

**BRIEFING SHEET**[Report 18-6](#)
July 2018**State Auditor**
[Joe Chrisman](#)**Special Needs
Scholarship Program***Department of Public Instruction***Background**

The Special Needs Scholarship Program began in the 2016-17 school year and provides scholarships for students with disabilities in kindergarten through 12th grade who attend participating private schools. The scholarship amount was \$12,207 per full-time equivalent participating student in the 2017-18 school year. The Department of Public Instruction (DPI) administers the program.

From the 2016-17 school year through the 2017-18 school year, the numbers of participating students and participating private schools increased. In the 2017-18 school year, participating students attended 26 participating private schools and were from 25 resident school districts. In the 2018-19 school year, 84 private schools intend to participate.

Key Findings

We found:

- Approximately one-fourth of the 306 students who participated at some point during the 2016-17 or the 2017-18 school year had attended a public school in the school year before participating. Most of the remaining students had attended private schools.
- Approximately three-fourths of participating students lived in the boundaries of Milwaukee Public Schools.
- The 26 participating private schools received a total of \$5.6 million in program scholarships during the 2016-17 and 2017-18 school years.
- The 25 resident school districts of participating students received an estimated total of \$4.1 million less in state aid because of the program during the 2016-17 and 2017-18 school years.
- The 398 school districts other than the resident school districts experienced an estimated \$3,400 reduction in equalization aid, on average, because of the program in the 2017-18 school year.
- DPI did not reduce equalization aid by \$147,000 to five resident school districts in the 2016-17 school year, although it was statutorily required to do so.
- We surveyed the parents of all 306 participating students. Survey respondents indicated increased levels of satisfaction, as well as decreased levels of behavioral problems and negative experiences, when their children attended participating private schools, compared to when their children had previously attended public schools.

Recommendation

We recommend that DPI seek a statutory change that allows all funding provisions for the program to be followed. Under current statutes, the requirement to decrease a resident school district's equalization aid by the amount paid to participating private schools and the requirement to increase a resident school district's revenue limit by this amount cannot both be followed because the equalization aid reductions and revenue limit determinations are not performed simultaneously.

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