

# “Programs are Going to Increase”

School finance experts warn school leaders about the oncoming increase of vouchers and independent charters

**SESSION** *Impact of Vouchers and Charters on Wisconsin Public Schools*

**Presenters** DPI School Financial Services: Bob Soldner, director; Green Bay Area: Andrew Sarnow, business manager; Oshkosh Area: Susan Schnorr, business manager



Bob Soldner, DPI

The numbers aren't particularly startling, but they are telling. While K-12 funding is \$4.6 billion of the state's general fund — almost one-third of general tax spending — the voucher/independent charter programs cost \$142.2 million, just 2 percent of the state's general taxes. While 2 percent may not sound like a lot, Bob Soldner, director of financial services for the Department of Public Instruction, explained it is still a big dollar amount and is expected to grow.

“I do think the programs are going to continue to increase,” Soldner continued. “That’s the history of the Milwaukee voucher program. The Legislature changes the rules, historically, to allow a bigger pool of children and families to be eligible.”

In addition to the independent charter school program, there are currently four separate voucher programs — a statewide program, two programs specifically for the Milwaukee and Racine school districts, and a special needs scholarship program. “Everybody gets a little of their aid reduced,” due to a first draw of \$62.2 million in general aids for the independent charter school program, explained Soldner. “But you can levy for the loss of that aid.”

The statewide voucher program is \$16.7 million and affects 182 districts and the special needs scholarships — in its first year — cost \$2.4 million, affecting 22 districts. “It’s a radical change in how we fund schools. It’s not a big number right now,” Soldner said. “But history tells me it will continue to grow.”

Prior to a recent legislative change that shifted voucher funding to individual district's general aids, the state funded vouchers entirely from the state's general fund (mostly sales, income and excise taxes). Vouchers competed for general tax dollars like any other state program, such as transportation. “But now, the state has said, ‘We’re going to take away your state aid and if you want to stay whole, you have to raise local taxes,’” Soldner said. “They shifted the cost from the state’s treasury to your local taxes. It’s no more complicated than that. Whatever the state takes out of your general aids, you will get to levy that loss every year,” Soldner said.

As a result, the Green Bay Area

Public School District’s mill rate has increased 17 cents with an annual fiscal impact of almost \$1.2 million due to vouchers, said Andy Sarnow, Green Bay business manager.

“You can’t say your budget’s being hurt by this because it’s not,” Soldner said. “But you have to raise property taxes. That’s a different kind of hurt. But it has zero impact on your operating budget.”

Soldner and Sarnow cautioned school leaders to be thoughtful before deciding not to levy taxes for the lost aid as the implications could be consequential and long term. “If you choose (to not levy for lost aid), your following year’s revenue limit will be reduced dollar-for-dollar,” Soldner said. ■

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