08 **(4)** (b) The amount of state aid that the school district operating under
24 ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall be
25 reduced by the amount calculated as follows: ~~2. Multiply by multiplying~~ the amounts

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1 paid under s. 119.23 (4) and (4m) in the 2009-10 school year by 3.4 percent, and
2 ~~multiply by multiplying~~ the amounts paid under s. 119.23 (4) and (4m) in the 2010-11
3 school year and in each school year thereafter by 6.6 percent.

4 **SECTION 8.** 121.08 (4) (b) 1. and 3. of the statutes are repealed.

5 **SECTION 9.** 121.137 (2) of the statutes is amended to read:

6 121.137 (2) Annually, the department shall calculate the amount of the state
7 aid reduction under s. 121.08 (4) (b) ~~2.~~ in the current school year and shall notify the
8 board, in writing, of the result.

9 **SECTION 10. Initial applicability.**

10 (1) This act first applies to aid paid in the 2024-25 school year.

11 **SECTION 11. Effective dates.** This act takes effect on the day after publication,
12 except as follows:

13 (1) The treatment of s. 121.08 (4) (b) (intro.), 1., 2. and 3. takes effect on July
14 1, 2024.

15 (END)