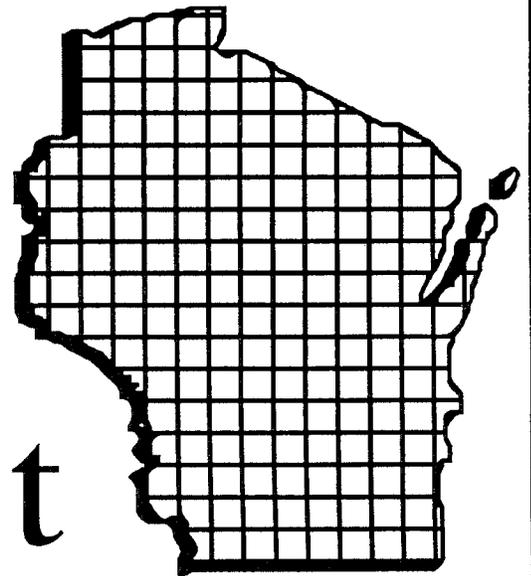


Wisconsin

Policy
Research
Institute
Report



May 1993

Volume 6, No. 4

**Educational
Choice
in Wisconsin**

*Public Funds for Private Schools
Early Childhood through Post-Secondary*

Report from the President:

Over the past several years, we have listened to the public school establishment criticize the Milwaukee Parental Choice Program, which allows several hundred children to attend private schools. We have been told that this program represents a tremendous threat to public education in Wisconsin. Such programs have been portrayed as outside the mainstream and, if parochial schools were to be used, unconstitutional. This study clearly challenges those criticisms.

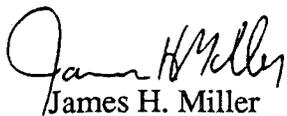
The numbers in this study demonstrate that the issue is not whether public funds should go to private or parochial schools but whether parents should have a role in their child's education.

The author of this study is Susan Mitchell. She is a former Commissioner of Insurance for the State of Wisconsin, former *Wall Street Journal* reporter, and currently a consultant on educational issues and public policy.

What Mitchell does in this report is to quantify the amount of aid flowing in public dollars to private schools. This amounts not to a few million dollars for several hundred kids as we have been led to believe; rather, it totals \$168 million dollars going to 78,000 Wisconsin children annually. These programs run from early childhood through college and they include private and parochial schools. Clearly, the argument that public funding to parochial schools is untested public policy and/or unconstitutional is a bogus one. These programs have been run in Wisconsin for decades.

The issue of whether public funds should go to private schools is about to become irrelevant. The real question will be, who controls the educational opportunities for children in our society, bureaucrats or parents?

Finally, we would like to acknowledge the Joyce Foundation for providing the funding for this project.


James H. Miller

THE WISCONSIN POLICY RESEARCH INSTITUTE, INC.

3107 North Shepard Avenue
Milwaukee, WI 53211
(414) 963-0600

Educational Choice in Wisconsin

*Public Funds for Private Schools
Early Childhood through Post-Secondary*

by
Susan Mitchell

TABLE OF CONTENTS

Executive Summary	1
I. The Use of Public Funds for Private Education and Early Childhood Programming in Wisconsin.	3
II. The Use of Public Funds to Purchase Early Childhood Services from Private Entities.	7
III. The Use of Public Funds to purchase Elementary & Secondary Education from Private Entities.	15
IV. The Use of Public Funds to Purchase Post Secondary Education Services from Private Entities.	27
Appendix	40

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Executive Summary

Proposals to use public funds for private education, especially from church-affiliated and for-profit institutions, are frequently portrayed as unprecedented, untested, and possibly unconstitutional ideas that establish new educational policy in Wisconsin.

This is not the case. Contrary to conventional wisdom, substantial public funds are spent in Wisconsin for private education and early childhood programs. This study documents that:

- More than 30 programs provide state and federal tax dollars to buy education and early childhood programming from private organizations.
- Among the more than 400 private service providers receiving tax support identified in this report are (i) church-affiliated schools, colleges, and universities, (ii) for-profit businesses, and (iii) nonprofit, nonsectarian schools. Many more exist statewide.
- About \$164 million a year in public funds is given, loaned, or otherwise provided to about 78,000 Wisconsin residents for private education and early childhood development. Recipients are racially diverse and come mostly from poor and middle income families.

These facts are poorly understood in part because most private programs that receive public funds focus either on (1) early childhood development, such as Head Start and kindergarten, or (2) post secondary education. In contrast, few such programs exist at the elementary and secondary level, where resistance from public school officials is strong.

This might change. Proposals currently before the Wisconsin Legislature would expand authority to use public funds for private education at the elementary and secondary level. Governor Tommy Thompson, in his 1993-95 budget, proposes to double the size of the Milwaukee Parental Choice Program and to expand public school district authority to buy private educational services. Several legislators have proposed a tuition tax credit. Separately, a private, for-profit company has expressed interest in managing several Milwaukee public schools under contract to the district.

Opponents portray these ideas as risky and possibly unconstitutional departures from established public policy. When accepted uncritically, this inaccurate representation skews the way in which the debate is framed and ultimately affects which proposals are enacted.

An understanding of existing policies and programs will allow debate on these proposals to focus on the most important question - educational impact - and help debunk existing myths about the supposed rarity of tax support for private educational choice in Wisconsin. For example, this study documents that:

- For decades, Wisconsin has had programs which provide students with public funds to pay for private education.
- Some programs are based on policy expressly designed to allow students equal opportunity and to encourage educational diversity.

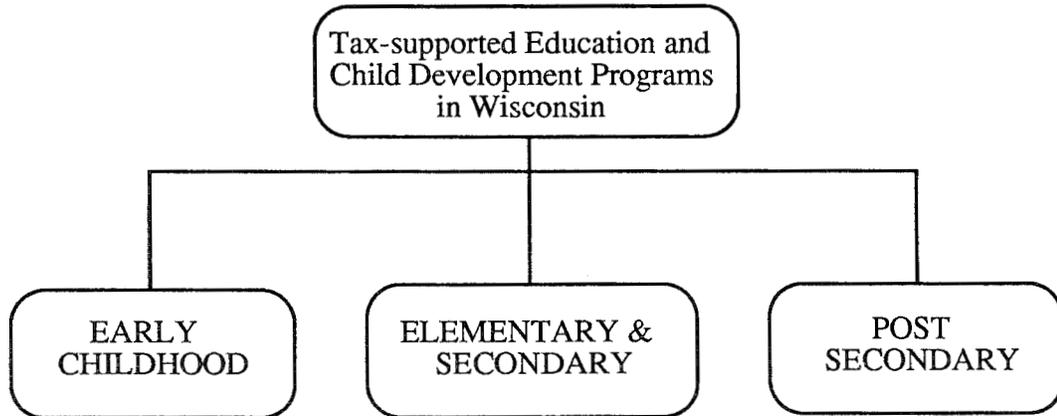
- There are existing tax-supported programs at all levels - Early Childhood, Elementary and Secondary, and Post Secondary - which allow the student or parent to choose the private institution.
- Thousands of participants use public funds to attend for-profit institutions.
- Thousands of participants use public funds to attend church-affiliated institutions.
- Pending initiatives do not represent major new policy, but instead extend to elementary and secondary students opportunities widely available in early childhood and post secondary programs.
- In some cases, pending proposals do not go as far as existing programs: they simply allow school districts to buy educational services just as they now buy other services, such as transportation or professional services.
- Existing programs provide examples of how choice programs can be administered at low cost and regulated effectively.

In this report, Chapter I summarizes the tax-supported programs of private education and early childhood development. Chapters II, III, and IV provide detail.

I. The Use of Public Funds for Private Education and Early Childhood Programming in Wisconsin

Wisconsin taxpayers pay for education at three levels. Public funds are used for public schools and for private programs at all three levels.

Figure 1



Public funding for private education varies markedly by level. Substantial tax support is available for public and private programs at the Early Childhood and Post Secondary Levels. In contrast, tax support for private programs is minimal at the Elementary and Secondary Level. Only two per cent of the students in tax-supported, private programs are at the Elementary and Secondary Level.

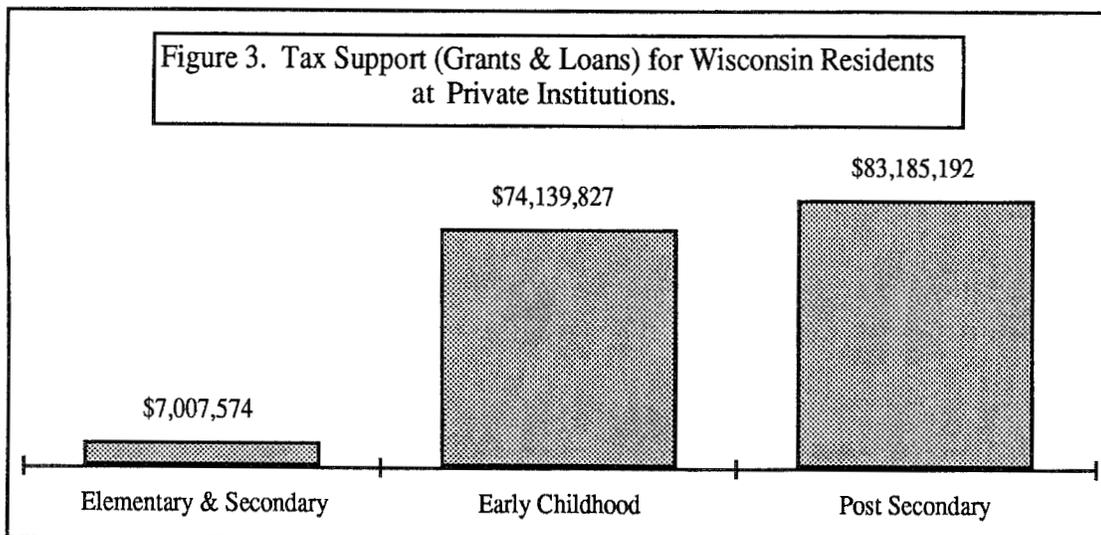
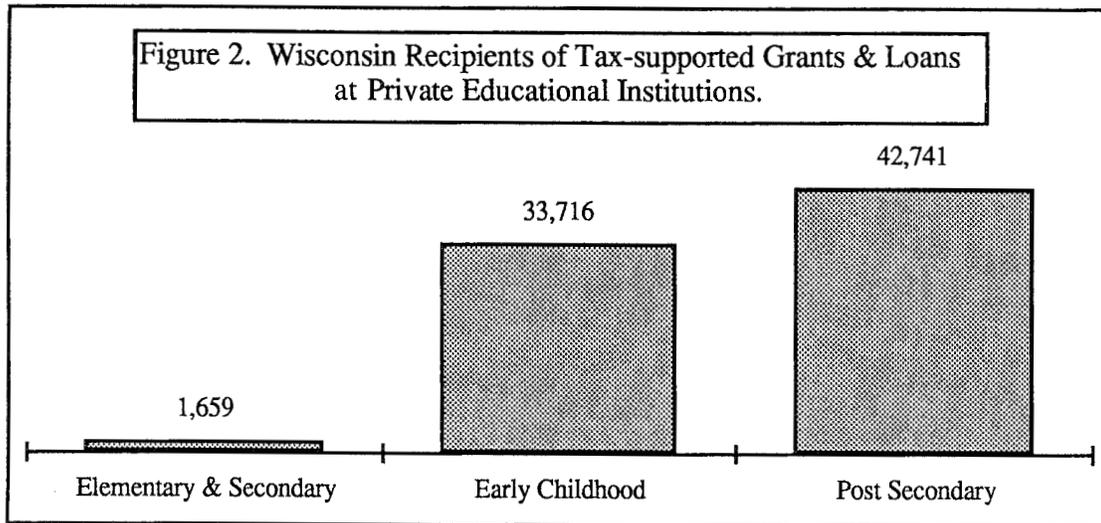
Table I-1.

Wisconsin Participants in Tax-supported, Privately Operated Programs of Education and Early Childhood Development.¹

<u>Level</u>	<u>Participants</u>	<u>Cost</u>
Early Childhood	33,716	\$ 74,139,827
Elementary & Secondary	1,659	7,007,574
Post Secondary	42,741	83,185,192
	<u>78,116</u>	<u>\$ 164,332,593</u>

¹ For sources, see notes to Tables I-2 and I-3.

Figures 2 and 3 show the differing levels of participation.



About 72 per cent of the estimated annual public expenditures in Figure 3 is for grants and scholarships. Most of these funds are awarded directly to individuals who choose the private provider; in a few cases, dollars flow from a public agency directly to private schools on behalf of the participant. Table I-2 lists these grant, scholarship, and contract programs.

Table I-2. Tax Support (Grants/Scholarships/Contracts) for Private Institutions (Early Childhood, Elementary & Secondary, and Post Secondary).²

<u>Program</u>	<u>Level³</u>	<u>Recipients</u>	<u>Cost/ year⁴</u>	<u>Cost/ Recipient</u>
Post Secondary Enrollment Option	E-S	7	\$ 4,000	\$ 571
Handicapped Student Grant	Post	10	16,200	1,620
Independent Student Grant	Post	47	65,341	1,390
Vietnam/Post-Vietnam Veterans Grant ⁵	Post	307	68,900	225
Veterans Retraining Grant	Post	26	70,000	2,692
National Guard Grants	Post	465	110,929	239
Bureau of Indian Affairs	Post	123	189,834	1,543
Veterans Correspondence	Post	990	193,108	195
Academic Excellence Scholars	Post	242	261,774	1,082
Private School Minority Student Grant	Post	337	430,129	1,276
Indian Student Assistance Grant	Post	287	468,448	1,632
MPS Early Childhood/Day Care	EC	216	738,300	3,418
Marquette Dental School	Post	93	790,500	8,500
Federal GI Bill Benefits	Post	544	1,048,402	1,927
Milwaukee Parental Choice Program	E-S	617	1,687,224	2,735
Talent Incentive	Post	1,270	1,392,673	1,097
Supplemental Educ. Opportunity Grant	Post	4,392	2,493,233	568
Medical College of Wisconsin	Post	371	3,743,761	10,091
MPS Partnership Schools (At Risk)	E-S	1,035	5,316,350	5,137
Pell Grant	Post	7,767	11,609,980	1,495
Tuition Grant	Post	8,683	14,176,351	1,633
Milwaukee County Early Childhood	EC	3,757	16,385,775	4,362
Head Start	EC	9,500	28,500,000	3,000
Non-Milw. County Early Childhood	EC	20,243	28,515,752	1,409
		<u>61,329</u>	<u>\$ 118,276,964</u>	<u>\$ 1,926</u>

The remaining 28 per cent of spending in Figure 3 is for loans. Some must be repaid; others may be forgiven under special circumstances (see Appendix).

² Legislative Fiscal Bureau, Higher Educational Aids Board, Department of Veterans Affairs (DVA), Department of Military Affairs, Educational Approval Board, Milwaukee Public Schools, Milwaukee County Department of Human Services, State Department of Health & Social Services, Wisconsin Head Start Directors Association, Milwaukee Social Development Commission.

³ EC = Early Childhood; E-S = Elementary & Secondary; Post = Post Secondary

⁴ For Tables I-2 and I-3, costs are for latest year readily available, either 1992 (actual) or 1993 (budgeted)

⁵ For Tables I-2 and I-3, data on veterans programs is 50% of total annual program participation and cost (public & private); DVA did not have separate private totals.

Table I-3.Tax-supported Loans for Attendance at Private Post Secondary Institutions.⁶

<u>Program</u>	<u>Participants</u>	<u>Cost/year</u>	<u>Cost/Participant</u>
Minority Teacher Loan	12	\$ 29,790	\$ 2,483
Nursing Student Loan	50	59,563	1,191
Douglas Loan/Scholarship	35	154,544	4,416
Veteran Econ. Assistance Loans	569	2,091,253	3,679
Perkins Loans	2,526	3,557,570	1,408
Stafford & Supplemental Loans	<u>13,596</u>	<u>40,162,911</u>	<u>2,954</u>
	<u>16,788</u>	<u>\$ 46,055,631</u>	<u>\$ 2,743</u>

Pending Proposals

As demonstrated, relatively few programs exist at the Elementary and Secondary Level. This might change under proposals currently before the Wisconsin Legislature. For example, Governor Thompson has recommended:

- Doubling the number of low-income Milwaukee children who can use state grants to attend private schools under the Milwaukee Parental Choice Program.
- Permitting teachers to provide educational services by forming private companies and contracting with school districts. This would allow teachers to establish a private practice, as many other professionals do.
- Permitting up to ten school districts to contract with "charter schools," which would be treated like private schools and made exempt from many regulations, as a means of stimulating innovation and bypassing the bureaucracy.
- Providing specific authority for all school districts to contract with private entities for educational services.

In addition, several legislators have proposed allowing a \$1,000 tax credit for each child in a family attending a private elementary or secondary school, including parochial schools.

Further, a private, for-profit company wants the Milwaukee Public Schools to hire it to manage 15 city schools. Another for-profit company is studying the feasibility of seeking similar business in Wisconsin and elsewhere.

While these proposals generate controversy, most do not go as far as current policy at the Early Childhood and Post Secondary Levels, where programs allow parents or students to decide which provider to use and where for-profit and/or church-affiliated providers are common.

In contrast, most of the pending proposals simply give public school districts authority to decide whether to buy services from others or provide them directly. This is not major new public policy. School districts already exercise "make or buy" decisions for other goods and services, including transportation, legal and auditing services, architecture, construction, provision of school lunches, and so on. Other units of government do likewise. Many are using this technique more extensively to innovate, cut costs, and introduce incentives.

⁶ Legislative Fiscal Bureau, Higher Educational Aids Board, Department of Veterans Affairs.

II. The Use of Public Funds to Purchase Early Childhood Services from Private Entities

While state law does not mandate educational or other child development programs before first grade, many school districts provide programs for children as young as three years old. They are usually staffed by district employees in publicly owned facilities.

In addition, substantial public funds are used to purchase early childhood services from private organizations offering a range of programs (kindergarten, day care, and other early childhood services). On an annual basis, almost 34,000 children receive taxpayer-financed early childhood services from private institutions. The programs cited in this study cost \$74.1 million a year and are characterized by the following:

- The majority of participants are from low income families.
- Private agencies comply with state standards and/or local standards.
- Many private agencies are church-affiliated. Many others are for-profit.
- Parents have the primary say in selecting the private provider they believe will best suit their needs.
- Milwaukee County administers a fully developed voucher system which enables almost 4,000 low-income families to select early childhood programs from among hundreds of private providers. Several other counties have or are moving to similar systems.

Table II-1 summarizes these programs.

Table II-1.

Examples of Tax-supported Early Childhood Programs Provided by Private Entities. Cost is most recent year available (1991 or 1992).⁷

Description	Participants	Annual Cost
Private Agencies Providing Kindergarten Under Contract with the Milwaukee Public Schools	216	\$ 738,300
Private Agencies Providing Head Start Programs in 70 of Wisconsin's 72 Counties	9,500	28,500,000
Private Agencies Providing Day Care and Early Childhood Programs to Milwaukee County	3,757	16,385,775
Private Agencies Providing Day Care and Early Childhood Programs Outside Milwaukee County	20,243	28,515,752
	<u>33,716</u>	<u>\$74,139,827</u>

⁷ This partial list illustrates the range of different programs. Data are based on information provided by: Milwaukee Public Schools, the Wisconsin Head Start Directors Association, the State Department of Health & Social Services, and the Milwaukee County Department of Human Services. The Milwaukee Parental Choice Program (cited in Chapter III) also includes public funds for students to attend kindergarten.

The remainder of this chapter describes several programs of tax support for private programs at the Early Childhood Level.

Private Agencies Under Contract to the Milwaukee Public Schools

The Milwaukee Public Schools (MPS) have a variety of programs for three-, four-, and five-year old children. While most are administered by MPS employees in MPS facilities, one program is not. For the last five years the state has provided funds that MPS uses to contract with private organizations to provide child day care and early childhood education for four- and five-year old children.

Table II-2 shows the private centers under contract to MPS.

Table II-2.

Private Early Childhood Centers Under Contract to MPS.⁸

<u>Private Agency</u>	<u>Children (FTE)</u>	<u>Cost</u>
Carter Child Development Center	49	\$ 169,050
La Causa Day Care Center Inc.	59	196,650
Learning Enterprise of Wisconsin	10	34,500
Neighborhood House Nursery School	12	41,400
Nurtury Child Development Center	10	34,500
Silver Spring Neighborhood Center	36	124,200
Urban Day School	40	138,000
	<u>216</u>	<u>\$ 738,300</u>

The statute under which this program operates⁹ specifies that MPS "shall contract with private, nonprofit, nonsectarian day care centers located in the city to provide early childhood education to 4-year olds and 5-year olds..." Eligibility criteria for this program focus on low income families. Parents make the primary selection of the organization to provide services. The private organizations operate under contract to MPS and are paid 80 per cent of the average MPS per pupil cost for kindergarten. The contracts are administered by the district's Department of Alternative Program Monitoring and Development. The private provider organizations must show evidence of nonprofit and nonsectarian status.

Head Start

Statewide, about 11,000 pre-school children attend Head Start early childhood programs. About 85 per cent use programs provided by private agencies with state and federal tax support. The remaining 15 per cent are in programs operated by public school districts.

In Milwaukee County, about 3,200 children are in the Head Start program. Almost half are in programs run by five private agencies under contract to the Social Development Commission. See Table II-3.

⁸ MPS (Department of Alternative Program Monitoring and Development). Data is for 1992-93.

⁹ S.119.72(1), Wisconsin Statutes

Table II-3.

Private Agencies Administering Head Start Programs in Milwaukee County.¹⁰

Private Agency	Children	Annual Cost ¹¹
Day Care Services for Children, Inc.	488	\$ 1,392,572
Council for Spanish Speaking	375	1,070,250
Urban Day School	272	776,288
Northcott Neighborhood House	240	684,960
Next Door Foundation	138	393,852
Total	1,513	\$ 4,317,922

Other Early Childhood/Day Care Programs

In addition to Head Start, other major state and federal programs provide public tax support allowing children to receive early childhood and day care services from thousands of private service providers. The majority of these programs are targeted to welfare recipients and other families with low income or special needs. Table II-4 addresses statewide programs administered by all 72 counties.

Table II-4.

Tax-supported Early Childhood and Day Care Programs Administered by the Wisconsin Department of Health and Social Services and Wisconsin Counties.¹²

Number of Children Served	Annual Cost (Est.)
24,000	\$ 43,500,000

Table II-5 illustrates the scope of these services within the state's largest county, Milwaukee County, which uses a voucher system to administer the programs. Eligible to receive vouchers in Milwaukee County are 236 private agencies and 1,264 licensed family day care providers.

Table II-5.

Tax-supported Early Childhood and Day Care Programs Administered by the Wisconsin Department of Health and Social Services and Milwaukee County.¹³

Number of Children Served	Annual Cost (Est.)
3,757	\$ 16,385,775

¹⁰ Gail Porath, Social Development Commission.

¹¹ \$2,854/child in Milwaukee County, compared to \$3,060 statewide.

¹² Wisconsin Department of Health & Social Services

¹³ Milwaukee County Department of Human Services

The Milwaukee County program is empirical evidence of how a voucher system for service delivery can work effectively:

- Participating parents and children are disproportionately from low-income families. They have a track record of successfully choosing which among many providers would be best for their child or children.
- The administrative success of the program refutes claims that a voucher program would pose insurmountable operational problems.
- The program's financing structure has allowed for growth in capacity in response to increasing demand.

The excerpts below (emphasis added) are from a Milwaukee County summary of the program's administrative history and features:¹⁴

"...These guidelines...provide child care agencies with current information as it relates to...the application/eligibility process of the participant/voucher system..."

"The voucher system, which has been in effect for several years, has proven to be successful. The merits of this system have demonstrated benefit for both those families receiving child day care and child day care agencies..."

"Since 1983, licensed child day care services have been provided through a Participant-Voucher System which includes the establishment of 'maximum community rate' (which is) reviewed on an annual basis and adjusted based on a survey of all vendors included in the voucher system and licensed in Milwaukee County.

"The Participant-Voucher System *allows for the (parent) to generally choose the day care center their child will attend* from any child day care center which is licensed and approved by the State Department of Health and Social Services. A monthly voucher (is) issued for each (parent) eligible for licensed day care services during the month. At the start of the next month, the voucher is returned to the Department of Human Services (DHS) and payment is made for the services provided..."

"Implementation of the Child Day Care Participant-Voucher System has significantly expanded the number of day care centers available for use by the participant. Its existence has assured the geographic availability of day care, and...has provided more services with the limited State funds available for child day care services."

Table II-8 (at the end of this chapter) lists 236 different licensed private agencies providing services and receiving tax support under this Milwaukee County voucher program. Many are church-affiliated. Many are for-profit businesses. In addition, 1,264 "family day care" providers also provide services in Milwaukee County and are eligible to receive vouchers.

¹⁴ Milwaukee County Department of Human Services, September, 1992, from a booklet containing "guidelines for the provision of licensed or certified child day care services..."

The Milwaukee County and statewide experience illustrate an important point regarding the impact of a voucher program driven by parent selection: program capacity will increase if the program is structured and financed to enable growth to meet demand.

For example, Table II-6 shows funding for a specific program to finance expansion and startups of private Early Childhood programs.

Table II-6.

Use of State/Federal Day Care Funds for Startup & Expansion of Day Care & Early Childhood Centers, 1992.¹⁵

<u>Type of Award</u>	<u># of Awards</u>	<u>Amount of Award</u>
Family Day Care	229	\$ 319,932
Head Start	6	120,000
Employer-Sponsored	22	313,863
Center Care	52	762,466
Student Parent	5	117,694
	<u>314</u>	<u>\$ 1,633,955</u>

Funds under this program are awarded to "start new child care programs or expand the capacity of existing programs, thereby increasing the supply of regulated care...Priority is given to low income areas, areas of very high and very low population density, Chapter 1 Concentration School Districts and reservations, plus infant care."¹⁶

Table II-7 shows the impact on capacity, over time, of sustained and growing tax support for private early childhood programs.

Table II-7.

FTE Capacity of Licensed Child Care Providers, State of Wisconsin, 1975- 92.¹⁷

<u>Year</u>	<u>Capacity</u>
1975	20,781
1980	35,512
1985	46,888
1990	80,806
1992	116,064

Table II-8 shows private agencies participating in the Milwaukee County voucher system.

¹⁵ "Child Day Care Activity in Wisconsin," Office of Policy and Budget, Wisconsin Department of Health and Social Services, January, 1993

¹⁶ Ibid.

¹⁷ Ibid.

Table II-8, p. 1 of 3**Early Childhood/Day Care Agencies in the Milwaukee County Voucher Program¹⁸**

A Plus Learning Center	Christian Love Child Care
African American Family Child Care Center (2)	Christopher Child Care
All About Learning	Clement Manor Child Care
Alphabet Street Inc.	Close To Home Family Day Care
Alverno Child Care Services	Community Parent/Child Development Center (2)
Ark of Safety Day Care Center	The Constructive Play Center
Around the Clock Child Care Services	Country Schools Preschool & Child Care Center
Aunt Carrie's Day Care	Cuddle & Care Family Day Care
Auntie's Family Day Care Center	Curative (2)
Bessie's Kiddie Kollege	Day Care Services for Children (6)
Betty's Community Day Care	Day Star Academy of Learning
Bible Way Kiddie College	Deedee's Milk & Honey Day Care
Billy's Family Day Care Center	Deerwood Center
Bright Star Child Development Center	Discovery Days Child Care Center, Inc.
Bluemound (5)	Discovery House Child Care
Building Block Day Care Center	Downtown Montessori School
C & J's The Special Way Home Day Care	Dreamland Child Care Center
Calvary Preschool	Droopy Drawers
Campus Child Care	E.M. Jones Day Care Center
Care A Lot Children's Center	ECTC-West Arbon Day Care
Carla's Family Day Care	Christian Love Child Care
Carousel Learning Academy	Christopher Child Care
Carrie's Family Day Care	Clement Manor Child Care
Carter Centers (2)	Close To Home Family Day Care
Centro del Nino Day Care	Community Parent/Child Development Center (2)
Certicare Family Day Care	The Constructive Play Center
Cherryland Day Care Center	Country Schools Preschool & Child Care Center
Child's Play From A to Z	Cuddle & Care Family Day Care
Child's Play Learning Center	Curative (2)
Children's Choice Child Care Center	Day Care Services for Children (6)
Children's Community Center	Day Star Academy of Learning
Children's Discovery Center	Deedee's Milk & Honey Day Care
Children's Edu-Care (7)	Deerwood Center
Children's House	Discovery Days Child Care Center, Inc.
Children's Land of Learning (3)	Discovery House Child Care
Children's Learning Center	Downtown Montessori School
Children's Outing Association Child Care Center	Dreamland Child Care Center
Children's Workshop	Droopy Drawers
Children's World Learning Center (23)	E.M. Jones Day Care Center
Christ Evangelical Lutheran Church & School Day Care	ECTC-West Arbor Day Care

¹⁸ Milwaukee County Department of Human Services

Table II-8, p. 2 of 3**Early Childhood/Day Care Agencies in the Milwaukee County Voucher Program**

Easy Does It Day Care Center	Jiles Family Day Care
Ebenezer Child Care Centers, Inc. (4)	Johnson's Family Day Care
Eicher's Children's Center	Jones Family Day Care Center
Emma Murry Family Day Care Center	Judy's Family Day Care
Emmaus Lutheran Child Care Center	Jump N Joy & Behave Day Care
Esperanza Del Futuro - Child Care Training	Just For Kidz Child Care Center
Family After School Program Inc. (10)	K-K Family Day Care Center
Family Child Development Center	Karen's Kids Family Day Care
Family Montessori School	Keepers
First Step Family Day Care	Kid's Land, Inc.
Franciscan Villa Child Care Center	Kiddie Kampus Family Day Care Center
Franklin's Family Day Care	Kiddy City Child Development. Center
Fun Time Family Day Care	Kinder Care Learning Center (10)
Gard'N Angel Child Care	King Drive Community Day Care Center
Generation to Generation Christian Child Care Center	La Causa Day Care Center
Glendale Heights Children's Center (2)	La Petite Academy, Inc. (2)
Golden Rule Day Care Learning Center	Lakeshore Montessori School Inc.
Grace Family Day Care	Le Pirl Child Development Academy
Grandma's House (3)	Learning Enterprises of Wisconsin Inc.
Grandpa & Grandma's Place	Learning Years, Inc.
Gray's Child Development Center (4)	Lighthouse Child Develop. Center
Green Tree Child's Day Care	Linda's Family Day Care Center
Growing & Learning Family Day Care	Lit'l Scholars Day Care (2)
Guadalupe Head Start Center (3)	Little Feet Family Child Care
Guardian Angel Nursery & Kindergarten	Little Love Day Care
Hales Corners Lutheran Child Care Center	Little Thinkers, Inc.
Happy & Healthy Child Care Center	Love N'Learn Family Day Care
Hardy's Family Day Care	Lubavitch Nursery
Head Start Child & Family Development Center (2)	Lullabye Day Care Center
Heavenly Arms Day Care	Lutheran Home For Aging Child Care Center
Heavenly Care-East Side Day Care Center Inc.	Lynn's Family Day Care
Hilltop Family Day Care	Mama Dear Group Day Care
Hopkins Family Day Care	Mama Pat's Family Day Care Center
In Caring Hands Christian Family Day Care	Marquette University Child Care Center
Infant Garden Family Day Care	Mason Temple Child Development
Innovative Child Care Center	MATC (4)
J & J Day Care Center Inc.	Merry Mom's Family Day Care Center
J.P. Cares Day Center (2)	Miller's House of Learning
Jan's Infant & Toddler Inn	Milw. Christian Ctr. Child Development Center
Jewish Family Services Child Development Center	Miss Daisy's Family Day Care

Table II-8, p. 3 of 3**Early Childhood/Day Care Agencies in the Milwaukee County Voucher Program**

Miss Sue's Day Care Center	Sallie's Love Land
Mission of Christ Day Care & Child Development Center	Salvation Army School-Time Fun Factory
Mother Hen's Family Day Care Center	Scaife Day Care
Mr. Ray's Children's Center	Schmitt Family Day Care
Ms. Jeni's Family Day Care	Serenity Family Center
Mt. Olive Day Care	Seton Children's School (2)
Mt. Zion Child Development Center	The Shepherd's Corner Child Care Center
My School, Inc. (2)	Sherman Park Preschool
Nanny's Nursery	Shirley's Child Care
Neighborhood Community Day Care Center	Silver Spring (2)
Neighborhood Family Center	Simon Says Family Day Care
Neighborhood House of Milwaukee Inc.	Slumberland Day Care Center
Northcott Head Start Child Development Center	Small World Child Care
Nurturing Nook	Someday's Child
Nurtury Child Development Center	South Day Care Center
Oakwood Discovery Stage Inc.	Stork Care Child Development Center (2)
Oklahoma Avenue Lutheran Day Care Center	Sugar Tot Family Day Care
Our Father's Lutheran Early Childhood Development Center	Sunny Slope Day Care, Inc.
Our Happy Home Child Care	Sunshine Family Day Care
Over the Rainbow	TLC Home Day Care Center
Ozaukee Day Care	TWS Learning Center
Pat-a-Cake Day Care Center Inc.	Teach N Care, Inc.
Patsches Playhouse	Tendercare (2)
Perry's Child Care Service	Tina's Loving Care
Pierrea's Playmates	Tis A Small World
Play House Family Day Care	Treehouse Daycare, Inc.
Plymouth Children's Center (2)	Urban Day (2)
Precious Child Care & Preschool	Utopia Child Care Center (2)
Prince of Peace Day Care Center	UWM Day Care
Quad Graphics	Valorie's Child Care
Ragamuffin Day Care & Nursery Center Inc. (2)	Wauwatosa Day Care & Learning Center, Inc. (5)
Reynold's "T.L." Home Day Care Center	Wee-B-Kinds
Right Alternative Family Services Day Care Center	Wee Care Day Care (3)
Roberson Family Day Care Center	Wee Care Day Care
St. Aemilian Preschool	Westbrook's Child Development Center (2)
St. Francis Children's Center	Willow Tree Day Care Center
St. Joan Antida Day Care Center	Wilson Family Day Care
St. John Child Day Care & Development Center	YWCA & YMCA (7)

III. The Use of Public Funds to Purchase Elementary & Secondary Education from Private Entities

This chapter describes Wisconsin programs that provide tax support for Elementary and Secondary Level students attending private schools. These programs are noteworthy because:

- Participation is minuscule: it includes only 1,659 students, or two-tenths of one per cent (00.2%) of the state's Elementary and Secondary public school children.
- Low participation contrasts with the wide availability and use of tax support for private programs at the Early Childhood and Post Secondary levels.
- Public school officials discourage use of programs which rely most on parent control: the Milwaukee Parental Choice Program and the Private School Parent Request Option.
- Public school officials have worked actively to implement only one program in Table III-1, the MPS Children At Risk program. This program, which MPS largely controls, lets it remove difficult students from regular classes.

Table III-1
Tax Support for Elementary/Secondary
Students In Private Schools

Program	Cost ¹⁹
Milwaukee Parental Choice Program	\$ 1,687,224 ²⁰
Children At Risk	5,316,350 ²¹
Private School Parent Request Option.	0
Post Secondary Options	4,000 ²²
	\$7,007,574

Table III-2 describes the programs. The greatest participation is in the Children at Risk Program which allows MPS to contract with private agencies and schools.

¹⁹ Amounts cited are tuition costs and do not include estimates of MPS or DPI administrative cost.

²⁰ "The Milwaukee Parental Choice Program," November 1992, Wisconsin Policy Research Institute.

²¹ Per pupil cost data provided by MPS Department of Alternative Programs as follows: (i) \$3,653 for elementary; (ii) \$4,978 for middle and high; and (iii) \$5,922 for students requiring special behavioral programs.

²² Per MPS Department of Curriculum & Instruction, reflecting seven participating students as of October 1992.

Table III-2.
Tax-supported Programs In Private
Elementary & Secondary Schools

<u>Program</u>	<u>Description</u>	<u>1992-93</u> <u>Participation</u>
Milwaukee Parental Choice Program	Parents from low-income families in Milwaukee can enroll their children in nonsectarian private schools located in the city. The state pays participating schools \$2,739 per student, using funds which otherwise would have gone to MPS in state aid. Participation can't exceed 1% of MPS enrollment - 933 students in 1992-93.	617
Children At Risk	State law defines "children at risk" to include dropouts, truants, delinquents, or students who are significantly behind their age peers in academic achievement. MPS is allowed to contract with private nonsectarian schools to educate "children at risk." The district pays the private schools 80% of its per pupil cost; a different amount is paid for delinquents or severe behavioral problems. Contracting authority applies only to MPS.	1,035
Private School Parent Request Option	Parents may request that their public school district enroll their child(ren) in a private, nonsectarian school if the parent believes it will improve the child's education.. The district would pay the private school based on 80% of the district's per pupil cost. <u>The district must review the request but is not required to honor it.</u>	0
Post Secondary Enrollment Options	Starting in 1992-93, high school juniors or seniors may enroll in a public or nonprofit private post secondary institution. The school district or student pays, depending on courses taken.	723
		<hr/> <u>1,659</u>

²³ Data is for MPS only; statewide data are not available due to program's 1992-93 startup.

Milwaukee Parental Choice Program (MPCP)²⁴

This study documents a wide variety of programs providing tax support for private education and early childhood development. Yet, the MPCP is routinely portrayed as the only such program.²⁵

The MPCP is unique in two important respects:

- 1) It is the only tax-supported program at the Elementary and Secondary Level where parents or students have the primary choice of private schools. There are many such programs at the Early Childhood and Post Secondary levels.
- 2) Unlike the Early Childhood and Post Secondary programs, the MPCP has operated under major statutory limitations and administrative practices designed to limit its use and control its impact. For example:
 - only MPS students are eligible;
 - only students from low-income families are eligible;
 - only one per cent of MPS students are eligible; and
 - program funding is less than half of the per pupil cost for students at MPS schools.

These limits were inserted largely by program opponents. The program also has been affected by DPI's failure to mount a serious effort to inform parents.

No tax-supported private school choice program cited in this study operates under similar legislative or administrative restrictions.

As a result, the MPCP's impact is largely symbolic. While third year participation is up 81 per cent from the first year, the 617 students represent two-thirds of one per cent of MPS enrollment. "The whole thing hasn't amounted to a good-size flea on the tail of a dog," a senior official in the Department of Public Instruction told The Washington Post.

The Milwaukee Public Schools (i) opposed the MPCP when it was enacted in 1990 and (ii) opposes the Governor's current proposal to expand the program. The stated rationale for the District's opposition has changed: in 1990, it questioned the policy basis for the program; in 1993, it said the program should not be expanded until there is more time to evaluate it.

²⁴ Descriptions of the MPCP are found in: (i) reports by Professor John Witte for the Department of Public Instruction ("First Year Report: Milwaukee Parental Choice Program" and "Second Year Report: Milwaukee Parental Choice Program"); (ii) "The Milwaukee Parental Choice Program," November 1992, Wisconsin Policy Research Institute; and (iii) a chapter by Professor Paul E. Peterson in Seeds of Crisis: A History of the Milwaukee Public Schools (University of Wisconsin-Milwaukee, 1993).

²⁵ Professor Witte, the state's evaluator, says "...there are no other cases of meaningful public support for private schools" (emphasis added). "Research Proposal: Milwaukee Parental Private School Choice Program," September 1990.

Apart from its policy questions, MPS could benefit from MPCP expansion. This is because MPS has endorsed more contracting with private schools to ease a shortage of kindergarten and elementary school space. MPS would pay less to expand MPCP than to contract. The cost of contracting is \$3,653 per elementary student, compared to a loss of state aid of \$2,739 per student participating in the MPCP.

Governor Thompson's proposal to expand the MPCP will be considered by the Wisconsin Legislature during its current (1993) session. While portions of the debate will be premised on the program's supposed newness, the policy behind the program is not new in Wisconsin. Specifically, the concept of increased school choice and financial assistance to low-income families has been an explicit state policy at least since 1965 when the Wisconsin Tuition Grant program was enacted for post secondary students. (See Chapter IV.)

Children At Risk Program

The Children At Risk Program requires school districts to offer special programs for students who meet the statutory definition (see summary of criteria in Table III-1). Program supporters wanted to allow all districts to be able to contract with private schools for at-risk programs, a position strongly opposed by teachers' unions. The adopted legislation allows only MPS to use private schools and then only for 30 per cent of identified children at risk.

Actions taken after enactment of the law have dampened teacher union opposition to private contracting for at risk students. MPS requires at least one union teacher to be at the "alternative" (i.e., private) schools. And, it frequently uses the private schools for the most difficult students.²⁶ A recent study²⁷ of "alternative" schools for MPS stated (emphasis added):

"...The number of students in need of alternative placement for 1992-93 may be as high as 3,500 students. Some observers suspect that this trend will be furthered by (a new) "Discipline Plan," which promises to remove "chronic disrupters" and other "problem" students from traditional MPS schools. (Observers) have suggested that...school district staff will probably displace or "dump" *more* at-risk students in (private) schools. This may force many of these schools to shift from being "choice" alternatives to schools which operate as MPS centers of "last chance intervention."

Table III-3 (at the end of this chapter) lists private schools used by MPS for at-risk students. The reliance on the private schools to assist with the most difficult students is illustrated by the program descriptions and the fact that more than 90 per cent of the students are of high school age.

Governor Thompson has made several proposals which may influence future use of contracting:

²⁶ Before "enrolling students in alternative schools, "the District requires staff to determine that "...in-school options have been exhausted." (Alternative Program Application Procedures, September 9, 1992.)

²⁷ "MPS Partnership Schools' Qualitative Evaluation: Findings and Recommendations," by Tony Baez, July 1992.

- He recommends eliminating: (i) the mandate that school districts develop at-risk programs, (ii) special state aid for such programs, and (iii) MPS' specific authority to contract for at-risk programs.
- He recommends replacing this mandate with (i) broadened authority to contract with private entities for educational services and (ii) extension of such authority to all school districts.

MPS has supported the recommendation for broadened contract authority, as has the Wisconsin Association of School Boards.

Private School Parent Request Option

School districts are cautiously receptive to using taxes for private education if they control the key decisions, i.e., which students and which private schools participate.

As the Milwaukee Parental Choice Program shows, a different attitude prevails if the primary decisions are made by parents. This is also demonstrated by a little-used (perhaps never-used) statute.²⁸ It allows:

"Any child's parent or guardian, or the child if the parent or guardian is notified..." to seek "enrollment in any nonsectarian private school or program located in the school district in which the child resides..."

The statute further states that:

"Enrollment of a child under this (provision) shall be pursuant to a contractual agreement which provides for the child's tuition by the (resident) school district."

The law further provides that:

"The school board shall render its decision, in writing, within 90 days of a request...If the school board denies the request, the school board shall give its reasons for the denial."

The Private School Parent Request Option has been Wisconsin law for more than 10 years. During that time, dozens of parents and/or organizations representing them have made written requests to four different superintendents of MPS. Yet:

- MPS superintendents have denied every request, contending in every case the District has adequate programs and, in effect, that the parents are wrong.
- The requirement that the MPS Board review the requests and respond in writing has not been followed.

In 1991, a Department of Public Instruction official said he was unaware of any instance where the Private School Parent Request Option had been used. In late 1992, DPI again indicated it has no information on use of the law by other districts.

²⁸ S.118.15(1)(d)4, Wisconsin Statutes. While not formally named in the statutes, for this study it is descriptively called the Private School Parent Request Option.

Information for Parents

The three preceding sections of this chapter described programs which allow taxes to pay for private education of elementary and secondary students. Public school officials are cautiously open to such ideas if they control the key decisions. They oppose them if parents are the primary decisionmakers. This contrasts with the approach of state and local officials who administer Early Childhood and Post Secondary programs, where parents and students are primary decision-makers. See Chapters II and IV.

Four examples of how parents are and aren't informed about options available to them demonstrates the approach of Elementary and Secondary school officials:

- 1) Under the Private School Parent Request Option, Wisconsin law requires²⁹ that:

"At the beginning of each school term, the school board shall notify the pupils enrolled in the school district and their parents and guardians of the substance (of the Private School Parent Request Option)..."

Statewide, DPI knows of no instance of a school district complying with this requirement.

MPS publishes an annual booklet on school selection options called "Directions." This booklet, 62 pages in length for the 1993-94 school year, never has informed parents of the Private School Parent Request Option.

- 2) Under the Milwaukee Parental Choice Program, state law requires³⁰ DPI to "...ensure that pupils and parents...are informed of the...program..." In the first year of the program, DPI issued a single press release two weeks before the enrollment deadline. In the second and third years, it issued a single release six weeks before the deadline.

The MPS publication "Directions" does not provide information on the MPCP, although this is the document parents use to select schools.

- 3) The Children At Risk law requires, at several places, substantial parent involvement in selecting programs for at-risk students.

The MPS publication "Directions" for 1993-94 does not refer to private school options. Instead, it ambiguously cites "a variety of alternative and partnership schools throughout the...district." Page 59 of the 62-page booklet contains one paragraph on this topic, even though the district estimates that more than 15,000 of its nearly 100,000 students are children at risk.

- 4) The Chapter 220 program allows students to transfer between MPS and suburban districts to improve racial balance. Chapter 220:

- involves no private schools;

²⁹ S.118.15(1)(f), Wisconsin Statutes.

³⁰ S.119.23(5)(b), Wisconsin Statutes.

- is governed by public school officials, based on agreements approved by school boards;
- provides districts with substantial state financial incentives;
- costs taxpayers four times as much per pupil as the Milwaukee Parental Choice Program; and
- costs taxpayers twice as much as the Private School Parent Request Option (if it were used).

In contrast to tax supported private school options, public school officials aggressively promote the Chapter 220 program. Here are examples:³¹

- Promotional posters are placed in every bus in the Milwaukee County transit system and are distributed to schools, community agencies, tutoring sites, churches, day care centers, grocery stores, libraries, and other sites.
- Press releases are mailed to print and broadcast media and officials appear to promote the program.
- Workshops are conducted for Indochinese and Spanish speaking parents.
- Parent information sessions are held at city and suburban schools.
- The MPS booklet, "Directions," prominently mentions the program and encourages parents to obtain a separate, 8-page MPS booklet on Chapter 220.

Post Secondary Enrollment Option (PSEO)

The Post Secondary Enrollment Option (PSEO)³² is in its first year. While information about program use is limited, its provisions and potential implications are significant.

The program allows high school juniors or seniors to enroll in a public or private "institution of higher education" and for school districts to pay tuition if the coursework counts toward high school graduation.

As of October 30, 1992, MPS had "...approved seven students taking a total of eight courses...for high school and college credit under the PSEO Program. All courses are being taken at Marquette or UWM" (emphasis added).³³

³¹ "Parent Information Systems, A Key to Exercising Options," Public Policy Forum, 1992.

³² S.118.37, Wisconsin Statutes.

³³ "PSEO Reimbursement for Semester I, 1992-93: \$4,000," 10/30/92 memo from Lynn Krebs, the MPS official administering the program.

Significantly, the program does not prohibit tax support for a church-affiliated entity as long as the student enrolls only in "nonsectarian courses." The 1965 Wisconsin legislation creating a Tuition Grant program that has provided millions of tax dollars for thousands of students at church-affiliated institutions includes similar language. See Chapter IV.

Thus, Wisconsin state law now includes programs which provide tax support for church-affiliated entities at the Early Childhood, Elementary and Secondary, and Post Secondary levels.

In each case, the statutory language appears to have been successfully drafted to comply with various U.S. Supreme Court guidelines. As explained in a summary of Court decisions,³⁴ the Court:

"Has constructed three tests...The...legislation must satisfy each. The legislation:

- 1) Must serve a secular legislative purpose;
- 2) Must neither advance nor inhibit religion; and
- 3) Must not foster an 'excessive entanglement' between government and religion."

Despite these guidelines and the existence of Wisconsin programs that appear to meet them, current discussion of private school choice issues frequently conveys the impression that tax payments to sectarian schools involve significant and perhaps insurmountable constitutional problems.

The following table shows private schools that receive tax support for at risk students.

³⁴ "Choice in Education: Legal Perils and Legal Opportunities," The Heritage Foundation, February 18, 1991.

Table III-3, p. 1 of 4

Private Schools Receiving Tax Support to Educate At Risk Students from the Milwaukee Public Schools¹

<u>Private Provider</u>	<u>Program</u>	<u>Population Served</u>	<u>Capacity</u>
ASSATA	ASSATA offers a full day high school curriculum leading to a MPS diploma.	At-risk high school students	45
Aurora Weier Education Center	Accelerated high school curricula in a bilingual setting.	At-risk students between the ages of 14-20 yrs	58
United Community Center	Full day program designed for at-risk middle school students.	At-risk 14-15 year old middle school students who are potential drop outs	30
Bruce Guadalupe School	At-risk elementary program for bilingual students in grades 4,5,6. Its purpose is to address academic deficits.	Bilingual elementary at-risk students grades 4,5,6	40
Career Youth Development	•Provides academic acceleration, a community transitional program, counseling, conflict resolution and family planning.	At-risk middle and high school students	20
	•Academic acceleration as well as behavioral modification.	Middle and high school students with behavioral infractions.	40
Council for the Spanish Speaking	Offers curricula leading to a high school diploma. Emphasis is on basic skills acceleration.	At-risk high school students	30

¹ "Alternative Education Programs and Behavioral Reassignment Programs," December 22, 1992, Milwaukee Public Schools, Department of Alternative Programs.

Table III-3, p. 2 of 4

Private Schools Receiving Tax Support to Educate At-Risk Students from the Milwaukee Public Schools

<u>Private Provider</u>	<u>Program</u>	<u>Population Served</u>	<u>Capacity</u>
Exito Education Center	Provides academic training as well as emphasis in life skills, employment skills/ occupational training and an internship program within the community to develop social skills.	Middle and high school students who are at-risk	60
Seeds of Health, Inc.	Provides full day MPS secondary school curricula for at-risk students with emphasis on serving school-age parents.	High school students who meet at-risk criteria	90
Learning Enterprise of Wisconsin.	Offers a curriculum leading to a high school diploma and a direct link to supportive services.	At-risk students between the ages of 14-19 years. Emphasis on pregnant teens.	53
Milwaukee Spectrum Inc.	Provides an accelerated high school education for young women who need a different approach to education.	Female high school students ages 15-20 years who are at risk.	30
Milwaukee Urban League	Afro-Centric accelerated curriculum focuses on core subjects with an emphasis on cross-curricula integration.	At-risk high school students	30
Cornerstone Learning Center	Multi-ethnic, ethnocentric curriculum with units leading to an MPS diploma. Curriculum integrates computer technology. Services available include an emphasis in AODA prevention.	At-risk high school students	56

Table III-3, p. 3 of 4

Private Schools Receiving Tax Support to Educate "At-Risk" Students from the Milwaukee Public Schools

<u>Private Provider</u>	<u>Program</u>	<u>Population Served</u>	<u>Capacity</u>
OIC/LOC Opportunities Center	Meets MPS/ DPI requirements for a high school diploma.	At-risk high school students	30
Shalom High School	Provides a full day program leading to a high school diploma.	At-risk high school students	80
Social Development Commission	Full day curriculum leading to a high school diploma.	High school at-risk students	30
Silver Spring Neighborhood Center	Full day academic program for at-risk middle school students.	At-risk middle school students	31
Lad Lake Ultra	Serves adjudicated youths assigned by the court.	Adjudicated students	30

Table III-3, p. 4 of 4

Private Schools Receiving Tax Support to Educate At-Risk Students from the Milwaukee Public Schools

Private Provider	Program	Population Served	Capacity
Project Excel	Serves adjudicated youths assigned by the court.	Adjudicated students	45
Seeds of Health/ Learning Enterprise of Wisconsin/ MATC	Students (16-21 years of age) received classroom instruction at either Seeds of Health or LEW for one-half day and attend MATC/High School contract classes for other half day. Includes multiple supportive services	High School dropouts	52
Career Youth Development	Academic acceleration as well as behavioral modification.	Middle and high school students with behavioral infractions.	40
St. Charles	•Transition from residential treatment center before student is integrated into a traditional school setting. Strong emphasis is on social services to family.	Middle and high school students from residential treatment centers.	45
	•Full day MPS high school curricula with a concentration on behavioral adjustment.	High school students referred due to behavioral reassignment or expulsion.	40
Urban North Right Track Elementary School	Program for elementary chronic disrupters.	Elementary chronic disrupters	30

IV. The Use of Public Funds to Purchase Post Secondary Education Services from Private Entities

Numerous grant and loan programs supported by taxpayers enable individuals to pursue education beyond high school, often at for-profit and church-affiliated institutions. The policies underlying these programs have generated longstanding, bipartisan support. The same policies generate controversy when proposed at the Elementary and Secondary Level.

In 1992, an estimated 42,742 individuals attending private educational institutions received tax-supported loans and grants totaling \$83.2 million. Table IV-1 summarizes these programs.

Table IV-1.
Summary of Tax-supported Post Secondary Education Programs for Individuals Attending Private Institutions (State and Federal Funds).³⁶

<u>Program</u>	<u>Participants</u>	<u>Estimated Annual Cost</u>	<u>Cost Per Participant</u>
Grants/Scholarships	25,954	\$ 37,129,562	\$ 1,431
Loan Programs	16,788	46,055,631	2,743
	<u>42,742</u>	<u>\$83,185,193</u>	<u>\$ 1,946</u>

Noteworthy are these characteristics:

- In virtually all cases, the student is the primary individual selecting the institution.
- Several thousand participants use tax funds to attend for-profit institutions of learning.
- Several thousand participants use taxpayer funds to attend church-affiliated institutions, without apparent constitutional problems.
- Despite the multiplicity of programs, administrative costs are low.
- An efficient, low-cost regulatory mechanism has existed for decades to protect Wisconsin residents attending for-profit post secondary institutions.

Tables IV-2 lists the grant and scholarship programs summarized in Table IV-1.

³⁶ Sources: Wisconsin Higher Educational Aids Board, Wisconsin Legislative Fiscal Bureau, The College Board, Wisconsin Educational Approval Board, U.S. Department of Education.

Table IV-2.

Tax-supported Post Secondary Grant and Scholarship Programs for Individuals Attending Private Institutions.³⁷

<u>Grant/Scholarship Program</u>	<u>Participants</u>	<u>Annual Cost</u>	<u>Cost Per Participant</u>
Handicapped Student Grant	10	\$16,200	\$1,620
Independent Student Grant	47	65,341	1,390
Vietnam and Post-Vietnam	307	68,900	225
Veterans Retraining Grant	26	70,000	2,692
National Guard Grants	465	110,929	239
Bureau of Indian Affairs	123	189,834	1,543
Veterans Correspondence	990	193,108	195
Academic Excellence Scholars	242	261,774	1,082
Private School Minority Student Grant	337	430,129	1,276
Indian Student Assistance Grant	287	468,448	1,632
Marquette Dental School	93	790,500	8,500
Talent Incentive	544	1,048,402	1,927
Supplemental Educ. Opportunity Grant	1,270	1,392,673	1,097
Medical College of Wisconsin	4,392	2,493,233	568
Federal GI Bill Benefits	371	3,743,761	10,091
Pell Grant	7,767	11,609,980	1,495
Tuition Grant	8,683	14,176,351	1,633
	<u>25,954</u>	<u>\$ 37,129,562</u>	<u>\$1,431</u>

Table IV-3 lists the loan programs shown in Table IV-1. Some are intended to provide incentives for services following graduation and are forgivable under specific conditions; others must be repaid.

Table IV-3.

Tax-supported Post Secondary Loan Programs for Individuals Attending Private Institutions.³⁸

<u>Loan Program</u>	<u>Participants</u>	<u>Annual Cost</u>	<u>Cost Per Participant</u>
Minority Teacher Loan	12	\$ 29,790	\$ 2,483
Nursing Student Stipend Loan	50	59,563	1,191
Douglas Loan/Scholarship	35	154,544	4,416
Veteran Economic Assistance Loan	569	2,091,253	3,679
Perkins	2,526	3,557,570	1,408
Stafford & Supplemental Loans	<u>13,596</u>	<u>40,162,911</u>	<u>2,954</u>
	<u>16,788</u>	<u>\$46,055,631</u>	<u>\$ 2,743</u>

³⁷ Ibid.

³⁸ Ibid.

The Appendix following this chapter describes the programs in Tables IV-2 and IV-3. Further description of some important programs follows, providing representative examples of existing policy.

The Wisconsin Tuition Grant Program

One of the most significant programs is the Wisconsin Tuition Grant. Enacted in the mid-1960s, the program has provided more than \$200 million through about 194,000 grants for students at private, nonprofit colleges and universities in Wisconsin. The majority are church-affiliated. The program's significance is measured in three dimensions: size, policy rationale, and operation.

Size. Table IV-4 summarizes the history of student participation and financial outlay for the Tuition Grant Program. The program has grown steadily and is the largest of the post secondary grant and scholarship programs.

Table IV-4.
History of the Wisconsin Tuition Grant Program.³⁹

<u>Fiscal Year</u>	<u># of Grants</u>	<u>Amount</u>	<u>Average</u>	<u>Maximum</u>
65-66	939	\$ 293,847	\$ 313	\$ 500
66-67	3,000	847,888	283	500
67-68	4,513	1,314,119	291	500
68-69	5,680	1,774,708	312	500
69-70	5,602	1,998,944	355	500
70-71	6,001	2,338,194	390	650
71-72	6,118	2,851,486	450	650
72-73	6,873	3,762,414	547	900
73-74	7,493	4,626,205	617	1,000
74-75	7,609	5,294,497	696	1,000
75-76	8,262	5,991,298	725	1,000
76-77	8,862	6,673,992	753	1,500
77-78	8,020	7,327,369	914	1,500
78-79	8,110	8,165,421	1,007	1,800
79-80	8,780	10,460,295	1,191	1,800
80-81	8,380	10,032,810	1,197	1,800
81-82	8,014	9,964,229	1,241	2,000
82-83	8,481	10,857,828	1,280	2,000
83-84	8,014	10,800,633	1,348	2,000
84-85	7,676	10,774,290	1,403	2,000
85-86	7,738	11,545,479	1,480	2,078
86-87	7,577	11,693,425	1,543	2,172
87-88	7,582	12,149,642	1,603	2,172
88-89	8,326	12,237,048	1,470	2,172
89-90	8,685	12,817,288	1,480	2,172
90-91	8,669	14,289,024	1,648	2,172
91-92	8,683	14,176,351	1,633	2,172
	<u>193,687</u>	<u>\$205,058,724</u>		

³⁹ Sources: Legislative Fiscal Bureau, Wisconsin Assn. of Independent Colleges & Universities

Policy. The policies underlying the Tuition Grant Program were set forth in recommendations to then Governor Warren P. Knowles from his Scholarship and Loan Committee.⁴⁰ These policies have become integral to the overall program of financial aid supporting post secondary education in Wisconsin. They have been reaffirmed in numerous other reports and in the biennial adoption by the Legislature and approval by the Governor of funds to finance these programs.

The policy rationale for the Tuition Grant (and other programs) is similar to that set forth on behalf of the Milwaukee Parental Choice Program (MPCP). But, despite longstanding bipartisan support at the post secondary level, the same policies repeatedly are characterized as risky, untested concepts when applied to an elementary and secondary program.

These policies are set forth below in extended excerpts from two documents describing Wisconsin's program of post secondary financial aid.

The first excerpts (emphasis added) are from the 1965 report to Governor Knowles (see footnote 40):

"Wisconsin youth enjoy substantial opportunity to attend public institutions. Due to a shortage of private funds and resulting high tuition levels at private institutions, *the student's freedom to attend private colleges is financially restricted...*

"The Committee recommends implementation of *the principle of freedom of choice* insofar as it means equalizing the state contributions to students by granting a subsidy to students in attendance at private colleges according to ability to pay, up to the maximum granted to students in public institutions...

"...The cost of tuition at many (private) schools is usually so much higher than is the cost at the public schools where students receive state subsidies, *that the student of modest or little means has little if any freedom to choose a private college.*"

The 1965 report recommended (emphasis added) that:

"A student grant program...should be adopted which, by equalizing the student assistance structure, *will give the student equal freedom to attend a public or a private institution, placing the state in a substantially neutral position in the student's choice, neither coercing or discouraging the student to choose one kind of school over the other. A student will then be able to choose an institution based on educational rather than financial considerations...*

"The program should be structured to provide *greater aid to students from low income families* than to students from high income families. This will not provide equal treatment for those students who choose to attend a private college. Lack of equal treatment, however can be justified on the grounds that the current ineligibility for state aid on the part of the

⁴⁰ May, 1965, report to Governor Warren P. Knowles from State Senator Jerris Leonard, Chairman, Scholarship and Loan Committee.

student who chooses to attend a private college results in a *greater loss of freedom for the student from a low income family* than for the student from a high income family. *If the amount of the grant is scaled by income, it will still have a significant affect on restoring operable economic freedom to attend the institution of choice.*"

The second document, cited as the "policy Bible" of post secondary financial aid in Wisconsin,⁴¹ defines "universal educational opportunity" and "educational diversity/freedom of choice" as basic "educational goals which can be achieved in part through the financial aid structure." Excerpts (emphasis added) include:

"Universal Educational Opportunity. The first goals of the student financial aid structure is to *eliminate financial barriers and thereby ensure an educational opportunity* for all Wisconsin citizens commensurate with their desires and abilities.

"...It is the primary purpose of the student financial aid structure to ensure an educational opportunity for all citizens commensurate with their desires and abilities regardless of their financial circumstances. This goal does not imply that the same educational experience need be provided to all students, but *it does require that all students be given an equal opportunity* to pursue an education consistent with their individual abilities, interests, and ambitions.

"...Educational Diversity and Freedom of Choice. *The second goal of the financial aid structure is to support existing educational diversity by allowing students the freedom to choose* among the various educational offerings.

"Educational diversity implies a wide range of academic environments, programs, and course offerings as well as diversity in sponsorship, i.e., *public and private...* The diversity issue generally concentrates on the need to preserve the strength and vitality of private institutions of higher education for the following reasons:

- (a) *To assure to students the privilege of selecting* an institution on such bases as academic program, campus environment, size, etc.
- (b) *To stimulate healthy competition* in seeking distinctions, whether by innovations in program or by quality achievements.
- (c) To help protect higher education from the invasion of partisan politics.
- (d) *To maximize the use of scarce educational resources* including faculties, facilities, etc.

"Perhaps the most important reason frequently given to preserve educational diversity is to insure the freedom of private institutions to

⁴¹ October, 1968, "Board Report #90, Student Financial Aid Policy Review," State of Wisconsin Higher Educational Aids Board.

devise innovations and fresh courses of study and curriculum as well as to experiment with new education methods....

"The financial aid structure *can support diversity*...by allowing students the *freedom to choose* educational programs within the existing academic environment."

A majority of private institutions using the Tuition Grant program are church-affiliated, just as many church-affiliated early childhood and day care centers receive tax support (See Chapter II). Proposals to do the same at the Elementary and Secondary Level are considered controversial.

Table IV-5 lists the Wisconsin Association of Independent Colleges and Universities (WAICU). Most Tuition Grant students attend WAICU institutions. As indicated, most of these institutions are church-affiliated.⁴²

Table IV-5.

Members & 1991-92 Enrollment, WAICU.⁴³

School	Location	Enrollment
Alverno*	Milwaukee	2,450
Beloit	Beloit	1,016
Cardinal Stritch*	Milwaukee	4,588
Carroll	Waukesha	2,100
Carthage*	Kenosha	2,000
Concordia*	Mequon	1,971
Edgewood*	Madison	1,800
Lakeland*	Sheboygan	2,400
Lawrence	Appleton	1,200
Marian*	Fond du Lac	2,000
Marquette*	Milwaukee	11,200
Milwaukee Institute of Art & Design	Milwaukee	470
Milwaukee School of Engineering	Milwaukee	3,200
Mount Mary*	Milwaukee	1,550
Mount Senario	Ladysmith	580
Northland	Ashland	775
Ripon	Ripon	850
St. Norbert*	De Pere	1,900
Silver Lake*	Manitowoc	825
Viterbo*	La Crosse	1,150
Wisconsin Lutheran*	Milwaukee	302
	Total	44,327
	*Church-affiliated	34,136

⁴² Consistent with the policy recommendation issued to Governor Knowles in 1965, state law provides that "no grant shall be awarded to members of religious orders who are pursuing a course of study leading to a degree in theology, divinity or religious education."

⁴³ Wisconsin Association of Independent Colleges and Universities .

The Tuition Grant program is just one of several examples where taxpayers support policies at the post secondary level regarded as off limits at the elementary and secondary level. For example, many programs from Tables IV-2 and IV-3 support students who receive instruction at for-profit institutions. There even is a state agency (created fifty years ago) which regulates and licenses for-profit institutions. This agency, the Educational Approval Board (EAB), estimates that between 7,000 and 9,000 Wisconsin residents attend for-profit Post Secondary institutions annually. The EAB estimates that 75 per cent of these residents receive state or federal tax support for tuition.

Tables IV-6 and IV-7 show the number and range of EAB-licensed programs.

Table IV-6.
For-Profit Secondary Schools Licensed In Wisconsin.⁴⁴

ABC School of Real Estate	McConnell School Inc.
Academy of Travel, Ltd.	Midwest Center for the Study of Oriental Med.
Acme Inst. of Technology Inc.	Midwest Travel Institute
Advanced Education Center	Milwaukee School of Real Estate
American Academy of Real Estate	Minneapolis Business College
American Inst. for Paralegal Studies Inc.	Nashville Auto Diesel College
Art Instruction Schools	National Academy for Paralegal Studies
Associated Institute of Travel	National Education Center
Barbizon School of Modeling	National Education Center
Business and Banking Inst.	North Star Aviation Inc.
Carlson Travel Academy	Northern Wisconsin Neon Workshop
Central Wisconsin. School of Real Estate	Pro Drive Inc.
Century 21 Affiliated School of Real Estate	Professional Bartending School of Wisconsin
Charles Training Institute	Rasmussen Business College
Cleveland Institute of Electronic	Real Estate Institute
Computer Learning Center of Wisconsin.	Real Estate Learning Center
Crown Royale Casino Dealers School	Real Estate School
Dairyland Diesel Driving School	Rinehart School of Taxidermy
Dearborn Financial Institute, Inc.	Robbins & Lloyd School of Real Estate
DeVry Institutes	Securities Training Corp.
Diesel Truck Driver Training School	Security Travel School
Educational Center of Financial Services	Southeastern Academy
Empire School of Real Estate	Stratton College
Fox Valley Travel School	Summit Schools Inc.
Gered Models International Inc.	TAI Travel Academy
H & R Block, Inc.	TIPS
International Bartending Institute	Trans American School of Broadcasting
ITT Technical Institute	Travel Inst. Inc.
John Casablanca's Modeling	Travel Learn Ltd.
John Robert Powers Modeling	TREC Institute of Real Estate
Joyce Parker Productions	Underwater Career Center
Keller Graduate School of Management	Universal Technical Institute
Kenosha School of Real Estate	Wauwatosa Real Estate Institute
Lakeland Med-Dental Academy	Wisconsin Auction School
Lakeside School of Natural Therapeutics	Wisconsin School of Electronics
Lincoln Technical Institute	Wisconsin School of Professional Pet Grooming
Marine Education Services	Wyoming Technical Institute
MBTI Business Training Institute	

⁴⁴ Educational Approval Board

Table V-7.

Programs Offered by For-Profit Post Secondary Schools Licensed in Wisconsin⁴⁵

Account clerk	Income Tax Preparer
Accounting	Industrial Electronic
Acupuncturist	Information Processing
Administrative Assistant (No Shorthand)	Insurance Agent Exam. Preparation
Advertising Design	Legal Assistant
Air Conditioning Technology	Legal Secretary
Airframe Mechanic	Make-up Artist
Auctioneer	Marketing
Auto Body Repair	Massage
Auto Mechanic	Massage Therapist
Auto Technician	Mechanical Instrument Technology
Auto Upholstery & Trim	Medical Assistant
Aviation Electronics	Medical Lab Technology
Aviation Instrument Technology	Medical Secretary
Aviation Maintenance	Modeling
Bartender	Modeling Teacher
Basic Art (Correspondence)	Neon Sign Maker
Broadcast & Cable Sales	Nondestructive Testing Technology
Broadcast Engineering	Pet Grooming
Business Administration	Pilot
Business Management	Power Plant Technology
Casino Dealer	Radio Broadcasting
Charter Boat Captain Exam. Prep.	Real Estate Appraisal & Financing
Clerk	Real Estate Exam Review
Clerk Typist	Real Estate Law
Commercial Art (Correspondence)	Real Estate Marketing
Computer Operator	Scuba Diving Instructor
Computer Programmer	Secretary
Computer Programmer/Operator	Securities Exam Preparation
Computer Repair Technology	Stenographer
Data Entry Operator	Taxidermy
Dental Assistant	Telecommunications Management
Diesel Mechanic	Teller
Diesel Technology	Tool & Die Eng. Technology
Drawing	Tool & Plastic Mold Eng. Technology
Electronic Drafting	Travel Agent
Electronic Servicing	Travel Agent (Correspondence)
Electronic Technology	Travel Management
Electronic Technology (correspondence)	Truck Driver
Executive Secretary	Work Processing Operator
Flight Instructor	Writing (Correspondence)
Hotel Management	

⁴⁵ Ibid.

The preceding tables show the number and range of for-profit programs available to students. The widespread, successful and voluntary use of tax-supported programs by students at for-profit institutions is thus well-established at the Post Secondary Level.

Yet proposals to allow for-profit firms to participate in education at the Elementary and Secondary Level frequently are treated as new and possibly damaging educational policy. If the test of these proposals is educational benefit to students, then existing Wisconsin policy provides some relevant experience.

Veterans Programs

Politically influential groups benefit substantially from tax-supported programs of educational choice at the Post Secondary Level. A major example would be military veterans and members of the National Guard. (Also see the section below on programs to train doctors and dentists.)

In Wisconsin, thousands benefit from five state programs and several more under the federal GI Bill. These enable veterans and Guardsmen to attend dozens of private institutions, including nonprofit, for-profit, and church-affiliated.

For example, Table IV-8 lists private institutions attended by Wisconsin veterans using tax supported programs.

Table IV-8.Participating Schools in Programs of the Wisconsin Department of Veterans Affairs.⁴⁶

Acme Institute of Technology Inc.	MBTI Business Training Institute
Advanced Institute of Hair Design	McPherson College
Alverno College	Medical College of Wisconsin
American Beauty College IBA	Mid-State Technical College
Augsburg College	Milwaukee College of Beauty Culture
Aurora University	Milwaukee Institute of Art & Design
Bellin College of Nursing	Milwaukee School of Engineering
Beloit College	Mount Mary College
Calf. College for Health Sciences	Mount Senario College
Cardinal Stritch College	Mount St. Paul College
Carroll College	NAES College
Carthage College	Nashotah House
Champman College	National Ed. Center-Brown Institute
City College of Cosmetology	Northland College
City University	Northwestern College
Cleveland Inst. of Electronics	Patricia Stevens Career College
College of St. Scholastica	Pro Drive
Columbia Hospital School of Radiology	Ripon College
Concordia University	Sacred Heart Hospital School of Medical Technology
DeVry Institute of Technology	Sacred Heart School of Technology
Diesel Truck Driving School	Scientific College-Beauty & Barber
Drake University	Silver Lake College
Edgewood College	State College of Beauty Culture
Embry-Riddle Aero. University	Stevens Point Central Beauty Academy
Franciscan Shared Laboratory	Stratton College
Genealogical Institute of America	St. Francis Hospital School of Anesthesia
Geneva Academy of Beauty Culture	St. Francis Seminary
Gill Tech Academy of Hair Design	St. Joseph's Hospital Histotechnology
Globe College of Business	St. Joseph's Hospital - Medical Technology
Gogebic Community College	St. Luke's Hospital Schools
Hamline University	St. Mary's College
IBA College of Cosmetology	St. Norbert College
ITT Technical Institute	St. Paul Technical College
Keller Graduate School of Management	St. Vincent Hospital Med-Tech Program
Kenosha College of Cosmetology	Technology Institute of Milwaukee
LaCrosse School of Beauty Culture	Theda Clark Medical Center
Lakeland College	School of Radiation Technology
Lawrence University	Trans American School of Broadcasting
Lesley College	Trinity Bible College
Luther College	University of Cincinnati

⁴⁶ Wisconsin Department of Veterans Affairs

Table IV-8. (con't.)

Participating Schools in Programs of the Wisconsin Department of Veterans Affairs.

Madison Business College	University of Dubuque
Maranatha Baptist Bible College	Viterbo College
Marian College of Fond du Lac	Wilbur Wright College
Marquette University	Wisconsin College of Cosmetology
Marshfield Clinic-Cytotechnology	Wisconsin Lutheran College
Martins School of Hair Design	

Post Secondary Programs for Minorities

At the Elementary and Secondary Level, private school choice for low income, minority children faces opposition from the powerful teachers' unions and DPI.

Not so at the Post Secondary Level. As shown in Table IV-2 and the Appendix, at least five state and federal programs are targeted to minority group members. These include the Talent Incentive Grants, the Indian Student Assistant Grant, the Private School Minority Student Grant, the Bureau of Indian Affairs Grant, and the Minority Teacher Loan.

The Talent Incentive Grant, for example, is restricted to about 1,300 of the most "needy and educationally disadvantaged students (selected) by the Department of Public Instruction."⁴⁷ DPI has opposed the Milwaukee Parental Choice Program, which benefits about 600 elementary and secondary students (almost all minority) from low-income areas in Milwaukee.

Private Health Professional Schools

On a per pupil basis, the most expensive state programs of tax support for private institutions are those which reduce tuition for Wisconsin residents attending the Medical College of Wisconsin and the Marquette Dental School. State tax support has included "a large infusion of state dollars...to Marquette to avert the closing of the dental school."⁴⁸ Once again, policy acceptable at the Post Secondary Level is portrayed as untested when recommended at the Elementary and Secondary Level.

Tables IV-9 and IV-10 illustrate the magnitude of the state's role.

⁴⁷ Legislative Fiscal Bureau.

⁴⁸ "State Support of Private Health Professional Schools," Legislative Fiscal Bureau, January 1993.

Table IV-9.
State Tax Support for Students Attending the
Private Medical College of Wisconsin.⁴⁹

<u>Fiscal Year</u>	<u>Wisconsin Residents Funded*</u>	<u>Payment Per Resident (\$)</u>
1985-86	451	9,826
1986-87	427	9,826
1987-88	411	9,826
1988-89	391	9,826
1989-90	391	10,091
1990-91	362	10,091
1991-92	371	10,091
1992-93 (est.)	393	10,091

Table IV-10.
State Tax Support for Students Attending the Private
Marquette Dental School.⁵⁰

<u>Fiscal Year</u>	<u>Wisconsin Residents Funded</u>	<u>Payment Per Resident (\$)</u>
1985-86	251	5,012
1986-87	201	5,012
1987-88	168	5,012
1988-89	121	5,012
1989-90	100	5,217
1990-91	90	5,447
1991-92	93	8,500
1992-93 (est.)	100	11,000

The Appendix provides more detailed descriptions of selected post secondary programs.

⁴⁹ Ibid.

⁵⁰ Ibid.

**Appendix
Page 1 of 4**

Tax-supported Grants/Loans For Attendance At Private, Post Secondary Institutions (Nonprofit, Nonsectarian, For-Profit, Church-Affiliated)

Sources: Legislative Fiscal Bureau, Higher Educational Aids Board, Educational Approval Board, and The College Board.

In general:

- Federally financed grants and loans can be used to attend public, private (nonprofit and for-profit), and sectarian institutions.
- State-financed grants and loans administered by the Higher Education Aids Board (HEAB) can be used for public and private (nonprofit, nonsectarian) institutions.
- State-financed grants and loans administered by the Department of Veterans Affairs and Department of Military Affairs can be used to attend public, private (nonprofit and for-profit), and sectarian institutions.

Program totals below include use of funds for public and private institutions. See Table IV-1, Chapter IV, for funds used only for private institutions.

GRANTS

- A. **Pell Grant (Federal).** This provides the largest federal grant aid to Wisconsin students. The Pell Grant is an entitlement program which ensures that all students who qualify for a grant receive an award. It is intended to be the base upon which other financial aid is built, because in general, students eligible for Pell Grants are eligible for other forms of aid. In 1992-93, undergraduate students enrolled at least half-time are eligible to receive award amounts ranging from a minimum of \$200 to a maximum of \$2,400 annually.
- B. **Supplemental Educational Opportunity Grant (Federal).** The SEOG is administered by financial aid officers at each participating post secondary institution. Unlike the Pell Grant, which provides funds to every eligible student, each participating institution receives a certain amount of SEOG funds based on a formula which considers the state's share of the national undergraduate student enrollment. A uniform national methodology is used to determine student aid eligibility. Awards are based on the availability of SEOG funds and financial need.
- C. **Tuition Grants (State-HEAB).** These are awarded to resident undergraduates who attend private, nonprofit, post secondary institutions in Wisconsin. Awards are based on financial need and are calculated on that portion of tuition in excess of UW-Madison tuition. Tuition grants are calculated by HEAB after federal Pell Grant eligibility has been determined, but are made independent of the Pell Grant award. The private colleges with the largest number of Tuition Grant recipients were: Marquette University (1,388), Carroll College (722), Milwaukee School of Engineering (688) and Alverno College (691).
- D. **Talent Incentive Grant Program (State-Federal).** These grants are restricted to the most needy and educationally disadvantaged students selected by the staff of the Wisconsin Educational Opportunity Program (WEOP) in the Department of Public Instruction. They are supported by state general fund revenues and the federal State Student Incentive Grant.

Appendix
Page 2 of 4

- E. Handicapped Student Grant (State-HEAB).** Wisconsin residents enrolled at an in-state or eligible out-of-state public or private, nonprofit, post secondary institution as undergraduates who have a hearing or visual impairment are eligible for financial assistance under this program. The eligible out-of-state institutions includes Rochester Institute of Technology, St. Paul Technical and Vocational Institute, St. Mary's Junior College, and Gallaudet College. All awards are based on financial need.
- F. Indian Student Assistance Grant (State-HEAB).** These funds are awarded to resident Native Americans who have at least one-quarter Indian blood and belong to a U.S. or Canadian tribe. Full and part-time graduate or undergraduate students who attend accredited institutions of higher education in the state are eligible for financial assistance. Most state grants are matched by funds provided by the tribal governments of Wisconsin.
- G. Private School Minority Student Grant (State-HEAB).** Awards are made to resident undergraduates (except freshmen) enrolled full-time in private, nonprofit, post secondary institutions in the state. According to the statutes, these and other "minority" financial aid programs are limited to African Americans, American Indians, Hispanic American and Southeast Asians (admitted to the U.S. after December 31, 1975). Marquette University and Alverno College enrolled the largest number of participants.
- H. Independent Student Grant (State-HEAB).** Created by 1989 Wisconsin Act 336, this provides grants to resident students who are current recipients of aid to families with dependent children (AFDC). The student must be enrolled in a public or private, nonprofit, post secondary institution in the state for at least six academic credits. For 1991-92, 149 grants were equally divided among UW, VTAE and private institutions.
- I. Vietnam and Post-Vietnam Era Veterans Educational Grant (State-Veterans Affairs).** Grants are made to veterans who enroll as full-time undergraduate students in post secondary educational institutions in Wisconsin.
- J. Bureau of Indian Affairs Grant (Federal).** Available to students who are at least one-quarter Native American in a federally recognized tribe and who meet eligibility criteria established by the tribal affiliations. The student must be enrolled at least half-time and demonstrate financial need.
- K. Veterans Correspondence Courses and Part-Time Classroom Study Grant (State-Veterans Affairs).** Veterans with incomes under \$32,800 (\$500 additional income allowed for each dependent in excess of two) may receive reimbursement for tuition and fees for courses completed at any accredited college, university, or VTAE institution in Wisconsin.
- L. National Guard Grants (State-Military Affairs).** Grants are provided to members of the National Guard enrolled in post secondary educational institutions in Wisconsin. The program was established in 1977 as an enlistment incentive.

Appendix
Page 3 of 4

- M. "G.I. Bill" (Federal).** G.I. benefits normally refer to grants for post secondary education and training for veterans and dependents under Chapters 30, 31, 32, 34, 35, and 106 of the U.S. Code. These often are called "readjustment benefits" because they are intended to reacclimate veterans to civilian life. Nationally, in 1992 G.I. Bill benefits were estimated at \$908 million.
- N. Medical College of Wisconsin (State).** In 1992-93, state taxes will provide a tuition subsidy of about \$10,000 each for 393 Wisconsin residents at this private college.
- O. Marquette Dental School (State).** In 1992-93, state taxes will provide a tuition subsidy of about \$11,000 each for 100 Wisconsin residents at this private college.

SCHOLARSHIPS

- A. Academic Excellence Higher Education Scholarships (State-HEAB).** This provides scholarships to selected 12th grade students who have the highest grade point average in each public and private high school in the state. To receive a scholarship, a student must be enrolled on a full-time basis within one year after graduating from high school, at a participating UW-VTAE or private, nonprofit, post-secondary institution in the state.

LOANS-Forgivable

- A. Nursing Students Stipend Loan.** This was created by 1987 Wisconsin Act 399 to encourage individuals to enter the nursing profession and to be employed as registered nurses in Wisconsin upon graduation. Resident undergraduate students enrolled full-time in Wisconsin public or private, nonprofit, post secondary institutions that offer a nursing degree can qualify for a stipend loan, based on financial need. The loan can be forgiven at a rate of \$1,000 per year of employment as a registered nurse in a Wisconsin hospital, nursing home or home health agency. In 1991-92, 216 students received stipends, with 43 per cent going to VTAE students, 38 per cent to UW students and 19 per cent to students attending private colleges.
- B. Minority Teacher Loan.** Created by 1989 Wisconsin Act 31, this program provides loans to minority undergraduate students: (1) enrolled in private, nonprofit post secondary institutions in Wisconsin; (2) registered as juniors or seniors or holding a bachelor's degree and registered as special students; (3) enrolled in programs leading to teacher licensure; (4) who meet academic criteria specified by HEAB; and (5) who agree to teach in a school district in the state where minority students are at least 29 per cent of total enrollment or in a school district participating in the interdistrict pupil transfer program (Chapter 220). The loan will be forgiven at 25 per cent for each year the recipient teaches in an eligible school district. Alverno, with four students, was the only institution with more than one participant.
- C. Douglas Loan/Scholarship (Federal).** This is a forgivable loan program that is funded by the federal government and administered by HEAB. It is restricted to undergraduates who are training to become teachers. It is not a need-based program.

LOANS-Repayable

- A. Perkins Loan (Federal).** Formerly the National Direct Student Loan, this provides low-interest, federally funded loans at 5 per cent. Participating institutions must match federal funds with a 10 per cent contribution (in 1992-93); repaid loans become part of a revolving account from which new loans are made. Loans are based on financial need, availability of funds, and the other aid a student receives. Students pay no interest while in school. Repayment does not begin until nine months after studies are completed. Depending upon the size of the loan, students have up to ten years to repay. Borrowers who become teachers of the economically, mentally, emotionally or physically handicapped may have up to 100 per cent forgiven for five years of service. Borrowers in the Armed Forces may have 50 per cent forgiven per year of consecutive service in a hostile area.
- B. Stafford Student Loan (Federal).** Formerly the Guaranteed Student Loan, this program is insured by a guarantee agency (in Wisconsin it is the Great Lakes Higher Education Corporation (GLHEC)) and reinsured by the federal government. Students enrolled at least half-time in an undergraduate or graduate program are eligible if financial need is demonstrated. The total amount of outstanding debt an undergraduate can accumulate is \$17,250, whereas the total amount for a graduate student is \$54,750. The interest rate is 8 per cent while in school, for a six-month grace period and for the first four years of repayment. It rises to 10 per cent thereafter. The federal government pays the interest while the student is in school and during the grace period. This remains the largest federal loan program in Wisconsin, in combination with the Supplemental Loan for Students Program.
- C. Veterans Economic Assistance Loan (State).** Veterans with an income of \$32,800 or less can receive a loan of up to \$4,500 (6 per cent interest) for themselves or their children.

ABOUT THE INSTITUTE

The Wisconsin Policy Research Institute is a not-for-profit institute established to study public policy issues affecting the state of Wisconsin.

Under the new federalism, government policy increasingly is made at the state and local level. These public policy decisions affect the lives of every citizen in the state of Wisconsin. Our goal is to provide nonpartisan research on key issues that affect citizens living in Wisconsin so that their elected representatives are able to make informed decisions to improve the quality of life and future of the State.

Our major priority is to improve the accountability of Wisconsin's government. State and local government must be responsive to the citizens of Wisconsin in terms of the programs they devise and the tax money they spend. Accountability should be made available in every major area to which Wisconsin devotes the public's funds.

The agenda for the Institute's activities will direct attention and resources to study the following issues: education; welfare and social services; criminal justice; taxes and spending; and economic development.

We believe that the views of the citizens of Wisconsin should guide the decisions of government officials. To help accomplish this, we will conduct semi-annual public opinion polls that are structured to enable the citizens of Wisconsin to inform government officials about how they view major statewide issues. These polls will be disseminated through the media and be made available to the general public and to the legislative and executive branches of State government. It is essential that elected officials remember that all the programs established and all the money spent comes from the citizens of the State of Wisconsin and is made available through their taxes. Public policy should reflect the real needs and concerns of all the citizens of Wisconsin and not those of specific special interest groups.