

*Date:* July 26, 2019

*To:* District Administrators

*From:* Mike Thompson, PhD  
Deputy State Superintendent

*Subject:* 2019-21 State Biennial Budget Update – 2019 Act 9

Governor Evers signed the 2019-21 biennial budget bill into law on July 3, 2019, as 2019 Wisconsin Act 9. I want to provide you with an update on several key provisions contained in the budget for K-12 schools. Unless otherwise noted, the provisions of Act 9 became generally effective as of July 5, 2019. You can read about the changes to funding for K-12 schools that are included in the 2019-21 state biennial budget here: <https://dpi.wi.gov/policy-budget/biennial-budget/current>.

## REVENUE LIMIT AND STATE GENERAL AID

### Revenue Limit Per Pupil (Per-Member Increase)

Each district will receive a per-member adjustment to its revenue limit, equal to \$175 in FY20 and \$179 in FY21. These adjustments are base-building increases to the district's revenue authority.

### Low-Revenue Ceiling/Adjustment

The low-revenue ceiling threshold will be increased, from \$9,400 per pupil (FY19) to \$9,700 in FY20 and then to \$10,000 in FY21. Districts may use the low-revenue adjustment to bring the per-member revenue authority amount up to the low-revenue thresholds if, after the application of the per-member revenue limit adjustment (above), the district's per-member revenue limit authority is less than the stated thresholds.

### General Equalization Aids

Funding for general equalization aid was increased, by \$83.2 million for FY20, an increase of 1.8 percent to FY19; and by \$246.7 million for FY21 (an increase of 3.5 percent to FY20). The impact on an individual district's general equalization aid will depend on that district's factors and its position in the state aid formula.

## CATEGORICAL STATE AIDS

### Per Pupil Aid

Each district will receive Per Pupil Aid in the amount of \$742 per revenue limit member in FY20 and in FY21. This is an increase of \$88 per member, compared to the FY19 amount (\$654).

#### Supplemental Per Pupil Aid

Act 9 creates a new aid program under which the department is directed to distribute \$2.8 million in FY20 and \$2.5 million in FY21 to all school districts. More information on this new state aid is forthcoming.

#### Special Education Categorical Aid

Funding for reimbursement of eligible special education costs was increased by \$15.5 million in FY20 and by \$81.3 million in FY21. The funding changes are estimated to increase the reimbursement rate for aidable special education expenditures, from just under 25 percent (in FY19) to just under 26 percent in FY20 and 30 percent in FY21.

#### Supplemental Special Education

Act 9 maintained base funding for the Supplemental Special Education program in FY20, but repeals this aid program beginning in FY21.

*Note: There were no programmatic or funding changes made to the other Special Education aid and grant programs: High-Cost Special Education Aid (still reimburses up to 90 percent of prior year eligible costs); Transition Incentive Grants (still provides up to \$1,000 per qualified survey response); and the Transition Readiness Grants (competitive grant, total appropriation remains at \$1.5 million annually).*

#### School Mental Health Categorical Aid Program

Act 9 increased funding for this aid program from \$3 million to \$6 million annually. This program provides reimbursement for costs of expanding social worker services in schools.

#### Community and School Mental Health Collaborative Grant Program

Act 9 increased funding for this competitive grant from \$3.25 million to \$6.5 million annually.

#### Sparsity Aid

Funding for Sparsity Aid was adjusted to reflect the amounts required to fully fund *estimated* aid eligibility under current law. No programmatic changes were made to the current \$400 per general member for districts with 745 or fewer members, and with fewer than 10 members per square mile.

#### High Cost Pupil Transportation Aid

Act 9 increased funding by \$800,000 annually for reimbursements to districts with higher than average transportation costs on a per-member basis. The funding increase is *estimated* to provide support at roughly 90 percent of projected aid eligibility.

#### Rural Teacher Talent Pilot Program

Funding for this program was increased from \$500,000 annually to \$1.5 million annually, beginning in FY20. The department awards grants to cooperative educational service agencies to coordinate with universities and colleges to provide practicums, student-teacher placement, and internships for undergraduate college students in rural school districts.

#### Robotics League Participation Grants

Act 9 increased funding for this competitive grant program from \$250,000 to \$500,000 annually.

School Day Milk Program

Act 9 increased funding by \$382,900 annually, beginning in FY20, which will increase the reimbursement rate for the Wisconsin School Day Milk Program from 58 percent to 100 percent of *estimated* eligible expenditures to prior law participants. However, Act 9 expanded eligibility to independent charter schools, the state's two residential schools, and to residential care centers for children and youth.

School Library Aid

Act 9 increased funding for School Library Aids by \$2.4 million in FY20 and by \$3.3 million in FY21.

Personal Electronic Computing Devices (PECD) Grant

Act 9 eliminated funding for the PECD grant program effective in FY20. There is no longer funding for this grant program.

School Performance Improvement Grant

Act 9 eliminated funding for this grant program effective in FY21.

Technology for Educational Achievement (TEACH) Program [Department of Administration]

Act 9 extended funding for the Information Technology Infrastructure block grants through June 30, 2021, at \$3.0 million annually. Funding for the Educational Technology Training and Technical Assistance grants and the Technology Education Curriculum grants was eliminated, effective in FY20. Additionally, Act 9 removed references to video links under the TEACH program.

For more information on the TEACH grant program, please see the DOA website:

<https://teach.wi.gov/pages/home.aspx>

**OPEN ENROLLMENT**

Act 9 adjusted the full-time, per-pupil transfer amount under Open Enrollment (OE) as provided for under the current law indexing mechanism. Note that for non-special education OE students, the full-time, per-pupil transfer amount is increased by an additional \$100 through FY21, as required under section 118.51 (s) (y), Wis. Stats. The resulting per-pupil (FTE) payments will be as follows:

<u>Open Enrollment Transfer Amount</u>	<u>FY19</u>	<u>FY20</u> <u>Adjustment</u>	<u>Estimated FY20</u>
Students without Disabilities	\$7,379	\$392	\$7,771
Students with Disabilities*	\$12,431	\$292	\$12,723

\* Emergency administrative rules have been proposed to implement current law allowing non-resident districts to charge actual costs to the resident district.

## PRIVATE SCHOOL CHOICE PROGRAMS AND INDEPENDENT CHARTER SCHOOLS

Act 9 adjusted the per-pupil amount paid to private schools for students enrolled in a private school under a parental choice program or the Special Needs Scholarship Program, and for students enrolled in independent charter schools, as provided for under the current law indexing mechanism (\$292 for FY20 and *estimated* at \$254 for FY21). The resulting per-pupil (FTE) payments will be as follows:

<u>Program</u>	<u>FY19</u>	<u>FY20</u> <u>Adjustment</u>	<u>Estimated FY20</u>
Private School Choice: Grades K-8	\$7,754	\$292	\$8,046
Private School Choice: Grades 9-12	\$8,400	\$292	\$8,692
Special Needs Voucher*	\$12,431	\$292	\$12,723
Independent Charter School	\$8,619	\$292	\$8,911

\* Emergency administrative rules have been proposed to implement current law allowing private schools to receive state aid payments equal to actual costs of providing the services. This will likely increase local property taxes.

Thank you for your attention to the changes included in the 2019-21 state biennial budget. The department will continue to review Act 9 and communicate additional information to districts as needed. Should you have questions about the 2019-21 biennial budget, please contact Erin Fath, Director, DPI Policy and Budget, at (608) 266-2804, or [Erin.Fath@dpi.wi.gov](mailto:Erin.Fath@dpi.wi.gov).

c: Scott Jones, Chief of Staff  
Jennifer Kammerud, Policy Initiatives Advisor-Executive  
Robert Soldner, Assistant State Superintendent, Division for Finance and Management