



DPI INITIAL SUMMARY OF GOVERNOR'S 2011-13 BIENNIAL BUDGET

2011 Assembly Bill 40 / Senate Bill 27

March 2011, Prepared by Policy & Budget Team

GENERAL SCHOOL AIDS

- Decreases funding for general school aids by \$390,546,000 GPR (8.4%) in FY12 and \$358,842,000 GPR (7.7%) in FY13 compared to FY11.
- Increases the Special Adjustment Aid hold harmless provision from 85% of the prior year state aid amount to 90% for FY12.

REVENUE LIMITS

- Requires each school district to reduce its revenue limit per pupil by 5.5% in FY12 compared to FY11; the per pupil revenue limit adjustment would remain at the FY12 level in FY13.
- Repeals the guarantee that total school district base revenues in the current fiscal year must be maintained at the prior year level.
- Reduces the low revenue spending ceiling from \$9,000 to \$8,900 per pupil in both FY12 and FY13.
- Eliminates revenue limit exemptions related to school nursing costs, pupil transportation costs, school safety equipment and security officers that are scheduled to go into effect in the 2011-12 school year.

CATEGORICAL AIDS

- The following GPR categorical aids are **eliminated** effective July 1, 2011:
 - Aid for children at risk grants
 - Alternative education grants
 - English for Southeast Asian children
 - Grants for advanced placement courses
 - Grants for alcohol and other drug abuse prevention and intervention programs
 - Grants for improving pupil academic achievement (MPS)
 - Grants for nursing services
 - Grants for preschool to grade 5 programs
 - Grants for science, technology, engineering, and mathematics programs
 - Supplemental aid
- The following GPR categorical aids are **not changed** from the FY11 base:
 - Special education
 - Special education-high cost
 - Special education-supplemental
 - Aid to county children with disabilities education boards
 - SAGE
 - School lunch match
- The following GPR (except as noted) categorical aids all have a **10% cut** in both FY12 and FY13:
 - 4K start up grants

- Aid for AODA (PR)
 - Aid for CESAs
 - Bilingual-bicultural
 - Gifted and talented grants
 - Head Start supplement
 - Open enroll transportation
 - SAGE-Debt service
 - School breakfast grants
 - School day milk
 - Sparsity aid
 - Tribal Languages (PR)
 - Tuition payments
 - Youth options transportation
- The following categorical aids have a **10% cut** in both FY12 and FY13. In addition, in FY13, the two grants **are consolidated** into one grant under peer review & mentoring.
 - Grants for mentors
 - Peer review & mentoring
 - Allows University of Wisconsin-related programs to be eligible for Gifted and Talented grants and requires that all grants be used to provide services and activities not ordinarily provided in a regular school program to allow gifted and talented pupils to fully develop their capabilities.

Categorical Aid Program	FY11 Base	FY12	FY13
Special Education	\$ 368,939,100	\$ 368,939,100	\$ 368,939,100
SAGE	\$ 109,184,500	\$ 109,184,500	\$ 109,184,500
Pupil Transportation	\$ 26,337,300	\$ 23,703,600	\$ 23,703,600
Sparsity Aid	\$ 14,948,100	\$ 13,453,300	\$ 13,453,300
MPS Achievement Grants	\$ 9,650,000	\$ -	\$ -
Bilingual-Bicultural	\$ 9,544,200	\$ 8,589,800	\$ 8,589,800
Tuition Payments	\$ 9,158,800	\$ 8,242,900	\$ 8,242,900
P-5 Program	\$ 7,096,400	\$ -	\$ -
Head Start Supplement	\$ 6,960,100	\$ 6,264,100	\$ 6,264,100
Alternative Education Grants	\$ 4,825,000	\$ -	\$ -
AODA Prevention Grants	\$ 4,361,800	\$ -	\$ -
TEACH Debt Service	\$ 4,342,400	\$ 580,700	\$ 2,287,100
School Lunch Match	\$ 4,218,100	\$ 4,218,100	\$ 4,218,100
Aid for CCDEB's	\$ 4,067,300	\$ 4,067,300	\$ 4,067,300
Special Education-High Cost	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Children-at-Risk	\$ 3,377,500	\$ -	\$ -
School Breakfast Grants	\$ 2,789,400	\$ 2,510,500	\$ 2,510,500
Special Education-Supplemental	\$ 1,750,000	\$ 1,750,000	\$ 1,750,000
4K Start Up Grants	\$ 1,500,000	\$ 1,350,000	\$ 1,350,000
Grants for Mentors	\$ 1,302,700	\$ 1,172,400	\$ -
School Day Milk	\$ 685,700	\$ 617,100	\$ 617,100
Open Enroll Transportation	\$ 482,500	\$ 434,200	\$ 434,200
Peer Review & Mentoring	\$ 482,500	\$ 434,300	\$ 1,606,700
Aid for CESAs	\$ 289,500	\$ 260,600	\$ 260,600
Gifted and Talented Grants	\$ 263,500	\$ 237,200	\$ 237,200
Grants for Nursing Services	\$ 241,200	\$ -	\$ -
SAGE-Debt Service	\$ 148,500	\$ 133,700	\$ 133,700

Categorical Aid Program	FY11 Base	FY12	FY13
Supplemental Aid	\$ 120,600	\$ -	\$ -
Advanced Placement Grants	\$ 96,500	\$ -	\$ -
English for Southeast Asian Pupils	\$ 96,500	\$ -	\$ -
STEM Grants	\$ 59,400	\$ -	\$ -
Youth Options Transportation	\$ 19,300	\$ 17,400	\$ 17,400
Tribal Languages (PR)	\$ 247,500	\$ 222,800	\$ 222,800
Aid for AODA (PR)	\$ 1,427,500	\$ 1,284,700	\$ 1,284,700

CHOICE/CHARTER

- The following changes are made to the Milwaukee Parental Choice Program:
 - Increases funding for the sum sufficient appropriation by \$7,086,200 GPR in FY12 and \$15,460,800 GPR in FY13 based on department estimates of enrollment increases and the Governor’s initiatives to expand pupil eligibility; Governor assumes annual growth of 1,300 MPCP pupils over the biennium to a total of 22,900 in FY13. Governor assumes 21,600 pupils in FY12 and 22,900 pupils in FY13.
 - Maintains the per pupil payment for MPCP schools at the FY11 level in FY12 and FY13.
 - Eliminates the family income requirement for a pupil who wishes to attend an MPCP school beginning in the 2011–12 school year if the pupil did not attend an MPCP school in the 2010–11 school year.
 - Authorizes an MPCP school to charge tuition and fees to a pupil admitted under the MPCP over and above the payment the private school receives for the pupil from the state, but only if the pupil’s family income exceeds 325% of the poverty level.
 - Requires an MPCP school to determine family income as it relates to the federal poverty level only at the time of initial application.
 - Requires an MPCP school to indicate in its letter of acceptance the amount of the state payment the parent or guardian of the pupil will receive.
 - Provides that any private school located in Milwaukee County (as opposed to the city of Milwaukee under current law) may participate in the MPCP.
 - Eliminates the 22,500 pupil cap on enrollment in the MPCP.
 - Eliminates the requirement for MPCP schools to annually administer examinations (WKCE) approved by the state superintendent to pupils attending the school under MPCP and enrolled in grades four, eight, and ten.
 - Eliminates the requirement for MPCP schools to annually administer examinations in reading and mathematics required under the federal No Child Left Behind Act to pupils enrolled in grades three to eight and grade ten.
 - Requires that MPCP schools annually administer a nationally-normed standardized test in reading, mathematics, and science to pupils attending the school under the MPCP and enrolled in grades four, eight, and ten.
 - Requires DPI to notify each MPCP school, and the parents and guardians of pupils attending a private school under the MPCP, of any changes to the MPCP prior to the school year in which the change is to take effect.
 - Incorporates into statutes the DPI administrative rule that establishes circumstances that would indicate that an MPCP school does not possess sound fiscal practices or the financial ability to continue educational programming operations.

- The following changes are made for independent (2r) charter schools:
 - Increases funding for the sum sufficient appropriation by \$4,520,000 GPR in FY12 and \$13,850,000 GPR in FY13 based on department estimates of enrollment increases and the Governor’s initiatives to expand pupil eligibility; Governor assumes 7,800 pupils in FY12 and 9,000 in FY13.
 - Eliminates the requirement that teachers in independent charter schools be licensed by the department so long as they have a bachelor’s degree.
 - Authorizes any University of Wisconsin four-year campus to establish an independent charter school.
 - Eliminates the restrictions on University of Wisconsin-Parkside with respect to number of charter schools, number of pupils, and grades allowed in charter schools.
 - Eliminates the payment to the Racine Unified school district for pupils attending an independent charter school authorized by the University of Wisconsin-Parkside.

- Allows independent charter schools to be created in any school district in Wisconsin.
- Repeals the requirement that funding for independent charter schools above the FY11 level be paid by direct allocation of new GPR funding. Independent charter schools will continue to be paid as a first draw on the general equalization aid appropriation, as a direct reduction on each district's general aid payment.
- Maintains the per pupil payment for independent charter schools at the FY11 level in FY12 and FY13 (\$7,775 per FTE).

ASSESSMENTS

- Reduces the pupil assessment appropriation by 10% (\$310,700) in both FY12 and FY13.
- Increases the expenditure authority in the pupil assessment appropriation by \$2,313,400 GPR in both FY12 and FY13. Previously these funds were appropriated under the Joint Committee on Finance's GPR supplemental appropriation for release to the department upon request.
- The total effect on the pupil assessment appropriation is an increase of \$2,002,700 GPR in both FY12 and FY13.
- Provides \$600,000 GPR in both FY12 and FY13 in the Department of Administration to develop an elementary reading assessment. Authorizes a task force, to be created by executive order that is charged with developing detailed recommendations for a program to assess and improve literacy in elementary school children to have all pupils reading at grade level by the time they complete third grade, to apply to DOA to use the funds to implement its recommendations once approved by the Governor.

LIBRARY SERVICES

- The following appropriations have a 10% cut in both FY12 and FY13:
 - Aid to public library systems
 - Periodical and reference information databases; Newsline for the blind
 - Library service contracts
- Eliminates the requirement that municipalities, counties, and joint public libraries meet a maintenance of effort (MOE) requirement to maintain annual local expenditures for public libraries at the average of the prior three years as a condition for being a member of a public library system.
- Reduces school library aids by \$4,600,000 SEG in FY12 and \$2,600,000 SEG in FY13. The cuts to the FY11 adjusted base are 11.6% in FY12 and 6.6% in FY13. This reduction is based on a reestimate of interest earnings from the common school fund.

SCHOOL DISTRICT OPERATIONS

- Prohibits a school board from requiring, as a condition of employment, that a teacher reside within the school district. (Currently only applies to MPS)
- Eliminates the requirement that each school district employ a reading specialist to develop and coordinate a comprehensive reading curriculum.
- Removes the requirement that schools have to create plans for indoor environmental quality.
- Eliminates the prohibition for MPS to schedule more than 200 school days annually.
- Eliminates the requirement that school districts schedule at least 180 school days annually.
- Maintains the requirement that school districts schedule a certain amount of school hours of direct pupil instruction. However, for school aid purposes, a school district may exempt hours that school is not held as a result of a strike by school district employees, inclement weather and parent-teacher conferences (not to exceed 35 hours during the school term), closure by order of a local health officer or the department of health services, or closure by order of the school district administrator because of a threat to the health or safety of pupils or school personnel.
- Extends the school property tax levy credit certification date in the years when there is a November general election from November 6 to seven days after the date of the election.
- Provides that a school district contracting with a parent or guardian to transport more than one pupil residing in the same household to the same private school may consolidate payments to the parent or guardian.
- Removes the authority for school district collective bargaining units to combine.

- The following changes are made to public school open enrollment:
 - Extends the open enrollment application period to begin the first Monday in February and end the last weekday in April.
 - Eliminates the statewide enrollment cap of 5,250 on the number of pupils that can attend virtual charter schools through open enrollment.
 - Allows for an alternate enrollment during the school year for pupils who meet one of the following criteria:
 1. The pupil is the victim of a violent crime offense.
 2. The pupil is or has been homeless within the last year.
 3. The pupil has been the victim of repeated bullying or harassment.
 4. The residence of the pupil's parent or guardian has changed as a result of military orders.
 5. The pupil has moved into the state.
 6. The place of residence of the pupil has changed due to a court order or custody agreement.
 7. The parent of the pupil and the nonresident school board agree that attending school in the nonresident school district is in the best interests of the pupil.

AGENCY ADMINISTRATION AND OTHER FUNDING

- Contains no furloughs for department staff.
- Eliminates the funding and 1.0 FTE position authority for an environmental education consultant position.
- Eliminates the requirement that DPI approve the training provided by school districts related to administering prescription and nonprescription drugs to pupils.
- Eliminates the requirement that school nurses have a bachelor's degree. They need to be registered nurses licensed by the state.
- Fully funds awards to teachers who receive master educator licenses from the department or certification from the National Board for Professional Teaching Standards.
- Provides \$15,000,000 GPR in a biennial appropriation for the creation of a statewide student information system (SIS).
- Provides 0.30 FTE position authority (PR) to fully staff the Services for Drivers program (no new money, but position authority).
- Reduces the following appropriations and programs to reflect budget efficiencies:

Program	FY12	FY13
101 General Operations	-233,600	-233,600
102 General Operations; Res Schools	-104,400	-104,400
103 Energy Costs-Res Schools	-71,600	-71,600
105 Assessment	-310,700	-310,700
121 Student Activity Therapy	-100	-100
122 Teacher Licensing	-108,700	-108,700
123 MPCP Audits	-1,800	-1,800
124 Publications	-8,200	-8,200
125 School Lunch Handling	-1,462,400	-1,462,400
126 Professional Services Center	-16,400	-16,400
129 Library Processing Center	-1,200	-1,200
130 GED	-3,500	-3,500
131 Info Technology	-160,800	-160,800
134 Services for Drivers	-13,000	-13,000
135 Library Products & Services	-23,500	-23,500
136 Pupil Transportation	-159,700	-159,700
174 Res Schools; Services	-6,900	-6,900
301 Adult Literacy Grants	-6,900	-6,900
305 Elks & Easter Seals	-8,200	-8,200
306 Master Educators	-210,000	-210,000
308 Special Olympics	-7,500	-7,500

Program	FY12	FY13
309 Very Special Arts	-7,000	-7,000
310 Precollege Scholarships	-214,600	-214,600
317 Milwaukee Public Museum	-4,700	-4,700
318 Interstate Compact-Military Children	-100	-100

- Reduces agency operations (all funds) by \$2,781,800 to reflect increased employee contributions towards pension and health insurance costs.
- The net effect of operations reductions and adding standard budget adjustments results in reduced funding in various programs. (Note: if an overall reduction in the appropriation does not result or if the appropriation was reduced due to a revenue reestimate requested by the department, the appropriation is not noted here.)
 - 102 Gen Ops at Res Schools -\$555,400 in each year
 - 103 Energy at Res Schools -\$139,100 in FY12; -\$94,000 in FY13
 - 104 Debt Service -\$608,300 in FY12; \$78,300 increase in FY13
 - 122 Teacher Licensing -\$27,600 in each year
 - 124 Publications -\$62,200 in each year
 - 125 School Lunch Handling -\$1,458,600 in each year
 - 126 Professional Services Center -\$16,400 in each year
 - 129 State Agency Library Proc -\$8,800 in each year
 - 133 Alcohol & Drug Program -\$58,400 in each year
 - 134 Services for Drivers -\$17,000 in each year
 - 135 Library Products and Serv -\$93,500 in each year
 - 136 Res Schools Transportation -\$456,900 in each year
- Lapses in GPR and PR appropriations for the 2011-13 biennium and the 2013-15 biennium were included in the bill.
- Eliminate 17.97 FTE positions vacant longer than 12 months along with the related funding. These include:
 - Vacant Education Specialist
 - Vacant Admin Policy Advisor
 - Vacant IS Development Specialist
 - Vacant Librarian
 - Vacant Library Consultant
 - Vacant Librarian
 - Vacant Library Office Ops Associate
 - Vacant seasonal positions in Janesville
 - Vacant Occupational Therapist-Janesville
 - Vacant Speech Teacher-Janesville
 - Vacant Psych Associate-Delavan
 - Vacant Education Specialist in Green Bay WEOP
 - Vacant Education Program Specialist
 - Vacant Office Associate
 - Vacant Office Associate
 - Vacant Education Consultant
- Project Lead the Way is permitted to sunset June 30, 2011 as under current law; however, the Chapter 20 appropriation was retained with \$0 appropriated each year.
- Includes the department's request to move 0.40 FTE classified position authority to unclassified and vice versa.
- Includes the department's request to remove two appropriations that have been inactive for several years as well as several appropriations that sunset on June 30, 2010.

OTHER AGENCIES

- Eliminates the Office of the Wisconsin Covenant Scholars Program in DOA and the promotional activities performed by the office and transfers to HEAB the administrative duties currently performed by the office. The bill also prohibits new students from enrolling in the program after September 30, 2011.
- Modifies the fee structure for the Department of Justice's criminal history record check fee to \$7 per request, regardless of the entity requesting the record check.
- Adjusts the distribution of revenue from the penalty surcharge program to reflect current projections. These adjustments include: (a) a 10 percent across-the-board reduction to penalty surcharge recipients; and (b) requiring all unencumbered balances in penalty surcharge appropriations to revert to the main collection appropriation at the end of each fiscal year. This redistribution is reflected in the reduced AODA aids and operations funding on pages 3 and 6 of this document).
- Modifies provisions relating to procurement of goods and services to: (a) increase the statutory threshold required for official sealed bids and official sealed proposals from \$25,000 to \$50,000; (b) eliminate the requirement to conduct uniform cost-benefit analyses for contractual service contracts.
- Authorizes the secretary of DOA to abolish any vacant full-time equivalent position in any executive branch agency if the secretary determines that filling the position is not required for the state agency to carry out its duties and exercise its powers.
- Eliminates the statutory requirement that DOA contract with a child care facility in a downtown Madison location to provide child care services for state employees, effective September 1, 2011. Because state agencies currently subsidize a small portion of the contracted child care facility, it is assumed that agencies would no longer be required to do so.
- Sets the statutory minimum general fund balance at \$65 million in FY12 through FY15, and at 2 percent of general fund appropriations thereafter.
- Extends municipal and county levy limits by two years and allows these local government levies to be increased by the greater of 0% or the increase in equalized value due to net new construction. The bill does not allow local governments to carry forward unused levy capacity. In addition, the bill recommends adjusting payments under the state aid for tax exempt property program to reflect lower rates of levy increases due to levy controls implemented for counties, municipalities, school districts and technical college districts.
- Creates a separate public authority for the University of Wisconsin-Madison.
- Requires the Board of Regents to submit a plan to DOA for the conversion of the University of Wisconsin-Milwaukee to an authority.
- Reduces University of Wisconsin System funding to create additional operational efficiencies and balance the budget, which includes a 25% reduction to the administrative budget for system administration. The bill requires the Board of Regents to submit a plan, subject to the DOA secretary's approval, that specifies how the 25% reduction will be allocated within the system administration's general program operations.
- Allows for a 5.5% tuition increase in each academic year at the UW System (excluding UW-Madison).
- Reduces state aid to the Wisconsin Technical College System by \$35,800,700 GPR in each fiscal year.
- Implements a technical college district operational levy cap to freeze local property tax levies for technical colleges. The levy cap will prohibit technical college district boards' operational tax levies in 2011 and 2012 from exceeding the 2010 levy.

ITEMS NOT INCLUDED IN THE GOVERNOR'S BUDGET

The following requests are not included in the Governor's budget recommendations for the
Department of Public Instruction.

Decision Item	Source of Funds	FY12 Dollars	Positions	FY13 Dollars	Positions
Public Library System Aid	SEG-O	11,878,400	0.0	12,449,600	0.0
Library Service Contracts	SEG-O	700	0.0	33,600	0.0
BadgerLink	SEG-O	386,000	0.0	400,300	0.0
Newsline for the Blind	SEG-O	7,800	0.0	12,400	0.0
Grants for Driver Education	SEG-O	0	0.0	1,020,000	0.0
SAGE Restimates	GPR	2,285,500	0.0	4,509,500	0.0
Bilingual/Bicultural Aid	GPR	522,500	0.0	4,511,500	0.0
College/Career Assessments	GPR	0	0.0	3,237,400	0.0
Special Education Aid	GPR	16,049,700	0.0	32,797,600	0.0
High-Cost Special Education Aid	GPR	794,000	0.0	1,710,800	0.0
School Breakfast Reimbursement	GPR	327,800	0.0	608,100	0.0
Transportation Aid Rate Increase	GPR	0	0.0	0	0.0