

School Choice and Property Tax Relief

Wisconsin property taxpayers should be treated equally in financing the state's parental choice programs. That is not the case now. Under current law, the state has two methods for financing students in the private school choice programs.

In FY 25 General Purpose Revenue (GPR) funding will cover 100% of payments to private schools in the Milwaukee Parental Choice Program. In contrast, local property taxpayers will continue to pay the full cost of students in the Racine, statewide, and Special Needs Scholarship Program via a process that requires a reduction in general aid while allowing districts to make up the difference in tax levy.

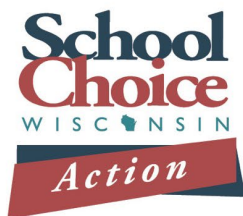
A similar dynamic occurs for students attending some independent charter schools.

School Choice Wisconsin and our partners in the Wisconsin Coalition for Education Freedom ask lawmakers on both sides of the aisle to support removing, or “decoupling,” funding for school choice outside Milwaukee from local property taxes.

Decoupling would have the following benefits:

- Provide property tax relief of more than \$500 million during the next biennium;
- Resolve the complaint that parental choice raises property taxes; and
- Eliminate reporting complexities for DPI and ALL taxpayer supported schools.

It's time to set aside partisan differences, just as elected officials did years ago to “fix the funding flaw” for Milwaukee to address the issue of rising property taxes as the parental choice program grew. Replacing the property tax burden with full GPR funding was proposed by Democrats in Milwaukee as well as Governor Tony Evers when he was Superintendent of DPI. Legislative Republicans and former Governor Scott Walker provided bipartisan support.



Frequently asked questions

Why do property taxes fund a portion of school choice costs?

Current law reduces general aid to school districts outside Milwaukee in an amount equal to the value of the per pupil payment to the choice schools. That amount is currently \$8,399 for K-8 choice students and \$9,045 for 9-12 choice students. Districts are allowed to raise property taxes to offset the amount of aid reduction *only*.

Do districts keep a part of school choice payments under current law?

No. School districts may levy taxpayers to make up for the aid reduction amount only.

How will this affect school districts in Senate and Assembly districts?

LFB is preparing an estimate of impact by school district.