



2015-17

BIENNIAL BUDGET REQUEST

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION  
TONY EVERS, PHD, STATE SUPERINTENDENT

**November 10, 2014**

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# 2015-2017 Biennial Budget Request

## Decision Item Narratives and Statutory Language

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September 15, 2014

To the Citizens of Wisconsin:

Wisconsin has a long and proud tradition of strong public schools and libraries. We lead the nation in graduation rates, are second in ACT scores and tops in the Midwest in Advanced Placement Coursework, and our libraries are leaders in resource sharing and patron usage. This school year, schools across the state are hard at work implementing critical components of our *Agenda 2017: Every Child a Graduate College and Career Ready*, a comprehensive plan focused on increasing college and career readiness and reducing achievement gaps so that every Wisconsin child is ready to succeed. School districts across the state are embracing higher standards, new statewide assessments – including the ACT at high school – are coming online, and a new educator evaluation system aimed at improving teaching and student learning is being rolled out statewide.

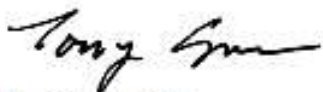
While there is much to be proud of and transformational work is underway in classrooms across our state, there is much more to do to ensure that every Wisconsin child graduates from high school ready to succeed in college and career. In that spirit, my 2015-17 biennial budget request, which is being submitted in two parts, will call on the state to make much needed investments to ensure our schools and educators have the resources they need to help all students meet their full potential.

The first portion of my budget being submitted today recommends targeted funding to address two critical areas important to students, parents, and educators – school safety and technology. My school safety proposal recommends new resources to ensure that all students can learn in a safe and secure environment. To address a growing digital divide, my proposals related to technology and libraries would ensure that all students and teachers – no matter where they live in the state – would have equitable access to high quality digital learning tools and content.

Later this fall, I will submit to the Governor and Legislature my requests and recommendations regarding school funding. Using the most recent data available from the October 15, 2014, certified aid run, I will continue to advocate for comprehensive school finance reform that is long overdue. My Fair Funding for Our Future proposal will finally make our school finance system fair, sustainable, and transparent. In addition, my school finance package will include critical and necessary resources for our schools to meet the unique needs of all students, including children with disabilities, English-language learners, and those that are economically disadvantaged, as well as addressing the unique needs of our rural schools.

A strong and thriving public education system is the backbone of our state and our economy. As the parents, taxpayers, and citizens of Wisconsin, I ask for your support during the 2015-17 biennial budget process to ensure that our public schools have the resources they need to ensure that every child is a graduate ready to succeed in college and career.

Sincerely,



Tony Evers, PhD  
State Superintendent

TE/ef

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# 2015-17 Biennial Budget Request

## ANNUAL SUMMARY

## BIENNIAL SUMMARY

SOURCE OF FUNDS	PRIOR YEAR ACTUAL	ADJUSTED BASE YEAR	1ST YEAR	2ND YEAR	1ST YEAR FTE	2ND YEAR FTE	BASE YEAR DOUBLED (BYD)	BIENNIAL REQUEST	CHANGE FROM BYD (\$)	CHANGE FROM BYD (%)
GPR	\$5,182,761,511	\$5,532,551,000	\$5,720,528,100	\$6,040,025,400	256.18	257.18	\$11,065,102,000	\$11,760,553,500	\$695,451,500	6.29
A	\$238,439,123	\$288,764,400	\$313,218,100	\$340,491,400	0	0	\$577,528,800	\$653,709,500	\$76,180,700	13.19
L	\$4,906,549,946	\$5,192,331,300	\$5,348,652,900	\$5,640,120,400	0	0	\$10,384,662,600	\$10,988,773,300	\$604,110,700	5.82
S	\$37,772,442	\$51,455,300	\$58,657,100	\$59,413,600	256.18	257.18	\$102,910,600	\$118,070,700	\$15,160,100	14.73
PR	\$35,519,907	\$42,964,100	\$44,032,600	\$44,505,000	87.64	85.64	\$85,928,200	\$88,537,600	\$2,609,400	3.04
L	\$10,118,589	\$10,007,500	\$10,007,500	\$10,407,700	0	0	\$20,015,000	\$20,415,200	\$400,200	2
S	\$25,401,318	\$32,956,600	\$34,025,100	\$34,097,300	87.64	85.64	\$65,913,200	\$68,122,400	\$2,209,200	3.35
SEG	\$48,784,901	\$52,776,800	\$69,142,700	\$71,492,000	0	0	\$105,553,600	\$140,634,700	\$35,081,100	33.24
L	\$47,707,505	\$51,609,600	\$67,975,500	\$70,324,800	0	0	\$103,219,200	\$138,300,300	\$35,081,100	33.99
S	\$1,077,396	\$1,167,200	\$1,167,200	\$1,167,200	0	0	\$2,334,400	\$2,334,400	\$0	0
<b>Total - Non Federal</b>										
A	\$238,439,123	\$288,764,400	\$313,218,100	\$340,491,400	0	0	\$577,528,800	\$653,709,500	\$76,180,700	13.19
L	\$4,964,376,040	\$5,253,948,400	\$5,426,635,900	\$5,720,852,900	0	0	\$10,507,896,800	\$11,147,488,800	\$639,592,000	6.09
S	\$64,251,156	\$85,579,100	\$93,849,400	\$94,678,100	343.82	342.82	\$171,158,200	\$188,527,500	\$17,369,300	10.15
PR - F	\$879,267,702	\$774,466,600	\$877,423,800	\$877,424,600	305.44	300.44	\$1,548,933,200	\$1,754,848,400	\$205,915,200	13.29
A	\$61,977,840	\$56,644,900	\$61,944,900	\$61,944,900	0	0	\$113,289,800	\$123,889,800	\$10,600,000	9.36
L	\$764,334,637	\$666,223,500	\$761,933,500	\$761,933,500	0	0	\$1,332,447,000	\$1,523,867,000	\$191,420,000	14.37
S	\$52,955,225	\$51,598,200	\$53,545,400	\$53,546,200	305.44	300.44	\$103,196,400	\$107,091,600	\$3,895,200	3.77
<b>Total - Federal</b>										
A	\$61,977,840	\$56,644,900	\$61,944,900	\$61,944,900	0	0	\$113,289,800	\$123,889,800	\$10,600,000	9.36
L	\$764,334,637	\$666,223,500	\$761,933,500	\$761,933,500	0	0	\$1,332,447,000	\$1,523,867,000	\$191,420,000	14.37
S	\$52,955,225	\$51,598,200	\$53,545,400	\$53,546,200	305.44	300.44	\$103,196,400	\$107,091,600	\$3,895,200	3.77
GPR	\$5,182,761,511	\$5,532,551,000	\$5,720,528,100	\$6,040,025,400	256.18	257.18	\$11,065,102,000	\$11,760,553,500	\$695,451,500	6.29
A	\$238,439,123	\$288,764,400	\$313,218,100	\$340,491,400	0	0	\$577,528,800	\$653,709,500	\$76,180,700	13.19
L	\$4,906,549,946	\$5,192,331,300	\$5,348,652,900	\$5,640,120,400	0	0	\$10,384,662,600	\$10,988,773,300	\$604,110,700	5.82
S	\$37,772,442	\$51,455,300	\$58,657,100	\$59,413,600	256.18	257.18	\$102,910,600	\$118,070,700	\$15,160,100	14.73
PR	\$914,787,609	\$817,430,700	\$921,456,400	\$921,929,600	393.08	386.08	\$1,634,861,400	\$1,843,386,000	\$208,524,600	12.75
A	\$61,977,840	\$56,644,900	\$61,944,900	\$61,944,900	0	0	\$113,289,800	\$123,889,800	\$10,600,000	9.36
L	\$774,453,226	\$676,231,000	\$771,941,000	\$772,341,200	0	0	\$1,352,462,000	\$1,544,282,200	\$191,820,200	14.18
S	\$78,356,543	\$84,554,800	\$87,570,500	\$87,643,500	393.08	386.08	\$169,109,600	\$175,214,000	\$6,104,400	3.61
SEG	\$48,784,901	\$52,776,800	\$69,142,700	\$71,492,000	0	0	\$105,553,600	\$140,634,700	\$35,081,100	33.24
L	\$47,707,505	\$51,609,600	\$67,975,500	\$70,324,800	0	0	\$103,219,200	\$138,300,300	\$35,081,100	33.99
S	\$1,077,396	\$1,167,200	\$1,167,200	\$1,167,200	0	0	\$2,334,400	\$2,334,400	\$0	0
<b>Total</b>										
A	\$300,416,963	\$345,409,300	\$375,163,000	\$402,436,300	0	0	\$690,818,600	\$777,599,300	\$86,780,700	12.56
L	\$5,728,710,677	\$5,920,171,900	\$6,188,569,400	\$6,482,786,400	0	0	\$11,840,343,800	\$12,671,355,800	\$831,012,000	7.02
S	\$117,206,381	\$137,177,300	\$147,394,800	\$148,224,300	649.26	643.26	\$274,354,600	\$295,619,100	\$21,264,500	7.75
<b>Grand Total</b>	\$6,146,334,021	\$6,402,758,500	\$6,711,127,200	\$7,033,447,000	649.26	643.26	\$12,805,517,000	\$13,744,574,200	\$939,057,200	7.33
Gen. Purpose Rev. - Earned	\$121,394,100	\$130,164,000	\$135,586,500	\$82,272,300	0	0	\$260,328,000	\$217,858,800	(\$42,469,200)	-16.31

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# FAIR FUNDING FOR OUR FUTURE – REFORMING THE SCHOOL FINANCE SYSTEM

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6000 – FAIR FUNDING FOR OUR FUTURE: SCHOOL FINANCE REFORM

**201 – General equalization aids**  
*s. 20.255 (2) (ac)*

**257 - General equalization aids - hold harmless**  
*s. 20.255 (2) (af) - New*

**225 – Aid for high-poverty school districts**  
*s. 20.255 (2) (bb)*

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$4,604,830,000</b>	<b>\$4,834,400,000</b>
<b>Less Base</b>	<b>\$4,492,790,500</b>	<b>\$4,492,790,500</b>
<b>Requested Change</b>	<b>\$112,039,500</b>	<b>\$341,609,500</b>

#### Request/Objective

The Department requests the following:

- Provide \$112,039,500 GPR in FY16 and \$341,609,000 GPR in FY17 to fund general equalization aids for public school districts in Wisconsin and implement the State Superintendent’s “Fair Funding for Our Future” (Fair Funding) school finance reform formula changes. The amounts reflect increases to all general school aids of 2.5 percent and 4.9 percent annually, over the biennium.
- Transfer the \$897,400,000 GPR combined from the School Levy Tax Credit (SLTC; \$747,400,000) and the First Dollar Credit (FDC; \$150,000,000) into general equalization aids beginning with the FY17 state aid payments. However, since the current SLTC and FDC are paid to municipalities in the subsequent state fiscal year, the general equalization aids appropriation [s. 20.255 (2) (ac), Wis. Stats.] will not reflect the transfer until FY18. The Department proposes to have the SLTC and FDC amount paid to school districts from the FY18 appropriation and then reflected as a FY17 general equalization aid payment.
- Maintain the high poverty aid program at its current funding level for FY16. However, in FY17, the Department proposes elimination of this program and the transfer of the base level funding of \$16.8 million into the general equalization aids appropriation.
- Modify statutory language to change the per pupil revenue limit adjustment.
- Increase the low revenue ceiling to \$9,400 per pupil in FY16 and \$9,700 in FY17 (current law sets it at \$9,100 in 2013-14 and thereafter). It is estimated that 40-60 districts would be eligible to use this additional authority.

## Background/Analysis of Need

As part of his two previous budget requests, the State Superintendent outlined his Fair Funding framework to start, and continue to move forward on, the debate on school finance reform. Superintendent Evers believes that regardless of economic times, the state can protect schools and enact school finance reform while holding the line on property taxes.

While the Governor and Legislature did not choose to implement the Fair Funding proposal in either the 2011-13 or the 2013-15 biennial budget, the Department has been working to build consensus among business, community, education and opinion leaders around a framework for school finance reform. This school finance reform plan provides solutions that are good education and public policy, as well as politically viable. It is a powerful first step that makes long overdue changes to the school aid funding formula, maximizes existing resources, and sets the stage for greater state support in future years.

*With this proposal:*

- Every school district will receive more state aid, which will reduce their gross tax levy.
- 95 percent of school districts are outright winners under this plan, and for \$3.8 million it will hold harmless the 23 districts that do not do better.
- An even bigger school property tax reduction will be delivered compared to when the state instituted two-thirds funding back in 1996 - and for a lot less money.

*This plan fixes the school funding formula and holds the line on property taxes by:*

- Guaranteeing a minimum amount of state funding for every student (\$3,000), providing vital resources to the approximately 60 school districts that currently receive little or no state aid;
- Incorporating a poverty-factor into the formula (30 percent), accounting for *family's* ability to pay – not just the district's property value;
- Making technical formula changes that strengthen rural, declining enrollment and negatively aided districts by increasing the secondary cost ceiling and hold harmless (Special Adjustment Aid) level;
- Increasing the per pupil revenue limit adjustment to \$200 per pupil in FY16 and \$204 per pupil in FY17 (current law reverts to \$0 beginning in FY16). These figures represent increases of approximately 2 percent annually in revenues for the average school district; and
- Directing the SLTC and the FDC into general school aids, increasing transparency and providing direct state support for schools.

### Equalization Aid Formula

#### **Appropriation under s. 20.255 (2) (ac)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$4,588,000,000</b>	<b>\$4,830,600,000</b>
<b>Less Base</b>	<b>\$4,475,960,500</b>	<b>\$4,475,960,500</b>
<b>Requested Change</b>	<b>\$112,039,500</b>	<b>\$354,639,500</b>

The Department requests \$112,039,500 GPR in FY16 and \$354,639,500 GPR in FY17 to fund general equalization aids.

Fair Funding – Hold Harmless Aid

***Appropriation under s. 20.255 (2) (af) – NEW***

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$0</b>	<b>\$3,800,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$3,800,000</b>

The Department requests \$3,800,000 GPR in FY17 to fund a hold harmless provision for approximately 23 districts that do not do better under the Fair Funding model. This appropriation would be sum sufficient, to ensure that any district eligible for the Fair Funding Hold Harmless Aid would receive the full amount for which the district is eligible.

***Reallocation of SLTC and FDC***

In addition to the amount shown in FY17 for equalization aids, the department is proposing to reallocate the full \$897.4 million from the SLTC and FDC into the equalization aid formula. The FY17 equalization aid formula would be run with the \$897.4 million included, for a total of \$5,728,000,000. Because the current SLTC and FDC are paid to municipalities in July, the \$897.4 million is not reflected in the FY17 equalization aid appropriation [s. 20.255 (2) (ac), Wis. Stats.]. School districts would receive the \$897.4 million in now-school aids in July 2017 (FY18), but have it attributable to FY17 general aid. This is the same mechanism that exists in current law for the \$75 million delayed school equalization aid payment under s. 121.15 (1m), Wis. Stats.

Ever since the two-thirds funding model was established in FY94, the state has been counting the SLTC, and subsequently the FDC, as part of the “state support for schools” calculation. The amount was added to general equalization aids, categorical aids and the state residential schools funding to determine the total amount of “state support” for schools as a percentage of district shared costs. Even though the two-thirds funding requirement expired in FY03, the state has continued to call SLTC/FDC “state support” for schools. Moving the SLTC/FDC into the equalization aids formula will use the money for what it has been called – state support for schools. Because the SLTC/FDC funds will be received by districts under existing revenue limits, there is no net statewide property tax impact of moving the funds to the equalization aid formula.

***Minimum Aid Per Pupil***

In FY15, there are 19 districts that are completely out of the school aid formula due to their property wealth. These districts are not eligible to receive any state equalized aid; however, they are eligible to receive special adjustment, or hold harmless, aid that provides them 85 percent of the amount of aid they received in the prior year (see proposed change to special adjustment aid). In addition, there are approximately 41 districts receiving aid only at the primary level, meaning they receive a very small amount of state aid per pupil.

State Superintendent Evers believes the state should be providing a minimum level of state aid to every public school pupil, regardless of where they live. Therefore, the Fair Funding proposal will establish a minimum level of state aid at \$3,000/pupil. This minimum aid amount will be applied at the end of the formula, after all other adjustments to a district’s aid amount have been calculated (with the exception of the reduction for the Independent Charter School Program, which is applied to all districts that are eligible for general aid in proportion to each districts aid eligibility).

### *Weighting for Income/Poverty Using Free and Reduced-Priced Lunch (FRL)*

The current school aid formula operates under the principle of “equal tax rate for equal per pupil expenditures.” The aim of the formula is to equalize the property tax base per pupil across districts. Conceptually, this means the formula uses property value as an indicator of the ability for school district residents to pay taxes to support local school district expenditures. As such, there is an inverse relationship between equalization aid and property value. Those districts with lower per pupil property values receive a larger share of their costs through the equalization formula than districts with higher per pupil property values.

State Superintendent Evers believes property value alone is no longer an adequate proxy for ability to pay. That factor doesn't serve areas of Wisconsin with high-priced vacation homes and large populations of year-round residents living in poverty. Family income must also be a factor in the distribution of equalization aids.

Thus, Fair Funding proposes that the number of low-income children in a district, as measured by FRL eligibility, is used to partially determine how much state aid a district will get. Specifically, Fair Funding will add 30 percent, or 0.30 FTE, to a district's pupil count for each FRL-eligible pupil (for purposes of calculating the property value per member). Increasing a district's pupil count will generally reduce its property value per pupil which will in turn drive more state school aid to the district through the equalization aid formula.

### *Secondary Cost Ceiling*

One of the three levels of equalization aids is for shared costs per member that exceed \$1,000 but are less than the secondary cost ceiling, referred to as secondary shared costs. Under current law, the secondary cost ceiling is set equal to 90 percent of the prior year statewide shared cost per member. For FY15, the secondary cost ceiling is equal to \$10,250. Few of the state's school districts have shared costs below 90 percent of the statewide average, making it difficult to argue why the school aid formula only recognizes costs up to the 90<sup>th</sup> percentile.

Under the Fair Funding proposal, the secondary cost ceiling is raised to 100 percent of the statewide average shared cost per member.

### *Special Adjustment Aid*

The state provides additional general school aid to districts as way to cushion the effect of reductions in general school aid from one year to the next, commonly referred to as a "hold harmless" payment. School districts that are in declining enrollment are the primary beneficiaries of this payment, but it also goes to 19 districts with property value in excess of the state “primary” guarantee of \$1,930,000 per pupil that receive no state equalization aid.

Under current law, the hold harmless aid ensures that a district's general school aid payment is no less than 85 percent of its prior year payment. In FY15, 68 districts qualified for special adjustment aid. The Fair Funding proposal raises the special adjustment aid level to 90 percent of the prior year general aid payment, ensuring that no district's general aid would decrease by more than 10 percent from one year to the next.

## High Poverty Aid

### ***Appropriation under s. 20.255 (2) (bb)***

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$16,830,000</b>	<b>\$0</b>
<b>Less Base</b>	<b>\$16,830,000</b>	<b>\$16,830,000</b>
<b>Requested Change</b>	<b>\$0</b>	<b>-\$16,830,000</b>

High-poverty aid was created under 2007 Act 20 (the 2007-09 biennial budget) and funded at \$9 million in FY08 and \$12 million in FY09. At that time, 24 school districts were eligible for funding as they met the statutory threshold of having 50 percent of their pupils eligible for FRL under 42 USC 1758 (b). The high poverty aid program was created as a compromise that provided Milwaukee Public Schools (MPS) with some additional property tax relief to offset their Milwaukee Parental Choice Program (MPCP) aid reduction, while at the same time helping other districts throughout the state that also had higher percentages of pupils eligible for FRL.

High-poverty aid is received as a general (not categorical) aid by eligible districts under their revenue caps, so it must be used to reduce their gross property tax levy. In the case of MPS, state law requires MPS to use high poverty aid to offset some of the MPCP aid reduction they receive.

As described earlier, the Department is proposing to reflect income in the general school aid formula by weighting FRL-eligible pupils. As a result, the Department proposes to eliminate the high-poverty aid program in FY17, and move the base level funding to the general aid formula. In addition, this proposal will eliminate the link between high poverty aid and MPS' school levy related to MPCP. (See related Decision Item Number 7002)

### Revenue Limit Per Pupil

2011 Act 32 (2011-13 biennial budget) made significant changes to the per pupil revenue limit for the current biennium. The budget bill reduced base revenue per pupil under revenue limits for each school district by 5.5 percent in FY12 (about \$550 per pupil on a statewide average) and repealed the guarantee that total school district base revenues in the current fiscal year must be maintained at the prior year level. The bill provided a \$50 per pupil increase under revenue limits in FY13, but reverted to a \$0 increase for FY14 and beyond. The prior year revenue limit hold harmless was restored for FY14.

2013 Act 20 (the 2013-15) biennial budget provided a per pupil adjustment of \$75 in each of FY14 and FY15, but reverted to a \$0 increase for FY16 and beyond.

In order to provide additional needed resources to school districts, the Department is proposing to increase the per pupil revenue limit adjustment to \$200 per pupil in FY16 and \$204 per pupil in FY17. These figures represent increases of approximately two percent in annual revenues for the average school district. The Department further proposes that beginning in FY18, the change in the per pupil revenue limit adjustment be linked to the Consumer Price Index (CPI), as it had been through 2010-11.

### Low-Revenue Ceiling

Revenue limits were imposed on school districts beginning in FY94 and have been in place for 22 years. One of the arguments against revenue limits made over time has been that frugal, "low spending" districts in FY93 have been "locked-in" as revenue limits have been calculated on a per pupil basis since their inception.

Since FY96, however, the state has established a per pupil “low-revenue” ceiling amount that allows districts to increase their per pupil revenues up to that ceiling without having to go to referenda. Use of the low-revenue ceiling is not required; rather, it is an option for districts to increase their revenues if they so choose. However, absent action in the 2015-17 biennium, the low-revenue ceiling will be held to \$9,100 (\$100 above the FY13 level) and assist few, if any, districts unless it is increased each year.

The low-revenue ceiling continues to provide the state’s lowest spending districts with the opportunity to narrow the disparity with the highest spending districts. To help soften the projected property tax impact during the 2015-17 biennium, the Department is proposing to phase in a change to the current low-revenue ceiling threshold, from \$9,100 in FY15, to \$9,400 in FY16 and \$9,700 in FY17. It is estimated that 40-60 districts would be eligible to use this additional authority.

### Revenue Limit Exemption for Refunding or Rescinded Taxes

2011 Act 32 (the 2011-13 biennial budget) created a nonrecurring revenue limit adjustment for school districts equal to the amount of any refunded or rescinded taxes, provided that the Department of Revenue has determined that the equalized value of the school district is changed as a result of consideration of the valuation represented by the refunded or rescinded taxes under current law provisions.

Current law reads:

“The limit otherwise applicable to a school district under sub. (2m) is increased by an amount equal to the amount of any refunded or rescinded property taxes paid by the school board in the year of the levy if the valuation represented by the refunded or rescinded property taxes result in a redetermination of the school district's equalized valuation by the department of revenue under s. 74.41.”

The Department requests a modification to this language to include amounts *payable in the year of the levy*, in order to authorize a school district to claim the exemption from the revenue limit and levy for amounts that it will be required to pay during the school year of the levy, but not yet paid as of the date on which the school board set the levy (by November 1<sup>st</sup>, under current law).

### **Statutory Language**

The Department is proposing statutory language related to this request.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6000*)

**Subject:** Fair Funding for Our Future: School Finance Reform

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

To implement the State Superintendent's "Fair Funding for Our Future" (Fair Funding) school finance reform package and formula changes, the department requests the following:

1. Create a new GPR sum sufficient appropriation [General equalization aids – hold harmless; s. 20.255 (2) (af), Wis. Stats.] in FY15.  
This hold harmless aid, paid as general equalization aid under revenue limits, assures no district receives less aid in FY17 than it otherwise would have received in FY17 from the following three payment streams: general equalization aid, high poverty aid, and School Levy Tax Credit (SLTC)/First Dollar Credit (FDC).
2. Transfer the \$897,400,000 GPR combined from the SLTC (\$747,400,000) and the FDC (\$150,000,000) into general equalization aids beginning with the FY17 state aid payments.
  - a. However, since the current SLTC and FDC are paid to municipalities in the subsequent state fiscal year, the general equalization aids appropriation [s. 20.255 (2) (ac), Wis. Stats.] will not reflect the transfer until FY18.
  - b. The department proposes to have the SLTC and FDC amount paid to school districts from the FY18 appropriation and then reflected as a FY17 general equalization aid payment, similar to how the existing \$75 million delayed equalization aid payment works, under s. 121.15 (1m), Wis. Stats.
3. Maintain the high poverty aid program at its current funding level for FY16, but eliminate this program. In effect, the base level funding of \$16.8 million would be transferred into the general equalization aids appropriation [s. 20.255 (2) (ac), Wis. Stats.]
4. Guaranteeing a minimum amount of state funding for every student (\$3,000), providing vital resources to school districts that currently receive little or no state aid;
5. Incorporating a poverty-factor into the formula (30 percent), accounting for family's ability to pay - not just their property value.
  - a. Specifically, Fair Funding will add 30 percent, or 0.30 FTE, to a district's pupil count for each free or reduced-priced lunch (FRL) eligible pupil, for the purposes of determining the equalized property value per member within the equalization aid formula.
  - b. Increasing a district's pupil count will generally reduce its property value per pupil which will, in turn, drive more state school aid to the district through the equalization aid formula.
6. Increase the secondary cost ceiling from 90 percent, to 100 percent, of the prior year statewide shared cost per member.
7. Increase the special adjustment aid from 85 percent to 90 percent of the prior year general aid payment.
8. Set the per pupil revenue limit adjustment to \$200 per pupil in FY16 and \$204 per pupil in FY17. Increase the per pupil adjustment by an amount equal to the CPI, beginning in the FY18 and thereafter.
9. Increase in the per pupil low-revenue ceiling amount to \$9,400 in FY16 and to \$9,700 in FY17.

10. Modify the language under s. 121.91 (4)(q)1., Wis. Stats., to include amounts *payable in the year of the levy*, in order to authorize a school district to claim the exemption from the revenue limit and levy for amounts that it will be required to pay during the school year of the levy, but not yet paid as of the date on which the school board set the levy (by November 1<sup>st</sup>, under current law).

**Related Stat. Citations:**

- General equalization aids – s. 20.255 (2) (ac), Wis. Stats.
- School formula changes (new hold harmless aid, minimum aid/pupil, poverty/income weighting, secondary cost ceiling) – Subchapter II, Chapter 121, Wis. Stats.
- Special adjustment aid – s. 121.105, Wis. Stats.
- SLTC/FDC transfer in FY15 – s. 20.835 (3) (b), Wis. Stats.; s. 79.10 (4) and (5m), Wis. Stats., current \$75 million delayed payment s. 121.15 (1m), Wis. Stats.
- Delete high poverty aid in FY15 – s. 20.255 (2) (bb), Wis. Stats.; s. 121.136, Wis. Stats.
- Per pupil revenue limit adjustment – s. 121.91 (2m) (r) 1. b., Wis. Stats.
- Low-revenue ceiling phase-in to \$9,600 – s. 121.905 (1), Wis. Stats.
- Revenue limit exemption for refunded or rescinded taxes – s. 121.91 (4) (q)1., Wis. Stats.

# INVESTING IN RURAL SCHOOLS

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6011 – SPARSITY AID

255 – *Sparsity aid*

s. 20.255 (2) (ae)

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
Requested Aid	\$17,674,000	\$17,674,000
Less Base	\$13,453,300	\$13,453,300
Requested Change	\$4,220,700	\$4,220,700

#### Request/Objective

The Department requests \$4,220,700 GPR in FY16 and FY17 to fully fund estimated eligible costs for the Sparsity Aid categorical grant program.

The Department also proposes eliminating the free and reduced-priced lunch (FRL) criteria for districts to qualify for Sparsity Aid.

#### Background/Analysis of Need

Many of the state's small, rural districts face a similar set of issues that include a lack of economies of scale, declining enrollment, rapidly rising property values (relative to the state average), low median income, and large geographic boundaries. Further, a greater percentage of rural districts (as opposed to urban or suburban) are experiencing declining enrollment, which has further exacerbated issues related to their size and ability to maintain their core educational programs.

In addition, data indicate that districts with the lowest pupil density, or pupils per square mile, share several characteristics, including: 1) they are among the state's lowest wealth districts in terms of average income; 2) they have higher poverty rates and higher transportation costs; and 3) in some cases, have relatively high property values on a per member basis, which results in the district receiving lower levels of State General/Equalization Aid, because the formula for Equalization Aid measures districts' wealth (or "ability to pay") based on property value per member.

In response to these issues, the Department's 2007-09 Biennial Budget request included a Sparsity Aid proposal as part of the State Superintendent's Rural Initiative. A scaled-down Sparsity Aid Program was signed into law by the Governor as part of 2007 Wisconsin Act 20, the 2007-09 Biennial Budget. This categorical aid program is governed by s. 115.436, Wis. Stats.

In order to qualify for Sparsity Aid, eligible school districts meet the following criteria: (a) an enrollment in the prior school year of less than 725 members; (b) population density of less than 10 members per square mile of district attendance area; and (c) at least 20 percent of members qualify for FRL under the National School Lunch Program in the prior year. A district is eligible to receive \$300 per member. The Department is directed to prorate these payments if funding is insufficient to fully fund the program in a given year.

For FY15 there are 133 eligible school districts using 2013-14 school year data. Aid payments in FY15 are prorated at 79 percent, which translates into a per pupil amount of \$236. The full funding shortfall is \$3,637,700

GPR in FY15. Total eligible membership in the Sparsity Aid districts was 56,970 with an average of 47.7 percent FRL eligible members in those districts.

As mentioned above, one of the current eligibility criteria for sparsity aid is that at least 20 percent of pupils qualify for FRL under the National School Lunch Program in the prior year. In the first year of Sparsity Aid, FY09, 146 districts did not meet this criterion; in FY14, only 55 do not meet it. For FY15, only 53 are not eligible based on the FRL provision. Given that the statewide average FRL is now over 40 percent, it could be argued that the 20 percent threshold is no longer relevant.

Additionally, the Sparsity Aid Categorical Grant Program was created in recognition of the higher costs (per member) borne by districts that suffer from the lack of economies of scale that result from operating a district with large geographic attendance area and relatively low enrollments. The Sparsity Aid Program was structured as a categorical aid program and as such, is received by districts outside the districts' revenue limit. Sparsity Aid therefore provides districts with additional resources to address the higher costs of operating a geographically large and small membership district (as opposed to simply providing property tax relief under the revenue limits). Those additional costs are incurred by a district regardless of the underlying pupil population's income status. Therefore, removing the FRL criterion from the Sparsity Aid eligibility formula would not compromise the original intent of the Sparsity Aid Program; districts with sparse pupil populations would still be served under the program.

If the FRL requirement had been eliminated for FY15, only five additional districts would qualify for Sparsity Aid: Barneveld, Elkhart, Erin, Oakfield and Stockbridge. Both Oakfield and Stockbridge had been eligible in FY14 and in prior years. These districts have a combined enrollment of 1,943 pupils – the cost of adding them to the aid program and fully funding at \$300 per pupil is estimated at \$582,900.

Table 1 below shows that in order to fully fund Sparsity Aid after changing the eligibility criteria to exclude the FRL threshold, the Department estimates a total cost of \$17,674,000 (rounded to nearest thousand) – an increase of \$4,220,700 compared to the FY15 base appropriation.

**Table 1**

	<b>Total Members in Eligible Districts</b>	<b>Aid Eligibility per Member</b>	<b>Total Aid Eligibility</b>	<b>FY15 Base Appropriation</b>	<b>Amount to Fully Fund Eligible District</b>	<b>Aid Paid per Member at FY15 Base Approp.</b>
<b>FY15</b>	56,970	\$300	\$17,091,000	\$13,453,300	\$3,637,700	\$236
<b>FY16</b>	58,913	\$300	\$17,673,900	\$13,453,300	\$4,220,600	\$228
<b>FY17</b>	58,913	\$300	\$17,673,900	\$13,453,300	\$4,220,600	\$228

The districts eligible for Sparsity Aid changes slightly from year to year, given changes in pupil enrollment. The Department's budget request is based on fully funding the eligible awards for FY15 in each year of the 2015-17 biennium. As under current law, if the amount is insufficient in any year to pay all eligible awards, the Department would prorate all aid payments.

**Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6011*)

**Subject:** Sparsity Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests eliminating the free and reduced-price lunch criteria for districts to qualify for sparsity aid eligibility.

**Related Stat. Citations:**

Remove s. 115.436 (2) (b), Wis. Stats.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6012 - PUPIL TRANSPORTATION AID

#### 210 – Aid for pupil transportation s. 20.210 (2) (cr)

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Aid</b>	<b>\$23,954,000</b>	<b>\$23,954,000</b>
<b>Less Base</b>	<b>\$23,703,600</b>	<b>\$23,703,600</b>
<b>Requested Change</b>	<b>\$250,400</b>	<b>\$250,400</b>

#### Request

The Department requests an increase in the reimbursement rate for pupils transported over 12 miles from \$275 to \$300 per pupil in both FY16 and FY17. No additional GPR funds are needed; the base appropriation is projected to be sufficient.

The Department requests \$250,400 GPR in both FY16 and FY17 to fund reimbursement of transportation costs to independent charter schools under s. 118.40 (2r), Wis. Stats. In addition, the Department requests a statutory change to s. 121.58, Wis. Stats., to include the independent charter schools in the state pupil transportation aid payments.

#### Background/Analysis of Need

Individual district transportation costs vary widely among districts, from little more than \$50 per pupil in some districts (e.g. South Milwaukee) to nearly \$1,500 per pupil in others (e.g. North Lakeland). However, geographically large, rural districts that transport pupils over significant distances (12 or more miles) have been hardest hit by increasing transportation costs, due to the longer bus routes they often must operate.

Transportation costs (labor, maintenance, insurance, fuel, etc.) have increased significantly over the past 20 years. By the Department's measure of school district spending, Comparative Costs, expenditures on transportation for all districts statewide, increased by 6.7 percent from 2007-08 to 2012-13 (7.6 percent on a per member basis) – see Table 1 below. This compares to increase of 2.7 percent (3.5 percent on a per member basis) for all "Current Education Costs", which includes the costs of instruction, pupil and staff support, and administrative/other costs; and decreases in facilities costs.

**Table 1 – Change in Statewide Expenditures from 2007-08 to 2012-13\***

	Total Expenditures	Expenditures Per Member
<b>Instruction</b>	2.6%	3.4%
<b>Pupil/staff/support</b>	5.0%	5.8%
<b>Administration/other</b>	2.0%	2.9%
<b>Total current education cost (TCEC)</b>	<b>2.7%</b>	<b>3.5%</b>
<b>Transportation</b>	6.7%	7.6%
<b>Facilities</b>	-4.4%	-3.7%
<b>Total educational cost (TEC)</b>	<b>2.4%</b>	<b>3.2%</b>

\*Data comes from the Department's Comparative Costs, see: [http://sfs.dpi.wi.gov/sfs\\_cmpecst](http://sfs.dpi.wi.gov/sfs_cmpecst)

Under current law, school districts are required to provide transportation services to public and private school pupils enrolled in regular education programs if the pupil resides more than two miles from the nearest public school they are entitled to attend.

State pupil transportation categorical aid is based upon a flat annual amount per transported pupil. In the 2013-15 biennial budget the reimbursement rate for the furthest travel distance was increased from \$220 per pupil to \$275 per pupil. Payments are based upon the distance a pupil travels to school from home (see Table 2, below).

**Table 2**

<b>Distance Traveled (one way)</b>	<b># of pupils transported in category FY13</b>	<b>Current Rate Per Pupil (Full Year) FY13</b>	<b>Summer School Rates</b>
0-2 miles (hazardous areas)	114,039	\$15	\$0
2-5 miles	197,048	\$35	\$4
5-8 miles	91,191	\$55	\$6
8-12 miles	40,441	\$110	\$6
12 plus miles	15,657	\$275	\$6

In the 2013-14 school year, 419 (out of 424) districts received state aid for transporting 485,244 public school pupils and 35,096 private school pupils.

Recent significant increases in fuel costs have affected many areas of the nation’s economy, both for businesses and consumers. School districts are no exception to these rising costs and have statutory requirements to transport all eligible public and private school pupils who reside within their boundaries.

With projected funds in the appropriation, it would be possible to increase the reimbursement rates in specific mileage categories in the 2015-17 biennium without the need for additional GPR funds. Given that districts which are transporting pupils more than 12 miles each way are more adversely affected by increasing costs, one could argue that targeting rate increases to the over 12 mile rate would have a very positive impact on rural and sparse districts. The financial effects of changes to the over 12 mile rate are detailed in the Table 3, below.

**Table 3**

<b>Mileage</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Rate Change</b>	<b>% Rate Change</b>
0-2 miles	\$15	\$15	\$0	0
2-5 miles	\$35	\$35	\$0	0
5-8 miles	\$55	\$55	\$0	0
8-12 miles	\$110	\$110	\$0	0
Over 12 miles	\$275	\$300	\$25	9%

Currently, charter schools authorized under s. 118.40 (2r), Wis. Stats., are not eligible to receive state pupil transportation aid, as they are not “school districts” under the statute. As these are public charter schools, it could be argued there is no sound policy reason to deny these schools access to state pupil transportation aid.

In FY14, there were an estimated 8,300 pupils in independent charter schools. While it is not possible to know how many of these pupils would require transportation, using Milwaukee Public Schools transportation data as a proxy, it is assumed that approximately 70 percent of pupils in independent charter schools would ride the bus at an average reimbursement rate of \$43 per pupil. This will result in a cost of \$250,000 to add the independent charter schools for pupil transportation aid.

If this estimate is too low, the statewide reimbursement rates will be prorated. If it is too high, under state law the remaining funds will be paid out proportionally to school districts based on their percentage of total approved claims.

**Statutory Language**

The Department is proposing statutory language for this request.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6012*)

**Subject:** Aid for Pupil Transportation

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the modification of the pupil transportation statutes to increase the reimbursement rate for pupils being transported more than 12 miles from \$275 to \$300.

The Department requests the modification of the pupil transportation statutes to include charter schools authorized under 118.40 (2r), Wis. Stats, as eligible to receive state pupil transportation aid.

**Related Stat. Citations:**

Modify s. 121.58 (2) (a)4., Wis. Stats, to change the reimbursement rate from \$275 to \$300.

Modify s. 121.58, Wis. Stats., to include charter schools authorized under s. 118.40 (2r), Wis. Stats.

**DPI 2013-15 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6013 – HIGH COST PUPIL TRANSPORTATION AID**

**211 – Aid for high cost transportation  
s. 20.255 (2) (cq)**

<b>FISCAL SUMMARY</b>		
	<b>2013-14 Request</b>	<b>2014-15 Request</b>
<b>Requested Aid</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>
<b>Less Base</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>
<b>Requested Change</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>

**Request**

The Department requests \$2,500,000 GPR in both FY16 and FY17 to increase the reimbursement rate for high cost transportation aid from 32.5% (in FY14) to 50% of eligible costs.

The Department also requests a change to statutory language to add a new eligibility requirement for the high cost transportation aid under which only those districts with a pupil population density of 50 pupils per square mile or less are eligible to receive aid.

**Background/Analysis of Need**

Under 2013 Act 20 (the 2013-15 biennial budget), the Legislature created the High Cost Pupil Transportation Aid program to provide additional transportation aid to school districts with high transportation costs. This program provides districts with reimbursement if their transportation costs, on a per member basis, exceed 150 percent of the state average transportation costs.

In the 2013-14 school year, the Department distributed high cost transportation aid to 128 districts. The distribution of aid is described in Table 1 below:

**Table 1**

9	Districts receiving at least \$100,000
13	Districts receiving at least \$75,000 but less than \$100,000
17	Districts receiving at least \$50,000 but less than \$75,000
29	Districts receiving at least \$25,000 but less than \$50,000
26	Districts receiving At least \$10,000 but less than \$25,
18	Districts receiving at least \$5,000 but less than \$10,000
14	Districts receiving at least \$1,000 but less than \$5,000
2	Districts receiving less than \$1,000
<b>128</b>	<b>District's receiving High Cost Transportation Aid</b>

The Department believes this program is intended to provide additional transportation aid to districts which cannot achieve economies of scale due to the low population density and large relative usage of transportation by the students they serve. To achieve this, the Department requests that an additional eligibility requirement be added in order to receive High Cost Pupil Transportation Aid. Districts with more than 50 pupils per square mile would no longer be eligible. This would result in four school districts losing eligibility.

To estimate the projected cost of funding high-cost transportation aid at 50 percent of eligible costs, the Department estimates that the total eligible costs (districts' general fund transportation costs) will be approximately \$15 million annually. This projection is the Department's best estimate after one year of administering the program where costs were \$14.84 million. Thus, \$7.5 million in GPR is needed to provide 50 percent state funding of these estimated costs on an annual basis. To fund this, the Department requests an annual GPR increase of \$2,500,000.

### **Statutory Language**

The Department is proposing statutory language for this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6013*)

**Subject:** High Cost Transportation Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the modification of the high cost pupil transportation statute, s. 121.59, Wis. Stats., to add an eligibility requirement that a school district must have a student population density of 50 pupils per square mile or less to receive high cost transportation aid.

**Related Stat. Citations:**

Modify s. 121.59, Wis. Stats., to restrict district eligibility for aid to districts specified.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6014 – OPEN ENROLLMENT – AID FOR TRANSPORTATION

**271 – Aid for transportation; open enrollment**  
**s. 118.51 (14) (cy)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$1,893,000</b>	<b>\$2,076,000</b>
<b>Less Base</b>	<b>\$434,200</b>	<b>\$434,200</b>
<b>Requested Change</b>	<b>\$1,458,800</b>	<b>\$1,641,800</b>

#### **Request**

The Department requests an increase of \$1,458,800 in FY16 and \$1,641,800 in FY17 to fully fund state aids to low-income families for open enrollment transportation under s. 118.51 (14), Wis. Stats.

#### **Background**

Currently the program prorates reimbursement for transportation costs at 27.6 percent due to having more claims than money available. The program is authorized under s. 118.51 (14), Wis. Stats.

Open enrollment is an important component of public school choice in Wisconsin. Under open enrollment the parent of a pupil attending public school in a non-resident school district through open enrollment is responsible for transporting the pupil to and from school in the non-resident school district attended by the pupil. The only exception to this requirement applies when the individualized education program (IEP) for a disabled pupil requires transportation. In this case, the non-resident school district is responsible for providing the transportation.

An open enrolled pupil who meets the income-eligibility guidelines for free and reduced price meals under the federal school lunch guidelines qualifies for reimbursement of transportation costs. The reimbursement amount may not exceed the lesser of: 1) the actual transportation costs incurred by the parent; or 2) an amount equal to three times the statewide average per pupil transportation costs. For FY14 this made the cap \$1,210 per claim.

Analysis of open enrollment trends in Wisconsin shows that children from economically-disadvantaged families open enroll for shorter periods of time than students from non-disadvantaged families. While there may be other contributing causes for this lower participation, providing aid for transportation costs to families of low-income pupils helps ensure equal access to public school choice.

Since the 2002-03 school year, claims have exceeded the appropriation and payments to parents have been prorated – shifting costs from the state to parents of students who open enroll. In the 2013-14 school year, the proration rate was 27.6 percent. To put this in context, the maximum reimbursement for one child was reduced from \$1,210.53, the amount calculated under statute (which paid for a round trip of only 9.2 miles twice a day) to \$327.45 as a result of proration (which paid for a round trip of only 2.5 miles twice a day) for an entire school year.

Table 1 shows total claims and the proration rate for the last six years and the projections for the next three years.

**Table 1**

<b>Year</b>	<b>Total Claims</b>	<b>Total Appropriation</b>	<b>Proration Rate</b>	<b>Families Submitting Claims</b>	<b>Percent Change in # of Families</b>	<b>\$ Claimed Per Family</b>	<b>% Change in Amount Claimed</b>
FY09	\$1,011,911	\$500,000	49.4%	840	5.8%	\$1,204	-5.3%
FY10	\$1,475,946	\$482,500	32.7%	1,107	31.8%	\$1,333	10.7%
FY11	\$1,334,325	\$482,500	36.2%	914	-17.4%	\$1,460	9.5%
FY12	\$1,378,413	\$434,200	36.4%	796	-12.9%	\$1,732	18.6%
FY13	\$1,418,444	\$434,200	30.6%	842	5.8%	\$1,685	-2.7%
FY14	\$1,571,822	\$434,200	27.6%	924	9.7%	\$1,701	0.9%
FY15 (est.)	\$1,725,420	\$434,200	25.16%	965	4.44%	\$1,788	5.1%
FY16 (est.)	\$1,892,153	\$434,200	22.95%	1,007	4.44%	\$1,879	5.1%
FY17 (est.)	\$2,075,725	\$434,200	20.92%	1,051	4.44%	\$1,975	5.1%

*\*Percent increase in number of families and amount claimed per family based on the average annual increase from FY08 to FY14, 4.44% for count and 5.1% for claims per family.*

The Department requests that open enrollment transportation be fully funded to preserve equitable public choice options for low-income families.

**Statutory Language**

The Department is not proposing any statutory language related to this request.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6015 – YOUTH OPTIONS – AID FOR TRANSPORTATION**

**287 – Aid for transportation; youth options program  
s. 20.255 (2) (cw)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$23,000</b>	<b>\$23,000</b>
<b>Less Base</b>	<b>\$17,400</b>	<b>\$17,400</b>
<b>Requested Change</b>	<b>\$5,600</b>	<b>\$5,600</b>

**Request**

The Department requests an increase of \$5,600 in FY16 and \$5,600 in FY17 to fully fund state aids for youth options transportation under s. 118.55 (7g), Wis. Stats.

**Background**

The Youth Options program is defined in s. 118.55, Wis. Stat., and allows for public school pupils in grades 11 and 12 to enroll in non-sectarian courses at an institution of higher education during the course of their high school career.

The Department is responsible for administering fees under section 7(g) which allows for reimbursement of transportation expenses related to Youth Options enrollment. These funds directly reimburse the cost to the pupil and/or the pupil’s parent or guardian in the event that they are unable to pay the cost of transportation.

The State Superintendent is directed to determine the reimbursement amount and to give preference to pupils eligible for free and reduced-price lunch.

Table 1 shows the historical funding for Youth Options transportation by semester from FY10 through FY14. Note that expenditure authority for this aid program was reduced by 10 percent between FY11 and FY12 as part of budget reductions in the 2011-13 biennial budget.

**Table 1**

<b>Year</b>	<b>Number of Claims Paid</b>	<b>Total Approved Claims Amount</b>	<b>Total Aid Payments (Expenditure Authority)</b>	<b>\$ Shortfall (Exp. Auth. Less Approved Claims)</b>	<b>Aid Proration</b>	<b>Total Approved Claims \$/ Claim (mean)</b>	<b>Total Aid Payments / Claim (mean)</b>
FY10	49	\$37,270	\$19,300	(\$17,970)	51.8%	\$761	\$394
FY11	53	\$36,577	\$19,300	(\$17,277)	52.8%	\$690	\$364
FY12	62	\$49,704	\$17,400	(\$32,304)	35.0%	\$802	\$281
FY13	68	\$43,484	\$17,400	(\$26,084)	40.0%	\$639	\$256
FY14	49	\$22,369	\$17,400	(\$4,969)	77.8%	\$457	\$355
FY15 (est)	49	\$22,369	\$17,400	(\$4,969)	77.8%	\$457	\$355

Historically claims have exceeded expenditure authority, such that reimbursements have been prorated at rates ranging from 35 to 52 percent. While the total number of approved claims increased steadily between FY10 and FY13 (from 49 to 68), the total amount approved by the Department varied over those years, ranging

between \$37,270 in FY10 to \$43,484 in FY13. Actual aid payments fully utilized expenditure authority in all years: \$19,300 in FY10 & FY11, and \$17,400 thereafter.

In FY14 the actual number of claims decreased sharply, back to FY10 levels (49 claims) and the total claims approved by the Department dropped to \$22,369 – lower than in FY10. It is not clear whether the sharp reduction in the total amount approved in FY14 is reflective of lower initial claim amounts or the Department's actions (evaluation and partial denial of claims).

Due to the lower total dollars of approved claims and flat funding for the appropriation, the reimbursement rate increased to 79 percent for FY14. Note that while the total approved claims (dollars) dropped significantly in FY14, due to the lower number of claims, the mean payment per claim was \$355 in FY14, an increase over the two years prior, and approaching the mean aid payment per claim in FY10 & FY11, when the aid program had a higher level of funding (\$19.3 million). The Department projects that claim submittals, approvals and aid proration rate in FY15 will be similar to FY14 figures. The Department is requesting sufficient funds to meet the projected program utilization in the next biennium and fully fund approved claims.

The Youth Options program has not been modified since 2003 (other than a 10 percent reduction to the expenditure authority in the appropriation), so the drop off in the number of claims submitted in the last biennium is not due to a statutory or regulatory change. Possible causes for the drop-off in costs and in claims include more students using online courses or an increase in blended learning opportunities with reduced transportation costs.

Course Options was created in the previous biennium and also includes a transportation provision. The Course Options transportation reimbursement is paid from a separate appropriation as the Youth Options transportation reimbursements (paid from the full-time open enrollment appropriation). Thus, some of the recent decrease in Youth Options transportation claims may be accounted for by students enrolling in Course Options (rather than Youth Options) and claiming transportation reimbursement via that route.

### **Statutory Language**

The Department is not proposing any statutory language related to this request.



# SPECIAL EDUCATION - STUDENT SUPPORTS

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6002 – SPECIAL EDUCATION CATEGORICAL AID

**206 – Aid for special education and school age parents programs  
s. 20.255 (2) (b)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$394,104,000</b>	<b>\$429,623,000</b>
<b>Less Base</b>	<b>\$368,939,100</b>	<b>\$368,939,100</b>
<b>Requested Change</b>	<b>\$25,164,900</b>	<b>\$60,683,900</b>

#### Request/Objective

The Department requests \$25,164,900 GPR in FY16 and \$60,683,900 GPR in FY17 to increase the reimbursement rate to 28 percent in FY16 and 30 percent in FY17.

#### Problem/Background/Analysis

The main state categorical aid for special education has not increased at the same rate as costs or inflation. Maintaining the same level of categorical aid, while special education costs continue to rise, effectively shifts the funding source for special education programs to general aids and property taxes.

This categorical aid is the state’s primary direct fund source to recognize the additional costs of educating students with disabilities. This critical aid program has widespread statewide impact providing funding for all students with disabilities, approximately 14 percent of Wisconsin students, providing equal benefit across all school districts.

The tables in Appendix A-1 to A-3 show the following information regarding the history and trends of the special education categorical aid program:

- The number of pupils enrolled in special education services in Wisconsin public schools began consistently declining in FY07. (Table 1)
- Special education costs are increasing on a year to year basis; albeit at a slower rate in recent years. (Table 4)
- Past 30 and 20 years: The average special education cost per pupil increased faster than inflation and average state aid payment per pupil lagged inflation, resulting in large declines in the reimbursement rate and large increases in local district costs (\$5,700 and \$3,000 per student) during these periods. (Table 2)
- Past 10 years: The average special education cost per pupil increased faster than inflation and state aid payments tracked similar to inflation resulting in the decline in the reimbursement rate slowing compared to previous decades. Local district cost increased by \$1,200 per student. (Table 2)

- The chart shows the transfer cost from the state to local districts over the past three decades. (Tables 2 and 3)

Timeframe	<b>Change in Special Education Cost per Student Beyond Inflation</b>	<b>Change in State Aid per Student Beyond Inflation</b>	<b>Change in School District Cost per Student Beyond Inflation</b>
1984-1985 (30 years ago)	\$4,662	-\$991	\$5,652
1994-1995 (20 years ago)	\$1,891	-\$1,075	\$2,966
2004-2005 (10 years ago)	\$1,272	\$60	\$1,212

Wisconsin has experienced a decrease in special education enrollment since FY07. This timeframe aligns with district implementation of school-wide instructional improvement efforts such as Response to Intervention and Positive Behavioral Interventions and Supports and early identification efforts between Birth to Three agencies and local education agencies (LEAs). Systemic improvement efforts tend to impact higher incidence/lower cost disability areas, such as learning disabilities, possibly resulting in less identification.

Wisconsin, like the nation, has experienced an increase in identification of students with Autism and Other Health Impairment. More complex needs of higher cost students with disabilities can attribute to the continued increasing costs of special education.

Special education aids reimburse costs incurred in the prior school year by a school district, independent (2r) charter school, County Children with Disabilities Education Board (CCDEB), or Cooperative Educational Service Agency (CESA).

Special education costs not reimbursed by the state or federal governments are eligible for reimbursement under state general equalization aids; however, revenue limits restrict the amount of state general equalization aids and property tax revenue a school district may receive. Regardless of any increases in general equalization aids (which are inside the revenue limits), rising special education costs have essentially reduced the spending authority of some school districts for regular education.

In July 2000, the Wisconsin Supreme Court articulated a new standard for a basic education in Vincent vs. Voight that describes the “character of instruction” required to be made available through each public school. In the decision, the court found that an equal opportunity for a sound basic education acknowledges that students and districts are not fungible (interchangeable) and takes into account the needs of students with disabilities.

The state level of reimbursement fell below 30 percent of aidable costs starting in FY05 and is projected to fall below 27 percent in FY16 and 26 percent in FY17 without additional state funding.

By increasing special education categorical aid by \$25,164,900 GPR in FY16 and \$60,683,900 GPR in FY17, the estimated reimbursement is 28 percent for FY16 and 30 percent for FY17.

Aid Year	Estimated Prior Year Aidable Costs (PYAC)*	Number Special Education Students*	Average PYAC Per Student	Chapter 20 GPR Appropriation	Estimated State Reimbursement Rate	State Average Paid Per Student	New GPR Per Student in Biennium	New GPR in Biennium
2013-2014	\$1,359,647,100	120,698	\$11,265	\$368,939,100	27.13%	\$3,057		
2014-2015	\$1,383,372,900	120,396	\$11,490	\$368,939,100	26.67%	\$3,064		
2015-2016	\$1,407,512,800	120,095	\$11,720	\$394,104,000	28.00%	\$3,282	\$217	\$25,164,900
2016-2017	\$1,432,073,900	119,795	\$11,954	\$429,623,000	30.00%	\$3,586	\$522	\$60,683,900

Note: \*2013-14 numbers are actuals. 2014-15 through 2016-17 are estimates based on 2 percent annual growth in PYAC and 0.25 percent annual decline in number of special education students.

### Statutory Language

The Department is not proposing any statutory language related to this request.

## Appendix A-1

Table 1 shows the history of the number of number special education students (Child Count “CC” minus Parental Placed Private “PPP”), special education prior year aidable costs, chapter 20 appropriated amounts (s. 20.255 (2) (b), (1) (bc) or (1) (d) Wis. Stats.), and reimbursement rates since FY76.

**Table 1 - History**

The number of students enrolled in special education services in Wisconsin public schools began consistently declining in FY07. The number of parentally placed children in private schools has remained relatively constant over the past few years but is higher than 10 years ago. The year-to-year percentage decline in the number of special education students over the past five years was between -0.26 percent and -0.72 percent. The Department is projecting a -0.25 percent decrease in the number of special education students in the 2015-17 biennium.

From FY10 through FY14, the range in the year-to-year change of special education prior year aidable costs (PYAC) was -3.1 percent to 5.6 percent and the average rate of growth of PYAC over this period was 1.2 percent. For the 2015-17 biennium, the Department is projecting a 2 percent growth in prior year aidable costs.

This projection is in line with expected inflation over the 2015-17 biennium.

Aid Year	Child Count (CC)	Parentally Placed Private (PPP)	CC minus PPP	Percent Change	Prior Year Aidable Costs (PYAC)	Percent Change	Chapter 20 GPR Appropriation*	Amount Paid	State Reimbursement Rate
1975-1976	NA	NA	NA		NA		\$49,775,700	\$48,833,685	NA
1976-1977	58,021	NA	NA		NA		\$66,987,500	\$61,478,939	NA
1977-1978	59,318	NA	NA		NA		\$77,464,800	\$71,305,298	NA
1978-1979	60,483	NA	NA		NA		\$91,567,100	\$83,525,677	NA
1979-1980	65,611	NA	NA		NA		\$96,056,700	\$96,017,194	NA
1980-1981	69,957	NA	NA		\$160,992,774		\$107,679,800	\$106,420,127	66.10%
1981-1982	71,593	NA	NA		\$180,984,557	12.42%	\$116,662,800	\$116,468,700	64.35%
1982-1983	72,164	NA	NA		\$201,367,758	11.26%	\$122,646,400	\$122,788,475	60.98%
1983-1984	73,948	NA	NA		\$216,653,142	7.59%	\$140,688,100	\$132,578,378	61.19%
1984-1985	75,256	NA	NA		\$236,273,202	9.06%	\$148,408,700	\$144,828,512	61.30%
1985-1986	76,415	NA	NA		\$254,515,426	7.72%	\$152,181,000	\$152,181,000	59.79%
1986-1987	76,158	NA	NA		\$286,214,733	12.45%	\$160,257,200	\$160,257,200	55.99%
1987-1988	78,046	NA	NA		\$315,971,891	10.40%	\$187,853,200	\$187,853,200	59.45%
1988-1989	79,805	NA	NA		\$350,519,727	10.93%	\$198,064,400	\$198,064,400	56.51%
1989-1990	83,178	NA	NA		\$384,007,893	9.55%	\$225,363,200	\$225,363,200	58.69%
1990-1991	87,013	NA	NA		\$425,652,941	10.84%	\$246,757,200	\$246,757,200	57.97%
1991-1992	91,843	NA	NA		\$479,550,078	12.66%	\$253,957,200	\$253,957,200	52.96%
1992-1993	95,552	NA	NA		\$528,811,961	10.27%	\$257,730,400	\$257,730,400	48.74%
1993-1994	99,414	NA	NA		\$585,879,920	10.79%	\$261,330,400	\$261,330,400	44.60%
1994-1995	102,224	1,188	101,011		\$625,111,874	6.70%	\$275,548,700	\$275,548,700	44.08%
1995-1996	106,334	1,113	105,221	4.17%	\$661,268,995	5.78%	\$275,548,700	\$275,548,700	41.67%
1996-1997	110,336	1,115	109,221	3.80%	\$698,164,312	5.58%	\$275,548,700	\$275,548,700	39.47%
1997-1998	113,586	1,097	112,489	2.99%	\$747,324,650	7.04%	\$275,548,700	\$275,548,700	36.87%
1998-1999	116,237	1,077	115,160	2.37%	\$799,556,093	6.99%	\$275,548,700	\$275,548,700	34.46%
1999-2000	121,123	1,269	119,854	4.08%	\$839,923,150	5.05%	\$288,048,700	\$288,048,700	34.29%
2000-2001	125,267	1,416	123,851	3.33%	\$880,915,596	4.88%	\$315,681,400	\$315,681,400	35.84%
2001-2002	126,852	1,389	125,463	1.30%	\$936,787,956	6.34%	\$315,681,400	\$315,681,400	33.70%
2002-2003	126,879	1,560	125,319	-0.11%	\$989,101,487	5.58%	\$315,681,400	\$315,681,400	31.92%
2003-2004	127,779	1,340	126,439	0.89%	\$1,037,592,026	4.90%	\$316,466,900	\$316,466,900	30.50%
2004-2005	129,070	1,386	127,684	0.98%	\$1,069,514,911	3.08%	\$320,771,600	\$320,771,600	29.99%
2005-2006	129,873	1,583	128,290	0.47%	\$1,110,784,291	3.86%	\$320,771,600	\$320,771,600	28.88%
2006-2007	128,526	1,706	126,820	-1.15%	\$1,157,850,871	4.24%	\$332,771,600	\$332,771,600	28.74%
2007-2008	126,496	1,976	124,520	-1.81%	\$1,213,607,540	4.82%	\$350,192,500	\$350,192,500	28.86%
2008-2009	125,304	1,570	123,734	-0.63%	\$1,285,385,255	5.91%	\$368,939,100	\$368,939,100	28.70%
2009-2010	125,301	1,889	123,412	-0.26%	\$1,322,974,688	2.92%	\$368,939,100	\$368,939,100	27.89%
2010-2011	124,722	1,959	122,763	-0.53%	\$1,312,271,260	-0.81%	\$368,939,100	\$368,939,100	28.11%
2011-2012	123,825	1,944	121,881	-0.72%	\$1,385,983,348	5.62%	\$368,939,100	\$368,939,100	26.62%
2012-2013	123,287	1,909	121,378	-0.41%	\$1,343,053,653	-3.10%	\$368,939,100	\$368,939,100	27.47%
2013-2014	122,654	1,956	120,698	-0.56%	\$1,359,647,100	1.24%	\$368,939,100	\$368,939,100	27.13%

\*Wis. S. 20.255 (2)(b), (1)(bc) or (1)(d)

## Appendix A-2

Table 2 shows the history of the average per student PYAC and the average amount the state special education categorical aid paid for each student in actual dollars and inflation adjusted dollars over the past three decades.

The average PYAC cost per student increased faster than inflation for the past 30, 20 and 10 year periods. The average state special education aid paid per student lagged inflation for the past 30 and 20 year periods and is in line with inflation for the past 10 year period.

**Table 2 – Average Per Student PYAC and State Aid Adjusted for Inflation**

Aid Year	Actual Dollars		1984-1985 adjusted for Inflation (30 years)		1994-1995 adjusted for Inflation (20 years)		2004-2005 adjusted for Inflation (10 years)	
	Average PYAC per student	Average State Paid per Student	PYAC per student	State Paid per Student	PYAC per student	State Paid per Student	PYAC per student	State Paid per Student
1984-1985	\$3,140	\$1,924	\$3,140	\$1,924				
1985-1986	\$3,331	\$1,992	\$3,175	\$1,946				
1986-1987	\$3,758	\$2,104	\$3,287	\$2,015				
1987-1988	\$4,049	\$2,407	\$3,412	\$2,091				
1988-1989	\$4,392	\$2,482	\$3,568	\$2,187				
1989-1990	\$4,617	\$2,709	\$3,742	\$2,294				
1990-1991	\$4,892	\$2,836	\$3,890	\$2,385				
1991-1992	\$5,221	\$2,765	\$3,997	\$2,450				
1992-1993	\$5,534	\$2,697	\$4,113	\$2,521				
1993-1994	\$5,893	\$2,629	\$4,231	\$2,593				
1994-1995	\$6,189	\$2,728	\$4,359	\$2,672	\$6,189	\$2,728		
1995-1996	\$6,285	\$2,619	\$4,494	\$2,755	\$6,380	\$2,812		
1996-1997	\$6,392	\$2,523	\$4,603	\$2,821	\$6,534	\$2,880		
1997-1998	\$6,644	\$2,450	\$4,678	\$2,868	\$6,641	\$2,927		
1998-1999	\$6,943	\$2,393	\$4,779	\$2,930	\$6,785	\$2,991		
1999-2000	\$7,008	\$2,403	\$4,944	\$3,030	\$7,018	\$3,094		
2000-2001	\$7,113	\$2,549	\$5,076	\$3,111	\$7,206	\$3,176		
2001-2002	\$7,467	\$2,516	\$5,136	\$3,148	\$7,291	\$3,214		
2002-2003	\$7,893	\$2,519	\$5,237	\$3,210	\$7,434	\$3,277		
2003-2004	\$8,206	\$2,503	\$5,364	\$3,288	\$7,615	\$3,357		
2004-2005	\$8,376	\$2,512	\$5,535	\$3,393	\$7,858	\$3,464	\$8,376	\$2,512
2005-2006	\$8,658	\$2,500	\$5,668	\$3,474	\$8,047	\$3,547	\$8,578	\$2,573
2006-2007	\$9,130	\$2,624	\$5,820	\$3,567	\$8,262	\$3,642	\$8,807	\$2,641
2007-2008	\$9,746	\$2,812	\$6,033	\$3,698	\$8,564	\$3,775	\$9,130	\$2,738
2008-2009	\$10,388	\$2,982	\$5,994	\$3,674	\$8,509	\$3,751	\$9,071	\$2,721
2009-2010	\$10,720	\$2,989	\$6,111	\$3,746	\$8,675	\$3,824	\$9,248	\$2,774
2010-2011	\$10,689	\$3,005	\$6,308	\$3,867	\$8,955	\$3,947	\$9,546	\$2,863
2011-2012	\$11,372	\$3,027	\$6,436	\$3,945	\$9,136	\$4,027	\$9,739	\$2,921
2012-2013	\$11,065	\$3,040	\$6,526	\$4,000	\$9,264	\$4,084	\$9,876	\$2,962
2013-2014	\$11,265	\$3,057	\$6,603	\$4,048	\$9,374	\$4,132	\$9,993	\$2,997

Inflation rates from Midwest Consumer Price Index for All Urban Consumers, US Dept of Labor Bureau of Labor Statistics

Since FY85, the average per student PYAC increased approximately \$4,700 beyond inflation and per student special education categorical aid dropped approximately \$1,000 in inflation adjusted comparative dollars. The result is a \$5,700 additional per student cost local for school districts.

Since FY05, the average per student PYAC increased approximately \$1,300 beyond inflation and per student special education categorical aid increased approximately \$60 in inflation adjusted comparative dollars. The result is a \$1,200 additional per student cost for local school districts.

**Table 3 – Transfer Costs from State to Local Districts**

Timeframe	Change in Cost per Student Beyond Inflation	Change in State Aid per Student Beyond Inflation	Change in School District Cost per Student Beyond Inflation
1984-1985 (30 years ago)	\$4,662	-\$991	\$5,652
1994-1995 (20 years ago)	\$1,891	-\$1,075	\$2,966
2004-2005 (10 years ago)	\$1,272	\$60	\$1,212

### Appendix A-3

Table 4 shows the history of prior year aidable cost increases looking at one year, five year, and ten year trends. For the 2015-17 biennium, the Department is projecting a two percent growth in prior year aidable costs based on the year to year difference in the prior year aidable cost one year percentage changes over the past ten years. This projection is in line with expected inflation over the 2015-17 biennium.

- From FY10 through FY14, the average rate of growth in prior year aidable costs (one year percent change column) was 1.2 percent.
- From FY95 through FY09, the average rate of growth in prior year aidable costs (one year percent change column) was 5.4 percent.
- Both the ten year and five year percent increase column shows a declining rate of growth starting in FY94.

**Table 4**

Aid Year	Prior Year Aidable Costs (PYAC)	1 yr % change	5 yr % increase	10 yr % increase
1975-1976	NA			
1976-1977	NA			
1977-1978	NA			
1978-1979	NA			
1979-1980	NA			
1980-1981	\$160,992,774			
1981-1982	\$180,984,557	12.42%		
1982-1983	\$201,367,758	11.26%		
1983-1984	\$216,653,142	7.59%		
1984-1985	\$236,273,202	9.06%	46.76%	
1985-1986	\$254,515,426	7.72%	40.63%	
1986-1987	\$286,214,733	12.45%	42.14%	
1987-1988	\$315,971,891	10.40%	45.84%	
1988-1989	\$350,519,727	10.93%	48.35%	
1989-1990	\$384,007,893	9.55%	50.88%	138.52%
1990-1991	\$425,652,941	10.84%	48.72%	135.19%
1991-1992	\$479,550,078	12.66%	51.77%	138.15%
1992-1993	\$528,811,961	10.27%	50.87%	144.08%
1993-1994	\$585,879,920	10.79%	52.57%	147.97%
1994-1995	\$625,111,874	6.70%	46.86%	145.61%
1995-1996	\$661,268,995	5.78%	37.89%	131.04%
1996-1997	\$698,164,312	5.58%	32.03%	120.96%
1997-1998	\$747,324,650	7.04%	27.56%	113.20%
1998-1999	\$799,556,093	6.99%	27.91%	108.21%
1999-2000	\$839,923,150	5.05%	27.02%	97.33%
2000-2001	\$880,915,596	4.88%	26.18%	83.70%
2001-2002	\$936,787,956	6.34%	25.35%	77.15%
2002-2003	\$989,101,487	5.58%	23.71%	68.82%
2003-2004	\$1,037,592,026	4.90%	23.53%	65.99%
2004-2005	\$1,069,514,911	3.08%	21.41%	61.74%
2005-2006	\$1,110,784,291	3.86%	18.57%	59.10%
2006-2007	\$1,157,850,871	4.24%	17.06%	54.93%
2007-2008	\$1,213,607,540	4.82%	16.96%	51.79%
2008-2009	\$1,285,385,255	5.91%	20.18%	53.04%
2009-2010	\$1,322,974,688	2.92%	19.10%	50.18%
2010-2011	\$1,312,271,260	-0.81%	13.34%	40.08%
2011-2012	\$1,385,983,348	5.62%	14.20%	40.13%
2012-2013	\$1,343,053,653	-3.10%	4.49%	29.44%
2013-2014	\$1,359,647,100	1.24%	2.77%	27.13%

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6003 – HIGH-COST SPECIAL EDUCATION CATEGORICAL AID**

**204 – Additional special education aid  
s. 20.255 (2) (bd)**

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Aid</b>	<b>\$10,600,000</b>	<b>\$10,850,000</b>
<b>Less Base</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>
<b>Requested Change</b>	<b>\$7,100,000</b>	<b>\$7,350,000</b>

**Request/Objective**

The Department requests \$7,100,000 GPR in FY16 and \$7,350,000 GPR in FY17 to fully fund high-cost special education categorical aid. The GPR requested is to fully fund projected claims reimbursing 100 percent of eligible costs above the \$30,000 high-cost threshold. The Department also requests a change to the appropriation to be sum sufficient.

These numbers assume the Department continues to allocate 10 percent of Part B Individuals with Disabilities Education Act (IDEA) discretionary grant funds as allowed under the IDEA, [federal law, Section 611(e)(3)], which is estimated to be \$2.2 million in FY16.

**Background/Analysis of Need**

Many Wisconsin school districts struggle to cover the costs for high-need, high-cost special education pupils. In addition, some parents of high-cost special education pupils state these pupils can rarely access open enrollment because of costs.

To address the funding concerns for school districts and to improve access to open enrollment for high-cost special education pupils, the Department is requesting the additional special education aid be fully funded (i.e. 100 percent of costs above the \$30,000 threshold reimbursed) and the appropriation be sum sufficient.

The tables in Appendix A show the following information regarding the history and trends of the special education high-cost categorical aid program:

- The number of pupils enrolled in special education services in Wisconsin public schools began consistently declining in FY07. (Table 2)
- Both the number of resident districts with high-cost claims and the number of high-cost pupil claims has remained relatively constant over the past few years. (Tables 1 and 2)
- The average cost per claim has risen at a rate similar to inflation since FY07 when the State first funded the high-cost categorical aid program. The average aid paid per claim has lagged inflation since FY07 by \$2,613. The additional unreimbursed cost to a school district today is approximately \$2,650 compared to FY07. (Tables 4 and 5)

Timeframe	Change in Cost per Pupil Beyond Inflation	Change in State Aid per Pupil Beyond Inflation	Change in School District Cost per Pupil Beyond Inflation
2006-2007 (8 years ago)	\$41	-\$2,613	\$2,654

- The State reimbursement rate has fallen from 47 percent when the State first funded the appropriation in FY07 to 31 percent in FY14. (Table 1)

Meeting the needs of pupils with low-incidence and high-cost special education requirements can be very costly for school districts. Children with severe disabilities often need costly equipment and assistive technology, expenses that are currently not eligible for reimbursement under the special education categorical aid appropriation. These services can cost three or more times the average expense for educating a pupil.

As a means to assist school districts in paying for such related costs, the Legislature created, under 2005 Act 25, the additional (high-cost) special education aid appropriation funding certain high-cost services beginning FY07. The Department has also allocated a portion of its IDEA discretionary funds since FY04 to continue its Keeping the Promise commitment to support pupils with severe or multiple disabilities. This initiative is intended to assist school boards, Cooperative Educational Service Agency (CESA) boards of control, county children with disabilities education boards (CCDEBs), and charter schools with meeting the needs of high-cost special education pupils.

Eligible costs under the program include all costs (except administration or leadership) specific to educating a particular pupil with high-cost special educational needs. Costs reimbursed by IDEA flow-through funds, Medicaid and special education categorical aids are deducted. Eligibility for reimbursement is then calculated at 90 percent of the amount by which the total cost of providing special education and related services to an individual child exceeds \$30,000 in the prior year. Aid payments school districts receive under this categorical aid program do not affect federal Maintenance of Effort (MOE). School districts would continue to fund the pupil cost below the \$30,000 high-cost threshold with special education categorical aid, IDEA funds, Medicaid, general equalization aid, and local funding.

By increasing special education categorical aid by \$7,100,000 GPR in FY16 and \$7,350,000 GPR in FY17, the estimated reimbursement is 100 percent for FY16 and FY17 (i.e. fully funded) using 100 percent Prior Year Aidable Costs (PYAC) as eligible costs.

Aid Year	Number Claims*	Estimated 100% Prior Year Aidable Cost (PYAC)*	Avg PYAC Percent Change	Average PYAC per Pupil Claim	Average Paid to Resident Distract LEA per Claim	State GPR High Cost Special Education Appropriation	FED Assistance	Estimated Overall Reimbursement Rate	New GPR in Biennium
2015-16	946	\$12,847,100	2.00%	\$13,580	\$13,580	\$10,600,000	\$2,254,100	100.00%	\$7,100,000
2016-17	946	\$13,104,100	2.00%	\$13,852	\$13,852	\$10,850,000	\$2,254,100	100.00%	\$7,350,000

\*Estimate based on projected growth rate in average PYAC claims 2 percent annually and 0 percent growth in number of claims.

### Statutory Language

The Department is proposing statutory language related to this request.

Appendix A

Table 1 below shows the history of special education high-cost categorical aid and reimbursement rates since the aid program inception in FY04. The table reflects current law, under which the program considers Prior Year Aidable Costs (PYCA) as 90 percent of eligible costs.

**Table 1 (Current Law with PYAC = 90% of Eligible Costs)**

Aid Year	Number Resident District LEAs	Number Fiscal Agent LEAs	Number Pupil Claims	Eligible Costs	PYAC = 90% Eligible Costs	Percent Change	Average PYAC per Claim	Average Paid to LEA per Claim	State GPR High Cost Special Education Appropriation	Federal Assistance	State Reimbursement Rate	Federal Reimbursement Rate	Overall Reimbursement Rate
2003-04	128	115	389	\$3,776,700	\$3,399,000	new	\$8,738	\$5,138	\$0	\$2,000,000	0.0%	58.8%	58.8%
2004-05	144	112	531	\$5,661,000	\$5,094,900	49.90%	\$9,595	\$3,771	\$0	\$2,000,000	0.0%	39.3%	39.3%
2005-06	145	123	613	\$7,147,300	\$6,432,600	26.30%	\$10,494	\$2,036	\$0	\$1,250,000	0.0%	19.4%	19.4%
2006-07	150	126	713	\$8,174,000	\$7,356,600	14.40%	\$10,318	\$7,604	\$3,500,000	\$1,921,700	47.6%	26.1%	73.7%
2007-08	158	128	806	\$9,826,200	\$8,843,600	20.20%	\$10,972	\$6,726	\$3,500,000	\$1,919,100	39.6%	21.7%	61.3%
2008-09	146	119	878	\$10,970,900	\$9,873,800	11.60%	\$11,246	\$6,196	\$3,500,000	\$1,944,100	35.4%	19.7%	55.1%
2009-10	168	144	1008	\$12,345,400	\$11,110,900	12.50%	\$11,023	\$5,467	\$3,500,000	\$2,012,900	31.5%	18.1%	49.6%
2010-11	159	134	972	\$11,696,000	\$10,526,400	-5.30%	\$10,830	\$5,751	\$3,500,000	\$2,086,500	33.2%	19.8%	53.1%
2011-12	146	129	994	\$12,623,600	\$11,361,200	7.90%	\$11,430	\$5,623	\$3,500,000	\$2,086,500	30.8%	18.4%	49.2%
2012-13	156	132	882	\$11,287,700	\$10,158,900	-10.60%	\$11,518	\$6,358	\$3,500,000	\$2,110,900	34.5%	20.8%	55.2%
2013-14	154	133	946	\$12,348,200	\$11,113,400	9.40%	\$11,748	\$6,015	\$3,500,000	\$2,185,335	31.5%	19.7%	51.2%

Note:

- The number of claims does not represent all high-cost special education pupils. School districts can claim costs related to high-cost pupils on their federal IDEA grant instead of this state special education high-cost categorical aid program. Costs claimed under the IDEA grant are not at a per pupil level. Costs claimed under this state high-cost aid program are per pupil costs.
- The number of resident LEAs represents the district in which the pupil resides and the district responsible for the pupil cost.
- The number of fiscal agent LEAs represents the entity to which the Department pays high-cost aid payments, for example a CESA or a non-resident school district. The resident school district pays this entity providing services for the costs and they reimburse the resident district with the high-cost aid.



Table 2 shows the number of pupils enrolled in special education services in Wisconsin public schools began consistently declining in FY07. The number of parentally placed children in private schools (PPP) has remained relatively constant over the past few years but is higher than ten years ago.

**Table 2**

<b>Number Special Education Students in Wisconsin Public Schools</b>				
<b>Aid Year</b>	<b>Child Count (CC)</b>	<b>Parentally Placed Private (PPP)</b>	<b>CC minus PPP</b>	<b>1 year % change CC minus PPP</b>
2003-2004	127,779	1,340	126,439	0.89%
2004-2005	129,070	1,386	127,684	0.98%
2005-2006	129,873	1,583	128,290	0.47%
2006-2007	128,526	1,706	126,820	-1.15%
2007-2008	126,496	1,976	124,520	-1.81%
2008-2009	125,304	1,570	123,734	-0.63%
2009-2010	125,301	1,889	123,412	-0.26%
2010-2011	124,722	1,959	122,763	-0.53%
2011-2012	123,825	1,944	121,881	-0.72%
2012-2013	123,287	1,909	121,378	-0.41%
2013-2014	122,654	1,956	120,698	-0.56%

Note: CC minus PPP represents number of special education pupils in Wisconsin public schools.

Table 3 shows a decline in the recent three and five year percent change in number of high-cost claims, a decrease in the three-year average number of claims and an increase in the five-year average number of claims. The Department is projecting no growth in the number of high-cost pupil claims.

**Table 3**

<b>Aid Year</b>	<b>Number Resident District LEAs</b>	<b>Number Fiscal Agent LEAs</b>	<b>Number Pupil Claims</b>	<b>1 year % change in number claims</b>	<b>3 year % change in number claims</b>	<b>5 year % change in number claims</b>	<b>3 Year Average Number Claims</b>	<b>5 Year Average Number Claims</b>
2003-04	128	115	389	NA	NA	NA	NA	NA
2004-05	144	112	531	36.50%	NA	NA	NA	NA
2005-06	145	123	613	15.44%	57.58%	NA	511	NA
2006-07	150	126	713	16.31%	34.27%	NA	619	NA
2007-08	158	128	806	13.04%	31.48%	107.20%	711	610
2008-09	146	119	878	8.93%	23.14%	65.35%	799	708
2009-10	168	144	1008	14.81%	25.06%	64.44%	897	804
2010-11	159	134	972	-3.57%	10.71%	36.33%	953	875
2011-12	146	129	994	2.26%	-1.39%	23.33%	991	932
2012-13	156	132	882	-11.27%	-9.26%	0.46%	949	947
2013-14	154	133	946	7.26%	-4.83%	-6.15%	941	960

Note: The number of claims does not represent all high-cost special education pupils. School districts can claim costs related to high-costs pupils on their federal IDEA grant instead of this state special education high-cost categorical aid program. Costs claimed under the IDEA grant are not based on a per pupil cost. Costs claimed under this state high-cost aid program are based on per pupil costs.

Table 4 shows over the past eight years, when the State began a GPR categorical aid program for the State contribution to the high-cost aid program in FY07, the average cost per Prior Year Aidable Cost (PYAC) claim per pupil has risen at approximately the same rate as inflation and the average aid paid per claim per pupil has lagged behind inflation by \$2,650.

**Table 4**

Aid Year	Actual Dollars		2006-07 adjusted for Inflation (8 years)	
	Average PYAC per Claim	Average Paid to Resident District LEA per Claim	Average PYAC per Claim	Average Paid to Resident District LEA per Claim
2003-04	\$8,738	\$5,138		
2004-05	\$9,595	\$3,771		
2005-06	\$10,494	\$2,036		
2006-07	\$10,318	\$7,604	\$10,318	\$7,604
2007-08	\$10,972	\$6,726	\$10,696	\$7,883
2008-09	\$11,246	\$6,196	\$10,627	\$7,832
2009-10	\$11,023	\$5,467	\$10,835	\$7,985
2010-11	\$10,830	\$5,751	\$11,183	\$8,242
2011-12	\$11,430	\$5,623	\$11,410	\$8,409
2012-13	\$11,518	\$6,358	\$11,570	\$8,527
2013-14	\$11,748	\$6,015	\$11,707	\$8,628

Table 5 shows that as a result of the average claim paid not increasing with inflation, the additional unreimbursed cost to a school district today is \$2,650 compared to FY07.

**Table 5**

Timeframe	Change in Cost per Pupil Beyond Inflation	Change in State Aid per Pupil Beyond Inflation	Change in School District Cost per Pupil Beyond Inflation
2006-2007 (8 years ago)	\$41	-\$2,613	\$2,654

Table 6 shows the history of average PYAC claim cost increases with the PYAC one year percentage change. For the 2015-17 biennium, the Department is projecting a two percent growth in prior year aidable costs based on the recent one year trend. This projection is in line with expected inflation over the 2015-17 biennium.

**Table 6**

Aid Year	Average PYAC per Claim	1 yr % change
2003-2004	\$8,738	
2004-2005	\$9,595	9.81%
2005-2006	\$10,494	9.37%
2006-2007	\$10,318	-1.68%
2007-2008	\$10,972	6.34%
2008-2009	\$11,246	2.49%
2009-2010	\$11,023	-1.98%
2010-2011	\$10,830	-1.75%
2011-2012	\$11,430	5.54%
2012-2013	\$11,518	0.77%
2013-2014	\$11,748	1.99%

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6003*)

**Subject:** High Cost Special Education Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the Additional special education aid (“high-cost”) appropriation be changed to reimburse 100 percent of eligible prior year costs above the \$30,000 high-cost threshold (i.e. fully funded). The Department also requests the appropriation be changed to be sum sufficient.

**Related Stat. Citations:**

The Department is requesting the following:

- i. Remove “0.90 multiplied by that portion of” in s. 115.881 (2), Wis. Stats.
- ii. Delete s. 115.881 (3), Wis. Stats.
- iii. Change appropriation in s. 20.255 (2) (bd), Wis. Stats., to be sum sufficient.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6004 – SUPPLEMENTAL SPECIAL EDUCATION CATEGORICAL AID**

**253 – Supplemental Special Education Aid  
s. 20.255 (2) (be)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$1,750,000</b>	<b>\$0</b>
<b>Less Base</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>
<b>Requested Change</b>	<b>\$0</b>	<b>-\$1,750,000</b>

**Request/Objective**

Redirect the \$1,750,000 funding in the supplemental special education categorical aid program to the State’s high-cost special education aid program s. 20.255 (2) (bd) Wis. Stats. additional (“high-cost”) special education aid, beginning in FY17.

**Problem/Background/Analysis**

The Department is requesting to redirect the \$1,750,000 funding from the supplemental special education categorical aid program to the state’s high-cost special education aid program due to the small number of districts receiving the supplemental aid in recent years, school district Maintenance of Effort (MOE) concerns and the conflict between state law and federal Individuals with Disabilities Education Act (IDEA).

Table 1 shows the history of supplemental special education aid payments and the number of Wisconsin school districts receiving aid.

**Table 1**

<b>School Year</b>	<b>Funds Appropriated</b>	<b>Total Aid Paid</b>	<b>Number Districts Receiving Aid</b>	<b>Lowest Aid Amount Received</b>	<b>Highest Aid Amount Received</b>	<b>Median Aid Amount Received</b>	<b>Average Aid Amount Received</b>
2008-09	\$1,750,000	\$1,750,000	20	\$87,500	\$87,500	\$87,500	\$87,500
2009-10	\$1,750,000	\$1,750,000	20	\$50,000	\$150,000	\$83,047	\$87,500
2010-11	\$1,750,000	\$1,750,000	26	\$50,000	\$120,095	\$60,129	\$67,308
2011-12	\$1,750,000	\$1,750,000	14	\$50,000	\$150,000	\$136,270	\$125,000
2012-13	\$1,750,000	\$1,750,000	13	\$56,932	\$150,000	\$150,000	\$134,615
2013-14	\$1,750,000	\$1,650,000	11	\$150,000	\$150,000	\$150,000	\$150,000

The Department is requesting the \$1,750,000 be added to the state’s high-cost special education categorical aid so the State does not fail to maintain state financial support (state MOE) per IDEA. In accordance with IDEA, each state must make available the same level of funds for special education every year. IDEA Part B prohibits a state from reducing state financial support for special education and related services below the amount of that support made available by the state the preceding fiscal year (20 U.S.C. §1412(a)(18); 34 C.F.R. §300.163).

If the State were to eliminate the supplemental special education aid program and not add the \$1,750,000 to another special education categorical aid program, the IDEA Part B funds awarded to the State would be reduced by the amount the State failed to meet its established level of financial support (20 U.S.C. §1412(a)(18)(B)).

The high-cost special education aid program provides funding for Wisconsin’s highest need, highest cost students with disabilities and impacts a significantly larger number of school districts (approximately 150 districts) compared to the supplemental special education aid program.

The current supplemental special education aid program presents the following challenges:

*Consistency and Predictability*

School districts find it difficult to predict their eligibility and/or aid payment because the aid payment amount is affected by the eligibility numbers of other school districts and due to complex and unfamiliar cost calculations.

By design, the supplemental special education aid formula redistributes money among the pool of eligible school districts from the larger districts to smaller districts (i.e. the \$50,000 minimum and \$150,000 maximum aid payment). The amount of money redistributed has increased in recent years due a decline in the number of eligible school districts.

Under current law, one of the three eligibility criteria looks at special education costs as a share of a school district's total expenditures. The Department uses Total District Cost determined in the Comparative Cost calculation and published in public data sources for the school districts total expenditures. Total District Cost is a complex calculation and is not calculated and available to determine school district eligibility until final audited financial data is available in the spring.

*Maintenance of Effort (MOE)*

The timing of the aid payment combined with difficulty of school districts projecting eligibility and estimating the aid payment amount impact the school district's ability to manage MOE. MOE is a serious issue for Local Education Agencies (LEAs) which can result in a loss of federal aid. School districts are told around May 1st if they are eligible for the supplemental special education aid program and the payment amount. This timing leaves school districts just two months to manage the effect of the aid on MOE within their school district budgets. Eligible school districts are not required to accept the aid.

Additionally, a recent change in MOE compliance has increased school district concern around managing the effect of this aid program payment and MOE within their school district budgets. On September 18, 2013, the U.S. Office of Special Education and Rehabilitative Services (OSERS) published a Notice of Proposed Rule Making in the Federal Register on changes to the IDEA regulations regarding LEA MOE Eligibility and Compliance. Through this notice, OSERS clarified what is considered the "comparison" year for both the compliance and eligibility testing. Previously, the Department examined the four comparison tests, and if any of the four tests had been met (meaning an increase in spending over the prior year), then the LEA met MOE compliance. OSERS clarified that the determination for compliance is that there had been no decrease in expenditures below the past year and for an LEA to pass a test, that in the past year, that test was also met over the previous year.

*Individuals with Disabilities Education Act (IDEA) Conflict*

Under current law s. 115.883 Wis. Stats., school districts cannot receive both supplemental special education aid and additional "high-cost" special education aid. School districts may receive either supplemental special education aid or high-cost special education aid in a given year. According to the Department's Division of Learning Support Special Education team, current state law prohibiting receipt of both supplemental and high-cost aid would not be supported by the federal IDEA. The federal Office of Special Education Programs (OSEP) could object to any prohibition of an eligible LEA from accepting high-cost aid.

Table 2 on the following page shows the history of supplemental special education categorical aid since the aid program inception in FY09. In FY09, the first year of operation, 20 school districts were approved for reimbursement, eligible claims under the new program totaled \$45.5 million, aid payments were prorated at approximately 3.8 percent, and each school district received \$87,500. In FY14, 11 school districts were approved for reimbursement, eligible claims totaled \$25.2 million, aid payments were prorated at approximately 6.5 percent, each school district received \$150,000, and \$100,000 was lapsed.

**Table 2**

School District	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	# Times District Received Aid	Total Aid Paid to District	Avg Aid Payment Paid to District	Average Membership over past 3 years	District Type K-8, 9-12 or K-12
Edgerton	\$87,500	\$150,000	\$120,095	\$150,000	\$150,000	\$150,000	6	\$807,595	\$134,599	1,834	K-12
Hartford J1	\$87,500	\$150,000	\$112,536	\$150,000	\$150,000	\$150,000	6	\$800,036	\$133,339	1,758	K-8
Crandon		\$80,920	\$59,800	\$129,222	\$150,000	\$150,000	5	\$569,941	\$113,988	926	K-12
Mayville	\$87,500	\$91,708	\$65,831	\$142,766	\$150,000		5	\$537,806	\$107,561	1,265	K-12
Two Rivers Public	\$87,500	\$150,000	\$109,302	\$150,000	\$150,000		5	\$646,802	\$129,360	1,727	K-12
Bristol #1		\$50,000	\$50,000	\$78,475	\$102,740		4	\$281,215	\$70,304	703	K-8
Clintonville	\$87,500	\$134,485	\$95,185		\$150,000		4	\$467,170	\$116,792	1,403	K-12
Gillett			\$50,000	\$90,505	\$138,642	\$150,000	4	\$429,147	\$107,287	600	K-12
North Fond du Lac			\$69,530	\$150,000	\$150,000	\$150,000	4	\$519,530	\$129,883	1,225	K-12
Oconto Unified			\$68,536	\$148,250	\$150,000	\$150,000	4	\$516,786	\$129,197	1,091	K-12
Woodruff J1	\$87,500	\$60,484	\$50,000			\$150,000	4	\$347,984	\$86,996	517	K-8
Bloomer	\$87,500	\$96,787	\$65,161				3	\$249,448	\$83,149	1,177	K-12
Cornell	\$87,500	\$59,344	\$50,000				3	\$196,844	\$65,615	421	K-12
Horicon	\$87,500	\$87,243	\$55,347				3	\$230,090	\$76,697	757	K-12
Neillsville	\$87,500	\$95,502	\$65,754				3	\$248,756	\$82,919	1,004	K-12
Stanley-Boyd Area	\$87,500	\$81,491	\$54,514				3	\$223,505	\$74,502	997	K-12
Thorp	\$87,500	\$50,000	\$50,000				3	\$187,500	\$62,500	584	K-12
Boscobel Area					\$129,412	\$150,000	2	\$279,412	\$139,706	859	K-12
Cameron		\$61,732		\$106,907			2	\$168,639	\$84,319	1,053	K-12
Fennimore Community					\$122,275	\$150,000	2	\$272,275	\$136,137	778	K-12
Grantsburg			\$56,115	\$129,774			2	\$185,889	\$92,944	1,416	K-12
Mineral Point Unified	\$87,500	\$65,194					2	\$152,694	\$76,347	733	K-12
Mondovi	\$87,500	\$100,507					2	\$188,007	\$94,004	990	K-12
Neosho J3		\$50,000		\$50,000			2	\$100,000	\$50,000	198	K-8
Northern Ozaukee			\$62,733	\$124,101			2	\$186,834	\$93,417	1,374	K-12
Richland				\$150,000		\$150,000	2	\$300,000	\$150,000	1,362	K-12
Salem		\$84,603	\$60,459				2	\$145,062	\$72,531	1,022	K-8
Algoma	\$87,500						1	\$87,500	\$87,500	637	K-12
Cadott Community	\$87,500						1	\$87,500	\$87,500	889	K-12
Columbus						\$150,000	1	\$150,000	\$150,000	1,218	K-12
Gilman	\$87,500						1	\$87,500	\$87,500	379	K-12
Lake Mills Area	\$87,500						1	\$87,500	\$87,500	1,412	K-12
Lena			\$50,000				1	\$50,000	\$50,000	401	K-12
Loyal		\$50,000					1	\$50,000	\$50,000	540	K-12
Luxemburg-Casco			\$97,632				1	\$97,632	\$97,632	1,894	K-12
North Lake					\$56,932		1	\$56,932	\$56,932	400	K-8
Peshtigo			\$58,149				1	\$58,149	\$58,149	1,270	K-12
Pittsville	\$87,500						1	\$87,500	\$87,500	622	K-12
Random Lake			\$55,107				1	\$55,107	\$55,107	892	K-12
Southwestern Wisconsin			\$50,000				1	\$50,000	\$50,000	566	K-12
Sturgeon Bay	\$87,500						1	\$87,500	\$87,500	1,232	K-12
Viroqua Area			\$68,214				1	\$68,214	\$68,214	1,128	K-12
<b>Number Districts Paid</b>	<b>20</b>	<b>20</b>	<b>26</b>	<b>14</b>	<b>13</b>	<b>11</b>					
<b>Average Aid Payment Per District</b>	<b>\$87,500</b>	<b>\$87,500</b>	<b>\$67,308</b>	<b>\$125,000</b>	<b>\$134,615</b>	<b>\$150,000</b>					
<b>Median Aid Payment Per District</b>	<b>\$87,500</b>	<b>\$83,047</b>	<b>\$60,129</b>	<b>\$136,270</b>	<b>\$150,000</b>	<b>\$150,000</b>					
<b>Total Paid</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,650,000</b>					
<b>Average per District Prior Year Special Education Costs</b>	<b>\$2,273,900</b>	<b>\$2,154,442</b>	<b>\$2,263,252</b>	<b>\$2,454,903</b>	<b>\$2,340,349</b>	<b>\$2,289,300</b>					
<b>Total All Districts Prior Year Special Education Total Costs</b>	<b>\$45,477,996</b>	<b>\$43,088,835</b>	<b>\$58,844,552</b>	<b>\$34,368,646</b>	<b>\$30,424,535</b>	<b>\$25,182,297</b>					
<b>Average Proration Rate</b>	<b>3.85%</b>	<b>4.06%</b>	<b>2.97%</b>	<b>5.09%</b>	<b>5.75%</b>	<b>6.55%</b>					

The Department is requesting the supplemental special education aid program GPR funding be redirected to the state's high-cost special education aid program beginning in FY17. The request is to reduce s. 20.255 (2) (be) Wis. Stats. supplemental special education by \$1,750,000 GPR and add \$1,750,000 GPR to s. 20.255 (2) (bd) Wis. Stats. additional special education aid.

**Statutory Language**

The Department is proposing statutory language for this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6004*)

**Subject:** Supplemental Special Education Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department request to remove all statutory language for the supplemental special education aid program, effective FY17.

**Related Stat. Citations:**

The Department is requesting the following be removed effective FY17:

- i. s. 115.883, Wis. Stats., Supplemental special education aid.
- ii. s. 115.881 (4), Wis. Stats.
- iii. Appropriation in s. 20.255 (2) (be), Wis. Stats.



**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6005 – SPECIAL EDUCATION OPEN ENROLLMENT**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$0</b>	<b>\$0</b>

**Request**

Beginning with FY17, change the Wisconsin public school open enrollment program to eliminate undue financial burden and establish a \$12,000 open enrollment transfer amount for students with disabilities.

**Problem/Background**

Some parents and advocates of students with disabilities state students with disabilities are disproportionately denied open enrollment and high-cost students with disabilities can rarely access open enrollment.

Open enrollment denial rates confirm students with disabilities are denied at a higher rate than students without disabilities (see appendix A-1 through A-2 for breakout of denial reasons):

<b>Timeframe</b>	<b>Number Applications</b>		<b>Percentage Denied By Either the Nonresident or Resident District</b>	
	<b>Students with Disabilities</b>	<b>Students without Disabilities</b>	<b>Students with Disabilities</b>	<b>Students without Disabilities</b>
2013-14	5,822	37,107	38.82%	29.10%
2012-13	6,227	39,453	40.52%	29.89%
2011-12	4,749	31,417	40.07%	27.81%
2010-11	4,168	28,423	40.36%	25.55%

\*Beginning 2011-12, applications submitted under alternative application procedure included in numbers.

This request to change the Wisconsin public school open enrollment program for students with disabilities would be implemented beginning FY17 with the goal of improving access to the Wisconsin public school open enrollment program for students with disabilities and reducing the open enrollment denial rate gap between students with disabilities and students without disabilities.

Key open enrollment changes for students with disabilities include:

- Eliminate undue financial burden denial.
- Create \$12,000 transfer amount.
- Address Maintenance of Effort issue.
- Allow nonresident school districts to retain special education categorical aids for open enrolled students with disabilities, including aid for special transportation.
- Fully fund high-cost special education categorical aid and increase special education categorical aid (see Decision Item Narratives 6002 and 6003).

School districts determine the special education space available for open enrollment and could limit space if there is a cost burden for accepting open enrolled students with disabilities. Therefore, the denial rate gap may not improve if the State's two main special education categorical aids are not increased: (1) aid for special education and school age parents programs and (2) additional special education aid (high-cost). In addition, high-cost students with disabilities may have less access to open enrollment compared to other students with disabilities if additional special education aid (high-cost) is not fully funded and not changed to a sum sufficient appropriation.

## Proposal

### ***Eliminate Undue Financial Burden Denial***

Under this request, resident school districts would no longer be able to deny students open enrollment for undue financial burden reasons. Starting in FY17, nonresident school districts would no longer create and send an estimate of cost of the actual, additional costs to provide special education and related services required in the student's Individualized Education Program (IEP) to the resident school district. Resident school districts would not be able to deny a student with a disability open enrollment for cost reasons.

### ***Open Enrollment Transfer Amount for Students with Disabilities***

This request would create a new transfer amount of \$12,000 for open enrolled students with disabilities, as defined by s. 115.76 (5) Wis. Stats. Under subchapter V of Ch. 115, Wis. Stats., a student with an impairment and a need for special education is determined to be a student with a disability and an IEP is developed. Beginning in FY17, nonresident school districts would no longer bill the resident school district for the open enrollment transfer amount plus any actual, additional costs to provide special education for open enrolled students with disabilities, as under current law.

The Department would make the aid transfer payments beginning FY17 for all open enrolled students with disabilities as it does today for open enrolled non-disabled students. The aid transfer would be an adjustment to the district's state general school aid payments as is currently done for open enrolled students without disabilities. The nonresident school district would apply the open enrollment transfer amount payments for all students to their general fund (fund 10). The Department would make the aid transfer payment for all students regardless if they were newly open enrolled or continuing open enrollment from prior school years.

The transfer amount would be the same for all students with disabilities, and it would provide funding for school district programs. The transfer amount is not tied to the specific costs or needs of an individual student following the same principle as the transfer amount under current law for students without disabilities. The transfer amount for open enrolled students with disabilities would be increased in future biennia by the same dollar amount as the increase in the open enrollment transfer amount for students without disabilities.

The transfer amount of \$12,000 is intended to represent regular education costs of special education students. The Department reviewed the state average per pupil regular education cost of all students (\$10,600) and the median district per pupil regular education cost of special education students (\$13,200) to arrive at the regular education cost of special education students. The average of these number recognizes differences in cost structures for school districts (i.e. large versus small, urban versus rural, etc).

- The \$10,600 state average per pupil regular education cost = (school statewide gross property tax levy + total general school aid + high poverty aid)/total statewide membership.
- The \$13,200 median district per pupil regular education cost = \$24,500 median total cost regular and special education instructional and support services – \$11,300 average special education claim.

The resident school district would count the open enrolled student with a disability for membership purposes for both state aid and revenue limit purposes. The resident school district would not claim state special education categorical aid for the open enrolled student or use their federal Individuals with Disabilities Education Act (IDEA) grant to pay for the \$12,000 transfer amount.

### ***Special Education Services and Space***

Under this request, Wisconsin school districts would continue to designate available regular education and special education spaces for open enrollment students each year as they do under current law. Students would continue to apply for open enrollment as they do under current law.

For students with disabilities who are not currently open enrolled in the nonresident school district, the resident school district would send a copy of the student's IEP to the nonresident school district. The nonresident school district would not send a cost estimate to the student's resident school district and no longer be able to deny an open enrollment application for undue financial burden reasons.

An open enrollment application may only be denied (1) if the nonresident school district does not have the special education program or space for the student, (2) if the student has been referred for an initial special education evaluation by the resident school district that has not been completed, or (3) for non-special education reasons, such as lack of regular education space in the student's grade.

If an IEP is newly developed or revised after a student begins attending a nonresident school district under open enrollment, the nonresident school district may consider whether the special education required in the new or revised IEP is available in the district or whether there is space in the required special education program. If special education services or space are not available, the nonresident school district may require the student to return to the resident school district.

If an IEP is newly developed or revised after a student begins attending a nonresident school district under open enrollment and special education services and space are available, the student would continue to open enroll in the nonresident school district. Nonresident school districts would no longer submit a cost estimate based on the new or revised IEP and the resident school district would not consider whether the cost of the special education required in the new or revised IEP is an undue financial burden and if so require the student to return to the resident school district.

### ***Membership and Maintenance of Effort (MOE)***

Under this request, the special education (fund 27) fiscal responsibility would shift from the resident school district to the nonresident school district when a student with a disability open enrolls to the nonresident school district. The resident school district would count the open enrolled student with a disability for membership purposes for both state aid and revenue limit purposes but would not count the student in their MOE child count. The nonresident school district accepting the open enrolled student with a disability would not count the student for membership purposes but would count the student in their MOE child count. The nonresident school district would apply the open enrollment transfer amount payments for all students to their general fund (fund 10).

### ***Special Transportation***

As required per current law, parents would provide transportation for the open enrolled student with a disability unless transportation is required in the student's IEP. Parents who provide transportation and are eligible for free or reduced-price lunch may receive reimbursement for those costs in the same manner as the current law open enrollment transportation assistance program.

For open enrolled students with transportation required in the IEP as a related service, the nonresident school district would still provide the transportation. Under this request, the nonresident school district would not submit a cost estimate to the resident school district for any actual, additional transportation costs or bill the resident school district for these costs. These nonresident school district transportation costs would be eligible for reimbursement under both of the States' regular and high-cost special education categorical aid programs.

The Department is requesting additional special education aid (high-cost) be fully funded and that the appropriation be sum sufficient to improve access for some students with disabilities who are high-cost in part due to transportation costs in a separate budget decision item. (See Decision Item Narrative 6003)  
Transportation costs below the \$30,000 high-cost threshold would be eligible for reimbursement under the aid for special education and school age parents programs (See Decision Item Narrative 6002).

### ***Nonresident School District Special Education Costs***

Under this request, special education costs of open enrolled students with disabilities allowable under the States' special education categorical aid programs can be submitted to the Department for reimbursement and retained by the nonresident school district (i.e. the nonresident school district would no longer pay this aid back to the resident school district). The nonresident school district can also use its federal IDEA grant to pay for allowable costs of the open enrolled students with disabilities. Examples of allowable costs include special education paraprofessionals, assistive technology, physical and occupational therapy, special transportation, etc.

**Free, appropriate public education (FAPE)**

No change. The nonresident school district is responsible to provide FAPE to an open enrolled student with a disability. When a student with a disability begins attending a nonresident school district, the district must provide services comparable to the student's IEP until such time as the nonresident school district revises the IEP.

**Statutory Language**

The Department is proposing statutory language related to this request.

OPEN ENROLLMENT APPROVALS AND DENIALS - SPECIAL EDUCATION AND NOT SPECIAL EDUCATION - INCLUDING ALTERNATIVE APPLICATIONS

APPROVALS AND DENIALS	SPED			NONSPED			TOTAL		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Total Applications	4,749	6,227	5,822	31,417	39,453	37,107	36,166	45,680	42,929
% of Total Applications	13.13%	13.63%	13.56%	86.87%	86.37%	86.44%			
Nonresident Approved or Not Denied	3,048	3,915	3,718	22,745	27,854	26,464	25,793	31,769	30,182
% Approved	64.18%	62.87%	63.86%	72.40%	70.60%	71.32%	71.32%	69.55%	70.31%
Nonresident Denied	1,701	2,312	2,104	8,672	11,599	10,643	10,373	13,911	12,747
% Denied	35.82%	37.13%	36.14%	27.60%	29.40%	28.68%	28.68%	30.45%	29.69%
Resident Approved or Not Denied	4,272	5,636	5,436	31,187	39,062	36,802	35,459	44,698	42,238
% Approved	89.96%	90.51%	93.37%	99.27%	99.01%	99.18%	98.05%	97.85%	98.39%
Resident Denied	477	591	386	230	391	305	707	982	691
% Denied	10.04%	9.49%	6.63%	0.73%	0.99%	0.82%	1.95%	2.15%	1.61%
Approved by Nonresident & Resident	2,846	3,704	3,562	22,679	27,659	26,308	25,525	31,363	29,870
% Approved by Both	59.93%	59.48%	61.18%	72.19%	70.11%	70.90%	70.58%	68.66%	69.58%
Denied by Either Nonresident or Resident	1,903	2,523	2,260	8,738	11,794	10,799	10,641	14,317	13,059
% Denied by Either	40.07%	40.52%	38.82%	27.81%	29.89%	29.10%	29.42%	31.34%	30.42%

NONRESIDENT DISTRICT REASONS FOR DENIAL	SPED			NONSPED			TOTAL		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
NONSPED Reasons Only	403	806	760	8,672	11,599	10,643	9,075	12,405	11,403
% Denied NONSPED Reasons	23.69%	34.86%	36.12%	100.00%	100.00%	100.00%	87.49%	89.17%	89.46%
SPED Reasons Only	983	1,055	1,027	0	0	0	983	1,055	1,027
% Denied SPED Reasons Only	57.79%	45.63%	48.81%	0.00%	0.00%	0.00%	9.48%	7.58%	8.06%
SPED and NONSPED Reasons	315	451	317	0	0	0	315	451	317
% Denied SPED and NONSPED Reasons	18.52%	19.51%	15.07%	0.00%	0.00%	0.00%	3.04%	3.24%	2.49%
Specific Reasons for Denial									
SPED Space Is Not Available	946	1,259	1,130	0	0	0	946	1,259	1,130
SPED Services Not Available	253	197	167	0	0	0	253	197	167
Referred for Special Education Evaluation	119	81	75	0	0	0	119	81	75
Regular Ed Space Is Not Available	627	1,017	920	8,206	10,754	9,823	8,833	11,771	10,743
Expelled or Habitual Truant	70	122	62	197	321	500	267	443	562
4K Not Offered in Resident District	9	20	8	161	151	129	170	171	137
Other (Late, Incomplete, Too Old, Too Young)	16	66	39	140	258	245	156	324	284
Not in Best Interest or Criteria Do Not Apply (Alt Apps)	2	60	56	5	171	229	7	231	285

RESIDENT DISTRICT REASONS FOR DENIAL	SPED			NONSPED			TOTAL		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Undue Financial Burden	458	501	332	0	0	0	458	501	332
4K Not Offered in Resident District	9	18	12	165	146	111	174	164	123
Other (Late, Incomplete, Too Old, Too Young)	9	30	4	55	62	31	64	92	35
Not in Best Interest or Criteria Do Not Apply (Alt Apps)	5	58	38	16	187	163	21	245	201

NOTE: A "SPED" application is one which the parent answered "yes" to one or more of three questions on the open enrollment application (does the child have an IEP, is the child receiving special education or has the child been referred for a special education evaluation) or one that was denied for a special education reason even though the parent responded "no" to all three questions or did not respond.

Beginning 2011-12, applications submitted under alternative application procedure included in numbers.

**Appendix A-2**

**Denials – Undue Financial Burden & SPED Reasons**

	Resident District Total Denials	% Denied for Undue Financial Burden	Nonresident District Total Denials	% Denied for SPED Reasons Only
2013-14	386	93.37%	2,104	48.81%
2012-13	591	90.51%	2,312	45.63%
2011-12	477	89.86%	1,701	57.79%
2010-11	329	92.11%	1,524	50.92%

Note: A student may apply to up to three nonresident school districts. The above data reflects denial of applications, not of individual students. An individual application can be denied by the resident or nonresident district, or both; a student may be approved by one nonresident district but denied by another. Therefore, the number of resident district and nonresident district denials added together will not match the number of applications denied.

**Appeals – Undue Financial Burden**

Appeal Outcome	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Post Enrollment – Affirmed</b>	0	1	1	1	1
<b>Post Enrollment – Dismissed</b>	2	0	1	0	2
<b>Post Enrollment – Overturned</b>	0	0	1	0	0
<b>Affirmed</b>	6	6	7	16	3
<b>Closed</b>	4	6	23	10	2
<b>Dismissed</b>	9	8	14	23	13
<b>Overturned</b>	6	13	6	8	12
<b>Total</b>	<b>27</b>	<b>34</b>	<b>53</b>	<b>58</b>	<b>31</b>

\*Affirmed – the Department affirmed the district’s denial.

\*Dismissed – an appeal is usually dismissed for one of the following reasons: the appeal was resolved by the two parties prior to the Department making a ruling; or the appeal concerned denial of 4K from a resident district that does not offer 4K.

\*Overturned – the Department overturned the district’s denial.

\* Closed – the Department closed the appeal because the appeal did not meet minimum requirements for filing.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6005*)

**Subject:** Special Education Open Enrollment

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department is proposing statutory language changes to create a new open enrollment transfer amount of \$12,000 for all open enrolled students with disabilities who receive special education or related services beginning FY17. The open enrollment transfer amount for students with disabilities would increase in future biennia by the same amount as increases to the transfer amount for students without disabilities.

**Related Stat. Citations:**

Under s. 118.51 (16), Wis. Stats., add language to create a new open enrollment transfer amount of \$12,000 for all open enrolled students with disabilities beginning FY17.

Eliminate the following:

- i. Estimate of costs s. 118.51 (12) (am), Wis. Stats.
- ii. Undue financial burden s. 118.51 (12) (b), Wis. Stats., and references to s. 118.51 (12) (b), Wis. Stats., in s. 118.51 (3) (a) 4., Wis. Stats., and s. 118.51 (9), Wis. Stats.
- iii. SPECIAL EDUCATION TUITION s. 118.51(17), Wis. Stats.
- iv. ALTERNATIVE APPLICATION PROCEDURES UNDER CERTAIN CIRCUMSTANCES s. 118.51(3m) (d) 2., Wis. Stats.

# CAREER READINESS

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6008 – SPECIAL EDUCATION BETTER BOTTOM LINE TRANSITIONS

#### 256– Aid for Special Education Transitions s. 20.255 (2) (bf)

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Funding</b>	<b>\$0</b>	<b>\$5,848,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$5,848,000</b>

#### Request/Objective

The Department requests \$5,848,000 GPR in FY17 for a new grant to provide a \$1,000 per student incentive payment to school districts based on post-secondary education and employment outcomes for students with disabilities.

#### Problem/Background

Too few Wisconsin special education students are successfully transitioning to competitive work and post-secondary education per the Individuals with Disabilities Education Act (IDEA) post-secondary outcomes Indicator 14.

Wisconsin's Post High School Outcomes Survey for students with disabilities (Indicator 14) shows the following for survey years 2010 to 2014:

- A survey response rate of slightly more than 50 percent in 2014 and approximately 33 percent in prior years.
- A decline in Indicator 14 reporting categories A, B and C.
- For 2014, 46 percent (770 students) did not respond to the survey, 22 percent (199 students) surveyed did not meet any Indicator 14 categories and 24 percent (21 students) of those employed per category C were paid less than minimum wage.

2010 - 2014 Wisconsin LEA & SEA Indicator 14 Report of 2008-09 to 2012-13 Exiters, Unduplicated LEA Report					
Survey Year	Exit Year	Survey Response Rate %	Indicator 14-A (Higher Ed)	Indicator 14-B (Higher Ed + Comp Emp)	Indicator 14-C (Higher Ed + Comp Emp + Other Ed or Tr + Other Emp)
2010	2008-09	31%	39.44%	66.52%	79.89%
2011	2009-10	31%	41.52%	69.57%	83.26%
2012	2010-11	33%	34.62%	64.52%	78.83%
2013	2011-12	40%	29.82%	59.35%	72.86%
2014	2012-13	54%	27.51%	64.83%	77.56%

School districts can use outcomes data, which can be disaggregated by gender, ethnicity/race, disability category and exit reason to understand trends, identify gaps, make data driven program decisions, and establish benchmarks for improvement.

This new incentive-based grant program would be a win for Wisconsin students, for schools, and for industry. The program would incentivize school districts to better prepare more students with disabilities for higher education and workforce opportunities paying at or above minimum wage.

This grant program supports both the Governor's Better Bottom Line initiative to increase employment among people with disabilities and the State Superintendent's mission to ensure all children, including students with disabilities, graduate ready for college or a career.



## Proposal

The Department is requesting a new grant program to provide incentive payments to districts based on post-secondary outcomes for students with disabilities. All Wisconsin school districts and 2r-Independent Charters with a secondary population would be eligible for the incentive awards; there would be no application process.

Districts would receive payments based on student outcomes for IDEA Indicator 14 benchmarks for any year they survey students and report data and would be required to spend the awards on special education services.

Eligible student outcomes include: enrolled in higher education or in other post-secondary education or training; competitively employed or in other employment within one year of leaving high school (see Appendix A).

The incentive payment would be \$1,000 for each eligible student outcome where the wage paid for students who are employed or in training programs is at least minimum wage.

Some examples of activities and purposes for which districts could use incentive payments include:

- Purchase van for transporting students with disabilities to jobs.
- Pay for job coaches to work with students at job sites outside standard school hours (i.e. nights, weekends, summer).
- Create and run businesses within schools (i.e. school store, school t-shirt business, school concessions at sporting events, etc) to train and employ students with disabilities.
- Add additional teachers and paraprofessionals in classrooms to enhance learning experiences to improve transition and secondary outcomes for students with disabilities.
- Offer additional resources for college prep and Advanced Placement (AP) courses for students with disabilities (i.e. specific study hall sections for college prep and AP classes with additional teacher in classroom).
- Create and offer ACT study/prep sessions specifically for students with disabilities.
- Conduct data workshops to review outcomes and trends for students with disabilities to develop and implement special education program improvements.

The Department estimated \$5,848,000 GPR per fiscal year as follows:

- School districts and 2r-Independent Charters survey students annually.
- The number of students surveyed is based on the average child count numbers for students with disabilities in special education projected to graduate in 2014-15 and 2015-16.
- 80 percent survey response rate, improving upon the increasing response rate over the past two years.
- 85 percent of students meeting Indicator 14-C of 85 percent, improving upon the past five year average of 79 percent.
- All students in Indicator 14-C other employment or training are paid at or above minimum wage, improving upon the past five year average of 19 students in this category being paid less than minimum wage.
- Incentive payment amount is \$1,000.

Average Number Students with Disabilities projected to graduate in 2014-15 and 2015-16 and surveyed in 2016 and 2017 (based on child count numbers)	8,600
Multiple by 80% for survey response rate	6,880
Multiple by 85% for success on Indicator 14-C	5,848
Per Student Incentive Payment Amount	\$1,000
Multiple by per student payment for incentive program cost	<b>\$5,848,000</b>

## Statutory Language

The Department is proposing statutory language for this request.

## Appendix A - Indicator 14 – Background

Indicator 14 data collection is required per federal law under IDEA. Indicator 14 is an unduplicated count of the percent of youth who are no longer in secondary school, had Individualized Education Programs (IEPs) in effect at the time they left school, and were:

- A. Enrolled in higher education within one year of leaving high school.
- B. Enrolled in higher education or competitively employed within one year of leaving high school.
- C. Enrolled in higher education or in some other post-secondary education or training; or competitively employed or in some other employment within one year of leaving high school.

## Indicator 14 for Federal Reporting

1 = # Higher Ed	2 = # Competitive Employed	3 = # Postsecondary Education or Training	4 = # Other Employed	# Other or Not Engaged  (States are not required to report this # but it is in the denominator)
A = 1/ Total respondents				
B = 1+2/ Total respondents				
C = 1+2+3+4/ Total respondents				
Total Respondents				

One year after leaving high school, students who were receiving special education services at the time of graduation are contacted, or attempted to be contacted, and asked questions about what they have been doing since graduation from high school. The following are definitions for some of the terms used in the questions:

- Higher education means that the student has been enrolled on a full-time or part-time basis in a community college (2-year program) or college/university (4- or more year program) for at least one complete term, at any time in the year since leaving high school.
- Competitive employment means that the student has worked for pay at or above the minimum wage, in a setting with others who are nondisabled, for a period of 20 hours a week for at least 90 days at any time in the year since leaving high school. This includes military employment, supported employment, self-employment or a family business if criteria of competitive employment are met.
- Post-secondary education or training means that the student has been enrolled on a full-time or part-time basis for at least one complete term at any time in the year since leaving high school in an education or training program (e.g., Vista, Peace Corps, AmeriCorps, compensatory education, Job Corps, adult education, workforce development program, vocational technical school which is less than a 2-year program, and other programs).
- Other employment means that the student has worked for pay or been self-employed for a period of at least 90 days at any time in the year since leaving high school. This includes working in a family business (e.g., farm, store, fishing, ranching, catering services, etc.), includes sheltered employment, volunteer, self-employment, work out of one's home, other employment settings if competitive employment criteria are not fully met.

School districts with a secondary population are required under IDEA to survey and report Indicator 14 data. All school districts survey and report data once every five years. As a result, every year 20 percent of districts (approximately 80 high schools) report on Indicator 14. However, Milwaukee Public Schools (MPS) must survey and report data annually, and all other school districts can voluntarily survey and report data any year. School districts can participate in the statewide survey or conduct the survey themselves following the same parameters. The 2013-14 school year was the first year districts could choose to conduct the survey themselves and the overall survey response rate increased significantly.

See following page for Indicator 14 data for survey years 2010-2014.

## Appendix A-1 IDEA Indicator 14 Survey Results

Survey Year	Exit Year	# Student Surveys Completed	# Students Eligible to be Surveyed	Survey Response Rate %	Indicator 14-A (Higher Ed)	Indicator 14-B (Higher Ed + Comp Emp)	Indicator 14-C (Higher Ed + Comp Emp + Post-Secondary Ed or Tr + Other Emp)	Indicator A		Indicator B		Indicator C					
								Higher Education		Competitive Employment		Post-Secondary Education or Training		Other Employment		Not Engaged	
2010	2008-09	890	2,857	31%	39.44%	66.52%	79.89%	351	39.44%	241	27.08%	18	2.02%	101	11.35%	179	20.11%
2011	2009-10	460	1,466	31%	41.52%	69.57%	83.26%	191	41.52%	129	28.04%	16	3.48%	47	10.22%	77	16.74%
2012	2010-11	699	2,134	33%	34.62%	64.52%	78.83%	242	34.62%	209	29.90%	23	3.29%	77	11.02%	148	21.17%
2013	2011-12	711	1,757	40%	29.82%	59.35%	72.86%	212	29.82%	210	29.54%	22	3.09%	74	10.41%	193	27.14%
2014	2012-13	887	1,657	54%	27.51%	64.83%	77.56%	244	27.51%	331	37.32%	25	2.82%	88	9.92%	199	22.44%

Note: Exit year is the school year the youth with IEPs left school (i.e. graduated with a regular high school diploma, received a certificate, reached maximum age(21), dropped out).

- Higher education means that the student has been enrolled on a full-time or part-time basis in a community college (2-year program) or college/university (4- or more year program) for at least one complete term, at any time in the year since leaving high school.
- Competitive employment means that the student has worked for pay at or above the minimum wage, in a setting with others who are nondisabled, for a period of 20 hours a week for at least 90 days at any time in the year since leaving high school. This includes military employment, supported employment, self-employment or a family business if criteria of competitive employment are met.
- Post-secondary education or training means that the student has been enrolled on a full-time or part-time basis for at least one complete term at any time in the year since leaving high school in an education or training program (e.g., Vista, Peace Corps, AmeriCorps, compensatory education, Job Corps, adult education, workforce development program, vocational technical school which is less than a 2-year program, and other programs).
- Other employment means that the student has worked for pay or been self-employed for a period of at least 90 days at any time in the year since leaving high school. This includes working in a family business (e.g., farm, store, fishing, ranching, catering services, etc.), includes sheltered employment, volunteer, self-employment, work out of one's home, other employment settings if competitive employment criteria are not fully met.
- Not engaged means does not meet criteria for Indicator 14-C (higher education, competitive employment, post-secondary education or training, or other employment).

## Appendix B - Projected School Districts Incentive Payments

School District Name	Incentive Payment	School District Name	Incentive Payment	School District Name	Incentive Payment	School District Name	Incentive Payment	School District Name	Incentive Payment
Adams-Friendship Area School	\$16,000	Durand School District	\$10,500	Little Chute Area School District	\$8,500	Oconto Unified School District	\$8,000	Sun Prairie Area School District	\$34,500
Altoona School District	\$7,500	East Troy Community School District	\$7,000	Lodi School District	\$12,000	Onalaska School District	\$11,000	Superior School District	\$35,500
Amery School District	\$13,000	Eau Claire Area School District	\$64,500	Luxemburg-Casco School District	\$11,000	Oregon School District	\$18,500	Tomah Area School District	\$19,500
Antigo Unified School District	\$23,500	Edgerton School District	\$14,500	Madison Metropolitan School District	\$241,500	Osceola School District	\$12,500	Tomahawk School District	\$9,000
Appleton Area School District	\$95,000	Elk Mound Area School District	\$7,000	Manitowoc School District	\$49,000	Oshkosh Area School District	\$77,500	Two Rivers Public School District	\$16,500
Arrowhead UHS School District	\$31,000	Elkhorn Area School District	\$11,500	Maple School District	\$10,500	Peshigo School District	\$9,000	Union Grove UHS School District	\$12,000
Ashland School District	\$18,500	Ellsworth Community School District	\$11,000	Marinette School District	\$18,000	Pewaukee School District	\$12,000	Unity School District	\$9,000
Ashwaubenon School District	\$24,000	Elmbrook School District	\$48,500	Marshfield Unified School District	\$28,500	Platteville School District	\$11,000	Valders Area School District	\$7,500
Baldwin-Woodville Area School District	\$8,000	Evansville Community School District	\$12,000	Mauston School District	\$10,500	Plymouth Joint School District	\$11,000	Verona Area School District	\$26,000
Baraboo School District	\$19,000	Fond du Lac School District	\$34,000	McFarland School District	\$33,000	Port Washington-Saukville School District	\$13,500	Viroqua Area School District	\$11,500
Barron Area School District	\$10,000	Fort Atkinson School District	\$21,500	Medford Area Public School District	\$15,500	Portage Community School District	\$18,500	Waterford UHS School District	\$12,500
Beaver Dam Unified School District	\$24,500	Franklin Public School District	\$21,500	Menasha Joint School District	\$23,500	Prairie du Chien Area School District	\$8,500	Watertown Unified School District	\$24,500
Beloit School District	\$46,500	Freedom Area School District	\$10,500	Menominee Indian School District	\$10,000	Prescott School District	\$10,500	Waukesha School District	\$84,000
Beloit Turner School District	\$7,000	Galesville-Ettrick-Trempealeau School District	\$12,000	Menomonee Falls School District	\$26,500	Pulaski Community School District	\$19,500	Waunakee Community School District	\$15,500
Berlin Area School District	\$13,500	Germantown School District	\$24,000	Menomonie Area School District	\$22,500	Racine Unified School District	\$148,500	Waupaca School District	\$14,500
Big Foot UHS School District	\$14,000	Grafton School District	\$14,000	Mequon-Thiensville School District	\$23,500	Random Lake School District	\$7,500	Waupun School District	\$10,500
Black River Falls School District	\$11,500	Grantsburg School District	\$21,500	Merrill Area School District	\$21,500	Reedsburg School District	\$22,500	Wausau School District	\$55,000
Bloomer School District	\$7,000	Green Bay Area Public School District	\$149,500	Middleton-Cross Plains Area School District	\$34,000	Rhineland School District	\$16,000	Wautoma Area School District	\$8,000
Bonduel School District	\$7,000	Greendale School District	\$13,500	Milton School District	\$15,000	Rice Lake Area School District	\$11,500	Wauwatosa School District	\$44,000
Brillion School District	\$8,500	Greenfield School District	\$24,000	Milwaukee School District	\$692,000	Richland School District	\$15,000	Webster School District	\$8,000
Brown Deer School District	\$15,500	Hamilton School District	\$18,000	Mishicot School District	\$7,000	River Falls School District	\$20,500	West Allis-West Milwaukee School District	\$65,000
Burlington Area School District	\$19,500	Hartford UHS School District	\$32,000	Monona Grove School District	\$9,000	River Valley School District	\$11,500	West Bend School District	\$46,000
Campbellsport School District	\$12,000	Hayward Community School District	\$16,500	Monroe School District	\$12,500	Rosendale-Brandon School District	\$7,000	West De Pere School District	\$20,000
Cedarburg School District	\$14,000	Holmen School District	\$26,000	Mosinee School District	\$15,500	Saint Croix Central School District	\$9,000	West Salem School District	\$8,500
Central/Westosha UHS School District	\$21,500	Hortonville Area School District	\$24,000	Mount Horeb Area School District	\$15,000	Saint Francis School District	\$12,500	Westfield School District	\$9,000
Chetek-Weyerhaeuser Area School District	\$7,500	Howard-Suamico School District	\$26,500	Mukwonago School District	\$31,000	Sauk Prairie School District	\$18,500	Whitefish Bay School District	\$14,500
Chippewa Falls Area Unified School District	\$26,500	Hudson School District	\$28,500	Muskego-Norway School District	\$21,000	Seymour Community School District	\$14,500	Whitewater Unified School District	\$20,000
Clinton Community School District	\$7,000	Janesville School District	\$84,000	Neenah Joint School District	\$42,500	Shawano School District	\$15,000	Whitnall School District	\$21,500
Clintonville School District	\$10,000	Jefferson School District	\$12,000	Neillsville School District	\$7,000	Sheboygan Area School District	\$81,000	Wilmot UHS School District	\$22,000
Colfax School District	\$7,500	Kaukauna Area School District	\$23,000	Nekoosa School District	\$12,000	Sheboygan Falls School District	\$14,000	Wisconsin Dells School District	\$11,000
Columbus School District	\$8,500	Kenosha School District	\$147,000	New Berlin School District	\$16,500	Shorewood School District	\$16,000	Wisconsin Department of Corrections	\$30,000
Crandon School District	\$7,000	Kettle Moraine School District	\$25,500	New Holstein School District	\$8,000	Slinger School District	\$15,000	Wisconsin Rapids School District	\$43,000
Crivitz School District	\$7,000	Kewaskum School District	\$12,000	New London School District	\$13,500	Somerset School District	\$12,000	Wittenberg-Biramwood School District	\$9,000
Cudahy School District	\$15,500	Kiel Area School District	\$9,500	New Richmond School District	\$18,000	South Milwaukee School District	\$20,000		
D C Everest Area School District	\$40,500	Kimberly Area School District	\$20,000	Nicolet UHS School District	\$24,000	Southern Door County School District	\$9,000		
De Forest Area School District	\$18,000	La Crosse School District	\$53,000	North Fond du Lac School District	\$13,000	Sparta Area School District	\$23,000		
De Pere School District	\$25,000	Ladysmith School District	\$7,500	Northland Pines School District	\$11,000	Spooner Area School District	\$8,500		
Delavan-Darien School District	\$16,500	Lake Geneva-Genoa City UHS School District	\$18,500	Oak Creek-Franklin Joint School District	\$22,500	Stanley-Boyd Area School District	\$7,500		
Denmark School District	\$11,500	Lake Mills Area School District	\$12,000	Oconomowoc Area School District	\$29,000	Stevens Point Area Public School District	\$38,500		
Dodgeville School District	\$9,500	Lakeland UHS School District	\$15,000	Oconto Falls Public School District	\$9,000	Stoughton Area School District	\$16,500		

Payments are based on average special education child count numbers projected for graduation (2014-15 and 2015-16) and surveyed (2016 and 2017) with 80 percent of students responding and 85 percent of students meeting Indicator 14-C (higher education, competitive employment, post-secondary education or training, or other employment paid at or above minimum wage). School districts and 2r-Independent Charters receiving less than \$7,000 are not listed for privacy reasons.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6008*)

**Subject:** Aid for Special Education Transitions

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Create an annual, local assistance, appropriation of \$5,848,000 GPR in FY17 for a new grant to provide a \$1,000 per student incentive payment to school districts based on post-secondary education and employment outcomes for students with disabilities who receive special education or related services. Specify that aid would be prorated in the event that the appropriation is insufficient to meet the eligible district claims under this program.

School districts and Independent Charters under 118.40 (2r) would be eligible to receive incentive awards.

Districts would receive payments based on student outcomes for IDEA Indicator 14 benchmarks for any year they survey students and report data and would be required to spend the awards on special education services.

Eligible student outcomes include: enrolled in higher education or in other post-secondary education or training; competitively employed or in other employment within one year of leaving high school.

The incentive payment would be \$1,000 for each eligible student outcome where the wage paid for students who are employed or in training programs is at least minimum wage.

**Related Stat. Citations:**

Create s. 20.255 (2) (bf), Wis. Stats., Aid for Special Education Transitions

Create a new program in Wis. Stats. to develop special education transitions grants.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6009 – SPECIAL EDUCATION BETTER BOTTOM LINE JOB DEVELOPMENT SPECIALISTS

#### 257– Aid for Special Education Job Development s. 20.255 (2) (bg)

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Funding</b>	<b>\$0</b>	<b>\$1,500,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$1,500,000</b>

#### Request/Objective

The Department requests \$1,500,000 GPR in FY17 for a new categorical aid program to improve special education job development capabilities of school districts and/or (Cooperative Educational Service Agencies) CESAs. This initiative will focus on creating competitive work opportunities for students with disabilities not served by existing intensive programs in other state agencies.

#### Problem

Too few Wisconsin special education students are successfully transitioning to competitive work and post secondary education (see data in DIN 6008 Special Education Better Bottom Line – Transitions).

Other Wisconsin programs (i.e. the Department of Workforce Development (DWD) Division of Vocational Rehabilitation (DVR) PROMISE, Youth On-the-Job Training (Y-OJT), etc), effectively serve a targeted and/or small subset of the 35,000 Wisconsin high school students with disabilities. For the remainder of these students, there is a lack of employment opportunities for students with disabilities to gain experience necessary to qualify for competitive employment post graduation.

#### Background

The National Collaborative on Workforce and Disability, through Issue 2 (September 2011) of the Engaging Youth in Work Experiences practice brief, states that:

*Work experiences are a critical component of preparing youth for transition to adulthood. Potential benefits for youth who participate in work experiences include: 1) gaining career readiness skills including the “soft skills” that employers look for in entry level workers; 2) increasing one’s knowledge of specific occupational skills and workplace settings; 3) establishing a work history and connections with employers that can aid in future job searches; and 3) [sic] developing an understanding of different occupations in order to make informed career choices.*

*In addition, research studies suggest that workbased learning may increase school attendance, decrease dropout rates, reduce school suspensions, and increase school engagement (Medrich, Calderon, & Hoachlander, 2002). One study found students who participated in work-based learning were more likely to attend college or go to work compared to their peers (Jobs for the Future, 2007). While work experiences are beneficial to all youth, they are particularly valuable for youth with disabilities. One of the most important findings from the research shows that work experiences for youth with disabilities during high school (paid or unpaid) help them acquire jobs at higher wages after they graduate (Colley & Jamison, 1998). Also, students who participate in occupational education and special education in integrated settings are more likely to be competitively employed than students who have not participated in such activities (Blackorby & Wagner, 1996; Colley & Jamison, 1998; Luecking & Fabian, 2000; Rogan, 1997).*

## Proposal

The Department proposes creating a special education job development pilot program to bring a focused business development role to Wisconsin school districts. This pilot program would develop ongoing relationships between school districts and businesses with the purpose of creating and maintaining jobs to integrate more students with disabilities into the workforce.

This new program supports both the Governor's Better Bottom Line initiative to increase employment for people with disabilities and the State Superintendent's mission to ensure all children, including students with disabilities, graduate ready for college or a career.

The Special Education Job Development Program would create job opportunities for high school students with disabilities in the community. Special education job development specialists would bring a business focused role to schools and CESAs to increase job opportunities for students with disabilities. They would work with employers to develop and maintain job sites to assist students with disabilities in obtaining marketable job skills while completing their high school education.

The role of the special education job development specialist would include, but not be limited to, the following:

- Develop and maintain an ongoing pipeline of employment opportunities.
- Engage and network to develop long-term employer relationships.
- Understand employer workforce needs.
- Promote and demonstrate the value to employers of working with students with disabilities.
- Market specific students to employers.
- Implement job carving strategies (i.e., working with employers to modify or restructure existing jobs or bring together a combination of job tasks that fill the work needs of an employer while capitalizing on the skills and strengths of students with disabilities).
- Manage relationships between employers and school districts.
- Track and report results to school districts and CESAs.
- Provide businesses with information regarding the Governors' Better Bottom Line Initiative and state funding available for training and hiring employees with disabilities.

The Department proposes to conduct a pilot program targeting large and small school districts in suburban, urban and rural areas geographically dispersed across Wisconsin. The Department would select pilot participants to reflect the geographic, economic and demographic diversity of the public schools in Wisconsin. The pilot would target participants with Indicator 14 results in the bottom half of school districts over the past three to five years. The pilot program would be voluntary. The Department would include individual school districts, school district groups (i.e. multiple school districts working together and sharing the job specialist) and CESAs in the pilot program, in order to assess the results of the pilot program and determine the benefits of employing the special education job development specialist within different organization structures. The pilot program would include approximately 12-15 special education job development specialists. The Department would administer and monitor the pilot program to understand results and best practices with the intent of scaling the program in the pilot areas and also in additional areas of the state in future biennia.

An individual school district, school district group, or a CESA would receive funding to employ one to two (depending on student population and geographic area) special education job development specialist(s). Funding would be used to pay for the special education job development specialist's personnel costs, including salary, travel expenses, equipment, supplies, etc.

In the event that identifying a person with expertise in both business development and special education is difficult for some school districts or CESAs, they could hire people with business development backgrounds and provide general special education training; or hire people with a special

education background and provide business development training. The special education job development specialists could have a teaching license, but this would not be a requirement.

While there are existing programs in other agencies working to place students with disabilities in jobs (i.e. the DWD DVR Wisconsin PROMISE, Y-OJT initiatives, etc), these programs serve a small subset of the approximately 35,000 Wisconsin high school students with disabilities. This new initiative would have a broader impact across a significantly larger population to create more opportunities for all students with disabilities.

The special education job development specialist role, as proposed here, is a new function and is not intended to replace a special education job coach function which exists in some Wisconsin school districts currently. A job coach works directly with student with disabilities in a work site to help the student learn specific requirements of the job, learn work-related activities and requirements, and learn appropriate work-related behaviors. A job coach is currently an allowable cost today under the Individuals with Disabilities Education Act (IDEA) and is eligible for state special education regular and high cost categorical aid.

The special education job development specialist role is intended to create job opportunities for students with disabilities. The Department's Special Education Better Bottom Line Transitions request (Din 6008) funding would be used by school districts to better prepare students with disabilities for these job opportunities and help ensure their success in these jobs, in addition to better preparing students with disabilities for postsecondary education. See DIN 6008 for information and for examples of how school districts could spend the transitions incentive grants.

The Department is requesting GPR funding for this new aid program because the special education job development specialists are not an allowable cost under IDEA and are not eligible for state special education categorical aid.

### **Statutory Language**

The Department is proposing statutory language related to this request.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6009*)

**Subject:** Special Education Job Development Specialists

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Create an annual, local assistance, GPR appropriation of \$1,500,000 GPR in FY17 that would be used to provide an annual grant to school districts and CESAs to hire special education job development specialists. The special education job development specialist role is intended to create job opportunities for students with disabilities who receive special education or related services.

The Department proposes to conduct a pilot program targeting large and small school districts in suburban, urban and rural areas geographically dispersed across Wisconsin. The Department would select pilot participants to reflect the geographic, economic and demographic diversity of the public schools in Wisconsin. The pilot would target participants with Indicator 14 results in the bottom half of school districts over the past three to five years.

The Department would include individual school districts, school district groups (i.e. multiple school districts working together and sharing the job specialist) and CESAs in the pilot program. The pilot program would include approximately 12-15 special education job development specialists. The Department would administer and monitor the pilot program to understand results and best practices with the intent of scaling the program in the pilot areas and also in additional areas of the state in future biennia.

An individual school district, school district group, or a CESA would receive funding to employ one to two (depending on student population and geographic area) special education job development specialist(s). Funding would be used to pay for the special education job development specialist's personnel costs, including salary, travel expenses, equipment, supplies, etc.

In the event that identifying a person with expertise in both business development and special education is difficult for some school districts or CESAs, they could hire people with business development backgrounds and provide general special education training; or hire people with a special education background and provide business development training. The special education job development specialists could have a teaching license, but this would not be a requirement. The special education job development specialist role, as proposed here, is a new function and is not intended to replace a special education job coach function which exists in some Wisconsin school districts currently.

**Related Stat. Citations:**

Create s. 20.255 (2) (bg), Wis. Stats., Aid for Special Education Job Development.

Create a new program in Wis. Stats. to provide special education job development specialist grants.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6010 – CAREER PATHWAYS – BRIDGE SUPPORT

#### 259 – Career pathways’ bridge support s. 20.255 (2) (ce) - New

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Funding</b>	<b>\$0</b>	<b>\$4,000,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$4,000,000</b>

#### Request/Objective

The Department requests \$4,000,000 GPR in FY17 to provide resources for school districts to offer bridge support to pupils to develop essential skills such as reading, writing, and oral communication, at the same time that pupils are developing technical employment skills as part of a career pathway.

#### Background

Many pupils struggle to develop skills in high school that make them college and career ready. Some student populations (including students with disabilities, students in foster care, and English Language Learners (ELLs)) are particularly at risk of not gaining the necessary skills to succeed beyond high school. Students need essential skills including reading, writing, and oral communication, as well as technical employment skills in specific career fields.

Difficulties with speaking, reading, and writing English can prevent students from succeeding in every subject and from gaining essential skills or technical employment skills. Once students fall behind, it is increasingly difficult for students to catch up because many courses assume students have mastered essential skills like reading and writing.

One way to address this need for essential and technical skills is by providing bridge support within a career pathway. A career pathway is a coherent, articulated sequence of rigorous academic and career related courses, beginning in ninth grade and leading to an associate degree, an industry recognized certificate or licensure, a technical diploma, a bachelor’s degree, or a combination of these. Bridge support is a way to help students develop and master essential skills at the same time that they are participating in a career pathway. This is important for two related reasons: 1) bridge support improves reading, writing, and other essential skills that allow students to meaningfully participate in and understand the content in the career pathway; and 2) bridge support that is integrated into a career pathway allows students to work on essential skills while learning content, rather than forcing students to use time that would otherwise be spent on relevant content areas to improve essential skills.

The opportunities available to students with regards to career pathway courses offered in high school vary from district to district. For Wisconsin school districts, the only dedicated funding available specifically to support career pathways is federal Carl Perkins money.

Currently \$7.7 million annually is provided to districts for career and technical education through the federal Carl Perkins grant. Carl Perkins funding targets development, implementation, and refinement of one or more career pathway programs of study in high school. Requirements and funding must comply with strict federal requirements and incorporate items such as articulation, school counseling, and postsecondary and business partnerships.

**Figure 1: Federal Carl Perkins Funding**

Year	Amount to DPI
2001-02	\$9,578,298
2002-03	\$10,306,520
2003-04	\$10,107,006
2004-05	\$10,179,533
2005-06	\$10,029,106
2006-07	\$9,840,431
2007-08	\$9,803,101
2008-09	\$9,607,364
2009-10	\$9,574,023
2010-11	\$9,484,005
2011-12	\$9,315,606
2012-13	\$8,965,258
2013-14	\$8,965,258
2014-15	\$8,965,258

It is unlikely that federal Carl Perkins funding is used by school districts to develop bridge programming primarily because funding levels for many districts are not sufficient to fund career pathway expenditures (i.e., salary and benefit costs for a licensed Career and Technology Education (CTE) teacher; equipment required for a specific career pathway curriculum). Under the 2013-14 Carl Perkins funding allocations, five school districts receive 33 percent of total funding provided for all school districts in the state. Carl Perkins funding levels provided to districts in 2013-14 is summarized in Table 2 below.

**Figure 2: Carl Perkins Formula Allocation, 2013-14 Reallocation Figures**

Range of Funding	Carl Perkins Funding Amount Per District
Smallest Amount of Funding Received (Goodman-Armstrong District)	\$1,528
25% of Districts Received This Amount of Funding or Less	\$5,203
50% of Districts Received This Amount of Funding or Less	\$9,098
75% of Districts Received This Amount of Funding or Less	\$18,101
Average Amount of Funding Districts Received	\$21,069
Only 10 Districts Received More Than This Amount of Funding	\$88,616
Highest Amount of Funding Received (Milwaukee Public Schools)	\$1,679,400

Bridge programming is important because it can provide opportunities for more students to be involved in CTE. CTE participants take one to three courses of CTE while CTE concentrators take three or more CTE courses in a logical sequence. More than two-thirds of students participate in CTE activities (which include career pathway activities) and almost one-third of students eventually become CTE concentrators. However, a Department study showed that, while the overall CTE participation rate in a sample of high school students from 2009-10, 2010-11, and 2011-12 is quite high (at just over 71

percent), CTE is an area where some student subgroups (ELL students, students with disabilities, economically disadvantaged students) participate less. Providing bridge support will allow participation rates for all pupils (including the subgroups noted above) to grow, ensuring that all students in school districts throughout the state have the opportunity to benefit from a robust CTE experience.

**Figure 3: CTE Non-Participation, Participation, and Concentration Counts by Subgroup**

	<b>Non Participant</b>	<b>CTE Participant</b>	<b>Percent Participated in CTE</b>	<b>CTE Concentrator</b>	<b>Percent Concentrated in CTE</b>	<b>Total</b>
<b>Total</b>	<b>54,524</b>	<b>134,228</b>	<b>71.1%</b>	<b>61,902</b>	<b>32.8%</b>	<b>188,752</b>
Economically Disadvantaged	16,430	31,401	65.6%	15,265	31.9%	47,831
Students with Disabilities	6,541	13,968	68.1%	6,532	31.8%	20,509
English Language Learners	1,581	2,697	63.0%	1,282	30.0%	4,278

*Source: Wisconsin Longitudinal Data System*

The lower participation rates among certain subgroups is particularly concerning in light of a previous Department study that evaluated the impact of participation in Wisconsin’s CTE program on high school graduation rates and post-secondary enrollment rates, and found that participation in CTE increased the likelihood of on-time graduation and increased the likelihood of post-secondary enrollment. All other things being equal, pupils participating in CTE in high school had increased graduation rates over their peers of six to seven percentage points (e.g. if their peers graduated at a 90 percent rate, they graduated at a 96 percent rate). Effects were stronger for CTE concentrators than for CTE participants, although any amount of CTE participation had positive effects.

*Proposal: Career Pathways’ Bridge Support*

To benefit students who have not been able to master essential skills needed to succeed in the workplace, the Department requests funding for bridge support provided in conjunction with a career pathway. This would allow skills like reading and writing to be learned in combination with the content of the career pathway instead of in isolation.

Bridge support can consist of accelerated learning courses that teach skills like reading and writing in the context of the career pathway. Bridge support can also be provided through integrated instruction where courses are co-taught by an individual knowledgeable about a particular career pathway as well as an individual that specializes in teaching reading, writing, and other essential skills. The bridge allows these students to succeed in a career pathway where they can master essential skills and develop technical employment skills related to occupations they are potentially interested in. School districts would apply to compete for funding for bridge support within career pathways’ programs. Funding for bridge programs could be used for English as a Second Language (ESL) instructional support, case management services (counseling), curriculum planning, or coordination between different individuals involved in supporting bridge programming (content instructor, ESL instructor, counselor, etc.).

**Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6010*)

**Subject:** Career Pathways' Bridge Support

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests an annual, local assistance, GPR appropriation of \$4,000,000 in FY17 for the purpose of providing funding to local school districts to develop and implement bridge support as part of districts' career pathway programs.

Bridge support can consist of accelerated learning courses that teach skills like reading and writing in the context of the career pathway. Bridge support can also be provided through integrated instruction where courses are co-taught by an individual knowledgeable about a particular career pathway as well as an individual that specializes in teaching reading, writing, and other essential skills. Examples of what funding could be spent on include English as a Second Language (ESL) instructional support, case management services (counseling), curriculum planning, or coordination between different individuals involved in supporting bridge programming (content instructor, ESL instructor, counselor, etc.).

**Related Stat. Citations:**

Create s. 20.255 (2) (ce), Wis. Stats., Career pathways' bridge support.

Create a new program in Wis. Stats. to develop career pathways' bridge support grants.

# SUPPORTING SCHOOL SAFETY

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 4005 – WISCONSIN SCHOOL SAFETY CENTER

**111 – Wisconsin School Safety Center**  
**s. 20.255 (1) (es) - NEW**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$700,000</b>	<b>\$700,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$700,000</b>	<b>\$700,000</b>

#### **Request**

The Department requests funding to support the establishment of the Wisconsin School Safety Center (WSSC) to provide guidance to schools on school violence and emergency preparedness issues. This is one part of a comprehensive plan that will help schools prepare and respond to both recurrent and emergency situations and protect students statewide. See also DIN 4006, School Violence Prevention Programs.

Specifically, the Department requests \$700,000 annually for the purpose of establishing the WSSC. With this funding, the WSSC would be able to support districts with the most significant and pressing safety issues.

#### **Background**

On July 16-18, 2013, stakeholders from select Wisconsin state agencies and organizations gathered for a safe schools summit, where they examined the current condition of school and student safety in Wisconsin and identified strategies and resources that could be used to maintain or enhance a high level of safety. The stakeholders developed a framework and related strategies that can be used by local leaders in keeping schools and students safe. Creating a statewide center was one of the recommendations from the summit.

School Safety Centers are found in more than 20 states. Centers provide training, tools, and technical assistance to school districts, staff, parents, and students that enhance the safety and security of schools.

Currently, the Department provides support to school districts predominantly in the form of informational resources on different issues related to school safety (anti-bullying resources including a model bullying policy and model bullying prevention curriculum, school safety webinars, etc.).

#### **Statutory Requirements**

Under s. 118.07 (4), Stats., each school board and the governing board of each private school must have in effect a school safety plan for each school in the district. A school safety plan must be created with the active participation of appropriate parties, which could include local law enforcement officers, fire fighters, school administrators, teachers, pupil services professionals, and mental health

professionals. A school safety plan must include general guidelines specifying procedures for emergency prevention and mitigation, preparedness, response, and recovery. Each school board and the governing body of each private school must review the school safety plan at least once every three years after the plan goes into effect. Additionally, the school board or governing body of a private school must determine which individuals are required to receive school safety plan training. Under s. 118.07 (2), Stats., a public or private school must drill all pupils at least twice annually in the proper method of evacuation or other appropriate action in the case of a school safety incident. Currently the Department provides no funding to assist districts with these statutory requirements and limited guidance is available from the State to implement these requirements.

### *Proposal: Wisconsin School Safety Center*

The WSSC would help districts develop school safety plans, conduct on-site school plan assessments, and enter into memorandums of understanding with local law enforcement agencies, county emergency management agencies, and other organizations. The WSSC would support schools in two areas: emergency preparedness and violence prevention. Emergency preparedness would be addressed by supporting schools in developing emergency plans and conducting emergency drills to prepare schools in the event that there is a weather or mass casualty situation at a school district. Violence prevention would be addressed by providing needs assessments and professional training to school districts on how to reduce incidents of student-on-student violence including fighting/assault, weapon carrying and use, and bullying and harassment.

The WSSC would be structured so that the Department would receive funds directly via a state appropriation and then sub-contract with a CESA or university to run the WSSC.

The proposed WSSC and school violence prevention program grants (see DIN 4006) are intended to work in tandem to create safer school environments for students. The WSSC is designed to take advantage of economies of scale so that districts do not have to duplicate efforts. The funding for school violence prevention grants is intended to give districts the resources to implement and customize the general tools and strategies provided by the WSSC. Thus, funding would be awarded only to those districts that can demonstrate that the district's proposed grant activities are not duplicative of a service provided by the WSSC. The district's grant proposal would have to demonstrate how the activities funded by the grant would complement the WSSC's mission and expand the effectiveness of school violence prevention efforts in that district.

As an example: the WSSC may provide guidance to a district on various approaches to address bullying in the school districts. A school district could then choose to apply for funding school violence prevention grant to customize an anti-bullying program to meet district needs, support an outreach campaign to parents and students, and engage in planning and training at the district and school level to help school staff prevent bullying.

In summary, a School Safety Center tailored to the local needs of Wisconsin's public school districts would provide support and resources for districts to not only fulfill existing statutory requirements, but fulfill them in a high-quality manner rather than just going through the steps. The WSSC would help districts develop thorough and comprehensive safety plans and conduct meaningful school safety training and drills. Thus, funding a WSSC would be a proactive step in ensuring student safety. School safety is too important to be an unfunded local mandate.

### **Statutory Language**

The Department is proposing statutory language related to this request to create a Wisconsin School Safety Center.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 4005*)

**Subject:** Wisconsin School Safety Center

**Request Date:** September 15, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests an annual GPR appropriation of \$700,000 in FY16 and \$700,000 in FY17 for the purpose of creating a Wisconsin School Safety Center (WSSC) to provide resources to school districts to reduce school violence and increase emergency preparedness efforts.

The WSSC would be structured so that the Department would receive funds directly via a state appropriation and then sub-contract with a CESA or university to run the WSSC.

**Related Stat. Citations:**

Create s. 20.255 (1) (es), Wis. Stats., Wisconsin School Safety Center.

Authorize the Department in Wis. Stats. to sub-contract with a CESA or university to run the Wisconsin School Safety Center.



## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 4006 – SCHOOL VIOLENCE PREVENTION PROGRAMS

#### *216 – School Violence Prevention Programs*

#### *s. 20.255 (2) (dh) - NEW*

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$0</b>	<b>\$2,000,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$2,000,000</b>

#### **Request**

The Department requests additional resources to help improve school safety by providing funding directly to school districts to support programs and activities that prevent school violence and protect students. Until students feel safe about their schools, they will be unable to focus on learning. This is one part of a comprehensive plan that will help schools prepare and respond to both recurrent and emergency situations and protect students statewide. See also DIN 4005, Wisconsin School Safety Center.

#### **Background**

In the 2013 Youth Risk Behavior Survey, 23 percent of Wisconsin high school students reported being bullied on school property. According to the survey, 38 percent of male students and 53 percent of female students believed that harassment and bullying was a problem at their school. Further, 21 percent of all students reported that they believe that violence was a problem at their school.

While overall suspensions and expulsions in public schools have declined for several years, the number of incidents across Wisconsin school districts that are classified as assaults or endangering behavior has increased from approximately 25,000 incidents in the 2006-07 school year to over 30,000 in the 2011-12 school year. Annually, approximately 20,000 students are involved in incidents severe enough to be suspended or expelled. The problem is distributed across grade levels and school types with some elementary schools experiencing as many as 50 to 100 assault or weapons incidents in a school year resulting in suspension. Middle schools and high schools ranged from 200 to 400 incidents a year.

#### *Current Violence Prevention Efforts*

Using a federal Safe and Supportive Schools (S3) grant, the Department is finishing a four-year project (2010-2014) to improve conditions for learning in 19 school districts and 55 high schools, selected on the basis of high numbers and/or rates of disruptive drug- and violence-related incidents at school. The Department's application for funding under the S3 initiative came about as a result of congressional action to discontinue the Safe and Drug Free Schools and Communities Act (SDFSCA). For 23 years, from 1986 to 2009, the SDFSCA program provided formula grants to every public school district in Wisconsin to develop and implement strategies to prevent student drug abuse and school violence. While the loss of these funds led the Department to seek replacement funding through the S3 grant program, that project is ending as well, leaving the Department with no funding to pass through to Wisconsin schools to assist them in carrying out this important work.

As part of the S3 initiative, participating school districts received significant support from the Department in the forms of funding, professional development, and technical assistance. This support was used by the high school staff and administration to develop, implement, and evaluate a three-year intervention plan to improve the conditions for learning in the selected high schools. The grant provided the Department with \$3 million annually to distribute to local schools.

The external evaluation by the UW Population Health Institute found a reduction in the number of students suspended and the rate of suspensions in the group of 55 S3 Schools, including 22 schools in Milwaukee.

**Suspensions\* in Milwaukee S3 Schools**  
(n~22; school as unit of analysis)

Year:**	Number of students suspended per 1,000 enrolled		Total number of suspensions per 1,000 students enrolled	
	Mean	S.D.	Mean	S.D.
2009-2010	449	51	1453	263
2010-2011	333	35	806	117
2011-2012	331	38	774	112
2012-2013	244	35	541	115
2013-2014	???		???	

\* Includes expulsions  
\*\* Change from 2009-10 sig at p < .01 in all years.

**Suspensions\* Excluding Milwaukee**  
(n~33; school as unit of analysis)

Year:**	Number of students suspended per 1,000 enrolled		Total number of suspensions per 1,000 students enrolled	
	Mean	S.D.	Mean	S.D.
2009-2010	133	9	267	23
2010-2011	122	10	255	29
2011-2012	102	9	193	22
2012-2013	86	8	153	19
2013-2014	???		???	

\* Includes expulsions  
\*\* Change from 2009-10 sig at p < .01 in all years.

The evaluation concluded that significant reductions in suspension rates were indicative of changes in administrative behaviors of school officials and district policy which have been influenced by the S3 project; that change in student’s perceptions and behaviors are small but statistically significant over time; and that student safety, climate scales and suspension rates are related to student achievement, including ratings on school report cards.

The Department would use the lessons learned from the expiring federal S3 grant to establish criteria for distributing funding for local school violence prevention programs.

In addition to the success of violence prevention and reduction through the S3 grant, funding is also justified on the basis of helping school districts fulfill their current statutory obligations. Under s. 118.07 (4), Stats., each school board and the governing board of each private school must have in effect a school safety plan for each school in the district. A school safety plan must be created with the active participation of appropriate parties, which could include local law enforcement officers, fire fighters, school administrators, teachers, pupil services professionals, and mental health professionals. A school safety plan must include general guidelines specifying procedures for emergency prevention and mitigation, preparedness, response, and recovery. Each school board and the governing body of each private school must review the school safety plan at least once every three years after the plan goes into effect. Additionally, the school board or governing body of a private school must determine which individuals are required to receive school safety plan training. Under s. 118.07 (2), Stats., a public or private school must drill all pupils at least twice annually in the proper method of evacuation or other appropriate action in the case of a school safety incident.

Currently, the Department provides no funding to assist districts with these statutory requirements and limited guidance is available from the State to implement these requirements. Along with the establishment of a School Safety Center (as requested under DIN 4005), funding for grants to local districts would help districts bolster their local school safety plans and training. Funding school violence prevention programs would be a proactive step in ensuring student safety. School safety is too important to be unfunded.

*Proposal: Funding for School Violence Prevention Programs for Local Districts*

To reinforce the statewide support being provided by the School Safety Center, the Department requests funding to create a new categorical aid (grant) program that would provide funds directly to school districts to implement programs that address school violence similar to Pennsylvania's Safe Schools Targeted Grants. Specific funding criteria would be established by the State Superintendent by rule. School district personnel costs would not be an eligible use of grant funds (i.e., the grants could not be used to pay for a district's [existing or new] security officer or community liaison officer type of position). Instead, districts could apply to fund school violence prevention activities, including the following activities eligible for funding under the Pennsylvania Safe Schools Targeted Grants:

- Conflict resolution or dispute management programs.
- Risk assessment or violence prevention curricula.
- Training to undertake a district-wide assessment of risk factors that increase the likelihood of problem behaviors among students.
- Development and implementation of research-based violence prevention programs addressing risk factors to reduce incidents of problem behaviors among students including, but not limited to bullying.
- Comprehensive, district-wide school safety, violence prevention, emergency preparedness and all-hazards plans, including revisions or updates to such plans and conducting training with local partners.
- Purchase of security-related technology that is based on safety needs identified by the school district. Technology may include metal detectors, protective lighting, surveillance equipment, special emergency communications equipment, electronic locksets, deadbolts and theft control devices and training in use of security-related technology.
- Purchase and installation of student, staff and visitor identification systems.

The Department requests \$2 million in funding to establish a new appropriation for a school violence prevention categorical aid (grant) program, beginning in FY17. Funding under this grant program would be distributed on a competitive basis among school districts. The additional funding is requested so that the Department can expand assistance beyond a few high-needs districts and consider innovative, large-scale school safety proposals for districts throughout the state. The Department requests starting the school violence prevention grant in the second year of the 2015-17 biennium, when the proposed Wisconsin School Safety Center (WSSC) will be operational and providing assistance to districts statewide.

The proposed WSSC and school violence prevention grants are two parts of the Department's comprehensive plan and are intended to work in tandem to create safer school environments for students. The WSSC is designed to take advantage of economies of scale so that districts do not have to duplicate efforts. The funding for school violence prevention grants is intended to give districts the resources to implement and customize the general tools and strategies provided by the WSSC. Thus, funding would be awarded only to those districts that can demonstrate that the district's proposed grant activities are not duplicative of a service provided by the WSSC. The district's grant proposal would have to demonstrate how the activities funded by the grant would complement the WSSC's mission and expand the effectiveness of school violence prevention efforts in that district.

As an example, the WSSC may provide guidance to a district on various approaches to address bullying in the school districts. A school district could then choose to apply for a school violence prevention grant to customize an anti-bullying program to meet district needs, support an outreach

campaign to parents and students, and engage in planning and training at the district and school level to help school staff prevent bullying.

In summary, funding to support school violence prevention efforts via direct grants to school districts, in conjunction with the proposed WSSC, would reinforce existing school safety efforts and provide additional resources to school districts to improve school safety in Wisconsin's public schools.

### **Statutory Language**

The Department is proposing statutory language related to this request to create a categorical aid program for local school violence prevention programs.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 4006*)

**Subject:** School Violence Prevention Programs

**Request Date:** September 15, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests an annual GPR appropriation of \$2,000,000 in FY17 for the purpose of providing funding to local districts to develop and implement programs that prevent and reduce violence in schools.

The Department is requesting statutory authority to award funding for school violence prevention programs based on criteria determined by the State Superintendent through rule.

**Related Stat. Citations:**

Create s. 20.255 (2) (dh), Wis. Stats., School violence prevention programs.

Create a new program in Wis. Stats. to develop school violence prevention program grants.

# ADVANCING TARGETED LEARNING OPPORTUNITIES

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 4003 – WISCONSIN STEM CENTER

#### **112– Wisconsin STEM Center s. 20.255 (1) (et) - NEW**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$700,000</b>	<b>\$700,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$700,000</b>	<b>\$700,000</b>

#### **Request**

The Department requests funding to support the establishment of the Wisconsin STEM Center (WisSTEM) to improve and expand STEM education statewide. This is one part of a comprehensive plan that will increase the number of STEM teachers and the number of pupils entering STEM fields. See also DIN 4004, STEM grants.

Specifically, the Department requests \$700,000 annually for the purpose of establishing WisSTEM. With this funding, WisSTEM would be able to support districts statewide to enhance their science, technology, engineering, and mathematics courses and to offer advanced classes that requires students to synthesize knowledge across these four subjects.

#### **Background**

The need for STEM education is driven by workforce demand for skilled and experienced workers with backgrounds in science, technology, mathematics, and engineering. First, current workforce need for those with STEM skills is high relative to other fields. There are 2.2 STEM job openings per candidate (Source: Vital Signs, Change the Equation, 2014). The median duration for filling vacant STEM positions is twice as long as for non-STEM vacancies (Source: Still Searching: Job Vacancies and STEM Skills, Brookings, 2014). Second, the future demand for STEM jobs is projected to be high. The growth rate for new STEM jobs through 2018 (17%) is almost double the growth rate for all new jobs (10%) (Source: Wisconsin STEM Navigators to the Future report, STEMForward, 2013). Third, STEM jobs are available to those with a wide variety of educational backgrounds. Seven out of the ten fastest growing occupations that require at least an associate's degree are in STEM fields (Source: Bureau of Labor Statistics, Occupational Outlook Handbook, 2012). At the same time, 50 percent of all STEM jobs are available to workers without a 4-year college degree (Source: The Hidden STEM Economy, J. Rothwell, Brookings, 2013).

At an advanced level, STEM is an integrated approach that requires pupils to combine principles from science, engineering, technology, and mathematics to solve practical problems. In the workforce, pupils will encounter many problem solving opportunities that will require them to apply the knowledge they gained in schools. STEM education prepares pupils to deal with these situations. In addition to engaging the most advanced pupils by requiring them to draw on multiple subject knowledge bases,

STEM education also engages pupils struggling in math or science as STEM courses place these subjects in a real-world context.

The supply of workers with STEM skills has not kept up with demand. One reason is that there are not enough trained STEM teachers. Another reason is that there is a lack of STEM resources and technical assistance.

As part of Wisconsin's 2013-15 budget, \$250,000 GPR was provided to the Department on a one-time basis in FY14 for a grant program for school districts and 2r charter schools to enhance STEM course offerings. The school district or independent 2r charter school receiving a grant was required to provide a matching amount equal to at least 25% of the grant amount.

Other states have also invested in STEM education:

- Iowa has a STEM Advisory Council and six regional hubs across the state that target STEM priority areas including boosting pupil interest and attainment in STEM, supporting technology-enhanced instruction, and strengthening STEM teacher recruitment and retention. In FY14, the total STEM state appropriation was \$5.2 million.
- Indiana has an I-STEM Resource Network consisting of public and private higher education institutions, K-12 schools, business, and government. The I-STEM Resource Network includes committees consisting of educational content experts and practitioners who work together on STEM issues. The I-STEM Network offers STEM programs to educators, schools, and districts through ten regional hubs.
- Illinois created an I-STEM initiative with two of its main purposes being to facilitate P-16 STEM education outreach and to improve STEM teacher training and professional development quality.
- Minnesota's Department of Education has partnered with a non-profit, statewide education and business coalition to provide a STEM Teacher Center, an online resource that provides teaching tools for math and science standards.
- Michigan provided funding to establish math and science centers across the state. As part of this initiative, \$375,000 was allocated to the Michigan STEM Partnership to fund competitive STEM grants to foster cross-disciplinary education programs.
- In 2007, Ohio invested \$13 million to establish STEM schools and programs in Ohio. Ohio now has a network of regional hubs, training centers, and STEM schools.

With this proposal, Wisconsin is poised to make a sound and fiscally prudent investment in STEM initiatives across the state.

#### *Proposal: WisSTEM Center*

The primary focus of the WisSTEM Center would be on building a pool of educators that are well-versed in STEM concepts. The WisSTEM Center would offer advanced training to educators in integrating content from different STEM areas (science, technology, engineering, and mathematics) as they teach pupils. This would include a brief review of the underlying principles of all STEM areas and then advanced training in the integration of STEM subject areas. The integration of the subject areas is essential to prepare pupils for practical problems where they have to use their knowledge and skills from a variety of subject areas to solve a problem.

This foundational STEM training will help Wisconsin's PK-12 and higher education systems ensure pupils graduate from high school with essential competencies in science, technology, engineering, and

mathematics. These competencies are integral to improving overall high school graduation and college readiness rates and supporting Wisconsin's leading industries and overall economy.

In addition to creating a pool of educators that are well-versed in STEM, the WisSTEM Center would also offer a statewide database for teacher shortage areas including STEM shortage areas; would provide technical guidance to districts to help enhance their STEM programs; would work with external organizations to develop a STEM Network that shared information and successful school district strategies for advanced STEM education; would raise awareness of STEM fields to increase the number of students pursuing a career pathway in STEM fields; and would build collaborative partnerships with workforce and postsecondary educational partners to guide and refine future STEM education efforts.

WisSTEM would be structured so that the Department would receive funds directly via a state appropriation and then sub-contract with a CESA or university to run WisSTEM.

### **Statutory Language**

The Department is proposing statutory language related to this request to create a Wisconsin STEM Center.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 4003*)

**Subject:** Wisconsin STEM Center

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests an annual GPR appropriation of \$700,000 in FY16 and \$700,000 in FY17 for the purpose of creating the Wisconsin STEM Center to improve and expand STEM education statewide.

The Wisconsin STEM Center would be structured so that the Department would receive funds directly via a state appropriation and then sub-contract with a CESA or university to run the WSSC.

**Related Stat. Citations:**

Create s. 20.255 (1) (et), Wis. Stats., Wisconsin STEM Center.

Authorize the Department in Wis. Stats. to sub-contract with a CESA or university to run the Wisconsin STEM Center.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 4004 – STEM GRANTS

#### 219 –STEM grants

##### s. 20.255 (2) (ds)

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
Requested Aid	\$250,000	\$250,000
Less Base	\$0	\$0
Requested Change	\$250,000	\$250,000

#### Request

The Department requests additional resources to help create and expand innovative STEM efforts by providing funding directly to school districts. Funding that supports innovative STEM activities and programs at the local level will help prepare PK-12 pupils to be problem solvers, innovators, inventors, logical thinkers, and technically literate. This funding is one part of a comprehensive plan that will increase the number of STEM educators and the number of pupils entering STEM fields. See also DIN 4003, Wisconsin STEM Center.

The Department also requests the s. 20.255 (2) (ds), Wis. Stats., appropriation be converted from a biennial to an annual appropriation.

#### Background

It is vital to the success of future graduates and the State that all Wisconsin pupils have a solid foundation in STEM areas of study and that more pupils pursue either post-secondary studies or careers in STEM fields.

STEM courses require pupils to combine principles from science, engineering, technology, and mathematics to solve practical problems. In the workforce, pupils will encounter many problem solving opportunities that will require them to apply the knowledge they gained in schools. STEM education prepares pupils to deal with these situations. In addition to engaging the most advanced pupils by requiring them to draw on multiple subject knowledge bases, STEM education also engages pupils struggling in math or science as STEM courses place these subjects in a real-world context.

STEM education prepares pupils to have the knowledge and critical thinking skills necessary to be problem-solvers, innovators, inventors, logical thinkers, and technologically literate.

#### *Proposal: Innovative STEM Programs*

As part of the 2013-15 budget, the State provided \$250,000 GPR on a one-time basis in FY14 for a grant program for school districts and 2r charter schools to enhance STEM course offerings. A school district or independent 2r charter school receiving a grant was required to provide a matching amount equal to at least 25% of the grant amount.

The Department established an application process for these grants. The grant award amount was set from a range of \$3,000 to \$20,000. The applications were evaluated on how well they enhanced college and career readiness, closed the achievement gap, contributed to programs that are sustainable beyond the grant, and encouraged participation of traditionally underrepresented pupils in STEM

technical applications or careers. Funds were designed for teachers and schools to create innovative STEM programming along with industry and community partners.

The Department received 70 grant applications requesting \$1.2 million in funding. Fifteen school districts shared the \$250,000 in grant funding. Projects ranged from a cross-disciplinary STEM Implementation learning experience and a STEM Accreditation project at the elementary school level to a STEM Infusion program at the middle school level to a Digital Design and Fabrication lab and STEM training for educators at the high school level.

The Department requests \$250,000 annually to continue funding innovative STEM efforts that provide local support to some school districts in addition to the statewide support offered through the Wisconsin STEM Center (WisSTEM) (see DIN 4003).

### **Statutory Language**

The Department is proposing statutory language related to this request to modify a categorical aid program providing STEM grants.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 4004*)

**Subject:** STEM grants

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the STEM grants appropriation under 20.255 (2) (ds), Stats., be converted from a biennial appropriation to an annual appropriation.

**Related Stat. Citations:**

Modify s. 20.255 (2) (ds), Wis. Stats., STEM grants.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6016 – SAGE REESTIMATE

#### 275 – Achievement guarantee contracts s. 20.255 (2) (cu)

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$109,184,500</b>	<b>\$120,375,000</b>
<b>Less Base</b>	<b>\$109,184,500</b>	<b>\$109,184,500</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$11,190,500</b>

#### **Request/Objective**

The Department requests \$11,190,500 in FY17 to fully fund the Student Achievement Guarantee in Education (SAGE) grant program at \$2,250 per eligible pupil, beginning in FY17.

The Department requests statutory language to eliminate the required \$250,000 annual evaluation contract for the SAGE program and that these funds be authorized for payment to school districts participating in the program.

#### **Background/Analysis of Need**

The SAGE program, authorized by 1995 Act 27, provides for local school districts to enter into contracts with the Department, under which the school district reduces class sizes to specific thresholds in certain grades and in turn is eligible to receive state aid for each low-income pupil served in the school district's SAGE classrooms. In addition to the class size reduction requirements, the school district must also work to provide a rigorous curriculum, provide professional development and accountability plans, and provide before- and after-school activities.

Currently, under s. 118.43, Wis. Stats., the Department is authorized to pay aid to school districts at the annual rate of \$2,250 per low income full-time equivalent (FTE) pupil. SAGE is funded at \$109,184,500 GPR annually in both FY14 and FY15. After subtracting \$250,000 for the required SAGE evaluation, the appropriation can fund up to 48,415 eligible FTE pupils at \$2,250 annually.

The 2009 Wisconsin Act 301 changed current SAGE law by instituting alternative minimum class size requirements from 15:1 (15 pupils with one teacher) to either 18:1 (18 pupils with one teacher) or 30:2 (30 pupils with two teachers). This was seen as a way to let more pupils experience the learning benefits that SAGE offers and to provide districts and schools with more flexibility. Act 301 also repealed the Department's authority to issue waivers for SAGE requirements in SAGE contracts. In addition, the bill authorized school boards a one-time opportunity to enter into a new five-year achievement guarantee contract in the 2010-11 school year.

The 2011 Wisconsin Act 32, the biennial budget bill, allowed former Preschool to grade five schools to instead join the SAGE program in 2011-12 only.

The 2011 Wisconsin Act 105 added flexibility for school districts participating in the SAGE program. The bill allowed a school district under a SAGE contract to, in one or more years covered by the contract, choose not to comply with the requirement to reduce class size in grades two or three, or

both, in one or more schools in the district. In the 2012-13 school year, four schools took advantage of this flexibility.

In the 2014-15 school year, 423 schools (in 203 school districts) participate in the SAGE program. The total October 1, 2014 pupil enrollment is 81,794 FTE, which includes 52,657 low income pupils for whom SAGE aid will be paid.

Table 1 below shows the number of low-income FTE pupils, and the percentage change over the previous year, in the SAGE program for each of the last seven academic years. Beginning in FY08, the Department has had to prorate SAGE aid to school districts, because the number of eligible low income pupils (FTE) in SAGE classrooms was greater than what could be supported by the appropriation. This is also detailed in the table below.

**Table 1: SAGE Program Participation, Aid Eligibility and Aid Proration**

Academic Year	SAGE Low Income FTE	Percent Change	Funding Needed (Aid Only*)	GPR Appropriated (Aid Only*)	Shortfall (Needed less Appropriated Aid)	Aid Per Pupil
2007-08	48,290		\$108,652,500	\$111,734,100	n/a	\$2,250
2008-09	49,963	3.5%	\$112,416,750	\$111,734,100	\$682,650	\$2,236
2009-10	52,404	4.9%	\$117,909,000	\$108,934,500	\$8,974,500	\$2,079
2010-11	54,506	4.0%	\$122,638,500	\$108,934,500	\$13,704,000	\$1,999
2011-12	52,378	-3.9%	\$117,850,500	\$108,934,500	\$8,916,000	\$2,080
2012-13	53,245	1.7%	\$119,800,125	\$108,934,500	\$10,865,625	\$2,046
2013-14	53,735	0.9%	\$120,903,750	\$108,934,500	\$11,969,250	\$2,027
2014-15	52,657	-2.0%	\$118,728,250	\$108,934,500	\$9,543,750	\$2,069

\*Excludes the \$250,000 earmarked for annual evaluation.

Table 2 below details the amount of GPR necessary to fully fund SAGE at \$2,250 per pupil in the 2015-17 biennium, assuming that the number of low income pupils eligible participating in the program grows to 53,000 in FY16, then 53,500 in FY17.

**Table 2: Funding Required to Fully Fund the SAGE Program\***

Academic Year	Projected FTEs	Annual Cost at \$2,250 / eligible FTE	Base (FY13 Appropriation)	Per Pupil	GPR Needed to Fully Fund
2015-16	53,000	\$119,250,000	\$109,184,500	\$2,060	\$10,065,500
2016-17	53,500	\$120,375,000	\$109,184,500	\$2,060	\$11,190,500

\*Assumes elimination of the \$250,000 annual earmark for SAGE evaluation.

The Department requests an increase in funding of \$11,190,500 in FY17 in order to fully fund the estimated number of FTE pupils eligible under the SAGE program, at the current law amount of \$2,250 per eligible FTE pupil.

## **SAGE Evaluation**

Since the inception of the program, state law has required a \$250,000 annual evaluation. This annual evaluation equates to about \$4 per pupil. The annual evaluation is completed in order to determine the effectiveness of the SAGE program. Over the past 18 years, \$4,500,000 GPR has been spent to evaluate the SAGE program.

In 1996 the first evaluation of SAGE showed the program to contribute to closing the achievement gap, specifically through class size reductions. A study in 2004 showed the same results for grades one through three, but no effects in grade four on the Wisconsin Knowledge and Concepts Examination or the Wisconsin Reading and Comprehension Test. The most recent study has preliminary findings of positive reading growth on the Measures of Academic Progress assessment and growth in K-2 in reading and K-1 in mathematics, with positive effects in particular for high poverty or high concentrations of African-American students.

In the 2014 legislative session, Representative Mary Czaja called for a Legislative Council study of the impact of SAGE. Several potential modifications to SAGE are being considered including modifying eligibility requirements, extending SAGE to 4K, and incentivizing year-round school. The Department believes that in the wake of the Legislative Council study and the years of prior evaluations which show generally favorable results that further study of the SAGE program presents a limited return on investment to Wisconsin taxpayers.

The Department requests eliminating the annual evaluation requirement for the SAGE program and the \$250,000 earmarked for this purpose under s. 118.43(7), Wis. Stats.

## **Statutory Language**

The Department is proposing statutory language related to this specific request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6016*)

**Subject:** Achievement guarantee contracts

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests eliminating the annual evaluation contract for the Student Achievement Guarantee in Education (SAGE) program.

**Related Stat. Citations:**

Remove s. 118.43 (7), Wis. Stats.



## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6025 – GIFTED AND TALENTED PROGRAMS

#### *202 –Grants to support gifted and talented pupils s. 20.255 (2) (fy)*

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Aid</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Less Base</b>	<b>\$237,200</b>	<b>\$237,200</b>
<b>Requested Change</b>	<b>\$762,800</b>	<b>\$762,800</b>

#### **Request**

The Department requests \$762,800 in both FY16 and FY17 to increase the gifted and talented appropriation in order to benefit more pupils and more schools.

#### **Background**

Of the approximately 874,000 pupils enrolled in Wisconsin's public schools in 2013-14, pupils with exceptional intellectual ability represent an estimated 44,000 (five percent) of that total. That number soars to an estimated 105,000 (12 percent) if gifted and talented pupils in the areas of specific academic, creative, artistic, and leadership areas are included.

With the help of this program, gifted education has improved in Wisconsin in recent years. School districts are increasingly producing plans for gifted and talented pupils that are more comprehensive and thorough. Programs offering supplementary licenses as gifted and talented teachers and gifted and talented coordinators have been approved and are offered through the UW-Whitewater and UW-Stevens Point. Incorporating gifted education into Response to Intervention (RtI) frameworks has gained considerable traction around the state.

However, along with the progress that's been made in gifted and talented education, attention has also been drawn to several areas of compelling need:

- a. Programming for pupils in rural communities.
- b. Identification of and programming for historically underserved pupils, including those living in poverty, minority pupils, English Language Learners and pupils with disabilities.
- c. Identification of and programming for specific gifted and talented areas including leadership and creativity.
- d. Parental engagement including educating parents so they can build on the gifted and talented programming that is being provided to pupils during the school day.

Other states have recognized the need to invest in gifted and talented education.

According to the National Association for Gifted Children and the Council of State Directors of Programs for the *State of the States in Gifted Education* report, for the 2012-13 school year, Minnesota provided over \$11 million in gifted and talented funding to local educational agencies, Indiana provided \$13 million in funding, Iowa provided over \$35 million in funding, and Ohio provided over \$40 million in funding.

**Table 1: Comparison of Gifted and Talented Education in 2012-13**

<b>State</b>	<b>Funding Dollars</b>	<b>Dollars Per K-12 Pupil</b>
Georgia	\$367,057,950	\$227.67
Iowa	\$35,354,981	\$74.77
Virginia	\$44,155,053	\$35.08
Ohio	\$40,723,826	\$23.71
Minnesota	\$11,417,865	\$13.75
Indiana	\$13,000,000	\$13.11
Kentucky	\$6,622,300	\$10.38
Montana	\$250,000	\$1.75
Wisconsin	\$237,200	\$0.27

Source: 2012-2013 *State of the States in Gifted Education* report, 2012-2013

*Proposal: Additional Funding for School Districts' Gifted and Talented Programs*

Currently, the gifted and talented appropriation provides \$237,200 annually of competitive grant funds. Cooperative Educational Service Agencies (CESAs), Milwaukee Public Schools (MPS), nonprofit organizations and institutions within the UW system are eligible to apply. Grant recipients are required to provide evidence of the impact of their projects on pupils and grant-funded projects must be connected to the school district's curriculum.

Currently, grants are of a smaller scale due to the low overall funding amount and the limited purpose for which the grants may be used. The Department currently receives \$237,200 to serve the estimated 105,000 gifted and talented pupils in Wisconsin. As a result of this low funding amount, the Department has capped the maximum individual grant award at \$30,000 in order to distribute funding as widely as possible. Activities for which the grant funds may be used are limited to educational programming not ordinarily provided in a regular school program. This restriction prevents school districts from using the funding to provide training for educators to successfully identify, engage and challenge gifted and talented pupils within the classroom.

Some examples of past grant projects funded to benefit gifted and talented pupils include:

- CESA 5 offered Reading Rocks!, an interdistrict, asynchronous, online shared inquiry program for pupils in grades 5-6. Pupils participated in discussions organized around themes using a variety of informational and literary texts. They shared ideas using textual evidence, expanded their vocabulary and developed critical thinking skills.
- CESA 7 provided the opportunity for 8<sup>th</sup> graders from CESA 7 school districts to participate in the Great Decisions Discussion Group, a nationally presented lecture series that develops literacy skills using world topics of our time. Prior to each lecture, pupils read articles related to the topic, then met at St. Norbert College in the evening to engage in discussions and debates.
- MPS implemented a project that focused on increasing identification of economically disadvantaged pupils, minority pupils, English language learners, and pupils with disabilities for participation in gifted and talented programming. MPS piloted USTARS PLUS TOPS, a research-based science literacy program that emphasizes identification using critical and creative thinking in several elementary schools. MPS educated teachers on how to use the curriculum and protocols and trained parents to complete the home activities with their children.
- CESA 10 provided the opportunity for pupils in grade 5 to attend an Emergent Writers Workshop to work with two authors, as a means of improving the workshop participants'

informative writing skills. Pupils also participated in an Electronic Assembly featuring a 12-year old autistic boy who wrote a book about autism and its effects on his life.

- CESA 11 offered several Science, Technology, Engineering and Math (STEM) BioTech workshops that engaged pupils in mathematical and science/engineering practices and helped them develop writing proficiencies in these disciplines.
- The Educational Communications Board (ECB) partnered with the Rtl Center and the Department to produce a multi-media project that chronicled the journey of three school districts in creating and implementing an Rtl system for all pupils, including those with gifts and talents. Rtl and gifted education are intertwined in Wisconsin. The statewide Rtl model includes pupils whose needs go beyond the core curriculum and the Department suggests using Rtl as a way to systematize gifted education.

While these activities are beneficial to gifted and talented pupils, the Department is requesting a larger annual funding amount for school districts' gifted and talented programs (\$1 million annually) to provide assistance to school districts in building gifted and talented programs that are more systematic, comprehensive and sustainable.

Additionally, to make the most effective use of this money, the Department proposes two policy changes along with this request:

1. All school districts should be eligible to apply for the competitive grants. Increasing the eligible pool of applicants (and potentially, the amount of funding per applicant) should lead to more innovative proposals with more significant impacts for gifted and talented pupils served by programming under the grant. For example, a larger grant would have made a bigger impact in CESA 10. CESA 10 piloted Math Circles which offered the opportunity for 25 high school pupils to learn advanced problem-solving strategies from a mathematics professional and apply these skills to challenging real-life math problems. The project demonstrated significant growth in pupils' ability to solve math problems. It is estimated that a \$50,000 grant would have allowed 1,500 pupils to participate in this program.
2. Applicants should be given flexibility in the strategies they pursue to support gifted and talented pupils. Applicants should be allowed to use grant funds to provide professional development and training as a means of better preparing educators to unlock the potential of gifted and talented pupils. Without adequate preparation for educators, the success of activities and programs for gifted and talented pupils will be limited. Applicants should also be allowed to use grant funds to support gifted and talented pupils in the classroom all day long.

### **Statutory Language**

The Department is proposing statutory language related to this request to modify the categorical aid appropriation for gifted and talented pupils.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6025*)

**Subject:** Gifted and Talented Grants

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the gifted and talented appropriation under 20.255 (2) (fy), Wis. Stats., be modified to include all school districts as eligible entities to apply for gifted and talented grants (in addition to the entities eligible under current law – nonprofit organizations, CESAs, institutions within the UW system and MPS).

The Department also requests the appropriation be modified so that educator professional development and training related to identifying and educating gifted and talented pupils, and providing programming in the classroom to support gifted and talented pupils, are also clearly eligible for aid.

**Related Stat. Citations:**

Modify s. 20.255 (2) (fy), Wis. Stats., Grants to support gifted and talented pupils.

Modify s. 118.35 (4), Wis. Stats.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6026 – TRIBAL LANGUAGE REVITALIZATION GRANTS**

**222– Tribal language revitalization grants  
s. 20.255 (2) (km)**

<b>FISCAL SUMMARY - grants</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$222,800</b>	<b>\$623,000</b>
<b>Less Base</b>	<b>\$222,800</b>	<b>\$222,800</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$400,200</b>

**175 – Tribal language revitalization operations  
s. 20.255 (1) (kt) – NEW**

<b>FISCAL SUMMARY - operations</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$0</b>	<b>\$160,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$160,000</b>

***Request/Objective***

The Department requests \$560,200 PR-S in FY17 for a new Young Learners Tribal Language Revitalization initiative, including \$400,200 PR-S to increase the existing funding for grants and \$160,000 PR-S to fund operations of programs in partnership with Great Lakes Inter-Tribal Council, Inc. (GLITC).

Over 30 years of education research indicates that for American Indian pupils, proficiency in a tribal language, and the associated cultural competencies, contributes to gains in such key measures as attendance, achievement, attainment, and parent/community involvement. The presence of a tribal language program in school leads to increases in attendance, gains in other subject areas, increased identification with the school, and higher levels of parental and community involvement. See Appendix A for research.

This new Young Learners Tribal Language Revitalization initiative addresses both the linguistic and cultural needs of tribal communities and the shared interest of tribal and non-tribal citizens of Wisconsin in having well-educated community members.

This enhanced Tribal Language Revitalization Grant Program address concerns about the vitality of tribal heritage languages and concerns related to the academic achievement of American Indian pupils by implementing a more coordinated approach across a wider and broader age group of American Indian pupils in Wisconsin.

A partnership between tribal heritage language programs and educational institutions combines the tribe’s linguistic expertise, in terms of language speakers and language documentation, with the school system’s instructional capacity, and leverages the potential benefits of both.

The Young Learners Tribal Language Revitalization initiative would be a targeted program within the current tribal language revitalization grant, providing enhanced tribal heritage language programming to

American Indian pupils at younger ages, with the goal of improving achievement prior to high school and shrinking the achievement and graduation gaps at the high school level. This initiative would begin the exposure and development of the tribal heritage languages starting with Head Start and four year old kindergarten (4K) and continue implementation of the program in kindergarten through eighth grade in future biennia. The Department would partner with the GLITC to offer this initiative.

### **Problem/Concerns**

Test results for reading and mathematics show no improvement in the achievement gap for American Indian pupils in Wisconsin school districts from 2006 through 2014 for fourth through tenth grade. Additionally, there has been no improvement in high school completion rates from 2011 through 2013. See Appendix B for results.

Most of the Wisconsin school district Tribal Language Revitalization grant applicants currently target programming in high school. The high school years provide a limited window of time to affect improvement in academic and achievement trends. The new Young Learners program would provide tribal heritage language and cultural learning experiences for Wisconsin's American Indian pupils as they progress from Head Start/4K through eighth grade.

Current funding levels for the Tribal Language Revitalization Grant Program provide limited resources for about one-fourth of the approximately 38 school districts the Department currently identifies as possible grant applicants. These school districts are either in close proximity to reservations in Wisconsin and/or have a significant number or percentage of enrollment of American Indian pupils. In addition, grant awards currently ranging from \$2,000 to \$35,000 are not large enough to incent some districts, already operating with limited resources, to offer new tribal language programs or to continue to offer existing programs.

Many of the eleven Wisconsin tribal governments have a language program in place, funded through a combination of tribal funds, federal funds and private grants, but they often lack a connection to what is happening in school classrooms. These tribal programs are operating primarily in community-based settings (outside of schools), some in tribally operated Head Start and child care centers, and others in tribally operated schools and colleges.

### **Background**

There has been a loss in Native language fluency over generations due to cultural, economic and societal factors. As a result, today there are few Native language speakers in Wisconsin. There are concerted efforts across the nation to restore Native languages due to the observed effects of increased self confidence and student achievement of American Indian students.

In many of Wisconsin tribal communities, the number of individuals who are fluent in their tribal heritage languages is limited. It is estimated that currently only one half of one percent of the membership of American Indians in Wisconsin can be considered a fluent speaker in one of the six tribal heritage languages (Ho-Chunk, Menominee, Mohican/Munsee, Ojibwe, Oneida, Potawatomi).

There are approximately 11,000 American Indian pupils in Wisconsin. Approximately 7,300 live in the 38 school districts which are either in close proximity to reservations in Wisconsin and/or have a significant number or percentage of enrollment of American Indian pupils.

Currently, 15 to 20 of the 424 school districts offer instruction in a tribal heritage language. One charter school, Waadookodaading uses a tribal language (Ojibwe) as the medium of instruction.

The following tables show the history of the Tribal Language Revitalization Grant Program funding, application, award, and pupils served along with the grantees for FY15.

School Year	Amount Appropriated	Grant Applications	Grant Awards	Pupils Served
2009-10	\$247,500	14	10	2,581
2010-11	\$247,500	14	11	2,163
2011-12	\$222,800	13	10	3,042
2012-13	\$222,800	12	11	3,401
2013-14	\$222,800	10	10	2,792
2014-15	\$222,800	10	10	3,102

2014-15 Grantees	
District	Amount
Ashland School District	\$25,000
Bayfield School District	\$30,500
Green Bay Area School District	\$18,000
Lac du Flambeau School District	\$32,500
Menominee Indian School District	\$30,500
Pulaski Community School District	\$25,500
Seymour Community School District	\$23,800
Tomah Area School District	\$7,000
Unity School District	\$27,750
Wabeno Area School District	\$2,250

## Proposal

The Department proposes the creation of a new Young Learners Tribal Language Revitalization initiative within the current grant program and a new appropriation to fund the GLITC work for the new initiative. The Young Learner's initiative would be phased in over several biennia to create a seamless program model for pupils as they progress from Head Start/4K through eighth grade. The first phase of the Young Learner's Tribal Language Revitalization initiative in the 2015-17 biennium would provide grants for programming in Head Start and 4K programs to Head Start centers, school districts and Cooperative Educational Service Agencies (CESAs) that have either significant number or percentage of American Indian pupils enrolled.

Under this proposal, Head Start centers, school districts, and CESAs could apply for two-year grants. The grantees (Head Start centers, school districts, CESAs) would create the curriculum/program during the first year of the grant and implement the program the following grant year. Grantees would apply in future biennia for two year grants to continue the program in current grade levels and to add additional grade levels. Head Start centers, school districts and CESAs could start a Young Learner's Tribal Language Revitalization initiative during future biennia (after the 2015-17 biennium) in Head Start and 4K programs and add additional grades in the subsequent years. See Appendix C for the Young Learners Tribal Language Revitalization initiative costs and implementation schedule.

The Department would partner with GLITC to create and evaluate grant applications and administer the implementation of the program. GLITC would provide technical support and consultation regarding new programming to grantees. Additionally, they would work with and advise grantees regarding curriculum and integration with other content taught at the appropriate grade levels. GLITC would provide ongoing in-service for the instructors and school personnel. They would also provide a means for promising practices sharing and networking between all stakeholders. GLITC would be one way that Head Start centers, school districts, CESAs and tribes would be connected and a means to navigate any issues that might arise. The Tribal language revitalization operations funding (\$160,000) would be used for GLITC staff costs such as salary, travel, equipment, supplies, etc.

Head Start centers, school districts and CESAs would work in collaboration with GLITC and tribe elders in the creation of the curriculum/program for Head Start centers and school districts. The tribe elders would also work with teachers to deliver the curriculum to pupils in classrooms. Tribe elders would be the lead teacher in most cases. The Head Start, school district and CESA teachers over time would develop language skills by working in collaboration with tribe elders and could apply for and receive an Indian History and Culture Teacher certification if they meet the requirements ([http://amind.dpi.wi.gov/ami\\_ai-lce](http://amind.dpi.wi.gov/ami_ai-lce)).

## Statutory Language

The Department is proposing statutory language related to this request.

## Appendix A

### Research Summary

Students who enter school with a primary language other than the school language (e.g., English) perform significantly better on academic tasks when they receive consistent and cumulative academic support in the Native/heritage language for a minimum of four to seven years. (McCarty 2011)

There is compelling evidence that strong, additive, academically rigorous Native language and culture programs have salutary effect on both the Native language and culture maintenance/revitalization and student achievement, as measured by multiple types of assessments. (McCarty 2011)

Heritage-language immersion contributes to positive child-adult interaction and helps restore and strengthen Native languages, familial relationships, and cultural traditions within the community. (Romero Little 2006)

Literacy skills first developed in a heritage language can be effectively transferred to English, even for students with limited proficiency in the heritage language upon entering school. (Romero Little 2006)

It is only with a clear tie to school curriculum that attendance, academic skills, identification with the aims of the school, and parental involvement improve (Rudin, 1989; Kawagley and Barnhardt, 1999; Peacock and Day, 1999).

It takes approximately five to seven years to acquire age-appropriate proficiency in a heritage (second) language when consistent and comprehensive opportunities in the heritage (second) language are provided. (Romero Little 2006)

Partnerships between tribal heritage language programs and educational institutions have been successful in tribal communities in the United States (Rudin, 1989; Trujillo, 1997; Kawagley and Barnhardt, 1999; Agbo, 2001) and in Indigenous communities elsewhere in the world (Rubie, 1997; Stiles, 1997; Harrison, 1998).

Indian Nations At-Risk Task Force Recommendations (Trujillo, Alston 2005):

1. Develop comprehensive education plans.
2. Develop partnerships among multiple educational stakeholders.
3. Emphasize early childhood education, the promotion of tribal language and culture in schools, training Native teachers, and strengthening tribal and Bureau of Indian Affairs (BIA) colleges.
4. Create mechanisms for holding officials at all levels, including tribes, accountable for achieving the goals.
5. Foster understanding of the relationships that exist between tribes and all levels (local, state, and federal) of government.

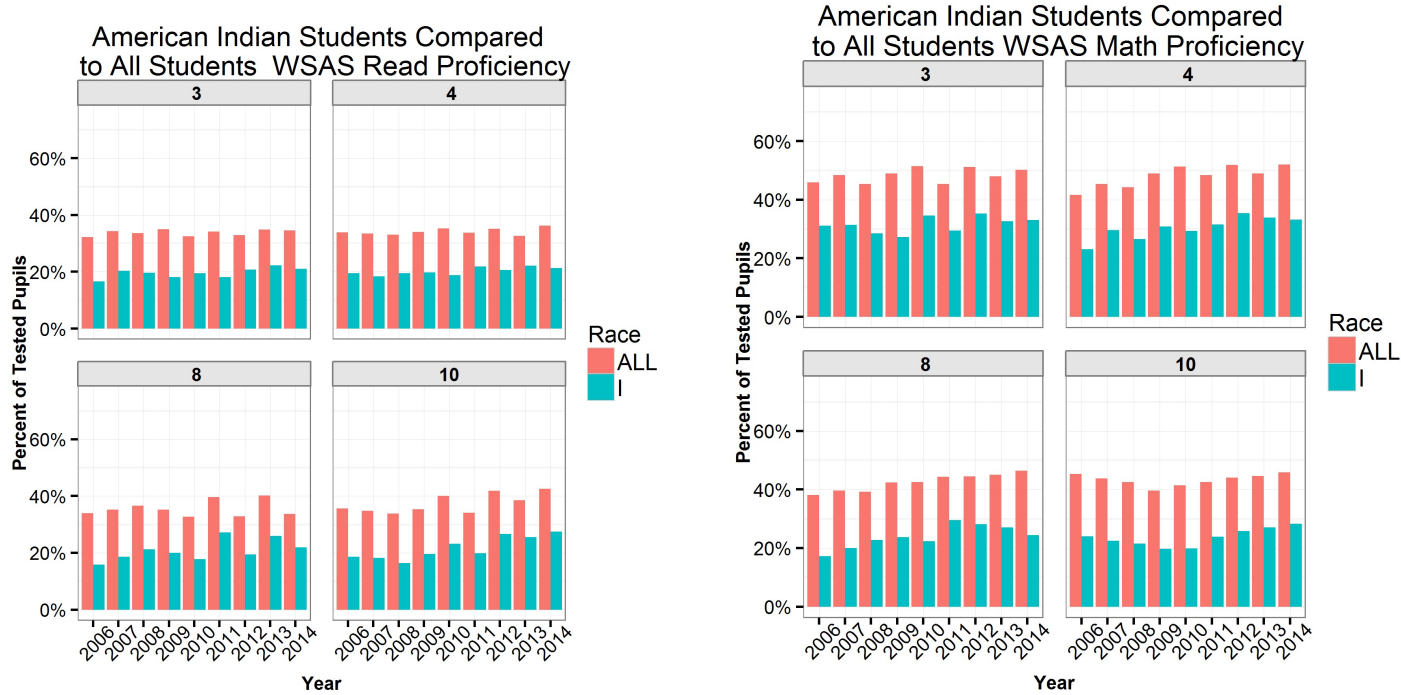
Early Childhood (The National Caucus of Native American State Legislators, 2008):

- Results from the Early Longitudinal Childhood Studies (ELCS) now being conducted by the National Center for Education Statistics (NCES) show that, as late as age 22 months, cognitive gaps do not exist between American Indian students and all others. By kindergarten, however, significant gaps are evident. The most recent ELCS study indicates that American Indian/Alaska Native students in many areas—literacy, mathematics, understanding of shapes, and even fine motor skills—start school as the lowest performing group.
- Returns on investment in early childhood education are substantial. Some economic analyses—Michigan's High/Scope Perry Pre-School Project, for example, that compared students enrolled in preschool programs with those who were not—have shown returns of nearly 1,300 percent on initial investments in pre-kindergarten education. Savings are realized in the form of decreased social costs—fewer incarcerations, less reliance on welfare and other social safety nets, and less expensive access to health care—and government revenues increase due to tax revenues from the higher incomes these students later earn.

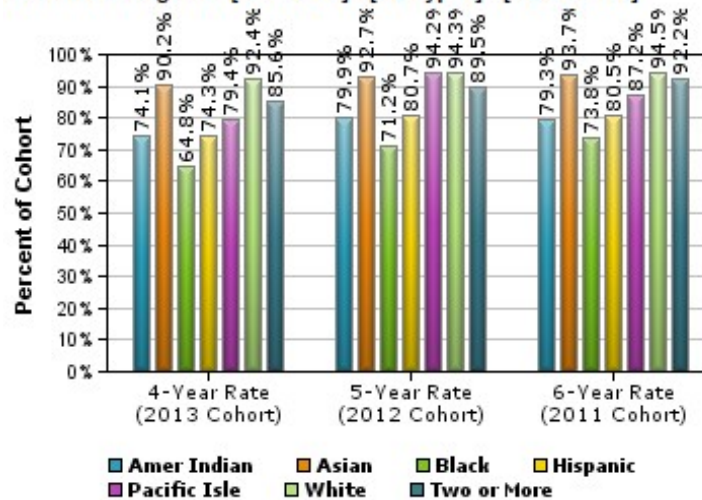


## Appendix B

Wisconsin Student Assessment System (WSAS) grade four versus ten results for reading and mathematics show no improvement in the achievement gap over these grades from 2006 through 2014 and no improvement in high school completion rates from 2011 through 2013.



**HS Completion Rates by Race/Ethnicity (2012-13)**  
 Credential: Regular - [Statewide] - [All Types] - [All Schools]



## Appendix C-1

The Department projected the cost of the Young Learner's Tribal Language Revitalization initiative as follows:

- Program and curriculum planning at \$3,500 per grade level
- Start up costs of equipment, books, materials, etc for each 20 students per grades 4K through 8 and for each 17 students per Head Start

Grade Level	Startup Cost
HS	\$2,000
4K	\$2,000
Grades K through 4	\$2,500
Grades 5 through 8	\$3,000

- Tribe elder teacher cost for each school year
  - Teaching time: \$2,200 per class (\$20 per hour \* 3 hours per week \* 36 weeks)
  - Preparation time first year of program: \$1,500 per grade level (\$20 per hour \* 2 hours per week \* 36 weeks)
  - Preparation time ongoing after first year: \$800 per grade level (\$20 per hour \* 1 hour per week \* 36 weeks)

The charts on the following page include costs using the above pricing and show the following 3 phases of the Young Learner's Tribal Language Revitalization initiative:

1. Create phase: includes onetime program and curriculum planning and onetime start up costs
2. Implement phase: includes teaching costs and teacher preparation time for first year of initiative
3. Maintain phase: includes teaching costs and teacher preparation time for ongoing years of program

**Appendix C-2**

**Young Learners Tribal Language Revitalization Initiative Timeline**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Head Start (HS)	Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
4K	Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Kindergarten (K)		Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Grade 1			Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Grade 2				Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Grade 3					Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Grade 4						Create	Implement	Maintain	Maintain	Maintain	Maintain	Maintain
Grade 5							Create	Implement	Maintain	Maintain	Maintain	Maintain
Grade 6								Create	Implement	Maintain	Maintain	Maintain
Grade 7									Create	Implement	Maintain	Maintain
Grade 8										Create	Implement	Maintain

**Young Learners Tribal Language Revitalization Initiative Cost**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Head Start (HS)	\$132,900	\$134,500	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200	\$128,200
4K	\$251,300	\$252,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200	\$238,200
Kindergarten (K)		\$296,700	\$234,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600
Grade 1			\$296,700	\$234,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600
Grade 2				\$296,700	\$234,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600
Grade 3					\$296,700	\$234,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600
Grade 4						\$296,700	\$234,600	\$220,600	\$220,600	\$220,600	\$220,600	\$220,600
Grade 5							\$341,500	\$210,400	\$196,400	\$196,400	\$196,400	\$196,400
Grade 6								\$341,500	\$210,400	\$196,400	\$196,400	\$196,400
Grade 7									\$341,500	\$210,400	\$196,400	\$196,400
Grade 8										\$341,500	\$210,400	\$196,400
Total Cost	\$384,200	\$683,400	\$897,700	\$1,118,300	\$1,338,900	\$1,559,500	\$1,824,900	\$2,021,300	\$2,217,700	\$2,414,100	\$2,269,000	\$2,255,000

**Note:**

- Head Start centers and school districts could start the program in a future biennium.
- The Department would determine monies requested in future budget biennia based on the districts offering existing programs and the districts planning on starting new programs.
- The numbers above are based on all targeted districts beginning participation in 2015-17 biennium (i.e. 9 AIAN Head Start centers and 20 school districts with AIAN percent of student population >= 5 percent).

### Appendix C-3

The Head Start centers in the chart below would be the likely applicants of a new Young Learner's Tribal Language Revitalization initiative for the 2015-17 biennium. Wisconsin has nine Head Start centers serving American Indian/Alaska Native (AIAN) children.

AIAN Head Start Centers				Young Learners Costs				
Program Name	Feeds following School Districts	City	Children Served 2013-14	Curriculum Program Planning (Create)	Startup Cost per 17 students (Create)	Number Classes Tribe Elder Teaches	Tribe Elder Teacher Cost for 36 weeks (Implement)	Tribe Elder Teacher Cost for 36 weeks (Maintain)
Red Cliff	Bayfield	Bayfield	50	\$3,500	\$5,900	3.00	\$8,100	\$7,400
Ho-Chunk	Black River Falls	Black River Falls	118	\$3,500	\$13,900	7.00	\$16,900	\$16,200
Stockbridge-Munsee	Bowler	Bowler	23	\$3,500	\$2,700	2.00	\$5,900	\$5,200
Oneida Tribe of Indians of Wisconsin	Green Bay	Green Bay	120	\$3,500	\$14,100	8.00	\$19,100	\$18,400
Lac Courte Oreilles Tribal	Hayward	Hayward	150	\$3,500	\$17,600	9.00	\$21,300	\$20,600
Menominee Nation Early Childhood	Menominee Indian	Keshena	191	\$3,500	\$22,500	12.00	\$27,900	\$27,200
Zaasjivan	Lac Du Flambeau/Lakeland Union	Lac Du Flambeau	117	\$3,500	\$13,800	7.00	\$16,900	\$16,200
Bad River Tribal Council	Ashland	Odanah	57	\$3,500	\$6,700	4.00	\$10,300	\$9,600
St. Croix Tribal	Webster	Webster	36	\$3,500	\$4,200	3.00	\$8,100	\$7,400
<b>Total</b>			<b>862</b>	<b>\$31,500</b>	<b>\$101,400</b>		<b>\$134,500</b>	<b>\$128,200</b>

Note: Teacher costs based on Head Start class size of 17 pupils.

## Appendix C-4

School districts in the chart below would be the likely applicants of a new Young Learner's Tribal Language Revitalization initiative for the 2015-17 biennium. These Wisconsin public schools have either a significant number or percentage of American Indian pupils enrolled. The following chart shows the costs for various grades for each school district. Costs are based on the number of pupils per school grade using the average kindergarten class size number of 2013-14 and 2012-13 as the class size number for all grades. Costs are based on the school district providing programming for all pupils in the grade level.

2013 - 2014 Public Enrollment by District by Ethnicity (PEDE)	American Indian Alaska Native		Average Kindergarten enrollment FY14 & FY13	4KCA (Community Approach)	Young Learners Costs Grades 4K					Young Learners Costs Grades K through Grades 4					Young Learners Costs Grades 5 through Grades 8				
	School District	Total in School District			% of Total Enrollment in district	Curriculum Program Planning (Create)	Startup Cost per 20 students (Create)	Number Classes Tribe Elder Teaches	Tribe Elder Teacher Cost for 36 weeks (Implement)	Tribe Elder Teacher Cost for 36 weeks (Maintain)	Curriculum Program Planning (Create)	Startup Cost per 20 students (Create)	Number Classes Tribe Elder Teaches	Tribe Elder Teacher Cost for 36 weeks (Implement)	Tribe Elder Teacher Cost for 36 weeks (Maintain)	Curriculum Program Planning (Create)	Startup Cost per 20 students (Create)	Number Classes Tribe Elder Teaches	Tribe Elder Teacher Cost for 36 weeks (Implement)
Lac du Flambeau #1	455	94.20%	61		\$3,500	\$6,200	4.00	\$10,300	\$9,600	\$3,500	\$7,700	3.00	\$8,100	\$7,400	\$3,500	\$9,200	3.00	\$8,100	\$7,400
Menominee Indian	775	92.40%	75		\$3,500	\$7,500	4.00	\$10,300	\$9,600	\$3,500	\$9,400	4.00	\$10,300	\$9,600	\$3,500	\$11,200	3.00	\$8,100	\$7,400
Bayfield	293	74.00%	29		\$3,500	\$2,900	2.00	\$5,900	\$5,200	\$3,500	\$3,700	2.00	\$5,900	\$5,200	\$3,500	\$4,400	2.00	\$5,900	\$5,200
Bowler	139	37.00%	29		\$3,500	\$2,900	2.00	\$5,900	\$5,200	\$3,500	\$3,600	2.00	\$5,900	\$5,200	\$3,500	\$4,300	2.00	\$5,900	\$5,200
Gresham	104	33.00%	24		\$3,500	\$2,400	2.00	\$5,900	\$5,200	\$3,500	\$3,000	2.00	\$5,900	\$5,200	\$3,500	\$3,600	1.00	\$3,700	\$3,000
Crandon	274	29.90%	66		\$3,500	\$6,700	4.00	\$10,300	\$9,600	\$3,500	\$8,300	4.00	\$10,300	\$9,600	\$3,500	\$10,000	3.00	\$8,100	\$7,400
<b>Hayward Community</b>	<b>531</b>	<b>26.50%</b>	178	yes	\$3,500	\$17,800	9.00	\$21,300	\$20,600	\$3,500	\$22,300	9.00	\$21,300	\$20,600	\$3,500	\$26,700	8.00	\$19,100	\$18,400
Ashland	457	20.70%	172		\$3,500	\$17,200	9.00	\$21,300	\$20,600	\$3,500	\$21,500	8.00	\$19,100	\$18,400	\$3,500	\$25,800	7.00	\$16,900	\$16,200
<b>Black River Falls</b>	<b>374</b>	<b>20.40%</b>	136	yes	\$3,500	\$13,600	7.00	\$16,900	\$16,200	\$3,500	\$17,000	7.00	\$16,900	\$16,200	\$3,500	\$20,400	6.00	\$14,700	\$14,000
Wabeno Area	91	20.20%	29		\$3,500	\$2,900	2.00	\$5,900	\$5,200	\$3,500	\$3,700	2.00	\$5,900	\$5,200	\$3,500	\$4,400	2.00	\$5,900	\$5,200
Shawano	443	17.20%	182		\$3,500	\$18,300	10.00	\$23,500	\$22,800	\$3,500	\$22,800	9.00	\$21,300	\$20,600	\$3,500	\$27,400	8.00	\$19,100	\$18,400
Siren	79	17.00%	32		\$3,500	\$3,300	2.00	\$5,900	\$5,200	\$3,500	\$4,100	2.00	\$5,900	\$5,200	\$3,500	\$4,900	2.00	\$5,900	\$5,200
Washburn	79	14.10%	33		\$3,500	\$3,300	2.00	\$5,900	\$5,200	\$3,500	\$4,200	2.00	\$5,900	\$5,200	\$3,500	\$5,000	2.00	\$5,900	\$5,200
Webster	76	10.60%	56		\$3,500	\$5,600	3.00	\$8,100	\$7,400	\$3,500	\$7,000	3.00	\$8,100	\$7,400	\$3,500	\$8,400	3.00	\$8,100	\$7,400
Seymour Community	252	10.30%	171	yes	\$3,500	\$17,100	9.00	\$21,300	\$20,600	\$3,500	\$21,400	8.00	\$19,100	\$18,400	\$3,500	\$25,600	7.00	\$16,900	\$16,200
Unity	84	8.40%	68		\$3,500	\$6,800	4.00	\$10,300	\$9,600	\$3,500	\$8,500	4.00	\$10,300	\$9,600	\$3,500	\$10,200	3.00	\$8,100	\$7,400
Winter	21	7.70%	21		\$3,500	\$2,200	2.00	\$5,900	\$5,200	\$3,500	\$2,700	1.00	\$3,700	\$3,000	\$3,500	\$3,200	1.00	\$3,700	\$3,000
<b>Wisconsin Dells</b>	<b>122</b>	<b>6.80%</b>	143		\$3,500	\$14,400	8.00	\$19,100	\$18,400	\$3,500	\$18,000	7.00	\$16,900	\$16,200	\$3,500	\$21,500	6.00	\$14,700	\$14,000
West De Pere	191	6.20%	236	yes	\$3,500	\$23,600	12.00	\$27,900	\$27,200	\$3,500	\$29,500	11.00	\$25,700	\$25,000	\$3,500	\$35,400	10.00	\$23,500	\$22,800
Cumberland	55	5.60%	66		\$3,500	\$6,600	4.00	\$10,300	\$9,600	\$3,500	\$8,300	3.00	\$8,100	\$7,400	\$3,500	\$9,900	3.00	\$8,100	\$7,400
<b>Total</b>	<b>4,895</b>		<b>1,807</b>		<b>\$70,000</b>	<b>\$181,300</b>		<b>\$252,200</b>	<b>\$238,200</b>	<b>\$70,000</b>	<b>\$226,700</b>		<b>\$234,600</b>	<b>\$220,600</b>	<b>\$70,000</b>	<b>\$271,500</b>		<b>\$210,400</b>	<b>\$196,400</b>

Teacher costs based on pupil class by grade as follows: 4K=20 pupils, grades K-4=22 pupils, grades 5-8=25 pupils

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6026*)

**Subject:** Tribal Language Revitalization Grants

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department is proposing statutory language related to this request to include Head Start agencies as an eligible grant applicant. The Department is also proposing language to create a new annual, state operations appropriation that would distribute funds to the Great Lakes Inter-Tribal Council, Inc. (GLITC), for the purpose of paying for operational expenses incurred by the GLITC related to partnering with the Department in the administration and implementation of the grant.

**Related Stat. Citations:**

The Department is requesting the following:

- i. Under 115.745 (1), Wis. Stats., add Head Start agencies as eligible grant applicant.
- ii. Create s. 20.255 (1) (kt), Wis. Stats., Tribal language revitalization operations.
- iii. Authorize the Department in Wis. Stats. to distribute funds to the Great Lakes Inter-Tribal Council, Inc. (GLITC), for the purpose of paying for operational expenses incurred by the GLITC related to partnering with the Department in the administration and implementation of the grant.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6027 – MILWAUKEE SUCCEEDS

**302 – Milwaukee succeeds; reading proficiency grant  
s. 20.255 (3) (bm) – NEW**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Less Base</b>	<b>\$0</b>	<b>\$0</b>
<b>Requested Change</b>	<b>\$250,000</b>	<b>\$250,000</b>

#### **Request**

The Department requests \$250,000 GPR in both FY16 and FY17 to provide an annual grant to Milwaukee Succeeds to support its efforts to improve reading outcomes for pupils by the end of third grade.

#### **Background/Analysis of Need**

Milwaukee Succeeds is a public-private collaboration established in 2011 by the Greater Milwaukee Foundation, Greater Milwaukee Committee, Metropolitan Milwaukee Association of Commerce, Milwaukee Urban League, United Way of Greater Milwaukee and the Helen Bader Foundation with the overall goal of “bringing about lasting change to the way education works for children in Milwaukee.” Milwaukee Succeeds is currently co-chaired by the CEO of Northwestern Mutual Life, the President of Marquette University, and a member of the Board of Directors of the Greater Milwaukee Foundation. Other members of its Executive Committee include the State Superintendent of Public Instruction, Mayor of Milwaukee, Superintendent of Milwaukee Public Schools and President of the Metropolitan Milwaukee Association of Commerce.

One of the primary objectives of Milwaukee Succeeds’ “cradle to career” approach is to improve third grade reading outcomes. Research has consistently found that pupils who are not proficient in reading by the end of third grade are much more likely to drop out of high school. The organization’s goal is to have 2,000 more proficient readers in third grade by 2020. Currently, based on the 2013-14 WKCE third grade reading scores, fewer than 750 Milwaukee Public Schools pupils (15.4 percent compared to a statewide average of 35 percent) achieved reading proficiency. Milwaukee Succeeds’ major strategy for improving reading skills is to expand the use of trained classroom tutors so that 2,000 additional elementary school pupils will receive tutoring services by 2016.

Individual tutoring has been shown to be a very effective strategy to improve reading proficiency. The Minnesota Reading Corps program, implemented in 2003, uses trained tutors employing research-based strategies to provide one-on-one and small group tutoring to struggling pupils in grades pre-K through three. Researchers at the University of Chicago recently found that those pupils receiving Reading Corps tutoring significantly outperformed pupils in randomized control groups, especially in grades kindergarten and one. In the report, *Moving from Good to Great in Wisconsin* (2007), University of Wisconsin-Madison researchers Allan Odden, et. al., observed that:

*“The most powerful and effective strategy to help struggling pupils meet state standards is individual one-to-one tutoring provided by licensed teachers (Shanahan, 1998; Shanahan & Barr, 1995; Wasik & Slavin, 1993). Pupils who must work harder and need more assistance to achieve to proficiency levels (i.e. pupils who are ELL, low income, or have less severe disabilities) especially benefit from preventative tutoring (Cohen, Kulik, & Kulik, 1982).”*

The Department strongly supports the approach that Milwaukee Succeeds is taking to ensure that pupils establish reading proficiency in the early grades. It is the foundation for academic success in later grades, regardless of subject area. The Minnesota program, initiated as a pilot program working with 250 children in four Head Start centers, currently has a budget of \$17 million (state and federal) and expects to employ approximately 1,000 tutors in 700 schools in the 2014-15 school year, serving over 31,000 pupils. It is currently the largest state operated program under the federal AmeriCorps umbrella. AmeriCorps is part of the Corporation for National and Community Service.

### **Statutory Language**

The Department is proposing statutory language related to this request.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6027*)

**Subject:** Milwaukee Succeeds

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Create an annual appropriation of \$250,000 GPR that would be used to provide an annual grant to the organization Milwaukee Succeeds to support the efforts of Milwaukee Succeeds to improve educational outcomes for students in Milwaukee Public Schools, particularly in reading achievement. Specify that the grants could be used for costs associated with providing tutoring services.

**Related Stat. Citations:**

Create s. 20.255 (3) (bm), Wis. Stats., Milwaukee succeeds; reading proficiency grant.

Authorize the Department in Wis. Stats. to distribute the amount appropriated to Milwaukee Succeeds to improve educational outcomes for students in Milwaukee Public Schools.

# CATEGORICAL AIDS

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6006 – BILINGUAL-BICULTURAL AID

**207 – Bilingual-bicultural education aids**  
**s. 20.255 (2) (cc)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	\$12,539,000	\$12,846,000
<b>Less Base</b>	\$8,589,800	\$8,589,800
<b>Requested Change</b>	\$3,949,200	\$4,256,200

#### Request/Objective

The Department requests an increase of \$3,949,200 GPR in FY16 and \$4,256,200 GPR in FY17 to increase the state reimbursement rate for bilingual-bicultural (BLBC) education programs in both years to 12 percent of approved prior year costs for school districts required to offer BLBC programs under ss. 20.255 (2) (cc) and 115.97 (2), (3), or (4), Wis. Stats.

#### Background/Analysis of Need

Subchapter VII of ch. 115, Wis. Stats., governs BLBC education and requires districts to establish a program if they meet a certain threshold of Limited English Proficient (LEP) pupils from the same language group within a given school. Section 115.97, Wis. Stats., establishes the following thresholds:

- 10 or more pupils in grades K-3;
- 20 or more pupils in grades 4-8; and
- 20 or more pupils in grades 9-12.

Districts required to offer programs must notify parents of eligible pupils and obtain consent before placing the pupil in a BLBC program. Programs are required to use a bilingual certified teacher; however, if one is not available, districts may use English as a Second Language (ESL) certified teacher and a bilingual aide with the permission of the State Superintendent. This exception does not apply to BLBC programs serving Spanish-speaking pupils.

The State Superintendent has continually requested increases in BLBC aid as part of the Department's biennial budget request. In the 2011-13 biennial budget request, the State Superintendent requested to increase GPR funding (\$522,500 in FY12 and \$1,111,500 in FY13) to maintain the reimbursement rate at approximately 9.1 percent of approved prior year costs for school districts required to offer BLBC education programs. The Department also requested \$3,400,000 GPR in FY13 to create a new annual appropriation to award up to \$100 per LEP to districts that have LEP populations below the statutory threshold and therefore do not qualify for BLBC categorical aid. Wisconsin 2011 Act 32 instead reduced the appropriation for BLBC aid by 10 percent (\$954,400 annually) and denied the request for the new annual appropriation for LEP pupils who do not qualify for the existing BLBC categorical aid.

In his 2013-15 biennial budget proposal, the State Superintendent requested an increase of \$178,000 GPR in FY14 to maintain the 8 percent BLBC state reimbursement rate and \$4,606,200 GPR in FY15 to increase the reimbursement rate in FY15 to 12 percent. The Department also requested \$2,325,300 GPR to award up to \$100 per LEP pupil to districts that have LEP populations below the statutory threshold for establishing a BLBC program. Both requests were denied.

Table 1 below shows the number of pupils and the language populations served in BLBC program districts during the 2012-2013 school year:

**Table 1: Language and Program Locations (2012-13)**

<b>Language and Program Locations (2012-13)</b>	
# LEP identified:	49,994
# LEP served in state reimbursed programs:	26,426
# Districts receiving aid:	52
Districts with state reimbursed programs:	Appleton, Baraboo, Barron, Beloit, Burlington, DC Everest, Darlington, Delavan-Darien, Eau Claire, Edgerton, Elk Mound, Elkhorn, Green Bay, Holmen, Howard-Suamico, Janesville, Kaukauna, Kenosha, Kewaunee, La Crosse, Lake Geneva J1, Lake Geneva-Genoa City UHS, Luxemburg-Casco, Madison, Manitowoc, Marshall, Menasha, Menomonie, Middleton-Cross Plains, Milwaukee, New London, Onalaska, Oregon, Oshkosh, Racine, Reedsburg, Rice Lake, Sauk Prairie, Sheboygan, Shorewood, South Milwaukee, Stevens Point, Verona, Walworth J1, Waterloo, Waukesha, Wausau, Wautoma, Whitewater, Wisconsin Dells, and Wisconsin Rapids
# LEP pupils (by language) served in state reimbursed programs:	Spanish: 18,597; Hmong: 6,958; Mandarin: 175; Korean: 146; Somali: 138; Arabic: 99; Nepali: 73; Korean: 71; French: 55; Khmer: 47; Lao: 38; Tibetan: 19; Albanian (Gheg): 10

Program costs vary from district to district due to several factors, including (but not limited to):

- Number of pupils served;
- English-language proficiency level of pupils and the range of proficiency levels among pupils;
- Amount of previous schooling for LEP pupils;
- Staff to pupil ratio (both teacher to pupil and bilingual aide to pupil);
- Amount of instructional contact time;
- Instructional resources provided, e.g., texts, equipment, technology, native language materials & assessments;
- Type of program (in-class or pull-out program);
- Degree of parental involvement; and
- Outreach and services provided to LEP pupils, immigrant or refugee children and youth, and their families.

With such variation in costs from program to program, the total aidable statewide costs are difficult to project. The Department has estimated prior year aidable costs by assuming an increase of 2.5 percent annually beginning with school year 2013-14 (2013-14 school year costs are eligible for reimbursement in FY15).

Table 2 below shows the projected prior year aidable costs that would be eligible for reimbursement under the BLBC categorical aid program for FY15 through FY17. It also provides the history of the state aid appropriation for this program. As aidable costs have increased, the state's investment in educating LEP pupils has failed to keep pace. As a result of stagnant categorical aid funding, there has been a steady downward trend in district reimbursement rates, which will continue if funding for this aid program is not increased. Without increased state categorical aid funding, districts will be forced to reallocate local property tax revenues and general school aids in order to maintain (or increase, if necessary) resources that can be dedicated to LEP pupils.

**Table 2: Historical Reimbursement Percentages**

<b>Historical Reimbursement Percentages (1994-2017)</b>			
<b>Fiscal Year</b>	<b>Aidable Costs (Prior Year)</b>	<b>State Aid Appropriation*</b>	<b>Percent Reimbursement*</b>
1994-95	\$25,008,400	\$8,291,400	32.2%
1995-96	\$27,492,801	\$8,291,400	29.2%
1996-97	\$29,579,615	\$8,291,400	27.2%
1997-98	\$32,747,337	\$8,291,400	24.6%
1998-99	\$35,989,940	\$8,291,400	22.3%
1999-00	\$38,984,609	\$8,291,400	20.6%
2000-01	\$41,714,528	\$8,291,400	19.3%
2001-02	\$44,788,051	\$8,291,400	18.0%
2002-03	\$48,234,013	\$8,291,400	17.2%
2003-04	\$58,388,591	\$8,291,400	13.8%
2004-05	\$63,122,890	\$8,291,400	12.7%
2005-06	\$70,463,780	\$9,073,800	12.5%
2006-07	\$76,776,410	\$9,890,400	12.6%
2007-08	\$83,181,974	\$9,890,400	11.6%
2008-09	\$85,602,541	\$9,890,400	11.7%
2009-10	\$96,009,054	\$9,544,200	9.7%
2010-11	\$98,498,923	\$9,544,200	9.4%
2011-12	\$104,221,057	\$8,589,800	8.0%
2012-13	\$100,087,850	\$8,589,800	8.3%
2013-14	\$97,474,337	\$8,589,800	8.6%
2014-15	\$99,911,195**	\$8,589,800	8.3%
2015-16	\$102,408,975**	\$8,589,800	8.1%
2016-17	\$104,969,200**	\$8,589,800	7.9%

\*Total appropriation includes \$250,000 that is to be provided just to districts with a concentration of 15 percent or greater LEP; the "Percent Reimbursement" is derived by first subtracting \$250,000 from the appropriation.

\*\*Estimated prior year eligible costs.

Table 3 below shows the projected GPR needed to achieve a 12 percent BLBC aid reimbursement rate for FY16 and FY17, assuming the prior year aidable costs increase by 2.5 percent starting in FY15.

**Table 3: Cost Projections for FY16 and FY17 with 12% Reimbursement**

<b>Cost Projections</b>		
	<b>FY16</b>	<b>FY17</b>
<b>Projected Eligible Prior Year Costs</b>	<b>\$102,408,975</b>	<b>\$104,969,200</b>
<b>12% Reimbursement</b>	<b>\$12,289,100</b>	<b>\$12,596,300</b>
<b>Set Aside for Districts with 15%+ LEP</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Total Appropriation (rounded to \$1000)</b>	<b>\$12,539,000</b>	<b>\$12,846,000</b>
<b>Less: Base Funding</b>	<b>\$8,589,800</b>	<b>\$8,589,800</b>
<b>GPR Request</b>	<b>\$3,949,200</b>	<b>\$4,256,200</b>

**Statutory Language**

The Department is not proposing statutory language related to this request.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6007 – SUPPLEMENTAL BILINGUAL-BICULTURAL AID

#### *258 – Bilingual-bicultural education aids; supplemental s. 20.255 (2) (cd) – New*

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Aid</b>	\$0	\$2,300,000
<b>Less Base</b>	\$0	\$0
<b>Requested Change</b>	\$0	\$2,300,000

#### **Request/Objective**

The Department requests \$2,300,000 GPR in FY17 to create a new annual appropriation to award up to \$100 per limited-English proficient (LEP) pupil to districts that have LEP populations below the statutory threshold and thus do not qualify for categorical aid under s. 115.97 (2), (3), and (4), Wis. Stats.

#### **Background/Analysis of Need**

In order to better meet the State's obligation to serve LEPs, the Department proposes providing categorical aid to support LEP pupils in schools and language groups that do not meet the statutory Bilingual-Bicultural (BLBC) threshold.

Because the state only aids LEP pupils that are required to offer a BLBC program, districts received no additional state support in FY13 for the 47 percent of LEPs (statewide) whom they educate, but for whom the districts are not statutorily required to have a BLBC program. While districts generally received an average of \$127 per pupil in federal Title III aid in FY14 to support the educational needs of these pupils, the state does not provide any additional support.

Under current law, BLBC programs are required to be established by district when there are concentrations of LEP pupils from the same language group within a given school:

- 10 or more pupils in grades K-3;
- 20 or more pupils in grades 4-8; and
- 20 or more pupils in grades 9-12.

When no concentration exists, state funding is not provided to support LEP pupils. This is problematic because many LEP pupils will need additional support regardless of whether there are other pupils who speak the same language as them in the surrounding grades. Additionally, schools may need more resources to educate LEP pupils when they are not in concentrated groups due to the economies of scale for educating students from the same grade band with the same language. For example, on a per-pupil basis, it may be less expensive for a school district to educate 20 Spanish-speaking pupils in grades two and three than it would be for another district to educate 2 Hmong-speaking pupils, 1 in grade two and 1 in grade ten, and 5 Spanish-speaking pupils, 2 in grade four, 1 in grade six, and 2 in grade ten. This proposal would begin to address this problem by providing districts with additional resources to help them meet the needs of their LEP populations.

Table 1 below shows the number of LEP students reported, served, and not served based on district data from 2004 to 2016. The five year average from 2008-09 to 2012-13 is used to project the estimated total number of ELLs and the number of ELLs not served by BLBC (rounded to the nearest thousand) for the next three years (2013-14 through 2015-16).

**Table 1: District and Enrollment Projections (2004 - 2016)**

<b>School Year</b>	<b># of ELLs reported</b>	<b># ELLs served by BLBC</b>	<b># not served by BLBC</b>	<b>% Not Served</b>
<b>2004-05</b>	39,255	24,672	14,583	37%
<b>2005-06</b>	33,402	25,081	8,321	25%
<b>2006-07</b>	40,752	26,331	14,421	35%
<b>2007-08</b>	45,651	27,031	18,620	41%
<b>2008-09</b>	51,772	27,663	24,109	47%
<b>2009-10</b>	52,100	26,954	25,146	48%
<b>2010-11</b>	49,927	28,086	21,841	44%
<b>2011-12</b>	45,651	27,220	18,431	40%
<b>2012-13</b>	49,994	26,426	23,568	47%
<b>2013-14*</b>	50,000	27,000	23,000	46%
<b>2014-15*</b>	50,000	27,000	23,000	46%
<b>2015-16*</b>	50,000	27,000	23,000	46%

\*Estimated.

The Department would reimburse districts \$100 per non-BLBC program LEP from the prior year. Payments for FY17 would be based on LEP counts from the 2015-16 school year. Based on an estimated 23,000 LEP pupils not served in a BLBC program in 2015-16, the Department is requesting \$2,300,000 in FY17.

### **Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6007*)

**Subject:** Bilingual-Bicultural Education Supplemental Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The current bilingual-bicultural aid program establishes limited-English Proficient (LEP) pupil thresholds that trigger required services and programs. Many districts with LEP enrollments below these thresholds are not required to establish LEP programs under state law and, if begun, their programs are not eligible for state aid. Districts are required to establish programs when there are:

- Within a language group, 10 or more LEP pupils in kindergarten to grade 3.
- Within a language group, 20 or more LEP pupils in grades 4 to 8 in elementary, middle or junior high school.
- Within a language group, 20 or more LEP pupils in grades 9 to 12 in high school.

The Department recommends keeping the existing program and creating a new grant program in FY17 to aid programs for LEP pupils that are not eligible under s. 115.97, Wis. Stats., at \$100 per LEP pupil in the district.

**Related Stat. Citations:**

Create s. 20.255 (2) (cd), Wis. Stats., as an annual, local assistance appropriation, and appropriate \$2,300,000 in FY17 to create a new bilingual-bicultural categorical aid program to award up to \$100 per LEP pupil to districts that have LEP populations below the statutory threshold and thus do not qualify for categorical aid under s. 115.97 (2), (3) and (4), Wis. Stats. Specify that aid would be prorated if the appropriation is insufficient to pay for all eligible pupils under this aid program.

Under subch. VII of ch. 115, Wis. Stats., create a new section or modify an existing section to establish the new grant program. If appropriated funds are insufficient, allow the Department to prorate payments.



**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 6017 – SCHOOL BREAKFAST AID**

**215 – Reimbursement for school breakfast programs  
s. 20.255 (2) (cm)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$2,904,000</b>	<b>\$3,052,000</b>
<b>Less Base</b>	<b>\$2,510,500</b>	<b>\$2,510,500</b>
<b>Requested Change</b>	<b>\$393,500</b>	<b>\$541,500</b>

**Request/Objective**

The Department requests an increase of \$393,500 GPR in FY16 and \$541,500 GPR in FY17 in state aids to school districts and private schools to increase the state reimbursement rate for the School Breakfast Program (SBP) to 9.0 cents for each breakfast served.

**Background/Analysis of Need**

Studies show that pupils who consume breakfast have increased readiness to learn, exhibit fewer behavior problems, have a lower incidence of obesity, and are less likely to eat foods of minimal nutritional value (e.g. chips, soda) in place of a nutritionally balanced breakfast. The federal SBP provides cash assistance to states to operate nonprofit breakfast programs in schools and residential childcare institutions. School breakfasts are available to all students.

Participating entities receive cash subsidies from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve breakfasts that meet federal requirements, and they must offer free or reduced-price breakfasts to eligible children. Eligibility criteria, student costs, and USDA reimbursement rates for free, reduced, and full-price meals are as follows:

**Table 1: School Breakfast Program Eligibility Criteria, Pupil Costs, and Reimbursement Rates**

	<b>Eligibility Criteria</b>	<b>Amount Pupil Pays</b>	<b>Federal Reimbursement Rate</b>
Free meals	Children from families with incomes at or below 130 percent of the federal poverty level.	\$0.00	\$1.62 per meal
Reduced-price meals	Children from families with incomes between 130 percent and 185 percent of the federal poverty level are eligible for reduced-price meals.	No more than 30 cents	\$1.32 per meal
Full-price meals	Children from families with incomes over 185 percent of the federal poverty level pay full price.	Schools set their own prices for breakfasts served, though they must operate their meal services as non-profit programs.	\$0.28 cents per meal

In addition, under s. 115.341, Wis. Stats., the state provides GPR to reimburse participating entities at a rate of \$0.15 per breakfast served, regardless of a pupil's eligibility for free or reduced-price meals, unless the appropriation under s. 20.255 (2) (cm), Wis. Stats., is insufficient to pay the full amount of aid. If the appropriation is insufficient, the Department must prorate state aid payments.

State aid payments have been prorated since the 2005-06 school year as a result of the increase in school breakfast participation. For the 2013-14 school year, payments were prorated at \$0.08595 per breakfast served. A history of the school breakfast appropriation follows, as well as estimated future expenditures in Table 2 below. It is anticipated the number of school breakfasts served will continue to increase at 5.1 percent in FY15, FY16, and FY17 based on the average increase in the last two years.

**Table 2: Reimbursement Rate per Breakfast Served**

Year	State Appropriation	Eligible Expenditures	Breakfasts Served Prior Year	Percent Change in Breakfasts Served	Reimbursement Per Breakfast Served
2000-01	\$892,100	\$990,100	9,901,000		\$0.0901
2001-02	\$1,055,400	\$907,000	9,070,000	-8.4%	\$0.1164
2002-03	\$1,055,400	\$983,700	9,837,000	8.5%	\$0.1073
2003-04	\$1,055,400	\$1,047,000	10,470,000	6.4%	\$0.1008
2004-05	\$1,055,400	\$1,138,400	11,384,000	8.7%	\$0.0927
2005-06	\$1,055,400	\$1,259,020	12,590,201	10.6%	\$0.0838
2006-07	\$1,055,400	\$1,457,735	14,571,109	15.7%	\$0.0724
2007-08	\$2,513,500	\$2,790,711	18,604,737	27.7%	\$0.1351
2008-09	\$2,890,600	\$3,049,800	20,331,997	9.3%	\$0.1422
2009-10	\$2,789,400	\$3,318,607	22,124,048	8.8%	\$0.1261
2010-11	\$2,789,400	\$3,652,322	24,348,813	10.1%	\$0.1146
2011-12	\$2,510,500	\$3,967,706	26,451,375	8.6%	\$0.0949
2012-13	\$2,510,500	\$4,267,700	28,451,334	7.6%	\$0.0882
2013-14	\$2,510,500	\$4,381,380	29,209,199	2.7%	\$0.0859
2014-15 (est.)	\$2,510,500	\$4,604,830	30,698,868	5.1%	\$0.0818
2015-16 (est.)	\$2,510,500	\$4,839,676	32,264,510	5.1%	\$0.0778
2016-17 (est.)	\$2,510,500	\$5,086,499	33,910,000	5.1%	\$0.0740

\*\*Eligible Expenditures” are an estimate, based on the maximum reimbursement of \$0.15 per meal, multiplied by the number of meals served. Prior to 2007-08, the maximum per meal reimbursement was \$0.10 per meal (reimbursement rate was increased under 2007 Act 20, the 2007-09 Biennial Budget).

\*\*Breakfasts served do not include (2r) charter schools, state schools, and residential child care institutions. These entities do not receive funds from the SBP.

\*\*\*A school is eligible for **severe need reimbursement** if 40 percent or more of the pupil lunches served at the school in the second preceding school year were served free or at a reduced price.

Without an increase in the state school breakfast appropriation, public and private schools could receive less reimbursement per meal served in the 2015-17 biennium. The proration rates assuming a 5.1 percent increase in eligible meals over the next three years are:

- 2014-15 – 8.18 cents per breakfast served
- 2015-16 – 7.78 cents per breakfast served
- 2016-17 – 7.40 cents per breakfast served

The Department is proposing to reimburse schools in FY16 and FY17 at 9.0 cents per breakfast served. The cost of reimbursing meals at \$0.09 per meal, assuming projected rates of growth in meals served, and resulting expenditures, is shown in the table below.

**Table 3: Funding Needed for a \$0.09 Reimbursement Rate**

<b>Year</b>	<b>Estimated Eligible Expenditures</b>	<b>Estimated Breakfasts Served Prior Year</b>	<b>Reimbursement at \$.090*</b>	<b>DPI Request Over 2014-15 Base</b>
2015-16 (est.)	\$4,839,676	32,264,510	\$2,904,000	\$393,500
2016-17 (est.)	\$5,086,499	33,910,000	\$3,052,000	\$541,500

\*Rounded to nearest thousand.

Thus, the Department requests \$393,500 GPR in FY16 and \$541,500 GPR in FY17 to provide funding sufficient to reimburse at a rate of \$0.09 per meal for all meals served under the SBP.

**Statutory Language**

The Department is not proposing statutory language related to this request.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6020 – PER PUPIL AID REESTIMATE

#### *279 – General program operations s. 20.255 (2) (aq)*

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$126,660,000</b>	<b>\$126,345,000</b>
<b>Less Base</b>	<b>\$126,975,000</b>	<b>\$126,975,000</b>
<b>Requested Change</b>	<b>-\$315,000</b>	<b>-\$630,000</b>

#### **Request/Objective**

The Department requests a change in expenditure authority of -\$315,000 GPR in FY16 and -\$630,000 in FY17 to reflect a reestimate for Per Pupil Aid.

#### **Background/Analysis of Need**

2013 Wisconsin Act 20 (the 2013-15 biennial budget) created a new categorical aid program for public school districts called Per Pupil Aid. Under this aid program, each school district would receive aid in the amount of \$75 per revenue limit member in FY14 and will be eligible for \$150 per revenue limit member in FY15 and each year thereafter. There are no other eligibility criteria for this categorical aid program and districts are not required to submit a claim in order to receive aid. This aid is paid from a sum sufficient appropriation; thus, aid under this program is not prorated in the event that the statewide eligibility for Per Pupil Aid exceeds the Chapter 20 expenditure authority. Aid is distributed to districts on the fourth Monday in March, per state law.

To calculate each district's aid eligibility, the Department determines each district's revenue limit membership for the current year, which is equal to the average of the current year and two prior years' September FTE pupil count ("three-year rolling average"), plus 40 percent of the summer school FTE. Each district's revenue limit membership is multiplied by the per pupil amount to determine Per Pupil Aid payments.

The statewide revenue limit membership is 854,624 for FY15 (as of November 6, 2014). The Department projects that statewide revenue limit membership will decline slightly, to 844,400 for FY16 and 842,300 for FY17, annual decreases of 0.14% in FY16 and 0.25% in FY17.

The Department recommends no changes to current law regarding the Per Pupil Aid program. However, the projected decreasing revenue limit membership calls for the requested change in expenditure authority of \$315,000 in FY16 and \$630,000 in FY17.

#### **Statutory Language**

The Department is not proposing statutory language related to this request.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6030 – STATE TUITION PAYMENTS & OPEN ENROLLMENT TRANSFERS

#### *208 – Tuition payments; full-time open enrollment transfer payments s. 20.255 (2) (cg)*

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Aid</b>	<b>\$8,242,900</b>	<b>\$8,242,900</b>
<b>Less Base</b>	<b>\$8,242,900</b>	<b>\$8,242,900</b>
<b>Requested Change</b>	<b>\$0</b>	<b>\$0</b>

#### **Request**

The Department requests that the appropriation under s.20.255 (2)(cg) be changed from a sum-certain, to a sum-sufficient, appropriation, in order to position the Department to be able to accommodate the potential increased draws on the state tuition appropriation related to open enrollment transfer payments.

#### **Background/Analysis of Need**

Under s. 121.79, Wis. Stats., the Department is required to pay school districts tuition for pupils residing in particular types of residential facilities. The statutes define four types of residence:

- Children's homes,
- The grounds of a military camp, veteran's hospital, or state charitable or penal institution,
- Foster or group homes exempt from property taxes, and
- Foster or group homes not exempt from property taxes, where pupils residing in these homes make up at least four percent of a district's total enrollment.

State tuition is administered as a categorical aid, paid from the sum-certain appropriation under s. 20.255 (2) (cg), Wis. Stats. Districts submit claims to the Department using either the statutory tuition calculation, or the district's actual costs, as the basis for the claim for a tuition payment from the State.

This appropriation is also used to pay full-time open enrollment transfer payments when a district's open enrollment obligations exceed its total amount of general and categorical state aids (this occurred for the first time in FY14). Current practice treats the full time open enrollment transfer payments to districts as a "first draw" to cover payments, in order to ensure that the general equalization aids appropriation [under s. 20.255 (2) (ac), Wis. Stats.] is not overdrawn. However, the statutory language under s. 121.79, Wis. Stats., does not expressly direct the Department to treat the full-time open enrollment payments as the first draw on the appropriation.

#### *Expansion of Juvenile Justice*

County courts' authority to place juveniles in county detention has been dramatically expanded in the last two biennia. Prior to 2011, a juvenile could be placed for no more than 30 days. The Governor and Legislature expanded that period first to 180 days under 2011 Act 32 (the 2011-13 biennial budget) and then to 365 days under 2013 Act 20 (the 2013-15 biennial budget).

According to staff in the Department's Division of Academic Excellence, which oversees alternative education programs, many counties prefer juvenile detention because it is a less expensive option than

smaller, more resource-intensive residential alternatives. Because county governments do not have the responsibility to educate juveniles in detention, it falls upon the local school district to serve those pupils. Hence, there is some concern about the impact of expanded juvenile detention from a variety of perspectives (including the impact on the detained pupils' education); from a budget perspective, there is potential for the expanded juvenile detention to put pressure on the state tuition appropriation.

Whether or how much juvenile detention increases in a particular district depends on local capacity and the interest of local officials. The change to 365 days has been in effect only since FY14. Because state tuition (like most other aid programs) is paid on prior year audited data, the Department has not yet received claims for juveniles placed under that extended authority and so it is not possible to assess the impact of that extended authority on the state tuition claims submitted by districts.

*Separate Open Enrollment Draws From State Tuition*

In FY14, \$36,987 of the state tuition appropriation was used to cover open enrollment transfer payments for the Linn J4 district, whose other aids were insufficient to cover the transfer amount. While this was the first time the appropriation had been used as such, there are other districts that may need to have open enrollment payments covered in the near future (see Table 1, below):

**Table 1: Districts near threshold to require Open Enrollment payments covered by State Tuition appropriation, FY14 Data**

District	Net OE out <sup>1</sup>	Additional OE "capacity" <sup>2</sup>	Aid membership <sup>3</sup>
Linn J4	16	-6	121
Phelps	19	11	147
Washington	2	4	57
Green Lake	3	28	275
South Shore	39	34	186
Open enrollments out minus open enrollments in. (2) Full-time OE spaces coverable by state aids at \$6,435/pupil. (3) Fall 2014 count for 2015 equalization aid.			

The overall climate of increased public and private school choice suggests that as open enrollment continues to grow in popularity, more districts may not have enough state aids to cover their payments, increasing pressure on the state tuition appropriation.

*Special Education Open Enrollment Transfers*

In a separate decision item, the State Superintendent is proposing to change current law to provide for a flat open enrollment transfer amount of \$12,000 per pupil for special education pupils (see DIN 6005, Special Education Open Enrollment). Assuming that change takes effect, each districts' open enrollment payments to and from other districts will be affected, depending on the number of special education pupils who open enroll into and out of their district, as well as by the higher transfer amount for open-enrolled special education pupils.

That impact on each districts' open enrollment transfer payments would depend on the mix of open-enrolled special education and non-special education pupils within that individual district; that distribution will likely vary from year to year. The higher open enrollment transfer amount for special education pupils may have the effect of increasing the number of special education pupils that open enroll to different schools, making it difficult to project the mix of open enrollment pupils on a district by district basis. Thus, is not possible to project at this time the actual impact on districts of the flat transfer amount for open-enrolled special education pupils.

### *Impact on the Appropriation for State Tuition and Open Enrollment Transfers*

When a district has more residents open-enrolling out of the district than non-residents open-enrolling into the district, that district has an open-enrollment “obligation”: the net of the incoming and outgoing open enrollment transfer payments is negative. That negative amount is applied as a reduction to the district’s general aid for that year (and if the district’s general aid is insufficient, then to the district’s categorical aid). The cumulative negative adjustments for all districts with an open enrollment obligation in effect flow back into the state’s appropriation for general aids. This aid adjustment mechanism allows for positive adjustments to general aid to be made for the districts that had more pupils coming into, than leaving, the district through open enrollment. Under open enrollment, the statewide net positive adjustments must be equal to the statewide net negative adjustments.

If, in a given year, the total amount of state tuition claims, plus the total amount of open enrollment transfer payments that could not be covered by districts’ state aid payments, were to exceed the amount appropriated under s. 20.255 (2) (cg), any open-enrollment transfer payments would have to be treated as a “first-draw” on the state tuition appropriation, as a matter of necessity. Current law does not specify that open enrollment transfer payments must be a first draw on the appropriation; however, it is the practical outcome, due to how open enrollment payments are transferred between districts.

Thus, if a district has insufficient state aid (general and categorical) to cover the open enrollment transfer payment obligation, and does not receive aid from the state tuition appropriation to cover that shortfall (which in turn is “paid” back to the state in the open enrollment adjustment process), the appropriation for general equalization aid would in effect be short by the amount of the district’s unmet open enrollment obligation. In this situation, the state’s general aid appropriation would have insufficient expenditure authority to fully pay out the positive open enrollment adjustments to districts with net positive open enrollment.

Therefore, in a situation as described above, ensuring that all districts receive the full open enrollment adjustment for which it is eligible, the payments to districts for state tuition claims would necessarily be prorated.

While it is possible to observe open enrollment trends, predicting open enrollment transfers on a district by district basis for future years is impractical, at best. Further, it is not possible to estimate the number of special education pupils that would open enroll if the \$12,000 open enrollment transfer amount for special education pupils were to become law. Thus, the potential draw on the state tuition appropriation to pay for full time open enrollment transfers, for either special education or non-special education pupils, is indeterminate, which makes it very challenging to estimate the amount of funding required to “fully fund” the state tuition appropriation.

The Department instead is taking the approach of requesting that the appropriation under s.20.255 (2) (cg) be changed from a sum-certain, to a sum-sufficient, appropriation, in order to accommodate the potential increased draws on the state tuition appropriation related to open enrollment transfer payments.

### **Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6030*)

**Subject:** State Tuition Payments and Open Enrollment Transfers

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Change the existing appropriation for state tuition aid and open enrollment transfers from a sum-certain, to a sum-sufficient, appropriation, effective in FY17.

**Related Stat. Citations:**

Modify the appropriation under s. 20.255 (2) (cg), Wis. Stats., Tuition payments; full-time open enrollment transfer payments, to be sum-sufficient (effective FY17).



## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 6031 – SUPPLEMENTAL AID

#### *213 – Supplemental aid* *s. 20.255 (2) (ad)*

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Aid</b>	<b>\$100,000</b>	<b>\$0</b>
<b>Less Base</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>Requested Change</b>	<b>\$0</b>	<b>-\$100,000</b>

#### **Request**

The Department requests the elimination of the appropriation under s. 20.255 (2) (ad), Wis. Stats., effective in FY17.

#### **Background/Analysis of Need**

1999 Wisconsin Act 9 provided \$125,000 GPR annually for districts that met certain criteria. The Department distributes aid in the amount of \$350 for each pupil enrolled in an eligible school district. Current funding is \$100,000 GPR annually.

Under s. 115.435, Wis. Stats., a school district that satisfies all of the following criteria may apply to the department by October 15 of each school year for a grant to supplement aid:

1. The school district had an enrollment in the previous school year of fewer than 500 pupils.
2. The school district is at least 200 square miles in area.
3. At least 80 percent of the real property in the school district is exempt from taxation under s. 70.11, taxed as forest croplands (under Subchapter I of Chapter 77, Wis. Stats.), owned by or held in trust for a federally recognized American Indian tribe, or owned by the federal government.

Since the second year of existence of this appropriation, only one district has qualified for this particular categorical aid (Laona receives about \$80,000 with remaining funds lapsing to the general fund). This is the only GPR appropriation in the Department's schedule that is, in effect, dedicated solely to one school district.

It can be argued that it is unfair that only one school district in the state qualifies for a state aid program. The practical effect is the creation a separate categorical aid (earmark) for the district. Such earmarks could set precedents where politically powerful districts could seek to convince legislators to do the same for them.

Thus the Department proposes to eliminate this categorical aid program, effective with FY17.

#### **Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 6031*)

**Subject:** Supplemental Aid

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Eliminate funding and statutory language related to the supplemental aid program, effective FY17.

**Related Stat. Citations:**

Repeal the appropriation under s. 20.255 (2) (ad), Wis. Stats., Supplemental aid; and the language under s. 115.435, Wis. Stats., effective in FY17.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7010 – SCHOOL LIBRARY AID REESTIMATE

#### *262 – School library aids* *s. 20.255 (2) (s)*

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Funding</b>	<b>\$34,000,000</b>	<b>\$36,000,000</b>
<b>Less Base</b>	<b>\$32,000,000</b>	<b>\$32,000,000</b>
<b>Requested Change</b>	<b>\$2,000,000</b>	<b>\$4,000,000</b>

#### **Request/Objective**

The Department requests \$2.0 million SEG in FY16 and \$4.0 million SEG in FY17 as a re-estimate of projected school library aid.

#### **Background/Analysis of Need**

Aid to school libraries is distributed to school districts for the purchase of library books and other instructional materials for school libraries and for the purchase of instructional materials from the State Historical Society for use in teaching Wisconsin history. In addition, a school district may use Common School Funds (CSF) received in a fiscal year to purchase school library computers and related software if the school board consults with the person who supervises the school district's libraries and the computers and software are housed in the school library. The aid is distributed on a per-capita basis according to the school census per district of persons between the ages of four and twenty.

#### *The Common School Fund*

The CSF was established with proceeds from the sale of the 16th Section of each township—nearly one million acres of land granted by the federal government to Wisconsin when it became a state. Like other states joining the union at that time, Wisconsin received another grant from Congress of 500,000 acres of land for the purpose of making "internal improvements." Wisconsin's early leaders petitioned congress for permission to dedicate these lands for public education, as well. Except for about 5,200 acres that remain in trust, all of the lands from these original grants were sold to establish the CSF.

The principal continues to grow, however, because the state's constitution provides that the CSF receives clear proceeds of all fees, fines and forfeitures (including unclaimed and escheated property) that accrue to the state. In addition, the principal of the CSF is used to provide loans to Wisconsin's school districts and municipalities for public purpose projects through the State Trust Fund Loan Program.

#### *School Library Aids*

Aid to school libraries is composed of interest paid yearly on loans from the CSF (Fund 44) and includes interest earned on the aid revenue, earned between the time revenue is deposited in the appropriation and the time it is distributed to school districts. The CSF was created by the state constitution (article X, section 2) and is distributed according to s. 43.70, Wis. Stats.

Revenues deposited to the appropriation are distributed to school districts on or before May 1st. Estimates of the amounts available for distribution are provided by the Office of the Board of Commissioners of Public Lands (BCPL).

In FY14 the CSF provided \$30.2 million in aid to Wisconsin's public school libraries, paid in April 2014. The FY14 distribution was at a rate of \$24.95 per pupil. The BCPL currently projects that the CSF earnings, available for aid payments to school libraries, at \$33.8 million in FY15; and projects amounts of \$35.8 million in FY16 and \$37.1 million in FY17.

Note that the BCLP indicates that the FY16 and FY17 estimates are very early figures and subject to change. The appropriation in which the CSF are received by the Department and from which school library aids are distributed is a continuing appropriation. Thus, expenditure authority can be adjusted, if necessary at the request of the Department to the Department of Administration. Nonetheless, it would be reasonable to round up the estimated expenditure authority for FY16 and FY17, so as to ensure adequate expenditure authority is included at the outset. Thus the Department requests increases of \$2.0 million in FY16 and \$4.0 million FY17, to bring expenditure authority up to \$36 million and \$38 million, in FY16 and FY17, respectively.

### **Statutory Language**

The Department is not proposing statutory language related to this request.

# CHOICE, CHARTER AND OPEN ENROLLMENT

## DPI 2013-15 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7001 – INDEPENDENT CHARTER PROGRAM REESTIMATE

#### *218 – Charter schools s. 20.255 (2) (fm)*

FISCAL SUMMARY		
	2013-15 Request	2013-15 Request
<b>Requested Funding</b>	<b>\$74,979,000</b>	<b>\$81,804,500</b>
<b>Less Base</b>	<b>\$70,252,500</b>	<b>\$70,252,500</b>
<b>Requested Change</b>	<b>\$4,726,500</b>	<b>\$11,552,000</b>

#### **Request/Objective**

The Department requests an increase of \$4,726,500 GPR in FY16 and \$11,552,000 GPR in FY17 to fully fund the Independent Charter Schools Program (ICSP) under s. 118.40 (2r), Wis. Stats.

#### **Background/Analysis of Need**

Aid for the ICSP is paid from a separate sum sufficient charter school appropriation. The amount of aid paid is proportionately withheld from the general equalization aid payment under s. 20.255 (2) (ac), Wis. Stats., for all of the state's 424 public school districts.

To determine the reduction amount for each school district, the Department multiplies the estimated total number of pupils expected to enroll in ICSP schools each year by the statutorily required per pupil payment amount to arrive at an overall ICSP cost figure. The Department then calculates the percentage reduction to each district, based on the total ICSP cost as a percent of the amount appropriated for general equalization aid (1.53 percent of all general school aids in FY15, October general aid certification). This amount is deducted from each school district's aid entitlement and is shown on each school district's aid worksheet each year. The aid withheld lapses to the state's general fund. School districts are allowed to increase their property tax levy under their revenue limit to replace the loss of this state aid.

#### *Independent Charter Schools*

The 1997 Wisconsin Act 27 authorized the City of Milwaukee, the UW-Milwaukee, and the Milwaukee Area Technical College to operate, or contract with another individual or group to operate, an independent charter school beginning June 1, 1998. 2001 Wisconsin Act 16 expanded the ICSP to allow the UW-Parkside to establish, or contract to establish, one charter school in a unified school district (Racine) that is located in the county in which UW-Parkside is located or in an adjacent county.

The ICSP provides direct state assistance to operators of charter schools sponsored by the City of Milwaukee, UW-Milwaukee, Milwaukee Area Technical College, and UW-Parkside. Independent charter schools participating in the ICSP are not considered to be an instrumentality of any public school district. There are no income eligibility criteria for pupils seeking to enroll in these independent charter schools nor is there any limit on the total number of pupils allowed to enroll in them.

There are 23 independent charter schools participating in the ICSP for the 2014-15 school year as shown in the Table 1, below.

**Table 1: Independent Charter Schools, 2014-15**

<b>Charter School Authorizer</b>	<b>Charter School</b>	<b>Grades</b>
City of Milwaukee	Central City Cyberschool	K4-08
City of Milwaukee	Milwaukee Collegiate Academy	09-12
City of Milwaukee	Darrell Lynn Hines (DLH) Academy	K4-08
City of Milwaukee	Downtown Montessori Academy	K3-08
City of Milwaukee	Escuela Verde	07-12
City of Milwaukee	King's Academy	K4-08
City of Milwaukee	Milwaukee Academy of Science	K4-12
City of Milwaukee	Milwaukee Math and Science Academy	K4-07
City of Milwaukee	North Point Lighthouse Charter	K4-05
City of Milwaukee	Rocketship Southside Community Prep	K4-03
UW-Milwaukee	Bruce Guadalupe Community School	K4-08
UW-Milwaukee	Capitol West Academy	K4-08
UW-Milwaukee	Milwaukee College Preparatory School - 36th Street	K4-08
UW-Milwaukee	Milwaukee Scholars Charter School	K4-08
UW-Milwaukee	School for Early Development & Achievement (SEDA)	K3-02
UW-Milwaukee	Seeds of Health Elementary School	K4-08
UW-Milwaukee	Tenor High School	0912
UW-Milwaukee	Urban Day Charter School, Inc.	K4-08
UW-Milwaukee	Veritas High School	09-12
UW-Milwaukee	Woodlands School	K4-08
UW-Milwaukee	Woodlands School East (WSE)	K4-08
UW-Milwaukee	YMCA Young Leaders Academy	K4-08
UW-Parkside	21st Century Preparatory School	K4-08

***Estimated Payments to Independent Charter Schools***

The 2013 Wisconsin Act 20 (2013-15 biennial budget) changed the mechanism for adjusting the per-pupil payment for the ICSP. Prior to Act 20, the ICSP per pupil payment was increased each year by the dollar value of the per pupil revenue limit adjustment for public school districts. Act 20 modified the ICSP per pupil adjustment to also include an increment equal to the dollar change in appropriations for categorical aids over prior year, divided by the prior year's revenue limit membership.

Thus for FY16, the ICSP per pupil payment will be equal to the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$200), plus the change categorical aids (in FY16 proposed appropriations compared to FY15 appropriations), divided by FY15 revenue limit membership. This categorical aid related component adds \$56, to bring the total ICSP per-pupil adjustment to \$256 for FY16.

For FY17 the ICSP per pupil payment is estimated to be \$280, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$204), plus the categorical aid component of \$76. The specific components of the estimated per-pupil payments for FY16 and FY17 are outlined in Table 2, below.

**Table 2: Adjustment to the Per Pupil Payment**

	FY16	FY17
\$ change in categorical aids from prior year	\$47,740,900	\$64,480,700
Prior year total revenue limit membership (est.)*	845,624	844,400
Categorical aid change per member (rounded)	\$56	\$76
Proposed per pupil revenue limit adjustment	\$200	\$204
<b>Adjustment to per pupil payment</b>	<b>\$256</b>	<b>\$280</b>

\**Revenue limits membership*: the prior year's three-year average FTE (including 40% summer school FTE). For the FY16 per pupil adjustment, this is the FY15 revenue limit membership, data as of November 6, 2014. For the FY17 per pupil adjustment, this is the Department's projected FY16 revenue limit membership.

Table 3 below shows the state's history of funding the ICSP since its inception in FY99 and estimated payments for 2015-17:

**Table 3: ICSP Funding**

Fiscal Year	ICSP Pupils	ICSP Per Pupil State Aid Payment	School Districts Aid Reduction (includes Racine School District payment through FY13)
1998-99	55	\$6,062	\$350,000
1999-00	193	\$6,272	\$1,210,000
2000-01	1,590	\$6,494	\$9,160,000
2001-02	2,031	\$6,721	\$13,750,000
2002-03	3,402	\$6,951	\$24,212,000
2003-04	3,600	\$7,050	\$26,400,000
2004-05	4,066	\$7,111	\$29,949,700
2005-06	4,629	\$7,519	\$35,465,100
2006-07	4,830	\$7,669	\$39,900,000
2007-08	5,487	\$7,669	\$44,492,300
2008-09	5,296	\$7,775	\$48,350,000
2009-10	6,165	\$7,775	\$49,101,000
2010-11	7,491	\$7,775	\$58,242,500
2011-12	7,156	\$7,775	\$55,637,900
2012-13	7459	\$7,775	\$57,993,700
2013-14	7964	\$7,925	\$63,114,700
2014-15 (est.)	8,500	\$8,075	\$68,637,500
2015-16 (est.)	9,000	\$8,331	\$74,979,000
2016-17 (est.)	9,500	\$8,611	\$81,804,500

**Statutory Language**

The Department is not proposing any statutory language related to this request.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7002 – PARENTAL CHOICE PROGRAMS REESTIMATE**

**224 – Parental choice program for eligible school districts  
s. 20.255 (2) (fr)**

**235 – Milwaukee parental choice program  
s. 20.255 (2) (fu)**

<b>FISCAL SUMMARY</b>		
	<b>2013-15 Request</b>	<b>2013-15 Request</b>
<b>Requested Funding</b>	<b>\$229,490,900</b>	<b>\$249,755,700</b>
<b>Less Base</b>	<b>\$212,462,100</b>	<b>\$212,462,100</b>
<b>Requested Change</b>	<b>\$17,028,800</b>	<b>\$37,293,600</b>

**Request/Objective**

The Department requests \$14,691,800 GPR in FY16 and \$30,130,800 GPR in FY17 to continue to fund the Milwaukee Parental Choice Program (MPCP) under s. 119.23, Wis. Stats.

The Department requests \$2,337,000 GPR in FY16 and \$7,162,800 GPR in FY17 to continue to fund the Racine Parental Choice Program (RPCP) and the Wisconsin Parental Choice program under s. 118.60, Wis. Stats.

In addition to a reestimate of the total costs of the MPCP for the 2015-17 biennium, this request includes a change in the state’s share of funding for the program, from 71.2 percent of annual cost of the program in FY16, to 100 percent of the annual cost of the program in FY17.

Finally, the Department requests several changes to statutory language under the MPCP, RPCP and WPCP, addressed later in this paper.

**Background/Analysis of Need**

Milwaukee Parental Choice Program Reestimate and Funding Change

<b>FISCAL SUMMARY</b>		
	<b>2013-14 Request</b>	<b>2014-15 Request</b>
<b>Requested Funding</b>	<b>\$205,175,100</b>	<b>\$220,614,100</b>
<b>Less Base</b>	<b>\$190,483,300</b>	<b>\$190,483,300</b>
<b>Requested Change</b>	<b>\$14,691,800</b>	<b>\$30,130,800</b>

Under current law, the costs of the MPCP are borne by both the state and Milwaukee Public Schools (MPS). The MPS share is paid for via a reduction to the school district’s general aid payment; that aid reduction then lapses back to the state’s general fund, to offset the cost to state of the MPCP.

The share of costs borne by MPS and the state has changed over the years, since the inception of the MPCP in the 1990-91 school year. While MPS formerly paid 100 percent of the costs of the MPCP from FY91 through FY99, it also was allowed to count MPCP pupils in its membership for purposes of calculating general equalization aid and revenue limits during that time. The 1999-2001 biennial budget removed MPCP pupils from MPS’ membership calculation for school aid and revenue limit purposes, effective in FY00.



In the 2001-03 biennial budget bill, the law was changed to require the state to pay 55 percent of the MPCP, with MPS picking up the remaining 45 percent through a general aid reduction. The 2009-11 biennial budget changed the split to 54.6 percent state funding/41.6 percent MPS share in FY10 and 61.6 percent state funding/38.4 percent MPS share in FY11. Table 1 below shows the state's history of funding the MPCP since its inception in FY91:

**Table 1: MPCP History**

<b>Fiscal Year</b>	<b>MPCP Pupils (FTE)</b>	<b>MPS Aid Reduction (\$ in millions)</b>	<b>Other School Districts Aid Reduction (\$ in millions)</b>	<b>Total MPCP Cost/Payments (\$ in millions)</b>
1990-91	300	\$0.7	\$0	\$0.7
1991-92	512	\$1.4	\$0	\$1.4
1992-93	594	\$1.6	\$0	\$1.6
1993-94	704	\$2.1	\$0	\$2.1
1994-95	771	\$2.5	\$0	\$2.5
1995-96	1,288	\$4.6	\$0	\$4.6
1996-97	1,616	\$7.1	\$0	\$7.1
1997-98	1,497	\$7.0	\$0	\$7.0
1998-99	5,761	\$28.7	\$0	\$28.7
1999-00	7,575	\$19.5	\$19.5	\$39.1
2000-01	9,238	\$24.5	\$24.5	\$49.0
2001-02	10,497	\$26.7	\$0	\$59.4
2002-03	11,304	\$29.5	\$0	\$65.6
2003-04	12,882	\$33.9	\$0	\$75.3
2004-05	14,071	\$39.3	\$0	\$82.6
2005-06	14,604	\$41.3	\$0	\$91.9
2006-07	17,088	\$49.5	\$0	\$110.1
2007-08	18,558	\$53.8	\$0	\$119.5
2008-09	19,428	\$57.2	\$0	\$127.1
2009-10	20,372	\$49.8	\$0	\$129.7
2010-11	20,256	\$49.6	\$0	\$129.2
2011-12	22,220	\$54.7	\$0	\$142.4
2012-13	23,812	\$59.4	\$0	\$152.8
2013-14	24,811	\$56.7	\$0	\$159.4
2014-15	26,000 (est.)	\$61.4	\$0	\$191.7

2013 Wisconsin Act 20 put into place a mechanism by which the state's share of costs will increase by 3.2 percent points each year (beginning in FY14) in effect phasing in full state funding for the MPCP over twelve years. When Act 20 was signed into law, the state's share of the MPCP was 61.6 percent (FY13). The state's share rose to 64.8 percent for FY14 and then 68.0 for FY15. Under current law, the state will pay 71.2 percent in FY16 and 74.4 percent in FY17.

As allowed by state law, MPS generally increases its property tax levy to replace these reduced state general school aids, resulting in higher tax levies for its residents. It is estimated MPS' share of paying

for this program will be \$61.1 million in FY15, \$59.1 million in FY16 and \$56.5 million in FY17, under current law.

While this change under Act 20 will begin to reduce the MPCP property tax burden Milwaukee’s residents, the Department proposes eliminating the MPS share of the MPCP costs, beginning in FY17, providing tax relief on a much more accelerated timeline. This change would eliminate altogether the MPCP property tax burden on the district residents, and more important, treat the MPCP consistently with the RPCP and WPCP (for which the state picks up 100 percent of the programs’ costs), thereby bringing equity to the residents of MPS.

This proposal would increase MPS’ general equalization aid indirectly by resulting in no aid reduction as of FY17. It would not provide MPS with any more money to spend, since the additional aid it received would be inside its revenue cap. It would reduce the MPS property tax levy (and state school tax levies) by the same amount of the MPS general equalization aid increase. Lastly, it would not directly take away general equalization aids from any other school district.

In a separate decision, Decision Item 6000, \$16.8 million GPR is being removed from the high poverty aid appropriation in FY15 to be placed in the general equalization aid formula. Because the changes in the general aid formula will now account for poverty, there will not be a separate high poverty aid program. MPS is estimated to receive approximately \$4.5 million annually from the high poverty aid program, which the district is statutorily required to utilize to reduce the property tax levy due to the MPCP.

Table 2 below shows the total state funding commitment if current law is amended in FY17 to require the state to pay 100 percent of MPCP costs and the elimination of the high poverty aid program.

**Table 2**

Fiscal Year	MPCP Pupils (FTE)	FTE Payment*	Total MPCP Payment	State Share (71.2% in FY16, 100% in FY17)	MPS Share (38.4% in FY14, 30% in FY15)	MPS High Poverty Aid (reduces levy)	Total Net State Aid for MPCP**
2015-16	27,000 (est.)	\$7,466/\$8,112	\$205,175,100	\$146,084,600	\$59,090,500	\$4,500,000	\$150,584,600
2016-17	28,000 (est.)	\$7,746/\$8,392	\$220,614,100	\$220,614,100	\$0	\$0	\$220,614,100

\*Estimated per-pupil payment, under current law, for K-8 and 9-12 pupils, respectively.

\*\*Includes estimated \$4.5 million in high poverty aid.

Table 3 below shows how the state’s financial commitment as well as MPS’ financial commitment differs between current law and this budget request. Because no changes are made until FY17, no differences are noted until that year. It should be noted, however, that despite the high poverty aid program going away in FY15, if the state picks up 100 percent of the MPCP in FY17, it is expected that Milwaukee taxpayers would see a \$52.0 million property tax decrease.

**Table 3**

Fiscal Year	Current Law		Budget Request		Impact of Budget Request	
	State Share of MPCP*	MPS Share of MPCP	State Share of MPCP	MPS Share of MPCP	Net Additional State School Aid to MPS	Net Lower Property Taxes in Milwaukee
2015-16	\$150,584,600	\$64,090,500	\$151,084,600	\$64,090,500	-	-
2016-17	\$168,636,900	\$51,977,200	\$220,614,100	\$0	\$51,977,200	-\$51,977,200

\*Includes estimated \$4.5 million in high poverty aid.

*Per-Pupil Payment*

Act 20 also included a change to how the MPCP per-pupil payment is calculated. Prior to passage of Act 20, the MPCP per-pupil payment was increased by the same percentage increase in state general school aid funding. Act 20 modified the MPCP per-pupil adjustment to also include an increment equal to the dollar change in appropriations for categorical aids over prior year, divided by the prior year's revenue limit membership.

Thus, for FY16, the MPCP per-pupil payment will be equal to the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$200), plus the change categorical aids (in FY16 proposed appropriations compared to FY15 appropriations), divided by FY15 revenue limit membership. This categorical aid related component adds \$56, to bring the total MPCP per-pupil adjustment to \$256 for FY16.

For FY17, the MPCP per-pupil payment is estimated to be \$280, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$204), plus the categorical aid component of \$76. The specific components of the estimated per-pupil payments for FY16 and FY17 are outlined in Table 4.

**Table 4: Adjustment to the Per-Pupil Payment**

	FY16	FY17
\$ change in categorical aids from prior year	\$47,740,900	\$64,480,700
Prior year total revenue limit membership (est.)*	845,624	844,400
Categorical aid change per member (rounded)	\$56	\$76
Proposed per-pupil revenue limit adjustment	\$200	\$204
<b>Adjustment to per-pupil payment</b>	<b>\$256</b>	<b>\$280</b>

\*Revenue limits membership: the prior year's three-year average FTE (including 40% summer school FTE).

For the FY16 per-pupil adjustment, this is the FY15 revenue limit membership, data as of November 6, 2014.

For the FY17 per-pupil adjustment, this is the Department's projected FY16 revenue limit membership.

Parental Choice Programs for Eligible School Districts Reestimate (RPCP and WPCP)

FISCAL SUMMARY		
	2013-14 Request	2014-15 Request
Requested Funding	\$24,315,800	\$29,141,600
Less Base	\$21,978,800	\$21,978,800
Requested Change	\$2,337,000	\$7,162,800

2011 Act 32 (the 2011-13 biennial budget) created the Parental Choice Programs for Eligible School Districts. Under the program the Department must bi-annually certify school districts eligible for a parental choice program if they meet four criteria.

- In the most recent October 15 equalization run, the district's equalized value per member was no more than 80 percent of the statewide average.
- In the most recent October 15 equalization run, the district's shared cost per member was no more than 91 percent of the statewide average.

- The district was eligible for high poverty aid in the most recent determination of eligibility for that program (at least 50 percent of the district's enrollment is eligible for the free or reduced-price lunch program).
- The district is located, in whole or in part, in a city of the second class.

The bill provided that no more than 250 full-time equivalent pupils may participate in the choice program for other eligible districts in the first school year of operation and that no more than 500 full-time equivalent pupils may participate in the choice program for other eligible districts in the second school year of operation. The bill provided that for the third school year and subsequent school years there would be no limit to participation in the choice program for other eligible districts.

During the first determination of eligibility conducted by the Department, the Racine Unified School District (RUSD) met all of the criteria and was declared eligible for the program. No other districts met all four criteria to be declared eligible. Pupils residing in RUSD were eligible to participate in the choice program for other eligible districts beginning in the 2011-12 school year.

2011 Wisconsin Act 215 changed the program so that no additional school districts could be qualified as an eligible school district after April 20, 2012. This act effectively "closed" the program to additional districts.

2013 Act 20 (2013-15 biennial budget) amended the Parental Choice Programs for Eligible School Districts to allow private schools outside of Milwaukee and Racine to participate in a parental choice program, thus the creation of the Wisconsin Parental Choice Program (WPCP). Participation in the program was capped at 500 pupils in FY14 and 1,000 pupils in FY15. Unlike the MPCP and the RPCP, in which a pupil's family income may be up to 300% of the Federal Poverty Limit (FPL), under the WPCP, a pupil's family income may not exceed 185% of the FPL. The per-pupil payment under the WPCP is the same as for the MPCP and the RPCP. Further, Act 20 provided for full state funding of both the RPCP and the WPCP, beginning in FY14.

Previously, the RPCP per-pupil payment had been identical to the MPCP per-pupil payment. However, Act 20 changed the per-pupil payments, for both the RPCP and the WPCP, to be set in accordance with the MPCP – an increase equal to the current year's per-pupil revenue limit adjustment plus the per-pupil change in categorical aids (from prior year). Thus the increase to the per-pupil payments under the RPCP and the WPCP will be \$256 in FY16 and \$280 in FY17.

Funding for the first four years of the RPCP and the first two years of the WPCP, as well as the Department's projections for the 2015-17 biennium, are detailed in the Tables 5 and 6, below.

**Table 5: RPCP History**

<b>Fiscal Year</b>	<b>RPCP Pupils (FTE)</b>	<b>Per-Pupil Payment</b>	<b>Eligible School District Aid Reduction (\$ in millions)</b>	<b>Total RPCP Cost/Payments(\$ in millions)</b>
2011-12	250	\$6,642	\$0.6	\$1.6
2012-13	500	\$6,642	\$1.2	\$3.2
2013-14	1169*	\$6,442	\$0	\$7.5
2014-15	1,700 (est.)	\$7,210/\$7,856	\$0	\$12.5
2015-16	2,200 (est.)	\$7,466/\$8,112	\$0	\$16.7
2016-17	2,700 (est.)	\$7,746/\$8,392	\$0	\$21.2

\*Unaudited data.

**Table 5: WPCP History**

Fiscal Year	RPCP Pupils (FTE)	Per-Pupil Payment	Eligible School District Aid Reduction (\$ in millions)	Total RPCP Cost/Payments(\$ in millions)
2013-14	500	\$6442	\$0	\$3.2
2014-15	1,000 (est.)	\$7,210/\$7,856	\$0	\$7.4
2015-16	1,000 (est.)	\$7,466/\$8,112	\$0	\$7.6
2016-17	1,000 (est.)	\$7,746/\$8,392	\$0	\$7.9

*Program Language Changes*

The Department proposes additional changes the language in ss. 118.60, and 119.23, Wis. Stats., in order to address several program implementation issues, and to make technical corrections. The requested changes to existing state law, and rationale for each change, are enumerated below.

1. Modify funding for the program as follows:

- a. *Delete the “lesser of” payment calculation and pay a set amount for each eligible student.*

Under current law, the state pays the lesser of the payment amount in statute or the school’s per-pupil cost. Most schools’ per-pupil costs are above the statutory payment amount. In addition, schools that are under the statutory payment amount are now allowed to keep a 15% reserve which will also result in fewer schools with a per-pupil cost below the statutory amount.

- b. *Require a modified GAAP audit.*

In order to help ensure schools’ financial statements conform to GAAP and state funding is being used for educational purposes, schools should be required to submit a GAAP audit that includes a schedule showing educational costs and the fund balance held in a segregated fund for future educational purposes. Some argue these provisions are needed to ensure a set payment amount is constitutional.

2. Specify student preferences for random selection for the WPCP. Use these preferences for all three voucher programs.

Under current law, the only preference is for siblings. Specifying student preferences would ensure continuing choice students have preference. Preferences would be as follows: (1) continuing choice students applying to the same school; (2) siblings of continuing choice students that received a seat; (3) continuing choice students applying at a different school; (4) siblings of continuing choice students applying at a different school that received a seat; and (5) siblings of students accepted to the school. DPI would be required to grant these preferences in administrating the WPCP random selection. MPCP and RPCP schools may grant these preferences.

3. Require private schools to be non-profit organizations. This provides for greater transparency of schools participating in the program.

4. Change the date by which schools must annually register to participate in the program from February 1 to December 1. This change helps ensure schools are registered before student applications are accepted on February 1.

5. Modify summer school provisions as follows:

- a. *Change the due date for the summer school report from October 15 to October 1.*

This is the same deadline for public schools.

- b. *Remove summer school provisions that are no longer applicable due to the prior budget changes to summer school funding.*

These are technical modifications were not included in the last budget.

6. Expand the allowable teacher and administrator credentials to include a DPI issued teacher license. Under current law, a teacher must have a bachelor's degree from an accredited institution of higher education. An administrator must have at least a bachelor's degree. A copy of the bachelor' degree must be provided to the school. Allowing Wisconsin teacher licenses to be an acceptable credential is reasonable given most licenses require a bachelor's degree. Copies of licenses may be easier to obtain and a DPI license demonstrates the individual has met the requirements to be a teacher in Wisconsin.
7. Remove the following current law requirements:
  - a. *Continuing eligibility report.*

This is data reported by the schools and not verified. The Department has not terminated a school for failing to meet this requirement in years. The new accountability provisions will provide better information.
  - b. *Grade promotion report.*

This information has not been requested by any outside party and is not used by the Department. The new open source data collection system will provide better information.
  - c. *Requirement to submit test scores from additional tests (not required under state law) administered by the school.*

These test scores are stored here but not used by DPI.
  - d. *Pupil Assignment Council Meetings.*

These required meetings are no longer needed as the choice team can provide better services by having the flexibility to hold meetings as needed.
8. Add the enrollment audit requirements currently in administrative rule to statute. While not required, including the enrollment audit requirements in statute help ensure the requirements are legally enforceable.
9. Require new private schools to have been in existence as of May 1, 2013 or be fully accredited to participate in the choice programs in the future. Under current law for the WPCP the requirement to be in operation on May 1, 2013 sunsets after 2014-15. This change ensures that before a school participates in any of the choice programs, the school has either been in operation for at least two years or has an educational program that has been reviewed by an accrediting organization.
10. Modify the statutory list of eligible accrediting agencies to remove the National Council of Private School Accreditation and only list the following specific organizations that are members of NCPA: Accrediting Association of Seventh Day Adventist Schools, Association of Waldorf Schools of North America, National Accreditation Board of Merkos L'inyonei Chinuch and North American Christian School Accrediting Agency.

Since the 2011-12 school year, a total of nine schools have been terminated from the Private School Choice Programs. Of the nine schools that were terminated during the period, seven were accredited, preaccredited or an applicant to an agency recognized by the National Council for Private School Accreditation. Over \$20 million was paid to these seven schools that were terminated. DPI records prove that many of the seven schools had other quality-related issues that should have been monitored or addressed by the school's accrediting organization. The recommended list covers all organizations that participating schools are aligned with. No current schools would be affected by this change.

11. Allow parents to access DOR directly in the online student application to determine income eligibility for the program. This would assist parents during the online application process by letting the parent know immediately if DOR has their income records. If not, the parent must use the DPI income determination method. Currently, only **schools**, not parents, can submit data to DOR.
12. Modify provisions relating to new schools' participation in the program as follows:
  - a. *Delete the preaccreditation provisions.*

These provisions would no longer be needed due to the requirement to be fully accreditation or have been in operation since May 1, 2013 in order to participate in the choice programs in the future. The preaccreditation requirements never applied to the WPCP schools because the schools were required to be operating as a private school on May 1, 2013.
  - b. *Delete the recently enacted new school requirements. [119.23(2)(ag) and 118.60(2)(ag)].*

These provisions would no longer be needed due to the requirement to be fully accreditation or have been in operation since May 1, 2013 in order to participate in the choice programs in the future.
13. Eliminate the provisions that allow high schools to charge tuition to voucher students. Charging voucher student's tuition is contrary to the original intent of this program -- offering low income students educational choices.
14. Eliminate the provision that requires the Department to certify the districts eligible to participate in the parental choice program for eligible school districts and other school districts.
  - a. *Repeal s.118.60 (1m)*

Current law requires the Department to certify a list of districts eligible to participate under s. 118.60 (1)(am), on November 15 of the second year of the fiscal biennium. Arguably, this section is no longer necessary, given the provisions under s.118.60 that provide for a statewide parental choice program, and it creates an unnecessary reporting burden on the Department.
  - b. *Repeal s. 118.60(1)(am)*

Current law outlines the criteria under which a school district is deemed "eligible", for the purposes of determining whether a private school located in that district may participate in the parental choice program (for eligible school districts). However, under s. 118.60 (2), in effect, a private school located in any district in the state (outside of the RUSD and MPS) may participate, provided other conditions specified in state law are met. Thus, these "eligibility" criteria are longer applicable. There may be other sections under s. 118.60 that would have to be modified as part of this change (for example, eliminating the definition of "eligible district" under s. 118.60(2)(a).
15. Repeal s. 121.137, Wis. Stats. This section in state law requires that 6.6 percent of the aid reduction to the MPS district related to the MPCP be paid directly to the City of Milwaukee and then requires the city to pay that same amount back to MPS. This payment back and forth between the City of Milwaukee and MPS serves no useful purpose. Given that the Department proposes to eliminate the MPS share of the MPCP program, effective in FY17, this would be an opportune time to eliminate this unnecessary transfer of aid between the city and the district. Even under current

law, the MPS share will be reduced by 3.2 percent points each year, to eventually phase out the MPS share of the MPCP costs.

### **Statutory Language**

The Department is proposing statutory language related to the Milwaukee Parental Choice Program under s.119.23, Wis. Stats.; and to the Parental Choice Programs for Eligible School Districts under s. 118.60, Wis. Stats.



**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 7002*)

**Subject:** Choice Programs

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Under current law, the State Superintendent must pay a school participating in the Milwaukee, Racine or Wisconsin Parental Choice Programs, the lesser of an amount equal to the private school's operating and debt service cost per pupil that is related to educational programming or a set statutory amount. Under current law, a private school participating in any of the Parental Choice Programs is required to submit to the Department an independent financial audit of the school's per pupil cost conducted by an independent certified public accountant. The Department requests both that the set statutory amount be paid (instead of a private school being paid the lesser of the set statutory amount and the private school's operating and debt service cost per pupil) and that the private school be required to submit a GAAP audit that includes a schedule showing educational costs and the fund balance held in a segregated fund for future educational purposes.

Under current law, criteria are outlined for whether a school district is deemed eligible to participate in the Racine Parental Choice Program. Under current law, the Department is required to certify a list of districts eligible to participate on November 15 of the second year of the fiscal biennium. The Department requests these requirements (s. 118.60 (1) (am) and (1m), Wis. Stats.) be eliminated.

Under current law a private school participating in the Milwaukee and Racine Parental Choice Programs must accept pupils on a random basis except that the private school may give preference in accepting applications to pupils who attended the private school previously; siblings of those pupils; and pupils who attended a different school under the Parental Choice Programs. The Department requests specifying the following preferences: (1) continuing choice students applying to the same school; (2) siblings of continuing choice students that received a seat; (3) continuing choice students applying at a different school; (4) siblings of continuing choice students applying at a different school that receive a seat; and (5) siblings of students accepted to the school. The Department requests that these preferences be used in administering the Wisconsin Parental Choice Program random selection. Schools in the Milwaukee Parental Choice Program and Racine Parental Program may grant these preferences.

Under current law, there is no requirement for private schools in the Milwaukee, Racine, or Wisconsin Parental Choice Programs to be non-profit organizations. The Department requests that private schools participating in any of the three Parental Choice Programs be non-profit organizations.

Under current law, a private school must notify the State Superintendent of its intent to participate in any of the Parental Choice Programs by February 1 of the previous school year. The Department requests that the date by which schools must annually register to participate in the program be changed from February 1 to December 1.

Under current law, a private school participating in any of the Parental Choice Programs must annually file with the Department a report stating its summer average daily membership equivalent and its

summer choice average daily membership equivalent by October 15. The Department requests the due date for the summer school report be changed from October 15 to October 1, which is the same deadline for public schools. Additionally, some prior summer school provisions in ss. 119.23 and 118.60, Wis. Stats., are no longer applicable due to the prior budget changes to summer school funding. The Department requests these provisions be removed.

Under current law, a teacher must have a bachelor's degree from an accredited institution of higher education. An administrator must have at least a bachelor's degree. A copy of the bachelor's degree must be provided to the school. The Department requests the list of allowable teacher and administrator credentials be expanded to include a DPI issued educator license.

Currently under ss. 119.23 and 118.60, Wis. Stats., there are no audit requirements for the private school's enrollment report. The Department requests the requirements from PI 35.04 (9) (a), Wis. Adm. Code., be added in statute.

Under current law, the requirement to be in operation on May 1, 2013 sunsets after 2014-15 for the Wisconsin Parental Choice Program. The Department requests that new private schools have to be in existence as of May 1, 2013 or be fully accredited to participate in Parental Choice Programs in the future. If this request is accepted, the preaccreditation provisions in ss. 119.23 and 118.60, Wis. Stats. and the recently enacted new school requirements (ss. 119.23 (2) (ag) and 118.60 (2) (ag), Wis. Stats.) could be deleted.

Under ss. 119.23 (1) (ab) and 118.6 (1) (ab), Wis. Stats., accrediting agencies are listed for the Parental Choice Programs. The Department requests modification of the statutory list of eligible accrediting agencies to remove the National Council of Private School Accreditation and only list the following specific organizations that are members of NCPA: Accrediting Association of Seventh Day Adventist Schools, Association of Waldorf Schools of North America, National Accreditation Board of Merkos L'Inyonei Chinuch and North American Christian School Accrediting Agency.

Under current law, a private school participating in any of the Parental Choice Programs may submit student information to determine student income eligibility for the Parental Choice Programs to the Department of Revenue. The Department requests that parents be allowed to access the Department of Revenue directly in the online student application to determine income eligibility for the program.

Under current law, private schools are required to provide continuing eligibility reports and grade promotion reports; submit test scores from additional tests not required under state law, and participate in Pupil Assignment Council Meetings. The Department requests these requirements be removed.

Under current law, high schools are allowed to charge tuition to voucher students. The Department requests this provision be eliminated.

Under current law, 6.6 percent of the aid reduction to Milwaukee Public Schools related to the Milwaukee Parental Choice Program is required to be paid directly to the City of Milwaukee and then the City is required to pay that same amount back to Milwaukee Public Schools. The Department requests this requirement (s. 121.137, Wis. Stats.) be eliminated.

**Related Stat. Citations:**

Modify ss. 118.60 and 119.23, Wis. Stats., accordingly.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7003 – CHOICE PROGRAM POSITION FUNDING**

**101 – General program operations**

**s. 20.255 (1) (a)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$11,412,800 +1.0 FTE</b>	<b>\$11,547,400 +2.0 FTE</b>
<b>Less Base</b>	<b>\$11,293,300</b>	<b>\$11,293,300</b>
<b>Requested Change</b>	<b>\$119,500 +1.0 FTE</b>	<b>\$254,100 +2.0 FTE</b>

**146 – Indirect cost reimbursements**

**s. 20.255 (1) (pz)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$3,583,200 -1.0 FTE</b>	<b>\$3,583,200 -1.0 FTE</b>
<b>Less Base</b>	<b>\$3,702,700</b>	<b>\$3,702,700</b>
<b>Requested Change</b>	<b>-\$119,500 -1.0 FTE</b>	<b>-\$119,500 -1.0 FTE</b>

**123 – Milwaukee Parental Choice Program and the parental choice program for eligible school districts and other school districts; financial audits**

**s. 20.255 (1) (j)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$134,600</b>	<b>\$0 -1.0 FTE</b>
<b>Less Base</b>	<b>\$134,600</b>	<b>\$134,600</b>
<b>Requested Change</b>	<b>\$0</b>	<b>-\$134,600 -1.0 FTE</b>

**Request/Objective**

The Department requests \$119,500 GPR and 1.0 GPR FTE position in FY16, and \$254,100 GPR and 2.0 GPR FTE positions in FY17, in the Department’s appropriation for general program operations.

The Department requests a change of -\$119,500 FED and -1.0 FED FTE position in both FY16 and FY17, from the Department’s appropriation for federal indirect cost reimbursements.

The Department requests a change of -\$134,600 PR and -1.0 FED FTE position in FY17, from the Department’s appropriation for the financial audits of the parental choice programs.

Combined, these proposed funding and position changes represent a switch in funding source, from FED and PR to GPR, and would have a net impact of \$0 and 0.0 FTE on the Department’s overall expenditure and position authority.

## Background/Analysis of Need

### *Parental Choice Program Growth*

In the 2009-10 school year, 111 private schools participated in the Milwaukee Parental Choice Program (MPCP) and approximately 20,256 FTE students participated in the program. Since that year the parental choice programs in the state have expanded significantly due to the removal of enrollment caps in the MPCP, increases in the income limits in the MPCP, and the creation of new parental choice programs, first, the Racine Parental Choice Program (RPCP) in the Racine Unified School District in 2011-12; and then the statewide Wisconsin Parental Choice Program (WPCP), in 2013-14.

The 2011 Wisconsin Act 32 (2011-13 biennial budget), removed the enrollment limit on the MPCP, raised the income threshold to 300% of the federal poverty level (FPL), and deleted the geographic requirement for schools in the program. The bill also created the RPCP starting in the 2011-12 school year. During the first two years of the program, the number of students was limited to 250 FTE and 500 FTE, respectively. Following the second year, the enrollment limit was lifted.

The 2013 Wisconsin Act 20 (the 2013-15 biennial budget) created the WPCP starting in the 2013-14 school year. The program has a student limit of 500 FTE in 2013-14 and 1,000 FTE thereafter.

The overall increase in enrollment over the last three biennia is detailed in the Table 1 below.

**Table 1**

<b>Year</b>	<b>MPCP</b>	<b>RPCP</b>	<b>WPCP</b>	<b>Total FTE</b>	<b>Total Participating Schools</b>
2009-10	20,372	0	0	20,372	109
2010-11	20,256	0	0	20,256	100
2011-12	22,220	219	0	22,439	114
2012-13	23,789	485	0	24,274	111
2013-14	24,776	1,169	499	26,444	146
2014-15 (est.)	26,000	1,700	1,000	28,700	156
2015-16 (est.)	27,000	2,200	1,000	30,200	*
2016-17 (est.)	28,000	2,700	1,000	37,700	*

\*No estimate at this time.

In addition to expanding enrollments, each of these three parental choice programs has different statutory provisions that must be followed and continue to grow in terms of the number of schools, students, and their complexity every year.

### *School Finance Auditor*

As part of the 2009 Act 28 (2009-11 biennial budget), the Legislature provided 1.0 PR school finance auditor for the private school choice program starting with the 2009-10 school year. The position is funded by a fee paid by the private schools that register to participate in the program. The fee amount for private schools participate in the program in the 2014-15 was \$750 per school (the Department will be setting the fee amount for private schools registering to participate in the 2015-16 school year by December 1, 2014). This was the first auditor position provided by the Legislature since the program was created. Up until that time, the Department had to reallocate audit staff from other areas in the Department to the choice program.

The Department is required to set the fee in administrative rule at an amount such that the total fee revenue covers the costs of employing one full-time auditor to evaluate the financial information

submitted to the Department by schools participating in the choice program. The Department is required to use the number of private schools submitting pupil counts for the 3<sup>rd</sup> Friday in September pupil count in this calculation of the fee amount each year (which means that new schools seeking to enter the program the following year, that would not have had a 3<sup>rd</sup> Friday in September pupil count, also pay the fee.)

Currently the choice program school finance auditor is required to do the following: (1) provide required fiscal training for participating choice schools; (2) review schools' required evidence of financial viability; (3) provide technical assistance to school auditors and accountants; (4) timely review financial information reports submitted by participating schools; (5) review audit working papers for compliance with program requirements; and (6) work with schools and the Department's legal staff on appeals related to the audits and financial viability related issues.

New private schools wishing to participate in the program are required to participate in fiscal management training, submit a budget and cash flow report, submit a revised budget and cash flow report, and submit an initial assurance report with attached accounting procedures and compensation agreements. The auditor must determine if the new schools are financially viable and therefore eligible to participate in the program. In the 2012-13 and 2013-14 school year, the Department did not allow seven schools to participate because the schools were determined non-financially viable.

All schools are annually required to submit a 3<sup>rd</sup> Friday in September pupil counts enrollment audit and fiscal practices report by December 15. In addition, all schools must submit by September 1 following the school year a financial information report audited by a CPA firm and an enrollment audit of the 2<sup>nd</sup> Friday in January pupil counts. Approximately 25 CPA firms are currently involved in auditing private schools participating in the choice programs. The program auditor certifies the audits, trains the schools' auditors, and provides technical assistance to schools and their auditors regarding program requirements.

The State Superintendent is allowed to terminate a private school from participating in the program if the school does not meet the financial requirements or provide evidence of sound fiscal practices. The Department is given the authority to request auditor working papers as part of its administration responsibilities. The Department has reviewed schools' working papers due to concerns of fraud, undertaken a substantial review of schools' financial operation due to concerns of financial viability and terminated schools' participation in the program due to lack of sound fiscal practices and evidence of fiscal viability. The Department has the authority to require schools to provide surety bonds if it determines there are significant financial issues with the school to protect the financial interests of the taxpayers. The Department has required that over 15 schools provide bonds to the Department. Some schools have appealed these determinations and the auditor must assist the Department's legal staff throughout the appeal process.

Schools can also appeal audit certification decisions made by the auditor. The appeal process involves a great exchange of documentation and correspondence prior to a hearing taking place. If the appeal is student eligibility related, the auditor has to review the eligibility documentation for each student in question and request additional documentation if needed. These appeals relate directly to the payment eligibility for the schools and ensure the Department does not pay for ineligible students. If the appeal is related to the eligibility of costs, the appeal includes reviewing detailed information on how the costs were calculated and the documentation for the costs. The number of appeals is expected to continue to increase.

Starting in August 2014, schools that meet a new school definition (generally start-up organizations) are required to submit a number of financial reports earlier than existing private schools that wish to participate in the program. Implementing and administering two separate timelines for schools will require a significant amount of work.

### *Change in Funding for School Finance Auditor Positions*

Currently, the Department dedicates two school finance auditor positions to perform the Department's auditing responsibilities for the three parental choice programs: one funded with federal indirect cost reimbursement funds and the other, as created under Act 28, funded with the program revenues received as the fees paid by the private schools that register to participate in the parental choice programs.

The Department strongly believes that because the parental choice programs themselves are supported entirely with state funds (albeit, a portion of the MPCP costs is recouped by the state, as a reduction to the Milwaukee Public Schools [MPS] district's general aid payment), the Department's auditing responsibilities for these programs should be supported entirely with GPR. There is no federal funding component to the parental choice program, nor is there direct PR support for the program (the payments under the program are entirely GPR funded).

Therefore, the Department requests to replace existing FED and PR expenditure and position authority with GPR, thereby ensuring state support for the Department's parental choice program related auditing responsibilities. The replacement of the currently FED-funded position would occur in the first year of the 2015-17 biennium, while the replacement of the currently PR-funded position would occur in the second year.

The Department proposes that the requirement to collect a fee from private schools planning to participate in the program be eliminated, beginning in FY16, meaning that the Department would not be collecting a fee in January of 2016 from private schools registering to participate in the program in the 2016-17 school year. However, the Department proposes retaining the PR appropriation under s. 20.255 (1) (j), *Milwaukee Parental Choice Program and the parental choice program for eligible school districts and other school districts; financial audits*, and related statutory language, through FY17, at a level of zero dollars in the Chapter 20 schedule. This is a continuing appropriation; thus, should any fee revenues remain unexpended at the end of FY16, any residual expenditure authority would carry over into FY17, allowing the Department to spend down remaining revenues during FY17. The Department believes that the existing statutory language under 20.255 (1) (j) is sufficiently broad to permit the Department to expend moneys for purposes related to auditing the private choice schools during FY17.

### **Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 7003*)

**Subject:** Choice Auditor Appropriation

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

Under current law, the appropriation under s. 20.255 (1)(j), *Milwaukee Parental Choice Program and the parental choice program for eligible school districts and other school districts; financial audits*, receives fee revenue paid to the Department by private schools seeking to participate in the parental choice programs under s. 118.60 and 119.23, Wis. Stats. The fee revenue received in this appropriation may be used only for the purposes of evaluating the financial information submitted under s. 119.23 (7) (am) and (d) 2. and 3. by private schools participating in the Milwaukee Parental Choice Program and under s. 118.60 (7) (am) and (d) 2. and 3. by private schools participating in the choice program under s. 118.60.

As part of the Department's request to change the funding support for the School Finance Auditor position that is currently supported with the fee revenues received in this appropriation, the Department proposes that the requirement to collect a fee from private schools planning to participate in the program be eliminated, beginning in FY16, meaning that the Department would not be collecting a fee in January of 2016 from private schools registering to participate in the program in the 2016-17 school year.

However, the Department proposes retaining the PR appropriation under s. 20.255 (1) (j), *Milwaukee Parental Choice Program and the parental choice program for eligible school districts and other school districts; financial audits*, and related statutory language, through FY17, at a level of zero dollars in the Chapter 20 schedule. This is a continuing appropriation; thus, should any fee revenues remain unexpended at the end of FY16, any residual expenditure authority would carry over into FY17, allowing the Department to spend down remaining revenues during FY17. The Department believes that the existing statutory language under 20.255 (1) (j) is sufficiently broad to permit the Department to expend moneys for purposes related to auditing the private choice schools during FY17.

**Related Stat. Citations:**

Modify ss. 118.60 and 119.23, Wis. Stats., accordingly.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7004 – OPEN ENROLLMENT PROGRAM POSITION FUNDING**

**101 – General program operations**  
**s. 20.255 (1) (a)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$11,464,800 +1.75 FTE</b>	<b>\$11,464,800 +1.75 FTE</b>
<b>Less Base</b>	<b>\$11,293,300</b>	<b>\$11,293,300</b>
<b>Requested Change</b>	<b>\$171,500 +1.75 FTE</b>	<b>\$171,500 +1.75 FTE</b>

**146 – Indirect cost reimbursements**  
**s. 20.255 (1) (pz)**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$3,874,200 -1.75 FTE</b>	<b>\$3,874,200 -1.75 FTE</b>
<b>Less Base</b>	<b>\$3,702,700</b>	<b>\$3,702,700</b>
<b>Requested Change</b>	<b>-\$171,500 -1.75 FTE</b>	<b>-\$171,500 -1.75 FTE</b>

**Request/Objective**

The Department requests \$171,500 GPR and 1.75 GPR FTE positions in both FY16 and FY17, in the Department’s appropriation for general program operations.

The Department requests a change of -\$171,500 FED expenditure authority and -1.75 FED FTE positions in both FY16 and FY17, from the Department’s appropriation for federal indirect cost reimbursements.

Combined, these proposed funding and position changes represent a switch in funding source, from FED to GPR, and would have a net impact of \$0 and 0.0 FTE on the Department’s overall expenditure and position authority.

**Background/Analysis of Need**

1997 Wisconsin Act 27 created the Wisconsin public school open enrollment program and authorized 1.0 GPR FTE to support administration of the program. Since its inception the program has grown significantly in participation, detailed in the Table 1 (next page).

As the program expanded, the workload has increased in terms of administering the program, fielding phone calls and email, conducting training for school district personnel, tracking applications, tracking transfers, calculating aid adjustments for school districts, processing appeals of school board denials, and processing transportation reimbursement payments for low-income parents.



**Table 1**

<b>Year</b>	<b>Open Enrolled Pupils (FTE)</b>
1998-99	2,464
1999-00	4,858
2000-01	7,213
2001-02	9,602
2002-03	12,378
2003-04	15,413
2004-05	18,215
2005-06	21,028
2006-07	23,406
2007-08	25,898
2008-09	28,025
2009-10	31,916
2010-11	34,498
2011-12	37,332
2012-13	44,678
2013-14	50,075

In the 2008-09 school year, an online application and tracking system was implemented, which greatly stream-lined the processing of applications and aid adjustments. This system was in place when 2007 Wisconsin Act 222 enacted a limit and wait list on the number of pupils who were permitted to attend virtual charter schools under open enrollment. Without this online system, it is estimated that the equivalent of at least 1.0 FTE position would have been required to administer the limit and wait list.

2011 Wisconsin Act 114 created an alternative application procedure, which allows parents to submit open enrollment applications year-round. The creation of this new, separate, and complicated procedure further increased the workload in the open enrollment program. Although it was originally projected that this alternative procedure would be used only occasionally, it is on its way to becoming a large program, with 11 percent of all applications submitted in the 2012-13 school year and 17 percent of all applications submitted in the 2013-14 school year.

#### *Change in Funding for Open Enrollment Program Positions*

Over the years, the Department has increased resources dedicated to administration of the open enrollment program by reallocating resources, drawing on available federal (indirect) funding and position authority. Currently, 1.75 of the 3.0 FTE positions dedicated to performing the Department's responsibilities related to public school open enrollment are funded with federal indirect cost reimbursement funds.

The Department strongly believes that because administration of the open enrollment program is a core function, of which there is no federal component, these positions should be fully funded with state GPR resources. Therefore, the Department requests to replace existing FED expenditure and position authority with GPR, thereby ensuring state support for the administration of the public school open enrollment program.

#### **Statutory Language**

The Department is not proposing statutory language related to this request.

# PUBLIC LIBRARIES - LIFE LONG LEARNING

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 5002 – DIGITAL LEARNING PORTAL AND E-PUBLICATIONS

**110 – Digital Learning Portal [WISElearn]  
s. 20.255 (1) (e)**

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
Requested Funding	\$2,510,000	\$2,395,000
Less Base	\$1,450,000	\$1,450,000
Requested Change	\$1,060,000	\$945,000

**221 – Grants for e-publications [public school libraries]  
s. 20.255 (2) (e) - NEW**

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
Requested Funding	\$0	\$1,000,000
Less Base	\$0	\$0
Requested Change	\$0	\$1,000,000

**321 – Grants for e-publications [public libraries]  
s. 20.255 (3) (e) - NEW**

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
Requested Funding	\$1,000,000	\$1,000,000
Less Base	\$0	\$0
Requested Change	\$1,000,000	\$1,000,000

#### Request

The Department requests \$1,060,000 GPR in FY16 and \$945,000 in FY17 to continue implementation of a statewide digital learning portal, professional learning platform, learning management system, content repository, collaboration tools, and curricular content; as well as to provide funding for regional technical support centers (collectively, “WISElearn”).

The Department requests \$1,000,000 GPR in FY16 and \$2,000,000 GPR in FY17 for a matching grant program to provide electronic publications (e-publications) to both public school libraries and public libraries, as part of WISElearn. This will supplement the efforts of the Wisconsin Public Library Consortium (WPLC), a group that had been buying e-publications and digital audio books for Wisconsin’s public library systems for ten years.

## Background

### *WISElearn Funding History*

In the 2013-15 budget the Department requested \$1,450,000 GPR and 1.19 GPR FTE in FY14 and \$2,510,000 GPR and 1.19 GPR FTE in FY15 to implement a statewide digital learning portal, learning management system, content repository, web-conferencing package, and collaboration space (WISElearn); and to provide funding for regional technical support centers. The components of the original request are detailed in Table 1 below:

**Table 1**

<b>WISElearn component</b>	<b>Purpose</b>	<b>FY14 Cost</b>	<b>FY15 Cost</b>	<b>New FTE requested</b>
Portal	Hardware equipment, BadgerLink Portal update and integration	\$100,000*	\$10,000*	
Learning management system	Hosting, digital course content management	\$850,000	\$850,000	0.19
Collaboration tool(s)	Software licensing	\$500,000	\$500,000	1.00
Curriculum content	Partners, content acquisition, content creation, content tagging	\$0	\$500,000	
Technical support	Partners, professional network support	\$0	\$650,000	
<b>TOTAL</b>		<b>\$1,450,000</b>	<b>\$2,510,000</b>	<b>1.19</b>

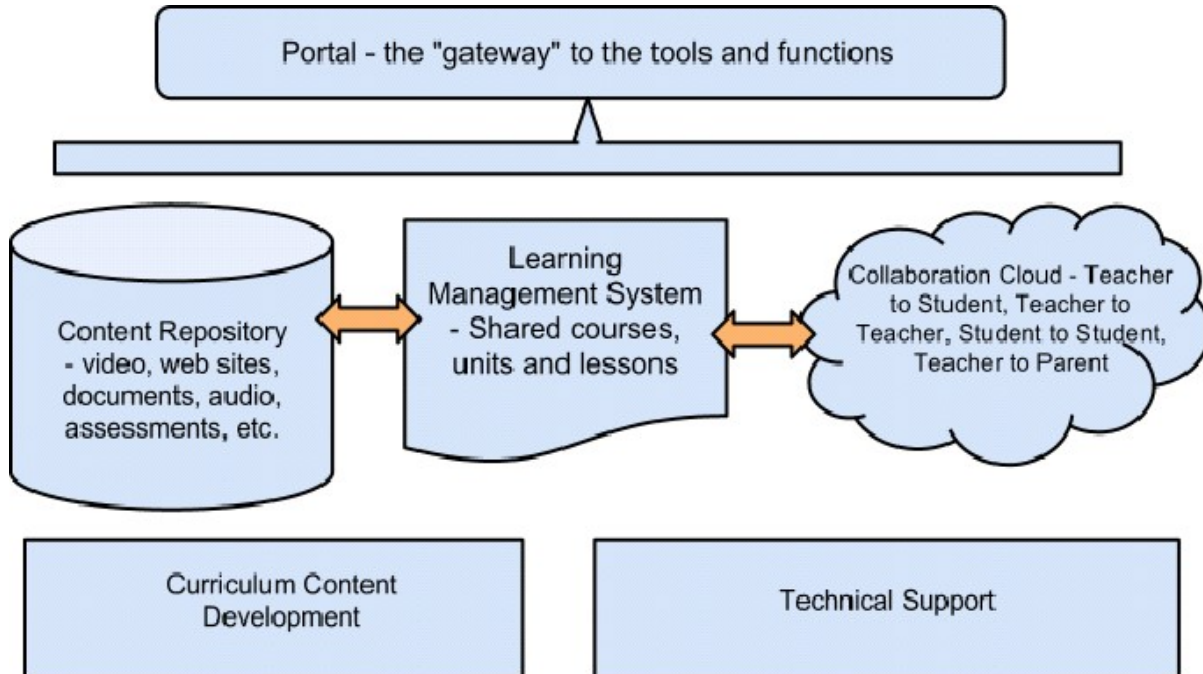
The Governor included the request in his budget, but delayed all funds and positions by one year. The final budget included \$0 in FY14 and \$1,450,000 GPR and 1.19 GPR FTE in FY15. The Governor recently highlighted this investment when announcing Read to Lead Task Force grant recipient award winners in June 2014. In addition to the Department's request, the Wisconsin Educational Communications Board (ECB) requested \$500,000 GPR and 1.0 FTE for a Content Repository to be integrated into the WISElearn system. However, the Governor did not include funding for ECB as part of his budget.

### *WISElearn*

The Department is requesting funding to move forward with the next phase of WISElearn. WISElearn will be a foundation made up of multiple components that combine to deliver a high quality product to Wisconsin educators and pupils. The components of the system are represented in the diagram below (see Figure 1, on the following page).

The goal of this request is to provide high quality resources to all stakeholders while driving down overall costs by scaling these digital solutions statewide through volume discounts and pricing as well as by consolidating tasks and avoiding redundant work. This work includes both the technical tasks needed to manage software and databases as well as curriculum development. Just as it makes little sense to have technicians performing the same software and database upgrades and "fixes" across 424 school districts and 385 public libraries, it makes no sense for educators across Wisconsin to create the same curriculum content over and over. Instead, it should be developed once and shared over and over.

Figure 1



### *Digital Learning Portal*

The first component of WISElearn is the digital learning portal, or web site, that is the starting site for users. It acts as an anchor, or central site, from which users can access all aspects of the WISElearn system, including the learning management system, content repository, collaboration tools, Wisconsin educator portal, professional learning materials, and others. Access to different components of WISElearn will all be through the portal, with some users able to access different portions of the site depending on their role. For example, pupils will not be able to create lesson plans; however they will be able to view content. Users will include educators, pupils, parents, and other stakeholders.

During FY14, existing, repurposed staff have built the technical framework for the portal as a shell to prepare for content to be added beginning in FY15. Development work has also been completed on the social media and professional learning platforms. However, the Department believes that due to the increasing demands for additional digital content and integration of that content to the portal, that additional technical work is needed on an ongoing basis and is requesting funding for two additional contractors to support the continual growth of WISElearn.

Using the picture on the previous page, one can think of the portal as the foundation or infrastructure in which to get to the other tools. The three areas below that foundation are individual pieces of software that will allow users to do different things. For example, the content repository will be accessible to any citizen wanting to know about something. Consider a parent wanting to help his/her child with fractions. The parent could search the content repository where items related to fractions will have been tagged and thus appear for the parent to review. The learning management system will be available to anyone learning (will be password protected but teachers/districts will have access and able to give access to those persons necessary). This could be a teacher wanting to learn more precisely how to teach geometry to his/her pupils. It could also be a pupil taking a Spanish course that is otherwise not available to the pupil. The collaboration cloud will be an area in which communication can occur. These discussions might be between pupils and teachers, parents and teachers, or teachers and teachers, classrooms to classrooms, and classrooms to experts. Below those pieces of software are the rectangles of things necessary to make the rest of the portal function. There will need to be content to put into the content repository and the learning management system (as discussed later, this will be

using a great deal of material already available as well as creating new). There will need to be professional development or training on how to use the portal and its separate pieces. Finally, technical support will be made available to those districts that need it.

The creation of a centrally located digital learning portal creates a visible Wisconsin presence for accessing high quality educational resources while reducing strain on decreasing school district budgets. In an era when technology changes at an ever increasing speed, the Department's customers (educators, parents, and pupils) expect information to be easily and immediately accessible, current, and cost effective.

The Department will develop some basic instructional guidelines for persons wishing to learn how to use WISElearn and post it on the Department's website. Frequently asked questions and other troubleshooting documents will be created as a means to facilitate the new user with WISElearn's functionality. In addition, the Department intends to take advantage of the existing skill base in digital learning of school library media specialists and school librarians to collaborate with instructional technology educators, classroom educators, and administrators to build a solid basis of support for this development.

### *Content Repository*

A content repository is a store of digital content with an associated set of data management, search, and connection methods allowing access to the content. It allows users to store and modify digital content in addition to searching and retrieving. As a logical storage facility for content, a content repository is a key component of a learning management system.

With the funding for a content repository not being provided to ECB in the 2013-15 budget, the Department will be delivering this part of WISElearn instead. A critical step to a highly functioning content repository is validating and curating high quality resources. Funding in this request will be directed to activities involving educators, school library media staff, and public library staff in the task of "tagging" materials for search optimization and will follow the national interoperability standards.

### *Learning Management System*

A learning management system (LMS) is a software application for the administration, documentation, tracking, and reporting of training programs, classroom and online events, e-learning programs, and training content. Users take digital content from the content repository and combine it with additional content to make, use, and modify learning modules or classes which can be used in classrooms, as complete courses, or as individual online events. The LMS functions as a means to deliver the digital content in a consistent, efficient, and cost effective manner, both synchronously and asynchronously.

As virtual and blended education initiatives increase in number, the Department believes the state has an obligation to provide a common LMS that can be accessed by all. If the Department is going to facilitate the building of professional learning communities and develop true collaboration, all educators must have access to a common learning management system providing professional learning options and digital content.

As part of WISElearn, every teacher statewide will have access to the LMS of the Wisconsin Digital Learning Collaborative (WDLC) and the opportunities to expand personalized learning by accessing digital courses, modular content, and lessons. This will include public and private school teachers as well as CESA staff supporting public schools.

### *Collaboration Tools*

Professional Learning Communities (PLC's) are essential for educators to connect, collaborate, and communicate. Educators utilizing tools for their own professional learning are more likely to engage

students in these interactive learning experiences that leverage technology. In the context of WISElearn, collaboration tools are defined as software, social media, or tools to enable web-conferencing and professional learning on a statewide basis. They provide is the ability for educators to connect classrooms across schools or districts, bring in guest speakers from the academic and business communities, and bring the outside world into the classroom. These tools will allow every school and district to easily host and access one-time and recurring meetings, administrator and educator professional development sessions, and webinars from a desktop or smart phone device. The system can reduce travel time and out of classroom time for educators. In addition, it can create efficiencies in districts where one person may take on multiple roles. Note that this is a different tool than the distance learning networks which deliver pupil courses. The Department plans to leverage the free web conferencing tools like Skype and Google Hangouts that school districts are already using for classroom and professional learning opportunities, allowing a continued investment in additional collaboration tools.

In combination with professional learning networks (PLNs) enabled by WISElearn, the capabilities of collaboration tools can drive savings around future professional development of educators. WISElearn will be a major delivery mechanism for high level training and professional development to educators in their own schools and homes. Educators and administrators will be able to access training materials and professional development anywhere they have internet access. While this will not completely replace the value of face to face interaction when necessary, it will provide training at a substantial cost savings to both staff and school districts in staff time, hotel stays, food, and substitute teacher costs.

A digital learning resource portal will enable the improvement of instruction by creating PLNs. A centrally located PLN creates a problem solving space to support educators as they build on current practice and move forward with more effective collaborative models. By immersing educators in the same online environments their pupils, parents, and community members use every day, educators will meet pupils where they are and speak their language. A Wisconsin PLN will increase capacity-building among educators and allow educators to learn from a larger network of peers, which research has shown is the best form of professional development to change classroom practice. It will also allow for the sharing of resources, best practices, mentoring and increased collaboration, especially in districts that are remote and have few resources for professional development.

A PLN space will provide equity to districts that do not have an internal network of peers, budgets large enough to bring in outside expertise or a local level of staffing that supports off-site professional learning. Furthermore, at the local level, school library media specialists and technology coaches/integrators can provide models for professional and classroom collaboration, support for the PLNs, and professional development on using and accessing WISElearn.

PLNs also provide a platform for the delivery of professional development content developed both in the Department and by other public and private organizations. As the state moves to implement initiatives such as Educator Effectiveness, content area development related to mathematics, reading, and STEM, and adopting the Common Core State Standards the existence of digital PLNs in WISElearn will help facilitate training for educators more quickly and efficiently. PLNs will be a critical part of Department and state initiatives around content including:

- Reading
- Mathematics
- STEM

### *Digital Curricular Content*

Digital curricular content can be defined as traditional educational materials (usually stored on paper, in documents, in textbooks, on graphs and charts, on maps, on records/tapes, and on videotape/film), lesson and unit plans, and learning modules and applications that are stored in electronic or digital form that can be easily matched to state and Common Core standards. Digital curricular content is

malleable, enabling educators and pupils to more easily share, consume, manipulate, and leverage the content and information to address specific learning objectives and to better match individual learning modalities.

The Department is proposing three approaches to content development: 1) locating and tagging existing content, 2) locating content for purchase, and 3) developing new content. There is a tremendous amount of existing digital learning content that is available to place into the content repository and the learning management system. Much of that content is “open” without any cost for licensing it, including content from institutions such as Harvard and MIT. Other content is available because Wisconsin taxpayers already fund the acquisition of it through initiatives such as BadgerLink, WISTEM, and content produced by the ECB, including Financial Literacy, PBS TeacherLine early literacy, and Into the Book. Once identified, these resources need to be “tagged” in the content repository so they can be easily searched and accessed by users within the WISElearn portal.

Pending a thorough review of these materials, and based on the feedback of educators about the quality of such content, the Department may wish to acquire or develop new content for “tagging” and placement within the WISElearn portal. In these cases the Department would seek to identify digital learning content available for purchase or development through the WDLC and other Wisconsin based organizations such as the UW-Madison based Games, Learning, and Society Center. For content developed in state, the Department would also seek to leverage the investment through a “trade”, or exchange, of digital content between Wisconsin and other states that have already developed alternative content that Wisconsin does not have.

With the goal of improving outcomes of all pupils, the Department will create resources for classroom educators and other educational stakeholders with a focus on improving instructional practices. Resources for classroom educators will focus on how they can improve their practices; resources for principals will focus on how they can best support their classroom educators’ improvement; resources for other school and district staff will similarly focus on bringing Wisconsin Academic Standards to life for each and every pupil. To do this, all resources will incorporate Universal Design for Learning (UDL) principles, and will take advantage of technology to the fullest extent possible to ensure greater accessibility.

The WDLC will continue to expand its open education resources assets that may include modular learning lessons, units, and courses. WDLC resources will also be made available through the WISElearn content repository.

The content repository within WISElearn will include open education resources (OER). In collaboration with eight other states, the Department has an Open Education Leadership Team that includes representatives from state virtual school organizations, the CESA network, educators, and Department curriculum and library leaders. The team collaborates with the education reform organization Achieve on creating policy, best instructional practices, and quality ratings used in reviewing digital resources. The WISElearn budget proposal includes opportunities for the CESAs and school teams to curate high quality open education resources for WISElearn across all academic subject area and grade levels.

The creation of a centrally located digital learning portal creates a visible Wisconsin presence for accessing high quality educational resources while reducing strain on decreasing school district budgets. As an example of how costs can be managed using OER digital resources within WISElearn, the proposal includes resources to enable school districts to explore how OER content can be used within an e-textbook format. This approach has been done successfully in other states (e.g., Washington, Utah, Idaho, North Carolina, Georgia, and Massachusetts) and created significant cost savings for school districts.

## E-Publications

In 2009, the Wisconsin Public Library Consortium (WPLC), a group that had been buying e-publications and digital audio books for Wisconsin's public library systems for ten years, agreed to create a statewide buying pool to purchase e-publications from Overdrive, a leading library E-Book company. The program has allowed public libraries to offer a wider range of e-publications while reducing the purchase of duplicate titles. The Department has provided some financial support to WPLC through LSTA funds in past years, totaling \$750,000 of the \$3,650,000 in spending over the four years of the E-Book pool purchasing program. The current LSTA plan does not include funding for this program in 2015 as the original decision to use LSTA funds was as "start-up" or "seed" money to help kick-off the consortium. The funding history of the WPLC is detailed in the Table 2, below.

**Table 2**

<b>Year</b>	<b>WPLC</b>	<b>LSTA</b>	<b>Total</b>
2011	\$500,000	\$100,000	\$600,000
2012	\$700,000	\$300,000	\$1,000,000
2013	\$800,000	\$200,000	\$1,000,000
2014	\$900,000	\$150,000	\$1,050,000
<b>Total</b>	<b>\$2,900,000</b>	<b>\$750,000</b>	<b>\$3,650,000</b>

The WPLC collection, based on the market-leading Overdrive platform, is the most comprehensive statewide public library E-Book program in the country. It has been supported by contributions of its members (purchasing over \$1,000,000 of content in 2013), participation (all 382 public libraries are served), and use (2,215,193 uses in 2013). But even as successful as the effort has been, the library community cannot meet the increasing demand as more library users use tablets and other handheld devices in addition to the E-Book readers such as the Kindle and Nook.

At the end of FY14 there were 92,612 holds on 9,841 E-Book titles. With multiple licenses available for some of the collection there are a total of over 64,600 available "copies." For the most in demand titles, 2,218 had 10 or more holds, library patrons are waiting up to half a year for their turn to use one of the available licenses for a particular E-Book title, based on an average loan time of 2.5 weeks. Despite the convenience of downloading e-publications at home, users with timely needs for information, such as self-help, health care, or how-to titles, are still waiting extended periods of time to have their needs met. Overall, the E-Book effort is still limited, and demand continues to outstrip the available funding.

Demand for print materials in libraries has not dropped off--circulation of library books and other materials at the library was 60,982,569 in 2013. But the use of e-publications has extended library borrowing to technology users who may not have been traditional public library users, as well as older users who reading habits encompass both familiar print books as well as conventional e-publications.

School libraries are also seeing an increased demand for e-publications. Both state and national surveys show an increase in purchases, usage, and demand for e-publications in schools. E-Book purchases by K-12 members of WPLC have increased from less than \$50,000 in FY10 to more than \$250,000 in FY14. The national survey from School Library Journal shows that 43 percent of school libraries are spending more than \$1,100 on e-publications annually and 47 percent are experiencing an increase in the use of digital reference materials.

WPLC's purchases, however, do not include the curricular-support materials used to fulfill assignments in public schools and school libraries have not been able to take advantage of the statewide buying pool savings provided by consortia. While some school districts have purchased licensing for e-publications to supplement their school library collection as identified in the state and national surveys, many districts do not have the resources or wherewithal to negotiate contracts, select, and integrate those resources with their library catalogs. Ultimately, the majority of school districts are unable to meet the curricular demand for e-publications.



In addition, the decentralized purchasing results in unnecessary duplication of resources. By coordinating contracts regionally or statewide, more resources can be made available to more students on a more consistent basis, similarly to how the WPLC provides e-publications statewide through the public library systems.

Both Massachusetts and New York have started resource sharing programs to drive e-publications acquisition in their states. Massachusetts has started an e-publications pilot program, serving 51 public libraries. The program is intended to create a single e-publications platform and shared collection for all Massachusetts libraries and their patrons, provide perpetual access to contents through confirmed ownership, and provide a user-friendly experience.

New York developed a regional consortium buying pool for school library e-publications. The state provided some funds to help smaller high poverty districts pool their funds for some of the E-Book purchases. This allowed the districts to leverage their own funds to increase access to popular, in-demand titles.

The Department is proposing a new grant program under the digital curricular content umbrella within WISElearn. In order to support the growing demand for e-publications at both public and school libraries, the Department believes that one-to-one matching grants to consortia purchasing e-publications would incentivize libraries to participate in consortia, which are designed to provide a lower cost method for purchasing these resources through volume purchasing and economies of scale. Consortia also facilitate sharing these resources across any participating public library or school district. Ultimately the Department believes that digital learning needs are increasing for schools and families as learning is expanded the school day and into the summer months and that e-publications are an effective tool to meet these needs.

The proposed grant program would provide \$1,000,000 GPR in FY16 to public libraries; and \$2,000,000 in FY17 and annually thereafter, with \$1,000,000 going to public libraries and \$1,000,000 going to school libraries. Grants for public libraries would take advantage of the existing consortium and would be awarded in FY16. The Department is completing an evaluation of the most appropriate and cost-effective models for purchasing e-publications for schools and school districts, allowing grants to be awarded to school libraries beginning in FY17.

### *Technical support*

Regional technical support centers would provide professional support to the information technology staff within schools and libraries. These centers would be regionalized across the state and leverage the virtual tools available via WISElearn. These centers would be modeled on similar approaches adopted in other states such as the Utah Education Network (<http://www.uen.org/tech/>). Support centers would be based in organizations receiving grants from the Department, such as CESAs, funding technical support staff.

Support centers will work directly with school districts that do not have a high degree of technical expertise when it comes to information technology; particularly smaller school districts without dedicated information technology staff. Staff will help districts maximize their existing broadband, connection, and software capabilities as well as their ability to allow pupils to access virtual courses where the district can afford them. Both the Digital Learning Advisory Council and Wisconsin Educational Technology Leaders have expressed a high level of support for this initiative to ensure equitable and accessible digital learning options in Wisconsin.

The support centers will also include the ability to share reference documents and other online resources, organized and indexed by subject areas. Documents can include example request for proposals, district created technical resources for school integration scenarios, links to external technical resources helpful in troubleshooting activities, recording the platforms and systems purchased by districts for assisting other districts in contacting and connecting with those who have prior

experience with a given product/platform, and a series of guidelines of practice and “white papers” across an array of technology topics.

Support centers can also support public-private partnerships by facilitating both face-to-face and virtual technology forums that include participation from stakeholders such as school districts and technology providers. Regionally-based staff can work to identify how these forums best meet the individual needs of each part of the state.

Support centers will be in a position to pursue additional projects of benefit to schools, educators, and pupils including:

- Surveys of districts’ technological use and capacity to identify future development priorities, create benchmark comparisons for districts, and identify potential collaboration partners for districts to maximize operational efficiency.
- Creation of support software application development groups, allowing districts to leverage development work completed elsewhere and eliminate redundant work.

With the exception of regional technology forums a case could be made that technical support positions could be located centrally, though it might require asking for FTE or contract staff at the Department rather than funding for staff at CESAs or other locations.

#### *Implications of No Additional Funding*

If the Department does not receive additional funds in the 2015-17 biennium, the available funds will remain at \$1,450,000 GPR annually. Without additional funding for the WISElearn project the Department will be unable to deliver a fully developed and supported product. In order for the full benefits of WISElearn to be realized, each component must be completed.

If a portal is not built, then there is no central access point for teachers, students, and others to go to. Without the individual teacher licenses for the LMS or the software licenses for the collaboration tools, teachers and pupils will not be able to use the system for collaboration and online or blending learning. Without the acquisition, organization, and tagging of content users will have a great tool and framework, but will lack the “meat” to maximize the tool. Finally, without technical support, smaller, rural school districts with minimal IT staff will not be able to fully utilize WISElearn.

#### *WISElearn system costs and details*

The Department began work on the WISElearn initiative in FY14 and the Department believes the need for this tool continues to grow as technology continues to improve at an exponential pace. The Department’s updated projected costs for the various components of the WISElearn system are included in Table 3 below.

**Table 3**

<b>WISElearn component</b>	<b>Purpose</b>	<b>FY16 Cost</b>	<b>FY17 Cost</b>
Portal	Hardware equipment, BadgerLink Portal update and integration	\$340,000	\$170,000
Learning management system	Hosting, digital course content management	\$550,000	\$600,000
Collaboration tools	Software licensing	\$342,000	\$405,000
Curriculum content	Partners, content acquisition, content creation, content tagging	\$550,000	\$550,000
Technical support	Partners, professional network support	\$548,000	\$370,000
Content Repository	Content Repository Search tool (software and curating content)	\$180,000	\$300,000
<b>TOTAL</b>		<b>\$2,510,000</b>	<b>\$2,395,000</b>

The Department's request for e-publications is proposed as a grant program that would provide aid to both school districts and to public libraries. This will necessitate two new aid appropriations. The projected costs for the program are in the table below.

<b>WISElearn component</b>	<b>Purpose</b>	<b>FY16 Cost</b>	<b>FY17 Cost</b>
Curriculum content	E-Book matching grant program – public school libraries	\$0	\$1,000,000
Curriculum content	E-Book matching grant program – public libraries	\$1,000,000	\$1,000,000
<b>TOTAL</b>		<b>\$1,000,000</b>	<b>\$2,000,000</b>

### **Statutory Language**

The Department proposes a statutory language change to create two new appropriations for the proposed grant program under the request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 5002*)

**Subject:** Grants for E-publications to public school libraries and public libraries

**Request Date:** September 15, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests the creation of two new annual, sum certain, GPR appropriations:

- 1) \$0 in FY16 and \$1,000,000 in FY17 for the purpose of making grants to public school libraries for the purpose of purchasing of electronic publications (e-publications).
- 2) \$1,000,000 in FY16 and \$1,000,000 in FY17 for the purpose of making grants to public libraries for the purpose of purchasing of electronic publications (e-publications).

In order to support the growing demand for e-publications at both public and school libraries, the Department believes that one-to-one matching grants to consortia purchasing e-publications would incentivize libraries to participate in consortia, which are designed to provide a lower cost method for purchasing these resources through volume purchasing and economies of scale. Consortia also facilitate sharing these resources across any participating public library or school district.

Grants for public libraries would take advantage of the existing consortium and would be awarded in FY16. The Department is completing an evaluation of the most appropriate and cost-effective models for purchasing e-publications for schools and school districts, allowing grants to be awarded to school libraries beginning in FY17.

**Related Stat. Citations:**

Create s. 20.255 (2) (e), Wis. Stats., Digital learning portal; e-publications; school libraries.

Create s. 20.255 (3) (e), Wis. Stats., Digital learning portal; e-publications; public libraries.

Create a new program in Wis. Stats. to make grants to public school libraries for the purpose of purchasing electronic publications (e-publications).

Authorize the Department in Wis. Stats. to make grants to public libraries for the purpose of purchasing electronic publications (e-publications).

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7007 – PUBLIC LIBRARY SYSTEM AID

#### **361 – Aid to public library systems s. 20.255 (3) (qm)**

<b>FISCAL SUMMARY</b>		
	<b>2013-14 Request</b>	<b>2014-15 Request</b>
<b>Requested Funding</b>	<b>\$28,892,600</b>	<b>\$29,181,500</b>
<b>Less Base</b>	<b>\$15,013,100</b>	<b>\$15,013,100</b>
<b>Requested Change</b>	<b>\$13,879,500</b>	<b>\$14,168,400</b>

#### **Request**

The department requests an increase of \$13,879,500 SEG in FY16 and \$14,168,400 SEG in FY17 to fund public library system aid at a 13 percent index level. Current law under s. 43.24 (6), Wis. Stats., requires the department to include a 13 percent index level of funding for the public library systems in its biennial budget request.

#### **Background**

There are 17 public library systems in Wisconsin. Over the past 30 years, these systems have developed strong programs of service for their member libraries, including resource sharing and open access for all state residents. The Public Library System Aid Program is the primary state mechanism to support public library services in Wisconsin.

Public library system aid indexing means that system aids should be set at a percentage of local and county expenditures in the previous year. Indexing was recommended by a Legislative Council study committee in 1978 at a level of 20 percent. The legislature adopted system aid at 11.25 percent for 1981. The indexing level was increased to 13 percent in 1986 by the legislature, as a result of the State Superintendent's Task Force on Library Legislation.

1993 Wisconsin Act 16, the biennial budget bill, eliminated the 13 percent indexing level. 1997 Wisconsin Act 150 required the department to include a biennial budget request for library system aid equal to the 13 percent index.

In the 2009-11 biennial budget, the legislature removed all GPR funding for public library system aid and replaced it with SEG Universal Service Fund (USF) dollars. In addition, the legislature reversed action from the 2007-09 budget bill by removing \$11,297,400 GPR funding for public library system aid in FY09, and utilizing an equivalent amount of SEG-USF instead. Final result was \$16,165,400 SEG in FY10 and \$16,681,200 SEG in FY11 available for public library system aid, a decrease of \$618,100 from the base in FY10 and an increase of \$515,800 in FY 11 over FY 10, one of the few funding increases provided in the budget.

In the 2011-13 biennial budget, the legislature applied a decrease of -\$1,668,100 SEG in both FY12 and FY13, a 10 percent cut. In addition the bill removed 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.

Participation in public library systems is voluntary. The present level of funding jeopardizes the current status of full participation by all libraries in the state. If public libraries do not participate, access to public library service by non-residents is reduced or eliminated. In order to ensure continued participation by all public libraries, public library systems must provide a level of service that makes participation desirable and beneficial to its member libraries. Without adequate funding, public library systems will not be able to provide this level of service.

The following table provides a history of indexing levels based on appropriations.

<b>Fiscal Year</b>	<b>Index Level</b>
1982	10.88% (11.25% index in effect)
1983	11.05
1984	11.25
1985	11.04
1986	10.77
1987	11.53 (13% index in effect)
1988	11.89
1989	11.97
1990	11.18
1991	12.26
1992	12.07
1993	12.08
1994	11.63 (13% index eliminated)
1995	11.38
1996	10.95
1997	10.49
1998	9.91 (DPI is required to request aid at 13% level)
1999	10.30
2000	10.02
2001	9.96
2002	10.08
2003	9.42
2004	8.56
2005	8.20
2006	8.00
2007	8.10
2008	8.10
2009	8.20
2010	8.20
2011	7.70
2012	7.80
2013	6.90
2014	7.00
2015 (est.)	6.90

In the 2013-15 biennium local expenditures are only expected to grow at a one percent annual rate due to state-imposed levy limits, flat state shared revenue payments, flat or decreasing property values, public pressure to limit tax rate increases during the economic downturn and recovery, and the elimination of the MOE requirements.

If state library system aid is not increased, and there is an assumed one percent annual local and county library system expenditure increase between FY12 and FY17, the index level of state aid will decrease to an estimated 6.8 percent in FY16 and 6.7 percent in FY17. The following table has the estimated expenditures and the index level of state aid.

Year	Public Library System Aid	Expenditures from County & Local Sources	Local Expenditure Percent Increase	Index – Aid Percent of Previous Year’s Local Exp.	Additional aid needed to meet statutory requirement of 13.0%
2009	\$16,783,500	\$205,730,768	4.2%	8.2%	
2010	\$16,165,400	\$211,137,195	2.6%	7.7%	
2011	\$16,681,200	\$215,123,445	1.9%	7.8%	
2012	\$15,013,100	\$216,886,354	1.0%	6.9%	
2013	\$15,013,100	\$213,896,028	-1.4%	7.0%	
2014	\$15,013,100	\$217,871,181	1.9%	6.9%	
2015	\$15,013,100	\$220,049,893	1.0%	6.8%	
2016	\$15,013,100	\$222,250,392	1.0%	6.8%	\$13,879,500
2017	\$15,013,100	\$224,472,896	1.0%	6.7%	\$14,168,400

**Statutory Language**

The department is not proposing any statutory language related to this request.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7009 – BADGERLINK

**360 – Periodical and reference information databases; newslines for the blind**  
s. 20.255 (3) (q) [Badgerlink operations]

**360 – Periodical and reference information databases; newslines for the blind**  
s. 20.255 (3) (q) [College and Career Ready Digital Modules]

**360 – Periodical and reference information databases; newslines for the blind**  
s. 20.255 (3) (q) [Computer Skills Modules]

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$2,965,400</b>	<b>\$3,025,800</b>
<b>Less Base</b>	<b>\$2,479,000</b>	<b>\$2,479,000</b>
<b>Requested Change</b>	<b>\$486,400</b>	<b>\$546,800</b>

#### **Request**

The Department requests \$245,300 SEG in FY16 and \$305,700 SEG in FY17 to maintain the current level of services through BadgerLink and increase funding for the contract with the Wisconsin Newspaper Association. This would allow BadgerLink to continue to offer access to newspapers previously carried by existing services that have been dropped by those services, including the Milwaukee Journal Sentinel. The SEG funding source is the Universal Service Fund (USF). The contracts are being re-bid in the second year of the biennium, and the cost to maintain the current level of services is expected to increase.

The Department also requests funding for an initiative begun in FY11. It is expected to cost \$191,100 SEG in both FY16 and FY17 for college and career ready digital modules, currently paid for in FY14 and FY15 with money from the Library Services and Technology Act (LSTA) grant. The service provides on-line practice tests and courses for elementary school, middle school, high school, college preparation, college students, GED preparation, U.S. citizenship, computer skills, and job and career resources for adults.

In addition, the Department requests \$50,000 SEG in both FY16 and FY17, to acquire high quality online computer skill modules.

#### **Background**

BadgerLink began operation in July 1998 with 3,500 full text magazines and other resources from EBSCO and about 40 newspapers from ProQuest. It is a project with the goal of providing increased access to information resources for Wisconsin residents in cooperation with the state's public, school, academic, and special libraries. This project was the first priority recommended by the participants of the Wisconsin Technology Conference held in February 1998.

In 1998, the Department used federal LSTA funding for a demonstration project providing public, school, academic, and special libraries in Wisconsin with access to full-text database services through a statewide contract. Federal funding was not available after the demonstration.



In its 2013-15 biennial budget request, the Department requested an increase of \$29,900 SEG in FY14 and \$36,100 SEG in FY15 to maintain the current level of services through BadgerLink and increase funding for the contract with the Wisconsin Newspaper Association to replace funding that was no longer covered by the Wisconsin Historical Society. The Governor included the funding in his budget and it was approved by the Legislature. The base budget for FY15 is \$2,479,000 SEG.

The Department currently contracts with six vendors (EBSCO, Encyclopedia Britannica, Inc., Gale/Cengage Learning, Wisconsin Newspaper Association, ProQuest and TeachingBooks.net, LLC) to provide access to a large volume of full-text information. Users can search approximately 20,000 full-text magazines, journals, newspapers, reference materials and other specialized information sources. Included are over 8,000 full text magazines and journals, over 1,500 newspapers and newswires, and approximately 6,800 full text books. Full text articles are taken from 2,900 historical newspaper titles. In addition, the BadgerLink vendors provide access to automobile repair manuals, company profiles, country economic reports, industrial reports and yearbooks, biographies, primary historical documents, charts, images, schematics, maps, poems, essays, speeches, plays, short stories, author audio programs and book readings, author video programs, book reviews or discussion guides, and many other full text resources not available through regular internet search engines. When these resources are available through search engines such as Google, it is because Wisconsin has licensed the content to appear when searched through these search engines. BadgerLink also connects users to WISCAT (the online catalog of Wisconsin library holdings), OCLC WorldCat (an international database of library holdings), directories of libraries, digitized library collections, and other information.

Table 1 below shows the contracted vendors and the cost of each contract.

**Table 1**

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
EBSCO	\$1,258,400	\$1,658,400	\$1,658,400	\$1,658,400	\$1,658,400	\$1,658,400
Teaching Books	52,000	52,000	52,000	55,100	55,100	55,100
Heritage Microfilm	92,400	92,500	92,500	94,800	94,800	97,700
Gale Litfinder	77,800	26,000	26,000	26,000	26,000	26,000
Britannica	0	252,700	252,700	252,700	252,700	252,700
Proquest Newspapers	630,400	0	0	0	0	0
Proquest HeritageQuest	0	113,000	113,000	200,900	200,900	206,900
Wisconsin Newspaper Association	0	0	130,000	130,000	130,000	151,000
Central Authentication	0	25,000	25,000	25,000	25,000	25,000
<b>Total</b>	<b>\$2,111,000</b>	<b>\$2,219,600</b>	<b>\$2,349,600</b>	<b>\$2,442,900</b>	<b>\$2,442,900</b>	<b>\$2,472,800</b>

The current contract for Wisconsin Newspaper Association (WNA) includes rates for FY14 and FY15. WNA allows Wisconsin residents access to newspapers not available anywhere else. The collection includes many weekly newspapers serving smaller and rural communities. The contract for FY11 was negotiated as a trial period with funding to increase by \$180,000 in FY12. After the 2011-13 budget did not provide additional funding for BadgerLink, the Department negotiated with WNA, lowering the price to \$151,000 in FY11 and FY12. The Wisconsin State Historical Society provided the difference between available funds (\$130,000) and contracted costs (\$151,000) in FY12 and FY13.

Following FY13 the Wisconsin State Historical Society was not able to continue to provide funding for WNA. The Department requested and received funding in the 2013-15 budget to increase the available funds from \$130,000 to the contracted funds of \$151,000.

WNA has indicated that they will no longer be able to provide the heavily discounted price in FY16 and FY17. If funding is not available for this service, the Department will either need to renegotiate or cancel the contract. The amount requested to maintain current BadgerLink services is shown in Table 2, below:

**Table 2**

	<b>Base FY15</b>	<b>FY16</b>	<b>Percent Change</b>	<b>FY17</b>	<b>Percent Change</b>
EBSCO	\$1,658,400	\$1,708,100	3.0%	\$1,759,400	6.1%
Teaching Books	55,100	58,000	5.3	63,000	14.3
Heritage Microfilm	97,700	99,700	2.0	101,600	4.0
Gale Litfinder	26,000	26,000	0.0	26,000	0.0
Britannica	252,700	274,500	8.6	274,500	8.6
Proquest HeritageQuest	213,100	211,000	-1.0	213,200	0.0
Wisconsin Newspaper Association	151,000	310,000	105.3	310,000	105.3
Central Authentication	25,000	37,000	48.0	37,000	48.0
<b>Total</b>	<b>\$2,479,000</b>	<b>\$2,724,300</b>	<b>9.9%</b>	<b>\$2,784,700</b>	<b>12.3%</b>

The public has used the BadgerLink service extensively. In the 2011-13 biennium, BadgerLink users conducted over 189 million sessions in the full text and multi-media resources. It is estimated that users will conduct a similar number of sessions in the 2013-15 biennium. In the 2009-11 biennium, over 36 million searches were completed. There is no direct comparison to data prior to 2009, because a federated search engine was introduced allowing users to search multiple databases with a single request. The Reference and Loan Library staff has worked with at least 224 Wisconsin Internet Service Providers (ISP) to bring this service to libraries, schools and individuals throughout the state.

Statewide contracts provide cost savings. Local library staff does not have to review vendor services and bids, negotiate with the vendor, pay invoices, monitor vendor performance, and arrange for training. If libraries, schools, universities and other organizations had to purchase the databases in BadgerLink directly, it is estimated that it would cost them approximately \$73-75 million.

As part of the Department's strategic Information Technology (IT) Plan, BadgerLink contributes to IT directions by positioning technology and data as agency resources rather than specific program resources, and creating flexible, easy access to data and other information for the staff and public.

Other benefits of Badgerlink include:

- Spanish language resources including EBSCOhost Español, Lexi-PALS Drug Guide, Enciclopedia Juvenil, Enciclopedia Universal en Español, Encyclopædia Britannica School Edition PreK-12( has a one word Spanish translate feature), college and career ready digital modules, TeachingBooks (Contains Spanish language materials)
- Professional education information. EBSCO's Professional Collection provides specialized materials for teachers and administrators. Other EBSCO features allow teachers to find information for students and to set up web pages with links to those resources.

- EBSCO's Kid's Search provides information for primary school children and the EBSCO host has images that can be used with younger children. EBSCO's Student Resource Center provides information for older students.
- LitFinder and TeachingBooks.net specifically focus on reading and literature. These full-text services provide reading material that can be accessed from home, school or the library. Students can learn how to do research and find materials independently.
- Statewide contracts equalize educational opportunity across the state for all school districts, particularly small and/or rural districts that may not otherwise be able to afford these services.

### *College and Career Ready Digital Modules*

The Department also requests \$191,100 SEG in both FY16 and FY17 to maintain access to College and career ready digital modules. College and career ready digital modules provides on-line practice tests and courses for elementary school, middle school, high school, college preparation, college students, GED preparation, U.S. citizenship, computer skills, and job and career resources for adults.

In FY14 and FY15 the college and career ready digital modules is being paid from the LSTA grant. The Department has indicated that the LSTA grant could continue to fund the college and career ready digital modules in FY16 and FY17 if state funding was not available and federal funding remained at current levels. However, the Department is currently facing a reduction in LSTA funding due to the state's failure to meet the maintenance of effort requirements under the grant program. It is unclear if funding will be available moving forward to continue to cover this cost.

### *College and Career Ready Digital Modules – Computer Skills*

The Department also requests \$50,000 to procure high quality online computer skill modules, which the Department believes can be purchased under a statewide license.

The Department currently contracts for the base Learning Express Library; however this does not include the computer skills modules in the library. These software skills modules offer users of all ages the resources to build the basic computer skills vital to finding and applying for jobs that are often only listed online. The resource provides remedial instruction to Wisconsin residents seeking to fully participate in a workforce that demands applicants possessing basic computer skills. The module also offers training on all of the essential computer and software skills to help most users become comfortable enough with basic office software to function in the modern workplace and includes courses on all of the Microsoft Office programs that many employers expect new hires to be able to use. Additional resources include basic and advanced Adobe Illustrator training, modules on computer basics, and use of email, the internet, and social media.

While the Learning Express Library can offer a computer skills module, a number of similar modules are available on the open market; thus the Department cannot use a sole source contract to acquire the module. If the Department wishes to include such modules it must include them in the general BadgerLink request for proposal. The Department estimates that modules (similar to what the Learning Express Library can offer) are available for up to \$50,000 on the open market. Since it is unknown which vendor would be selected in the general BadgerLink request for proposal it is requesting that \$50,000 be provided for the modules in order to ensure sufficient funding is available.

### **Statutory Language**

The Department is not proposing any statutory language related to this request.

# DEPARTMENT OPERATIONS AND REESTIMATES

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 5001 – DET HOSTING

**108 – State Data Center Hosting and Infrastructure Funds [WISEdash]  
s. 20.255 (1) (ek) – Longitudinal Data System**

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$3,788,100</b>	<b>\$3,788,100</b>
<b>Less Base</b>	<b>\$3,313,100</b>	<b>\$3,313,100</b>
<b>Requested Change</b>	<b>\$475,000</b>	<b>\$475,000</b>

#### Request

The Department requests \$475,000 GPR in FY16 and FY17 to sustain the ongoing partnership with and the Department of Administration (DOA), Division for Enterprise Technology (DET). These funds will allow the Department and DET to continue to collaborate on enhancing and expanding the secure state data center, including upgrading available storage capacity and funding ongoing shared infrastructure costs.

#### Background

The Department is requesting \$475,000 GPR in both FY16 and FY17 (\$950,000 GPR over the biennium) for investments into the state data center infrastructure to serve as a universal host all of the Wisconsin Information Systems for Education (WISE) software solutions developed and implemented by the Department. A single hosting solution for all applications would drive efficiencies and savings as compared to hosting each application separately.

The division is pursuing a strategy of centralizing the provision of database, application, and web application hosting. This strategy involves shifting the Department’s enterprise applications to hosting and maintenance at the State of Wisconsin Data Center hosted by DET.

The Department utilized one time funding of \$2,716,103 in FY14 to establish a centralized hosting system housed at the DET. This funding was a combination of GPR funds originally budgeted for the state’s WISEdash system that otherwise would not have been spent; and funding from Microsoft Cy-Pres settlement. The breakdown of funding is detailed in the Table 1, below:

**Table 1**

<b>Fund Source</b>	<b>Amount</b>
WISEdash	\$1,705,320.02
Microsoft Cy-Pres	\$1,010,783.38
<b>Total</b>	<b>\$2,716,103.40</b>

These investments began an infrastructure-building partnership with DET. To date, DET and the Department have purchased servers, storage area network (SAN), server management and provisioning software licenses, and network switches hosted and maintained by DET staff. This also includes state of the art virtualization software to allow DET and the Department to better manage server workload and to track utilization of data center resources more precisely, in order to tie billing and charge-backs more closely to the actual utilization of resources.

The annual ongoing costs to maintain this effort are detailed in the Table 2, below:

**Table 2**

<b>DET Hosting and Infrastructure</b>	<b>Estimated Annual Cost</b>
Technical support services (DET data center)	\$175,000
Hardware upgrades to increase capacity	\$300,000
<b>Total Costs</b>	<b>\$475,000</b>

The \$175,000 costs cover the \$150,000 quoted cost from DET for hosting current Department applications in FY14, as well \$25,000 additional to allow for additional expected growth in DET hosting costs as more applications and services are shifted to the data center.

The \$300,000 represents ongoing hardware and storage upgrades to keep DET's and the Department's resources at the state data center up to date with growth in data and application storage necessary to maintain agency functions. This recognizes the lifecycle of computing hardware and allows the Department and DET to consistently invest in hardware upgrades and replacement.

Specifically, the Department and DET will work together to procure a large capacity storage pool to ease the migration of more applications and larger pools of medium-access data into the data center. Software to manage this storage environment will also be explored. This will enable the Department and DET to easily accommodate the growing data sources that will support major agency initiatives like Academic Career Plans, online testing, and WISElearn.

Increases in storage capacity will allow more of the Department's programs to move their applications to the state data center. This has a number of benefits.

1. High physical and network security
2. High redundancy and disaster recovery
3. State of the art hardware and performance on demand during peak times
4. Predictable and lower hosting costs

Additionally, as the Department moves toward more web applications this data center services will be a resource that can be offered to save districts costs and free up agency IT staff to help facilitate the deployment and maintenance of more sophisticated web applications for data collection, data analysis, and data reporting.

These services will also give the Department program areas the ability to host their web applications in-state in a secure online application environment and reduce their costs by paying for services and usage instead of for discrete hardware and set-up.

**Statutory Language**

The Department is not proposing a statutory language change related to this request.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7000 – PUPIL ASSESEMENTS

#### *105 – Pupil assessment s. 20.255 (1) (dw)*

FISCAL SUMMARY		
	2015-16 Request	2016-17 Request
<b>Requested Funding (105)</b>	<b>\$17,851,900</b>	<b>\$18,544,400</b>
<b>Less Base</b>	<b>\$14,588,500</b>	<b>\$14,588,500</b>
<b>Requested Change</b>	<b>\$3,263,400</b>	<b>\$3,955,900</b>

#### **Request/Objective**

The Department requests \$1,634,700 GPR in FY16 and \$2,587,200 GPR in FY17 to fully fund the ACT assessment suite including ASPIRE, ACT, and WorkKeys.

The Department requests \$456,700 GPR in both FY16 and FY17 to fully fund the state mandated Dynamic Learning Maps (DLM) alternate assessments.

The Department requests \$1,172,000 GPR in FY16 and \$912,000 GPR in FY17 to fully fund the state mandated assessment in grades three, four, and eight.

The Department requests statutory language to eliminate the requirement to administer the ASPIRE assessment in the fall of grade nine.

#### **Background/Analysis of Need**

##### *Increasing Costs of the ACT Suite*

The ACT Suite is designed to measure pupils' performance from middle school through high school to determine their readiness for life after high school, whether that is continuing education or joining the workforce. It is comprised of four tests: EXPLORE, PLAN, ACT, and WorkKeys. The EXPLORE and PLAN assessments are now known as the ASPIRE assessments.

ASPIRE early high school exams test pupils in grades nine and ten, helping them consider options for their future, both in high school and post high school. These exams help pupils prepare for taking the ACT in grade eleven. The Department will administer ASPIRE in the fall and spring of grade nine, and the spring of grade ten, as required under s.118.30(1m)(ar) Wis. Stats. This combination of ASPIRE and the ACT adds a growth measurement point, allowing pupils to: (1) organize courses and requirements for remaining years in high school (as well as life after high school); and (2) identify potential areas for improvement. Further, it encourages them to consider college and other career options at an earlier age. ASPIRE allows for assessment of how a pupil is performing throughout all of their high school years, instead of just a single year. Testing earlier can result in more effectively identifying interventions needed to help pupils succeed on the ACT. By intervening earlier, pupils are more likely to be college or career-ready upon graduation.

The ACT measures pupil achievement and academic readiness for college or career options. The test assesses pupils based on curriculum they should have learned throughout high school. The test also includes a career exploration component that helps pupils identify career options based on their

performance. Providing the ACT opens opportunities for pupils, and encourages them to either continue their education after high school – since many universities (including those in Wisconsin) use it as their entrance exam – or to contemplate career paths the pupil may otherwise never have considered.

The final component of the full suite, WorkKeys is a job skills assessment used to help individuals prepare for the workforce and help employers select, hire, train, develop, and retain a high-performance workforce. WorkKeys tests identify the specific skills needed for particular jobs and assess an individual's relevant, current skill levels in order to show which areas are still in need of training. WorkKeys is available for high school pupils to identify necessary coursework still needed. It provides another pathway indicator for career readiness, focusing on the direct application of basic skills to solving problems.

ACT offers a National Career Readiness Certificate (NCRC) that one can earn by passing three WorkKeys exams: Applied Mathematics, Reading for Information, and Locating Information. NCRC benefits jobseekers, employers, and educators by preparing the best workforce possible. As of May 2012, Wisconsin had issued 5,027 NCRC at varying levels depending on an individual's score on the assessment. Currently in Wisconsin, WorkKeys is offered at a total of 13 sites in the state: 4 workforce development centers, 4 job and career centers, and 5 technical colleges. The Wisconsin Job Center acknowledges several benefits of attaining an NCRC:

- It demonstrates the basic skill levels in three specific areas to employers.
- It gives job-seekers an advantage when applying for jobs.
- When employers know an individual's skill levels, they can better assess whether he or she is a qualified candidate for their job openings, as the NCRC complements a pupil's diploma and resume.
- Employers across all businesses and industries are looking for a reliable way to measure foundational skills to ensure they are hiring qualified candidates.
- An NCRC increases the likelihood that an individual will be successful in a particular job.

### ***Using the ACT Suite Statewide***

2013 Wisconsin Act 20 (the 2013-15 Biennial Budget) provided the Department with \$7,411,200 in FY15 to administer assessments in grades nine, ten, and eleven. The Department interprets the intent of this appropriation [s.20.285(1)(dw)] and Act 20 to require the procurement of the ACT assessment, suite including WorkKeys for students in grades nine, ten, and eleven. The Governor's budget, the Legislative Fiscal Bureau summary of the budget, and the Joint Committee on Finance deliberation around an amendment to the budget requiring an additional grade nine assessment all specifically reference the ACT suite.<sup>1</sup> Additionally, in the Department's original budget request, the ACT suite was specifically referenced in the decision item (2013-15 Budget Request, DIN 4000). Thus the Department interprets the intent is for these funds to be used to contract with ACT to provide the ACT suite of exams in grades nine, ten, and eleven.

The remaining \$7,177,300 GPR in the appropriation under s. 20.285 (1)(dw), Pupil Assessments, is used by the Department to fund the costs of the other state mandated assessments (grades three, four, eight, and ten). While federal and state assessment requirements overlap to a degree, but there are still significant differences (see Table 1 below).

**STATE:** Section 118.30, Wis. Stats. requires assessment in the fourth, eighth, and tenth grade in reading, language arts/writing, mathematics, science, and social studies; as well as administration of ASPIRE in grade nine (twice) and the ACT and WorkKeys in grade eleven. Section 121.02(1)(r), Wis. Stats., requires assessment for third grade reading.

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<sup>1</sup> LFB Paper #535, LFB Act 20 summary, DPI 2013-15 Biennial Budget Request.

**FEDERAL:** Federal law requires assessment of reading and mathematics in grades three through eight, and once in high school; and a science assessment once at the elementary, middle and high school levels.

**Table 1**

Grade	Assessment for Reading, English Language Arts, and Mathematics	Assessment for Science and Social Studies	Required by
3	SMARTER		State and Federal
4	SMARTER	Replacement for current WKCE science and social studies	State and Federal
5	SMARTER		Federal
6	SMARTER		Federal
7	SMARTER		Federal
8	SMARTER	Replacement for current WKCE science and social studies	State and Federal
9	ASPIRE (2x)		State
10	ASPIRE	Replacement for current WKCE science and social studies	State
11	ACT & WorkKeys		State and Federal

**ACT Suite Estimated Costs**

Since the passage of Act 20 authorizing the Department to adopt assessments in grades nine and eleven, the Department has been involved in negotiating pricing for the ACT suite with ACT. ACT price quotes effective September 1, 2015, for the ACT suite for Wisconsin are listed below:

**Table 2: ACT, FY16**

Test	Number of Pupils	Price Per Pupil	Total
ASPIRE (3x)	64,000	\$20	\$3,840,000
ACT Plus Writing	64,000	\$50	\$3,200,000
WK Math	64,000	\$7	\$448,000
WK Info	64,000	\$7	\$448,000
WK Reading	64,000	\$7	\$448,000
Certification	51,200	\$6.75	\$345,600
<b>Total:</b>			<b>\$8,729,600</b>

The prices in Table 2 represent an increase in costs over the current FY14 ACT contract. This increase in costs is due to the decision by ACT to move the assessment online and the year to year nature of the Department's contract with ACT – a requirement of the state procurement process. Quotes provided by ACT state that the Department should expect the costs to increase within the biennium. ACT quotes a 20 percent increase in price for the ASPIRE assessments from FY16 to FY17. A seven percent increase for the price of WorkKeys assessments, and a 7.4 percent increase in costs related to certification. These increases translate into a cost increase of \$953,600 in FY17 (compared to FY16), to



purchase the same assessments. Neither the Department’s 2013-15 budget request, nor the appropriations ultimately approved by the Legislature and the Governor under Act 20, included funds to accommodate annual price increases.

**Table 3: ACT, FY17**

Test	Number of Pupils	Price Per Pupil	Total Cost
ASPIRE (3x)	64,000	\$24.00	\$4,608,000
ACT Plus Writing	64,000	\$51.00	\$3,264,000
WK Math	64,000	\$7.50	\$480,000
WK Info	64,000	\$7.50	\$480,000
WK Reading	64,000	\$7.50	\$480,000
Certification	51,200	\$7.25	\$371,200
<b>Total:</b>			<b>\$9,683,200</b>

In addition to the cost of the ACT suite assessments, there are fixed costs associated with ongoing coordination work and management of the ACT assessment project. These costs are projected to decrease over the biennium and are detailed in Table 4 below.

**Table 4: ACT, Other Project Costs**

	FY16	FY17
WORKKEYS Setup	\$61,800	\$60,700
ACT Project Management	\$254,500	\$254,500
<b>Total</b>	<b>\$316,300</b>	<b>\$254,500</b>

**Table 5: Total Biennial Costs for ACT**

Fiscal Year	Fixed Costs	Assessment Costs	Total	Appropriation	Deficit/Surplus
FY16	\$316,300	\$8,729,600	\$9,045,900	\$7,411,200	-\$1,634,700
FY17	\$254,500	\$9,683,200	\$9,998,400	\$7,411,200	-\$2,587,200

Table 5 shows the total costs of the ACT suite along with the state GPR available for the purchase of these assessments. In order to account for the escalating costs of the ACT assessments since the 2013-15 biennial budget request, the Department is requesting for an increase in funds to fully fund the ACT assessment suite.

**Fall Grade 9 ASPIRE Assessment**

Administering the ASPIRE assessment in the fall of grade nine imposes a substantial burden on schools and districts with limited benefit to students or teachers. Administering the assessment puts a considerable burden on high schools at the beginning of the school year to finalize their enrollment, finalize student schedules, and report that information to a third party – the test vendor. In addition, the assessment results are not available to educators until December – after most instructional planning for the year is complete. Additionally, most students have chosen their classes and planned for their ninth grade year by September. Giving the assessment for planning purposes early in the year does not help with school planning. As ASPIRE is not an appropriate assessment to measure growth from fall to spring, the assessment provides little actionable information to students, parents, or the school.

**Dynamic Learning Map Assessment Costs**

In the 2013-15 biennial budget request the Department indicated no funds were required to administer the DLM assessment in 2013-15 biennium because of the availability of federal grant funds for the first

administration of the assessment. With the expiration of this grant, the Department is requesting funds to pay for the DLM in the test subjects and grades mandated in state law.

Wis. Stat. 115.77 (1m)(bg) requires that the state assessment plan “Includes children with disabilities in statewide and local educational agency-wide assessments, including assessments described in 20 USC 6311 (b) (3), with appropriate accommodations and alternate assessments where necessary and as indicated in their individualized education programs.” In order to meet this need, the Department is contracting for the DLM alternate assessments in all subjects and grades that are required by state and federal law. Historically, the Department has funded these assessments using Title VI federal funds. The Department estimates approximately 7,576 pupils per year will be eligible for the alternate assessment framework. The estimated costs for DLM are detailed below.

**Table 6: DLM Assessment Costs, FY16 and FY17**

Grade	# of Alternative Assessment students /grade	DLM Price per grade
3	764	\$59,592
4	818	\$63,804
5	855	\$66,690
6	864	\$67,392
7	867	\$67,626
8	913	\$71,214
9	~865	(\$67,470) x 2= \$134,940
10	765	\$59,670
11	~865	\$67,470
<b>Total</b>	<b>7,576</b>	<b>\$658,398</b>

The costs of DLM for the grades required under state statute are detailed in Table 7 below.

**Table 7: DLM Assessment Costs in State Required Assessments**

Grade	# of Alternative Assessment students /grade	DLM Price per grade
3	764	\$59,592
4	818	\$63,804
8	913	\$71,214
9	~865	(\$67,470) x 2= \$134,940
10	765	\$59,670
11	~865	\$67,470
<b>Total</b>	<b>7,576</b>	<b>\$456,690</b>

The Department is requesting \$456,700 annually to cover the costs associated with providing DLM for students in grades assessed under state law: grades three, four, and eight, as well as the two administrations of the grade nine ASPIRE assessment and the grade ten ASPIRE and grade eleven ACT. The Department requests that the state pay for the cost of providing alternate assessments in these grades that are not required to be assessed under federal requirements.

As noted in the 2013-15 biennial budget request, these funds do not replace the science or social studies portion of the Wisconsin Alternate Assessment for Students with Disabilities. The Department

was provided separate funds to fund these assessments and will continue to use those funds throughout the biennium.

### ***Smarter Balanced Assessment Costs***

2013 Wisconsin Act 20, the 2013-15 Biennial Budget, provided the Department with \$2,782,500 in FY15 to administer assessments in grades three, four, and eight. The Department interprets the intent of this appropriation [s. 20.285(1)(dw)] and Act 20 to require the procurement of a Smarter Balanced Assessment Consortium (SBAC) assessment system. The Governor's budget, the Legislative Fiscal Bureau summary of the budget, and the Joint Finance deliberation all specifically reference SBAC.<sup>2</sup> Additionally, in the Department's original budget request, the SBAC assessment was specifically referenced in the decision item (2013-15 Budget Request, DIN 4000). Thus the Department interprets the intent is for these funds to be used to contract for an assessment that is compatible with the SBAC system for students in grades three through eight.

The Department's 2013-15 biennial budget request estimated the cost of SBAC as \$26 per pupil. As directed by the Legislature under Act 20, the Department entered into a contract to provide SBAC assessments in grades three through eight statewide in FY15. This assessment contract is priced at \$33.64 per pupil to provide a formative, interim, and summative assessment. For a description of these different types of assessments, see Appendix A. These escalated costs represent an updated pricing structure from SBAC. For the 2014-15 school year, the first year of the assessment, the Department is only providing a summative assessment due to a delay in the availability of the interim and formative assessments. The summative assessment is scheduled to begin in March of 2015 and the interim and formative assessments linked to this summative assessment will not be available until February of 2015. The Department opted to save money by not procuring the assessment in the first year due to the lack of value to educators in an interim assessment only one month prior to the summative assessment.

Additionally, as part of 2009 Wisconsin Act 28 (2009-2011 biennial budget), section 118.30(1s) was created to require the administration of assessments in grades four and eight to pupils participating in the Parental Choice Program. Act 20 expanded these assessment requirements by creating the Wisconsin Parental Choice Program (WPCP) and expanding the number of pupils receiving a voucher to attend a private school. The expansion was not accompanied by additional assessment funding to cover the costs associated with providing the grade four and eight assessments to the additional pupils in those grades.

The Department is basing the FY16 and FY17 cost projections on an average of 62,500 tested pupils per grade, an increase that reflects the new testing requirements for WPCP participants. With a contract in hand for the three through eight assessment for the next four years, the Department is confident in these cost estimates. The assessment contract has two cost drivers— the cost of the assessment contract with the test vendor, Educational Testing Services (ETS), and the cost of membership in SBAC. SBAC membership provides the Department with access to the assessment items, a digital library of resources for classroom teachers statewide, and the ability to benchmark performance nationally as well as within the state of Wisconsin. The first two years of the assessment contract represent higher per pupil costs due to the start-up costs associated with the transition to the new assessment. The Department expects the three through eight assessment costs to be approximately \$20 per pupil moving forward with an additional \$10.10 per pupil for the SBAC consortium fees.

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<sup>2</sup> LFB Paper #535, LFB Act 20 summary, DPI 2013-15 Biennial Budget Request.

**Table 8: Projected Costs for State Mandated Assessments in Grades 3, 4 and 8**

FY	Pupils Tested <sup>3</sup>	ETS Cost <sup>4</sup>	SBAC Cost	Total	Appropriation	Deficit
FY15	187,500	\$4,355,087	\$1,893,750	\$6,248,837	\$4,724,800	-\$1,524,037
FY16	187,500	\$4,002,009	\$1,893,750	\$5,895,759	\$4,724,800	-\$1,170,959
FY17	187,500	\$3,742,333	\$1,893,750	\$5,636,083	\$4,724,800	-\$911,283

The Department anticipates a \$1.2 million shortfall in FY16 and \$1 million shortfall in FY17 for fully funding state mandated assessments in grades three, four, and eight. The Department is requesting funds to ensure that state mandated assessment activities are fully funded and the agency will be able to maintain its current contract for pupil assessment.

### **Statutory Language**

The Department is proposing statutory language for this request.

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<sup>3</sup> The number of pupils tested is based on an estimate of 62,500 pupils tested per grade including PCP participants in grades 4 and 8.

<sup>4</sup> ETS costs are 21.34 in FY16 and decrease to 19.96 in FY17. SBAC costs are \$10.10 per pupil in all years.

## **Appendix A: Assessments – Definition of Terms**

Achievement assessments for K-12 students are placed in three categories depending on the purposes of the assessment. **Summative assessments** are annual assessments, either statewide or end of course, that monitor students' cumulative learning. These assessments are most commonly associated with accountability policy and are intended to provide a snapshot view of the performance of a student against the learning goals of the education system.

Benchmark assessments, or sometimes called **interim assessments**, are periodic assessments designed to monitor student learning at key intervals such as the end of a lesson or unit of study. This allows educators to continuously guide instruction and provide classroom teachers with timely feedback on student progress through the year.

A **formative assessment** is a student-centered classroom strategies which illicit information regarding learning to quickly inform instruction. This process is used by teachers and students during instruction to provide feedback to adjust ongoing teaching and learning through the course of a lesson or unit in order to improve learning outcomes.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 7000*)

**Subject:** Pupil Assessments  
**Request Date:** November 10, 2014  
**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests elimination of the requirement to administer a statewide assessment in the fall of grade nine.

**Related Stat. Citations:**

Remove references to fall session in s. 118.30 (1m) (ar), (1r) (ar), (1s) (bm), and (1t) (bm), Wis. Stats.

## DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 7005 – TEACHER CERTIFICATION

#### 122 – Personnel licensure, teacher supply, information and analysis and teacher improvement s. 20.255 (1) (hg)

<b>FISCAL SUMMARY</b>		
	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>Requested Funding</b>	<b>\$3,557,200</b> <b>3.0 FTE</b>	<b>\$3,604,000</b> <b>3.0 FTE</b>
<b>Less Base</b>	<b>\$3,417,000</b>	<b>\$3,417,000</b>
<b>Requested Change</b>	<b>\$140,200</b> <b>3.0 FTE</b>	<b>\$187,000</b> <b>3.0 FTE</b>

#### Request

The Department requests \$140,200 PR in FY16 and \$187,000 PR in FY17 to fund 3.0 PR permanent FTE. These positions would be used to restore the faster licensing processing time that the Department was able to meet prior to the increased responsibilities the Department took on related to educator licensing, educator preparation program approval, and educator effectiveness and improvement.

#### Background/ Analysis of Need

The Teacher, Education, Professional Development and Licensing Team (TEPDL) has broad responsibilities related to licensing approximately 65,000 active educators in Wisconsin. The TEPDL Team annually reviews around 34,000 license applications and manages the processing of roughly 34,000 background checks.

The Department is required under state law to perform the following duties:

- License school and public library personnel and approve teacher preparatory programs under s. 115.28 (7), Wis. Stats.
- Conduct background checks for those applying for licensure under s. 118.19 (10), Wis. Stats.
- Assist school boards, cooperative educational service agencies (CESAs), and county children with disabilities boards to locate qualified professional school personnel; assist qualified professional school personnel in locating vacant positions; and provide information and analysis related to the professional school personnel supply under s. 115.29 (5), Wis. Stats.
- Operate a program to provide prospective teachers with one-semester internships under the supervision of licensed teachers and fund in-service activities and professional staff development projects under s. 115.41, Wis. Stats.

To fund these costs, the Department must annually establish fees for the certification or licensure of school and public library personnel sufficient to fund certification and licensing administrative costs (s. 115.28 (7) (d), Wis. Stats.) and must charge school districts fees for participation in the teacher improvement program (s. 115.41, Wis. Stats.). Current law requires that 90 percent of moneys received from the fees established under s. 115.28 (7) (d), Wis. Stats., and 100 percent of the moneys received

from the fees established under s. 115.41, Wis. Stats., are credited to the s. 20.255 (1) (hg), Wis. Stats., appropriation.

The Department processes many different educator licenses with different requirements. For FY13, the Department processed almost 35,000 licenses. The initial review can take around five minutes or as much as six hours depending on the license application. However, it may take several weeks before licensing staff are able to begin the initial review. This is due to the backlog of applications that is created from the uneven distribution of licensing applications. For example, the Department received almost half of all FY13 licensing applications in May, June, and July. Around 11,500 applications in FY13 needed follow up review regarding background checks and approximately 7,000 five-year renewal applications and 1,406 out of state applications needed follow up review. The time for follow-up review varies based on how quickly an applicant answers follow-up questions, as well as the extent of the backlog in applications.

Currently, the Department estimates that it takes around 12 to 13 weeks to fully process licenses, from initial submission to receipt of the license by the applicant. The Department has had to pay overtime to its current licensing personnel to assist with the overload and prevent the processing time from being even longer. In 2011, the processing time was around six weeks, but that was at a time when the Department had three additional permanent licensing staff to process licenses. Further, at that time, the Department was not required to dedicate resources to absorb additional responsibilities like the mandated Educator Preparation Program (EPP) annual report and the added workload of the Continuous Review Process when it moved from a five-year rotation to an annual review process. As a result, the time it takes to process licenses, provide technical assistance, and answer licensing questions has significantly increased.

Under 2011 Wisconsin Act 166, the Department was required to develop an educator effectiveness evaluation system that measured student outcomes and evaluated educator practice and an equivalency process for evaluating educator practice. As a result, in 2012 the Department converted three positions that were previously licensing positions on the TEPDL Team to educator effectiveness positions, in order to implement this new initiative in as fiscally prudent a manner as possible. A total of 4.0 FTE were used to create a new Educator Effectiveness (EE) Team separate from the TEPDL Team by using existing positions within the Department. The Department requested funding for EE as part of its 2013-15 budget request, but the request did not include positions since the Department had already reallocated positions to get started on the EE initiative immediately.

Since that time, as school districts have sought increased guidance and assistance from the EE Team, the EE Team has grown from 4.0 FTE to 5.6 FTE. The strain of implementing the EE initiative and processing the same amount of licenses has resulted in slower service to educators seeking licenses. This has posed problems for educators and districts alike as districts attempt to ensure their educators have a current statutorily required license and the associated background check.

The Department is requesting a permanent 1.0 FTE Education Specialist to conduct background checks, a permanent 1.0 FTE Education Specialist to conduct five year renewal applications, and a permanent 1.0 FTE Education Specialist to conduct follow-up on out-of-state applications. Teacher certification program revenue would be used to fund these positions. The major responsibilities of these positions would be to administer the review of applications for educator licenses and evaluate and process license requests; provide technical assistance to educators related to licensing; and utilize the online license application system for processing licenses. The Department projects that revenues received in FY16 and FY17 from certification and licensing fees and teacher improvement program fees will be sufficient to pay the full costs of the requested 3.0 PR FTE.

The Department is requesting these positions to eliminate the bottlenecks at the end of the licensing review process. While all applications must be initially reviewed, one-third of all applicants need a background check clearance after initial review, half of all five-year renewal applications need follow up review, and 95 percent of out-of-state applications need follow up review. The Department does not



currently have enough staff to quickly perform these follow-up activities, which is a major reason why the processing time for most licenses is currently 12 to 13 weeks.

Without these critical positions, the time it takes the Department to process educators' license applications may not improve and might deteriorate further.

### **Statutory Language**

The Department is not proposing statutory language related to this request.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7006 – TRANSFER OF POSITION AUTHORITY**

**101 – General Program Operations**  
**s. 20.255 (1) (a)**

**110 – Digital Learning Portal [WISElearn]**  
**s. 20.255 (1) (e)**

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>110</b>	<b>s. 20.255 (1) (e)</b>	<b>-1.19 FTE</b>	<b>-1.19 FTE</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>1.19 FTE</b>	<b>1.19 FTE</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>\$100,400</b>	<b>\$100,400</b>

**Request**

The Department requests transferring 1.19 FTE from APN 110 in FY16 and FY17 to APN 101. This FTE was setup incorrectly in the 2013-15 Biennial Budget. The Department requests \$100,400 GPR in FY16 and FY17 to fund the salary and fringe amounts in the correct GPR appropriation (\$71,400 on the salary line and \$29,000 on the fringe benefits line). The Department also requests the transfer of \$71,400 GPR from the salary line and \$29,000 GPR from the fringe benefits line to the supplies and services line within APN 110, in FY16 and FY17.

**Statutory Language**

The Department is not proposing statutory language related to this request.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7011 – PROGRAM REVENUE REESTIMATES**

*See Appropriations Below*

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>130</b>	<b>s. 20.255 (1)(hj)</b>	<b>\$16,600</b>	<b>\$16,600</b>
<b>124</b>	<b>s. 20.255 (1)(i)</b>	<b>\$45,000</b>	<b>\$45,000</b>
<b>134</b>	<b>s. 20.255(1)(hm)</b>	<b>-\$93,500</b>	<b>-\$93,500</b>
<b>126</b>	<b>s. 20.255(1)(jm)</b>	<b>-\$41,500</b>	<b>-\$41,500</b>
<b>Total</b>		<b>-\$73,400</b>	<b>-\$73,400</b>

The Department requests -\$73,400 PR in FY16 and -\$73,400 PR in FY17 to reflect projected revenues and expenditures.

**Statutory Language**

The Department is not proposing statutory language related to this request.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 7012 – FEDERAL REVENUE REESTIMATES**

*See Appropriations Below*

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>241</b>	<b>s. 20.255(2)(m)</b>	<b>\$95,710,000</b>	<b>\$95,710,000</b>
<b>344</b>	<b>s. 20.255(3)(ms)</b>	<b>\$5,300,000</b>	<b>\$5,300,000</b>
<b>141</b>	<b>s. 20.255(1)(me)</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>
<b>Total</b>		<b>\$102,710,000</b>	<b>\$102,710,000</b>

The Department requests \$102,710,000 FED in FY16 and \$102,710,000 FED in FY17 to reflect projected revenues and expenditures in federal fund sources.

**Statutory Language**

The Department is not proposing statutory language related to this request.

## **DPI 2015-17 BIENNIAL BUDGET REQUEST**

### **DECISION ITEM 7015 – COMMUNITY ELIGIBILITY PROVISION**

[No request for changes in funding.]

#### **Request**

The Department requests a change to statutory language to permit the Department to utilize an alternative data collection mechanism for school districts participating in the Community Eligibility Provision (CEP) Option, where current law references the National School Lunch Program (NSLP) and the School Breakfast Program (SBP) [42 USC 1758 (b)].

#### **Background/Analysis of Need**

The CEP was authorized under the Healthy, Hunger-Free Kids Act of 2010. The CEP provides an alternative approach for offering school meals to local educational agencies (LEAs) and schools in low income areas, instead of collecting individual applications for free and reduced-price meals.

The CEP is a four-year reimbursement option for eligible local educational agencies (LEAs) and schools participating in both the NSLP and SBP that wish to offer free school meals to all children in high poverty schools, without collecting household applications. It is intended to improve access to free school meals in eligible high poverty LEAs and schools.

The CEP is a change to establishing pupil eligibility for free and reduced price meals (FRL eligibility status). School districts that opt to participate in the CEP will no longer collect individual applications from families to determine a pupil's FRL eligibility status. Instead districts will directly certify pupils whose families receive benefits through the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), or several other economic support type programs.

In order to be eligible to participate in the CEP, a school building must have 40 percent of its pupils directly certified for (an) economic support program(s), (i.e., SNAP, TANF, etc.). Districts may participate on a district-wide or individual school basis. The major benefit of participating in the CEP is that all pupils in a CEP school will be provided free breakfast and lunch, regardless of income. Participation of school districts in CEP is voluntary, even if they have schools meeting the eligibility threshold. It is believed that most eligible districts will participate in CEP.

The provision of free meals to more pupils is good public policy. Further, exercising the CEP option means that districts and schools do not need to "know" which pupils are economically disadvantaged for the purposes of the NSLP and SBP (and therefore, do not need to collect data on pupils' FRL eligibility status). CEP districts and schools therefore no longer need to use the United States Department of Agriculture (USDA) Free and Reduced Price School Meals application to determine FRL eligibility. In fact, use of the USDA application is prohibited in CEP schools and districts.

However, CEP does not eliminate the need to collect student-level economic status information, data that is used to administer several state aid programs, as well for pupil demographic data analysis purposes by the Department.

Thus implementation of the CEP raises the issues of how to continue to collect the economic status data for pupils attending CEP schools, given the Department's need for the data and the prohibition on CEP districts and schools against using the very tool that had been used to determine the FRL eligibility data for its pupils (the USDA application).

To this end, the Department's Community and School Nutrition Services Teams have created an alternative data collection form for use by districts that have already opted into the CEP. The data

collection form, and the explanation of the need for districts to continue to collect economic status data for pupils attending CEP schools, is provided on the Department's webpage, along with comprehensive information about implementation of the CEP. See: [http://fns.dpi.wi.gov/fns\\_cep](http://fns.dpi.wi.gov/fns_cep) for more information.

As an additional implementation issue, current law references FRL eligibility under 42 USC 1758 (b) as a criterion for several state aid programs. For districts that are using the CEP option, the lack of an alternative data collection mechanism could result in a skewing of the district's reported FRL-eligible pupils, and thus, impact the district's data and potentially, state aid eligibility.

While the Department already makes an alternative data collection mechanism available to districts to collect the necessary data, current law references only federal law with respect to FRL eligibility. Therefore, the Department is not currently authorized under state law to use any measure other than 42 USC 1758 (b) as the means to determine FRL eligibility status, and thus, eligibility for certain state aids.

Currently, FRL data are required to determine eligibility for the following state aid programs:

- Grants for national teacher certification or master educator licensure [s. 115.42(2)(c)]
- Wisconsin school day milk program [s. 115.343(2)(b)]
- Precollege scholarships [s. 115.43(1)]
- Sparsity Aid [s. 115.436(2)(b)]
- SAGE Program [s. 118.43(1)(b)]\*
- Low-income transportation assistance for open enrollment [s. 118.51(14)(b)]
- Low-income transportation assistance for course options [s. 118.52(11)(b)]
- Low-income transportation assistance for youth options [s. 118.55(7)(g)]
- MPS 5K program expansion [s. 119.71(3)(a)]
- Free AP tests paid by school boards [s. 120.12(22)]
- Transportation of indigent pupils paid by school boards [s. 120.13(27m)]
- State Aid for High Poverty Districts [s. 121.136(2)]
- Annual report on Chapter 220 Aid [s. 121.87(1)(b)]\*\*
- School report cards and other reports that included pupil demographic data

\*Reference to applicable federal law is incorrect in state statute (refers to 20 USC 2723)

\*\* Not an eligibility requirement, but data must be included in the annual report.

The Department seeks explicit authority, via a statutory language change, to use alternative data collection mechanisms to gather the economic status data required to administer state aid programs and conduct student demographic analysis data.

## **Statutory Language**

The Department is proposing statutory language related to this request.

**DEPARTMENT OF PUBLIC INSTRUCTION  
2015-17 BIENNIAL BUDGET  
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU**

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 7015*)

**Subject:** Community Eligibility Provision

**Request Date:** November 10, 2014

**Agency Contact:** Erin Fath, 266-2804

**Brief Description of Intent:**

The Department requests a change to statutory language to permit the Department to utilize an alternative data collection mechanism for school districts participating in the Community Eligibility Provision (CEP) Option, where current law references the National School Lunch Program (NSLP) and the School Breakfast Program (SBP) [42 USC 1758 (b)].

*Suggested language:*

At each Wis. Stats. reference to eligibility for free or reduced-price lunch, or to the National School Lunch Program and School Breakfast Program, **under 42 USC 1758 (b)**, add the language:

“... or an alternative data collection mechanism that meets the criteria established by the Department to collect the data necessary to administer the program [in this section].”

**Related Stat. Citations:**

Current law references free or reduced-price lunch eligibility under 42 USC 1758 (b) in the following locations:

- Grants for national teacher certification or master educator licensure [s. 115.42 (2) (c), Wis. Stats.]
- Wisconsin school day milk program [s. 115.343 (2) (b), Wis. Stats.]
- Precollege scholarships [s. 115.43 (1), Wis. Stats.]
- Sparsity Aid [s. 115.436 (2) (b), Wis. Stats.]
- SAGE Program [s. 118.43 (1) (b), Wis. Stats.]\*
- Low-income transportation assistance for open enrollment [s. 118.51 (14) (b), Wis. Stats.]
- Low-income transportation assistance for course options [s. 118.52 (11) (b), Wis. Stats.]
- Low-income transportation assistance for youth options [s. 118.55 (7) (g), Wis. Stats.]
- MPS 5K program expansion [s. 119.71(3) (a), Wis. Stats.]
- Free AP tests paid by school boards [s. 120.12 (22), Wis. Stats.]
- Transportation of indigent pupils paid by school boards [s. 120.13 (27m), Wis. Stats.]
- State Aid for High Poverty Districts [s. 121.136 (2), Wis. Stats.]
- Annual report on Chapter 220 Aid [s. 121.87 (1) (b), Wis. Stats.]\*\*

\*Reference to applicable federal law is incorrect in state statute. (Refers to 20 USC 2723)

## Standard Budget Adjustments

### DPI 2015-17 BIENNIAL BUDGET REQUEST

### DECISION ITEM 3001 – TURNOVER REDUCTION

*See Appropriations Below*

FISCAL SUMMARY			
Numeric Appropriation	Alpha Appropriation	2015-16 Request	2016-17 Request
101	s. 20.255 (1) (a)	-\$130,100	-\$130,100
102	s. 20.255 (1) (b)	-\$283,000	-\$283,000
141	s. 20.255 (1) (me)	-\$479,200	-\$479,200
<b>Total</b>		<b>-\$892,300</b>	<b>-\$892,300</b>

The department requests \$-413,100 GPR and \$-479,200 PR-F in FY16 and FY17 as the department's required turnover reduction in appropriations funding more than 50 FTE permanent positions.



**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3002 – REMOVAL OF NONCONTINUING ITEMS FROM THE BASE**

**141 – Federal aids; program operations  
s. 20.255 (1) (me)**

**132 – Funds transferred from other state agencies; program operations  
s. 20.255 (1) (ke)**

		FISCAL SUMMARY			
		2015-16 Request		2016-17 Request	
Numeric Appropriation	Alpha Appropriation	FTE	Dollars	FTE	Dollars
141	s. 20.255 (1) (me)	-1.000	\$0	-6.000	\$0
132	s. 20.255 (1) (ke)	0.000	\$0	-1.000	\$0
<b>Total</b>		<b>-1.000</b>	<b>\$0</b>	<b>-7.000</b>	<b>\$0</b>

The Department is removing 1.00 FTE PR-F project positions in FY16. In addition, the Department is removing an additional 6.00 FTE PR-F project positions in FY17 for a total 7.00 FTE PR-F in FY17. The Department is removing 1.00 FTE PR-S project positions in FY17.

The Department is not removing salary and fringe for these positions because the salary and fringe is not included in the adjusted base and removing monies would result in negative amounts on the salary and fringe lines in the budget system.

A detailed calculation is available on a separate spreadsheet from the Policy and Budget Team.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3003 – FULL FUNDING OF CONTINUING SALARIES AND FRINGE**

*See Appropriations Below*

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>\$450,000</b>	<b>\$450,000</b>
<b>102</b>	<b>s. 20.255 (1) (b)</b>	<b>\$184,700</b>	<b>\$184,700</b>
<b>110</b>	<b>s. 20.255 (1) (el)</b>	<b>\$8,000</b>	<b>\$8,000</b>
<b>122</b>	<b>s. 20.255 (1) (hg)</b>	<b>\$258,500</b>	<b>\$258,500</b>
<b>123</b>	<b>s. 20.255 (1) (j)</b>	<b>\$900</b>	<b>\$900</b>
<b>124</b>	<b>s. 20.255 (1) (i)</b>	<b>-\$12,600</b>	<b>-\$12,600</b>
<b>125</b>	<b>s. 20.255 (1) (jg)</b>	<b>\$23,200</b>	<b>\$23,200</b>
<b>129</b>	<b>s. 20.255 (1) (km)</b>	<b>-\$22,900</b>	<b>-\$22,900</b>
<b>130</b>	<b>s. 20.255 (1) (hj)</b>	<b>\$600</b>	<b>\$600</b>
<b>131</b>	<b>s. 20.255 (1) (ks)</b>	<b>\$712,200</b>	<b>\$712,200</b>
<b>132</b>	<b>s. 20.255 (1) (ke)</b>	<b>\$15,100</b>	<b>\$15,100</b>
<b>133</b>	<b>s. 20.255 (1) (kd)</b>	<b>\$11,300</b>	<b>\$11,300</b>
<b>134</b>	<b>s. 20.255 (1) (hm)</b>	<b>\$1,400</b>	<b>\$1,400</b>
<b>141</b>	<b>s. 20.255 (1) (me)</b>	<b>\$970,500</b>	<b>\$970,500</b>
<b>146</b>	<b>s. 20.255 (1) (pz)</b>	<b>-\$18,900</b>	<b>-\$18,900</b>
<b>306</b>	<b>s. 20.255 (3) (c)</b>	<b>-\$10,400</b>	<b>-\$10,400</b>
<b>Total</b>		<b>\$2,571,600</b>	<b>\$2,571,600</b>

The department requests \$632,300 GPR, \$270,600 PR, \$717,100 PR-S and \$951,600 PR-F in FY16 and FY17 to adjust the amount needed to bring salary and fringe amounts to FY15 levels. A detailed calculation is available on a separate spreadsheet from the Policy and Budget Team.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3007 – OVERTIME**

*See Appropriations Below*

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>\$10,400</b>	<b>\$10,400</b>
<b>102</b>	<b>s. 20.255 (1) (b)</b>	<b>\$263,900</b>	<b>\$263,900</b>
<b>122</b>	<b>s. 20.255 (1) (hg)</b>	<b>\$2,900</b>	<b>\$2,900</b>
<b>124</b>	<b>s. 20.255 (1) (i)</b>	<b>\$500</b>	<b>\$500</b>
<b>125</b>	<b>s. 20.255 (1) (jg)</b>	<b>\$200</b>	<b>\$200</b>
<b>131</b>	<b>s. 20.255 (1) (ks)</b>	<b>\$100</b>	<b>\$100</b>
<b>132</b>	<b>s. 20.255 (1) (ke)</b>	<b>\$9,500</b>	<b>\$9,500</b>
<b>133</b>	<b>s. 20.255 (1) (kd)</b>	<b>\$600</b>	<b>\$600</b>
<b>141</b>	<b>s. 20.255 (1) (me)</b>	<b>\$36,200</b>	<b>\$36,200</b>
<b>146</b>	<b>s. 20.255 (1) (pz)</b>	<b>\$14,000</b>	<b>\$14,000</b>
<b>Total</b>		<b>\$338,300</b>	<b>\$338,300</b>

The department requests \$274,300 GPR, \$3,600 PR, \$10,200 PR-S and \$50,200 PR-F in FY16 and FY17 to restore funds for overtime differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2013 Wisconsin Act 20. Fringe benefits are calculated at the variable fringe rate of 15.65 percent.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3008 – NIGHT AND WEEKEND DIFFERENTIAL**

*See Appropriations Below*

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2015-16 Request</b>	<b>2016-17 Request</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>\$500</b>	<b>\$500</b>
<b>102</b>	<b>s. 20.255 (1) (b)</b>	<b>\$54,900</b>	<b>\$54,900</b>
<b>132</b>	<b>s. 20.255 (1) (ke)</b>	<b>\$200</b>	<b>\$200</b>
<b>141</b>	<b>s. 20.255 (1) (me)</b>	<b>\$200</b>	<b>\$200</b>
<b>146</b>	<b>s. 20.255 (1) (pz)</b>	<b>\$200</b>	<b>\$200</b>
<b>Total</b>		<b>\$56,000</b>	<b>\$56,000</b>

The department requests \$55,400 GPR, \$200 PR-S and \$400 PR-F in FY16 and FY17 to restore funds for night and weekend differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2013 Wisconsin Act 20. Fringe benefits are calculated at the variable fringe rate of 15.65 percent.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3010 – FULL FUNDING OF LEASE AND DIRECTED MOVES COSTS**

**101 – General program operations**  
**s. 20.255 (1) (a)**

**141 – Federal aids; program operations**  
**s. 20.255 (1) (me)**

<b>FISCAL SUMMARY</b>			
<b>Numeric Appropriation</b>	<b>Alpha Appropriation</b>	<b>2013-14 Request</b>	<b>2014-15 Request</b>
<b>101</b>	<b>s. 20.255 (1) (a)</b>	<b>\$52,700</b>	<b>\$97,100</b>
<b>141</b>	<b>s. 20.255 (1) (me)</b>	<b>\$15,200</b>	<b>\$16,000</b>
<b>Total</b>		<b>\$67,900</b>	<b>\$113,100</b>

The department requests \$52,700 GPR and \$15,200 PR-F in FY16 and \$97,100 GPR and \$16,000 PR-F in FY17 to fully fund the department’s lease costs. The amount requested is based on private lease and state-owned space expenditures in FY14 as provided by the Department of Administration.

**DPI 2015-17 BIENNIAL BUDGET REQUEST**

**DECISION ITEM 3011 – MINOR TRANSFERS WITHIN THE SAME ALPHA APPROPRIATION**

***See Appropriations Below***

The Department is requesting moving \$2,454,700 of Permanent Position Salaries, Fringe Benefits, Supplies and Service, Aids to Individuals Organizations, and Debt Service to align monies that currently have a blank sub program to the appropriate sub program and to move Permanent Position Salary from sub program 2 to sub program 9 in Appropriation 124 in FY 16 and FY17.

The Department is requesting moving \$1,175,200 GPR, \$271,100 PR, -\$1,300,100 PR-S and \$2,308,500 PR-F to the appropriate sub programs within the same B2 line. The chart below shows the movement of the funds. The following page shows the change across each B2 line.

The Department is requesting moving -1.0 FTE GPR from the sub program of blank to the appropriate sub program 8 to align the FTE within the correct sub program. The Department does not have FTE within APN 106 (the offsetting FTE in APN 106 of 1.0 results in a total FTE for this APN of zero) and this change is only to align the FTE within the correct sub program and eliminate FTE residing in with a blank sub program.

Alpha Appropriation	APN/Division	1	2	3	4	5	6	7	8	9		Net Change Across APN	
s. 20.255 (l) (a)	101	\$36,600	\$13,100	\$65,000	\$40,700	\$35,000	\$33,200					-\$223,600	\$0
s. 20.255 (l) (b)	102					\$202,800	\$122,800					-\$325,600	\$0
s. 20.255 (l) (d)	104							\$30,300				-\$30,300	\$0
s. 20.255 (l) (dw)	105				\$574,000							-\$574,000	\$0
s. 20.255 (l) (e)	106												\$0
s. 20.255 (l) (hg)	122	\$270,400										-\$270,400	\$0
s. 20.255 (l) (i)	124		-\$18,900							\$19,400		-\$500	\$0
s. 20.255 (l) (jg)	125			\$200								-\$200	\$0
s. 20.255 (l) (ks)	131								-\$1,310,600			\$1,310,600	\$0
s. 20.255 (l) (ke)	132	\$9,900										-\$9,900	\$0
s. 20.255 (l) (kd)	133		\$600									-\$600	\$0
s. 20.255 (l) (me)	141	\$68,300	\$383,400	\$278,500	\$1,335,700	\$26,500	\$27,500		\$142,000	\$32,200		-\$2,294,100	\$0
s. 20.255 (l) (pz)	146			\$14,400								-\$14,400	\$0
s. 20.255 (3) (b)	301	\$20,800										-\$20,800	\$0
s. 20.255 (3) (f)	318		\$900									-\$900	\$0
	<b>Net Change By Division</b>	<b>\$406,000</b>	<b>\$379,100</b>	<b>\$358,100</b>	<b>\$1,950,400</b>	<b>\$264,300</b>	<b>\$183,500</b>	<b>\$30,300</b>	<b>-\$1,168,600</b>	<b>\$51,600</b>	<b>-\$2,454,700</b>	<b>\$0</b>	

APN/Division	1	2	3	4	5	6	7	8	9		Net Change Across APN	
<b>GPR</b>	\$57,400	\$14,000	\$65,000	\$614,700	\$237,800	\$156,000	\$30,300				-\$1,175,200	\$0
<b>PR</b>	\$270,400	-\$18,900	\$200						\$19,400		-\$271,100	\$0
<b>PR-S</b>	\$9,900	\$600						-\$1,310,600			\$1,300,100	\$0
<b>PR-F</b>	\$68,300	\$383,400	\$292,900	\$1,335,700	\$26,500	\$27,500		\$142,000	\$32,200		-\$2,308,500	\$0
<b>Total</b>	<b>\$406,000</b>	<b>\$379,100</b>	<b>\$358,100</b>	<b>\$1,950,400</b>	<b>\$264,300</b>	<b>\$183,500</b>	<b>\$30,300</b>	<b>-\$1,168,600</b>	<b>\$51,600</b>	<b>-\$2,454,700</b>	<b>\$0</b>	

18 Classified Positions Authorized

APN/Division	1	2	3	4	5	6	7	8	9		Net Change Across APN
<b>106</b>								-1.00		1.00	0.00
<b>Net Change By Division</b>								-1.00		1.00	0.00