



Date: August 15, 2023
To: District Administrators
From: John W. Johnson, PhD, Deputy State Superintendent
Subject: **2023-25 Enacted Budget (2023 Act 19) provisions Affecting Schools**

The 2023-25 state biennial budget bill was signed into law by Governor Tony Evers on July 5, 2023, as [2023 WI Act 19](#). Below is a summary of the key education-related provisions that were enacted as part of the state budget and as part of separate legislation that was enacted while the state budget was being finalized in the Legislature. Note that a listing of K-12 budget provisions vetoed by the Governor is attached as [Appendix 1](#) at the end of this memo. For questions or additional information about the 2023-25 State Budget, please contact Erin Fath, Director, Policy, Budget, and Research Team (DPI), at Erin.Fath@dpi.wi.gov.

REVENUE LIMITS

Per Pupil Adjustment

- All school districts will receive an adjustment to controlled revenue authority of **\$325 per pupil in FY24 and \$325 per pupil in FY25**. The revenue authority produced by this increase will become part of a school district's base revenue in subsequent years. The Governor vetoed language in the bill to provide for continued per pupil adjustments of \$325 per pupil every year after FY25, through the year 2425 (see [Appendix 1](#)).

Low Revenue Ceiling Threshold [as impacted by [2023 Act 11](#)]

- The low revenue ceiling (LRC) threshold is increased, from \$10,000 to \$11,000 per pupil (for most school districts), beginning with FY24 and continuing into subsequent years (until changed by the Legislature). Act 19 did not change the current law provisions that imposes a three-year freeze on the LRC threshold applicable to the school district if the electors of a school district failed to pass a referendum for school district operations in the three prior years. School districts that failed to pass an operating referendum prior to the 2022-23 school year will continue with the \$10,000 LRC until the three-year freeze period expires.
- If a school district's revenue authority per pupil is lower than the LRC threshold after application of the \$325 per pupil adjustment (but prior to the application of any other revenue limit adjustments/exemptions) the school district's revenue limit per pupil is automatically raised up to the LRC threshold amount. This has the effect of increasing the school district's controlled revenue authority.

GENERAL EQUALIZATION AID

- Funding is increased by \$154,700,000 in FY24 and \$379,600,000 in FY25 (over FY23 base funding). Individual school districts' General Equalization Aid eligibility depends on school districts' individual equalization aid formula factors.
- General Equalization Aid is received under school district revenue limits; therefore, it has the effect of reducing the property tax impacts related to the \$325 per pupil adjustment to revenue limits, the increase in the low revenue ceiling, and other exemptions/adjustments to a school district's revenue authority.

High Poverty Aid

- Funding for High Poverty Aid is eliminated in under Act 19 (\$16,830,000 each year). The Governor vetoed the repeal of the High Poverty Aid statutory language, but funding could not be restored in the appropriation for this aid program. Thus, the statutory language for High Poverty Aid program remains in current law, but there is no funding to support aid payments.
- Like General Equalization Aid, High Poverty Aid is received under school district revenue limits. If funding were provided for High Poverty Aid, it would impact the mix of state aid and property tax levy that comprise a school district's controlled revenues.

SCHOOL LEVY TAX CREDIT (SLTC)

- Funding is increased by \$255,000,000 in FY24 and by \$335,000,000 in FY25 (over FY23 base funding). The SLTC provides tax relief to property taxpayers based on the school district in which the taxed parcel is located and on each school districts' share of the statewide school tax levy for schools. The property tax credit has the effect of reducing a property taxpayer's overall property tax bill. The SLTC funding does not go directly to school districts.

CATEGORICAL AIDS

Categorical aids are received outside revenue limits (i.e., provide additional spending capacity).

Per Pupil Aid

- Act 19 maintains Per Pupil Aid at \$742 per pupil in FY24 and FY25. Payments to are based on school districts' current year revenue limit membership and are paid in March each year.

Special Education Categorical Aid

- Funding is increased by \$40,146,700 in FY24 and \$56,887,700 in FY25 (over FY23 base funding). It is estimated that schools will be reimbursed for eligible special education aid costs at 33.3 percent in FY24 and FY25.

High-Cost Special Education Aid

- Funding is increased by \$1,592,800 in FY24 and \$3,040,800 in FY25 (over FY23 base funding). It is estimated that school districts will be reimbursed for eligible high-cost special education aid costs at 45 percent in FY24 and 50 percent in FY25.

School-Based Mental Health Services (SBMHS) Grants

- Under Act 19, funding for SBMHS Grants is \$25,000,000 in FY24 and in FY25 (i.e., increased by \$15,000,000 over FY23 base funding). This is a one-time increase, meaning the base funding going into the 2025-27 biennium will revert to \$10,000,000.
- Act 19 changed how funds will be distributed under the SBMHS Grant program (originally created as a competitive grant program). Beginning in FY24, funds will be distributed on a per pupil basis to all school districts and independent charter schools (ICS) based on current year revenue limit membership for school districts and current year enrollment for ICS.
- Act 19 also modified the statutory language that describes the program's purpose, from "collaborating with community mental health agencies" to "collaborating with mental health providers".
- The Legislative Fiscal Bureau estimated that the funding under Act 19 will provide \$31 per pupil, based on 2022-23 revenue limit membership and ICS enrollments. The aid payments in FY24 and FY25 will depend on actual enrollments. DPI will provide school districts and ICS with estimated allocations for the current school year by December 1 and finalized allocations by the fourth Monday in March, when Per Pupil Aid is paid to school districts; final aid payments would be distributed by June 30.

History: the State Superintendent's 2023-25 budget request for school aids included \$127.9 million annually to support schools in providing comprehensive mental health programming. Specifically, the requested funding would have provided every school district and independent charter school with a base amount of \$100,000 plus \$100 per pupil, each year; and would have permitted schools to use the funding for a broad array of purposes to meet the overarching goal of providing comprehensive support to students during the school day and while they are engaged in after school and other out-of-time school programs. While Governor Evers included the State Superintendent's request in his 2023-25 budget proposal, the Legislature significantly reduced funding on the formula based aid program created under Act 19.

Sparsity Aid

- Funding is increased by \$630,200 in FY24 and FY25 (over FY23 base funding) to fully fund estimated aid eligibility. Sparsity Aid is provided to small school districts that have fewer than 10 members per square mile: \$400 per pupil for school districts with up to 745 members and \$100 per pupil for school districts with 746 to 1,000 members.

Pupil Transportation Aid

- Raise the reimbursement rate provided to school districts and ICS that transport pupils more than 12 miles, from \$375 to \$400 per pupil, beginning in FY24.

High-Cost Transportation Aid

- Funding is increased by \$2,943,800 in FY24 and FY25 (over FY23 base funding). It is estimated this amount will reimburse school districts and ICS at 75 percent of eligible costs. Additionally, Act 19 removed the \$200,000 cap on total aid received as “stop-gap” payments provided to districts that qualified for aid the previous year but did not qualify in the current year. Thus, if total aid eligibility exceeds the state appropriation, then school districts’ regular and “stop-gap” aid payments would be equally prorated.

Bilingual-Bicultural (BLBC) Education Program Aids

- Funding is increased by \$1,500,000 in FY24 and FY25 (over FY23 base funding). It is estimated that school districts will be reimbursed for eligible BLBC Education Program costs at 8.9 percent in FY24 and 8.7 percent in FY25.

Robotics League Participation Grants

- Funding is increased by \$250,000 in FY24 and FY25 (over FY23 base funding) for this competitive grant program. Act 19 raised the maximum grant award from \$5,000 to \$6,000.

School Library Aids Reestimate

- Funding is increased by \$7,000,000 in FY24 and FY25 (over FY23 base funding), based on reestimates of interest earnings from the common school fund that are made available to school districts for school library related expenditures.

Shared School District Services

- Act 19 reserves \$5,000,000 in FY24 for shared school district services in a Joint Finance Committee supplemental appropriation. While several bills pertaining to shared school district services have been introduced in the Legislature, at this time no bills have been enacted that direct the department how the \$5,000,000 may be distributed.

Early Literacy and Reading Improvement

- Act 19 reserves \$50,000,000 for a new literacy and reading improvement program in a Joint Finance Committee supplemental appropriation.
- Separately, [2023 Act 20](#) (AB-321) was signed into law on July 19, 2023. This legislation contains the statutory language creating the Office of Literacy within the department, the Council on Early Literacy Curriculum (advisory council to the department), and program provisions related to reading coaches, early literacy assessment and intervention, curriculum, and a new grant program to reimburse school districts for costs (up to 50 percent) related to purchase of approved reading curriculum.

Recovery School Grants

- Act 19 reserves \$500,000 annually for a grant program for recovery high schools in a Joint Finance Committee supplemental appropriation.
- Separately, legislation pertaining to a recovery school grant program has been introduced in the Legislature (2023 AB-0271 / SB-0267, currently in their respective committees). Under the proposed legislation, a recovery school is defined as a school that operates only high school grades and is specifically designed for pupils in recovery from a substance use disorder or a mental health disorder that coexists with a substance use disorder. Additionally, to be considered a recovery high school, the school must award credits that count towards a high school diploma (awarded by the school directly for that will transfer and be counted towards a high school diploma awarded by a school district). Finally, a recovery high school must be located in a physical location that is separate from any other public, private, or tribal school.

Driver Education Aid

- Act 19 reserves \$6,000,000 in FY25 for a driver education grant program in the Joint Committee on Finance supplemental appropriation. Act 19 specifies that the funds reserved for a driver education grant program will be made available to the Department of Transportation (DOT) in the appropriation under Wis. Stat. sec. 20.395 (5) (eq). Under Act 19, DOT would have the responsibility for administering this program.
- The department's budget request (and the Governor's 2023-25 budget proposal) included provisions for a driver education grant program (administered by the department) to reduce the financial burden on economically disadvantaged of classroom and behind-the-wheel driver education, in preparation for obtaining a driver's license.

INDEPENDENT CHARTER SCHOOLS, PRIVATE SCHOOL PARENT CHOICE PROGRAMS, SPECIAL NEEDS SCHOLARSHIP PROGRAM, AND PUBLIC SCHOOL OPEN ENROLLMENT

Per Pupil Payments (reflects provisions included in 2023 Act 11 and 2023 Act 19)

| PROGRAM | FY23 | FY24 | FY25 |
|-------------------------------------|-----------|-----------|-----------|
| Open Enrollment | \$ 8,224 | \$ 8,618 | \$ 8,962 |
| Open Enrollment - Special Education | \$ 13,076 | \$ 13,470 | \$ 13,814 |
| Independent Charter Schools (ICS) | \$ 9,264 | \$ 11,385 | \$ 11,729 |
| Choice (grades K-8) | \$ 8,399 | \$ 9,893 | \$ 10,237 |
| Choice (grades 9-12) | \$ 9,045 | \$ 12,387 | \$ 12,731 |
| Special Needs Voucher Program | \$ 13,076 | \$ 15,065 | \$ 15,409 |

REPORT ON STATISTICS OF CRIMES AND OTHER SAFETY-RELATED INCIDENTS

Separately from the 2023-25 biennial budget, [2023 Act 12](#) (AB-0245, the “shared revenue bill”) was enacted on June 20, 2023. While Act 12 primarily addresses municipalities, the Act includes provisions that require public high schools (including ICS) and private parental choice high schools (collectively, schools) to collect and maintain statistics regarding [criminal] incidents and violations of municipal ordinances.

The requirement applies for incidents that: 1) occur on property owned or leased by the school or the relevant governing body; 2) occur during school hours, a school-sanctioned event, or the transportation of pupils to or from school; and 3) are reported to law enforcement and result in the filing of a charge.

Schools will be required to report those statistics annually to the school board or governing board of the school, which will in turn be required to report the information to DPI annually. The first report will be due to DPI by July 31, 2025, for incidents occurring during the 2024-25 school year.

Additionally, the Act directs the Wisconsin Department of Justice (DOJ) to cooperate with DPI to develop a reporting system that incorporates the DOJ's uniform crime reporting system. DPI is required to promulgate an administrative rule to administer the reporting requirements, including a rule that requires schools to collect and report statistics of incidents under the Act in accordance with the uniform crime reporting system of DOJ.

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DPI is required to include statistics related to this data collection in the school district and school accountability reports (i.e., “report cards”), but is prohibited from considering these statistics when determining a school’s performance or school district’s improvement for the reports.

DPI staff are beginning the work related to operationalizing these new requirements in state law and will continue to update schools on processes associated with the new data collection and reporting requirements are developed.

Appendix 1: Partial Vetoes of 2023 WI Act 19 Relating to K-12 Education

ITEM A-1. PER PUPIL REVENUE LIMIT ADJUSTMENT

- As passed by the Legislature, Senate Bill 70 would have set the per pupil adjustment under revenue limits at \$325 in 2023-24 and 2024-25, and there would have been no per pupil adjustment in 2025-26 and each year thereafter. ***The Governor's partial veto modified the language of the per pupil adjustment that set the \$325 amount "in the 2023-24 school year and the 2024-25 school year" by deleting words and digits to instead set the \$325 amount "in 2023-2425."*** [Act 19 Vetoes Sections: 402 thru 404 and 408]

ITEM A-2. HIGH POVERTY AID

- As passed by the Legislature, Senate Bill 70 deleted \$16,830,000 GPR annually and the appropriation and program statutes for high poverty aid. ***The Governor's partial veto deletes the repeal of the appropriation and program statutes for high poverty aid. However, under Act 19 as vetoed, no funding is provided for this aid, as a veto cannot restore funding removed by previous legislative action.*** [Act 19 Vetoes Sections: 67, 394 thru 396, 400, 401g, and 9334]

ITEM A-3 LAKELAND STAR ACADEMY

- As passed by the Legislature, Senate Bill 70 would have provided \$250,000 in 2023-24 and \$500,000 in 2024-25 in a newly created annual appropriation for grants to the Lakeland STAR Academy. The Department of Public Instruction (DPI) would have been required to provide a grant equal to the amount appropriated in each year to the Lakeland UHS School District for the Lakeland STAR Academy, a charter school authorized by the district. The appropriation would have been repealed on July 1, 2025. ***The Governor's partial veto deletes these provisions.*** [Act 19 Vetoes Sections: 51 (as it relates to s. 20.255(2)(ag)), 65, 66, 9134, and 9434]

ITEM A-4 ONLINE EARLY LEARNING PILOT PROGRAM

- As passed by the Legislature, Senate Bill 70 would have modified the Nonstatutory language that created the Online Early Learning Pilot Program under 2019 Act 170 to specify that the repeal of the appropriation for the program would take effect on July 1, 2027, rather than July 1, 2023. Language requiring a contract for a service provider to administer the program from July 1, 2020, to June 30, 2023, and language referring to the three years of the contract would have been deleted. Senate Bill 70 would have retained the appropriation for the program at \$500,000 GPR annually. ***The Governor's partial veto deletes these provisions.*** [Act 19 Vetoes Sections: 51 (as it relates to s. 20.255(3)(df)) and 473 thru 476]