

WISCONSIN

Overall Market Rating: Growth Ready

New school growth is possible statewide. Wisconsin's voucher amounts are among the highest in the nation. The regulatory burden is significant but navigable. Outside of Milwaukee and Racine, scholarship students face a limited enrollment window (February-April). This represents a big hurdle for first-year schools, as they typically rely on the summer months to meet enrollment targets.

Market Overview

Wisconsin is home to three geographically distinct choice programs available to students in Milwaukee, Racine, and elsewhere in the state. Students living in the city of Milwaukee or the Racine Unified School District must apply to their region-specific program, although eligibility can be transferred seamlessly across programs when families move. Voucher amounts and eligibility criteria are consistent across the three programs.

In the statewide program, voucher recipients cannot exceed 8% of a local school district's total enrollment in 2023-24. This cap rises by 1% in each of the next two years, then goes away.

Voucher funding tops out at nearly \$12,000 per student, and there are no insurmountable regulatory barriers that prevent schools from opening and running autonomously. However, accreditation is required for new schools and makes adequate planning and ramp-up time crucial. Milwaukee and Racine are highly competitive parent choice markets, with hundreds of private schools competing with district and charter schools for students. These markets are best suited for operators with the systems and strategies to navigate a highly competitive environment or offering a unique or specific program model.

The Special Needs Scholarship has been expanded, and students are now allowed to take the actual cost of their education, up to a maximum of \$14,671, to the private school of their choice. The legislature eliminated the requirement that a scholarship recipient attend a public school the year prior and be declined for open enrollment in another public school.

Wisconsin also offers a private-school tuition tax deduction statewide; however, this can only be claimed for tuition that isn't covered by a scholarship voucher.

Enrollment

WISCONSIN 2022-23			
Total PK-12	Public District	Public Charter	Private
992,653	819,214 (83%)	48,982 (5%)	124,447 (12%)

Choice Programs

Program	Eligibility	Participants (Fall 2023)	Amount
Parental Choice (Statewide)	HH income up to 300% of federal poverty level (+ \$7,000 for married HHs); not living in Milwaukee or Racine school districts	19,205 students 330 schools	\$9,499 for K-8 \$11,993 for HS
Milwaukee Parental Choice	Same but must live in Milwaukee	29,033 students 130 schools	\$9,499 for K-8 \$11,993 for HS
Parental Private School Choice (Racine)	Same but must live in Racine	4,038 students 35 schools	\$9,499 for K-8 \$11,993 for HS
Special Needs Scholarship	Students with an IEP	2,703 students 179 schools	\$14,671 max
K-12 Private School Tuition Deduction	Any Wisconsin taxpayer with children enrolled in a private school	38,640 taxpayers	Up to \$4,000 (K-8) or \$10,000 (HS)

Funding

Assessment: Adequate and stable

Assets:

- Overall program funding will increase by roughly \$45 million per year for nearly the next decade, a signal that there is a commitment to funding the program at a sustainable, consistent level.
- Payments are made directly to schools quarterly in September, November, January, and May.
- High schools can charge tuition in excess of the voucher for families with income above 220% of FPL.

Considerations:

- K-8 schools cannot charge tuition higher than the value of the K-8 voucher (\$9,499).
- Private schools are not eligible for most categorical aids.

Policy & Regulatory Environment

Assessment: Acceptable; consistent and improving slightly

Assets:

- Private school teachers are required to hold a bachelor's degree or higher, but they do not need to be licensed or credentialed.
- Growth, improvement, and achievement-gap closing are heavily weighted on the statewide report cards.
- There is currently no sanction for low-performing schools.

Considerations:

- Participating schools must administer state assessments and participate in the statewide report card system.
- Schools must administer and students must pass a civics exam (equivalent to the U.S. Citizenship Exam) before they can graduate from high school.
- Schools must provide 1,050 instructional hours in grades K-6 and 1,137 instructional hours for grades 7-12.
- Wisconsin has extensive accreditation requirements. Schools that are new or new to a Parental Choice Program must be pre-accredited by August 1 of their first year of participation. This process requires schools to identify an accreditor (from a statutorily approved list) and gain acceptance into its program. It is a fairly straightforward process that takes weeks to months depending on the accreditor. Once a school is admitted to a Parental Choice Program, it has three years to complete the accreditation process. Many of the permissible accrediting agencies require teacher licensure, although private school statutes do not.
- A limited two-month enrollment window between February and April strongly hinders new entrants outside of Milwaukee and Racine.
- An existing school can expand or sponsor a newly opened school without that new school having to go through the new school entry process.
- Schools must also pass a series of financial viability screens, secure a certificate of occupancy for their facility (if applicable) and provide certain board-member affirmations and disclosures prior to participation.

Summary: There are numerous statutory and regulatory controls on private schools that elect to participate in Parental Choice Programs. Some are minor and easily navigable, but some are more complicated and require private schools to adhere to policies and practices they otherwise would not elect to follow.

Schools entering a choice program for the first time must pay particular attention to the new school application, financial screening, and pre-accreditation procedures as many of the deadlines are earlier for newly formed schools than they are for existing schools entering a program for the first time.

Schools also need to follow closely the requirements to verify income and residency, as improperly completed forms can result in delayed, withheld, or recalled payments.

Human Capital

Assessment: Insufficient but improving

Assets:

- Unique partnerships exist across sectors to recruit and develop talent (including through cross-sector support organizations such as the City Forward Collective and the Center for Urban Teaching).
- Teach for America is active in the region and will place corps members in private schools that accept voucher students.
- Multiple teacher and leader development programs work specifically with private school operators. These include: The Center for Urban Teaching, Alverno College, Mount Mary College, Concordia Lutheran, Milwaukee School of Engineering (MSOE) School Leadership/Woodrow Wilson Fellowship and others.
- Wisconsin is one of the most well-developed human capital markets for private schools.
- Certification is not necessarily required.

Considerations:

- Schools of all types still list scarce talent as a significant barrier to growth.
- Accreditation requirements often translate into a need for licensed teachers, and Wisconsin does not have a robust set of licensure options, although progress has been made in this area.

Summary: Private schools are a part of the conversation around talent identification and development in a unique way in Wisconsin. While this has not solved the talent issue, it has created options and pathways that private schools do not have access to in other markets.

Local Champions & Climate

Assessment: Strong and consistent

Assets:

- There is a coordinated advocacy coalition, including civic, political, and grassroots leadership.
- Multiple organizations (School Choice WI, American Federation for Children, Metropolitan Milwaukee Chamber of Commerce, Wisconsin Institute for Law and Liberty) are focused on shared objectives.
- There is stable political support and leadership from elected officials.

- Well-funded political and issue advocacy capacities are present to pass, improve, and protect choice programs.
- The business community in Milwaukee remains strongly engaged with the Milwaukee program, both for advocacy and philanthropic purposes.

Considerations:

- Advocacy is more operator-focused than in many markets and is less focused on growth of the private school market or the entrance of new operators.
- Advocacy has been largely focused on the statewide program in recent years.

Summary: The school choice advocacy community is strong and reasonably well funded. Choice opponents, including traditional districts and teachers’ unions, remain vocally opposed. Buoyed by Democrats’ taking control of the state Supreme Court, opponents filed a lawsuit challenging the choice programs’ constitutionality in 2023; however, the court declined to hear the case. With a Democratic governor, opponents have been emboldened but have not managed to pass legislation harming the programs, given strong Republican support in the legislature.

Facilities

Assessment: Not adequate to meet the needs of new entrants to the market

Assets:

- Legislation was passed to make surplus district school facilities available to private (as well as charter) school operators in the city of Milwaukee.
- The lending and philanthropic communities are accustomed to supporting school facility needs.
- Advocacy is aligned around solving the facilities shortage for charter and private schools in Milwaukee.
- IFF has invested in several Wisconsin projects.

Considerations:

- Facilities law has not been followed or enforced by Milwaukee city officials.
- There is no public source of facilities funding, and any additional mechanism to move public money into private schools would likely be challenged in court.
- There is not adequate capital support for facilities in either the charter or private school market.
- Local city politics is often more hostile to private school choice, and many facilities acquisition and zoning decisions are made at the city level.
- Facilities access has received little attention outside of Milwaukee.

Summary: The work to achieve a facilities solution has been a centerpiece of the advocacy in support of the Milwaukee Parental Choice Program for several years. While legislation has been passed multiple times to make surplus Milwaukee Public Schools

facilities available to charter and private school choice operators, it has never been followed by city officials nor enforced by the state.

There are not adequate facility options in the city of Milwaukee: either traditional school facilities or repurposed commercial properties. Moreover, when schools attempt to move into non-traditional properties, they often face significant community and political resistance.

Milwaukee zoning and land acquisition processes have limited the growth of several quality private school operators in the last several years. The Racine market is not sufficiently saturated to create a facilities shortage at this time; however, all markets would likely benefit from additional financing options for private school facilities.