

**Federal Aid to Flow  
Get Ready to Tell Your Story  
Wisconsin's Private Schools Save Taxpayers \$1 Billion Annually**

**The Problem**

Negative media reports about how the education sector is benefiting from federal Coronavirus aid shows that the public needs to be educated about the role that private K-12 schools play as employers and contributors to the common good.

We need to remind the public that the majority of schools in Wisconsin are "poor church mice" entities that run schools on tight margins.

People don't realize that tuition does not cover the actual cost of education. That tuition is supplemented through humble fundraising events like Lenten fish fries, spaghetti dinners, pancake breakfasts, rummage sales - all of which were cancelled by state orders because of a global pandemic.

In addition, sponsoring churches can't make school donations because their doors are closed and collection plates are empty. Record unemployment and the general economic downturn has stopped the flow of private donations from other benefactors.

Increased scrutiny of private schools is expected because the Small Business Administration is being pressured to release a list of Paycheck Protection Program (PPP) loans recipients.

Through 2020, additional CARES Act aid will flow to private students and schools through local school districts. These monies are called ESSER and GEER funds.

**What to Do**

Get ready to handle questions from the public and increased media scrutiny.

Prime your oversight board members and make sure they are supportive of taking the PPP loans and participating in ESSER and GEER funds.

Engage your board members. Have the media call them. They have a fiduciary duty to your non-profit organization and can articulate the school's obligation to stay open and functioning.

Be prepared to defend your school as a small business, a local employer and an important economic contributor to your community.

**Ten Facts You Need to Assemble**

You can't share your story unless you have the facts ready to share, as appropriate. Such as:

1. How many staff do you employ? Talk about them as people who are supporting/feeding children, elderly parents, sick/handicapped relatives; putting kids through college, etc.
2. How long has your school been in operation and how many graduates (8th or 12th grade) have you provided for society's benefit?
3. What is your school's contribution to the local community via charity and outreach – stocking the food pantry; visiting local nursing homes; raising money or support for non-school causes (winter clothing or blood drives, cancer research, relief for victims of natural disasters, or helping the needy in other countries, etc.)
4. What is your cost per pupil compared to your tuition?
5. How much financial aid do you give out to students annually?
6. What is the average family income of your school population?
7. What percentage of free and reduced priced lunch is your population?
8. What's your endowment? Is it restricted? What's your debt?
9. What's the economic impact on your local community of your school as an employer (how many people do you employ? What's your annual payroll)?
10. Can you rally your alumni to support your decision to take federal loans and aid? It's their tax dollars at work. Alumni are likely glad that you're getting the financial aid because many of them are unable to make donations because of the COVID Recession.

### **Five Points You Need to Make**

#### **1. Your school is an employer. Your staff and families are taxpayers. Tell their stories.**

They have contributed to the federal budget, just like other taxpayers. Now they are recipients. Thanks to PPP aid, your employees are getting to keep their jobs -- for now -- and continue to pay taxes. Your students are continuing to get educated. Tell their stories of growth despite the pandemic. Your school is staying in operation and not becoming a vacant eyesore.

#### **2. The Paycheck Protection Program are loans.**

These loans – designed to protect workers' paychecks -- may or may not be forgiven, depending on how and whether your school chooses to file the required paperwork.

#### **3. Congress has mandated private schools be included in Coronavirus federal aid programs.**

If people don't like private schools participating, they should complain to Congress. You are merely accessing support that is legally provided for your students and staff.

Congress has mandated that private school students be treated equitably and not discriminated against in the disposition of ESSER and GEER funds. This aid is required to be paid through the local school district, which controls the money and retains ownership of anything non-consumable that is purchased.

#### **4. The purpose of the money is to stabilize education in a time of crisis for our children.**

Our children don't need more trauma caused by their school shutting down from financial ruin. That's why federal aid is also being provided to public schools.

**5. Private schools are an important part of Wisconsin's K-12 education infrastructure. We save taxpayers \$1 Billion annually.**

If Wisconsin's private schools closed, **state and local taxes would have to increase \$1 billion annually to enroll them in public schools**, according to research by the Wisconsin Taxpayers Alliance, now called the Wisconsin Policy Forum.

The state can't really afford to make up for those contributions. Emergency federal aid is an investment in that essential foundation of private philanthropy.