

Date: August 20, 2015
To: District Administrators
From: Mike Thompson, PhD
Deputy State Superintendent
Subject: 2015-17 Biennial Budget Implementation Update

Governor Walker signed the 2015-17 biennial budget bill into law on July 12, 2015 as 2015 WI Act 55. I want to provide you with an update on several key provisions contained in the budget. For a complete summary of the budget bill, you can read it here: <http://pb.dpi.wi.gov/> (See “*Condensed Summary of 2015 Act 55 - K-12 Education*”)

Required Notice of Academic Standards, Accountability Reports and Educational Options

Effective Immediately:

1. Annually, include as an item on the agenda of the first school board meeting of the school year, a notice that clearly identifies the **pupil academic standards** adopted by the school board that will be in effect for the school year. *[For the 2015-16 school year, districts should fulfill this requirement as soon as possible, at the next scheduled board meeting.]*
2. Annually, prior to the beginning of the school term, notify the parents and guardians of pupils enrolled in the school district of the **pupil academic standards** that will be in effect for the school year. Notice may be provided electronically, including by posting the notice or a link to the pupil academic standards on the school district’s Internet site.
3. Annually, each public school, including a charter school, must provide to the parent or guardian of each pupil enrolled in or attending the school:
 - A copy of the **school’s accountability report***; and, simultaneously,
 - A list of the **educational options** available to children who reside in the pupil’s resident school district – including public schools, private schools participating in a parental choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program.
4. Annually, notify all families of students with disabilities of the Special Needs Voucher Program created under Act 55, which will begin in the 2016-17 school year (see “***Special Needs Voucher Program***”, *below*).

By January 31, 2016, and annually thereafter:

1. Publish as a class 1 notice (under Chapter 985, Stats.) and post on its Internet site a description of available educational options (as specified above). The notice must also:
 - a. Include the **most recent school accountability performance category*** assigned to each school within the school district’s boundaries, including public, independent charter schools and private schools participating in a private school choice program; and
 - b. Inform parents that the full school and school district accountability report would be available on the school board’s Internet site.

***Note:** 2015 Act 20 (passed in May 2015) prohibits the Department from issuing accountability reports based on data from the 2014-15 school year.

Pupil Assessments

Reading Readiness Screener: Districts will **still** be required to administer the PALS (reading readiness screener) during the 2015-16 school year. However, beginning with the 2016-17 school year, districts will be required to administer the reading readiness screener of their choice. Districts will bear the cost of this assessment directly, but may submit a claim to the Department for reimbursement (likely prorated). The Department is currently developing processes around this new reimbursement model and will provide additional information as it becomes available.

Statewide Assessments: The Department is currently in the process of procuring a new statewide assessment, which will be announced as soon as possible. All schools will be required to administer statewide assessments in the spring of 2016.

Note: Act 55 eliminated the requirement that schools administer the fall ACT exam to 9th graders. Schools will **still** be required administer the ACT in the spring to pupils in 9th, 10th, and 11th grades.

For more information on statewide assessments generally, see: <http://oea.dpi.wi.gov/assessment>

Civics Exam Required for High School Graduation

Effective with the 2016-17 school year, public, charter and private voucher schools may not grant a diploma to a pupil unless the pupil has successfully completed the civics exam; and an individual may not receive a GED or HSED until they successfully complete the civics exam. This will be a locally administered exam (not part of statewide pupil assessments). The specific requirements pertaining to the civics exam can be found in the Department's "*Condensed Summary of 2015 Act 55 - K-12 Education*".

High School Graduation Standards

Act 55 allows school districts to adopt a resolution to create a process through which a high school pupil could earn credit through demonstrating competency or creating a learning portfolio. Act 55 requires schools to periodically review and revise their written policy specifying criteria for granting a high school diploma, which would have to include successful completion of the civics assessment described above. As more information becomes available on these new provisions, it will be published on the Department's web page for high school graduation standards:

http://cal.dpi.wi.gov/cal_graduation

Licensure

Act 55 creates new licensure types for which the Department must issue a license: (1) Experience-Based Licensure for Technical Education; (2) Industrial Arts Subjects (Technical College instructors); (3) Montessori Teacher Education Program; and (4) Reciprocity-Based (for individuals with a license from another state, who have taught for at least one year, are in "good standing," and who have an offer of employment with school in Wisconsin; must be a joint application by the individual and the employing school or district). The specific requirements pertaining to the new licensing types can be found in the Department's "*Condensed Summary of 2015 Act 55 - K-12 Education*". When additional information pertaining to new licensure types becomes available, it will be published on the Department's web page for teacher licensing: <http://tepd.dpi.wi.gov/>

Parental Choice

Effective Immediately (2015-16 school year):

Statewide Parental Choice Program Expansion: Act 55 eliminates the limit on total participation in the statewide private school parental choice (voucher) program, but does retain the limit on the number of pupils within a district who may participate, to one percent of the district's prior year membership, for both the 2015-16 and 2016-17 school years. This district limit increases by one percentage point each year, until it reaches ten percent, after which time there will no longer be a limit by district. For more information on the private school choice programs generally, see: http://sms.dpi.wi.gov/choice_programs

Effective Beginning with the 2016-17 School Year:

Special Needs Voucher Program: Act 55 creates a special education voucher program under which students with disabilities, who have been denied from attending school in a nonresident district under the public school open enrollment program and attend a public school during the 2015-16 school year, can attend a participating private school on a \$12,000 voucher. The Department is currently developing more information on this program and will provide information as it becomes available.

New Independent Charter School Authorizers: Act 55 authorizes several new entities to authorize independent charter schools: the UW-System Office Educational Opportunities, the Gateway Technical College Board, Tribal Colleges, and the Waukesha County Executive. Because there is insufficient time for a new ICS to open for the 2015-16 school year, the earliest that this provision would impact a school district is for the 2016-17 school year.

Impact on Funding for Public Schools

Act 55 creates a new funding mechanism for incoming voucher pupils, for pupils receiving a Special Needs Voucher and pupils who are attending an Independent Charter School authorized by one the new authorizers under Act 55:

- School districts will count residents who participate in one of the above program for revenue limit and state general aid purposes;
- General aid payments will be reduced in an amount equal to the number of resident pupils multiplied by the applicable per pupil payment.
- While districts will be able to capture revenue authority (levy) for these pupils, they are prohibited from levying for the related general aid reduction.

Charter Schools

Act 55 contains several provisions pertaining to requirements of school district charter schools and independently authorized charter schools related to admissions, authorizing entity duties, contract requirements, and governing boards. School districts and charter schools will be receiving further information regarding these provisions under separate cover from the School Management Services Team. Also, these provisions are detailed in the "Condensed Summary" of Act 55 available on the Department's Policy and Budget website (see Appendix A of that summary). As information becomes available on these provisions, it will be published on the Department's web page for Charter Schools generally, see: <http://sms.dpi.wi.gov/charter-schools>

Course Options

Act 55 allows an institution of higher education (IHE) to charge tuition and fees to pupils for course taken through the course options program if the course is offered for credit. Only the IHE is permitted to charge tuition to the family. In this situation, the tuition and fees would be negotiated between the institution of higher education and the school district. Otherwise, tuition would be set in a manner determined by the State Superintendent. For more information on Course Options generally, see: <http://courseoptions.dpi.wi.gov/>

Open Enrollment

Full Time Open Enrollment Transfer Payment: the indexing mechanism to determine the annual adjustments to the open enrollment per pupil payment becomes effective with FY16. The full time transfer payment for full time open enrollment pupils will be \$6,639 (increase of \$4).

Special Education Public School Open Enrollment: Act 55 modifies the current public school open enrollment program for students with disabilities beginning with the February-April 2016 application period for the 2016-17 school year by: 1) eliminating the ability of resident school districts to deny applications on the basis of undue financial burden; and 2) establishing a \$12,000 transfer amount for each student with a disability who transfers under the open enrollment program. The nonresident school district will receive the \$12,000 transfer amount and will also retain special education categorical aids for open enrolled students with disabilities, including aid for special transportation (i.e., district may be eligible for High Cost Special Education Aid). An open enrollment application may only be denied by the nonresident school district if the district does not have the special education program or space for the student. See also “School Finance” (below) for information on Special Education categorical aid. For more information on open enrollment generally, see: <http://oe.dpi.wi.gov/>

Whole Grade Sharing

Act 55 permits school districts to enter into whole grade sharing agreements, under which districts consolidate individual grades offered at multiple school sites into one educational program for the consolidate grade(s). Whole grade sharing allows school districts to pool costs and reallocate resources to meet the needs of their communities. Act 55 provides for a hold harmless on general aid for five years after districts enter into a whole grade sharing agreement. School boards must adopt a resolution stating its intention to enter into a whole grade sharing agreement at least 150 days before doing so and must enter into the agreement prior to January 10th in order to implement the agreement for the subsequent school year. The Department is currently developing guidance for school districts pertaining to whole grade sharing agreements (see the Department’s “*Condensed Summary of 2015 Act 55 - K-12 Education*”).

School Finance – Revenue Limit and State Aids

Revenue Limit – there is no allowable per pupil adjustment to the revenue limit for either FY16 or FY17; the low revenue ceiling remains at \$9,100.

General Aid – maintains funding in FY16 and increases by \$108 M in FY17.

Categorical Aids – Act 55 makes changes to a several categorical aid programs:

- Per Pupil Aid – maintains funding at \$150 per pupil in FY16 (note that aid will be paid to school districts on a *delayed basis in July 2016*, but must be treated as FY16 revenues by districts) and increases funding to \$250 per pupil in FY17 (paid 4th Monday of March 2017).
- Sparsity Aid – increases funding so as to provide the full \$300 per pupil in eligible districts (payments will not be prorated) and removes, as an eligibility criterion for Sparsity Aid, the 20 percent threshold of free and reduced price lunch-eligible pupils.
- Pupil Transportation Aid – increases the reimbursement rate for pupils transported 12 more miles from \$275 to \$300 per pupil.
- High Cost Transportation Aid – increase funding so as to reimburse districts at a higher rate (estimated 50 percent, compared to 32 percent) and targets aid to districts with 50 or fewer members per square mile.
- High Cost Special Education Aid – increases funding by \$5 million in FY17; up to 70 percent of eligible prior year costs are eligible for reimbursement (was 90 percent under prior law).
- Special Education Transitions Grants – creates a new grant program that provides incentive payments to school districts and independent charter schools based on post-secondary education and employment outcomes for students with disabilities, as measured by responses to the Individuals with Disabilities Education Act (IDEA) Indicator 14 survey.
- School Library Aid – increases funding by \$2 million in FY16 and \$4 million in FY17.

Miscellaneous Provisions

Effective Immediately:

- Transfers the funding and responsibility for administering **Career and Technical Education Incentive Grants** program from the DPI to the Department of Workforce Development
- Require a school board to permit a pupil who is a resident of the school district who home-schooled to participate in interscholastic athletics or extracurricular activities on the same basis and to the same extent as pupils enrolled in the district.
- Allows a school board of a common or union high school district to sell any property belonging to and not needed by the district without the approval of electors at an annual meeting.
- Allows school districts to use a block grant for educational technology and targets the block grant funding to rural (sparsely populated) districts; also provides for teacher training grants (TEACH program administered by the Department of Administration – for more information, see: <http://www.doa.state.wi.us/divisions/enterprise-technology/teach>)

Effective 2016-17:

- Provides for optional school district membership in a CESA (resolution to withdraw must be approved by school board by January 15, 2016 to be effective for July 1, 2016).

Thank you for your attention to these matters. The Department continues to review the K-12 education issues included in 2015 Act 55 and will provide additional information as it becomes available.