2017-19

Biennial Budget Request

November 10, 2016

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Tony Evers, PhD, State Superintendent

2017-2019 Biennial Budget Request

Decision Item Narratives and Statutory Language

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WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Tony Evers, PhD, State Superintendent

September 15, 2016

To the Citizens of Wisconsin:

Wisconsin is making exceptional strides to promote excellence for each and every child. State participation in ACT testing jumped to 100 percent for the 2016 graduating class as Wisconsin joined 19 others states in administering the exam to all public school graduates. Graduation rates hold steady as some of the best in the nation, and more students than ever before are taking AP level coursework. This year, students took the Forward assessment for the first time, while districts improved their educator effectiveness systems and piloted the Academic and Career Plans.

While there is much to be proud of, there is more to do to ensure that every Wisconsin child graduates from high school ready to succeed in college and career. School staffing has become an issue in many districts; data shows that one in five Wisconsin students has a mental health challenge; and state aid for public schools is just now catching up with the amount provided for the 2008-09 school year. In that spirit, my 2017-19 biennial budget request, which is being submitted in two parts, will call on the state to invest in these areas to ensure equity of access and opportunity for every child.

Based on national research, the first portion of my budget outlines steps to ensure our best teachers have the needed support to remain in high poverty schools where students need their expertise the most. Additionally, I am requesting resources to ensure our public libraries remain a nexus of learning for our communities as job centers, tutoring services, maker-spaces, and more.

Later this fall, I will submit to the Governor and Legislature my recommendations to address staffing needs in critical educator shortage areas, such as bilingual education, and expand access to accelerated summer learning opportunities. Additionally, I will prioritize cross-sector mental health solutions that will make it easier for kids with mental health challenges to get the support they need.

I will continue to propose solutions to school funding using the most recent data available from the October 15, 2016, certified aid run. This school finance budget package will also include critical resources for children with disabilities and those who are economically disadvantaged, and will address the unique needs of our rural schools, as well as our city of the first class.

Our students deserve our support as they prepare to inherit this great state. As the parents, taxpayers, and citizens of Wisconsin, I ask for your support during the 2017-19 biennial budget process to ensure that every child graduates ready to succeed in college and career.

Sincerely,

Tony Evers, PhD
State Superintendent

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KEY TO ABBREVIATIONS

APPROPRIATIONS FUND SOURCES

GPR - Appropriations financed from general purpose revenues available in the state's general fund.

FED - Appropriations financed from federal revenues.

PR - Appropriations financed from program revenues, such as user fees or product sales.

PR-O - Program Revenue-Operations - Appropriations financed from revenue generated from agency operations.

PR-S - Program Revenue-Service - Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.

SEG - Appropriations financed from segregated revenues.

OTHER

FY - Fiscal Year, for example: FY18 means the 2017-18 state fiscal year (July 1, 2017 – June 30, 2018)

FTE - Full-Time Equivalent Position

FY17 Base - The total FY17 authorized funding level for an agency or program. The base equals FY17 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for the 2017-19 biennium.

Joint Finance / JCF – Legislative Joint Committee on Finance

SUMMARY OF REQUESTED CHANGES FOR K-12 SCHOOL FUNDING

Categorical Aid Programs	FY17 - Base	FY18	% Ch from PY	FY19	% Ch from PY	Total Change to Base
Special Education	$ 368,939,100	$ 397,600,000	7.8%	$ 428,700,000	7.8%	$ 88,421,800
Per Pupil Aid^	$ 211,248,200	$ 230,000,000	8.9%	$ 230,000,000	0.0%	$ 37,503,600
SAGE	$ 109,184,500	$ 109,184,500	0.0%	$ 109,184,500	0.0%	$ -
Pupil Transportation	$ 23,954,000	$ 24,000,000	0.2%	$ 24,000,000	0.0%	$ 92,000
Sparsity Aid	$ 17,674,000	$ 21,500,000	21.6%	$ 21,600,000	0.5%	$ 7,752,000
Bilingual-Bicultural	$ 8,589,800	$ 12,900,000	50.2%	$ 13,400,000	3.9%	$ 9,120,400
Special Education-High Cost ("Additional")	$ 8,500,000	$ 10,500,000	23.5%	$ 10,700,000	1.9%	$ 4,200,000
Tuition Payments	$ 8,242,900	$ 8,242,900	0.0%	$ 8,242,900	0.0%	$ -
High Cost Transportation	$ 7,500,000	$ 12,700,000	69.3%	$ 12,700,000	0.0%	$ 10,400,000
Head Start Supplement	$ 6,264,100	$ 6,264,100	0.0%	$ 6,264,100	0.0%	$ -
Educator Effectiveness	$ 5,746,000	$ 5,746,000	0.0%	$ 5,746,000	0.0%	$ -
School Lunch Match	$ 4,218,100	$ 4,218,100	0.0%	$ 4,218,100	0.0%	$ -
Aid for CCDEB's	$ 4,067,300	$ 4,067,300	0.0%	$ 4,067,300	0.0%	$ -
School Breakfast Grants	$ 2,510,500	$ 5,200,000	107.1%	$ 5,500,000	5.8%	$ 5,679,000
Special Education-Supplemental	$ 1,750,000	$ 1,750,000	0.0%	$ -	-100.0%	$ (1,750,000)
Peer Review & Mentoring	$ 1,606,700	$ 1,606,700	0.0%	$ 1,606,700	0.0%	$ -
4K Start Up Grants	$ 1,350,000	$ 1,350,000	0.0%	$ 1,350,000	0.0%	$ -
TEACH Debt Service	$ 1,085,900	$ 1,085,900	0.0%	$ 1,085,900	0.0%	$ -
School Day Milk	$ 617,100	$ 617,100	0.0%	$ 617,100	0.0%	$ -
Open Enroll Transportation	$ 434,200	$ 2,600,000	498.8%	$ 2,900,000	11.5%	$ 4,631,600
Gifted and Talented Grants	$ 237,200	$ 1,000,000	321.6%	$ 1,000,000	0.0%	$ 1,525,600
SAGE-Debt Service	$ 133,700	$ 133,700	0.0%	$ 133,700	0.0%	$ -
Spec Ed: Transition/Incentive Grants	$ 100,000	$ 2,700,000	2600.0%	$ 3,600,000	33.3%	$ 6,100,000
Supplemental Aid (Laona)	$ 100,000	$ 100,000	0.0%	$ 100,000	0.0%	$ -
Youth Options Transportation	$ 17,400	$ 20,000	14.9%	$ 20,000	0.0%	$ 5,200
Aid for CESAs	$ -	$ -		$ -		$ -
CTE Incentive Grants	$ -	$ -		$ -		$ -
STEM Grants	$ -	$ -		$ -		$ -
BLBC Supplemental Aid	$ -	$ 2,100,000		$ 2,200,000	4.8%	$ 4,300,000
Targeted Aid for English Learners (TAFEL)	$ -	$ 2,200,000		$ 2,200,000	0.0%	$ 4,400,000
ESL and Bilingual Capacity Building Grants	$ -	$ -		$ 750,000		$ 750,000
Dual Language Immersion Start Up Grants	$ -	$ -		$ 750,000		$ 750,000
Mental Health Categorical Aid	$ -	$ -		$ 3,000,000		$ 3,000,000
Mental Health Collaboration Grants	$ -	$ -		$ 2,500,000		$ 2,500,000
Transition Readiness Investment Grant	$ -	$ -		$ 1,500,000		$ 1,500,000
Rural Schools Teacher Retention Grant	$ -	$ -		$ 5,500,000		$ 5,500,000
GPR Categorical Aids	**$ 794,070,700**	**$ 869,386,300**	**9.5%**	**$ 915,136,300**	**5.3%**	**$ 196,381,200**
Tribal Languages (PR)	$ 222,800	$ 222,800	0.0%	$ 625,000	180.5%	$ 402,200
Aid for AODA (PR)	$ 1,284,700	$ 1,284,700	0.0%	$ 1,284,700	0.0%	$ -
PR Categorical Aids	**$ 1,507,500**	**$ 1,507,500**	**0.0%**	**$ 1,909,700**	**26.7%**	**$ 402,200**
School Library Aids	$ 38,000,000	$ 35,000,000	-7.9%	$ 37,000,000	5.7%	$ (4,000,000)
Educ Telecomm Access-DOA	$ 10,105,100	$ 10,105,100	0.0%	$ 10,105,100	0.0%	$ -
SEG Categorical Aids	**$ 48,105,100**	**$ 45,105,100**	**-6.2%**	**$ 47,105,100**	**4.4%**	**$ (4,000,000)**
Total Categorical Aids	**$ 843,683,300**	**$ 915,998,900**	**8.6%**	**$ 964,151,100**	**5.3%**	**$ 192,783,400**
General Aids	$ -	$ -		$ -		$ -
General Equalization Aids	$ 4,584,098,000	$ 4,686,352,000	2.2%	$ 6,010,000,000	28.2%	$ 1,528,156,000
Gen Aids-Hold Harm Sum Suff	$ -	$ -		$ 6,000,000		$ 6,000,000
High Poverty Aid	$ 16,830,000	$ 16,830,000	0.0%	$ -	-100.0%	$ (16,830,000)
Total General Aids	**$ 4,600,928,000**	**$ 4,703,182,000**	**2.2%**	**$ 6,016,000,000**	**27.9%**	**$ 1,517,326,000**
Total State School Aids	**$ 5,444,611,300**	**$ 5,619,180,900**	**3.2%**	**$ 6,980,151,100**	**24.2%**	**$ 1,710,109,400**
School Lewy Tax Credit^	$ 1,003,000,000	$ 1,003,000,000	0.0%	$ -	-100.0%	$ (1,003,000,000)
Gen Aid and Tax Credits	**$ 5,603,928,000**	**$ 5,706,182,000**	**1.8%**	**$ 6,016,000,000**	**5.4%**	**$ 514,326,000**
Total Cat/Gen School Aids & Credits	**$ 6,447,611,300**	**$ 6,622,180,900**	**2.7%**	**$ 6,980,151,100**	**5.4%**	**$ 707,109,400**
State Residential Schools	$ 11,237,900	$ 10,919,100	-2.8%	$ 10,919,100	0.0%	$ (637,600)
Total State Support	**$ 6,458,849,200**	**$ 6,633,100,000**	**2.7%**	**$ 6,991,070,200**	**5.4%**	**$ 706,471,800**

^Per Pupil Aid: this chart reflects FY18 change to the FY17 allocation; the actual appropriation level is $338,090,500; thus the change to the appropriation level in FY18 is ($107,588,400).

FAIR FUNDING FOR OUR FUTURE – REFORMING THE SCHOOL FINANCE SYSTEM

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6001 – FAIR FUNDING FOR OUR FUTURE: SCHOOL FINANCE REFORM

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

203 - General equalization aids - hold harmless
s. 20.255 (2) (ag) - NEW

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$ 4,703,182,000**	**$5,013,000,000**
Less Base	**$4,600,928,000**	**$4,600,928,000**
Requested Change	**$ 102,254,000**	**$412,072,000**

Request

The Department requests the following changes as part of the Department's Fair Funding for our Schools: School Finance Reform proposal.

- Provide $102,254,000 GPR in FY18 and $412,072,000 GPR in FY19 to fund general equalization aids and implement the State Superintendent's "Fair Funding for Our Future" (Fair Funding) school finance reform plan. These figures reflect increases to all general school aids of 2.2 percent in FY18, and 6.6 percent in FY19, over the prior year.

- Transfer a total of $1,003,000 GPR from the School Levy Tax Credit (SLTC) [$853,000,000] and the First Dollar Credit (FDC) [$150,000,000] into the Department's appropriation for general equalization aids, beginning in FY19. 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 FY20. The Department proposes to continue the delayed payment schedule that exists under current law for the SLTC and FDC. That is, $1,003,000,000 GPR would be paid out to school districts as general equalization aid from the FY20 appropriation (July 2019) but reflected as a FY19 general aid payment.

- Maintain the high poverty aid program under s. 20.255 (2) (bb), Wis. Stats., at its current funding level for FY18 and eliminate the program in FY19, transferring base level funding of $16.8 million GPR into the state general equalization aids appropriation in that year.

- Modify statutory language to change the per pupil revenue limit adjustment to $200 per full-time equivalent (FTE) pupil in FY18 and $204 per FTE in FY19, and increase that figure by Consumer Price Index (CPI) annually, beginning in FY20.

- Increase the low revenue ceiling from $9,100 per pupil to $9,500 in FY18 and $9,900 in FY19.

- Increase the current revenue limit summer school membership calculation for public school districts that provide eligible summer school programming from 40 percent in FY17 to 100 percent in FY18 and thereafter.

Background

As part of his three previous budget requests, the State Superintendent outlined the Fair Funding framework to start and continue to move forward on a discussion on school finance reform. The State Superintendent believes that regardless of the state's fiscal situation, the state can reinvest in our K-12 schools and enact school finance reform while holding the line on property taxes.

The State Superintendent continues to build consensus among other state and locally elected officials, as well as 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 state school aid formula, maximizes existing resources, and sets the stage for greater state support in future years.

With this proposal:

- Every district will receive <u>more state school aid</u>, which will <u>reduce their gross property tax rates and levies</u>, providing more transparency to property taxpayers statewide.

- Additionally, 94 percent of districts will receive more state support under this plan compared to current law, and for $6 million it will hold harmless any district that may not necessarily do better.

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

- Guaranteeing a minimum amount of state general aid for every student ($3,000), providing vital resources to the approximately 60 school districts that currently receive little or no state general aid;

- Incorporating a poverty factor (20 percent) into the equalization aid formula, accounting for families' ability to pay – not just the district's property value;

- Making technical formula changes that strengthen rural, declining-enrollment and negatively-aided school districts, by increasing the secondary cost ceiling and the special adjustment aid level so that no district faces significant reductions in its state general aid in any given year;

- Restoring the per pupil revenue limit adjustment to $200 per pupil in FY18 and $204 per pupil in FY19. These figures will represent revenue limit increases of roughly two percent annually for the average school district; and

- Transferring the SLTC and the FDC into general school aids, increasing transparency for property taxpayers and providing direct state support for schools throughout the state.

Proposal

State General Equalization Aid Formula

Appropriation under s. 20.255 (2) (ac)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$4,686,352,000**	**$5,007,000,000**
Less Base	**$4,584,098,000**	**$4,584,098,000**
Requested Change	**$102,254,000**	**$422,902,000**

Overall, the Department requests $102,254,000 GPR in FY18 and $422,902,000 GPR in FY19 to fund general equalization aids. While an additional $1,003,000,000 GPR would be paid to school districts as general state aid for FY19, the payment would be made on a delayed basis in July 2019 (as under current law for the SLTC and FDC); thus, the appropriation for general equalization aid in FY19 does not reflect the $1,003,000,000 GPR. The increase would occur in FY20, but would be completely offset by a reduction to the appropriation for the SLTC and FDC in FY20, producing no net impact on the state's general fund.

Fair Funding – Hold Harmless Aid

Appropriation under s. 20.255 (2) (ag) – NEW

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$0**	**$6,000,000**
Less Base	**$0**	**$0**
Requested Change	**$0**	**$6,000,000**

The Department requests $6,000,000 GPR in FY19 to fund a hold harmless provision for approximately 25-26 districts that do not immediately receive more state support under the Fair Funding model (compared to current law) when including the two tax credits and High Poverty Aid. This appropriation would be sum sufficient, to ensure that any district eligible for Fair Funding Hold Harmless Aid would receive the full amount for which it is eligible.

Reallocation of SLTC and FDC

In addition to the amount shown in FY19 for state general equalization aids, the Department is proposing to reallocate the full $1,003,000,000 GPR from the SLTC and FDC into the state general equalization aid formula. The FY19 state aid formula would be run with the $1,003,000,000 included, for a total of $6,010,000,000 that year. Since the current SLTC and FDC are paid to municipalities on a delayed bases, in July (after the state fiscal year ends on June 30), the $1,003,000,000 is not reflected in the FY19 equalization aid appropriation. School districts would receive the $1,003,000,000 in school aids in July 2019 (FY20), but have it attributable to their FY19 state general aid, identical to the mechanism that exists currently for the $75 million delayed equalization aid payment under s. 121.15 (1m), Wis. Stats.

When the two-thirds funding model was established in FY94 and implemented in FY97, the SLTC, and subsequently the FDC, were counted as part of the state's "state support for schools" calculation. Both

tax credits were added to general equalization aids, categorical aids and state residential schools appropriation amounts to determine the total amount of “state support” for all school districts, as a percentage of a state-determined figure identified as “partial school revenues”.

Even though the two-thirds funding requirement expired in FY03, there is still occasional reference to these tax credits as “state support” for schools. Moving the SLTC and FDC into the state general aid formula will actually use the money for what it has been called – state support for schools. Since these monies will be received by school districts under existing revenue limits, there is no net statewide property tax impact related to the proposed transfer of these funds.

State Minimum Aid per Pupil

In FY17 there are 20 districts that are essentially out of the state equalization/general aid formula, due to their high property wealth per pupil. As a result, these districts receive no state equalization or aid, with four of these 20 districts receiving no state general aid whatsoever. While the remaining 16 districts are eligible to receive Special Adjustment Aid (“hold harmless” aid), which provides them 85 percent of the amount of aid they received in the prior year, this is generally a very small amount of state general aid within the overall school aid formula. In addition, there are approximately 40 districts that receive aid only at the primary level, meaning they receive a very small amount of state general aid per pupil.

The State Superintendent 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 per 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 state general aid in proportion to each district’s state aid eligibility).

Weighting for Poverty Using Free and Reduced-Priced Lunch (FRL) Data

Wisconsin’s school aid formula operates under the principle of an “equal tax rate for equal per pupil expenditures.” More simply, its goal is to equalize the property tax base per pupil across districts. Conceptually, this means the formula uses property valuations as the basis for school district residents to pay taxes to support local school district expenditures. As such, there is an inverse relationship between state general equalization aid and property value. In short, districts with lower per pupil property values receive a larger share of their costs through the state equalization aid formula than districts with higher per pupil property values.

The State Superintendent believes that property value alone is no longer an adequate measure for the ability to pay, as it doesn't serve areas with high-priced vacation homes and large populations of year-round residents that live in poverty. The State Superintendent believes that local family income should also be a factor in measuring a district’s “wealth” in determining the distribution of state general equalization aid.

Thus, the Fair Funding plan will include the number of economically disadvantaged pupils that reside in each school district, as measured by FRL eligibility, to partially determine how much state general aid a district will receive. Specifically, the Fair Funding plan will add 20 percent, or 0.20 FTE, to each district’s pupil count for each FRL-eligible pupil (for purposes of calculating each district’s property value per member only) regardless of whether the district participates in the National School Lunch Program (NSLP) or not. Increasing a district’s membership count in this manner will generally reduce its property value per pupil, and more fairly reflect a district’s “wealth” in the state general equalization aid formula.

Secondary Cost Ceiling

One of the three levels of state 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 to be equal to 90 percent of the prior year statewide average shared cost per member. For FY17, the secondary cost ceiling is equal to $9,539. Nearly 95 percent of the state's school districts have shared costs exceeding 90 percent of the statewide average, making it difficult to argue why the state school aid formula only recognizes such costs up to the 90th percentile statewide.

Under the Fair Funding proposal, the secondary cost ceiling will be raised to 100 percent of the statewide average shared cost per member, beginning in FY19, reducing the state aid penalty faced by over 100 districts that have above average property values per pupil.

Special Adjustment Aid

The state provides additional state general aid to districts as a way to cushion the impact of state aid reductions from one year to the next, commonly referred to as a "hold harmless" payment. Such aid benefits a wide variety of districts, including the 16 districts noted above that receive no state equalization aid; but also districts in declining enrollment and others with large spikes in their property valuation.

Under current law, special adjustment aid ensures that a district's general school aid payment is no less than 85 percent of its prior year payment. In FY17, 61 districts (nearly 15 percent) 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.

Repurpose Funding for High Poverty Aid

Appropriation under s. 20.255 (2) (bb)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$16,830,000**	**$0**
Less Base	**$16,830,000**	**$16,830,000**
Requested Change	**$0**	**($16,830,000)**

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. 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 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 a portion of the property tax levy that results from the MPCP aid reduction applied to MPS' equalization aid.

As described earlier, the Department is proposing to reflect income and families' ability to pay in the state general equalization aid formula by weighting economically disadvantaged pupils in calculating

the property value per member. As a result, the Department proposes to eliminate the High Poverty Aid program in FY19, and shift the funding to the state general equalization aid formula in that year In addition, this proposal will eliminate the link between High Poverty Aid and MPS' school levy related to MPCP.

Revenue Limit per Pupil Adjustment

During the first 18 years that revenue limits were in place, from FY94 through FY11, the state provided all school districts with the opportunity to increase their per pupil revenue limit authority by no less than $190 (in FY93). Since FY11, the maximum annual allowable per pupil adjustment has been $75 in both FY14 and FY15. Most recently, the state has allowed no increase in the per pupil adjustment in FY16 and FY17. Finally, current state law provides for no increase in the per pupil adjustment going forward.

In order to provide additional needed resources to school districts, the Department is proposing to restore the per pupil revenue limit adjustment to $200 per pupil in FY18 and $204 per pupil in FY19. These figures represent increases of approximately two percent in annual revenues for the average school district. The Department further proposes that beginning in FY20, the change in the per pupil revenue limit adjustment be linked to the CPI, as it had been through FY11.

Low-Revenue Ceiling

Revenue limits were imposed in FY94 and have been in place for 24 years. One of the many concerns related to 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. While some districts have passed referenda to increase their revenue limit authority, many others have not been able to do so, resulting in an ever-growing gap in revenue limit authority among districts throughout the state.

In FY96, the state established a per pupil "low-revenue" ceiling amount that allows districts to increase their per pupil revenues up to a state-determined figure per pupil without having to go to referenda. Use of the low-revenue ceiling is not required; rather, it is an option for school boards to increase their revenues if they so choose. However, absent action in the 2017-19 biennium, the low-revenue ceiling will remain at $9,100 and be of no value to any school district 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 in the state. Thus, the Department is proposing to increase the current low-revenue ceiling from $9,100 in FY17, to $9,500 in FY18 and $9,900 in FY19. It is estimated that roughly 80 districts would be eligible to use this additional authority in FY18 and over 100 districts may be able to do in FY19.

Program Changes

Summer School Membership Change

The 1997-99 biennial budget, under 1997 Wisconsin Act 27, allowed school districts to count 20 percent of their FTE summer membership in academic summer classes as a part of their revenue limit calculations beginning in FY99. Under 1999 Wisconsin Act 9, this figure was increased to 40 percent, beginning in FY01. It has remained at 40 percent since that time.

Additional background information on summer school funding under current law:

- School districts are not required to offer summer school under state law; however, in the 2016-17 school year (summer 2016), 391 school districts (93 percent) offered summer school programs that were able to count at least 1.0 FTE for revenue limit purposes.

- Summer school is the "start" of the school year for state general aid/revenue limit student membership purposes (i.e. summer 2016 programs count for the 2016-17 school year).
- Summer school must start after the "regular" school year concludes and before the next one begins; however, districts providing "year-round" school can include interim session classes for summer school student count purposes.
- Districts may count membership in summer online classes for pupils in grades 7-12 who complete or receive credit for a class fulfilling certain graduation requirements.
- Districts may only count students for state aid/revenue limit purposes according to state statutes/administrative rules. Most districts offer both enrichment and remedial programming using a variety of types of sessions, length of courses, etc.
- 48,600 minutes of summer school instruction equals 1.0 FTE per state law.
- Notably, 100 percent of FTE summer school membership (including interim sessions) is allowed to be counted by districts for state general aid purposes.

The recently released "Forward Agenda" included this statement*: "Summer school can be a great way to keep students engaged in learning, allowing them to catch up or even get ahead academically. Assembly Republicans will explore providing additional funding or flexibilities to form more robust summer school programs statewide."*

The Department concurs with these sentiments, believing that providing increased revenue limit authority for eligible summer school programs will provide more pupils with more opportunities across the state at all grade levels. Increased summer school programming will also help address achievement gap issues where they exist and provide districts with more flexibility to offer innovative courses and programs that they may not be able to provide now.

Thus, the Department proposes to increase the current 40 percent summer school membership figure for revenue limit purposes to 100 percent (including interim sessions), beginning in summer 2017, or during the 2017-18 school year. Increasing this percentage to 100 percent would model how summer school pupils have always been counted for state school aid purposes and would effectively be done over a three year period using the current revenue limit calculation. Thus, adoption of this proposal, while first effective in FY18, would not fully impact school district revenue limits until FY20.

Independent Charter Schools-Summer School Funding Eligibility

Unlike public school districts and private schools participating in one of the state's three private school choice programs, independent charter schools have not been allowed to count summer school pupils in their membership. Thus, the Department proposes to allow all Independent Charter Schools, under s. 118.40 (2r) and (2x), Wis. Stats., to be allowed to begin counting eligible summer school pupils in their membership for state aid purposes, beginning with summer 2017, effective for the FY18 aid payments. It is estimated that this proposal will not have a fiscal impact in the 2017-19 biennium, as the Department is unaware of any independent charter schools operating summer school program currently.

Additional Statutory Language Changes

The Department requests a change to current law under s. 118.045, Wis. Stats., which prohibits school districts from commencing the school term prior to September 1. The Department requests that MPS be provided an exception to this provision in state law, to allow the district to maximize learning opportunities, so as to combat the summer learning slide that occurs for so many pupils during summer vacation. As a secondary reason for this change, as is required of school districts, MPS must provide transportation for all resident pupils, including those who attend private schools. With private schools starting their school terms well in advance of September 1, MPS is forced to begin transportation

services for private school pupils while public school pupils are still on summer vacation. Allowing for an earlier start date for its public schools would allow MPS to synchronize transportation services for private and public school pupils, creating operational efficiencies and maximizing its resources.

Finally, the Department requests the repeal of the appropriation under s. 20.255 (2) (af), *Belmont school library aid*. This appropriation was sunset on June 30, 2008. [There is no additional program language associated with this appropriation.]

Statutory Language

The Department is proposing statutory language related to this request.

MENTAL HEALTH: EXPANDING ACCESS AND IMPROVING SERVICES

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6011 – SCHOOL MENTAL HEALTH CATEGORGICAL AID PROGRAM

227 – Aid for school mental health programs
s. 20.255 (2) (da) NEW

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$0	$3,000,000
Less Base	$0	$0
Requested Change	$0	$3,000,000

DECISION ITEM 6012 – COMMUNITY AND SCHOOL MENTAL HEALTH COLLABORATIVE GRANTS

229 – Community and school mental health collaboration grant
s. 20.255 (2) (db) NEW

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$0	$2,500,000
Less Base	$0	$0
Requested Change	$0	$2,500,00

DECISION ITEM 6013 – MENTAL HEALTH TRAINING SUPPORT

118 – Mental Health Training Support
s. 20.255 (1) (ep) NEW

FISCAL SUMMARY – Grants		
	2017-18 Request	2018-19 Request
Requested Funding	$420,000	$420,000
Less Base	$0	$0
Requested Change	$420,000	$420,000

101 – General program operations
s. 20.255 (1) (a)

FISCAL SUMMARY – Operations		
	2017-18 Request	2018-19 Request
Requested Funding	$71,300 / +1.0 FTE	$94,100 / +1.0 FTE

Request

The Department submits a three-part proposal to expand and improve access to mental health services for school age youth, both in school and in the larger community, with a combination of state support for direct services and enhanced training to improve efforts to identify youth in need of services and ensure that those youth are connected to resources. The three parts of the initiative are as follows:

1. The Department requests $3,000,000 GPR beginning in FY19 to create a categorical aid program to support school district and independent charter schools in the provision and expansion of mental health services.
2. The Department requests $2,500,000 GPR beginning in FY19 to create a grant program that will support school districts and independent charter schools in connecting youth to needed mental health services.
3. The Department requests of $420,000 GPR in FY18 and $420,000 GPR in FY19 to support training opportunities aimed at increasing capacity within school districts and independent charter schools to provide mental health screening and intervention services to pupils.

The Department also requests authority for 1.0 FTE permanent GPR position, beginning in FY18, to support the implementation of the proposed new categorical aid and grant programs, as well as the Department's efforts to expand training opportunities to school districts and independent charter schools around mental health screening and intervention services for all school age youth. The funding for the position is also requested, at $71,300 GPR in FY18 and $94,100 GPR in FY19.

Problem

An estimated one in five school-age children and youth struggle with mental health issues, and 80 percent of those students do not get professional help. The lack of professional help and intervention for children and youth struggling with mental health issues is considered a significant contributing factor to unsafe school environments.[1] Of the 1.4 million children in Wisconsin, it is estimated that 95,200 (7 percent) have serious mental health needs.[2]

Most school districts do not receive funding specifically to support programming aimed at identifying children and youth with mental health issues, or serving those in need. As of February 2015, 32 school districts received federal grant funds related to mental health and trauma sensitive schools. Federal funding for mental health issues received by the state include the following federal grants:

- In 2013, the Department received a four-year project award from the federal Substance Abuse and Mental Health Services Administration (SAMHSA) for the Safe Schools/Healthy Students project; this grant is due to expire in late 2017.
- In 2014, the Department received a five-year award from SAMHSA for Project AWARE, which expires in late 2019.
- In 2014, the Department received a five-year project award from the U.S. Department of Education for School Climate Transformation, which expires in late 2019.

There are no state funds available for this work. These discretionary federal grant awards make up the current base of funding for the departments specific work in school mental health. There is no promise of continuation beyond the scheduled end of these grants in 2017 and 2019. Currently, there are no statutory requirements for schools pertaining to provision of mental health services. The Department is only able to allocate limited staff time to provide support to school districts for mental health issues.

[1] "Summary Framework and Recommendations for Action: Keeping Wisconsin Schools Safe: A Safe Schools Initiative"
[2] PowerPoint Presentation from Kevin Moore, Deputy Secretary, Wisconsin Department of Health Services, http://sspw.dpi.wi.gov/files/sspw/ppt/safementalhealth.ppt

There are approximately 200 school-based community mental health clinics operating in Wisconsin, covering fewer than 10 percent of public schools.

In Wisconsin, the ratio of pupils to pupil service professional continues to grow, and exceeds the recommended staffing levels suggested by national organizations. Between 2012 and 2016, the ratios for school psychologists, social workers and nurses increased significantly; there was a slight improvement in the ratio of pupils to school guidance counselors. (See Table 1 below.) The youth suicide rate in Wisconsin consistently exceeds the national average, according to the U.S. Centers for Disease Control (CDC). The CDC data indicates that the number of youth ages 5-19 in who committed suicide (per 100,000) was 4.86, compared to the national suicide rate of 3.57, for 2014. See Table 2 for historical comparisons of Wisconsin and national data on youth suicide rates.

Table 1: Student-Pupil Service Professional Ratio

Pupil Services Position	Wisconsin Pupil Services Ratios^		National Organization Recommendations
	2012	2016	
Counselors	466:1	399:1	250:1
Psychologists	956:1	1073:1	500-700:1
Social Workers	1,050:1	1528:1	400:1
Nurses*	1,596:1	1721:1	750:1

^Source: Data provided by the Office of Student Services, Prevention and Wellness.
**Ratios of 750:1 for students in the general population, 225:1 in the student populations requiring daily professional school nursing services or interventions, 125:1 in student populations with complex health care needs, and 1:1 may be necessary for some students who require daily and continuous professional nursing services (National Association of School Nurses, 2010).*

Table 2: CDC Comparative Data on Youth Suicide
(Annual age-adjusted suicide rates per 100,000 people, ages 5-19)

Year	United States	Wisconsin
1999	3.04	3.57
2000	3.14	4.96
2001	3.04	4.17
2002	2.81	3.90
2003	2.74	4.23
2004	3.11	3.84
2005	2.91	4.33
2006	2.68	3.21
2007	2.51	2.81
2008	2.71	2.41
2009	2.91	3.87
2010	2.91	4.00
2011	3.21	4.43
2012	3.24	3.94
2013	3.37	4.07
2014	3.57	4.86

Source: CDC WONDER Online Database; Specific ICD10 causes of death include U03, X60-X84, Y87.0; standardized to the US population in 2000.

Background

The 2013-14 legislative session created a Speaker's Mental Health Task Force, charged with conducting a comprehensive review of mental health issues and making recommendations for legislation that would address those identified issues. Several legislative bills based on the Task Force recommendations were enacted into law later that session. The new laws that were enacted included: creating a child psychiatry consultation program; providing crisis intervention training grants to law enforcement agencies and correctional officers; and improving mental health benefits under the Medical Assistance program.

As the Department considered developing an initiative around school age youth mental health as part of its biennial budget request, the need for input from interested stakeholders became apparent. Thus the Department convened a meeting of the stakeholders to discuss how to improve youth mental health services, including issues of access to, and coordination of, mental health services for school age youth. The goal of the discussion was to develop collective strategies that could be advanced through best practices or legislation, including suggestions for a mental health initiative to be included in the Department's 2017-19 biennial budget request. Among the stakeholder groups represented at the Department led meeting were:

- Cooperative Educational Services Agency (CESA) 8
- Marathon County
- Mental Health America
- The Association of Wisconsin School Administrators (WASA)
- The Department of Health Services (DHS)
- The Department of Public Instruction (DPI)
- The School Administrator's Alliance (SAA)
- The Wisconsin Association of Family and Children's Agencies (WACFA)
- The Wisconsin Council of Administrators of Pupil Services (WCASS)
- The Wisconsin Office of Children's Mental Health (OCMH)
- The Wisconsin School Psychologists Association (WSPA)

Several school districts also participated, including: Adams Friendship, Beloit, Fond du Lac, La Crosse, Merrill, Racine, and Stevens Point.

Meeting in breakout sessions, the stakeholders were asked to address the following three questions and develop a list of group recommendations based on that dialogue:

1. How do we improve access to school mental health services where they do not currently exist, or are not adequate to meet the needs of students and their families?
2. What incentives can or might we provide to improve access, coordination, and quality of school mental health services?
3. How might we encourage schools to establish or improve screening and prevention programming in order to avoid the need for more "deep-end" school mental health services down the road?

The Department's three-part proposal to expand and improve access to mental health services for school age youth reflects the discussions between the Department and the various stakeholders, in the pursuit of the common interest: to expand and improve access to mental health services for school age youth, both in school and in the larger community, with a combination of state support for direct services and enhanced training to improve efforts to identify youth in need of services and ensure that those youth are connected to resources.

School Guidance Counselors, Psychologists, Social Workers and Nurses all provide essential pupil services including those related to mental health. The Department used audited school district financial data to analyze expenditures for Pupil Services job categories (both direct personnel costs and contracted services), as a way to identify an approach that would be most beneficial to school districts' and independent charter schools' efforts to expand mental health services for all pupils. Expenditures in school districts' General Fund (Fund 10) and Special Education Fund (Fund 27) were reviewed, although a school district would be able to receive state aid only for expenditures from Fund 10[3]. It is not possible to identify the amounts spent by school districts specifically on mental health services under current reporting categories; thus, the use of expenditure data for the four Pupil Services categories serves as a proxy. See Tables 3 and 4 below.

Table 3. Number of School Districts that Reported No Fund 10 Expenditures for Specific Pupil Services Positions

	FY14		FY15	
	#	%	#	%
Social Worker	331	78%	333	79%
School Psychologist	198	47%	197	46%
Guidance Counselor	5	1%	4	1%
Health*	121	29%	113	27%

**School district financial reports do not specify health care personnel by specific type; it is used here as a proxy for school nurse.*

Table 4. Number of School Districts that Reported No Fund 10 or Fund 27 Expenditures for Specific Pupil Services Positions

	FY14		FY15	
	#	%	#	%
Social Worker	315	74%	318	75%
School Psychologist	39	9%	38	9%
Guidance Counselor	4	1%	4	1%
Health	104	25%	99	23%

**School district financial reports do not specify health care personnel by specific type; it is used here as a proxy for school nurse.*

Almost all districts reported expenditures in the Guidance Counselor category, presumably because guidance counseling services are required of school districts. In contrast, three-quarters of all school district reported no expenditures for Social Workers, even when both Fund 10 and Fund 27 are considered.

The position categories for which the greatest number of school districts reported no expenditures in Fund 10 only were Social Worker and School Psychologist; but when both Fund 10 and 27 are considered, the number of schools reporting no expenditures in the School Psychologist category drops significantly. This suggests that school districts use, to the extent allowable, special education funding

[3] The Department was not able to include independent charter schools in this analysis of expenditures for pupil support services; thus, the cost projections for the categorical aid program do not account for potential payments to independent charter schools.

(federal and/or state aid) to support the work of school psychologist. Including both the Fund 10 and Fund 27 expenditures provides a more comprehensive picture of pupil services in school districts; however, use of Fund 27 to support pupil services indicates that a specific subset of pupils are being served (pupils with disabilities). The goal of the Department's proposal is to expand mental health services to all pupils.

Staffing data from FY16 (source: WISEstaff PI-1202 data collection) was also reviewed. While the data reflects staffing as for the fall 2015, the pattern of districts reporting no personnel within the specific job categories is consistent with the pattern observed in the FY14 and FY15 expenditure data. See Table 5.

Table 5. Number of School Districts that Reported No Staff in Pupil Services Categories

	FY16	
	#	%
Social Worker	322	76%
School Psych.	131	31%
Guidance Counselor	5	1%
School Nurse*	132	31%

**The job title used in this analysis was School Nurse.*

While Guidance Counselors, Psychologists, Social Workers and Nurses all provide essential pupil services, including those related to mental health, the Department's proposal focuses on increasing the number of school Social Workers providing mental health services to pupil for the following reasons:

1. In Wisconsin, the ratio of pupils to Social Workers has increased at a much higher rate than the ratios for Counselors, Psychologists, and Nurses. Furthermore, the ratio of pupils to Social Workers exceeds nationally recommended staffing levels nearly four-fold, which is significantly higher than the amount by which the ratios in Wisconsin exceed the national recommendations for the other three pupil services professional groups.

2. While all four pupil service professional groups possess the expertise to work across systems, and with community-based professionals and families, there tends to be a greater emphasis on this collaborative role for Social Workers.

Proposal (DIN 6011)

Under the Department's proposal, state aid would be paid in a two-tiered model:

1. Tier 1 eligible expenditures would include the *increase in expenditures* for the Social Worker job category, measured as Fund 10 expenditures in the prior year less Fund 10 expenditures in the two years prior (i.e., aid payments in FY19 would be based on the increase in Social Worker expenditures in Fund 10 from FY17 to FY18). Reimbursement would be made at 50 percent of eligible expenditures. No reimbursements would be made under Tier 1 to school districts or independent charter schools that did not report an increase in Fund 10 expenditures for Social Workers. The Department would establish a reporting process that would allow for the determination of Social Worker personnel costs or contracted services in independent charter schools.

2. If funds remain in the appropriation after distribution of aid under Tier 1, the remaining funding would be used to reimburse school districts and independent charter schools for the Fund 10

expenditures for Social Workers in the prior year, less the amount of increased expenditures that were reimbursed under Tier 1. This would comprise Tier 2 of the aid program. The resulting reimbursement rate for Tier 2 expenditures would depend on how much funding is available to reimburse Tier 2 eligible expenditures and the amount of Tier 2 eligible expenditures.

By providing aid at a higher rate for "new" expenditures, school districts and independent charter schools would have an incentive to expand services provided by Social Workers (whether an employee of the school district or contracted services), rather than simply use state aid to offset costs and maintain existing levels of service.

To estimate costs under the proposal, the Department reviewed audited school district expenditure data for Pupil Support personnel, for FY14 and FY15. The expenditures in the data set included direct personnel cost (salary, fringe benefits, etc.) as well as costs of contracting for these pupil support services. The data come from audited school district annual financial reports maintained by the School Financial Services team in the Department. The Department used FY14 and FY15 expenditure data[4] as the basis for the cost model summarized in Table 6 below. Based on the expenditure data for these years, there would be approximately $773,500 in Tier 1 eligible costs. At the proposed Tier 1 reimbursement rate of 50 percent, $386,769 would be distributed under Tier 1. The remaining $2,613,231 would be distributed under Tier 2, resulting in a reimbursement rate of 13.6 percent (Tier 2 eligible expenditures = $19,180,527).

Under this model, 91 school districts were eligible for aid, of which 39 were eligible for just Tier 2 aid (no increases in expenditures from FY14 to FY15), and 47 were eligible for both Tier 1 and 2 aid. The remaining five districts were eligible for aid at just Tier 1, because they had no Social Worker expenditures in FY14; thus, all of those districts' FY15 expenditures were reimbursed at Tier 1, as increases to FY14 expenditures.

Table 6. Aid Provided by Tier Level

Tier Level	Amount	Reimbursement Rate	Aid Payment
Total FY14 Social Worker expenditures	$20,505,780		
Total FY15 Social Worker expenditures	$19,954,064		
Tier 1 Aid: Sum of increases in expenditures for Social Worker job category (for districts that increased expenditures from FY14 to FY15)^	$773,537	50%	$386,769
Tier 2 Aid: Funds remaining to reimburse for Tier 2 eligible expenditures	$2,613,231	13.6%	$2,613,231
Total			**$3,000,000**

^The sum of the increases in individual school districts' expenditures does not equal the difference in expenditures on a statewide basis, because some districts decreased expenditures while others increased expenditures.

Therefore, the Department requests $3,000,000 GPR annually, beginning in FY19, to create a new categorical aid program that would support school districts' and independent charter schools' efforts to provide and expand mental health services to all pupils.

[4] FY15 is the latest year for which audited financial data is available, thus the use of FY14 and FY15 expenditures to model projected aid payments. If the Department's proposal is approved, aid payments would be distributed closer to the end of the fiscal years, to allow time for the Department to complete audits of school district financial data, so that the most recent fiscal year data could be used to calculate aid payments.

DECISION ITEM 6012 – Community and School Mental Health Collaborative Grants

The State of Minnesota currently provides state funded grants to support school-linked mental health services throughout the state. The initial funding for this grant program was $4.7 million annually. In 2013, funding was increased to $45 million over 5 years. Information from the Minnesota Department of Human Services (MDHS) describes school-linked mental health services as programs that connect schools and youth and locate effective mental health services within schools for youth, which work to:

- Increase accessibility for children and youth who are uninsured or underinsured.
- Improve clinical and functional outcomes for children and youth with a mental health diagnosis.
- Improve identification of mental health issues for children and youth.

The Minnesota program was created to address the same concerns that are present in Wisconsin regarding the mental health challenges and needs of school age youth. As noted by the MDHS, untreated mental health issues are a significant barrier to learning and educational success. Placing mental health services for school age youth directly in schools provides an opportunity for mental health promotion, prevention and early identification and intervention. Locating services directly in schools can work to reduce the many barriers to accessing and receiving needed mental health services – financial/insurance, childcare, transportation, mistrust and/or stigma, negative prior experiences, waiting lists for services, long/uncomfortable intake processes and the general stress of reaching out for assistance.

According to the MDHS, school-linked mental health services have proven particularly effective in reaching children and youth who have never accessed mental health services. Many children and youth with serious mental health needs are first identified through Minnesota's program. In addition, the school age children and youth of color served by the program were significantly more likely to be accessing mental health services for the first time compared to their white peers.

Under the Minnesota model, community mental health agencies provide mental health professionals and practitioners at each school, with most of their time involved in direct child and family services, including assessment and treatment, as well as teacher consultation, care coordination, classroom presentations and school-wide trainings. The positive results cited by the Minnesota program include:

- Coordination of care, with services delivered to where the children/youth are located.
- Increased access and sustained engagement in treatment.
- Teachers and parents reporting decreases in the emotional and behavioral problems.
- Decrease in school suspensions and increase in attendance for students receiving mental health treatment.

Proposal (DIN 6012)

The Department proposed to create a new grant program based on the Minnesota model. Under the Community and School Mental Health Collaborative Grants program, the Department would award grants to school districts and operators of independent charter schools, to be used for the purpose of providing mental health services to pupils, in collaboration with community health agencies. This may include co-locating community mental health clinics in schools and providing screening and intervention services. The Department seeks rulemaking authority to create the application process, criteria, and selection processes, and to define allowable costs, as part of this request.

Therefore, the Department requests $2,500,000 GPR annually, beginning in FY19, to create a new community and schools mental health collaborative grant program to support school districts and independent charter schools in connecting youth to needed mental health services.

DECISION ITEM 6013 – Mental Health Training Support

The Department has been involved in advancing strategies associated with "School Mental Health" (SMH) services, for a number of years, and utilizes a School Mental Health Framework that offers school guidance on how to develop a comprehensive approach to meeting students' mental health needs. The framework focuses on both school-based services delivery and collaboration with community mental health providers.

The three identified program strategies included in this component of the Department's mental health initiative are all evidence-based interventions. Additionally, the Department possess the necessary infrastructure (but not the continuing financial support) to take the programs "to scale" on a statewide basis. Those three strategies are outlined below.

Screening, Brief Interventions, and Referral to Treatment (SBIRT): The Department has partnered with DHS to create a "train the trainer" model to implement SBIRT in schools statewide. Currently, there are five certified SBIRT trainers, operating under the Wisconsin Safe and Healthy Schools (WISH) Center. Multi-day sessions are used to train school staff (usually pupil services professionals) to conduct screenings of students suspected of having mental or behavioral health challenges. Additionally, the educators are prepared to conduct brief interventions, consisting of three to four sessions that last 15 to 30 minutes each. The training regimen includes taped simulations critiqued by certified trainers. Program evaluation by DHS demonstrates positive results.

Trauma Sensitive Schools (TSS): The Department has worked with St. Amelian-Lakeside (St. A's) to create self-directed training modules that school teams can use to implement a trauma-informed care model. Behavioral health challenges often have their roots in adverse childhood experiences, including poverty, substance abuse, and domestic violence. Without support, the effects of those influences may manifest themselves in depression, withdrawal, generalized anxiety, or combative behaviors that may become violent. Currently, 13 modules for universal interventions are available, focused on addressing the question "how do we engage and work with all students?" These modules are self-guided, but require teams within the schools to understand the concepts and to help their peers embed them in their practices. Many of the TSS principles focus on the student and their needs, rather than simply reacting to the behavior.

Youth Mental Health First Aid (YMHFA): Under the federally funded Project AWARE grant, The Department and three pilot school districts have implemented YMHFA, which trains school district staff to spot early signs of depression or generalized anxiety disorder, and the steps to take to alert care coordinators of the possible need for help. In addition to the state pilot, ten Wisconsin school districts received their own local grant through the SAMHSA to conduct YMHFA trainings in their communities.

As noted previously, there are no state funds available for the Department to conduct this work. Discretionary federal grant awards make up the current base of funding for the Department's work in school mental health. There is no promise of continuation beyond the scheduled end of these grants in 2017 and 2019 respectively.

Proposal (DIN 6013)

To continue these evidenced-based strategies and expand the existing infrastructure to school districts and independent charter schools, the Deparment requests the following annual appropriation amounts to support statewide implementation and continuation of the three program strategies described above:

- Youth Mental Health First Aid ($100,000 GPR annually).
- Trauma Sensitive Schools ($120,000 GPR annually).
- SBIRT ($200,000 GPR annually).

The Department also requests the creation of 1.0 FTE GPR permanent position to administer all three programs on a statewide scale. The Department does not have excess position authority to absorb the new functions that would be required of the Department under the proposed mental health initiative. The funding for the position is also requested, at $71,300 GPR in FY18 (for nine months) and $94,100 GPR in FY19 (full annualized amount). Position costs include salary, fringe benefits and supplies/services for a position in the job classification Education Consultant. See Table 7.

Table 7. Projected Costs for Training Support

Program	FY18	FY19
Youth Mental Health First Aid	$100,000	$100,000
Screening, Brief Interventions, and Referral to Treatment	$200,000	$200,000
Trauma Sensitive Schools	$120,000	$120,000
Sub Total – Training Support	**$420,000**	**$420,000**
Department position to administer training programs statewide	$71,300	$91,400
Less Base	$0	$0
Requested Change to Base	**$491,300**	**$511,400**

The projected costs for the three training components are based on the following assumptions:

- For the YMHFA and SBIRT components, the Department estimates costs of $5,000 per training session (20 and 40 sessions annually, respectively). Each training session would be capped at 30 participants. There is a greater need to develop SBIRT trainers to serve schools in the state, compared to YMHFA trainers (thus the higher number of training sessions assumed for the SBIRT component).
- The TSS Training approach involves introducing the school teams in attendance to the video series and instruction on how to implement the materials in a school wide approach. The coaches would then work with the schools on a site-based basis. The Department assumed $10,000 per year for each of the 12 CESAs in the state to cover the costs of providing the TSS training (venue rental, lunch and break items, as well as the cost for the training coaches).
- Note that participants would be responsible for covering costs of travel, lodging, and meals, though no registration fee would be charged for these trainings (hence the request for state funding to support the cost or providing trainings across the state).

The Department's request is predicated on the belief that the mental health needs of the Wisconsin's school-age youth is a priority. As such, the state should support the Department's efforts to provide training opportunities, so that all school districts and independent charter schools across the state may participate in these trainings, which will ultimately lead to improved mental health services for all children and youth in Wisconsin's schools.

Therefore, the Department requests $491,300 GPR in FY18, and $511,400 GPR in FY19, to support training opportunities aimed at increasing capacity within school districts and independent charter schools to provide mental health screening and intervention services to pupils.

Statutory Language

The Department is proposing statutory language related to all three components of this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6011*)

Subject:	School Mental Health Categorical Aid
Request Date:	November 7, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing language to create an annual appropriation for a new categorical aid program to support school districts and independent charter schools in their efforts to provide and expand adequate mental health services to all pupils. Under the Department's proposal, this aid would be provided under a two-tiered model, with a higher rate of reimbursement provided to school districts and independent charter schools for *increases in expenditures* in the prior year (i.e., at 50 %). If funds remain in the appropriation, the program would reimburse school districts for the remainder of expenditures.

Tier 1: eligible expenditures would include the *increase in expenditures* for the Social Worker job category, measured [for school districts] as Fund 10 expenditures in the prior year, less Fund 10 expenditures in the two years prior (i.e., aid payments in FY19 would be based on the increase in Social Worker expenditures in Fund 10 from FY17 to FY18). Reimbursement would be made at 50 percent of eligible expenditures. No reimbursements would be made under Tier 1 to school districts or independent charter schools that did not report an increase in Fund 10 expenditures for Social Workers. The Department will have to establish a reporting process that will allow for the determination of Social Worker personnel costs or contracted services in independent charter schools.

Tier 2: if funds remain in the appropriation after distribution of aid under Tier 1, the remaining funding would be used to reimburse school districts for the Fund 10 expenditures for Social Workers in the prior year, less the amount of increased expenditures that were reimbursed under Tier 1. The resulting reimbursement rate for Tier 2 expenditures would depend on how much funding is available to reimburse Tier 2 eligible expenditures and the amount of Tier 2 eligible expenditures.

Note: Tier 1 is the first draw on the appropriation; that is, if Tier 1 eligible expenditures exceed the appropriation, aid would be provided at an amount less than 50% of eligible expenditures; and there would be no funds remaining for Tier 2 aid.

Related Stat. Citations:

Create a new appropriation s.20.255 (2) (da), with the title Aid for School Mental Health Programs, as an annual, local assistance appropriation, and appropriate $3,000,000 GPR in FY19. Under subch. VII of Ch. 115, or where appropriate in the statutes, create a new section or modify an existing section to establish the new categorical aid program. If appropriated funds are insufficient, direct the Department to prorate payments.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6012)*

Subject:	Community and School Mental Health Collaborative Grants
Request Date:	November 7, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing language to create an annual appropriation to create a new grant program. Under this request, the Department would create and adminster a program to award grants to school districts and independent charter schools for the purpose of providing mental health services to pupils, in collaboration with community mental health providers. This may include (but would not be limited to) co-locating community mental health clinics in schools and providing screening and intervention services.

The broad goals of this new grant program would be to:

- Increase accessibility for children and youth who are uninsured or underinsured.
- Improve clinical and functional outcomes for children and youth with a mental health diagnosis.
- Improve identification of mental health issues for children and youth.

The Department seeks rulemaking authority to create the application process, criteria, and selection processes, and to define allowable costs.

Related Stat. Citations:

Create a new appropriation, s. 20.255 (2) (db), with the title Community and School Mental Health Collaborative Grants, as an annual, local assistance appropriation, and appropriate $2,500,000 GPR beginning in FY19 to create a new community and school mental health collaborative grant program.

If necessary, under subch. VII of Ch. 115, or where appropriate in the statutes, create a new section or modify an existing section to establish program language for this new appropriation.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6013*)

Subject:	Mental Health Training Support
Request Date:	November 7, 2016
Agency Contact:	Grant S. Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing statutory language to create an annual appropriation to support the statewide provision of trainings for school districts and independent charter schools related to specific mental health program strategies. The appropriation may be used to pay for costs of providing training for three specific evidenced-based strategies: 1) Screening, Brief Intervention, and Referral to Treatment (SBIRT); 2) Trauma Sensitive Schools (TSS); and 3) Youth Mental Health First Aid (YMHFA).

Related Stat. Citations:

Create a new appropriation, s. 20.255 (1) (ep), as an annual general program operations appropriation and appropriate $420.000 GPR in FY18 and $420,000 GPR in FY19. Direct the Department to use the appropriation to create a mental health training support program. Suggested title is Mental Health Training.

Under subch. VII of Ch. 115, or wherever appropriate in statute, create a new section or modify an existing section to establish the new grant program.

INVESTING IN RURAL SCHOOLS

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6021 – SPARSITY AID

255 – Sparsity aid
s. 20.255 (2) (ae)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$21,500,000**	**$21,600,000**
Less Base	**$17,674,000**	**$17,674,000**
Requested Change	**$3,826,000**	**$3,926,000**

Request

The Department requests a total increase of $3,826,000 GPR in FY18 and $3,926,000 GPR in FY19 to fully fund the Sparsity Aid categorical aid program, based on projected membership in eligible school districts. Of this total, the Department requests $672,200 in FY18 and $935,300 in FY19 to fully fund eligible districts under current law. The remainder is requested to fully fund the Department's proposal to create a second tier of eligibility within the program, to expand eligibility for Sparsity Aid to districts that have sparse pupil populations and a general aid membership between 746 and 1,000. Under the Department's proposal, districts meeting the second tier criteria would be eligible to receive aid in the amount of $100 per pupil.

Problem

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

Small, rural districts in Wisconsin are facing significant operational challenges, due to these very issues: relatively large geographic size and distance from neighboring schools, compounded in many districts by declining enrollment, resulting in relatively larger per pupil costs to maintain operations (e.g., relatively higher per pupil instructional, administrative, facilities and transportation costs). In addition, some data indicate that districts with the lowest pupil density (pupils per square mile) are among the state's lowest wealth districts in terms of average income. They also often have higher poverty rates, higher transportation costs, and in some cases, relatively high per-pupil property values, compared to other districts.

Higher per-pupil property values, relative to other school districts, result in the district receiving lower levels of state general aid, due to the fact that school district "wealth", is measured as property value per member in the state's general aid formula. The higher the per-pupil property value, relative to other school districts, the lower the percentage of a school district's shared costs that are reimbursed in the state's general aid formula. Thus, relatively higher per-pupil property values contributes to pressure on the local tax levy, because districts that are aided at a lower level of shared cost must rely more heavily on the local tax levy to maximize revenues within state imposed revenue limits. For sparsely populated school districts, the greater reliance on property taxes within revenue limits, combined with lower than average median incomes within the community, makes the prospect of raising property tax revenues outside the revenue limits (i.e., via referendum) more challenging for these school districts.

Background

In response to these issues, the State Superintendent's 2005-07 budget request included a $24 million GPR Sparsity Aid proposal as part of the Rural Initiative. The proposal was not included in either the Governor's or the Legislature's biennial budget proposals.

The Department's 2007-09 biennial budget request again included a Sparsity Aid proposal, this time for $26.5 million GPR starting in FY09. The proposal was not included in the Governor's biennial budget. However, a scaled-down Sparsity Aid proposal was included in the Senate Democratic caucus version of the budget and was adopted as part of the Conference Committee report. The proposal was signed into law by the Governor as part of 2007 Act 20, the 2007-09 biennial budget.

As initially created under 2007 Act 20, eligibility for Sparsity Aid was based on the following criteria: (a) membership in the prior year of no more than 725; (b) density factor of less than 10 members per square mile of district attendance area; and (c) at least 20 percent of the school district's membership in the previous school year was eligible for a free or reduced−price lunch (FRL) under the National School Lunch Program.

In the first year of the program, $150 per member was awarded to districts that met the membership and sparsity criteria and whose FRL percentage was between 20 percent and 50 percent; eligible districts whose FRL percentage exceeded 50 percent received $300 per pupil. In the years that followed, a school district was eligible to receive $300 per pupil as long as they met the 20 percent FRL threshold, in addition to meeting the membership and sparsity factors.

The Department is directed to prorate these payments if appropriation is insufficient to fully fund the program in a given year. History of the appropriation, proration and eligible districts and members can be found in Table 1 below.

Table 1. Sparsity Aid Appropriation and Proration History

Year	Appropriated Amount	Per Pupil Amount	Proration	# Eligible Districts	# Eligible Members
FY09	$3,644,600	$134/$67*	45%	98/12	49,612
FY10	$3,517,100	$69	23%	115	50,974
FY11	$14,948,100	$282	94%	123	53,083
FY12	$13,343,300	$241	80%	130	55,854
FY13	$13,343,300	$246	82%	129	54,649
FY14	$13,343,300	$237	79%	133	56,673
FY15	$13,343,300	$236	79%	133	56,970
FY16	$17,674,000	$300	100%	137	57,728
FY17	$17,674,000	$291	97%	141	60,702

** In the first year of the program, districts that met the membership and sparsity criteria whose FRL percentage was between 20 percent and 50 percent were eligible for $150 per pupil; eligible districts whose FRL percentage exceeded 50 percent were eligible for $300 per pupil.*

The Sparsity Aid appropriation was significantly increased in the 2009-11 biennial budget (2009 Act 28). Funding increased from $3,517,100 GPR in FY10 to $14,948,100 GPR in FY11. This allowed the per pupil reimbursement to rise from $69 to $282.

The Sparsity Aid appropriation was reduced to $13,453,300 in FY12 and FY13 due to budget cuts under the 2011-13 biennial budget (2011 Wisconsin Act 32). While the eligibility for aid remained at $300 per pupil, the funding reduction resulted in more deeply prorated payments, down to $241 per pupil in FY12 and $246 per pupil in FY13.

The 2013-15 biennial budget (2013 Wisconsin Act 20) maintained base funding, but with more districts gaining eligibility (and more members on behalf of whom aid payments were made), per pupil payments were further prorated, down to $237 per pupil in FY14 and $236 per pupil in FY15.

For the 2015-17 biennial budget, the Department requested an additional $4,220,700 GPR in FY16 and FY17 to fully fund estimated payments for the Sparsity Aid program. In addition, the Department requested eliminating the FRL criteria for districts to qualify for Sparsity Aid, based on the rationale that key problem that Sparsity Aid was created to address was that districts with sparse pupil populations lack economies of scale that contribute to fiscal challenges, regardless of the level of poverty among the pupil population. Both the Governor and the Legislature included the Department's request in their 2015-17 budget proposals. The changes were included in 2015 Wisconsin Act 55.

In FY16, 137 school districts were eligible to receive full payment ($300 per pupil) as a result of 2015 Wisconsin Act 55, an increase from 110 school districts since the categorical aid program began. Despite the increased appropriation, which allowed for fully funding the Sparsity Aid program for the first time since its inception, an issue that received significant attention was that some school districts became ineligible for Sparsity Aid entirely, as a result of relatively small increases in membership, due to the absolute thresholds in the eligibility criteria for the program. In other words, the Sparsity Aid program was structured to have a "cliff effect." For FY16, the districts that lost eligibility from the previous fiscal year were Crivitz (which had been awarded $170,498 in FY15) and Spring Valley (which had been awarded $169,081 in FY15).

In response, 2015 Wisconsin Act 305 modified the Sparsity Aid program to create a second round of aid eligibility determination for school districts that lose eligibility for Sparsity Aid because their membership increased above the 725 limit. Under Act 305, if the Sparsity Aid appropriation is not fully expended after the initial round of eligibility determination, and there are districts that lost eligibility due to membership exceeding the Sparsity Aid threshold, the Department must calculate a second round of aid for the districts that lost eligibility (this does not apply to districts that lose eligibility due to exceeding the sparsity threshold). In the event that remaining funds are insufficient to fully fund payments to the newly eligible districts under the second round, payments must be prorated. As a result of Act 305, Crivitz and Spring Valley received a prorated Sparsity Aid payment in FY16 (prorated at $242 per member, or 81 percent).

In addition, Act 305 also increased the membership cap for receiving Sparsity Aid, from 725 to 745, first effective for Sparsity Aid distributed in FY17. In FY17, four school districts gained "first round" eligibility due to either declining enrollment or the increased enrollment cap: Boyceville Community, Chequamegon, Montello, and Shiocton. Two districts lost eligibility: Erin, as a result of its sparsity factor going slightly over 10 pupils per square mile; and Spring Valley, due to membership going over 745 pupils. Crivitz, which was formerly under "second round" eligibility, became eligible in the first round due to its membership remaining under the membership threshold. Under current law, only Spring Valley would receive "second round" eligibility due to its change in membership, but because the appropriation is insufficient to pay school districts that became eligible in the first round the full $300 per member, payments to eligible school districts was prorated and Spring Valley will not receive any Sparsity Aid funds.

The recent changes to statutes under Act 305 have had the effect of extending eligibility to more school districts, which increases the potential for payments to all eligible districts to be prorated, unless the Legislature appropriates additional GPR for this categorical aid. In addition, recent changes to statutes have taken a complicated, shorter term approach to help the few affected districts (i.e., awarding payments to only those districts that lost eligibility due to changes in membership but not sparsity) and do not address the larger policy question; e.g., whether Sparsity Aid should continue to be structured so as to have a "cliff effect", whereby a school district may experience a significant aid loss from one year to the next; or, should the program be structured with a "sloping effect", so as to mitigate drastic changes in aid received by school disricts as they grow out of eligibility for Sparsity Aid.

Proposal

In response to these issues, the Department proposes to create a second tier of eligibility that a lower per-pupil payment to eligible districts that fall into a lower membership threshold. Under this structure, a school district would receive a maximum of $300 per pupil for meeting the eligibility criteria under current law, but would receive $100 per pupil if its membership exceeds 746 pupils but is no more than 1,000 pupils. The sparsity factor of 10 members per square mile as a criteria of eligibility for the categorical aid would remain. The Department also proposes eliminating the current law "second round" of eligibility determination for districts that become ineligible due to exceeding the membership threshold, as created under Act 305. A projection of eligible districts and estimated costs under the tiered approach is shown in Table 2 below.

Table 2. Two-Tier Sparsity Aid Estimated Costs and Eligible Districts

	FY18	FY19
Current Law - $300/member (Membership <746)		
Estimated Cost	$18,346,200	$18,609,300
Eligible Members	61,154	62,031
Eligible Districts	142	145
Additional Tier - $100/member (Membership b/w 746-1,000)		
Estimated Cost	$3,173,500	$2,981,100
Eligible Members	31,735	29,811
Eligible Districts	37	35
TOTAL Estimated Cost	*$21,519,700*	*$21,590,400*
Requested Appropriation*	**$21,500,000**	**$21,600,000**
FY17 Base Appropriation	$17,674,000	$17,674,000
Requested Change to Base	**$3,826,000**	**$3,926,000**

**The Department propose rounding the appropiation to the nearest $100,000.*

The Department projected membership at the district level for FY18 and FY19 to more precisely estimate costs of expanding and fully funding the program. Those projections yielded membership figures that show a growing number of members in Sparsity Aid eligible school districts, even at the current law criteria for size and sparsity, e.g., 61,154 members for Sparsity Aid in FY18 and 62,031 members for Sparsity Aid in FY19, compared to 60,702 members for Sparsity Aid in FY17 (membership values are for the prior year). However, according to the Department's projections, no school district would fall out of eligibility in FY18 or FY19.

Under the Department's proposal, small and sparsely populated districts will experience less drastic changes in Sparsity Aid payments from year to year: if a district moves from tier 1 to tier 2 eligibility, it would receive $100 rather than $300 per member (reduction in aid); or, if a district were already in tier 2 of eligibility and then lost eligibility because membership increased above 1,000, the loss of aid would be less drastic, at $100 (rather than $300) per member.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6021*)

Subject:	Sparsity Aid
Request Date:	October 21, 2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests creating a second tier of eligibility for school districts that satisfy the following criteria: 1) the school district's membership exceeds 745 and is no greater than 1,000, and 2) the school district's membership divided by the school district's area in square miles is less than 10. School districts who are eligible under this tier shall be eligible to receive sparsity aid at $100 multiplied by the school district's membership. Also, remove the language that had been added under 2015 Act 305 pertaining to a second round of eligibility determination if the appropriation was not fully encumbered and if districts had become ineligible for sparsity aid due to membership exceeding the membership threshold specified in the statute.

Related Stat. Citations:

Modify the eligibility criteria under s. 115.436 (2), to create a second tier of eligibility for school districts whose membership in the previous year exceeds 745 and is no greater than 1,000.

Note: The current law sparsity factor, in which a school district's membership in the previous school year divided by the school district's area in square miles is less than 10, would be retained for both tiers.

Modify the payment criteria for sparsity aid under s. 115.436 (3), to pay school districts who are second-tier eligible aid at $100 multiplied by membership in the previous school year.

Note: The requirement that the Department prorate payments among the eligible school districts, in the event that the appropriation in any fiscal year is insufficient to pay the full amount, would be retained for both tiers.

Repeal language that had been added under 2015 Act 305 [s. 115.46 (3) (c)].

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6022 – RURAL SCHOOLS TEACHER RETENTION GRANT

254 – Rural Teacher Retention Grants
s. 20.255 (2) (ah) – NEW

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$0**	**$5,500,000**
Less Base	**$0**	**$0**
Requested Change	**$0**	**$5,500,000**

Request

The Department requests funding to support the establishment of a rural schools teacher retention initiative to address the unique challenges rural school districts face in retaining and providing continuing education opportunities for their teachers.

Specifically, the Department requests $5,500,000 GPR in FY19 to provide grants to school districts eligible for the existing sparsity aid program. Unlike Sparsity Aid, which does not restrict allowable uses, retention grants would be limited to funding items that directly support individual teachers, such as compensation and tuition reimbursement. See also DIN 6021, Sparsity Aid.

Problem

Rural school districts are under increasing pressure to retain their best and brightest teachers. Districts currently eligible for the state's Sparsity Aid program may individually have low enrollments, but collectively account for just over 60,000 pupils, which equals 7 percent of total public school membership, the equivalent of the combined membership of the Madison, Kenosha and Oshkosh school districts. Of the state's 57,000 teachers, 4,900 (8.6 percent) are employed by rural schools.

In a September 2016 press release by the School of Education at the University of Wisconsin-Madison, Dr. Peter Goff (lead researcher on a study of Wisconsin teachers) noted the retention challenges facing rural districts: "Teachers right out of school will take a rural job just to get some experience under their belts while continuing to look for one in a suburban area, so the turnover rates in rural schools are tremendous." In the same release, Kenneth Kasinski, the administrator for CESA 12 in northwest corner of the state observed that "A lot of teachers don't want to come to a town of 2,500 people and 200 kids. They wonder if they will have access to enough resources." These observations were reinforced by the La Crosse Tribune in an article published just before the beginning of the 2016-17 school year. "Retirements due to aging Baby Boomers leaving the profession, combined with universities enrolling and graduating fewer teachers, have shrunk the pool of potential teachers in the state. Act 10, the contentious 2011 budget repair bill that stripped public sector unions such as those representing teachers of collective bargaining rights, has given this smaller pool of much-in-demand teachers leverage to demand higher wages."

Background

Demographic Challenges for Rural School Districts

In competing to retain their best and brightest teachers, rural school districts face demographic challenges over which they have little or no control. In addition to social isolation, a commonly cited

issue for young, single teachers, low enrollment in rural districts creates poor economies of scale. This is apparent from the discrepency between what rural districts spend per pupil and what they pay teachers. Even excluding transportation, food and debt service costs, rural districts spend approximately $1,600 (15 percent) more per pupil than non-rural districts; their average teacher salary, however, is almost $6,000 less than that of non-rural school districts.

There is a similar discrepency between equalized property value per member and average income. For sparsity aid recipients, the average equalized property value per member, the measure used in the equalization aid formula for ability to pay, is 60 percent higher than for non-recipients, while their average tax filer income, as reported by the Department of Revenue, is $6,200 lower. Even with lower incomes, higher property values resulted in Sparsity Aid recipients receiving $745 (15 percent) less in state General Aid in FY16 than non-recipients. While rural districts receive more in categorical aids (e.g., Sparsity and Transportation Aids favor rural districts), non-Sparsity Aid recipients still received approximately $260 more per pupil in overall school aids.

These economic disadvantages are further reflected in the classroom. Sparsity Aid recipients have significantly fewer teachers with advanced degrees: 36 percent, compared to 54 percent for non-recipients. Economically disadvantaged students comprise a larger share of pupils in Sparsity Aid eligible districts: 45 percent meet eligibility criteria for free or reduced-price lunch, compared to only 33 percent for non-recipients. Pupils also slightly lag their suburban and urban peers on test scores, with 49 percent scoring proficient or advanced on the FY16 Forward Exam, compared to 54 percent for non-recipients.

Given these challenges, retaining high quality and experienced teachers in rural areas is a critical component to ensuring that children attending rural schools succeed academically and eventually compete effectively in an increasingly high-skill job market. National research on teacher retention (Education Commission of the States, 2016; Hammer, Hughes, et. al. 2005) is consistent with the Wisconsin-specific comments made above, citing four major barriers to recruting and retaining teachers: (1) lower compensation, (2) geographic and social isolation, (3) teaching multiple subject areas requiring multiple preparations, and (4) limited access to professional development opportunities.

In future years, these barriers will be further exacerbated by declining enrollment in rural districts and the overall decrease in the number of college students entering teacher education programs. Between FY11 and FY16, membership in districts receiving Sparsity Aid decreased at four times the rate as for non-recipients: 4.7 percent, compared to 1.2 percent. These decreases similarly constrain expenditure authority. While some may argue that lower enrollment should result in comparably lower expenditures, this is often not possible in rural districts. Districts with between 8 and 60 students per grade level cannot easily reduce costs without severely impacting the quality of instruction (even non-instructional, fixed costs must be spread over a fewer number of pupils). Furthermore, decreases in revenue make it more difficult for these districts to offer competitive salaries to their teachers.

Competition for teachers is likely to increase as the teacher supply decreases. The U.S. Department of Education reports that between FY11 and FY14, enrollment in teacher preparation programs in Wisconsin decreased by 25 percent, and the number of completers decreased by 13 percent. Wisconsin is following the national trend, which shows decreases of 32 percent and 17 percent, respectively. The decline in the supply of teachers entering the marketplace will likely make it more challenging for rural districts to retain highly qualified and experienced teachers.

Proposal

To help address some of these barriers, the Department proposes to create a new categorical aid program, Rural Teacher Retention Grants. The grants will be available to districts receiving aid under the proposed expanded Sparsity Aid program (See also DIN 6021, Sparsity Aid) and are designed to provide direct support to teachers specifically targeted to:

- Competitive compensation.
- Continuing education or training.
- Obtaining additional credentials.
- Other professional training.

Eligible districts will receive grants in the amount of $750 per licensed full-time equivalent teachers, based on prior year data reported by school districts reported to the Department (the PI-1202 Fall Staffing Report). Individual teacher eligibility for a funding under the program will be determined by the local school board.

The Department estimates the cost of this proposal to be $5,500,000 in FY19, based on the following assumptions:

- A grant amount equal to $750 per licensed, full-time equivalent teacher.*
- The number of licensed, full-time-equivalent teachers reported by school districts to the Department on the PI-1202 fall staffing report for the prior school year (Fall of 2015 data was used to produce the projected costs as that was the most recent year for which audited data was available).
- The number of school districts eligible for aid under the Sparsity Aid program in FY18 and FY19, as modified by the Department's proposal to expand Sparsity Aid under DIN 6021.

*The Department proposes that each Sparsity Aid eligible school district receive a minimum grant of $5,000, though in aid simulations, no district would receive less than $5,000 (a school district would have to have fewer than 6.67 FTE teachers to generate less than $5,000 in aid under the grant program as proposed).

The Department therefore requests $5,500,000 GPR annually, beginning in FY19, to establish the Rural Schools Teacher Retention Grant program.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6022*)

Subject:	Rural Schools Teacher Retention Grant
Request Date:	November 3, 2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests language to create an annual appropriation for a new grant program that assists rural school districts in retaining DPI-licensed teachers.

Related Stat. Citations:

Create a new appropriation under s. 20.255 (2) (ah), and appropriate $5,600,000 GPR beginning in FY19 to create a local assistance grant for the purpose of retaining DPI-licensed teachers in eligible districts.

Under Ch. 121, create a new section to establish the new grant program. Specify that the following:

1. School districts must meet the eligibility criteria under Sparsity Aid (under s.115.436) in order to be eligible for this new grant.

2. Eligible school districts be paid the greater of $5,000 per school district or $750 per each employed teacher, as reported to the Department, based on prior year data.

3. Grant awards must be used by the school district for the purpose of improving teacher retention and must provide a direct benefit to a teacher or teachers in the school district.

4. Allowable use of the grant funds (within the general parameter under #3, above) would include:

- Competitive compensation;
- Reimbursements for the costs of pursing additional education, training or additional credentials;
- Professional development.

5. Finally, specify that expenditures under this grant program will be subject to school district audit requirements as given in s. 120.14 (1).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6023 – PUPIL TRANSPORTATION AID

210 – Aid for pupil transportation
s. 20.255 (2) (cr)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$24,000,000**	**$24,000,000**
Less Base	**$23,954,000**	**$23,954,000**
Requested Change	**$46,000**	**$46,000**

Request

The Department requests an increase to the appropriation for pupil transportation aids of $46,000 GPR in both FY18 and FY19 to fully fund projected transportation aid claims. The Department also requests a statutory change to the amounts to be paid to school districts and independent charter schools for pupil transportation, under s. 121.58, Wis. Stats, for the following rates: 1) $365 for each pupil transported over 12 miles to and from the school attended in the regular school year, 2) $10 for each pupil transported between 2 and 5 miles to and from summer school classes, and 3) $20 for each pupil transported over 5 miles to and from summer school classes. The Department also requests a statutory change to eliminate the requirement that the Department reduce state aid proportionately in the case of pupils transported for less than a full school year because of non-enrollment [under s. 121.58 (2) (am), Wis. Stats.].

Background

Under current law, school districts are required to provide transportation services to resident 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 aid is paid to school distrcts to offset transportation costs, based on the number of pupils who are transported within mileage categories that are specified in statute. Aid is also paid from this appropriation for any district that must transport pupils over ice. Just one district in the state (Bayfield) receives this type of transportation aid payment ($7,500 in FY16).

District transportation costs vary widely among districts, from $91 per pupil in some places (e.g. Shorewood) to more than $1,813 per pupil in others (e.g. North Lakeland). Several factors affect school district transportation costs, including increasing labor, maintenance, and insurance costs. Geographically large rural districts that transport pupils significant distances (over 12 miles) have been hardest hit due to the longer bus routes.

Prior to 2005 Act 25, (the 2005-07 biennial budget), state pupil transportation categorical aid had not been increased since FY91. In Act 25, the Governor and Legislature approved an increase to pupil transportation aid of $3,200,000 in FY06 and $9,550,000 GPR in FY07. While the transportation aid appropriation remained constant at $27,292,500 in FY08 and FY09, the State Superintendent's 2007-09 biennial budget initiative to increase reimbursement rates above 12 miles transported was approved with no need to request any additional state aid.

Under 2009 Act 28 (the 2009-11 biennial budget) the pupil transportation aid appropriation was reduced by 3.5 percent, or $955,200, each year as part of the across-the-board reductions to state education aid categorical grants. Under 2011 Act 32 (the 2011-13 biennial budget) the pupil transportation aid

appropriation was reduced again, this time by 10 percent ($2,633,700) each year as part of the across-the board reductions to state education aid categorical grants. In the 2011-13 biennium, state categorical aid funding was provided through a single, GPR-funded appropriation totaling $23,703,600 annually.

In 2013 Act 20, the 2013-15 biennial budget, the Legislature made several changes to the transportation aid program, including the creation of a new high cost transportation aid appropriation funded at $5,000,000 annually, to be distributed based on eligible expenses (i.e., a cost reimbursement model). The Legislature also modified the reimbursement formula for transportation aid, including an increase in the rate for pupils transported over 12 miles, from $220 to $275.

2015 Act 55, the 2015-17 biennial budget, further modified the transportation aid program by increasing the reimbursement rate for pupils transported over 12 miles from $275 per pupil to $300 per pupil beginning in FY16. The Legislature also approved the Department's request to make independent charter schools eligible for transportation aid and provided an additional $250,400 in both FY16 and FY17 to fund the reimbursement of transportation costs to those schools.Thus, the current appropriation for Pupil Transportation Aid is $23,954,000 GPR annually. The 2015-17 biennial buget also provided $2,500,000 annually to the High Cost Transportation Aid program, and introduced a pupil sparsity factor to the eligibility criteria. High Cost Transportation Aid will be addressed as a separate decision item in the Department's budget request.

In FY15, school districts spent $357,886,600 on pupil transportation to and from schools, excluding extracurricular events and field trips. This means transportation accounts for roughly 4 percent of all K-12 general fund expenditures in Wisconsin. Including both high cost and regular transportation aid, a total of 8.8 percent of those transportation expenditures were reimbursed through state aid in FY15.

The current state pupil transportation categorical aid is based upon a flat annual amount per transported pupil within the mileage categories specified in state law, which were last modified under 2015 Act 55. Payments are based upon the distance a pupil travels to school from home (see Table 1).

Table 1. Pupil Transportation Reimbursement by Mileage Category

Distance Traveled (One Way)	# of Districts Receiving Aid	# of Ind. Charter Schools Receiving Aid	Current Rate Per Pupil (Full Year)	Summer School Rates
1-90 days (regular) / 1-15 days (summer) ridership				
0-2 miles (hazardous areas-H.A.)	262	0	$7.50	$0.00
2-5 miles	342	8	$17.50	$2.00
5-8 miles	301	6	$27.50	$3.00
8-12 miles	245	2	$55.00	$3.00
12 plus miles	157	0	$150.00	$3.00
Over 90 days (regular) / Over 15 days (summer) ridership				
0-2 miles (hazardous areas-H.A.)	336	0	$15.00	$0.00
2-5 miles	418	9	$35.00	$4.00
5-8 miles	395	9	$55.00	$6.00
8-12 miles	362	9	$110.00	$6.00
12 plus miles	278	4	$300.00	$6.00

**The reimbursement rate for summer school transportation has remained constant for several years.*

During the FY16 school year, 419 (out of 424) school districts and 10 independent charter schools (out of 22) received state aid for transporting 467,621 public school pupils and 31,751 private school pupils.

Proration of Transportation Aid

Currently, statutes require that transportation aid be reduced proportionately in the case of a pupil transported for less than a full school year.The Department has developed a per pupil payment structure for pupils transported between 1 and 90 days, and for 90 days or more, to reflect this the provision in statute, under s.121.58 (2) (am), Wis. Stats. However, if a school district has purchased buses and established routes to transport a pupil then it has already sunk the cost of transporting that pupil, regardless of whether the pupil rides the bus ten days or 100 days. Deleting the requirement to determine ridership at 1 to 90 days, or for 90 days or more, would alleviate the administrative burden for districts associated with reporting ridership, and would recognize the full actual costs to school districts associated with transporting pupils.

Full Distribution of Transportation Aid Appropriation

Under 2011 Act 105, the Department is required to distribute all funds appropriated under s. 20.255 (2) (cr), *Aid for pupil transportation*. This means that if the combined claims for transportation aid for all school districts is less than the amount appropriated, the Department must distribute the remaining amount to school districts, on a proprtional basis, as required under s. 121.58 (6) (b), Wis. Stats. Since FY11, when this new statutory provision became effective, he state appropriation for pupil transportation aid has covered all allowable transportation aid claims; thus the Department has provided a second round of transportion aid to school districts since FY11 (intial aid payments occur in January and the second round payment occurs in June). For aid payments in FY16, the amount that was distributed in the second round was $1,866,023 (7.8 percent of the transportaion aid appropriation).

Proposal

The Department proposes to modify the pupil transportation aid program so as to fully distribute the amounts appropriatated in a single round of aid eligibility determination, providing school districts with more certainty as to the total transportation aid it will receive in a year. This goal could be accomplished by increasing specific reimbursement rates. The Department therefore requests adoption of the following changes to aid for pupil transportation:

- Consolidate “days” categories: Delete the statutory requirement that the Department reduce state aid proportionately in the case of pupils transported for less than a full school year, effectively combining the 1-90 days and the 90 days or more regular year pupil ridership categories, as well as the 1-15 days and 15 days or more ridership categories for summer school, so that the reimbursement rates for each distance threshold are the same regardless of length of time transported.
- Increase the reimubursment rate for pupils transported 12 or more miles, from $300 to $365.
- Increase the summer school transportation the reimbursement rates: From $4 to $10 per pupil for each pupil transported from 2 to 5 miles, and from $6 to $20 per pupil for each pupil transported over 5 miles.

The Department projects that if the proposed changes above were enacted, the appropriation would be fully distributed in one round of aid eligibility determination. School districts would recevie their full aid payment in January, rather than waiting until June for a second round payment.

Current reimbursement rates, aid eligibility, and proposed rates for pupil transportation aid can be seen in Table 2 below.

Table 2. Proposed Reimbursement Rates and Estimated Aid Eligibility

Distance Traveled (One Way)	Current Rate Per Pupil	Aid Eligibility	Proposed Rates	Simulated Aid Eligibility	Aid Shifted from Second to Initial Eligibility Determination
1-90 days (regular) / 1-15 days (summer) ridership					
0-2 miles (H.A.)	$7.50	$32,288	**$15.00**	$64,575	$32,287
2-5 miles	$17.50	$117,303	**$35.00**	$234,605	$117,302
5-8 miles	$27.50	$79,723	**$55.00**	$159,445	$79,722
8-12 miles	$55.00	$84,535	**$110.00**	$169,070	$84,535
12 plus miles	$150.00	$124,500	**$365.00**	$302,950	$178,450
2-5 miles (summer)	$2.00	$12,028	**$10.00**	$60,140	$48,112
5 plus miles (summer)	$3.00	$22,401	**$20.00**	$149,340	$126,939
Over 90 days (regular) / Over 15 days (summer) ridership					
0-2 miles (H.A.)	$15.00	$1,742,025	$15.00	$1,742,025	$0
2-5 miles	$35.00	$6,592,845	$35.00	$6,592,845	$0
5-8 miles	$55.00	$4,583,480	$55.00	$4,583,480	$0
8-12 miles	$110.00	$4,185,060	$110.00	$4,185,060	$0
12 plus miles	$300.00	$4,395,900	**$365.00**	$5,348,346	$952,446
2-5 miles (summer)	$4.00	$53,376	**$10.00**	$133,440	$80,064
5 plus miles (summer)	$6.00	$72,990	**$20.00**	$243,300	$170,310
TOTAL		**$22,098,454**		**$23,968,621**	**$1,870,167**

The Department's proposal described in Table 2 above is applied to final FY16 ridership data, since it is not possible to project FY17 ridership. The rate changes were targeted to areas of the greatest need – summer school and transportation of pupils over 12 miles (very rural districts), and was designed to eliminate the need to distribute a second round of aid ($1,866,023 in FY16). Assuming that ridership remains relatively constant on a statewide basis, the Department projects that there would be a need for additional funds, albeit a small amount (see Table 3 below). Thus, the Department requests an increase of $46,000 annually, to bring the appropriation for pupil transportation aid up to $24,000,000, and to ensure no proration of aid to school districts.

Table 3. Projected Costs and Reqeusted Funding

Pupil Transportation Aid - Eligibility with Proposed Rates	$23,968,621
Transportation over Ice (FY16 amount)	$7,500
Total Required	$23,976,121
Rounded to Nearest $100,000	**$24,000,000**
FY17 Base Appropriation	$23,954,000
Request (FY18 and FY19)	**$46,000**

Increasing the rate for pupils who are transported 12 or more miles will provide additional aid to geographically large, rural districts that incur some of the highest per pupi transportation costs in the state. Increasing the summer school rates will benefit all those districts that tranport pupils for summer school, and may have the effect of increasing access to summer school transportation for students. Removing the two sets of rates – one for pupils transported 1 to 90 days, another for those tranported 90 or more days – will benefit all districts that receive transportation aid and will recognize the full (sunk) costs incurred by school district in their transportation programs.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6023*)

Subject:	Aid for Pupil Transportation
Request Date:	10/14/2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	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 $300 to $365.

The Department also requests the modification of the pupil transportation statutes to increase the reimbursement rate for summer school transportation from $4 to $10 for each pupil transported from 2 to 5 miles, and from $6 to $20 for each pupil transported over 5 miles.

Finally, the Department requests the modification of the pupil transportation statutes to delete the requirement that state aid be reduced proportionately in the case of a pupil transported for less than a full school year.

Related Stat. Citations:

Modify s. 121.58, to make the following changes to the Pupil Transportation Aid Program:

Rates

1. Amend s. 121.58 (2) (a) 4., to change the reimbursement rate from $300 to $365.

2. Amend s. 121.58 (4), to change the reimbursement rate from $4 to $10 for each pupil transported from 2 to 5 miles, and from $6 to $20 for each pupil transported over 5 miles.

Reduction of Aid

3. Amend s. 121.58 (2) (am), to delete the requirement that state aid be reduced proportionately in the case of a pupil transported for less than a full school year because of nonenrollment.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6024 – HIGH COST PUPIL TRANSPORTATION AID

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$12,700,000**	**$12,700,000**
Less Base	**$7,500,000**	**$7,500,000**
Requested Change	**$5,200,000**	**$5,200,000**

Request

The Department requests an increase of $5,200,000 GPR in both FY18 and FY19 to increase the reimbursement rate for High Cost Transportation Aid from 60.4 percent (in FY16) to 100 percent of eligible expenditures. The Department also requests a change to statutory language to create a "stop gap" mechanism, under which a school district that received aid in the prior fiscal year, but lost eligibility in the current year, would be eligible for an aid payment equal to 50 percent of its prior year aid award. The amount required to fund the proposed stop gap payment is included in the requested change to base.

Background

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 relatively high per pupil (member) transportation expenditures. A district is eligible for aid if the district's per pupil transportation expenditures, based on audited information from the previous fiscal year, exceeds 150 percent of the statewide average per pupil transportation expenditures. Aid is distributed to eligible districts based on the difference between the district's per pupil transportation expenditure and the 150-percent eligibility threshold. If the appropriation is insufficient to pay the full amount, payments to school districts are prorated. (Note: only the "regular" transportation expenditures from a district's Fund 10 are included in the eligibiltiy determination and aid award calculation under the High Cost Transportation Aid program; transportation expenditures supported by federal or state categorical special education aids [in Fund 27] are exlcuded.)

In the 2013-15 biennium, $5,000,000 GPR was appropriated in each year, providing reimbursement to 128 school districts whose per member transportation expenditures exceeded 150 percent of the state average. As of FY15, the appropriation was sufficient to reimburse 32.5 percent of eligible expenditures.

Under 2015 Act 55 (the 2015-17 biennial budget) the Legislature added $2,500,000 GPR in both FY16 and FY17. This increase was provided in order to increase the reimbursement rate to 50 percent of eligible expenditures. The budget bill also added a new eligibility requirement for the program, under which only those districts with a pupil population density of 50 pupils per square mile or less are eligible to receive the aid. As a result of this new criteria, four school districts lost eligibility for High Cost Transportation Aid (Nicolet UHS, Maple Dale-Indian Hill, Glendale River Hills, and Fox Point J2).

Proration of Aid Payments

In FY16, the Department distributed High Cost Transportation Aid to 128 districts. Because the total statewide transportation expenditures were lower than anticipated when the Department submitted its 2015-17 budget request, the resulting reimbursement rate was 60.4 percent of eligible expenditures (rather than 50 percent, as the 2015-17 budget request had assumed). The distribution of aid is described in Table 1 below:

Table 1. Districts Receiving High Cost Transportation Aid, FY16

24	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
27	Districts receiving at least $25,000 but less than $50,000
24	Districts receiving At least $10,000 but less than $25,000
12	Districts receiving at least $5,000 but less than $10,000
10	Districts receiving at least $1,000 but less than $5,000
1	Districts receiving less than $1,000
128	**Districts receiving High Cost Transportation Aid**

The High Cost Transportation Aid program is intended to provide additional aid to districts that cannot achieve economies of scale due to low pupil population density and larger geographic area. These districts must transport pupils longer distances and have fewer pupils (members) for whom they receive state aids; thus their transportation program are, by virture of their size and area, less efficient than more densly populated, smaller area districts. To achieve the greatest benefit for the school districts, the Department requests additional funding for this aid program, in order to fully reimburse school districts for all eligible expenditures.

Under this program, aid is provided just on those regular transportation expenditures that exceed the 150 percent per member statewide average (multiplied by the district's own membership). The reported eligible expenditures for all school districts initially increased, from $14,843,700 for aid distributed in FY14, to $15,598,300 for aid distributed in FY15 (a five percent increase); but then eligible expenditures fell significantly for aid distributed in FY16, to $12,422,100 (decrease of 20 percent compared to FY15).

As indicated above, eligible expenditures in the first three years of the program do not follow a discernable trend. To estimate the projected cost to the state of funding High Cost Transportation Aid at 100 percent of eligible trasportation expenditures, the Department projects that the total eligible expenditures will remain flat for aid distributed in FY17 ($12.4 million); and then increase very modestly, at one half percent, for aid distriubuted in FY18 and FY19 annually. Under this assumption, an additional $5,000,000 GPR is needed annually over the FY17 base appropriation to provide 100 percent state funding of projected eligible expenditures.

Creation of a Stop Gap Payments

High Cost Transportation Aid has an inherent "cliff effect", as districts are determined to be either eligible or not eligible each year, based on per member transportation expenditures compared to a specific threshold. Districts whose transportation expenditures fluctuate around the 150 percent expenditure threshold from year to year will move in and out of eligibility, potentially suffering significant losses in aid from one year to the next – or gaining aid in a year, but with the lack of certainty as to whether that aid will be received in subsequent years.

Since the program began, 160 school districts have received High Cost Transportation Aid in at least one fiscal year, while 105 school districts have received the aid in every year since the program was created, meaning that roughly a third of school districts experienced gains or losses in eligibility due to changes in the aid eligibility factors, i.e., membership and/or transportation expenditures. In FY16, 24 school districts lost eligibility for High Cost Transportation Aid. Of those districts, only four lost eligibilty due to the added sparsity factor in the program. Thus, changes in membership and/or transportation expenditures from year to year are the factors that caused a loss of aid for the majority of school districts that lost eligibility. Districts have no control over membership from year; and while districts may take steps to impact the costs of their transportation programs at the margin, some factors are beyond the control of the district, for example, the costs of fuel, maintenance and insurance, as well as need to replace busses over time.

The Department proposes creating a new a stop gap aid payment mechanism to alleviate the fluctuation in aid eligibility from year ot year. Specifically, a school district would receive High Cost Transportation Aid for one year, at a prorated amount (50 percent of its prior year aid award), if the district became ineligibile for aid because it no longer had per member transportation costs above 150 percent of the state average. Under the Department's proposal, a district would receive the prorated aid for one year only; then, eligibility for aid would again be determined in the following year under the criteria of the program. A school district would become ineligible for aid completely after the initial stop gap year if it no longer meets the eligibility criteria. The amount provided in the appropriation for this stop gap measure payment would be capped at $200,000 in each year.

In the eligibility determination for aid distributed in FY16, 24 school districts came out of eligibility (compared to FY15). Of these 24 districts, four lost eligibility due to the new sparsity criteria that became effective for aid distributed in FY16. The total loss of aid for the other 20 districts was $358,000 in total. Thus, if a one year stop gap measure as described above had been in place in FY16, an additional $179,000 would have been needed to provide aid to those 20 school districts at a rate of 50 percent of their prior year aid award and to not impact the aid eligibility for the districts that were eligible in FY16. Stated differently, if no additional funding had been available, with the stop gap districts eligible expenditures added in, the total aidable amount would have been $12,747,200, forcing a proration to 58.8 percent (actual proration was 60.4 percent). Table 2 below shows the Deparment's projection for eligible expenditures and resulting request for additional funding to fully reimburse school districts and creat a stop gap mechanism within the High Cost Transportation Aid Program.

Table 2. Projected Eligible Expenditures and Funding Reqeust for 2017-19

	FY17 Base	FY18	FY19
Eligible Prior Year Expenditures	$12,422,100	$12,484,200	$12,546,600
"Stop Gap" Payments	$0	$200,000	$200,000
Subtotal	$12,422,100	$12,684,200	$12,746,600
Rounded to Nearest $100,000	**$12,400,000**	**$12,700,000**	**$12,700,000**
FY17 Base Appropriation	$7,500,000	$7,500,000	$7,500,000
Request	**N/A**	**$5,200,000**	**$5,200,000**
Projected Proration	*60.5%*	*100.0%*	*100.0%*

NOTE: the Department projects regular transportation expenditures to remain flat in FY17, then increase modestly, by one-half percent, in FY17 and FY18 (for aid distributed in FY18 and FY19). Stop gap payments were rounded to the nearest $100,000, based on districts that lost eligibility in FY16.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6024*)

Subject:	High Cost Transportation Aid
Request Date:	10/13/2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests the modification of the high cost transportation statutes to add a one-time "stop gap" measure in which any school district that received aid in the prior fiscal year but lost eligibility in the current year, as a result of its per pupil transportation costs no longer exceeding 150 percent of the statewide average per pupil cost, be eligible for aid at a rate of 50 percent of its previous year aid award for one year.

Related Stat. Citations:

Modify s. 121.59, to make the following changes to the High Cost Transportation Aid Program:

Create language that allows any school district that received aid in the prior fiscal year but lost eligibility in the current year, as a result of its per pupil transportation costs no longer exceeding 150 percent of the statewide average per pupil cost, to be eligible for aid at a rate of 50 percent of its previous year aid award for one year only. Cap the amount of aid that could be paid for districts meeting this eligibility criteria at $200,000 in each year (i.e., the stop gap payments could themselves be subject to proration).

Note: Eligibility for aid would then be determined again in the following year under the criteria of the aid program, as provided under current law. A school district would become ineligible for aid completely after the initial "stop gap" year if it continues to no longer meet the eligibility criteria.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6025 – OPEN ENROLLMENT – AID FOR TRANSPORTATION

271 – Aid for transportation; open enrollment and course options
s. 20.255 (2) (cy)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$2,600,000**	**$2,900,000**
Less Base	**$434,200**	**$434,200**
Requested Change	**$2,165,800**	**$2,465,800**

Request

The Department requests an increase of $2,165,800 GPR in FY18 and $2,465,800 GPR in FY19 to fully fund state aid for claims submitted by families related to the costs of transportation for pupils participating in the state's Open Enrollment or Course Options programs, under s. 118.51 and s. 118.52, Wis. Stats.

Background

The appropriation under s. 20.255 (2) (cy), *Aid for transportation; open enrollment and course options*, provides aid payments to reimburse families directly, for costs associated with transporting pupils who are participating in the state's Open Enrollment or Course Options programs. This aid program is authorized under s. 118.51 (14), Wis. Stats. Currently, the appropriation provides $434,200 GPR for aid payments. The program prorates reimbursement of approved claims at 20.2 percent, due to having more claims than available funding.

Under the Open Enrollment Transportation aid statute [s. 118.51 (14) (b), Wis. Stats.], an open-enrolled pupil, or a pupil enrolled in a school district on an additional year tuition waiver (under s. 121.84, Wis. Stats.), who satisfies the income eligibility criteria for a free or reduced-price lunch under 42 USC 1758 (b) (1), 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 FY16 the cap was $1,241.34 per claim.

Under the Course Options transportation aid statutes [s. 118.52 (11) (b), Wis. Stats.] the Department is required to give preference to pupils who satisfy the income eligibility criteria for a free or reduced-price lunch under 42 USC 1758 (b) (1). Because this aid appropriation is already prorated, the Department pays Course Options claims only to those applicants who meet the income threshold specified in law.

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 nonresident school district through Open Enrollment is responsible for transporting the pupil to and from school in the nonresident 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 nonresident school district is responsible for providing the transportation.

Analysis of Open Enrollment trends in Wisconsin shows that children from economically-disadvantaged families open enroll for shorter periods of time than do their non-economically disadvantaged peers. 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 FY03, claims have exceeded the appropriation and payments to parents have been prorated. In FY16, the proration rate was 20.2 percent. To put this in context, for FY16, the maximum reimbursement for one child was reduced from $1,241.34, the amount calculated under statute (which paid for a round trip of 9.4 miles twice a day) to just $250.34, as a result of proration (which paid for a round trip of only 1.9 miles twice a day) for an entire school year.

In FY16, the program area stopped the use of any paper claim forms, and thus all transportation claims were submitted online. In addition, the claim submission process for parents was simplified. These changes, which made submission of the application easier, were likely a contributing cause for some of the significant increase in the number of families submitting claims. Table 1 shows total claims and the proration rate for the last several years and the projections for the next three years.

Table 1. Total Claims and Proration Comparison, FY09 to FY19

Year	Total Eligible Claims*	% Change in Eligible Claims	Total Appropri-ation	Proration Rate	Families Submit-ting Claims	Percent Change in # of Families	$ Claimed Per Family	% Change in Amount Claimed
FY09	$1,011,911		$500,000	49.4%	840		$1,204	
FY10	$1,475,946	45.9%	$482,500	32.7%	1,107	31.8%	$1,333	10.7%
FY11	$1,334,325	-9.6%	$482,500	36.2%	914	-17.4%	$1,460	9.5%
FY12	$1,378,413	3.3%	$434,200	31.5%	796	-12.9%	$1,732	18.6%
FY13	$1,418,444	2.9%	$434,200	30.6%	842	5.8%	$1,685	-2.1%
FY14	$1,571,822	10.8%	$434,200	27.6%	924	9.7%	$1,701	0.9%
FY15	$1,757,184	11.8%	$434,200	24.7%	1,094	18.4%	$1,606	-5.6%
FY16	$2,153,033	22.5%	$434,200	20.2%	1,286	17.6%	$1,674	4.2%
FY17 (est.)	$2,373,300	10.2%	$434,200	18.3%	1,350	5.0%	$1,758	5.0%
FY18 (est.)	$2,617,628	10.3%	$434,200	16.6%	1,418	5.0%	$1,846	5.0%
FY19 (est.)	$2,885,682	10.2%	$434,200	15.0%	1,489	5.0%	$1,938	5.0%

** Total eligible claims equals the lesser of total claims or maximum allowable claims.*

The impact of Course Options claims is negligible. In FY16, only $500 in eligible claims were for Course Options.

Projecting total claims and resulting proration rate (if the appropriation remains at current level) for FY17 through FY19 is difficult for several reasons: the increase in claims in FY16 that resulted from the online application system may be mitigated in FY17 and beyond; however some parents will likely still be first learning about the online system in FY17. Additionally, the low reimbursement percentage may discourage some parents from applying.

As illustrated in Table 1, the Department assumed a five percent annual growth in both the number of families submitting claims and the amount claimed per family for FY17, FY18 and FY19.

The Department requests that the appropriation for Open Enrollment Transportation be fully funded to preserve equitable public choice options for low-income families.

Program Changes

In addition to requesting an increase in the appropriation to fully fund all claims, the Department requests changes to the Open Enrollment program statutory language under s. 118.51, Wis. Stats. The Department requests to allow school boards to establish Open Enrollment space determinations prior to the start of the February regular Open Enrollment application period. The Department also requests the repeal of language related to resident district transfer limitations and racial balance criteria. Finally, the

Department requests to repeal statutory language related to resident district membership on an open-enrolled pupil's IEP Team in the nonresident district.

Space Determinations

Each year school boards must determine the availability of Open Enrollment space in the schools, programs, classes, or grades within the nonresident school district for the subsequent school year. Under current law, in s. 118.51 (5) (a) 1., Wis. Stats., the nonresident school board shall determine the number of regular education and special education spaces available within the school district "in the January meeting of the school board." The rationale for this provision was to ensure that school boards had established their Open Enrollment spaces prior to the start of the regular Open Enrollment application period which is specified in s. 118.51 (3) (a), Wis. Stats., as "the first Monday in February".

Districts may have more complete enrollment information in January upon which to set Open Enrollment spaces since they will have had access to the 2nd Friday in January count date. However, if a district feels it has sufficient information to make space determinations prior to January, it can be argued that the boards should have the flexibility to do so.

The proposed statutory language change would modify s. 118.51 (5) (a) 1, by replacing the reference to the January meeting of the school board with a reference to "no later than the first Monday in February".

Resident District Transfer Limitations and Racial Balance Criteria

Current law under ss. 118.51 (6) and (7) (a), Wis. Stats., have been made invalid by expiration of time [sub (6)] and by Attorney General Opinion [sub (7) (a)], and thus should be repealed.

Under s. 118.51 (6), Wis. Stats., school boards had the option to limit the number if its resident pupils attending a nonresident district under Open Enrollment. This authority began in the 1998-99 school year and lasted for seven subsequent school years (as specified in the statute), terminating in the 2005-06 school year. School boards are no longer able to restrict participation of their resident pupils in Open Enrollment.

Under s. 118.51 (7) (a), Wis. Stats., districts that were eligible for special transfer aid under Subchapter VI of Chapter 121, Wis. Stats., were able to reject Open Enrollment applications into or out of the district if such an Open Enrollment transfer "would increase the racial imbalance in the school district". In December 2007, the Wisconsin Attorney General issued an opinion stating that s. 118.51 (7) (a), Wis. Stats., "cannot be applied in a manner that is consistent with the equal protection guarantee of the United States Constitution." This opinion was based on precedent set by a U.S. Supreme Court decision, Parents Involved in Community Schools, et al. v. Seattle School District No. 1, et al.

Therefore, subsections 118.51 (6) and (7) (a), Wis. Stats., should be repealed.

Membership on IEP Team

Under current law, if a pupil is attending a nonresident district under the Open Enrollment program, the nonresident school district is the local educational agency (LEA) responsible to provide a free, appropriate public education (FAPE) to children with disabilities attending the school district under Open Enrollment.

When a pupil attending a nonresident school district under the Open Enrollment program is suspected of having a disability, the nonresident school district is also responsible for child find, including special education referral and evaluation. If a special education referral is made, the nonresident school district must conduct an evaluation and convene an IEP team to determine eligibility.

Under current law, s. 115.78 (1m) (h), Wis. Stats., the resident school district must appoint a member to the IEP team. The resident school district representative is required to attend IEP team meetings unless the representative has been excused in writing.

If an IEP is developed or revised for the pupil, the nonresident school district may consider whether it has the special education and related services for the pupil. If not, the nonresident school district may notify the parent and the resident school district that the pupil must return to the resident school district. If the nonresident school district does have the special education and related services, the nonresident school district must offer a placement to the pupil.

Prior to 2015 Act 55 (2015-17 biennial budget), under the Open Enrollment program, a nonresident school district was required to send a cost estimate of any special education and related services for a pupil to the pupil's resident district. Unless the resident district determined the estimated costs would incur an undue financial burden on the district, the nonresident district would bill the resident district for both the regular and special education costs of educating the pupil.

Thus, prior to Act 55 and through the 2015-16 school year, the resident district was financially responsible for the costs of educating a pupil with special education and related services. Therefore, a reasonable argument was made that a representative of the resident district should be required to be a member of the IEP team for the pupil, since the nonresident district would be billing the resident district for incurred costs.

As a result of Act 55, starting with the 2016-17 school year (the February – April 2016 regular application period), nonresident school districts will no longer be required to create and send a cost estimate of the basic Open Enrollment amount plus any actual, additional costs to provide special education and related services required in the pupil's IEP to the resident district. The nonresident district will now have both the educational and financial responsibilities for FAPE.

Act 55 has also created a new transfer amount of $12,000 for open-enrolled pupils with disabilities, as defined by IDEA and s. 115.76 (5), Wis. Stats. The Department will make the aid transfer payments for all open-enrolled pupils with disabilities in the same manner as open-enrolled non-disabled pupils. Resident districts will no longer be able to deny a pupil's open enrollment for undue financial burden.

As a result of 2015 Act 55, there is either no need, or reduced reason, for the resident district to have membership on the pupil's IEP team in the nonresident district, since the resident district no longer has the educational nor financial responsibility for FAPE for the pupil. Upon discussion with the Wisconsin Council of Administrators of Special Services (WCASS) Board regarding this proposed changed, WCASS raised no objections.

Therefore, the language under s. 115.78 (1m) (h), Wis. Stats., should be repealed.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6025)*

Subject: Open Enrollment

Request Date: 10/25/2016

Agency Contact: Carl Bryan, 267-9127

Agency Budget Director: Erin Fath, 266-2804

Brief Description of Intent:

The Department requests modification of the Open Enrollment program to do the following: 1) allow school boards to establish open enrollment space determinations prior to the start of the February regular open enrollment application period; 2) repeal language related to resident district transfer limitations and racial balance criteria; and 3) the deletion of statutory language related to resident district membership on an open enrolled student's Individualized Education Program (IEP) Team in the nonresident district.

Related Stat. Citations:

1) Modify s. 118.51 (5) (a) 1., to state that the nonresident school board shall determine the number of regular education and special education spaces available within the school district no later than the first Monday in February. This effectively replaces the current law requirement that the nonresident school board must make the determination in the January meeting of the school board, except that for the 2011-12 school year the board shall determine the number of regular education and special education spaces available within the school district in the February meeting of the school board.

2) Repeal ss. 118.51 (6) and (7) (a).

Note: Under s. 118.51 (6), school boards had the option to limit the number if its resident pupils attending a nonresident district under open enrollment. This authority began in the 1998-99 school year and lasted for seven subsequent school years, terminating in the 2005-06 school year. School boards are no longer able to restrict participation of their resident students in open enrollment. Additionally, in December 2007, the Wisconsin Attorney General issued an opinion stating that s. 118.51 (7) (a) "cannot be applied in a manner that is consistent with the equal protection guarantee of the United States Constitution." This opinion was based on precedent set by a U.S. Supreme Court decision, Parents Involved in Community Schools, et al. v. Seattle School District No. 1, et al. Therefore, both provisions should be repealed.

3) Repeal s. 115.78 (1m) (h), to remove the requirement that the IEP Team for a pupil who is open enrolled to a non-resident district include a member from the pupil's district of residence.
Note: As a result of 2015 Act 55, there is either no need for the resident district to have membership on the pupil's IEP team in the nonresident district, since the resident district no longer has the educational nor financial responsibility for Free and Appropriate Public Education (FAPE) for the pupil.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6026 – YOUTH OPTIONS – AID FOR TRANSPORTATION

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$20,000**	**$20,000**
Less Base	**$17,400**	**$17,400**
Requested Change	**$2,600**	**$2,600**

Request

The Department requests an increase of $2,600 GPR in FY18 and $2,600 GPR in FY19 to fully fund state aids for youth options transportation under s. 118.55 (7g), Wis. Stats.

Background

The Youth Options program is authorized under s. 118.55, Wis. Stats., 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 payments under s. 118.55 (7g), Wis. Stats., 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 who satisfy the income eligibility criteria for a free or reduced-price lunch under 42 USC 1758 (b) (1).

The current appropriation for Youth Options Transportation Aids is $17,400. Expenditure authority for this aid program was reduced by 10 percent between FY11 and FY12 (from $19,300) as part of budget reductions in the 2011-13 biennial budget. Table 1 (next page) shows the historical funding for Youth Options transportation, from FY10 through the present, as well as the estimated number of claims and projected claim amounts through FY19.

As Table 1 illustrates, claims historically have exceeded expenditure authority; thus, aid payments have been prorated, from 35 to 52 percent. While the total number of approved claims increased steadily between FY10 and FY13 (from 49 to 68), the total aid 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. The number of claims dropped significantly again in FY15, to 25 claims, and just 26 claims were received in FY16. According to program staff, in general, very few claims are denied under this program; thus, the sharp drop in claims from FY13 to FY14, and then FY15, does not appear to be explained by an increase in claim denials; rather, it is more likely that number of claims submitted as decreased.

Table 1. Historical Funding for Youth Options transportation, FY10 to present

Year	Number of Claims Paid	Total Approved Claims Amount	Total Aid Payments (Expend. Authority)	Shortfall	Aid Pro-ration	Average Approved Claims	Average Claim Payment
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	25	$14,690	$17,400	$0	100.0%	$588	$588
FY16	26	$20,954	$17,400	($3,554)	83.0%	$806	$669
FY17 (est.)	27	$19,980	$17,400	($2,175)	88.9%	$740	$644
FY18 (est.)	27	$19,980	$17,400	($2,175)	88.9%	$740	$644
FY19 (est.)	27	$19,980	$17,400	($2,175)	88.9%	$740	$644

Due to the decrease in the dollar amount of approved claims and flat funding for the appropriation, the reimbursement rate increased significantly in FY14, FY15 and FY16, from 40 percent in FY 13, to 79, 100 and 83 percent, respectively. Note that while the total approved claims (dollars) dropped significantly in FY14, due to the lower number of claims, the mean payment per claim increased significantly, to $355 in FY14, $588 in FY15 and $644 in FY16. Thus, the average (mean) payment is now greater it was in FY12.

The 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 a new program created in the 2013-15 biennial budget, which also includes a transportation provision. The Course Options transportation reimbursement is paid from the Open Enrollment transportation appropriation (a separate appropriation from the Youth Options transportation reimbursements). 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 appropriation.

The sharp change in claims in recent biennia makes it difficult to project future claims. However, if the number of claims and claim amounts continue to hold at current levels through the next few years, the total dollar amount of approved claims will exceed the current appropriation, which will force proration of aid payments into the future. The Department projects approved claims at $20,000 annually in FY18 and FY19, and therefore requests $2,600 GPR in both FY18 and FY19 to fully fund projected claims in the Youth Options Transportation Aid program.

Statutory Language

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

SPECIAL EDUCATION

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6031 – SPECIAL EDUCATION CATEGORICAL AID

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$397,600,000**	**$428,700,000**
Less Base	**$368,939,100**	**$368,939,100**
Requested Change	**$28,660,900**	**$59,760,900**

Request

The Department requests $28,660,900 GPR in FY18 and $59,760,900 GPR in FY19 to increase the reimbursement rate for special education expenditures to 28 percent in FY18 and 30 percent in FY19.

Background

Under s. 20.255 (2) (b), the Department reimburses school districts, independent charter schools, Cooperative Educational Service Agencies (CESAs), and County Children with Disabilities Education Boards (CCDEBs) for costs of providing services to pupils with disabilities under ss. 115.88, 115.93, and 118.255, Wis. Stats. This is the primary state categorical aid program for special education, providing support for special education services delivered by school districts, CESAs, and CCDEBs. Current funding in the appropriation is $368,939,100 GPR annually. This appropriation has not increased at the same rate as special education costs or inflation. In fact, the appropriation has been funded at the current level since FY09; FY17 will mark the eighth year for which no increase in funding was provided for special education categorical aid. 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 pupils with disabilities. This critical aid program has widespread statewide impact providing funding for all pupils with disabilities, approximately 14 percent of Wisconsin pupils, providing equal benefit across all school districts.

Certain trends are evident when reviewing the special education categorical aid program (information below can be found in Appendix A):

- The number of pupils enrolled in special education services in Wisconsin public schools began consistently declining in FY07.

- Special education costs are increasing on a year-to-year basis; albeit at a slower rate in recent years.

In reviewing the changes in special education costs per pupil over multiple years relative to inflation and relative to actual state aid payments per pupil:

- Over the past 30- and 20-year periods, 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 ($5,200 and $3,000 per pupil, respectively) during these periods (see Table 1).

- Over the past 10 years, the average special education cost per pupil increased faster than inflation, and state aid payments tracked similar to inflation. Even though the downturn in the reimbursement rate slowed compared to previous decades, local school district costs still increased by $1,100 per pupil (see Table 1).

Table 1. Change in Special Education Cost per Pupil

Time Frame	Change in Special Education Cost per Pupil Beyond Inflation	Change in State Aid per Pupil Beyond Inflation	Change in School District Cost per Pupil Beyond Inflation
FY87 to present (30 years)	$4,072	($1,168)	$5,240
FY97 to present (20 years)	$2,434	($544)	$2,988
FY07 to present (10 years)	$1,233	$94	$1,139

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 fewer identifications.

Wisconsin, like the nation, has experienced an increase in identification of pupils with autism and disabilities categorized as Other Health Impairment. The continued increasing costs of special education can be attributed to the more complex needs of higher cost pupils with disabilities

Special education expenditures that are not reimbursed by the state or federal special education categorical aid programs 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 pupils and districts are not fungible (interchangeable) and takes into account the needs of pupils with disabilities.

Decreasing Reimbursement Rates under State Aid

The state level of reimbursement fell below 30 percent of aidable costs starting in FY05 and is projected to fall below 26 percent in FY18 without additional state funding (see Appendix A for reimbursement rates since FY76). The Department estimates that increasing the appropriation for special education categorical aid by $28,660,900 GPR in FY18 and $59,760,900 GPR in FY19 will increase the reimbursement rates to 28 percent for FY18 and 30 percent for FY19.

Table 2. Reimbursements Rates – Current Law and Targeted Levels

Aid Year	Estimated Prior Year Aidable Costs (PYAC)	Number of Special Education Pupils*	Average PYAC per Pupil	Chapter 20 Appropriation	Estimated State Reimbursement Rate	State Average Paid per Pupil	New GPR per Pupil
FY16	$1,391,199,161	118,923	$11,698	$368,939,100	26.52%	$3,102	
FY17	$1,410,831,677	118,209	$11,935	$368,939,100	26.15%	$3,121	
FY18 (est)	$1,419,896,300	117,500	$12,084	$368,939,100	25.98%	$3,140	
FY19 (est)	$1,429,019,100	116,795	$12,235	$368,939,100	25.82%	$3,159	
Target Reimbursement Rates							
FY18	$1,419,896,300	117,500	$12,084	**$397,571,000**	**28.00%**	$3,384	$263
FY19	$1,429,019,100	116,795	$12,235	**$428,705,700**	**30.00%**	$3,671	$550

*Note: *2015-16 numbers and 2016-17 PYAC are actuals. Other values are estimates based on 1.25 percent annual growth in PYAC and 0.60 percent annual decline in number of special education pupils.*

Table 3. Requested Increase to Reach Targeted Reimbursement Rates

	FY18	FY19
Appropriation at Targeted Reimbursement Rates	$397,571,000	$428,705,700
Rounded ($100,000)	**$397,600,000**	**$428,700,000**
FY17 Base Appropriation	$368,939,100	$368,939,100
Request	**$28,660,900**	**$59,760,900**

Therefore, the Department requests $28,660,900 GPR in FY18 and $59,760,900 GPR in FY19 for the special education categorical aid appropriation.

Program Language Changes

The Department requests changes to s. 115.88, *State Aid*, under sub chapter V, *Children with Disabilities*, to created consistency within the statutes among all entities that are eligible to claim state special education aid, with respect to the references to allowable expenditures for reimbursement under the special education state categorical aid program.

Specifically, the proposed changes would address what is believed to have been a drafting error when contracted services were added as an allowable (reimbursable) special education cost under 2011 Act 105. The problem is that the references to those services were not added to the portion of the statutory language that speaks to reimbursements for special education expenditures incurred by **independent charter schools**. The Department, through discussion with the bill's authors and other stakeholders, understood this to be an oversight and has administered the aid program as though the language on contracted services had been added for independent charter schools.

There is a similar difference in the transportation language, wherein eligible transportation is limited to "special assistance" for school districts, CESAs, and CCDEBs, but not for independent charter schools. Again, the Department administers the aid program as though the language were consistent.

In addition, the proposed statutory language changes address a few other technical issues:

- The current language does not explicitly incorporate the list of personnel for non-instrumentality charter schools.
- Only school districts submit a special education plan to the Department under s. 115.77 (4), Wis. Stats.
- The correct, current reference for the Individuals with Disabilities Education Act is 20 USC 1400-1482.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6031*)

Subject:	Special Education State Categorical Aid
Request Date:	10/21/2016
Agency Contact:	Erin Fath, 266-2804
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests changes to s. 115.88, State aid, under sub chapter V, children with disabilities.

Related Stat. Citations:

Recreate the changes included in the LRB draft LRB−3994/P2, which had been drafted as a potential remedial legislation for the Department during the 2015-16 Legislative Session.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6032 – HIGH-COST SPECIAL EDUCATION CATEGORICAL AID

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$10,500,000**	**$10,700,000**
Less Base	**$8,500,000**	**$8,500,000**
Requested Change	**$2,000,000**	**$2,200,000**

Request

The Department requests $2,000,000 GPR in FY18 and $2,200,000 GPR in FY19 to fully fund projected claims under the high-cost special education categorical aid program. The Department also requests modifying the program to allow for reimbursement of 100 percent of eligible prior year costs above the $30,000 per pupil high-cost threshold.

The Department will continue 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 $2,254,100 in FY18 and FY19.

Background

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).

The tables referred to below are included in the Appendix, and illustrate the history of and trends within the special education high-cost categorical aid program:

- The number of pupils enrolled in special education services in Wisconsin public schools began to decline consistently 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. However, the average aid paid per claim per pupil has lagged behind inflation by almost $2,700 (Table 4).
- The state reimbursement rate has fallen from 48 percent, when the state first funded the appropriation in FY07, to 28 percent in FY15 (Table 1).
- For the 2017-19 biennium, the Department is projecting a one percent growth in prior year aidable costs based on trends. This projection is in line with expected inflation over the 2017-19 biennium.

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 program is authorized under s. 115.881. The Department has also allocated a portion of its IDEA discretionary funds since FY04 to continue its commitment under the "Keeping the Promise" initiative to support pupils with severe or multiple disabilities. This high costs special education aid program is intended to assist school boards, Cooperative Educational Service Agencies (CESAs), County Children with Disabilities Education Boards (CCDEBs), and independent 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 70 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; that is, under current law, just 70 percent of eligible costs above $30,000 per pupil are actually aidable (reimbursable) under the high cost special education program. (Prior to FY16, the level for aidable costs was 90 percent of eligible costs above $30,000.)

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.

Legislative History

In its 2015-17 biennial budget request, the Department requested additional funding to fully fund 100 percent of eligible costs over $30,000 per pupil. At that time, just 90 percent of eligible costs were eligible to be aided under the program. Under 2015 Act 55, additional funding was provided for the aid program ($5,000,000 GPR beginning in FY17); however, the level of prior year eligible costs that could be aided was reduced, from 90 percent to 70 percent, beginning in FY17. Thus, while additional funding was provided, now a smaller portion of eligible costs are eligible to be aided by the state.

The 2015-17 request for high-cost special education aid was part of the Department's larger initiative around supporting pupils with disabilities, and in particular, to expand access to open enrollment for pupils with disabilities, in recognition of the fact that pupils with disabilities were being denied access to open enrollment placements at a higher rate than pupils without disabilities. The potential high costs associated with providing appropriate services to some pupils with disabilities was cited as a major factor in the disparate open enrollment acceptance rates.

A central piece of the Department's 2015-17 Special Education budget initiative was the Department's proposal to modify the open enrollment program for pupils with a disability for whom an Individualized Education Program (IEP) was in place, in three very important ways: 1) a school district of residence could no longer deny an open enrollment request for a pupil with an IEP on the basis of undue financial burden; 2) the full-time open enrollment transfer payment for an open enrolled pupil with an IEP was set at $12,000, to reflect the estimated "regular education" costs for the pupil; and 3) the district that the pupil with an IEP attended under open enrollment would now retain all special education state categorical aid claimed on behalf of the pupil, rather than transiting that state aid back to the district of residence. As part of the larger initiative, the Department had also requested increases in funding for the special education categorical aid program and the high-cost special education aid program, as a means of more fully supporting the costs of providing services to pupils with disabilities.

While the Department's proposal around special education open enrollment was not included in the Governor's 2015-17 budget proposal, the changes were included in the budget as adopted by the Legislature and signed into law by the Governor, under 201 Act 55. The Department's requests for increased funding for the special education categorical aid programs was denied in full; and the Department's request to increase funding for the high-cost special education to fully fund claims at 100 percent of prior year eligible cost was approved in part (as described above). Thus, the Department again requests the funding necessary to fully fund the high-cost special education aid program, to support the larger initiative around ensuring equal access to open enrollment for pupils with disabilities.

The Department, therefore, requests increasing the expenditure authority for the high-cost special education categorical aid by $2,000,000 GPR in FY18 and $2,200,000 GPR in FY19, to allow for reimbursement of all claims for aid, assuming 100 percent of all prior year costs above $30,000 per pupil are aidable under the program.

Note that while the total biennial cost of this request is $4,200,000 GPR, the additional cost to the state is offset by the Department's request to decrease funding for the supplemental special education aid program, by $1,750,000 GPR in FY19. Thus, the net cost of these two requests together is just $2,450,000 GPR over the biennium.

Aid Year	No. Claims	Estimated PYAC	Avg. PYAC Percent Change *	Avg. Paid to Resident District per Claim	High-Cost Special Education Aid Appropriation	Federal Assistance	Target Overall Reimburse-ment Rate	New GPR Required **
FY18	951	$12,770,100	1.0%	$13,428	$8,500,000	$2,254,100	100.0%	**$2,016,000**
FY19	951	$12,289,700	1.0%	$13,562	$8,500,000	$2,254,100	100.0%	**$2,143,600**

**Estimate based on projected growth rate in average PYAC claims of 1 percent annually and 0 percent growth in the number of claims.*

***The Department proposes rounding the target appropriation to the nearest $100,000, such that the requested increased will be $2,000,000 GPR in FY18 and $2,200,000 GPR in FY19.*

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 (PYAC) as 90 percent of eligible costs (70 percent in 2015-16).

Table 1. Current Law with PYAC=90% of Eligible Costs (70% in 2015-16)

Aid Year	Number Resident District LEAs	Number Fiscal Agent LEAs	Number Pupil Claims	Eligible Costs	PYAC = 90% Eligible Costs (70% in 2015-16)	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	$2,185,300	31.5%	19.7%	51.2%
2014-15	173	143	1052	$13,781,000	$12,402,900	11.60%	$11,790	$5,447	$3,500,000	$2,232,600	28.2%	18.0%	46.2%
2015-16	168	163	951	$12,643,700	$8,850,600	-28.60%	$9,307	$6,049	$3,500,000	$2,254,100	39.5%	25.5%	65.0%

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 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

Aid Year	Child Count (CC)	Parentally Placed Private (PPP)	CC Minus PPP	1 Year % Change CC Minus PPP
2005-06	129,873	1,583	128,290	0.47%
2006-07	128,526	1,706	126,820	-1.15%
2007-08	126,496	1,976	124,520	-1.81%
2008-09	125,304	1,570	123,734	-0.63%
2009-10	125,301	1,889	123,412	-0.26%
2010-11	124,722	1,959	122,763	-0.53%
2011-12	123,825	1,944	121,881	-0.72%
2012-13	123,287	1,909	121,378	-0.41%
2013-14	122,654	1,956	120,698	-0.56%
2014-15	120,434	1,833	118,601	-1.74%
2015-16	120,864	1,941	118,923	0.27%

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

Table 3 shows a marginal increase in the three-year average number of claims and a slight decrease in the five-year average number of claims. The Department is projecting no growth in the number of high-cost pupil claims over the 2017-19 biennium.

Table 3

Aid Year	Number Resident District LEAs	Number Fiscal Agent LEAs	Number Pupil Claims	1-Year % Change in Number Claims	3-Year % Change in Number Claims	5-Year % Change in Number Claims	3-Year Average Number Claims	5-Year Average Number Claims
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%	NA	NA	511	NA
2006-07	150	126	713	16.31%	83.29%	NA	619	NA
2007-08	158	128	806	13.04%	51.79%	NA	711	610
2008-09	146	119	878	8.93%	43.23%	125.71%	799	708
2009-10	168	144	1008	14.81%	41.37%	89.83%	897	804
2010-11	159	134	972	-3.57%	20.60%	58.56%	953	875
2011-12	146	129	994	2.26%	13.21%	39.41%	991	932
2012-13	156	132	882	-11.27%	-12.50%	9.43%	949	947
2013-14	154	133	946	7.26%	-2.67%	7.74%	941	960
2014-15	173	143	1052	11.21%	5.84%	4.37%	960	969
2015-16	168	163	951	-9.60%	7.82%	-2.16%	983	965

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 that over the past ten 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 but that the average aid paid per claim per pupil has lagged behind inflation by almost $2,700.

Note: had 90 percent of eligible costs been reimbursable in 2015-16 instead of 70 percent, the average PYAC per claim would have been approximately $11,966.

Table 4

	Actual Dollars		2006-07 Adjusted for Inflation (10 years)	
Aid Year	Average PYAC per Claim	Average Paid to Resident District LEA per Claim	Average PYAC per Claim	Average Paid to Resident District LEA per Claim
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	$11,740	$8,652
2014-15	$11,790	$5,447	$11,676	$8,605
2015-16	$9,307	$6,049	$11,827	$8,716

Appendix

The table below shows the history of the number of number special education pupils (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.

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 has remained relatively constant over the past few years but is higher than a decade ago.

Aid Year	Child Count (CC)	Parentally Placed Private (PPP)	CC Minus PPP	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	$661,268,995	5.78%	$275,548,700	$275,548,700	41.67%
1996-1997	110,336	1,115	109,221	$698,164,312	5.58%	$275,548,700	$275,548,700	39.47%
1997-1998	113,586	1,097	112,489	$747,324,650	7.04%	$275,548,700	$275,548,700	36.87%
1998-1999	116,237	1,077	115,160	$799,556,093	6.99%	$275,548,700	$275,548,700	34.46%
1999-2000	121,123	1,269	119,854	$839,923,150	5.05%	$288,048,700	$288,048,700	34.29%
2000-2001	125,267	1,416	123,851	$880,915,596	4.88%	$315,681,400	$315,681,400	35.84%
2001-2002	126,852	1,389	125,463	$936,787,956	6.34%	$315,681,400	$315,681,400	33.70%
2002-2003	126,879	1,560	125,319	$989,101,487	5.58%	$315,681,400	$315,681,400	31.92%
2003-2004	127,779	1,340	126,439	$1,037,592,026	4.90%	$316,466,900	$316,466,900	30.50%
2004-2005	129,070	1,386	127,684	$1,069,514,911	3.08%	$320,771,600	$320,771,600	29.99%
2005-2006	129,873	1,583	128,290	$1,110,784,291	3.86%	$320,771,600	$320,771,600	28.88%
2006-2007	128,526	1,706	126,820	$1,157,850,871	4.24%	$332,771,600	$332,771,600	28.74%
2007-2008	126,496	1,976	124,520	$1,213,607,540	4.82%	$350,192,500	$350,192,500	28.86%
2008-2009	125,304	1,570	123,734	$1,285,385,255	5.91%	$368,939,100	$368,939,100	28.70%
2009-2010	125,301	1,889	123,412	$1,322,974,688	2.92%	$368,939,100	$368,939,100	27.89%
2010-2011	124,722	1,959	122,763	$1,312,271,260	-0.81%	$368,939,100	$368,939,100	28.11%
2011-2012	123,825	1,944	121,881	$1,385,983,348	5.62%	$368,939,100	$368,939,100	26.62%
2012-2013	123,287	1,909	121,378	$1,343,053,653	-3.10%	$368,939,100	$368,939,100	27.47%
2013-2014	122,654	1,956	120,698	$1,359,647,100	1.24%	$368,939,100	$368,939,100	27.13%
2014-2015	120,434	1,833	118,601	$1,375,594,466	1.17%	$368,939,100	$368,939,100	26.82%
2015-2016	120,864	1,941	118,923	$1,391,199,161	1.13%	$368,939,100	$368,939,100	26.52%

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

The Department is projecting a 0.60 percent annual decrease in the total number of special education pupils over the biennium, and a 1.25 percent annual growth rate in prior year aidable costs over the biennium. This projection is in line with expected inflation.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6032*)

Subject: High Cost Special Education Aid

Request Date: October 28, 2016

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).

Related Stat. Citations:

The Department is requesting the following change: remove "0.70 multiplied by that portion of" in s. 115.881 (2).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6033 – SUPPLEMENTAL SPECIAL EDUCATION CATEGORICAL AID

253 – Supplemental special education aid
s. 20.255 (2) (be)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$1,750,000**	**$0**
Less Base	**$1,750,000**	**$1,750,000**
Requested Change	**$0**	**($1,750,000)**

Request

The Department requests a decrease to expenditure authority in the appropriation under s. 20.255 (2) (be), *Supplemental special education aid*, by $1,750,000 GPR in FY19 and redirect the expenditure authority into to the appropriation under s. 20.255 (2) (bd), *Additional special education aid*, (the "high-cost" special education aid program), beginning in FY19; also, repeal the supplemental special education categorical aid program, beginning in FY19.

Background

The Department is requesting to redirect $1,750,000 GPR from the supplemental special education categorical aid program to the state's high-cost special education aid program, in order to utilize existing resources to more effectively support school districts in the provision of services to pupils with special needs.

The supplemental special education categorical aid program was created under 2007 Act 20, (the 2007-09 biennial budget), to provide aid to small school districts with relatively higher special education costs and less ability to raise revenues. Established under Act 20, to begin in FY09, supplemental special education aid is defined under s. 115.883, Wis. Stats., and is funded from the appropriation under s. 20.255 (2) (be), Wis. Stats.

The three criteria defined in statute are evaluated using prior year data (e.g. FY15 data is used to determine eligibility and aid payment amount for FY16 supplemental special education aid). The three criteria are as follows: (a) per pupil revenue limit authority in the prior year was below the statewide average; (b) special education expenditures as a percentage of total district expenditures were above 16.0 percent in the prior year; and (c) membership in the prior year was less than 2,000 pupils.

Under s.115.883, aid must be distributed proportionally to eligible school districts based on their special education costs. However, the statute also specifies a minimum payment of $50,000, and a maximum payment equal to the lesser of $150,000 or 50 percent of the school district's special education expenditures.

Under current state law, school districts cannot receive both supplemental special education aid and additional "high-cost" special education aid under s. 115.881 in a given year, regardless of eligibility. According 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 Individuals with Disabilities Education Act (IDEA). The federal Office of Special Education Programs (OSEP) could object to any prohibition of an eligible LEA from accepting high-cost aid. See discussion points later in this paper for suggestion on how to address this issue.

Supplemental special education aid is paid the third Monday of June and is based on audited prior school year comparative cost data (available in April). Aid payments are prorated if total special education costs exceed the appropriation. School districts are told around May 1st if they are eligible for the aid program and the payment amount. This timing leaves school districts just two months to manage the effect of supplemental aid on Maintenance of Effort (MOE) within their school district budgets. Eligible school districts are not required to accept the aid.

The current supplemental special education aid program presents a number of challenges to school districts.

- First, due to complex and unfamiliar cost calculations used for eligibility, school districts find it difficult to predict their eligibility for this particular aid program.
- Second, the timing of the aid payment, combined with difficulty of school districts projecting eligibility, has an impact on the school district's ability to manage MOE. Unstable MOE is a serious issue for LEAs that can result in a loss of federal aid.
- Third, eligibility is negatively impacted when a district experiences a relative increase in its non-instructional costs, such as large purchases (e.g., equipment) or construction costs.
- Fourth, the aid payment is affected by the eligibility numbers of other school districts and can vary substantially for a school district from year to year.
- Finally, by design, the formula for this aid program may increase the aid amount to a district above the district's prorated aid eligibility amount as initially calculated (if aid eligibility is less than $50,000). The existence of a minimum and maximum aid payment within the formula, and the requirement to expend the appropriation as fully as possible, disproportionately benefits some districts and disadvantages others.

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

Table 1

School Year	Funds Appropriated	Total Aid Paid	Number Districts Receiving Aid	Lowest Aid Amount Received	Highest Aid Amount Received	Median Aid Amount Received	Average Aid Amount Received
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	$59,800	$67,271
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
2014-15	$1,750,000	$1,750,000	12	$100,000	$150,000	$150,000	$145,833
2015-16	$1,750,000	$1,050,000	7	$150,000	$150,000	$150,000	$150,000

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	2014-15	2015-16	# 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	$150,000	$150,000	8	$1,107,595	$138,449	1,877	K-12
Hartford J1	$87,500	$150,000	$112,536	$150,000	$150,000	$150,000	$150,000		7	$950,036	$135,719	1,971	K-8
Two Rivers Public	$87,500	$150,000	$109,302	$150,000	$150,000		$150,000	$150,000	7	$946,802	$135,257	1,805	K-12
Crandon		$80,920	$59,800	$129,222	$150,000	$150,000	$150,000		6	$719,941	$119,990	931	K-12
North Fond du Lac			$69,530	$150,000	$150,000	$150,000	$150,000	$150,000	6	$819,530	$136,588	1,248	K-12
Oconto Unified			$68,536	$148,250	$150,000	$150,000	$100,000	$150,000	6	$766,786	$127,798	1,828	K-12
Mayville	$87,500	$91,708	$65,831	$142,766	$150,000				5	$537,806	$107,561	1,208	K-12
Woodruff J1	$87,500	$60,484	$50,000			$150,000	$150,000		5	$497,984	$99,597	448	K-8
Bristol #1		$50,000	$50,000	$78,475	$102,740				4	$281,215	$70,304	633	K-8
Clintonville	$87,500	$134,485	$95,185		$150,000				4	$467,170	$116,792	1,416	K-12
Gillett			$50,000	$90,505	$138,642	$150,000			4	$429,147	$107,287	613	K-12
Fennimore Community					$122,275	$150,000	$150,000	$150,000	4	$572,275	$143,069	764	K-12
Bloomer	$87,500	$96,787	$65,161						3	$249,448	$83,149	1,215	K-12
Cornell	$87,500	$59,344	$50,000						3	$196,844	$65,615	433	K-12
Horicon	$87,500	$87,243	$55,347						3	$230,090	$76,697	852	K-12
Neillsville	$87,500	$95,502	$65,754						3	$248,756	$82,919	1,012	K-12
Stanley-Boyd Area	$87,500	$81,491	$54,514						3	$223,505	$74,502	1,019	K-12
Thorp	$87,500	$50,000	$50,000						3	$187,500	$62,500	561	K-12
Boscobel Area					$129,412	$150,000			2	$279,412	$139,706	829	K-12
Cameron		$61,732		$106,907					2	$168,639	$84,319	891	K-12
Grantsburg			$56,115	$129,774					2	$185,889	$92,944	871	K-12
Mineral Point Unified	$87,500	$65,194							2	$152,694	$76,347	741	K-12
Mondovi	$87,500	$100,507							2	$188,007	$94,004	958	K-12
Neosho J3		$50,000		$50,000					2	$100,000	$50,000	212	K-8
Northern Ozaukee			$62,733	$124,101					2	$186,834	$93,417	842	K-12
Richland				$150,000		$150,000			2	$300,000	$150,000	1,402	K-12
Salem		$84,603	$60,459						2	$145,062	$72,531	1,096	K-8
Prairie du Chien Area							$150,000	$150,000	2	$300,000	$150,000	338	K-12
Weyauwega-Fremont							$150,000	$150,000	2	$300,000	$150,000	888	K-12
Algoma	$87,500								1	$87,500	$87,500	689	K-12
Cadott Community	$87,500								1	$87,500	$87,500	879	K-12
Columbus						$150,000			1	$150,000	$150,000	1,208	K-12
Gilman	$87,500								1	$87,500	$87,500	412	K-12
Lake Mills Area	$87,500								1	$87,500	$87,500	1,500	K-12
Lena			$50,000						1	$50,000	$50,000	416	K-12
Loyal		$50,000							1	$50,000	$50,000	568	K-12
Luxemburg-Casco			$97,632						1	$97,632	$97,632	1,892	K-12
North Lake					$56,932				1	$56,932	$56,932	350	K-8
Peshtigo			$58,149						1	$58,149	$58,149	1,162	K-12
Pittsville	$87,500								1	$87,500	$87,500	610	K-12
Random Lake			$55,107						1	$55,107	$55,107	951	K-12
Southwestern Wisconsin			$50,000						1	$50,000	$50,000	580	K-12
Sturgeon Bay	$87,500								1	$87,500	$87,500	1,107	K-12
Viroqua Area			$68,214						1	$68,214	$68,214	1,141	K-12
Saint Francis							$150,000		1	$150,000	$150,000	873	K-12
River Valley							$150,000		1	$150,000	$150,000	1,351	K-12
Number Districts Paid	**20**	**20**	**26**	**14**	**13**	**11**	**12**	**7**					
Average Aid Payment Per District	**$87,500**	**$87,500**	**$67,308**	**$125,000**	**$134,615**	**$150,000**	**$145,833**	**$150,000**					
Median Aid Payment Per District	**$87,500**	**$83,047**	**$60,129**	**$136,270**	**$150,000**	**$150,000**	**$150,000**	**$150,000**					
Total Paid	**$1,750,000**	**$1,750,000**	**$1,750,000**	**$1,750,000**	**$1,750,000**	**$1,650,000**	**$1,750,000**	**$1,050,000**					
Average per District Prior Year Special Education Costs	**$2,273,900**	**$2,154,442**	**$2,263,252**	**$2,454,903**	**$2,340,349**	**$2,289,300**	**$2,537,742**	**$2,704,411**					
Total All Districts Prior Year Special Education Total Costs	**$45,477,996**	**$43,088,835**	**$58,844,552**	**$34,368,646**	**$30,424,535**	**$25,182,297**	**$30,452,906**	**$18,930,880**					
Average Proration Rate	**3.85%**	**4.06%**	**2.97%**	**5.09%**	**5.75%**	**6.55%**	**5.75%**	**5.55%**					

Conflict with IDEA

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 OSEP could object to any prohibition of an eligible LEA from accepting high-cost aid.

Repurposing Funding to the High-Cost Special Education Aid Program

The Department is requesting the $1,750,000 GPR that is currently appropriated for the special education supplemental aid be repurposed (added) to the state's high-cost special education categorical aid program, authorized under s. 115.881, Wis. Stats., 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. High-cost special education aid may be claim by school districts, independent charter schools, Cooperative Educational Service Agency (CESAs), and County Children with Disabilities Education Boards (CCDEBs). The Department's position is that the high-cost special education aid program is a more effective mechanism for providing state support for pupils with disabilities. The Department is requesting an increase in the appropriation for the high-cost special education aid program, as well (see separate DIN); the repurposing of $1,750,000 GPR from the supplemental special education aid program offsets the costs of that request.

The Department proposes to repurpose the current funding for the supplemental special education aid program, rather than simply eliminate it, so that the State of Wisconsin does not fail to maintain state financial support (state MOE) under 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 Department, therefore, requests decreasing expenditure authority in the appropriation under s. 20.255 (2) (be), Wis. Stats., by $1,750,000 GPR in FY19. The repurposed $1,750,000 GPR in the appropriation under s. 20.255 (2) (bd) is reflected in the Department's request for increased funding for the high-cost special education aid program (DIN 6032).

Statutory Language

The Department is proposing statutory language for this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6033*)

Subject: Supplemental Special Education Aid

Request Date: October 28, 2016

Agency Contact: Erin Fath, 266-2804

Brief Description of Intent:

The Department requests the removal of all statutory language for the supplemental special education aid program, effective FY19.

Related Stat. Citations:

The Department is requesting the following be repealed effective FY19:

i. s. 115.883, Supplemental special education aid.

ii. s. 115.881 (4).

iii. Appropriation in s. 20.255 (2) (be).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6034 – SPECIAL EDUCATION TRANSITIONS INCENTIVE GRANT

256– Aid for special education transitions
s. 20.255 (2) (bf)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$2,700,000**	**$3,600,000**
Less Base	**$100,000**	**$100,000**
Requested Change	**$2,600,000**	**$3,500,000**

Request

The Department requests $2,600,000 GPR in FY18 and $3,500,000 GPR in FY19 to fully fund the Transition Incentive Grant program, which provides payment to school districts based on postsecondary education and employment outcomes for pupils with disabilities.

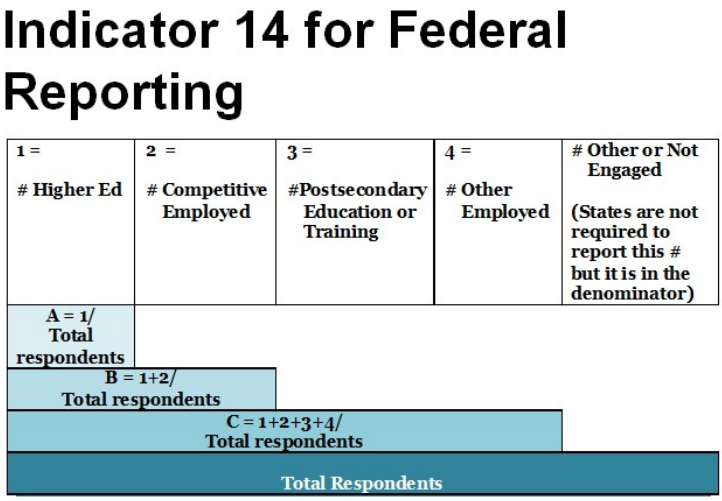
Problem

Too few of Wisconsin's special education pupils are successfully transitioning to competitive work and postsecondary education after completing high school, according to the outcomes data reported under the Wisconsin Post-School Outcomes (WiPSO) survey, which school districts conduct as a requirement under the federal Individuals with Disabilities Education Act (IDEA) Specifically, the WiPSO survey collects data on the federal "Indicator 14" outcomes to asses postsecondary outcomes for individuals with disabilities who had been enrolled in, and completed high school, in the school district. The Indicator 14 data collection is required 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 reported having met one of the following outcomes:

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 postsecondary education or training; or competitively employed or in some other employment within one year of leaving high school.



School districts can use the Indicator 14 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.

Background

Under current law, districts are eligible to receive incentive grant payments, based on reported Indicator 14 outcomes, for any year in which they conduct the PSO survey and report data. School districts are required to spend the grant awards on special education services. All Wisconsin school districts and Independent Charter Schools (under s.118.40 (2r), Wis. Stats.) that serve pupils in the high school grades are eligible for the incentive awards; there is no application process. This grant program was created under 2015 Act 55 (the 2015-17 biennial budget) as the Transition Incentive Grant program, under s. 115.884, Wis. Stats, with $100,000 GPR appropriated under s. 20.255 (2)(bf), *Aid for special education transition grants.*

To the extent that the surveyed individuals report the following outcomes, the school district is eligible for a grant in an amount equal to $1,000 per qualified response (prorated as necessary, as the appropriation is sum-certain). The eligible outcomes include: 1) enrollment in higher education; 2) participation in competitive employment; and 3) enrollment in other postsecondary education or training. All outcomes must be achieved within one year of leaving high school (see Appendix).

All school districts and independent charter schools that operate high schools are required to conduct the WiPSO survey with the Indicator 14 related questions at least once every five years, with the exception of the Milwaukee Public Schools (MPS) District, which is required to conduct the survey each year. School districts (other than MPS) may conduct this survey in their off-cycle years at their discretion. The Transition Incentives Grant program was designed to motivate school districts to conduct the surveys more frequently, using the grant payments as incentive, with the goal of having district collect data more frequently in order to gather continual feedback that would be used to improve their own special education transition services programming. While the incentive grants provide some financial support to allow school districts to make improvements to programming, the Department is also proposing a second pillar to the initiative to improve transition services to pupils with disabilities, as described in the Departments request under DIN 6035 (Special Education Transition Readiness Investment Grant).

This incentive-based grant program is a win for Wisconsin pupils, for schools, and for industry. The program incentivizes school districts to better prepare more pupils with disabilities for higher education and workforce opportunities paying at or above minimum wage. Moreover, 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 pupils with disabilities, graduate ready for college or a career.

For grant payments in FY17, the Department has determined that there were approximately 1,650 qualified responses to the Wisconsin PSO survey. With base funding of only $100,000 available, though, school districts will receive a prorated grant payment of $60 per qualified response, far below the proposed incentive payment of $1,000.

Proposal

The Department requests increases to the appropriation for the Transition Incentive Grant program to fully fund the grant program, at $1,000 per qualified response, based on the Department's projections for survey participation and qualified responses. Without an increase to the appropriation, school districts will receive grants in amounts that are simply insufficient to have any meaningful impact on the district's programming for postsecondary transitions service for pupil with disabilities. To make this program meaningful to the school district, the payment must be substantial enough to both bolster school districts' resources for special education transition services and make it worth the school district's time to conduct the survey in the off-cycle years.

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

- Purchasing a van for transporting pupils with disabilities to jobs.
- Paying for job coaches to work with pupils at job sites outside standard school hours (e.g., nights, weekends, summer).
- Creating and running businesses within schools (e.g., school store, T-shirt sales, concessions at sporting events, etc.) to train and employ pupils with disabilities.
- Adding additional teachers and paraprofessionals in classrooms to improve transition and secondary outcomes for pupils with disabilities.
- Offering additional resources for college prep and Advanced Placement (AP) courses for pupils with disabilities (e.g., specific study hall sections for college prep and AP classes with an additional teacher in classroom).
- Creating and offering ACT study/prep sessions specifically for pupils with disabilities.
- Conducting data workshops to review outcomes and trends for pupils with disabilities to develop and implement special education program improvements.

The Department estimates program costs of $2,700,000 in FY18 and $3,600,000 in FY19 as follows:

- School districts and Independent Charter Schools survey their former pupils annually.
- The number of former pupils surveyed is based on the average child count numbers for pupils with disabilities in special education who are projected to graduate in the 2015-16 and 2016-17 school years.
- A 52 percent survey response rate in FY18, increasing to 60 percent in FY19, based on upward trends over the last two years.
- Approximately 65 percent of responses are qualified (the individual responds that they are enrolled in higher education, competitive employment, or other education or training) in FY18, rising to 75 percent in FY19.
- Incentive payment amount is $1,000 per qualified response.

Estimated Survey Responses and Program Costs	FY18	FY19
Individuals (former pupils with disabilities) who will be surveyed in summer / fall of 2017 and 2018 (based on child count numbers, surveyed one year after completion of high school)	8,000	8,000
Multiply by survey response rate (52% in FY18; 60% in FY19)	4,160	4,800
Multiply by meeting eligibility criteria (65% in FY18; 75% in FY19)	2,700	3,600
Per pupil incentive payment amount	$1,000	
Multiply by per pupil incentive payment	**$2,700,000**	**$3,600,000**
FY17 Base Appropriation	$100,000	$100,000
Requested Change to Base	**$2,600,000**	**$3,500,000**

Program Language Changes

The Department requests two changes to the existing statutory language under s. 115.884 to clarify the program:

First, a reference to Independent Charter Schools authorized under s. 118.40 (2x) should be added to the statute. Currently, the program refers to just those Independent Charter Schools authorized under s. 118.40 (2r). While there are no Independent Charter Schools that were authorized under s. 118.40 (2x) at this time, if authorized, these "2x" Independent Charter Schools could have pupils with disabilities and as such, should be eligible for the Transition Incentive Grant program. The Department believes that the exclusion of the reference to s.118.40 (2x) was an oversight.

Second, the Department requests that the statutory language under s. 115.884 (1) (a) be modified so as to remove references to specific school years and instead, use language that clarifies the timeline for the grant program. For example: aid provided in a given state fiscal is based on the responses to the WiPSO survey that was conducted in the summer and fall of that fiscal year. The survey is conducted one year after the pupil with a disability exits high school.

Pupil completes/exits high school:	2016-17 School Year	2017-18 School Year
Former pupil is surveyed:	Summer/Fall 2018	Summer/Fall 2019
Survey responses are used to determine grant payments made in:	FY18	FY19

Statutory Language

The Department is proposing statutory language for this request.

APPENDIX

Indicator 14 – Background

Indicator 14 data collection is required per federal law under IDEA. Indicator 14 is a 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 postsecondary education or training; or competitively employed or in some other employment within one year of leaving high school.

One year after leaving high school, school districts attempt to contact pupils who were receiving special education services at the time of graduation, to have the former pupils respond to the survey, which includes 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 individual 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 individual 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.
- Postsecondary education or training means that the individual 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 individual 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 Indictor 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, 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.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6034*)

Subject: Aid for Special Education Transitions

Request Date: October 28, 2016

Agency Contact: Erin Fath, 266-2804

Brief Description of Intent:

This change is meant to clarify that Independent Charters, as classified under 118.40 "2r" or "2x", are eligible to receive incentive awards.

Related Stat. Citations:

The Department is requesting the following:

Modify s. 115.884 (1) and (2) to read "established under s. 118.40 (2r) or (2x)".

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6035 – SPECIAL EDUCATION TRANSITION READINESS INVESTMENT GRANT

257– Transition Readiness Investment Grant
s. 20.255 (2) (bg)

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$0	$1,500,000
Less Base	$0	$0
Requested Change	$0	$1,500,000

Request

The Department requests $1,500,000 GPR in FY19 to establish a new grant program that would expand the capacity of school districts to provide transition services for pupils with disabilities. This initiative will focus on supporting school districts in their efforts to identify and create competitive work opportunities for pupils with disabilities who are not currently not served by existing programs and successfully placing those pupils in meaningful work opportunities.

Problem

As discussed in the Department's request for the Transition Incentive Grant (TIG) Program (see DIN 6034), too few of Wisconsin's special education pupils are successfully transitioning to competitive work and/or postsecondary education after completing high school. Other Wisconsin programs (e.g., the Department of Workforce Development (DWD) Division of Vocational Rehabilitation (DVR) PROMISE, Youth On-the-Job Training (YOJT), etc.), effectively serve a targeted, or small subset of, the 35,000 Wisconsin high school pupils with disabilities. For the remainder of these pupils, a lack of employment opportunities hinders their ability to gain the experience necessary to compete for competitive employment after 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).*

In July 2014, the Workforce Innovation and Opportunity Act (WIOA) was signed into law. Under WIOA, as of July 22, 2016, a Local Education Agency (LEA) can no longer operate a program or enter into a contractual arrangement for the purpose of having a pupil with a disability engaged in employment paid at a subminimum wage. Such places of employment are commonly known as sheltered workshops.

Thus, educational funding can no longer be used to support pupil engagement in work that is paid under a 14 (c) subminimum wage certificate[5] even if a pupil: 1) earns wages equal to minimum wage or higher due to high productivity rate; 2) is paid minimum wage by the vendor regardless of productivity rate; and/or 3) agrees to volunteer to learn/complete the work.

The WIOA includes new responsibilities for schools, in partnership with the Division of Vocational Rehabilitation (DVR) and adult services, to support pupils and youth with disabilities to transition from school to college and/or competitive, integrated employment. The WIOA defines competitive integrated employment as full or part time work that is paid at minimum wage or higher and at the same rate as other employees doing similar jobs. Additionally, the WIOA's definition of competitive integrated employment includes having: 1) the same benefits as those provided to other employees; 2) opportunities to interact with persons who do not have disabilities and who are not in a supervisory role to them; and 3) opportunities for advancement as appropriate.

There are currently about 74 sheltered workshops across Wisconsin, concentrated in the southeastern quadrant of the state, and elsewhere in the state near major highways. At last count, 333 pupils with disabilities were employed in subminimum wage jobs in these workshops, with an average hourly wage of $3.22.

Due to this history of reliance on sheltered workshops to provide transition services for a portion of pupils—generally those with intellectual and developmental disabilities—school districts now need to expand development of community-based transition services. Targeted support to districts for such expansion is needed.

Proposal

The Department proposes creating a competitive grant program called the Transition Readiness Investment Grant (TRIG) to provide resources to school districts to help pupils with disabilities transition into the workforce. Grant awards would range from $25,000 to $100,000 per recipient. The three primary expenses covered by the grant would be transportation for pupils, professional development for instructors, and staffing for schools. The Department would establish eligibility criteria and develop allowable uses for the grants under the administrative rule process.

This new program supports both the Governor's Better Bottom Line initiative to increase employment for people with disabilities, as well as the State Superintendent's mission to ensure all children, including pupils with disabilities, graduate ready for college or a career. This new initiative has the potential to benefit the tens of thousands of pupils with disabilities who are not being aided by existing workforce transition programs. The Department is also requesting an increase in funding for the Special Education TIG program – which provides incentive payments to school districts based on postsecondary outcomes of pupils with disabilities – to bolster support for the Department's initiative to improve transition services for pupils with disabilities (see DIN 6034).

Transportation

[5] Employment of Workers with Disabilities: Section 14(c) of the Fair Labor Standards Act authorizes employers, after receiving a certificate from the Wage and Hour Division, to pay special minimum wages — wages less than the Federal minimum wage — to workers who have disabilities for the work being performed.

Transition services present needs above and beyond typical transportation obligations. For instance, pupils often have potential work experiences that are distant from their school but closer to one or more parent homes. Similarly, vehicles are needed to convey pupils to internships, places of employment, and volunteer opportunities when community-based transition services are being provided to multiple pupils at a school. And overall, the inability of schools to contract with subminimum wage sheltered workshops means the loss of nearby job placements.

School Districts have consistently cited excessive transportation costs as a reason for not being able to send pupils to opportunities for work-based learning experience (for example, Project SEARCH[6] in Dane County). Likewise, Individual Education Program (IEP) teams and district staff report that limited options for transportation at flexible times creates barriers for pupils with disabilities to participate in internships and jobs.

Professional Development

While the typical K-12 cross-categorical certification obtained by the majority of pre-service special educators in Wisconsin provides a breadth of knowledge that includes the topic of transition, a deep dive into transition services for pupils with disabilities is often not included due to time constraints. Research studies demonstrate that teachers report the need for additional professional development related to transition practices.

Transition certification programs exist at UW-Milwaukee and UW-Whitewater. Both of these programs are available fully on-line and include Wisconsin-specific transition best practice training. They are specifically designed to prepare educators to facilitate successful school-to-work transition planning for pupils with disabilities. These programs provide pupils with increased knowledge and awareness of state-of-the-art transition planning, as well as experience with specific strategies related to transition assessment, instruction, and community/business collaboration.

A survey of Wisconsin special education teachers (Waisman Center, 2010) showed particular interest in the professional development topics of teaching social and self-determination skills that promote career success, establishing community-based worksites, fostering school-business partnerships, and developing high-quality IEPs. Practicing job search and retention skills, offering post-school services, conducting vocational assessments, and implementing on-campus job training experiences also ranked highly. In addition to courses for college credit (e.g., the aforementioned certificates), the preferred avenues of professional development included in- and out-of-district workshops, articles in professional journals, books and published curricula, state conferences, teacher collaboratives, and webinars.

Staffing

Along with the need for high quality professional development, schools require personnel time dedicated to helping pupils with disabilities transition into the workforce. Common support roles include job development and encouraging community-based integrated employment. Grant funds could also support the creation of multi-district consortia to create community-based transition programs for pupils with disabilities ages 18-21. Among other duties, staff would conduct experiential assessment and coordinate direct work experience, both of which research shows to be among the strongest predictors of postsecondary employment for pupils with disabilities.

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[6] **Project SEARCH** is an innovative partnership between the Madison Metropolitan School District, University of Wisconsin Hospitals and Clinics, and the William S. Middleton Memorial Veterans Hospital. The partnership provides 12-month rotational internships for students with disabilities, ages 18-21. Project SEARCH gives students complete immersion in a business setting combined with classroom instruction on employability skills and personalized feedback structures. The project's Business Advisory Committee, composed of representatives from participating businesses, assists students by providing feedback, mock interviews, and a network for obtaining integrated employment. Students complete the program equipped with the skills and work experience necessary to transition into jobs.

Additional transition staff would directly benefit all five categories that form the effective transition practices framework (Kohler, 1996) by: 1) engaging in pupil-focused planning; 2) promoting pupil development; 3) fostering interagency and interdisciplinary collaboration; 4) encouraging involvement on the part of pupils' families; and 5) developing and reinforcing an effective program structure.

TRIG is distinct from the TIG program, in that the TIG program provides an incentive payment to school districts based on the postsecondary outcomes of their pupils with disabilities, while TRIG provides funding to maximize those pupils' chances of successful transition into the workforce. The Department is requesting GPR funding for this new grant program because the covered costs are not allowable under IDEA, nor is the program eligible for state special education categorical aid.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6035*)

Subject: Aid for Special Education Transitions

Request Date: October 28, 2016

Agency Contact: Erin Fath, 266-2804

Brief Description of Intent:

Create an annual, local assistance appropriation of $1,500,000 GPR in FY19 for a new grant to provide schools districts with funds to enhance special education workforce transition support services. The new grant would be called the Transition Readiness Investment Grant, and awards would range from $25,000 to $100,000 per recipient.

Under the Workforce Innovation and Opportunity Act, a Local Education Authority can no longer operate a program or enter into a contractual arrangement for the purpose of having a student with a disability engaged in employment paid at a subminimum wage. This program employed hundreds of special education students around the state who now need to seek alternative employment opportunities.

Accordingly, the three primary expenses covered by the grant would be transportation for students, professional development for instructors, and staffing for schools. The Department would establish eligibility criteria and develop allowable uses for the grants with the administrative rule process.

School districts and Independent Charters under 118.40 (“2r” or “2x”) would be eligible to receive grant awards.

Related Stat. Citations:

Create s. 20.255 (2) (bg), Transition Readiness Investment Grant.

Create a new program in statute to provide special education workforce transition support grants.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6041 – BILINGUAL-BICULTURAL AID

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$12,900,00**	**$13,400,000**
Less Base	**$8,589,800**	**$8,589,800**
Requested Change	**$4,310,200**	**$4,810,200**

Request

The Department requests an increase of $4,310,200 GPR in FY18 and $4,810,200 GPR in FY19 to increase the state reimbursement rate for Bilingual-Bicultural (BLBC) education programs in both years, to 12 percent of approved prior year expenditures for school districts required to offer BLBC programs under ss. 20.255 (2) (cc) and 115.97 (2), (3), or (4), Wis. Stats.

Background

Subchapter VII of Chapter 115, Wis. Stats., governs BLBC education and requires districts to establish a program if they meet a certain threshold of English Learner (EL)[7] pupils from the same language group within an individual school in the district. 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.

Under current law, $8,589,800 GPR is provided annually in the appropriation under s. 20.255 (2) (cc), *Bilingual-bicultural education aids*, to support aid payments to school districts, to offset the costs of providing BLBC programming for EL pupils. State law requires the Department to distribute $250,000 annually among school districts whose enrollments in the previous school year were at least 15 percent EL pupils; the remaining $8,339,800 is distributed to districts on the basis of expenditures on the districts BLBC programs (i.e., claims reimbursement model).

[7] Note that the Every Student Succeeds Act (ESSA) introduced and uses the term English Learner (EL), rather than English language learner (ELL) or limited-English proficient (LEP). This change may initially cause some confusion until the terminology is updated within the educational community as well as in Wisconsin state statutes (which uses the term limited-English proficient). To provide consistency, the term English Learner (EL) is used in this paper.

Table 1 below shows the number of pupils and the language populations served in BLBC program districts during FY15.

Table 1. Program Locations (FY15)

Number of EL pupils identified:	46,352
Number of EL pupils served in state reimbursed programs:	26,019
Number of districts receiving aid:	50
Districts with state-reimbursed programs:	Appleton, Baraboo, Barron, Beloit, 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 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

Funding History

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 expenditures 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 EL to districts that have EL 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 EL 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 EL pupil to districts that have EL populations below the statutory threshold for establishing a BLBC program. Both requests were denied. In his 2015-17 biennial budget proposal, the State Superintendent requested an increase of $3,949,200 GPR in FY16 and $4,256,200 GPR in FY17 to increase the BLBC state reimbursement rate to 12 percent. The Department also requested $2,300,000 GPR to award up to $100 per EL pupil to districts that have EL populations below the statutory threshold for establishing a BLBC program. Both requests were denied.

Funding Requirements for 2017-19 Biennium

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

- Number of EL pupils served;
- English-language proficiency level of EL pupils;
- Range of proficiency levels among EL pupils;
- Amount of previous schooling for EL pupils;

- Staff to pupil ratio (both teacher to EL pupil and bilingual aide to EL pupil);
- Amount of instructional contact time;
- Instructional resources provided (e.g., texts, equipment, technology, native language materials and assessments);
- Type of program (in-class or pull-out program);
- Degree of parental involvement; and
- Outreach/services provided to EL pupils, immigrant or refugee children and youth, and families.

With such variation in costs from program to program, the total aidable expenditures (statewide) are difficult to project. However, the Department estimates increases in expenditures for BLBC program of 4 percent annually, on average, based on the three- and six-year rolling average of annual expenditure increase for BLBC aidable expenditures between FY08 and FY16, as shown in Table 2 below.

Table 2. Change in Aidable Expenditures

Fiscal Year	Aidable Expenditures (Prior year)	Percent Change from PY	Outlier?*	Percent Change from PY for Analysis
FY08	$85,602,541	2.9%		2.9%
FY09	$89,324,096	4.3%		4.3%
FY10	$96,009,054	7.5%		7.5%
FY11	$98,498,941	2.6%		2.6%
FY12	$103,681,055	5.3%		5.3%
FY13	$100,087,850	(3.5%)	outlier	
FY14	$113,285,560	13.2%	outlier	
FY15	$94,412,758	(16.7%)	outlier	
FY16	$97,376,689	3.1%		3.1%
			Three -Year Rolling Average:	**3.7%**
			Six-Year Rolling Average:	**4.3%**
FY17 (est.)	**$101,271,757**	**4.0%**		
FY18 (est.)	**$105,322,627**	**4.0%**		
FY19 (est.)	**$109,535,532**	**4.0%**		

**Outliers were removed from the analysis of multi-year averages.*

As illustrated in Table 3 (next page), as aidable expenditures have increased, the state's investment in educating EL 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 EL pupils. Table 3 provides the history of the state aid appropriation for this program and shows the projected prior year aidable expenditures that would be eligible for reimbursement under the BLBC categorical aid program for FY17 through FY19. The Department has estimated prior year aidable expenditures by assuming an increase of 4 percent annually beginning with FY17 (2016-17 school year expenditures are eligible for reimbursement in FY18).

Table 3. Historical Reimbursement Percentages

Historical Reimbursement Percentages (FY95-FY19*)			
Fiscal Year	**Aidable** Expenditures **(Prior Year)**	**State Aid Appropriation***	**Percent Reimbursement***
FY95	$25,008,400	$8,291,400	32.2%
FY96	$27,492,801	$8,291,400	29.2%
FY97	$29,579,615	$8,291,400	27.2%
FY98	$32,747,337	$8,291,400	24.6%
FY99	$35,989,940	$8,291,400	22.3%
FY00	$38,984,609	$8,291,400	20.6%
FY01	$41,714,528	$8,291,400	19.3%
FY02	$44,788,051	$8,291,400	18.0%
FY03	$58,388,591	$8,291,400	13.8%
FY04	$63,122,890	$8,291,400	12.7%
FY05	$70,463,780	$8,291,400	11.4%
FY06	$76,776,411	$9,073,800	11.5%
FY07	$83,181,974	$9,890,400	11.6%
FY08	$85,602,541	$9,890,400	11.3%
FY09	$89,324,096	$9,890,400	10.8%
FY10	$96,009,054	$9,544,200	9.7%
FY11	$98,498,941	$9,544,200	9.4%
FY12	$103,681,055	$8,589,800	8.0%
FY13	$100,087,850	$8,589,800	8.3%
FY14	$113,285,560	$8,589,800	7.4%
FY15	$94,412,758	$8,589,800	8.8%
FY16	$97,376,689	$8,589,800	8.6%
FY17 (est.)	$101,271,757	$8,589,800	8.2%
FY18 (est.)	$105,322,627	$8,589,800	7.9%
FY19 (est.)	$109,535,532	$8,589,800	7.6%

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

Table 4 below shows the projected GPR needed to achieve a 12 percent BLBC aid reimbursement rate for FY18 and FY19, assuming the prior year aidable expenditures increase by 4 percent annually.

Table 4. Expenditure and Aid Projections for FY18 and FY19
(12 Percent Reimbursement)

	FY18	FY19
Projected Eligible Prior Year Expenditures	$105,322,627	$109,535,532
12% Reimbursement	$12,638,700	$13,144,300
Set Aside for Districts with 15%+ EL Pupils	$250,000	$250,000
Total Appropriation (rounded to $100,000)	$12,900,000	$13,400,000
Less: Base Funding	$8,589,800	$8,589,800
GPR Request	$4,310,200	$4,810,200

Therefore, the Department requests $4,310,200 GPR in FY18 and $4,810,200 in FY19, to provide state aid in an amount equal to 12 percent of projected expenditures under BLBC programs.

Statutory Language

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

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6042 – SUPPLEMENTAL BILINGUAL-BICULTURAL AID

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$2,100,000**	**$2,200,000**
Less Base	**$0**	**$0**
Requested Change	**$2,100,000**	**$2,200,000**

Request

The Department requests $2,100,000 GPR in FY18 and $2,200,000 in FY19 to create a new program, Supplemental Bilingual-Bicultural (BLBC) Aid. Under this new program, the Department would award $100 per English Learner (EL) pupil to school districts with EL pupil populations below the statutory threshold specified under s. 115.97 (2), (3), and (4), Wis. Stats., for the current law BLBC state aid program, and thus do not receive BLBC state aid under s. 115.995, Wis. Stats.

Background

In order to better meet the state's obligation to serve EL pupils, the Department proposes creating a new categorical aid program to support EL pupils in schools and language groups that do not meet the eligibility criteria for BLBC state aid under current law. State law, under s. 115.97 (2), recognizes the state's obligation to serve *all* EL pupils:

> **" (2)** It is the policy of this state to provide equal educational opportunities by ensuring that necessary programs are available for limited-English proficient[8] pupils while allowing each school district maximum flexibility in establishing programs suited to its particular needs. To this end, this subchapter establishes bilingual-bicultural education programs for pupils in school districts with specified concentrations of limited-English proficient pupils in the attendance areas of particular schools."

Yet, the state does not provide additional aid on behalf of all EL pupils. Under current law, the state requires school districts to establish a BLBC program if there are enough EL pupils enrolled in the school district to reach specified concentrations of EL pupils from the same language group within an individual school in the district:

- 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.

School districts that are not required to establish a BLBC program under s. 115.97 do not qualify for BLBC state aid, even though they are required to educate all EL pupils enrolled in the district. Thus, these particular school districts receive no additional state support for EL pupils educated in the school district. (See Table 1 for the proportion of EL pupils for whom school district do and do not receive BLBC state aid.) While school districts received an average of $145 per EL pupil in Title III federal aid

[8] Note that the Every Student Succeeds Act (ESSA) introduced and uses the term English Learner (EL), rather than English language learner (ELL) or limited-English proficient (LEP). This change may initially cause some confusion until the terminology is updated within the educational community as well as in Wisconsin state statutes (which uses the term limited-English proficient). To provide consistency, the term English Learner (EL) is used in this paper.

(FY16 amount) to support the educational needs of these pupils, the state does not provide any additional support.

Appendix A includes a map of the state showing school districts with enrolled EL pupils, and indicates which school districts are, and are not, required to establish a BLBC program for which the school district receives BLBC state aid. The EL pupils are enrolled in many school districts throughout the state; however, most of these school districts lack the concentration of EL pupils that trigger the requirement to establish a formal BLBC program for which the school district would receive aid. As the map shows, most of the school districts that are required to establish a BLBC program (and thus are eligible for BLBC state aid) are concentrated in pockets of the state with higher and denser populations. Thus, the lack of additional state resources to support EL pupils in school districts with no required BLBC program can be viewed as a problem experienced largely by smaller and rural school districts.

This is problematic because many EL pupils need additional support regardless of whether there are other pupils who speak the same language as them in the same grade or in surrounding grades. Additionally, schools may need more resources to educate EL pupils when they are not in concentrated groups, because they lack the advantage of economies of scale that are present in schools that educate several EL pupils within a common language group and within the same grade band. 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 then it would be for another district to educate two Hmong-speaking pupils, one 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.

Table 1 below shows the number of EL pupils reported, as well as the number of EL pupils for whom school districts did and did not receive BLBC state aid under current law, from FY06 through FY15 and projected for FY16 through FY19. The Department assumed growth in the total number of EL pupils report at 0.05 percent annually, and growth in the number of EL pupils in school districts that are not required to establish a BLBC aid program (and for whom no state aid is received) at 2.0 percent annually.

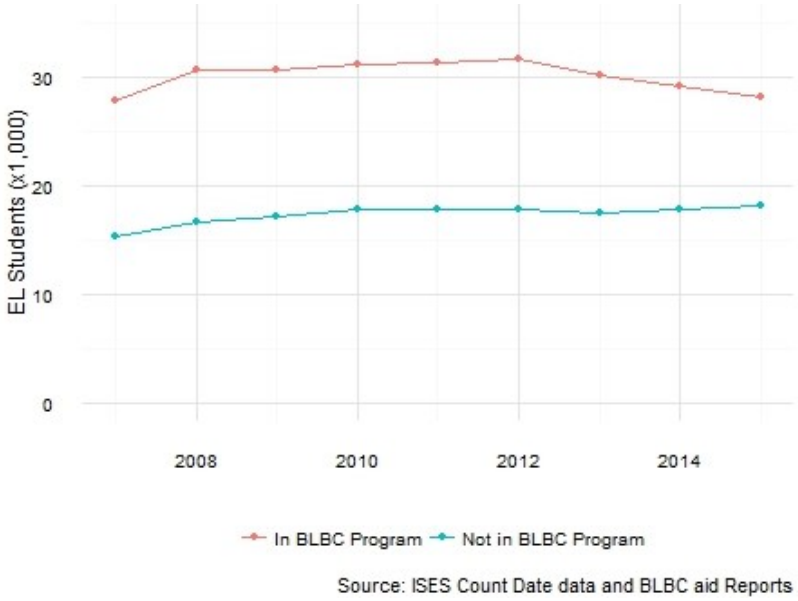
Table 1. Number of EL Pupils Reported, Served and Not Served by Required BLBC Program

School Year	Number of EL Pupils reported	Number of EL Pupils Served in BLBC Program	Number of EL Pupils NOT Served in BLBC Program	Percent of EL Pupils Not Served in BLBC Program
FY07	43,288	25,525	17,763	41.0%
FY08	47,285	28,219	19,066	40.3%
FY09	47,806	28,488	19,318	40.4 %
FY10	49,046	28,824	20,222	41.2%
FY11	49,289	29,002	20,287	41.2%
FY12	49,458	29,243	20,215	40.9%
FY13	47,687	28,031	19,656	41.2%
FY14	47,061	27,146	19,915	42.3%
FY15	46,352	26,019	20,333	43.9%
FY-16*	48,902	28,162	20,740	42.4%
FY17*	49,147	27,992	21,154	43.0%
FY18*	49,392	27,815	21,578	43.7%
FY19*	49,639	27,630	22,009	44.3%

**FY16: actual figure for number of EL pupils reported; estimates for number of EL pupils aided and not aided. FY17 through FY19: all figures are estimates.*

These growth assumptions reflect the data that indicates greater growth in the number of EL pupils in school districts that do not have the necessary concentrations of EL pupils to establish a BLBC program and receive state aid. See Figure 1 below.

Figure 1. Change in the Number of EL Pupils Enrolled in School Districts with and without a Required BLBC Program



The Department analyzed trends in the number of school districts that are not eligible for BLBC state aid to project the number of school districts that will enroll EL pupils in future years, but not be eligible for BLBC state aid because they lack the necessary concentration of EL pupils. Table 2 shows the total number of districts with EL pupils and the number of school districts that are, and are not, required to establish a BLBC program. The projects for FY16 through FY19 assume that the number of districts with required BLBC programs will remain constant, at 50 districts (FY15).

Table 2. Number of School Districts

School Year	Number of Districts Reporting EL Pupils	Number of Districts with Required BLBC Program	Number of Districts without Required BLBC Program	Ave # EL Pupils in BLBC Program Districts	Ave # EL Pupils in Non-BLBC Program Districts
FY11	352	58	294	500	69
FY12	354	59	295	496	69
FY13	355	52	303	539	65
FY14	351	51	300	532	66
FY15	356	50	306	520	66
FY16*	359	50	**309**	563	67
FY17*	362	50	**312**	560	68
FY18*	365	50	**315**	556	69
FY19*	368	50	**318**	553	69

For some school districts, the growth in EL pupils enrolled in the district over time may eventually result in concentrations of EL pupils by grade bands and within language groups that will trigger the requirement for the establishment of a BLBC program, and make the school district eligible for BLBC state aid. In the meantime, a growing number of school districts are serving EL pupils with no additional support from the state, despite the acknowledgement in Wisconsin state law, under s. 115.97 (2) that the state has an obligation to serve *all* EL pupils.

Proposal

The Department proposes a new categorical aid program, Supplemental BLBC Aid, under which the state would reimburse districts $100 per EL pupil enrolled in a school district that does not meet the current law requirements to establish a BLBC program and therefore is ineligible for BLBC state aid under s. 115.995, Wis. Stats. State aid payments for FY18 would be based on FY17 EL pupil counts and payments for FY19 would be based on FY18 EL pupil counts.

Based on the estimated number of EL pupils that will not be served in a BLBC program under s. 115.97, Wis. Stats., (21,154 EL pupils in FY17 for aid in FY18, and 21,578 EL pupils FY18 for aid in FY19) the Department requests $2,100,000 GPR in FY18 and $2,200,000 GPR in FY19.

Table 3. Estimated Cost for Supplemental BLBC Aid Program

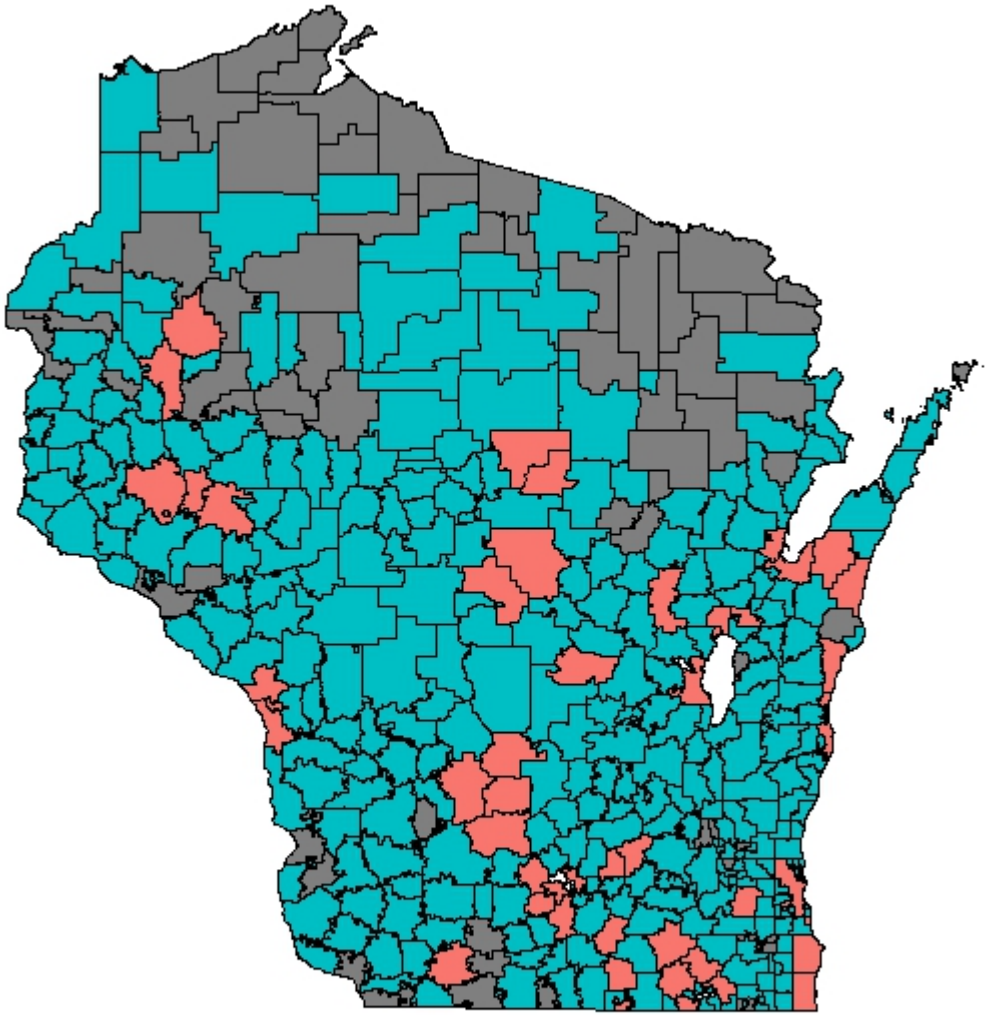
	FY18	FY19
Number of EL Pupils Not Aided	21,154	21,578
Estimated Payments	$2,115,400	$2,157,800
Rounded (nearest $100,000)	$2,100,000	$2,200,000
Less: Base Funding	$0	$0
Request	**$2,100,000**	**$2,200,000**

Statutory Language

The Department is proposing statutory language related to this request.

APPENDIX A

Districts with BLBC programs
(2014-15 School Year)



BLBC Program No BLBC Program

Source: Annual EL Census and BLBC aid Reports

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6042*)

Subject:	Bilingual-Bicultural Education Supplemental Aid
Request Date:	October 17, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	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 beginning in FY18 to aid programs for LEP pupils that are not eligible under s. 115.97, at $100 per LEP pupil in the district.

Related Stat. Citations:

Create s. 20.255 (2) (cd), as an annual, local assistance appropriation, and appropriate $2,350,000 GPR in FY18 and $2,350,000 GPR in FY19 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). 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, 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 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6043 – TARGETED AID FOR ENGLISH LEARNERS

259 – Bilingual bicultural education; targeted aid
s. 20.255 (2) (ce) - NEW

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$2,200,000**	**$2,200,000**
Less Base	**$0**	**$0**
Requested Change	**$2,200,000**	**$2,200,000**

Request

The Department requests $2,200,000 GPR in FY18 and in FY19 to create a new categorical aid program to provide aid to school districts in an amount equal to $100 for each English Learner (EL) pupil whose English language proficiency is classified at a level 1, 2, or 3, based on the annual English Language Proficiency Assessment. School districts would receive aid under this new program regardless of the district's eligibility for the current law Bilingual-Bicultural (BLBC) Aid program, or the Department's proposed new Supplemental BLBC Aid program (see DIN 6042).

Background

Wisconsin's EL programs serve EL pupils to help them become proficient in academic English, in order to better prepare them for college and career after high school. In FY16, Wisconsin served nearly 49,000 EL pupils. There are over 137 non-English languages spoken by Wisconsin pupils, with Spanish-speaking pupils comprising the first largest group, and Hmong-speaking pupils comprising the second largest group, of EL pupils educated in Wisconsin's public schools.

Generally, the later an EL pupil enters an English-speaking school, the more difficult it is for that EL pupil to gain proficiency in English. The majority of EL pupils start in Pre-Kindergarten or Kindergarten, and take upwards of five years to exit services. These EL pupils are substantially less likely to exit EL services if they enter an English-speaking school for the first time after 2nd or 3rd grade, and have a low initial English language proficiency level.

That being said, most EL pupils enter school at the lower levels of English proficiency. In FY16, 6.8 percent (5,155 out of 75,697) of all EL pupils were new to Wisconsin public schools. Since FY06, Wisconsin school districts have enrolled 70,030 new EL pupils. Table 1 (next page) shows the grade level and English language proficiency (ELP) level at which these 70,030 EL pupils entered a public school. Of the total number of EL pupils entering public school during this time period, nearly half (49.6 percent) entered school in the third grade or later; 27.6 percent entered school in seventh grade or later. The table also shows that 42 percent of EL pupils entered school at the ELP Level 1; more than three-quarters (76 percent) entered at ELP levels 1, 2, or 3. (The distinction between the six ELP levels is detailed in a later section of this paper).

Table 1. Distribution of EL Pupils New to Wisconsin Public School (FY06 – FY16)

Starting Grade	ELP Level 1	ELP Level 2	ELP Level 3	ELP Level 4	ELP Level 5	ELP Level 6	Total for Grade	Percent in Grade
KG	15,751	4,062	2,609	1,238	794	581	**25,035**	**35.7%**
1	2,055	1,251	1,394	459	252	161	**5,572**	**8.0%**
2	1,475	873	1,244	687	285	149	**4,713**	**6.7%**
3	1,232	841	902	753	380	229	**4,337**	**6.2%**
4	1,079	727	817	785	316	318	**4,042**	**5.8%**
5	1,011	602	715	714	426	379	**3,847**	**5.5%**
6	872	592	653	540	225	283	**3,165**	**4.5%**
7	1,039	543	672	490	229	276	**3,249**	**4.6%**
8	973	537	655	518	306	310	**3,299**	**4.7%**
9	1,856	746	685	608	296	614	**4,805**	**6.9%**
10	976	520	507	422	224	404	**3,053**	**4.4%**
11	707	426	471	404	232	465	**2,705**	**3.9%**
12	418	349	414	359	218	450	**2,208**	**3.2%**
Total for ELP Level	**29,444**	**12,069**	**11,738**	**7,977**	**4,183**	**4,619**	**70,030**	
Percent in ELP Level	**42.0%**	**17.2%**	**16.8%**	**11.4%**	**6.0%**	**6.6%**		

Source: Department of Public Instruction, Individual Student Enrollment System.

Educating EL pupils requires schools to provide additional services. The costs to educate the significant number of EL pupils enrolled in Wisconsin schools presents financial challenges for many schools, particularly smaller schools and districts that are new to supporting ELs or seeing EL population increases.

While school districts receive an average of $145 per EL pupil in Title III federal aid (FY16 amount) to support the educational needs of EL pupils, state support for EL programs is currently limited. Under current law, the state requires school districts to establish a BLBC program if there are enough EL pupils enrolled in the school district to reach specified concentrations of EL pupils from the same language group within an individual school in the district. Aid is provided as a reimbursement of expenditures that are incurred by a school district on behalf of the EL pupils for whom a school district is required to establish a BLBC program under current law. Funding for that state aid program is inadequate, reimbursing school districts less than $0.09 for every dollar spent on EL pupils served under a BLBC programs. The limited funding is the topic of the Department's request under DIN 6041 (to raise the reimbursement level from approximately 8.5 percent to 12 percent).

Furthermore, the existing BLBC state aid program does not serve all EL pupils, as it is targeted to just those school districts that are required to establish a BLBC program under current law. The limited reach of the current law BLBC state aid program is addressed in the Department's request to create a supplemental BLBC state aid program (see DIN 6042).

The Department's proposal to provide school districts with additional resources to serve EL pupils is ultimately driven by the goal of helping EL pupils become proficient in English, as a means of ensuring success after high school, in college and career. One indication of a pupil's overall academic success,

and preparedness for life after high school, are the results from the federal and state required academic assessments. Data indicate that EL pupils are one subset of pupils that tend to have lower achievement results on statewide assessments, compared to their peers. But of particular concern is the fact that EL pupils have the lowest achievement scores among other pupil subsets, including pupils from economically disadvantaged families and pupils with disabilities. See table 2 below for the results of the Forward Assessment conducted in the 2015-16 school year, indicating the proportion of all pupils, and subsets of pupils, achieving a score of proficient or advanced on two core subject areas: math and English and language arts (ELA).

Table 2. Performance on the Forward Assessments, School Year 2015-16

Subject	Group	Percent Proficient or Advanced
Math	All Pupils	42.6%
Math	Economically Disadvantaged Pupils	25.0%
Math	Pupils with a Disability	14.4%
Math	**English Learner Pupils**	**13.2%**
ELA	All Pupils	42.7%
ELA	Economically Disadvantaged Pupils	26.2%
ELA	Pupils with a Disability	12.6%
ELA	**English Learner Pupils**	**10.9%**

Source: Department of Public Instruction, WISEdash public reporting portal for student enrollment data.

The focus of this proposal – to create a targeted EL aid program – is to provide additional resources to all school districts to allow them to better serve their EL pupils who have been assessed in the lower three levels of the annual English Language Proficiency Assessment. The Department makes this request in recognition of the fact that EL pupils who have been assessed at the first three levels are the very pupils who require the most intense services. While some might argue that the bulk of EL pupils are young (Kindergarten, first and second grades) and are likely learn more quickly, the fact remains that public schools do serve a significant number of EL pupils at levels 1,2, and 3 at higher grade levels, as well. In fact, the data show small (but noticeable) surges in the number of EL pupils in the lower levels (especially level 1) around grades seven and nine. The sheer number of EL pupils who enter public school with such limited English proficiency requires the state to allocate resources in a manner that targets those EL pupils who are most in need of services, for whom school districts will have to focus a substantial amount of energy to successfully educate.

Assessment of English Language Proficiency

Federal and state laws require that pupils identified as ELs be assessed annually to determine their level of ELP and ensure that they are progressing in achieving full English proficiency. The federal government sets requirements and provides supplemental funding for EL pupils through the Title III program. Title III of the federal No Child Left Behind (NCLB) Act of 2001 was reauthorized in 2015 as the Every Student Succeeds Act (ESSA). Federal law ensures that EL pupils, including immigrant children and youth, develop English proficiency and meet the same academic content and academic achievement standards that other children are expected to meet. Specifically, under ESSA, states are required to:

- Adopt an ELP standards that align to the state's academic standards;
- Address the differing proficiency levels of ELs;

- Administer an ELP assessment aligned to the ELP standards on an annual basis; and
- Administer an alternate ELP assessment for pupils with significant cognitive disabilities.

Wisconsin has adopted the WIDA[9] English Language Development (ELD) standards and ACCESS[10] assessment suites to meet these objectives. In 2016, WIDA revised the ACCESS assessment suites to more accurately align with college and career ready standards, resulting in an increased rigor of the ACCESS assessments.

Under s. 115.96 (1), Wis. Stats., each school board is required to "conduct a count of the limited English proficient pupils in the public schools of the district, assess the language proficiency of such pupils and classify such pupils by language group, grade level, age and English language proficiency", on or before March 1 of each year.

The Department's administrative rule PI-13 (Limited English Proficient [LEP] Pupils) delineates the responsibilities of school boards and the Department pertaining to the education of EL pupils, and the requirements for school boards in establishing a BLBC program. Under PI 13.06, (Identification of LEP Pupils), each school board is required to identify potential EL pupils within the school district as part of the enrollment process, using a home language survey and Department approved English proficiency assessment, as described under s. PI 13.07 (English Proficiency Assessment). School boards are required to identify pupils meeting any of the following criteria:

- Pupils who communicate in a language other than English.
- Pupils whose families use a language other than English.
- Pupils who use a language other than English in daily non−school surroundings.

Under PI 13.07, each school board is required to determine the English proficiency level of a pupil identified under s. PI 13.06, and then required to place the EL pupil in an appropriate education program. Further, under s. PI 13.09 (Testing of LEP Pupils), the school board is required to use a Department−approved assessment instrument, maintain all assessment records, and report information to the Department.

Finally, under PI 13.08, each school board is required to classify each pupil who has been assessed for English proficiency under one of ELP levels described below.

Level 1 – Beginning Preproduction. A pupil is classified level 1 if the pupil does not understand or speak English, with the exception of a few isolated words or expressions.

Level 2 – Beginning Production. A pupil is classified level 2 if all of the following criteria are met:

- The pupil understands and speaks conversational and academic English with hesitancy and difficulty;
- The pupil understands parts of lessons and simple directions; and
- The pupil is at a pre−emergent or emergent level of reading and writing in English, significantly below grade level.

[9] In 2002 an EAG grant provided initial funding for the organization that would become **WIDA**. Three states were involved in the grant: Wisconsin (WI), Delaware (D), and Arkansas (A), so the acronym WIDA was chosen for the name. At the last minute, however, Arkansas dropped out, and World-class Instructional Design and Assessment was created to fit the acronym. As WIDA grew, however, the original name no longer adequately described its mission. Recently WIDA decided to stop using the acronym definition. Now WIDA just means WIDA.

[10] ACCESS for ELLs® is designed to measure English language proficiency. It is a largescale assessment that is based on the WIDA Consortium's ELD Standards that form the core of Wisconsin's approach to instructing and testing ELs.

Level 3 – Intermediate. A pupil is classified level 3 if all of the following criteria are met:

- The pupil understands and speaks conversational and academic English with decreasing hesitancy and difficulty;
- The pupil is post−emergent, developing reading comprehension and writing skills in English; and
- The pupil's English literacy skills allow the pupil to demonstrate academic knowledge in content areas with assistance.

Level 4 –Advanced Intermediate. A pupil is classified level 4 if all of the following criteria are met:

- The pupil understands and speaks conversational English without apparent difficulty, but understands and speaks academic English with some hesitancy; and
- The pupil continues to acquire reading and writing skills in content areas needed to achieve grade level expectations with assistance.

Level 5 − Advanced. A pupil is classified level 5 if all of the following criteria are met:

- The pupil understands and speaks conversational and academic English well;
- The pupil is near proficient in reading, writing, and content area skills needed to meet grade level expectations; and
- The pupil requires occasional support.

Level 6 – Formerly EL Now Fully English Proficient. A pupil is classified level 6 if all of the following criteria are met:

- The pupil was formerly limited−English proficient and is now fully English proficient; and
- The pupil reads, writes, speaks, and comprehend English within the academic classroom setting.

Historic data on the number of EL pupils who were placed at ELP levels 1, 2 or 3, from FY06 through FY16, is shown in Table 3 below.

Table 3. EL Pupils Assessed at ELP Levels 1, 2, or 3

School Year	EL Pupils at 1, 2, 3
FY06	27,919
FY07	25,215
FY08	25,211
FY09	23,607
FY10	22,545
FY11	22,630
FY12	22,040
FY13	21,810
FY14	22,459
FY15	22,171
FY16	22,094

Source: Department of Public Instruction, WISEdash public reporting portal for student enrollment data.

Proposal

Because the largest number of EL pupils entering schools tend to be in one of the three lower proficiency levels, the Department believes that targeting state aid based on the number of EL pupils in levels 1, 2, or 3, will be the most effective way to support school districts in educating EL pupils with the greatest needs.

Further, this new state aid could prove especially beneficial to school districts with start-up EL programs and services, allowing them to build capacity to better serve their EL populations. Providing support for EL pupils at the lower ELP levels will also be particularly helpful to school districts in managing increases and/or influxes of new EL pupils at lower ELP levels.

The Department used the following assumptions to project costs for this proposal:

- It is projected that 22,115 EL pupils will be classified at ELP levels 1, 2, or 3 for both FY18 and FY19 based on the five-year average from FY12 thru FY16.
- Aid payments are to be calculated on prior year counts.

School districts eligible for BLBC aid payments under s.115.97 (2), (3) and (4) would be also be eligible for aid for under this new program for each EL pupils at ELP levels 1-3. Thus this new program would serve EL pupils at the lowest ELP levels in every school district throughout the state, regardless of the districts eligibility for the current law BLBC Aid program, or the Department's proposed new Supplemental BLBC Aid program (see DIN 6042).

Table 4 below shows the projected cost of providing school districts with $100 per elgible EL pupil in FY18 and FY19 under the Department's proposal for a targeted aid program for EL pupils.

Table 4: Cost Projections for FY18 and FY19

Cost Projection for English Learners - Targeted Aid Program		
	FY18	**FY19**
Projected number of eligible EL pupils (ELP levels 1,2 or 3)	22,115	22,115
Annual aid amount based on $100 per eligible EL pupil (rounded to $100,000)	$2,200,000	$2,200,000
Less: Base Funding	$0	$0
GPR Request	**$2,200,000**	**$2,200,000**

Therefore, the Department requests $2,200,000 GPR annually, beginning in FY18, to support this new state aid program for EL pupils at the lowest levels of English proficiency.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6043*)

Subject:	English Learner Targeted Aid Program
Request Date:	October 25, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing language to create an annual appropriation to create a categorical aid program to provide support to eligible schools for each English Learner (EL) pupil whose English language proficiency is classified at a level 1, 2, or 3 based on the annual English Language Proficiency Assessment.

Related Stat. Citations:

Create s. 20.255 (2) (ce), as an annual local assistance appropriation and appropriate $2,200,000 GPR in FY18 and $2,200,000 GPR in FY19 to create a new English Learners Targeted Aid Program. This program would award to schools $100 for each English Learner (EL) pupil whose English language proficiency is classified at a level 1, 2, or 3 based on the annual English Language Proficiency Assessment. Aid payments are to be calculated on prior year counts. School districts shall annually provide by July 1, prior year count data to the Department.

Under subch. VII of Ch. 115, 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 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6044 –ESL AND BILINGUAL CAPACITY BUILDING GRANTS

251 –English and a second language and bilingual education capacity building grant s. 20.255 (2) (ch) – NEW

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$0**	**$750,000**
Less Base	**$0**	**$0**
Requested Change	**$0**	**$750,000**

Request

The Department requests $750,000 in FY19 to create a grant program focused on increasing the number of English as a Second Language (ESL) and bilingual education teachers in school districts that have a significant number of English Learner (EL) pupils, but lack the qualified professionals to teach those pupils.

Background

In order to incentivize existing teachers and paraprofessionals to acquire a bilingual and/or ESL supplemental license, the Department proposes creating a new grant program to support school districts in their efforts to prepare teachers and paraprofessionals for aquistion of a bilingual and/or ESL supplemental license.

The state currently has a shortage of bilingual and ESL teachers according to the US Department of Education. In addition, the state has an increasing number of citizens who do not speak English as their first language. According to US Census data, Wisconsin has seen the number of people who do no speak English as their primary language increase from 7.3 percent in 2000, to 8.6 percent in 2010, a 17.8 percent increase.

Wisconsin Teacher Equity Access Plan (WTEAP)

The WTEAP was created by the Department to help close the gap of qualified and experienced teachers among districts, so that low-income families, and pupils of color, do not experience having less qualfied, inexperienced, or out-of-field teachers at a significantly higher rate than occurs in other districts. Specifically, the program targeted nine districts where the shortage of qualified or experienced teachers was most prominent: Beloit, Green Bay, Janesville, Kenosha, Madison, Milwaukee, Racine, Waukesha, and West Allis-West Milwaukee.

Some of the districts in the WTEAP identified having a significant problem obtaining and retaing qualifed teachers who had either a bilingual or ESL license. This was identified as a problem particularly in urban districts, especially where there was a high concentration of Spanish-speaking EL pupils. Currently, the school districts targeted by WTEAP use grants to address the issues of equity that are raised in the WTEAP, to ensure that school district across the state have access to qualifed and experienced teachers for all pupils.

Proposal

The Department requests the creation of a new grant program that can be used to encourage school districts that lack qualified bilingual and ESL teachers to support their existing teachers and paraprofessionals in efforts to acquire either a bilingual or ESL supplemental license. They can also use the grant money to encourage the emergency teachers taking many of these positions to acquire a bilingual and/or ESL scholarship so they can better teach the EL pupils they oversee. The grant would be paid directly to school districts.

The goal of this proposed grant program is to encourage school districts to build capacity within the school district for ESL and bilingual education teachers by providing districts with the resources to "grow their own" qualified ESL/bilingual education staff. Under the Department's proposal, the grant award could be used by school district only for the purpose of directly assisting staff seeking to acquire an ESL or bilingual education license. Therefore, under the proposed grant, allowable expenditures would include just those costs associated with obtaining such a license, for example, tuition, required course materials, testing fees, etc.

Providng state resources for this purpose would give school districts a tool to address ESL/bilingual education teacher shortages in a way that avoids the potential for poaching of qualified staff from other school districts. In using the grant award to pay the costs for existing staff to obtain additional training and eventual ESL/bilingual education certfication while still employed with the school district, those paraprofessionals and teacher could avoid a disruption in their employment (that is, they would not have to leave employment to pursue continued education and training).

As proposed by the Department, this grant program would primarily target the school districts identified in the WTEAP. The Department would also allocate amounts for other school districts that were not identified in the WTEAP, but that nonetheless have a significant number of EL pupils and demonstrate a shortage of qualfied teachers to reach their EL population.

The primary reason for targeting the WTEAP districts is that many of the districts identified by the WTEAP have significant challenges recruiting and retaining teachers who are qualified to teach EL pupils. One advantage to the grant program as proposed is that it will encourage teachers to pursue additional training in order to obtain a supplementary license while they continue to teach with the school district, which would be less disruptive to their careers and the school districts where they teach.

Currently, a college student seeking ESL certification at the University of Wisconsin-Madison (UW-Madison) is required to complete 18 credits of coursework starting over the summer and continuing through the following academic year. In order to acquire the additional bilingual certification, a student must complete the 18 credits required for the ESL certification first, then complete an additional four credits of field work. The current cost of tuition at UW-Madison for an in state resident is $3,945 per semester for 9 credits and $5,244 per semester for a full-time student (12-18 credits). Summer tuition for a course load of 6-9 credits was $2,604 this past summer.

If a school district were awarded $75,000 under the grant, the grant would reach approximately seven teachers or paraprofessionals in those districts assuming the grant would cover the entire cost of tuition for each semester of coursework. The Department would have to determine through administrative rule the specific costs for which a school district could use the grant award. Grant awards would be determined by the Department, by administrative rule. School districts with the most significant need, as determined by the Department, would receive priority under the grant.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6044*)

Subject:	Grant to support ESL and Bilingual Education Capacity in Schools
Request Date:	October 28, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing language to create an annual appropriation for a new grant program for school districts to encourage current teachers and school paraprofessionals to obtain additional education and training to obtain a bilingual education or English as a Second Language (ESL) supplementary license.

Under this proposed grant program, priority would be given to applications submitted by school districts identified in the Wisconsin Teacher Equity Access Plan (WTEAP), where the shortage of qualified or experienced teachers is most prominent.*

The Department requests rule-making authority in order to establish the grant application process, requirements, and to define eligible costs.

Related Stat. Citations:

Create a new appropriation: s.20.255 (2) (ch), with the title Grant Program to Build ESL and Bilingual Capacity in Schools, as an annual, local assistance appropriation, and appropriate $750,000 GPR in FY19..

Under subch. VII of Ch.115, WI Stats., create a new section or modify an existing section to establish this new grant program.

*Under the current WTEAP, the following districts were identifed: MPS, Racine Unified, Green Bay Area Public Schools, Madison Metropolitan School District, West Allis-West Milwaukee, Waukesha, Janesville, Kenosha, and Beloit. *The Department is NOT requesting to specifiy these individual school districts in the statutory language for this proposed grant program; rather, the language should refer to the districts identified under the Department's plan.*

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6061 – DUAL LANGUAGE PLANNING and START-UP GRANT

252 – Dual language program planning and startup grants
s. 20.255 (2) (ci) – NEW

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$0**	**$750,000**
Less Base	**$0**	**$0**
Requested Change	**$0**	**$750,000**

Request

The Department requests $750,000 GPR annually, beginning in FY19, to create a new grant program to support school districts in planning for and starting up dual language programs.

Background

Dual language programs seek to help pupils develop high levels of proficiency and literacy in English and a non-English partner language, as well as improve levels of academic achievement generally. Pupils in dual language programs also gain an appreciation and understanding of multiple cultures. Research indicates that, in addition to providing a benefit to English-speaking pupils, dual language programs also provide more opportunities for English Learners (ELs) to attain higher levels of academic achievement, serving as a complement to other types of EL programs. The three most common types of dual language programs are two-way dual language programs, one-way dual language programs, and developmental bilingual education programs.

Two-way dual language programs (also referred to as two-way bilingual or dual language immersion programs) *enroll EL pupils and non-EL pupils in equal proportion*, and instruct both groups in English and the non-English partner language. The goals of a two-way dual language program include improved academic achievement, bilingualism, biliteracy, and biculturalism. Programs generally follow either a 50:50 model, with 50 percent of instruction taking place in English and 50 percent taking place in the partner language; or, a 90:10 model, which begins by delivering 90 percent of instruction in the partner language and 10 percent of instruction in English, and then gradually transitions to a 50:50 balance of instruction between the two languages over the course of several years. Programs may balance languages by dividing instructional time based on content area, class period, instructor, day, week, unit, or semester. Each group of pupils acquires language and content-area knowledge in their own language, as well as in the partner language.

One-way dual language programs (also known as world language immersion programs) are very similar to two-way dual language programs in terms of implementation, but have different composition of pupils. In one-way dual language programs, pupils are predominantly from one language group and are usually native English speakers, although programs also may include some EL pupils or heritage language learners of the partner language.

Developmental bilingual education programs (also referred to as maintenance bilingual programs) *are generally for EL pupils only*. These programs offer a balance of instruction in the non-English partner language and in English, to promote academic achievement, bilingualism, and biliteracy. Programs

follow either a 50:50 model or a 90:10 model and may balance languages by dividing instructional time based on content area, class period, instructor, day, week, unit, or semester. Pupils acquire language and content-area knowledge in English and the non-English partner language (Faulkner-Bond et al., 2012).

Research shows there are multiple benefits to pupils and society from having proficiency in more than one language and from the interaction between cultures that language learning provides. Developing proficiency in more than one language enhances career opportunities, improves communication skills and promotes cultural understanding. Research also shows that EL pupils benefit from continuing to learn in their native language, and are less likely to fall behind in core subject areas, if they are able to continue learning grade-level content in their home language while acquiring proficiency in English.

School districts face a number of challenges when establishing dual language programs. In addition to finding qualified teachers to teach in dual language programs, dual language programs can incur additional costs compared to other instructional programs, particularly in the start-up phase. Textbooks and other materials in the non-English partner language were reported to add costs to dual language programs. The need for specialized professional development in order to adhere to the program model also may contribute to higher program costs.

The Department looked at a number of other states that offer funds specifically to support the development of dual language programs. A December 2015 report entitled *Dual Language Education Programs: Current State Policies and Practices* was released by the U.S. Department of Education's (DOE) Office of English Language Acquisition. This report provides several examples of various approaches taken by other states. The report, which included a review of State Education Agencies (SEA) websites, found information indicating that six states (Delaware, Georgia, Indiana, Kentucky, Oregon, and Utah) have recently offered funding opportunities to school districts specifically for dual language programs. Brief descriptions of three of those state programs are provided below:

Georgia: six new dual immersion elementary schools were awarded start-up grants to support the purchase of materials and professional development in the 2013–14 school year. These elementary schools received grants of $15,000 each (for start-up and training costs) to implement dual-immersion instruction in languages deemed vital to the economic development of the state and region.

Oregon: the Dual Language/Two-Way Bilingual Grant is available to assist school districts, charter schools, or consortia thereof, with the design, implementation, and improvement of dual language/two-way bilingual programs across the state. According to information on the Oregon Department of Education website on biliteracy initiatives, seven school districts were awarded a grant under this program; six districts received $120,000 and the seventh was awarded $160,000. Grant funds could be used for staffing costs (including substitutes), supplies, travel, and consultation fees.

Utah: state funding provides for the addition of new dual language programs in approximately 20 to 25 schools per year. Districts request program funding and receive a base of $10,000 and, if necessary, additional funding for cost-sharing staff in particular instances where it is necessary and would be cost effective. Target languages include Chinese, French, Portuguese, and Spanish. The reported appropriation for Utah's dual language programs for the 2014−15 school year was $2.3 million. The state of Utah also secured additional funding through the U.S. Department of Defense totaling $500,000.

Proposal

The Department believes that providing resources to school districts to plan for and implement dual language programs would enable more Wisconsin school districts to develop and sustain dual language programs. Under this request, eligible costs for the planning and start up grants would include expenditures for curriculum, materials, textbooks, consultation for planning, staff time, travel, and professional development.

Under this proposal, the Department would award grants to school district in amounts up to $25,000 per applicant to reimburse for eligible costs. Allowing for variation in the size of the grant awards would recognize differential needs based on district size and other factors. Under this proposal, school districts which received a planning and start-up grant would be permitted to reapply for a grant the following year.

Therefore, the Department requests $750,000 GPR annually, beginning in FY19, to establish the proposed Dual Language Planning and Startup Grant program.

The Department is also requesting rule-making authority in order to establish the grant application process, program requirements, and to define allowable planning and start-up costs.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6061*)

Subject:	Dual Language Planning and Start-Up Grants
Request Date:	October 28, 2016
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department is proposing language to create an annual appropriation to create a grant program for school districts to develop and sustain dual language programs.

The Department is also requesting rule-making authority in order to establish the grant application process, requirements, and to define allowable planning and start-up costs.

Related Stat. Citations:

Create s.20.255 (20 (ci), as an annual, local assistance appropriation and appropriate $750,000 GPR beginning in GPR in FY19 to create a dual language planning and start-up grants program.

Under Ch. 115, create a new section or modify an existing section to establish the new grant program.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6062 – GIFTED AND TALENTED PROGRAMS

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Aid	**$1,000,000**	**$1,000,000**
Less Base	**$237,200**	**$237,200**
Requested Change	**$762,800**	**$762,800**

Request

The Department requests $762,800 in FY18 and in FY19 to increase the appropriation for grants to support gifted and talented programs, in order to reach more pupils in more schools.

Background

Of the approximately 870,000 pupils enrolled in Wisconsin's public schools in FY16, pupils with exceptional intellectual ability represent an estimated 44,500 (five percent) of that total. That number soars to an estimated 104,000 (12 percent) if gifted and talented pupils in the areas of specific academic, creative, artistic, and leadership are included.

Current state law requires school districts to provide access to an appropriate program for pupils identified as gifted and talented, under s.121.02 (1) (t), Wis. Stats., as one of the statutorily enumerated school district standards. Current law also requires school districts to establish programs for gifted and talented pupils who need services not ordinarily provided in a regular school program, and establishes a state- funded categorical aid grant program, under s.118.35, Wis. Stats.

Under s.118.35 (4), the Department is required to award grants to 501 (c) (3) nonprofit organizations, Cooperative Educational Service Agencies (CESAs), institutions within the University of Wisconsin System, and Milwaukee Public Schools (MPS), for the purpose of providing to gifted and talented pupils those services and activities not ordinarily provided in a regular school program that allow such pupils to fully develop their capabilities. Grant recipients are required to provide evidence of the impact of their projects on pupils and grant-funded projects are connected to the school district's curriculum. The state appropriation for grants to support gifted and talented programs ($237,200 GPR annually) supports the gifted and talented mandates under s.118.35 and s.121.02 (1) (t).

The state's grant for gifted and talented program has fostered genuine interest, and has culminated in many accomplishments, in gifted education throughout Wisconsin in recent years. School districts are increasingly committed to writing and revising plans that meet their statutory obligations. Approval of two joint gifted and talented license programs through the UW-Whitewater and UW-Stevens Point has generated a great deal of interest among educators in the state. Additionally, incorporating gifted education into Response to Intervention (RtI) frameworks has gained considerable traction around the state.

However, attention has also been drawn to several areas of compelling need:

- Identification of and programming for historically underserved pupils;
- Programming for pupils in rural communities; and

- Identification of and programming for leadership, creativity, and the visual and performing arts (encouraged under the criteria for the present grant).

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 Gifted report "State of the States in Gifted Education", in FY13, Minnesota provided over $11 million in gifted and talented funding to local educational agencies; Illinois does not provide any funding; Indiana provides $13 million in funding; Iowa provides over $35 million in funding; and Ohio provide over $40 million in funding. See Table 1 below for funding levels in FY15 for selected states where data was available:

Table 1: State Comparison of Gifted and Talented Education in FY15

State	FY15 Funding Dollars	Total Number of K-12 Pupils	FY15 Dollars Per K-12 Pupil
Iowa	$37,675,133	477,422	$78.28
Virginia	$46,445,227	1,248,139	$26.32
Kansas	$11,370,281	492,906	$23.06
Colorado	$11,907,091	889,006	$13.39
Indiana	$12,548,096	1,028,654	$12.61
Kentucky	$6,300,000	680,519	$9.26
Alabama	$1,100,000	744,238	$1.48
Wisconsin	**$237,200**	**870,652**	**$0.27**
Montana	$0	144,532	$0.00

Source: 2014-2015 State of the States in Gifted Education report, 2014-2015.

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.

The state grants are small 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 104,000 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.

Trends also indicate that a significant number of pupils with exceptional abilities are either not identified or do not receive educational services that address their unique strengths and characteristics. Those underrepresented groups include children of color, children living in poverty, high ability/high potential pupils with physical or learning disabilities, often referred to as twice-exceptional, and English Learners.

Listed below are a few examples of projects funded by the state gifted and talented grant appropriation:

- The Educational Communications Board (ECB) partnered with the Wisconsin RtI Center and the Department to produce a multi-media project that chronicled the journey of three school districts in creating and implementing an RtI system for all pupils, including those with gifts and talents.

RtI and gifted education are intertwined in Wisconsin. The statewide RtI model includes pupils whose needs go beyond the core curriculum. The Department supports and encourages using RtI as a way to systematize gifted education.

- CESA 5 partnered with the UW-Madison Discovery Center to integrate technology and creativity with a content focus in science, engineering, and mathematics in their Game Design for STEM (Science, Technology, Engineering and Math) Learning project. Teams of 7th and 8th graders and their teachers from 12 school districts worked with Learning Game Design specialists to create science, engineering, and math digital learning games for their peers.

- CESA 6 supported pupil-centered learning by providing opportunities for pupils in grades 4-9 to design their own project-based extensions to deepen their learning. The projects enriched and replaced the core curriculum. Pupils shared what they learned with an audience they identified.

- Eighth grade pupils in CESA 7 schools participated in the Great Decisions Discussion Group. The discussions were held in conjunction with a series of lectures sponsored by the Foreign Policy Association and hosted by St. Norbert College. Prior to each lecture, pupils read articles related to the topic, then met at St. Norbert's to hear they lectures. They then engaged in Socratic Seminars and Philosophical Chair discussions and debates about the lecture topics facilitated by GT Coordinators.

- CESA 10 coordinated an Emergent Writers Workshop and Emergent Illustrators Workshop for talented writers and artists in grade 5. Pupil writers learned about creative writing from a published author and pupil artists learned about illustrating from a local artist. The pupil writers and artists collaborated for several months to create a book when they returned to their schools.

- GSAFE (Gay Straight Alliance for Safe Schools) provided leadership opportunities for pupils in grades 9-12 in the Madison Metropolitan School District, with an emphasis on increasing the number of pupils of color. The organization offered a weekly leadership development class with curriculum focused on building effective communication, peer motivation, initiative development, goal-setting, group facilitation, problem-solving, decision-making, value/ethic development, and building self-confidence skills.

Proposal

The Department is requesting an increase in funding state grants to support gifted and talented programming in school districts, to $1,000,000 annually, to increase the capacity within schools to build gifted and talented programming that is more systematic, comprehensive and sustainable.

Additionally, to make the most effective use of this money, the Department proposes three policy changes along with the request for additional funding:

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 a CESA 10 Math Circles pilot project, 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.

3. Modify the overarching goal of the gifted and talented grant program to serve pupils that have been historically under-identified, and hence underrepresented in gifted and talented programming. These underrepresented pupils include economically disadvantaged pupils, pupils of color, pupils with physical or learning disabilities, and English Learners.

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
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6062*)

Subject: Gifted and Talented Grants

Request Date: September 27, 2016

Agency Contact: Grant Huber, 267-2003

Agency Budget Director: Erin Fath, 266-2804

Brief Description of Intent:

The Department requests the gifted and talented program under 118.35, 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).

In addition, modify the goal of the program to serve pupils that have been historically underrepresented in the gifted and talented program. These underrepresented pupils include economically-disadvantaged pupils, pupils of color, pupils with physical or learning disabilities, and English learners.

The Department also requests the program 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 activities that are also clearly eligible for state aid.

Related Stat. Citations:

Modify s. 118.35.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6063 – TRIBAL LANGUAGE REVITALIZATION GRANTS

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

FISCAL SUMMARY - grants		
	2017-18 Request	2018-19 Request
Requested Funding	$222,800	$625,000
Less Base	$222,800	$222,800
Requested Change	$0	$402,200

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

FISCAL SUMMARY - operations		
	2017-18 Request	2018-19 Request
Requested Funding	$0	$160,000
Less Base	$0	$0
Requested Change	$0	$160,000

Request

The Department requests $562,200 PR-S in FY19 for a new Young Learners Tribal Language Revitalization initiative, including $402,200 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). The source of PR-S funds is Tribal Gaming Revenues received by the state.

Background

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.

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 was 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 or four-year-old Kindergarten (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 that the Department currently identifies as

possible grant applicants. These school districts are located 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 $30,000 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; however, they often lack a connection to 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.

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 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, and Potawatomi).

There are approximately 11,000 American Indian pupils in Wisconsin. Approximately 7,300 live in the 38 school districts that are either in close proximity to reservations and/or have a significant number or percentage of enrollment of American Indian pupils. Currently, 15 to 20 of the 424 public school districts offer instruction in a tribal heritage language. One charter school, Waadookodaading uses a tribal language (Ojibwe) as the medium of instruction.

Proposal

The Young Learners Tribal Language Revitalization initiative calls for a targeted program within the current tribal language revitalization grant. This initiative will provide 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 will begin the exposure and development of the tribal heritage languages starting with Head Start and 4K and continue implementation of the program in Kindergarten through eighth grade in future biennia. The Department proposes to partner with the GLITC to offer this initiative.

Specifically, 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 2017-19 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 2017-19 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 for the sharing of promising practices and networking opportunities between all stakeholders. GLITC would serve as the connecting force between Head Start centers, school districts, CESAs, and tribes, and provide assistance in navigating any issues that might arise with implementation and administration of the program. 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).

The Department's proposed 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. Under the Department's proposal, an enhanced Tribal Language Revitalization Grant Program will address concerns about the vitality of tribal heritage languages, as well as concerns related to the academic achievement of American Indian pupils, by implementing a more coordinated approach across a wider age group of American Indian pupils in Wisconsin. Also, under the Department's proposal, a partnership between tribal heritage language programs and educational institutions will work to combine the tribe's linguistic expertise, in terms of language speakers and language documentation, with the school system's instructional capacity, leveraging the benefits of both.

Therefore, the Department requests a total of $562,200 PR-S from Tribal Gaming Revenues received by the state to fund a new Young Learners Tribal Language Revitalization grant program and support from GLITC in implementation and administration of the proposed grant program.

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):

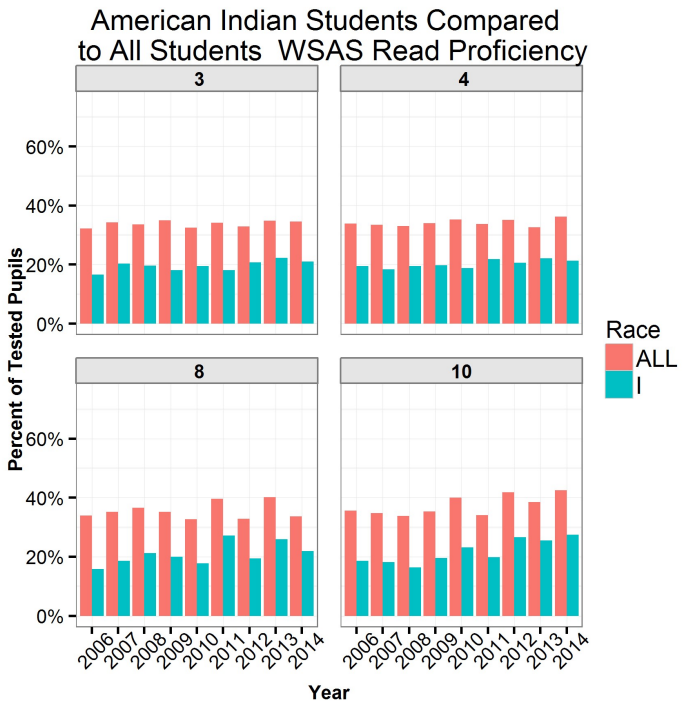
1. Develop comprehensive education plans.
2. Develop partnerships among multiple educational stakeholders.
3. Emphasize early childhood education, the promotion of tribal language and culture in schools, training Native teachers, and strengthening tribal and Bureau of Indian Affairs (BIA) colleges.
4. 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.

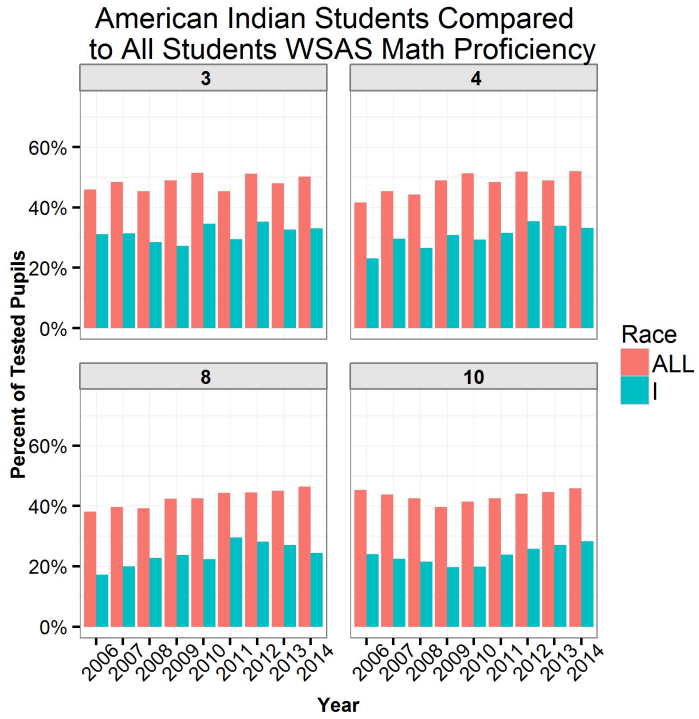
Early Childhood (The National Caucus of Native American State Legislators, 2008):

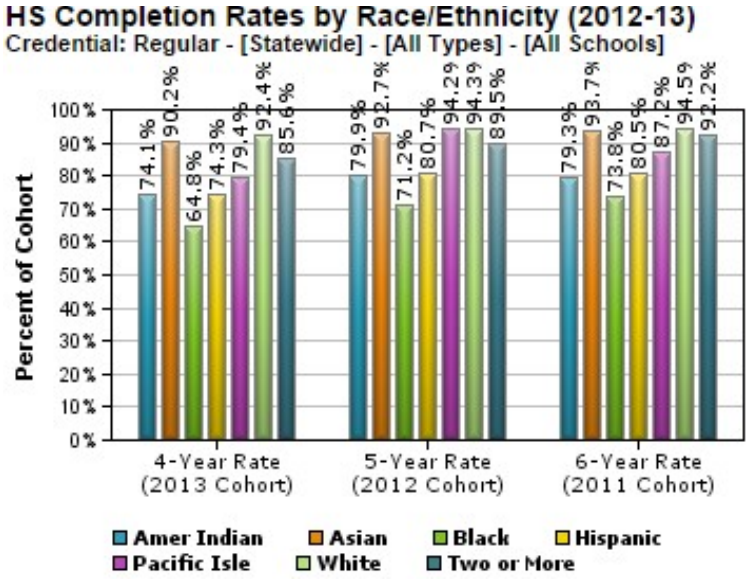
- Results from the Early Longitudinal Childhood Studies (ELCS) now being conducted by the National Center for Education Statistics (NCES) show that, as late as age 22 months, cognitive gaps do not exist between American Indian students and all others. By Kindergarten, however, significant gaps are evident. 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.







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
- Startup costs of equipment, books, materials, etc. for every 20 students per grades 4K through 8 and for every 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): $1,500 per grade level ($20 per hour * 2 hours per week * 36 weeks)
  - Preparation time (ongoing): $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 startup 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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
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	$262,200	$254,500	$238,400	$238,400	$238,400	$238,400	$238,400	$238,400	$238,400	$238,400	$238,400	$238,400
Kindergarten (K)		$307,900	$243,500	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400
Grade 1			$307,900	$243,500	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400
Grade 2				$307,900	$243,500	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400
Grade 3					$307,900	$243,500	$227,400	$227,400	$227,400	$227,400	$227,400	$227,400
Grade 4						$307,900	$243,500	$227,400	$227,400	$227,400	$227,400	$227,400
Grade 5							$352,900	$221,500	$205,400	$205,400	$205,400	$205,400
Grade 6								$352,900	$221,500	$205,400	$205,400	$205,400
Grade 7									$352,900	$221,500	$205,400	$205,400
Grade 8										$352,900	$221,500	$205,400
Total Cost	$395,100	$696,900	$918,000	$1,145,400	$1,372,800	$1,600,200	$1,872,600	$2,078,000	$2,283,400	$2,488,800	$2,341,300	$2,325,200

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 2017-17 biennium (9 AIAN Head Start centers and 23 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 2017-19 biennium. Wisconsin has nine Head Start centers serving American Indian/Alaska Native (AIAN) children.

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

AIAN Head Start Centers				Young Learners Costs				
Program Name	**Feeds School Districts**	**City**	**Children Served 2013-14**	**Curriculum Program Planning (Create)**	**Startup Cost per 17 Students (Create)**	**Classes Needed**	**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	$8,100	$7,400
Ho-Chunk	Black River Falls	Black River Falls	118	$3,500	$13,900	7	$16,900	$16,200
Stockbridge-Munsee	Bowler	Bowler	23	$3,500	$2,700	2	$5,900	$5,200
Oneida Tribe of Indians of Wisconsin	Green Bay	Green Bay	120	$3,500	$14,100	8	$19,100	$18,400
Lac Courte Oreilles Tribal	Hayward	Hayward	150	$3,500	$17,600	9	$21,300	$20,600
Menominee Nation Early Childhood	Menominee Indian	Keshena	191	$3,500	$22,500	12	$27,900	$27,200
Zaasijiwan	Lac Du Flambeau/Lakeland Union	Lac Du Flambeau	117	$3,500	$13,800	7	$16,900	$16,200
Bad River Tribal Council	Ashland	Odanah	57	$3,500	$6,700	4	$10,300	$9,600
St. Croix Tribal	Webster	Webster	36	$3,500	$4,200	3	$8,100	$7,400
		Totals	**862**	**$31,500**	**$101,400**	**55**	**$134,500**	**$128,200**

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 2017-19 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 2014-15 as the class size number for all grades. Costs are based on the school district providing programming for all pupils in the grade level.

2015-16 Public Enrollment by District by Ethnicity (PEDE)	American Indian Alaska Native			Young Learners Costs 4K				
School District	Total in School District	% of Total Enrollment in District	Average Kindergarten Enrollment FY14 & FY15	Curriculum Program Planning (Create)	Startup Cost per 20 Students (Create)	Classes Needed	Tribe Elder Teacher Cost for 36 Weeks (Implement)	Tribe Elder Teacher Cost for 36 Weeks (Maintain)
Lac du Flambeau #1	**444**	**91.7**	**61**	$3,500	$6,100	4	$10,300	$9,600
Menominee Indian	**823**	**90.8**	**73**	$3,500	$7,300	4	$10,300	$9,600
Bayfield	**282**	**73.6**	**28**	$3,500	$2,800	2	$5,900	$5,200
Bowler	131	35.1	31	$3,500	$3,100	2	$5,900	$5,200
Gresham	103	33.4	19	$3,500	$1,900	1	$3,700	$3,000
Crandon	273	30.3	74	$3,500	$7,400	4	$10,300	$9,600
Hayward Community	593	28.0	152	$3,500	$15,200	8	$19,100	$18,400
Black River Falls	401	22.0	134	$3,500	$13,400	7	$16,900	$16,200
Ashland	**468**	**20.7**	**178**	$3,500	$17,800	9	$21,300	$20,600
Shawano	478	18.6	178	$3,500	$17,800	9	$21,300	$20,600
Wabeno Area	**83**	**18.6**	**27**	$3,500	$2,700	2	$5,900	$5,200
Siren	85	17.0	29	$3,500	$2,900	2	$5,900	$5,200
Washburn	77	13.7	39	$3,500	$3,900	2	$5,900	$5,200
Winter	29	10.8	20	$3,500	$2,000	1	$3,700	$3,000
Webster	75	10.5	46	$3,500	$4,600	3	$8,100	$7,400
Seymour Community	**235**	**9.7**	**160**	$3,500	$16,000	8	$19,100	$18,400
Woodruff J1	48	9.3	49	$3,500	$4,900	3	$8,100	$7,400
Wisconsin Dells	124	6.8	129	$3,500	$12,900	7	$16,900	$16,200
Unity	**67**	**6.7**	**69**	$3,500	$6,900	4	$10,300	$9,600
Laona	14	6.2	14	$3,500	$1,400	1	$3,700	$3,000
Mercer	9	6.2	10	$3,500	$1,000	1	$3,700	$3,000
Minocqua J1	35	6.1	55	$3,500	$5,500	3	$8,100	$7,400
West De Pere	196	6.0	242	$3,500	$24,200	13	$30,100	$29,400
Total	**5,073**		**1,811**	**$80,500**	**$181,700**	**100**	**$254,500**	**$238,400**

Red = Receiving Current Tribal Language Grant in 2015-16

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

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6063*)

Subject: Tribal Language Revitalization Grants

Request Date: October 28, 2016

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 eligible grant applicants. 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), add Head Start agencies as eligible grant applicant.

ii. Create s. 20.255 (1) (kt), Tribal language revitalization operations.

iii. Authorize the Department 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 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6051 – PER PUPIL AID

279 – Per pupil aid
s. 20.255 (2) (aq)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$230,000,000**	**$230,000,000**
Less Base*	**$211,248,000**	**$211,248,000**
Requested Change	**$18,752,000**	**$18,752,000**

**The base here represents the FY17 allocation of Per Pupil Aid.*

Request

The Department requests an increase of $18,752,000 GPR in both FY18 and FY19, to reflect projected aid amounts under the Per Pupil Aid program, and to reflect the Department's proposed use of a weighting mechanism within the Per Pupil Aid formula. The proposed weighting would target aid increases to school districts with pupils who fall into the following three demographic categories: economically disadvantaged (ED) pupils, English learner (EL) pupils, and pupils in foster care placements (FC pupils).

Background

Established as Per Pupil Adjustment Aid in the 2011 Wisconsin Act 32 (the 2011-13 biennial budget), the aid amount to school districts was computed as $50 multiplied by the district's current three-year average revenue limit membership. Aid was prorated for districts that chose to under levy, in proportion to the specific under levy for the district. School districts automatically received this aid in FY13 with no other eligibility criteria. The appropriation in FY13 was $42,500,000 GPR. This aid was provided outside the revenue limit.

The appropriation for Per Pupil Aid was modified in the 2013-15 biennial budget (2013 Wisconsin Act 20), such that a district's eligibility for Per Pupil Aid was no longer dependent on whether or not the district levied ot the full amount allowed under its revenue limit. Additionally, the appropriation for Per Pupil Aid was changed from annual, sum-certain appropriation to a sum-sufficient appropriation; thus, every district receives the full amount for which the district is eligible (no proration of aid payments). Each school district received a $75 per pupil aid payment in FY14 and a $150 per pupil payment in FY15. The state continued to pay aid outside the revenue limits. School districts received $63,462,200 in FY14 and $126,840,150 in FY15. Per Pupil Aid is paid on the fourth Monday in March annually.

The 2015-17 biennial budget (2015 Wisconsin Act 55) provided $150 per revenue limit member in FY16. The estimates under Act 55 (843,945 members) would have resulted in payments of $126,842,300 in FY16; however, actual payments were $126,589,800, reflecting actual revenue limit membership and prior year adjustments to aid[11]. The aid payment for FY16 was delayed, on a one-time basis, to the second Monday in July of 2016; however, this delayed payment was considered as moneys appropriated in FY16 for the purposes of calculating an increase in categorical aid funding per pupil and was booked by districts as revenue received in FY16.

[11] Adjustments reflect changes in revenue limit membership, as reported by school districts, from the time when Per Pupil Aid is calculated to the finalized revenue limit membership.

Under Act 55, the state provided an additional $69,340,400 GPR in FY17 for Per Pupil Aid payments, based projected FY17 revenue limit membership and an increase in the amount paid per pupil, from $150 to $250. In FY17, payments will return to the fourth Monday in March 2017 and will be considered FY17 revenue. The appropriation was maintained as sum sufficient and aid eligibility was increased to $250 per revenue limit member in FY17, on an ongoing basis. The amount allocated for aid payments in FY17 is $211,248,200 GPR.

The advantage of providing resources to school districts under the Per Pupil Aid program is that it ensures all school districts receive additional revenue that is received outside of a school district's revenue limit. As such, it provides school districts with real additional spending capacity (outside revenue limits) and does not carry the potential for increasing school property taxes that generally follows when school district revenue limits are increased. Per Pupil Aid allows school districts to increase their spending capacity by a uniform amount in a simple and easy to understand formula.

However, in contrast to the manner in which equalization aid provided to school districts is inherently equalizing, Per Pupil Aid, in providing a uniform amount per pupil, is a disequalizing approach to aiding school districts. The Per Pupil Aid formula does not account for factors outside the control of a school district, such as the number of ED, EL or FC pupils. The proportion of pupils who fall into these demographic categories continues to hold relateively constant, despite declining enrollment in the public schools. The change in these categories of pupils enrolled in public school districts statewide can be seen in Table 1 below.

Table 1. FRL-Eligible Pupils, EL Pupils, and FC Pupils, FY11 to Present

Year	Total Pupils	ED Pupils*	Percent ED	EL Pupils*	Percent EL	FC Pupils^	Percent FC
FY11	868,168	337,678	38.9%	49,560	5.7%	11,105	1.3%
FY12	866,812	349,985	40.4%	49,758	5.7%	10,760	1.2%
FY13	866,386	354,907	41.0%	47,997	5.5%	11,055	1.3%
FY14	867,864	359,778	41.5%	47,145	5.4%	11,320	1.3%
FY15	864,398	354,465	41.0%	46,454	5.4%		
FY16	861,656	336,011	39.0%	46,362	5.4%		

*Source: ISES Count Date, 2010-11 school year to the present.
^Currently, the Department does not receive data directly from school districts concerning the number of resident pupils in foster care. For the purpose of this request, the Department obtains data on the number of children in foster care placements from the Department of Children & Families. The most recent DCF Annual Out-Of-Home Care report can be found at http://www.dcf.wi.gov/cwreview/reports/OOHC/2014-OHC-Rpt.pdf figure 1.

Additionally, the data shows that the concentrations ED and EL pupils varies among school districts (far from a uniform distribution across the state). Table 2 below shows the percentage of districts and pupilpupils for each concentration of economic disadvantage (measured by pupils that are eligibile for Free or Reduced Price Lunch, or FRL-eligible).

Table 2. Percentage of Districts and Pupils by Concentration of ED Pupils*

Concentration of ED Pupils	Districts	All Pupils	ED Pupils
Less than 40%	55.0%	47.8%	30.7%
40% to 49.99%	22.6%	23.3%	26.5%
50% to 59.99%	16.0%	13.7%	18.6%
60% or more	6.4%	15.2%	24.2%

*Source: ISES Count Date, 2015-16 School Year

The Department's findings show that while only 6.4 percent of public school districts have concentrations of ED pupils at 60 percent or greater, 15.2 percent of public school pupils, and 24.2 percent of all ED pupils, attend such districts. This pattern reflects what is happening nationally: the distribution of ED pupils is becoming more uneven, as poor students are much more likely to attend schools or school districts with other poor students.

Similar conclusions can be drawn for EL pupils, based on the distribution of EL pupils, as seen in Table 3 below.

Table 3. Percentage of Districts and Pupils by Concentration of EL Pupils*

Concentration of EL Pupils	Districts	All Pupils	EL Pupils
No ELs	17.2%	3.7%	0.0%
Less than 1%	28.1%	17.9%	1.8%
1% up to 4.99%	40.3%	37.5%	17.8%
5% up to 9.99%	9.0%	26.5%	38.8%
10% or more	5.4%	14.4%	41.6%

*Source: ISES Count Date, 2015-16 School Year

Similarly, while only 5.4 percent of public school districts have concentrations of EL pupils at ten percent or more, 14.4 percent of public school pupils, and 41.6 percent of all EL pupils in the state, attend such districts. This suggests that EL pupils are much more likely to attend schools with other EL pupils; as with ED pupils, the distribution of EL pupils is becoming more uneven.

The number of FC pupils is too small to calculate a meaningful distribution across school districts. The range of foster care pupils varies, from Milwaukee Public Schools district on the high end (with an average of 467.7 pupils from FY12 to FY14), followed by the Madison Metropolitan and Racine Unified school districts, with 166.3 and 157.3 pupils, respectively. It is met on the low end with East Troy Community and Hartford J1 with 5.0 pupils (ranked 147th and 148th, respectively). All other school districts averaged fewer than 5 foster care pupils over that three-year period.

Proposal

The Department proposes to introduce a weighting mechanism into the Per Pupil Aid formula in order to target aid increases to school districts with greater concentrations of ED, EL and/or FC pupils. Weighting pupils within the Per Pupil Aid formula in this manner would drive additional resources for school districts in a more equitable manner, providing additional capacity in those school districts to address the needs of these pupils populations.

The Department's proposal to provide school districts with additional resources to serve ED, EL and FC pupils is ultimately driven by the goal of helping all pupils become proficient in core subject areas, as a means of ensuring success after high school, in college and career. One indication of a pupil's overall academic success, and preparedness for life after high school, are the results from the federal and state required academic assessments. Data indicate that ED and EL pupils are one subset of pupils that tend to have lower achievement results on statewide assessments, compared to their peers (the Department is not able to disaggregate data to determine scores for FC pupils). See table 4 below for the results of the Forward Assessment conducted in FY16, indicating the proportion of all pupils, and subsets of pupils, achieving a score of proficient or advanced on two core subject areas: math and English and language arts (ELA). School districts with greater concentrations of ED, EL and/or FC pupils could make use of additional state resources for staffing and/or programming aimed at providing supports necessary to reduce achievement gaps among pupils.

Table 4. Performance on the Forward Assessments, School Year 2015-16

Subject	Group	Percent Proficient or Advanced
Math	All Pupils	42.6%
Math	Economically Disadvantaged Pupils	25.0%
Math	Pupils with a Disability	14.4%
Math	**English Learner Pupils**	**13.2%**
ELA	All Pupils	42.7%
ELA	Economically Disadvantaged Pupils	26.2%
ELA	Pupils with a Disability	12.6%
ELA	**English Learner Pupils**	**10.9%**

Source: Department of Public Instruction, WISEdash public reporting portal for student enrollment data.

Methodology

Per Pupil Aid is based on the current three-year average revenue limit membership. The Department does not have access to current year pupil demographic data at the time that revenue limit membership is calculated in the fall each year, nor would current year demographic data be audited at the time that the Department is calculating current year Per Pupil Aid in March of each year. Thus, in order accomplish the weighting for ED, EL and FC pupils in the Per Pupil Aid formula, the Department proposes to use prior year enrollment data to determine the proportion of each school district's enrollment that is comprised of ED, EL and/or FC pupils. This proportion would be applied to each school district's current year revenue limit membership to calculate Per Pupil Aid for each district.

The following data was used to determine the proportion enrollment comprised of ED, EL and FC pupils for each school district, to be applied to revenue limit membership in calculating a weighted Per Pupil Aid amount for FY18 and FY19.

Numerator:

- **ED Pupils**: ISES* Count Date 2015-16 school year. Statewide there are **336,011 ED pupils** in these data (39 percent of total enrollment; or 334,300 additional revenue limit pupils).
- **EL Pupils**: ISES Count Date 2015-16 school year. Statewide, there are **46,362 EL pupils** in these data (5.4 percent of total enrollment; or 46,395 additional revenue limit pupils).
- **FC Pupils**: Based on a report prepared by the Department of Children and Families, the average number of children in foster care during FY12 through FY14 (*only for districts whose average number of children in FC placement is 5 or more)*, for a total of **3,272** such pupils across the state (0.4 percent of total enrollment).

  **ISES: Individual Student Enrollment System maintained by the Department.*

Denominator:

- **Total Pupils**: ISES Count Date 2015-16 school year; there were **861,656 pupils** enrolled in public districts on the count date for this year.

Under the Deparment's proposal, a weight of 0.20 (20 percent) would be applied to each ED, EL and FC to calcuate a weighted revenue limit membership, which would be used as the basis for Per Pupil Aid payments beginning in FY18, for each school district.

The Department did not project total enrollment along each demographic category for FY18 or FY19; the same proportions were applied to projected a weighted revenue limit membership in FY18 and FY19 (843,832 and 846,050 pupils, respectively):

- ED Pupils: 329,094 pupils in FY18 and 329,960 pupils in FY19
- EL Pupils: 45,567 pupils in FY18 and 45,687 pupils in FY19
- FC Pupils: 3,375 pupils in FY18 and 3,384 pupils in FY19

Weighting pupils in this manner will result in additional funding for ED, EL, and FC pupils. In addition, each weight in this calculation will be additive. Using the base per pupil amount of $250, a school district will receive an additional $50 (20 percent of the base payment) for each pupil in the specified demographic groups (total of $300 for that pupil); a pupil who falls into two of the groups would generate $350, and a pupil that falls into all three would generate $400. The total cost of theDepartment's proposal, and the incremental cost of weighting each demographic, is illustrated in Table 5 below.

Table 5. Additive Weighting Per Demographic Category (Weight = 0.20)

Category	FY18 Number of Pupils	Additional Weighting Factor	Per Pupil Aid	Aid Amount	FY19 Number of Pupils	Additional Weighting Factor	Per Pupil Aid	Aid Amount
Base per pupil	843,832	1.0	$250	$210,958,000	846,050	1.0	$250	$211,512,500
ED pupils	329,094	0.2	$50	$16,454,724	329,960	0.2	$50	$16,497,975
EL pupils	45,567	0.2	$50	$2,278,346	45,687	0.2	$50	$2,284,335
FC pupils	3,375	0.2	$50	$168,766	3,384	0.2	$50	$169,210
Total Funding Required				**$229,859,900**	**Total Funding Required**			**$230,464,100**
Total Funding Required (Rounded)				**$230,000,000**				**$230,000,000**
Change to Base*				**$18,752,000**	**Change to Base***			**$18,752,000**

**Total = annual increase over the amount paid in local assistance for FY17 ($211,248,200). The actual FY17 appropriation base under 2015 Act 55 is $338,090,500, as it includes the allocation for FY16 Per Pupil Aid ($126,842300), the payment of which was delayed until July 2016. Therefore, the Per Pupil Aid payments to school districst were paid by the state (expended) during FY17, though the statutes directed that the amounts be treated as FY16 revenues by school districts.*

The advantage of weighting Per Pupil Aid is that it would drive more funding to school districts, that are otherwise operating under strict revenue controls, to reflect the individual districts' proportion of ED, EL and FC pupils. The Department believes that the result of such weighting will provide additional resources to districts that arguably are in most need of additional resources to meet the programming needs of their pupil populations, providing much needed equity in public schools across the state.

Therefore, the Department requests an increase of $18,752,000 GPR in both FY18 and FY19, to reflect projected aid amounts under the Per Pupil Aid program, and to reflect the Department's proposed use of a weighting mechanism within the Per Pupil Aid formula.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6051*)

Subject: Per Pupil Aid
Request Date: 10/24/2016
Agency Contact: Carl Bryan, 267-9127
Agency Budget Director: Erin Fath, 266-2804

Brief Description of Intent:

The Department requests modification of the Per Pupil Aid program to create an additional 20 percent weight for each pupil that meets any of the following criteria: 1) the enrolled pupil satisfies the income eligibility criteria for a free or reduced-price lunch in the federal school lunch program under 42 USC 1758 (b) (1); 2) the enrolled pupil is classified as an English Learner under the process given in s. 115.96 (1)*; or 3) the enrolled pupil is in a foster care placement at any time during the school year as determined by the State Superintendent.

A pupil is eligible for an additional 20 percent weight for aid purposes for each criteria that the pupil satisfies, up to a total additional weight of 60 percent. The result of this change is that a pupil who belongs to one, two or three of these demographic categories would be counted as 1.2, 1.4 or 1.6 (respectively) pupils; thus, rather than receiving $250 for these pupils, a school district would receive $300, $350, or $400 (respectively) for these pupils.

Related Stat. Citations:

Modify the Per Pupil Aid program under s. 115.437, to create an additional 20 percent weight for pupils that meet any of the following criteria: 1) the enrolled pupil satisfies the income eligibility criteria for a free or reduced-price lunch in the federal school lunch program under 42 USC 1758 (b) (1); 2) the enrolled pupil is classified as an English Learner under the process specified in s. 115.96 (1)*; or 3) the enrolled pupil is in a foster care placement at any time during the school year as determined by the State Superintendent. A pupil is eligible for an additional 20 percent weight for aid purposes for each criteria that the pupil satisfies, up to a total additional weight of 60 percent.

Note: Per Pupil Aid is based on current year (three year average) revenue limit membership, as defined under s. 121.90 (1) (intro.). However, the Department does not have access to current year data on pupil demographic factors at the time that revenue limit membership is calculated in the fall each year, nor would current year demographic data be audited at the time that the Department is calculating current year Per Pupil Aid (payments go out on fourth Monday in March).

Thus, in order accomplish the weighting as described above, the Department proposes to first determine the percentage of pupils enrolled in a school district that were identified as being in each of the demographic categories for which weighting would be applied *in the prior year*; and then second, apply the percentages for each of the three weighting categories to a school district's current year revenue limit membership (under s. 121.90) to calculate Per Pupil Aid for each district.

Note: Currently, there is no statutory definition for a pupil that is held in a foster care placement and the Department does not receive data directly from school districts concerning the number of resident pupils in foster care. The Department is able to obtain data on the number of children in foster care

placements from the Department of Children & Families. Absent an actual definition for a “foster care pupil” for the purpose of calculating weighted Per Pupil Aid, the Department proposes that “foster care” pupils be counted in a manner determined appropriate by the State Superintendent, in consultation with the Department of Children & Families.

*While current law under s. 115.96 refers to “Limited English Proficient”, the current practice is to use the term “English Learner” when speaking of pupils for whom English is not their first language and who are not fluent in English.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6071 – GRANT PROGRAM FOR PEER REVIEW AND MENTORING

226 – Grant program for peer review and mentoring
s. 20.255 (2) (fk)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$1,606,700**	**$1,606,700**
Less Base	**$1,606,700**	**$1,606,700**
Requested Change	**$0**	**$0**

Request

The Department proposes changes to statutory language for the Peer Review and Mentoring (PRM) grant program, to promote participation in the program by districts with the greatest need for support in mentoring teachers, and to more effectively make use of the resources under this program. The Department is not requesting a change to the current appropriation for this program.

Background

Research studies continue to substantiate that a solid mentoring support system for educators new to the profession will lead to greater retention in the field. A study conducted by the U.S. Department of Education, "Beginning Teacher Longitudinal Study" (2015), found that first-year teachers who were not assigned a mentor were twice as likely as teachers with a mentor to leave the profession within their first five years.

Teachers who are new to the profession (initial educators) and who teach in more challenging districts have among the highest turnover rates among teaches generally. Retaining initial educators in the field is an important factor in sustaining a pool of qualified, experienced teachers, which, in turn, is crucial to the long term success of pupils. By increasing mentoring support to the initial educators in the most challenging environments, the state would be contributing to the success of educators, for the benefit of pupils.

Under Wisconsin's Initial Educator Support System**,** school districts are required to provide ongoing orientation, support seminars and qualified mentors for all initial educators within their districts. This requirement is specifically cited within PI 34, Teacher Education Program Approval and Licenses, the Department's administrative rule pertaining to licensing of educators in the state (specific citation is PI 34.17 (2)). In addition, districts must designate a Wisconsin school administrator who has been trained by the Department to be available to serve on the initial educator's Professional Development Plan (PDP) team. Further, institutions of higher education must also designate representatives to be trained and to be available to serve on the initial educator's PDP team.

The existing PRM grant program is authorized under s. 115.405, Wis. Stats., created under 1997 Act 237. Currently, the appropriation provides $1,606,700 annually for competitive grants to CESAs, consortia of school districts, consortia of CESAs, and consortia of CESAs and school districts. Grant funds may be used to provide peer review and mentoring support for initial educators. The maximum grant amount permitted under current law for any one proposal is $25,000 per year. Applicants must provide matching funds of at least 20 percent (money or in-kind).

The Wisconsin Teacher Equitable Access Plan (WTEAP) addresses state strategies to eliminate the inequitable distribution of inexperienced or unqualified teachers working in schools with relatively high enrollments of pupils of color and/or economically disadvantaged pupils. The following nine districts have been specifically identified in that plan: Beloit, Green Bay, Janesville, Kenosha, Madison, Milwaukee, Racine, Waukesha, and West Allis-West Milwaukee. These districts are among the states most challenging and exhibit among the highest teacher turnover rates in the state.

The Department's grant application form states that priority will be given to PRM grant proposals that include a number of elements. Primary among those elements are:

- Provide peer review and mentoring support to inexperienced (first three years of teaching) initial educators in one or more of the nine districts identified by the Department in Wisconsin's Teacher Equitable Access Plan, i.e., "WTEAP districts" (Beloit, Green Bay, Janesville, Kenosha, Madison, Milwaukee, Racine, Waukesha, and West Allis-West Milwaukee); and
- Provide mentoring support to unqualified (emergency license/permit holders) who are serving as teachers of record and working toward full licensure.

Despite the stated priorities of the PRM grant program, just four of the nine districts identified as WTEAP districts applied for and received PRM grant awards in FY16 (Milwaukee, Racine, Waukesha and West Allis-West Milwaukee).

The Department believes that the maximum award, at just $25,000 per grant proposal, is viewed by potential school district applicants as insufficient to create new PRM programs that are sustainable, particularly given that a school district must apply as part of a consortium under current law. That is, the award cap, combined with the consortium requirement, is viewed as a disincentive to applying for the PRM grant, particularly for larger districts, including those identified as WTEAP districts. Furthermore, the $25,000 grant award is likely not sufficient to support the creation of new PRM practices, or to encourage more innovative approaches; instead, the grant is likely to be used to support existing peer review and mentoring efforts.

Proposal

To make the most effective use of the exiting appropriation, the Department proposes two policy changes in this request:

1. Remove the consortium requirement, in order to permit individual school districts to submit grant applications. This change would still allow consortia to apply for grants.

2. Increase the maximum award amount for any one proposal to $100,000.

Statutory Language

The Department is proposing statutory language related to this request to modify the Peer Review and Mentoring grant program.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6071*)

Subject:	Grant Program for Peer Review and Mentoring
Request Date:	8/19/16
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests the grant program for peer review and mentoring under 20.255 (2) (fk), be modified to include individual school districts as eligible entities to apply for peer review and mentoring grants (in addition to the entities eligible under current law – CESAs, consortiums of two or more school districts, consortiums of two or CESAs, and combinations of those entities.)

The Department also requests the appropriation be modified to increase the allowable one-year grant amount from $25,000 to $100,000; and, directing the Department to consider the number of initial educators represented in an application submitted by an eligible entity in determining the grant award amounts.

Related Stat. Citations:

Modify 20.255 (2) (fk), Grant Program for Peer Review and Mentoring.

Modify s. 115.405 (1) (a) and s.115.405 (1) (b).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6072 – SCHOOL BREAKFAST REIMBURSEMENT

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$5,200,000**	**$5,500,000**
Less Base	**$2,510,500**	**$2,510,500**
Requested Change	**$2,689,500**	**$2,989,500**

Request

The Department requests a total increase of $2,689,500 GPR in FY18 and $2,989,500 GPR in FY19 for state aids for reimbursements under the School Breakfast Program (SBP) at 15.0 cents for each breakfast served. Of the total, $2,550,300 in FY18, and $2,851,000 in FY19, is requested to fully fund reimbursements to school districts and private schools under current law.

The Department also requests $139,200 GPR in FY18 and $138,500 GPR in FY19 to fund reimbursements under the SBP at 15.0 cents for each breakfast served in institutions that are not eligible for reimbursement under current law: 1) Independent Charter Schools, under s. 118.40 (2r) and (2x), Wis. Stats; 2) the Wisconsin Educational Services Program for the Deaf and Hard of Hearing ("School for the Deaf") under s. 115.52, Wis. Stats; 3) the Wisconsin Center for the Blind and Visually Impaired ("School for the Blind"), under s. 115.525, Wis. Stats; and 4) residential care centers for children and youth (RCCs), as defined under s. 115.76 (14g), Wis. Stats. The School for the Deaf and the School for the Blind are referred to collectively as the state's residential schools in this paper.

Extending eligibility for state reimbursement under the SBP to these entities would require a change in statute; thus, the Department requests a statutory language change to direct the Department to make payments to the institutions described above. Additionally, the Department requests a change in statute to direct the Department to cease payment of School Breakfast aid to an institution that ceased to operate at any point during or at the end of the previous school year.

Background

Studies have concluded that pupils who eat breakfast at the start of the school day have increased math and reading scores, as well as improvements in their speed and memory in cognitive tests. Additionally, children who eat breakfast closer to class and test-taking time perform better on tests. Many children do not eat a nutritious breakfast every morning and children who eat school breakfast tend to have a more nutritious breakfast.

The federal SBP provides cash assistance to states to operate nonprofit breakfast programs in schools and RCCs. School breakfasts are available to all pupils.

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, pupil costs, and USDA reimbursement rates for free, reduced, and full-price meals are as follows in Table 1 below:

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

	Eligibility Criteria	Amount Pupil's Family Pays	Amount USDA Reimburses Participating Entity
Free meals	Children from families with incomes at or below 130 percent of the federal poverty level.	$0.00	$1.66 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 $0.30 per meal	$1.36 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 per meal

However, as a result of decreases in federal funding since the 1980s, payments to local child nutrition programs have not been sufficient in covering the total cost of providing school breakfast.

In addition, the state provides GPR to reimburse participating entities at a rate of $0.15 per each 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, in which case the Department must prorate state aid payments.

The state reimbursement for SBP was created under 1993 Act 168, first providing aid in FY95. When the appropriation was first created, it was designed to assist in establishing a SBP. The Department awarded startup grants, not to exceed $10,000, to school districts and private schools to reimburse them for certain nonrecurring costs associated with establishing breakfast programs. Only school districts or private schools with 20 percent of their pupils eligible to receive free or reduced-price lunch were eligible to receive a startup grant. Then, under 1999 Wisconsin Act 9, beginning in FY01, the startup grants were eliminated; instead, each eligible institution was reimbursed 10 cents per breakfast served in the prior school year. The appropriation was increased, from $150,000 for just startup grants, to $892,100 for the reimbursements based on the number of breakfasts served.

State aid payments have been prorated since FY06 as a result of the increase in school breakfast participation. For FY15, payments were prorated at $0.0849 per breakfast served. Payments are estimated to decrease to less than $0.08 per breakfast for FY16 (final figures are not yet available) and are projected to continue to decrease, assuming the appropriation for school breakfast aid remains flat.

Table 2 shows the history of the school breakfast aid appropriation, reimbursement rates and proration of aid as well as projected reimbursements for FY16 through FY19.

Table 2. School Breakfast Program Appropriation and Reimbursement History and Projections FY01 – FY19

Year	Beginning Balance**	State Appropri-ation	Eligible Expenditures	Breakfasts Served Prior Year***	Percent Change in Breakfasts Served	Reimburs. per Breakfast	Statutory Reimburs. per Breakfast
FY01*	$145,400	$892,100	$990,100	9,901,000		$0.10	$0.10
FY02	$47,400	$1,055,400	$907,000	9,070,000	-8.4%	$0.10	$0.10
FY03	$195,800	$1,055,400	$983,700	9,837,000	8.5%	$0.10	$0.10
FY04	$267,500	$1,055,400	$1,047,000	10,470,000	6.4%	$0.10	$0.10
FY05	$275,900	$1,055,400	$1,138,400	11,384,000	8.7%	$0.10	$0.10
FY06	$192,900	$1,055,400	$1,259,020	12,590,201	10.6%	$0.0838	$0.10
FY07	$0	$1,055,400	$1,457,735	14,571,109	15.7%	$0.0724	$0.10
FY08	$0	$2,513,500	$2,790,711	18,604,737	27.7%	$0.1351	$0.15
FY09	$0	$2,890,600	$3,049,800	20,331,997	9.3%	$0.1422	$0.15
FY10	$0	$2,789,400	$3,318,607	22,124,048	8.8%	$0.1261	$0.15
FY11	$0	$2,789,400	$3,652,322	24,348,813	10.1%	$0.1146	$0.15
FY12	$0	$2,510,500	$3,967,706	26,451,375	8.6%	$0.0949	$0.15
FY13	$0	$2,510,500	$4,267,700	28,451,334	7.6%	$0.0882	$0.15
FY14	$0	$2,510,500	$4,381,380	29,209,199	2.7%	$0.0859	$0.15
FY15	$0	$2,510,500	$4,574,820	30,498,801	5.1%	$0.0849	$0.15
FY16 (est.)	$0	$2,510,500	$4,737,226	31,581,508	3.6%	$0.0795	$0.15
FY17 (est.)	$0	$2,510,500	$4,925,768	32,838,452	4.0%	$0.0740	$0.15
FY18 (est.)	$0	$2,510,500	$5,110,977	34,073,178	3.8%	$0.0737	$0.15
FY19 (est.)	$0	$2,510,500	$5,308,772	35,391,810	3.9%	$0.0709	$0.15

* The school breakfast appropriation is a continuing appropriation; therefore, any unspent funds or ending balance becomes the subsequent year's beginning balance.

** FY01 was the first year that reimbursements were provided on the basis of breakfasts served; prior to FY01, grants were provided to school districts and private schools to establish a SBP.

*** The number of breakfasts served do not include the breakfasts served in independent charter schools, the state's residential schools, or RCCs. These entities do not receive funds from the SBP.

In the initial years of the program, the appropriation was sufficient to cover all claims, and unexpended funds carried over into the subsequent fiscal year. As a result of the increase in school breakfast participation, appropriated and carryover funds were fully expended in FY06. This is the first time claims were not paid at 100 percent. Actual payments were prorated to 8.38 cents per breakfast served in FY06. Despite an increase in the appropriation in FY08, payments have been prorated in subsequent years as indicated in Table 2 above. The rate of proration is shown in Table 3 below.

Table 3. Proration Rate of School Breakfast Payments, FY06 – FY19

Year	Proration Rate	Reimbursement Per Breakfast Served	Reimbursement Rate (per Breakfast)
FY06	83%	$0.0838	$0.10
FY07	72%	$0.0724	$0.10
FY08	90%	$0.1351	$0.15
FY09	95%	$0.1422	$0.15
FY10	84%	$0.1261	$0.15
FY11	76%	$0.1146	$0.15
FY12	63%	$0.0949	$0.15
FY13	59%	$0.0882	$0.15
FY14	57%	$0.0859	$0.15
FY15	55%	$0.0849	$0.15
FY16 (est.)	53%	$0.0795	$0.15
FY17 (est.)	51%	$0.0740	$0.15
FY18 (est.)	49%	$0.0737	$0.15
FY19 (est.)	47%	$0.0709	$0.15

During FY15, reimbursements were provided to 357 participating public school districts (1,922 public schools), and 104 participating private schools. It is anticipated that the number of school breakfasts served will continue to increase by at least 3.8 percent annually in FY17, FY18, and FY19, based on the average increase in the last two years. This projection is reflective of the fact that new Community Eligibility Provisions (CEP) require that free breakfasts be served to every pupil in a participating CEP school. The base appropriation of $2,510,500 will be insufficient to fully fund (at 15 cents per meal) the projected number of meals for which schools may be reimbursed. Without an increase in the state school breakfast appropriation, the Department estimates that reimbursement rates to public and private schools will continue to decrease in FY17 and throughout FY18 and FY19:

- FY17 – 7.40 cents per breakfast served
- FY18 – 7.37 cents per breakfast served
- FY19 – 7.09 cents per breakfast served

The combination of a flat state appropriation and continued growth in participation in SBPs will result in lower reimbursement rates for participating schools. Continued reductions in the state reimbursement rate for schools under the SBP may result in decreased program viability and has the potential to reduce the number of schools that are able to continue to offer school breakfast programs.

Proposal

The Department requests an increase to the appropriation for SBP reimbursements in order to fully fund eligible claims from participating public and private schools in FY18 and FY19, at 15 cents per breakfast served. The projected reimbursement based on this rate is shown in Table 4 below.

Table 4. Projected Costs of Providing Full Reimbursement at 15 cents per Breakfast

Year	Estimated Breakfasts Served	Reimbursement 15 cents/meal
FY18 (est.)	34,073,178	$5,110,977
FY19 (est.)	35,391,810	$5,308,772

Program Changes

Expanding Reimbursements to Other Institutions

Currently, only public and private schools receive the state reimbursement for breakfasts served. This is not consistent with the state matching program for the federal school lunch program, under which independent charter schools, the state's residential schools, and RCCs are eligible for state reimbursement. Besides the state school lunch aid program, independent charter schools are eligible to receive state Special Education categorical aid, and as a result of changes included in 2015 Wisconsin Act 55, now also state aid for pupil transportation. The projected cost of providing reimbursements for breakfasts served in independent charter schools, the state's residential schools, and RCCs is detailed in Table 5 below.

Table 5. Projected Cost to Include Charter Schools, State Residential Schools & RCCs

Year	Estimated Number of Breakfasts Served	Reimbursement at 15 cents/meal
FY18 (est.)	927,747	$139,162
FY19 (est.)	923,253	$138,488

Pupils attending an independent charter school should have access to school breakfast to the same degree as pupils attending any other public or private school in the state. Allowing independent charter schools to receive state reimbursement for school breakfast could incentivize them to expand the number of pupils receiving school breakfast, or, to offer a school breakfast program if a school does not already have a program). Regardless of whether a child is enrolled in a public, private, or independent charter school, or receiving their education at one of the state's residential schools or an RCC, state reimbursement supports the SBP, to the benefit of the child. Although the Department does not oversee RCCs, it is the state education agency responsible for disbursing federal USDA funds to RCCs, thus the inclusion of those institutions in the Department's request.

If the additional institutions were added, but no additional funding were provided for state reimbursement for the SBP, reimbursement rates would be further prorated. Program staff has indicated that lower reimbursement rates can lead to schools opting out of the SBP altogether. Table 6 below provides the estimated proration rates that would result if the additional institutions were added to the SBP, as proposed by the Department, but with no funding increases. It also shows, by way of comparison, the projected proration of aid for currently eligible and participating schools (assuming no funding increases).

Table 6. Proration Rate Comparison

Year	Proration Rate (adding institutions)	Reimbursement per Breakfast Served (adding institutions)	Proration Rate (institutions not added)	Reimbursement per Breakfast Served (institutions not added)
FY11	73%	$0.1099	76%	$0.1146
FY12	61%	$0.0915	63%	$0.0949
FY13	57%	$0.0857	59%	$0.0882
FY14	56%	$0.0833	57%	$0.0859
FY15	53%	$0.0800	55%	$0.0849
FY16 (est.)	51%	$0.0772	53%	$0.0795
FY17 (est.)	50%	$0.0744	51%	$0.0740
FY18 (est.)	48%	$0.0717	49%	$0.0737
FY19 (est.)	46%	$0.0691	47%	$0.0709

School Closures

Under current law, the Department reimburses SBP participants for breakfasts served in the prior school year; reimbursements are made for all breakfast served, whether a school operates its SBP for the full year or just part of the year. If a school were to actually cease operations, under current law, the Department would be required to attempt to make payments to the school for SBP reimbursements for the prior year breakfasts served. If an individual public school were to cease operations, aid payments would still be made to the school district; and in the case of school district consolidation, aid payments can be made to the newly consolidated district (based on the eligibility fo the indivdiual districts prior to consolidation). However, closure of a private school presents a unique challenge, in that there simply is no existing institution to which the Department could make payments after school closure.

This contrasts with state aid payments under the School Lunch Program, which requires that a school must participate in the program through the following year to receive the reimbursement for program participation in the previous year. The Department requests similar treatment for participating institutions under the SBP.

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 6072*)

Subject:	School Breakfast Program
Request Date:	9/6/2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests to modify the School Breakfast Program so as to extend eligibility for the program to independent (2r) and (2x) charter schools, state residential schools, and residential child care institutions (RCCs). Further, the Department requests a modification to the School Breakfast Program that allows the Department to cease payment of School Breakfast aid in the current year if the school had closed at any point in the prior school year. This change would align policy for the school breakfast aid program with the school lunch program under 7 CFR 210.17 (e).

Related Stat. Citations:

Modify s. 115.341, to make the following changes to the School Breakfast Program:
1. Amend s. 115.341 (1), to include, as entities eligible to receive funds under the School Breakfast Program, charter schools under s. 118.40 (2r) and (2x), state residential schools under s. 115.52 and 115.525, and residential care center for children and youth, as referred to under s. 115.81 (3) (a).

Note: current law under s. 49.73, speaks to the establishment of residential care institutions generally, which may include institutions that serve a more broad population than just school age children (or "pupils"). The intent of this request is to allow institutions that serve children and youth specifically, as referred to under s. 115.81 (3) (a), to claim aid under the state's school breakfast program.

2. Create language to allow the Department to cease payment of School Breakfast aid in the current year if the school had closed at any point in the prior year.

Note: intent of this provision is that if a school were to literally close its operations prior to June 30 of a given year (end of the school year, as defined under s.115.001 (13), the Department would not provide reimbursements to the school for the meals served in the school year in which the school closed; the rationale is that if the school has closed, there would be no entity to which to make the payments. In practice, we believe this would apply to only a private school (unless, perhaps, a school district were to literally dissolve).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6073 – SCHOOL LIBRARY AIDS REESTIMATE

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

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$35,000,000**	**$37,000,000**
Less Base	**$38,000,000**	**$38,000,000**
Requested Change	**($3,000,000)**	**($1,000,000)**

Request

The Department requests a decrease in expenditure authority of $3,000,000 SEG in FY18 and $1,000,000 SEG in FY19 for the appropriation for school library aids, to reflect reestimates of available funding.

Background

School Library 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 School Library Aid received 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. This aid is distributed on a per-capita basis, according to the school district census, for residents of the school district the ages of four and twenty.

The Common School Fund

The Common School Fund (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 Wisconsin 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 into 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 FY16, the CSF provided $37.7 million in aid to Wisconsin's public school libraries, paid in April 2016. The FY16 distribution was at a rate of $31.78 per pupil. The FY17 base appropriation for School Library Aids is $38 million. The BCPL currently projects the CSF interest earnings that will be available for School Library Aid to be $35 million in FY18 and $37 million in FY19.

Note that the BCLP indicates that the FY18 and FY19 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 revise the estimated expenditure authority for FY18 and FY19, so as to ensure appropriate expenditure authority is included in the budget at the outset of the biennium.

Therefore, the Department requests decreases in expenditures authority in the appropriation for School Library Aids, of $3.0 million in FY18 and $1.0 million FY18, to revise expenditure authority to $35 million and $37 million, in FY18 and FY19, respectively.

Statutory Language

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

INDEPENDENT CHARTER SCHOOLS, PRIVATE SCHOOL PARENTAL CHOICE PROGRAMS AND SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATES

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6081 – INDEPENDENT CHARTER SCHOOLS PROGRAM REESTIMATE

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

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$67,792,000	$73,382,400
Less Base	$76,967,200	$76,967,200
Requested Change	($9,175,200)	($3,584,800)

Request

The Department requests a decrease of $9,175,200 GPR in FY18 and $3,584,800 GPR in FY19, to reflect the Department's estimates for aid payments under the Independent Charter Schools Program (ICSP), under s. 118.40 (2r), Wis. Stats.

Background

Aid for the ICSP is paid from a separate sum sufficient charter school appropriation. The amount of aid paid to the independent charter schools is withheld proportionately from the general equalization aid payments under s. 20.255 (2) (ac), Wis. Stats., for all of the state's 420 public school districts that receive state general aid.

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 (1.36 percent of all general school aids in the FY17 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 that is 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 1997-99 biennial budget, under 1997 Wisconsin Act 27, authorized the City of Milwaukee, the University of Wisconsin-Milwaukee (UW-Milwaukee), and the Milwaukee Area Technical College (MATC) to operate, or contract with another individual or group to operate, an independent charter school, beginning June 1, 1998.

The 2001-03 biennial budget, under 2001 Wisconsin Act 16, expanded the ICSP to allow the University of Wisconsin-Parkside (UW-Parkside) to establish, or contract to establish, one independent 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 independent charter schools sponsored by the City of Milwaukee, UW-Milwaukee, MATC, 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 22 independent charter schools participating in the ICSP for the 2016-17 school year, as shown in the Table 1 below.

Table 1. Independent Charter Schools in 2016-17

Charter School Authorizer	Charter School	Grades
City of Milwaukee	Central City Cyberschool	K4-08
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	Milwaukee Academy of Science	K4-12
City of Milwaukee	Milwaukee Collegiate Academy	09-12
City of Milwaukee	Milwaukee Math and Science Academy	K4-07
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	La Casa de Esperanza Charter School	K4-08
UW-Milwaukee	Milwaukee Scholars Charter School	K4-08
UW-Milwaukee	Penfield Montessori Academy	K4-08
UW-Milwaukee	School for Early Development & Achievement (SEDA)	K3-02
UW-Milwaukee	Seeds of Health Elementary School	K4-08
UW-Milwaukee	Stellar Collegiate Academy	K4-05
UW-Milwaukee	Tenor High School	09-12
UW-Milwaukee	UCC Acosta Middle School	06-08
UW-Milwaukee	Veritas High School	09-12
UW-Milwaukee	Woodlands School	K4-08
UW-Milwaukee	Woodlands School East (WSE)	K4-08
UW-Parkside	21st Century Preparatory School	K4-08

Estimated Payments to Independent Charter Schools

The 2013-15 biennial budget, under 2013 Wisconsin Act 20, 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 statewide revenue limit membership.

Thus for FY18, 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 in categorical aids (in FY18 proposed appropriations compared to FY17 appropriations), divided by FY17 public school district revenue limit membership. This categorical aid related component adds $86, to bring the total ICSP per-pupil adjustment to $286 for FY18.

For FY19 the ICSP per pupil payment is estimated to be $262, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts ($204), plus the categorical aid component of $58. The specific components of the estimated per-pupil payments for FY18 and FY19 are outlined in Table 2 below.

Table 2. Adjustment to the ICSP Per Pupil Payment

	FY18	FY19
$ change in categorical aids from prior year	$72,315,600	$48,152,200
Prior year total revenue limit membership (estimated)*	841,894	843,832
Categorical aid change per member (rounded)	$86	$58
Proposed per pupil revenue limit adjustment	$200	$204
Adjustment to per pupil payment	**$286**	**$262**

**Revenue limits membership: the prior year's three-year average FTE. For the FY18 per pupil adjustment, this is the FY17 revenue limit membership, data as of November 7, 2016. For the FY19 per pupil adjustment, this is the Department's projected FY18 revenue limit membership.*

Table 3 below shows the state's ICSP funding history and estimated payments for the 2017-19 biennium:

Table 3. ICSP Funding

Fiscal Year	ICSP FTE Pupils	ICSP Per Pupil State Aid Payment	School Districts State Aid Reduction*
FY99	55	$6,062	$350,000
FY00	193	$6,272	$1,210,000
FY01	1,590	$6,494	$9,160,000
FY02	2,031	$6,721	$13,750,000
FY03	3,402	$6,951	$24,212,000
FY04	3,600	$7,050	$26,400,000
FY05	4,066	$7,111	$29,949,700
FY06	4,489	$7,519	$35,465,100
FY07	4,830	$7,669	$39,900,000
FY08	5,487	$7,669	$44,492,300
FY09	5,296	$7,775	$48,350,000
FY10	6,124	$7,775	$49,101,000
FY11	7,159	$7,775	$58,242,500
FY12	6,863	$7,775	$55,637,900
FY13	7,459	$7,775	$57,993,700
FY14	7,964	$7,925	$63,114,700
FY15	8,413	$8,075	$68,637,500
FY16	8,807	$8,079	$71,151,700
FY17	7,600	$8,188	$62,222,800
FY18	**8,000**	**$8,474**	**$67,792,000**
FY19	**8,400**	**$8,736**	**$73,382,400**

**Includes Racine School District payment through FY13.*

Program Language Changes

The Department proposes additional changes the language in s. 115.28 (49) and s. 118.40 (3m) (f), Wis. Stats., in order to address duplicative reporting requirements for charter school authorizers. Specifically, the Department requests to delete the charter school report under s. 115.28 (49), Wis. Stats., and modified the charter school reporting requirements under s. 118.40 (3m) (f), Wis. Stats.

The 2015-17 biennial budget, under 2015 Act 55, created a new annual report that all charter school authorizers must submit to the Department and Legislature. This new report includes all the information included in the legislative report under s. 115.28 (49), Wis. Stats., except for reporting on the number of petitions for new charter schools and action taken on those petitions. To reduce the administrative burden for authorizers and charter schools, delete the report required under s. 115.28 (49), Wis. Stats., and instead require charter school authorizers to report the number of petitions, proposals or applications for new charter schools and the action taken on new petitions, proposals or applications as part of the new annual charter school authorizer report required under s. 118.40 (3m) (f), Wis. Stats.

Statutory Language

The Department is proposing statutory language for this request.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6082 – PARENTAL CHOICE PROGRAMS REESTIMATE

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

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$50,992,500	$61,542,700
Less Base	$44,951,500	$44,951,500
Requested Change	$6,041,000	$16,591,200

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

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$215,824,300	$227,633,300
Less Base	$207,057,800	$207,057,800
Requested Change	$8,766,500	$20,575,500

Request

The Department requests $8,766,500 GPR in FY18 and $20,575,500 GPR in FY19 to continue to fund the Milwaukee Parental Choice Program (MPCP) under s. 119.23, Wis. Stats.

The Department requests an increase of $6,041,000 GPR in FY18 and $16,591,200 GPR in FY19 to continue to fund the Racine Parental Choice Program (RPCP) and the Wisconsin Parental Choice Program (WPCP) under s. 118.60, Wis. Stats.

The Department requests several changes to statutory language for the MPCP, RPCP, and WPCP.

Background

Milwaukee Parental Choice Program Reestimate and Funding Change

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 state general aid payment; that aid reduction then lapses back to the state's general fund, to offset the state's costs of funding the MPCP.

The share of costs borne by MPS and the state has changed over the years, since the inception of the MPCP in FY91. While MPS formerly paid 100 percent of the costs of the MPCP from FY91 through FY99, it was allowed to count MPCP pupils in its membership for purposes of calculating state aid and revenue limits during that time. The 1999-01 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, state law was changed to have the state pay 55 percent of the MPCP, with MPS picking up the remaining 45 percent through a state general aid reduction. The 2009-11 biennial budget changed the split again to 58.4 percent state funding / 41.6 percent MPS share in FY10 and 61.6 percent state funding / 38.4 percent MPS share in FY11.

Most recently, 2013 Wisconsin Act 20 put into place a new funding mechanism by which the state's share of MPCP 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 is 74.4 percent for FY17 and under current law it will increase to 77.6 percent in FY18 and 80.8 percent in FY19.

Table 1 below shows the state's history of funding the MPCP since its inception in FY91.

Table 1. MPCP Pupils and Funding History

Fiscal Year	MPCP Pupils (FTE)	MPS Aid Reduction ($ in millions)	Other School Districts Aid Reduction ($ in millions)	Total MPCP Cost/Payments ($ in millions)
FY91	300	$0.7	$0	$0.7
FY92	512	$1.4	$0	$1.4
FY93	594	$1.6	$0	$1.6
FY94	704	$2.1	$0	$2.1
FY95	771	$2.5	$0	$2.5
FY96	1,288	$4.6	$0	$4.6
FY97	1,616	$7.1	$0	$7.1
FY98	1,497	$7.0	$0	$7.0
FY99	5,761	$28.7	$0	$28.7
FY00	7,575	$19.5	$19.5	$38.7
FY01	9,238	$24.5	$24.5	$49.2
FY02	10,497	$26.7	$0	$59.3
FY03	11,304	$29.5	$0	$64.7
FY04	12,882	$33.9	$0	$70.3
FY05	14,071	$39.3	$0	$82.6
FY06	14,604	$41.3	$0	$91.9
FY07	17,088	$49.5	$0	$110.1
FY08	18,558	$53.8	$0	$119.5
FY09	19,428	$57.2	$0	$127.1
FY10	20,372	$49.8	$0	$129.7
FY11	20,256	$49.6	$0	$129.2
FY12	22,220	$54.7	$0	$142.4
FY13	23,812	$59.4	$0	$152.7
FY14	24,811	$56.7	$0	$159.2
FY15	26,735	$60.7	$0	$189.6
FY16	26,640	$56.6	$0	$195.5
FY17	27,150	$52.1	$0	$203.7
FY18*	**27,650**	**$48.3**	**$0**	**$215.8**
FY19*	**28,150**	**$43.7**	**$0**	**$227.6**

**FY18: 21,588 pupils in grades K-8 and 6,092 in grades 9-12. FY19: 21,858 pupils in grades K-8 and 6,292 in grades 9-12.*

As allowed by state law, MPS generally increases its property tax levy to replace these reduced state general school aids. The MPS share of paying for this program is estimated at $52.1 million in FY17, $48.3 million in FY18 and $43.7 million in FY19 under current law.

In a separate decision, Decision Item 6001, the Department proposes to repurpose $16.8 million GPR in the appropriation for High Poverty Aid to be placed in the appropriation for state general equalization aid beginning in FY19. Because the changes in the general aid formula will now account for poverty

under the Department's Fair Funding for our Future proposal, there will not be a separate High Poverty Aid program. MPS now receives $5.3 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.

Per Pupil Payment Adjustment for MPCP, RPCP and WPCP

Act 20 set the RPCP and WPCP per pupil payments 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. Prior to passage of Act 20, the choice programs per pupil payment was increased by the same percentage increase in state general school aid funding. Act 20 modified the choice programs 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 FY18, the per-pupil payment for the parental choice programs will be equal to the State Superintendent's proposed per pupil revenue limit adjustment for public school districts ($200), plus the change in categorical aids (in FY18 proposed appropriations compared to FY17 appropriations), divided by FY17 public school district revenue limit membership. This categorical aid related component adds $86, to bring the total ICSP per-pupil adjustment to $286 for FY18.

For FY19 the per-pupil payment is estimated to be $262, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts ($204), plus the categorical aid component of $58. The specific components of the estimated per-pupil payments for FY18 and FY19 are outlined in Table 2 below.

Table 2. Adjustment to the MPCP, RPCP, and WPCP Per Pupil Payment

	FY18	FY19
$ change in categorical aids from prior year	$72,315,600	$48,152,200
Prior year total revenue limit membership (estimated)*	841,894	843,832
Categorical aid change per member (rounded)	$86	$58
Proposed per pupil revenue limit adjustment	$200	$204
Adjustment to per pupil payment	**$286**	**$262**

**Revenue limits membership: the prior year's three-year average FTE. For the FY18 per pupil adjustment, this is the FY17 revenue limit membership, data as of November 7, 2016. For the FY19 per pupil adjustment, this is the Department's projected FY18 revenue limit membership.*

Parental Choice Programs for Eligible School Districts Reestimate (RPCP and WPCP combined)

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 review of eligibility for that program (at least 50 percent of the district's enrollment is eligible for free or reduced-price lunch).
- The district is located, in whole or in part, in a city of the second class.

Act 32 provided that no more than 250 FTE pupils could participate in the choice program for other eligible districts in the first school year of operation and no more than 500 FTE pupils could participate in its second school year of operation. Act 32 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, the Racine Unified School District (RUSD) was the only district that met all of the criteria and pupils residing in RUSD were eligible to participate in the RPCP beginning in the 2011-12 school year. Under 2011 Wisconsin Act 215, the program was changed so that no additional districts could become eligible after April 20, 2012. This act effectively "closed" the program to additional districts.

The 2013-15 biennial budget, under 2013 Act 20, 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 WPCP. Participation in the program was capped at 500 FTE pupils in FY14 and 1,000 FTE pupils in FY15. Unlike the MPCP and the RPCP, in which a pupil's family income may be up to 300 percent of the Federal Poverty Limit (FPL), under the WPCP, a pupil's family income may not exceed 185percent of the FPL.

Most recently, 2015 Wisconsin Act 55 (the 2015-17 biennial budget) shifted how the RPCP and WPCP programs are funded, as both programs were entirely paid for with state GPR since their creation in FY12 and FY14, respectively. In addition, Act 55 created a cap on the percentage of pupils enrolling in the program that reside in any given public school district, which is 1 percent in FY17, 2 percent in FY18, 3 percent in FY19, and one percent increase each year thereafter until the cap reaches 10 percent in FY26, after which there is no cap.

Pupils enrolled in the RPCP and WPCP prior to FY16 will continue to be paid 100 percent with state GPR funding through the duration of their enrollment in these two programs. Thus, the amount of state GPR funding of the RPCP/WPCP will continue to decline going forward as these pupils graduate or exit the programs. However, beginning in FY16, all new ("incoming") RPCP and WPCP choice pupils have been funded via a reduction in the state general aid of the pupil's resident school district, with the school district being allowed to raise its property taxes by the amount of the state aid reduction through a revenue limit exemption.

Unlike the MPCP, the RUSD and other school districts are allowed to count these "incoming" RPCP and WPCP pupils in their membership for state general aid purposes on a prior year basis in the state general equalization aid formula. However, not all school districts are eligible for state general aid nor do all school districts generate any additional state general aid by adding additional pupils to their membership. At the same time, there is a resulting redistribution of state general aid among most districts in the state due to this change in state law. Funding for the first four and first six years of the WPCP and the WPCP (respectively), and FY18/FY19 projections, are detailed in Tables 3 and 4 below.

Table 3. RPCP Pupils and Funding History

Fiscal Year	RPCP Pupils (FTE)	Per-Pupil FTE Payment	RUSD State Aid Reduction ($ in millions)	Total RPCP Cost/Payments($ in millions)
FY12	219	$6,642	$0.6	$1.6
FY13	485	$6,642	$1.2	$3.2
FY14	1,169	$6,442	$0	$7.5
FY15	1,660	$7,210/$7,856	$0	$12.1
FY16	2,057	$7,214/$7,860	$4.3	$15.1
FY17	2,463	$7,323/$7,969	$8.8	$18.4
FY18	**2,863**	**$7,609/$8,255**	**$13.8**	**$22.1**
FY19	**3,263**	**$7,871/$8,517**	**$19.0**	**$26.1**

**FY18: 2,293 pupils in grades K-8 and 570 in grades 9-12. FY19: 2,593 pupils in grades K-8 and 670 in grades 9-12.*

Table 4. WPCP Pupils and Funding History

Fiscal Year	WPCP Pupils (FTE)	Per-Pupil FTE Payment	WPCP State Aid Reduction ($ in millions)	Total WPCP Cost/Payments($ in millions)
FY14	499	$6,442	$0	$3.2
FY15	994	$7,210/$7,856	$0	$7.3
FY16	2,483	$7,214/$7,860	$11.8	$18.3
FY17	3,000	$7,323/$7,969	$16.7	$22.6
FY18	**3,700**	**$7,609/$8,255**	**$23.6**	**$28.8**
FY19	**4,400**	**$7,871/$8,517**	**$28.8**	**$35.4**

**FY18: 2,675 pupils in grades K-8 and 1,025 in grades 9-12. FY19: 3,225 pupils in grades K-8 and 1,175 in grades 9-12.*

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. Require private schools to be non-profit organizations. This provides for greater transparency of schools participating in the program.

2. Modify the due date for the summer school report. Change the due date for the summer school report from October 1 to September 15. This allows the Department additional time to review and determine summer school payments for participating private schools and calculate the summer school data needed to complete the October 15 certification of general aid.

3. Modify the following current law requirements to create administrative efficiencies for schools and the Department.

    a. *Remove the 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. *Modify the Disclosure of Information Reporting Requirements*. Modify the current law annual requirement that all schools submit to the Department certain school policies and all school board member signatures as follows:

        i. Require continuing schools to provide signatures of new board members and upon request provide the statutory school policies to the Department.

        ii. Require new schools to submit to the Department the board member signatures and copies of the schools' policies by the January 10 prior to first year of school participation in the program. Under current law, all schools must provide a copy of certain school procedures and board member signatures annually. This modification will ensure new schools submit the information to ensure compliance with the statutory requirements prior to accepting pupil applications and that board member updates are timely provided to the Department. In addition, continuing schools policies would be provided to the Department upon request.

4. Require new private schools to be fully accredited to participate in choice programs in the future. This change ensures that before a school participates in any of the choice programs, the school an educational program that has been reviewed by an accrediting organization.

5. 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 in order to participate in the choice programs in the future.

   b. *Delete the recently enacted new school requirements. [119.23 (2) (ag) and 118.60 (2) (ag) Wis. Stats.].*These provisions would no longer be needed due to the requirement to be fully accreditation in order to participate in the choice programs in the future.

6. Allow parents to access Department of Revenue (DOR) directly in the online pupil 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.

7. 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), Wis. Stats. Current law requires the Department to certify a list of districts eligible to participate under s. 118.60 (1) (am), Wis. Stats., on November 15 of the second year of the fiscal biennium. Arguably, this is 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), Wis. Stats. 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), Wis. Stats., 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), Wis. Stats.].

8. 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. 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.

9. Misrepresentation of Information. Create a provision that provides that a school may be barred from participating in a private parental choice program in the current school year and future years if the school misrepresents information required under the statutes or administrative rules governing the Choice Program.

Statutory Language

The Department is proposing statutory language related to this request.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 6083 – SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE AND FUNDING CHANGES

250 – Special needs scholarship program
s. 20.255 (2) (az)

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Funding	$4,330,800	$6,336,700
Less Base	$0	$0
Requested Change	$4,330,800	$6,336,700

Request

The Department requests $4,914,400 GPR in FY18 and $6,336,700 GPR in FY19 to continue to fund the Special Needs Scholarship Program (SNSP) under s. 115.7915, Wis. Stats.

In addition, the Department recommends a change to state law related to funding the SNSP, and allowing private schools in the SNSP to receive funding for summer school programming, if they have eligible summer school programs for their SNSP pupils. Finally, the Department requests several changes to existing SNSP statutory language.

Background

The 2015-17 biennial budget, under 2015 Wisconsin Act 55, created the SNSP, making it effective for pupils to enroll in eligible private schools that chose to participate in the program beginning in FY17.

Under current law, SNSP pupils are funded via a reduction in the state general aid of the pupil's resident school district, with the district being allowed to count the SNSP pupil in its membership for state general aid and revenue limit purposes.

There are 26 private schools in the SNSP with pupils residing in 22 public school districts in FY17. There are no income eligibility requirements for SNSP pupils and pupils may apply at any time during the school year to a participating private school.

In order to be eligible for the SNSP for FY18 and beyond, a pupil must meet the following prior year enrollment eligibility requirements:

- Prior Year Enrollment: The pupil was enrolled in a Wisconsin public school for the entire prior school year.
- Individualized Education Plan (IEP) or Services Plan: The pupil has an IEP or services plan that was developed and has an implementation date at the time the pupil is applying to the SNSP.
- Open Enrollment Denial: The pupil applied to attend a public school under the open enrollment program for the year they are seeking to enroll in the SNSP, and all of the following occurred:
  - All of the pupil's open enrollment applications were denied.
  - If the open enrollment denial was appealed, the Department affirmed the decision.
- The pupil is a Wisconsin resident.

Table 1 below shows the state's history of funding the SNSP and the Department's projected costs for the 2017-19 biennium:

Table 1. SNSP Pupils and Funding History

Fiscal Year	SNSP Pupils (FTE)	Per Pupil Payment	Reduction to School Districts' State Aid	Total SNSP Cost (Payments)
2016-17	202.4	$12,000	$2,428,800	$2,428,800
2017-18 (est.)	**350**	**$12,286**	**$4,330,800**	**$4,330,800**
2018-19 (est.)	**500**	**$12,548**	**$6,336,700**	**$6,336,700**

SNSP Per-Pupil Payment Adjustment

Act 55 set the SNSP per pupil payment adjustment to be equal to the increase in the current year's per-pupil revenue limit adjustment plus the per-pupil change in categorical aids.

Thus for FY18, the SNSP 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 in categorical aids (in FY18 proposed appropriations compared to FY17 appropriations), divided by FY17 public school district revenue limit membership. This categorical aid related component adds $86, to bring the total SNSP per-pupil adjustment to $286 for FY18.

For FY19 the SNSP per pupil payment is estimated to be $262, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts ($204), plus the categorical aid component of $58. The specific components of the estimated per-pupil payments for FY18 and FY19 are outlined in Table 2 below.

Table 2. Adjustment to the SNSP Per Pupil Payment

	FY18	FY19
$ change in categorical aids from prior year	$72,315,600	$48,152,200
Prior year total revenue limit membership (estimated)*	841,894	843,832
Categorical aid change per member (rounded)	$86	$58
Proposed per pupil revenue limit adjustment	$200	$204
Adjustment to per pupil payment	**$286**	**$262**

**Revenue limits membership: the prior year's three-year average FTE. For the FY18 per pupil adjustment, this is the FY17 revenue limit membership, data as of November 7, 2016. For the FY19 per pupil adjustment, this is the Department's projected FY18 revenue limit membership.*

Although school districts are allowed to count SNSP pupils in their membership for revenue limit purposes, there are three major concerns related to this funding method.

First, this current mechanism results in nearly all affected school districts having to reduce funding for their own students because the $12,000 SNSP per pupil payment is higher than the per pupil revenue limit for 85 percent of the state's districts. Even a district where a SNSP pupil was previously enrolled for the two prior years would be required to reduce its existing budget by roughly $1,000-$2,000 per SNSP pupil annually in a "best-case" scenario.

Second, districts in which a SNSP pupil has never been previously enrolled see a direct reduction of $8,000-$9,000 per pupil in their existing budgets in the first year they count a SNSP pupil, because the district may only raise one-third of their actual per pupil revenue limit authority/property taxes in that year. While this impact lessens in the second year, most districts will still need to reduce their existing

budget by $4,000-$4,500 per SNSP pupil in that year as well under such assumptions. As noted above, nearly all districts will still need to cut their existing budgets by $1,000-2,000 annually per SNSP pupil in year three and thereafter until the SNSP pupil leaves/graduates.

Fiscal Impact of SNSP pupil not previously enrolled in public school district in first year

Hypothetical School District Revenue Limit per Pupil	$10,500
Actual Revenue Limit Authority for new SNSP Pupil	$3,500 (1/3 of $10,500)
SNSP per Pupil State General Aid Deduction	$12,000
Reduced school district budget that cannot be made up via property taxes	$8,500

Third, declining enrollment districts with resident SNSP pupils that have never been previously enrolled in the public school will actually have **less** actual revenue limit authority and have to make additional reductions to their existing budget beyond the example noted above, because the addition of one or more SNSP pupils to their revenue limit membership will **reduce** their declining enrollment revenue limit exemption under current law. This is likely to be true for the following school districts in FY17:

- Arrowhead UHS
- Cudahy
- Milwaukee Public Schools
- North Lake
- Racine
- Swallow
- Watertown
- Waukesha
- Wauwatosa
- West Allis-West Milwaukee
- Whitefish Bay

Thus, the Department recommends changing how SNSP pupils are funded. Rather than the current law method, the SNSP pupils should be funded in a similar manner to pupils participating in the Racine and Wisconsin Parental Choice Programs, whereby resident school districts would receive a revenue limit exemption identical to the amount of the state general aid reduction for pupils participating in those programs. Accordingly, the Department recommends repealing the ability of school districts to count resident SNSP pupils in their actual membership counts for revenue limit purposes only (retain counting for general aid membership).

It is also of note that while school districts are also allowed to count SNSP pupils residing in their boundaries for state general aid purposes on a prior year basis in the state general aid formula, not all school districts are eligible for state general aid, nor do all districts generate any additional state general aid by adding additional pupils to their membership. At the same time, there will be a resulting redistribution of state general aid among most districts in the state due to this new feature in state law.

SNSP Summer School Funding

There are currently no statutory provisions under the SNSP to provide for state funding for summer school programs for SNSP pupils. Further, state statutes governing the state's three private school choice programs specifically state that private schools may not be paid state choice funds for SNSP pupils.

During the summer of 2016, seven SNSP participating private schools reported having summer school for choice program purposes. There were approximately 100 SNSP pupils at these seven SNSP private schools. Without specific statutory authority under the SNSP, pupils participating in the SNSP will not be eligible for summer school funding in future years.

Therefore, the Department recommends that participating schools in the SNSP that provide eligible summer school programs for SNSP pupils be eligible to begin counting these pupils for summer school aid purposes beginning in summer 2017 for the 2017-18 school year. The Department further recommends that summer school funding for SNSP pupils mirror current law for the state's three private school parental choice programs, whereby the state provides funding for eligible choice pupils based on a summer school program that is offered for at least 19 days and 270 minutes per day. A pupil must attend at least 15 days of the summer school program. Course requirements would be the same as for private schools participating in the state's choice programs.

The Department's estimated costs of funding this initiative can be seen in Table 3 below.

Table 3. SNSP Summer School Funding Estimates

	FY18	FY19
Summer Per Pupil Payment	$614	$627
Summer FTE	50	100
Summer School Payments*	**$30,700**	**$62,700**

**Applied to the general aid reduction for resident school districts.*

Program Language Changes

The Department proposes additional changes the language in ss. 115.7915, 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 the verification that an IEP or Services Plan is in place as follows:
   a. Require that the private school directly request verification that a student has an IEP or services plan that meets the SNSP requirement from the local educational agency (LEA) that developed the IEP or services plan. Require that the LEA provide a copy of the IEP or services plan to the private school if the LEA has an IEP or services plan that met the SNSP requirement. Also require that the private school submit eligible applications to the department after the application has been determined eligible, including the private school receiving a copy of the IEP or services plan that meets the requirements from the public school district.
   b. Provide LEAs with five business days to respond to an IEP or services plan verification request.

      Current law requires that the private schools submit applications to the Department pending the verification from the public school district that the IEP or services plan requirement was met. Once the Department receives the application, it requests verification from the resident school district that the IEP or services plan requirement was met. Making this change would allow for the verifications to be completed as soon as the private school determines that the student otherwise meets the eligibility requirements, reduce administration costs, and streamline the application process.

2. Allow a nonresident school district to complete the three year reevaluation upon written request of the parent.

Modify the language in s. 115.7915 (2) (h), Wis. Stats., regarding the reevaluation of students to allow for a nonresident school district to complete the three year reevaluation upon written request of the parent.

This option would be available to a parent if the student attended a private school in a nonresident school district. Under current law a student participating in the SNSP is required to be reevaluated by his or her resident school district once every three years. The Individuals with Disabilities Education Act (IDEA) requires each school district to locate, identify and evaluate all parentally placed private school students who attend the private schools where the school district is located [20 U.S.C. § 1412 (a) (10) (A) (ii); 34 CFR 300.131(a)]. In order for a parentally placed private school student to continue to receive services under a services plan, the student must be made available for the evaluations required under IDEA. Since the determination of which district needs to complete the evaluation is based on where the private school is located, this may result in the evaluation being completed by the nonresident school district. Therefore, students who attend a private school in a nonresident school district would be required to have an evaluation completed by the resident school district under SNSP and then may also be required to have an evaluation completed by the nonresident school district under IDEA. This proposed change would ensure that such a student would not be required to be reevaluated by two different school districts and result in a more consistent and streamlined evaluation process.

3. Modify the open enrollment denial requirements under s. 115.7915 (2) (a), Wis. Stats.
   Modify the open enrollment denial requirements for participation in the program to include a denial under s.118.51 (5) (a) 4., and 6., and (12), Wis. Stats. These denials include: (1) the special education or related services required in the child's individualized education program (IEP) are not available in the resident school district; (2) space is not available in the special education or related services required in the child's IEP; (3) the pupil has been referred for special education, but has not yet been evaluated by the IEP team; and (4) special education or related services and/or space is not available under a newly developed or revised IEP.

   The current law related to the requirement for open enrollment denials refer to statutory provisions that are no longer reasons for denial and denials not related to serving the special educational needs of the student. If the intent of this program was to serve those students that applied and were denied open enrollment to another school district to receive special education services the reasons for the open enrollment denial should related to special education.

4. Require all schools to be fully accredited prior to participation in the SNSP.
   Delete the state superintendent approval process under s. 115.791 (2) (c), Wis. Stats. This provision is not needed if schools are required to be fully accredited prior to participation. This ensures a school has an educational program that has been reviewed by an accrediting organization before the school participates in the program. This change would create consistent requirements between the Private School Choice Programs and the SNSP.

5. Penalties for Misrepresenting Information:
   Modify the penalties provisions under s.115.791 (8) (a) 1., Wis. Stats., to specify that a school may be barred from participating in SNSP in the current school year and future school years if the school misrepresents information required under the statutes or administrative rule governing the SNSP. The current law provision applies when certain information required under the program is mispresented. For example, current law does not include misrepresentations related to payment eligibility.

Statutory Language

The Department is proposing statutory language related to this request.

INFORMATION TECHNOLOGY AND PUBLIC LIBRARIES

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 5003 – WISE SUITE DATA SYSTEMS FOR PUBLIC LIBRARIES

106 – Statewide student information system (WISEdata)
s. 20.255 (1) (e)

108 – Longitudinal data system (WISEdash)
s. 20.255 (1) (ek)

No request for changes in funding.

Request

The Department requests a statutory change that would allow the Department to use the amounts appropriated under s. 20.255 (1) (e), Wis. Stats. [Student information system, or "WISEdata"], and under s. 20.255 (1) (ek), Wis. Stats [Longitudinal data system, or "WISEdash"], for activities pertaining to establishing and maintaining a public library information system.

Background

Legislative History – Longitudinal Data System (LDS) / WISEdash

Under 2009 Wisconsin Act 59, the Department was directed, along with the Board of Regents of the University of Wisconsin System, the Technical College System Board and the Wisconsin Association of Independent Colleges and Universities, to enter into a written agreement that requires those agencies to establish and maintain a longitudinal data system (LDS) of student data that links such data from preschool programs to postsecondary programs. State law specified that the written agreement include the following components:

- Requires that the agencies establish and maintain a LDS of student data that links such data from preschool programs to postsecondary education programs and describes the process by which the data system will be established and maintained.
- Describes the process by which any of the agencies on their own, or jointly with one or more of the other agencies, may evaluate and study education programs operated or supervised by one or more of the other agencies, for the purpose of improving student academic achievement, beginning with preschool programs and continuing through postsecondary education.
- Prohibits any of the agencies from evaluating or studying another agency's education programs without the approval of the latter agency and a written agreement specifying the level of supervision and involvement that each of the agencies will have in the work performed.
- Requires the agencies to exchange student and workforce data to the extent necessary to perform the evaluation or study.
- Establishes a system for the agencies to enter into data-sharing agreements with each other and with public and private research organizations.
- Establishes a process by which one or more of the agencies may collaborate with other persons, including state agencies, to import workforce or other data into the longitudinal data system to assist with an evaluation or study.
- Commits the agencies to protect student privacy and comply with laws pertaining to the privacy of student data.

The 2013-15 biennial budget bill (2013 Wisconsin Act 20) amended the statutes to ensure interoperability with workforce data systems maintained by the Department of Workforce Development and required an annual report to the Secretary of the Department of Administration regarding the agencies' progress in establishing the LDS. The budget bill provided $3,313,100 GPR in both FY14 and FY15 to utilize contractors to maintain and develop the Department's data warehouse and reporting systems. The funding was provided in the appropriation under s. 20.255 (1) (ek), *Longitudinal data systems* [also referred to as "WISEdash"].

The 2015-17 biennial budget bill (2015 Act 55) provided an additional $175,000 GPR annually for servicing costs related to the centralized hosting, bringing the total appropriation under s. 20.255 (1) (ek) to $3,488,100.

WISEdash is the Department's business intelligence tool for the LDS. It utilizes aggregate and detailed data from a variety of sources to build dashboards and reporting for decision makers, Department staff, school districts and the public. The primary goal of WISEdash is to be able to provide access to data regarding pupils as they transition from early childhood programs through K-12 schools, and on from K-12 to postsecondary institutions. The data and reporting tools available through WISEdash are critical to the long term success of major Department and state-level initiatives, including an Open Data Collection System (i.e., the Statewide Student Information System, also referred to as "WISEdata"), school accountability, educator effectiveness, statewide academic achievement assessments, and college and career readiness assessments.

The LDS provides data for a number of key reports including:

- Pupil level and aggregated data tracked over time including growth percentile reports in the WISEdash for Districts Secure Portal.
- Summarized and redacted data tracked over time on the WISEdash Public Portal.
- Postsecondary enrollment reporting data.
- School District Performance Report, the public report on school district performance required under state statute.
- District and School Report Cards.

In addition, the LDS allows for integration with additional tools and systems including:

- An online educator licensure system.
- Interoperable data systems allowing the assigning of a Wisconsin Student Number at the post-secondary and early childhood levels and the completion of data studies linking K-12, early childhood, and post-secondary inputs and outcomes.
- A secure access file exchange, enabling secure distribution of files and reports to school districts from the Department.
- A secure home page allowing users access to multiple tools from a single home page and other agency applications including the Online School Directory and the updated School Performance Report data collection application.
- An application security manager, enabling school districts to manage user access securely in their districts.
- Coursework data collection, including a pupil-teacher course link.
- The WISEdash reporting and dashboard solution.

Legislative History – Statewide Student Information System (SSIS) / WISEdata

The 2011-13 biennial budget (2011 Act 32) required the State Superintendent to establish, in conjunction with the Office of the Governor, a Statewide Student Information System (SSIS) to collect and maintain information about pupils enrolled in public schools, including their academic performance and demographic information, aggregated by school district, school and teacher. Act 32 also required the State Superintendent to ensure that within five years of the establishment of the system, every school district is using the system.

The 2013-15 biennial budget (2013 Act 20) repealed the requirement that the State Superintendent establish a student information system in conjunction with the Office of the Governor. Instead, Act 20 required the Department to develop a proposal for a multi-vendor student information system for the standardized collection of pupil data. The proposal was required to allow schools and school districts to use their vendor of choice and include reporting requirements that could be reasonably met by multiple vendors.

The Department recommended an approach that met the requirements set forth in Act 20. The open system for standardized student data collection (WISEdata) created a multi-vendor, open data collection system that allows school districts, charter schools and private schools participating in a parental choice program (private schools) to submit data to the Department from the student information system (SIS) vendor of their choice. As such, WISEdata:

- Meets all required state and federal reporting mandates.
- Creates value at the school and classroom level by providing nearly real-time, meaningful data used to make decisions.
- Eliminates redundant work by school district, charter school, private school, and Department staff by eliminating duplicate data collection tools and processes.
- Partners with SIS vendors on data collection standards, making high quality data available more easily and with more frequent updates.

WISE Suite Data System for Public Libraries

The Department requests authority to use the amounts appropriated under the appropriations for the SSIS (WISEdata), and for the LDS (WISEdash), to establishing and maintaining a public library information system. Essentially, the request is to allow the Department to use the WISE suite of data systems (SSIS and LDS) that is currently used to collect data for pupils in public, independent charter and private schools, for data collections pertaining to public libraries. The Department cannot use the monies appropriated for WISEdata or WISEdash for public library related data collections and data maintenance at this time, because the statutory language does not allow for such use.

The Department's public library development and resource library teams conduct many of the same data collection, analysis and reporting tasks that are required for schools. In addition, they have software license, hardware, staffing, and training costs that are similar to those for schools. Further, they provide training to staff in public libraries around the use of data tools for improvement planning.

Table 1 (next page) identifies several activities and tasks for which WISEdata or WISEdash funds could be considered appropriately used for public libraries, if permitted under law.

The Department is not requesting additional funding in either of the appropriations for this purpose.

Table 1: Public Library Related Activities and Tasks for which WISEdata and/or WISEdash Funding Could be Used

Item	Description
Licenses for data collection software	Example - Counting Opinions
Training around data use for library staff	Support efforts to develop common data inquiry processes
Establish data connections between data reporting software database and data dashboards	Connect ILS* to tool such as Counting Opinions via API* or other efficient process
Data dashboards software licenses or resources to create new dashboard tools	Create new tools for libraries to use in analyzing and reporting to their boards and public about library use
Software to create one-stop discovery of digital resources for all Wisconsin patrons through a federated solution	Create one "front end" that every Wisconsin public library and their patrons can use to search and discover books (print and digital)
Library User Authentication	Single sign on for libraries across the entire state to access BadgerLink
Librarian certification and licensing automation	Automate current paper-based process with (online system)

ILS: [Integrated Library System]
API: [Application Programming Interface]

Statutory Language

The Department is proposing statutory language related to this request.

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 5003*)

Subject:	Public library information system
Request Date:	9/6/2016
Agency Contact:	Carl Bryan, 267-9127
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests a statutory change that would allow the Department to use the amounts appropriated under s. 20.255 (1) (e), [Student information system, or "WISEdata"], and under s. 20.255 (1) (ek). [Longitudinal data system, or "WISEdash"], for activities pertaining to establishing and maintaining a public library information system.

Related Stat. Citations:

Modify s. 20.255 (1) (e), to add a reference to a public library information system.

Modify s. 20.255 (1) (ek), to add a reference to a public library information system.

Either modify s. 115.297 and s. 115.383, or create a new section in statute pertaining to a public library information system, that permits the Department to use the amounts appropriated under s. 20.255 (1) (e) and (1) (k) to perform any of the following activities: establishing a system to collect and maintain public library related data that allows for data reporting to meet the requirements under s. 43.05 (4) and 43.58 (6), including purchasing licenses for data collection software; training library staff around data use to support efforts to develop common data inquiry processes; establishing data connections between data reporting software and data dashboards; creating dashboard tools for libraries to use in analyzing and reporting to the public about library use; creating an interoperable, one-stop digital resource for all Wisconsin library patrons; creating an automated system for the initial certification and recertification of public librarians; and establishing library user authentication.

Note: the Department has identified additional references under ss. 43.13, 43.17 (5), and 43.24 (2), regarding library data reporting. Please incorporate cross-references as necessary.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7007 – PUBLIC LIBRARY SYSTEM AID

361 – Aid to public library systems
s. 20.255 (3) (qm)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$31,390,200**	**$32,018,000**
Less Base	**$15,013,100**	**$15,013,100**
Requested Change	**$16,377,100**	**$17,004,900**

Request

The Department requests an increase of $16,377,100 SEG in FY18 and $17,004,900 SEG in FY19, 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 request, as part of its biennial budget request, funding for state public library system aid in an amount that provides state aid equal to 13 percent of estimated local expenditures on public library systems.

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. The 1993-95 biennial budget bill (1993 Wisconsin Act 16) eliminated the 13 percent indexing level. Under 1997 Wisconsin Act 150, the Department was required to include a biennial budget request for library system aid equal to an amount to bring state funding for public library systems to the 13 percent index.

Funding History

Prior to 2003 Act 33 (the 2003-05 biennial state budget), public library aids were fully funded with GPR. Under Act 33, a supplemental public library aid appropriation was created, funded with moneys from the Universal Services Fund (USF); these were segregated (SEG) funds. Public library systems were funded from a combination of the two appropriations through FY09. At that time, approximately 15 percent of the total library system aid came from SEG funding; however, over the course of the next two biennia, the share of state aid funded with SEG monies increased to 33 percent, as the Legislature shifted more funding from GPR to SEG. The 2009-11 biennial budget (2009 Act 28) deleted the GPR appropriation entirely and the SEG appropriation was increased, becoming the sole funding source for state aid to library systems.

In the 2011-13 biennial budget (2011 Act 32), the Legislature decreased funding by $1,668,100 SEG in both FY12 and FY13, representing a 10 percent cut to the appropriation. In addition, Act 32 removed the requiement 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. The Legislature continued to fund state aid for public libraries at a constant level throughout the 2013-15 and the 2015-17 biennial budgets, resulting in a decline in state aid as a share of local expenditures, from 7.0 percent in FY13, to 6.9 percent in FY14 and 6.7 percent in FY15, as shown in Table 1, below.

Estimated Cost Increases and Required Funding to Maintain State Aid at 13 Percent Index Level

Local public library system expenditures are projected to grow, on average, by 2.0 percent annually from 2016 through 2018. Assuming this level of growth in local expenditures, if funding for state library system aid is not increased, then state aid, as a percent of local expenditures, will continue to fall, from 6.5 percent for FY16, to 6.3, 6.2, and 6.1 percent, in FY17, F18, and FY19 (respectively). The amounts required to fund public library systems at the 13 percent index level specified in statute would therefore be $16,377,100 in FY18 and $17,004,900 in FY19.

Table 1 below shows the history of local expenditures and state aid, from 1995 (FY96) through 2015 (FY16); as well as the projected local expenditures and the required amount of additional funding required to bring state aid for public library systems to the 13 percent index level, for 2016 (FY17) through 2018 (FY19).

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.

Statutory Language

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

Table 1. Public Library Systems: History of Local Expenditures, Appropriations for State Aid and Indexing Levels

Calendar Year	Local Expenditures	Change from Prior Year	State Fiscal Year	Chapter 20 Appropr.	Fund Source	Change in Appropr.	Aid as Percent of Prior CY Expenditures	Applicable Index Level	Aid at Applicable Index Level	Funding Required to Meet Index
1995	$112,166,202	4.3%	FY96	$11,772,200	GPR	0.0%	**10.5%**	N/A^	N/A^	
1996	$118,779,997	5.9%	FY97	$11,772,200	GPR	0.0%	**9.9%**	N/A^	N/A^	
1997	$124,853,188	5.1%	FY98	$12,863,800	GPR	9.3%	**10.3%**	13.00%	$16,230,900	$3,367,100
1998	$132,187,413	5.9%	FY99	$13,249,800	GPR	3.0%	**10.0%**	13.00%	$17,184,400	$3,934,600
1999	$138,103,970	4.5%	FY00	$13,749,800	GPR	3.8%	**10.0%**	13.00%	$17,953,500	$4,203,700
2000	$146,595,029	6.1%	FY01	$14,749,800	GPR	7.3%	**10.1%**	13.00%	$19,057,400	$4,307,600
2001	$156,544,138	6.8%	FY02	$14,749,800	GPR	0.0%	**9.4%**	13.00%	$20,350,700	$5,600,900
2002	$165,845,014	5.9%	FY03*	$14,196,700	GPR	-3.7%	**8.6%**	13.00%	$21,559,900	$7,363,200
2003	$172,147,125	3.8%	FY04	$14,196,700	GPR/SEG	0.0%	**8.2%**	13.00%	$22,379,100	$8,182,400
2004	$177,119,101	2.9%	FY05	$14,196,700	GPR/SEG	0.0%	**8.0%**	13.00%	$23,025,500	$8,828,800
2005	$185,169,732	4.5%	FY06	$14,908,600	GPR/SEG	5.0%	**8.1%**	13.00%	$24,072,100	$9,163,500
2006	$192,192,100	3.8%	FY07	$15,521,200	GPR/SEG	4.1%	**8.1%**	13.00%	$24,985,000	$9,463,800
2007	$197,355,785	2.7%	FY08	$16,138,000	GPR/SEG	4.0%	**8.2%**	13.00%	$25,656,300	$9,518,300
2008	$205,696,696	4.2%	FY09	$16,783,500	GPR/SEG	4.0%	**8.2%**	13.00%	$26,740,600	$9,957,100
2009	$211,137,195	2.6%	FY10	$16,165,400	SEG	-3.7%	**7.7%**	13.00%	$27,447,800	$11,282,400
2010	$215,123,445	1.9%	FY11	$16,681,200	SEG	3.2%	**7.8%**	13.00%	$27,966,000	$11,284,800
2011	$216,886,354	0.8%	FY12	$15,013,100	SEG	-10.0%	**6.9%**	13.00%	$28,195,200	$13,182,100
2012	$213,620,201	1.5%	FY13	$15,013,100	SEG	0.0%	**7.0%**	13.00%	$27,770,600	$12,757,500
2013	$217,095,564	1.6%	FY14	$15,013,100	SEG	0.0%	**6.9%**	13.00%	$28,222,400	$13,209,300
2014	$223,379,348	2.9%	FY15	$15,013,100	SEG	0.0%	**6.7%**	13.00%	$29,039,300	$14,026,200
2015	$232,086,772	3.9%	FY16	$15,013,100	SEG	0.0%	**6.5%**	13.00%	$30,171,300	$15,158,200
2016-Est.	$236,728,507	2.0%	FY17	$15,013,100	SEG	0.0%	**6.3%**	13.00%	$30,774,700	$15,761,600
2017-Est.	$241,463,078	2.0%	FY18	$15,013,100	SEG	0.0%	**6.2%**	13.00%	**$31,390,200**	**$16,377,100**
2018-Est.	$246,292,339	2.0%	FY19	$15,013,100	SEG	0.0%	**6.1%**	13.00%	**$32,018,000**	**$17,004,900**

**FY03: the appropriation under 2001 Act 16 was $14,749,800, but under 2001 Act 109 (budget adjustment bill), the appropriation was reduced to $14,196,700.*

^NA: The requirement to index Public Library System Aid to 13% was eliminated under 1993 Act 16; then, under 1997 Act 150, the Department was required to request funding an in amount that would bring state aid to the 13% index level.

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DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7008 – NEWSLINE FOR THE BLIND

360 – Periodical and reference information databases; newsline for the blind s. 20.255 (3) (q)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$2,919,100**	**$2,937,500**
Less Base*	**$2,902,200**	**$2,902,200**
Requested Change	**$16,900**	**$35,300**

**Newsline for the Blind allocation is $111,500 annually, but is embedded in the amount for the appropriation under s. 20.255 (3) (q), for BadgerLink.*

Request

The Department requests increases of $16,900 SEG in FY18 and $35,300 SEG in FY19 to maintain the current level of services for Newsline for the Blind (Newsline). The SEG funding source is revenue from the Universal Service Fund (USF).

Background

Newsline provides access to newspapers on a daily basis for people who cannot read print newspapers using an automated electronic voice that can be accessed using a regular touch-tone telephone. The Regional Library for the Blind and Physically Handicapped (RLBPH) assists in providing the service by registering new users, providing technical support and placing Wisconsin announcements and local information on the Newsline local channel. Newsline provides access to 15 Wisconsin newspapers and over 365 national newspapers, news wire services, and some national magazines. The Wisconsin newspapers that are included in Newsline are: Appleton Post-Crescent, Fond du Lac Reporter, Green Bay Press-Gazette, Janesville Gazette, Herald Time Reporter (Manitowoc), La Crosse Tribune, Marshfield News-Herald, Milwaukee Journal Sentinel, Oshkosh Northwestern, Stevens Point Journal, The Sheboygan Press, Wausau Daily Herald, Wisconsin Rapids Daily Tribune, and Wisconsin State Journal/The Capital Times.

Newsline currently has more than 1,365 Wisconsin users registered. The average length of a call into Newsline is 15 minutes. Both usage and length of call have declined in recent years, peaking at over 2,300 registered users in 2008 and a call length of 25 minutes.

Non-statutory language included in the 1997-99 biennial budget (1997 Wisconsin Act 27) required the Department to enter into a two-year contract with the National Federation for the Blind (NFB) to provide Newsline services from locations in Madison and Milwaukee. The Department was directed to use USF monies transferred into the Department's appropriation s. 20.255 (1) (ke), Wis. Stats., from the Public Service Commission's (PSC) to fund the Newsline contract. Initially, the statutes directed specific amounts be transferred to fund Newsline. However, beginning in FY02, the Legislature instead enumerated the Newsline program as an allowable purpose for which USF revenues could be used. Newsline is currently funded directly from the USF, as monies received in the Department's appropriation under s. 20.255 (3) (q), which is also the appropriation in which monies for BadgerLink are allocated.

The Division for Libraries and Technology (DLT) in the Department estimates increases to several of the individual cost components for Newsline operations, as indicated in Table 2, below. Costs for the

NFB contract to maintain Newsline services are anticipated to remain flat, and costs related to printing materials are anticipated to decrease over the 2017-19 biennium, as 30,000 new brochures were recently printed for the Wisconsin Talking Book and Braille Library to publicize Newsline services.

Table 1 presents the Newsline for the Blind Services appropriation history and Table 2 shows current and projected costs.

Table 1. Newsline for the Blind Services Appropriation History, FY09 through FY17.

Year	Appropriation	Change Over Previous Year
FY09	$108,000	
FY10	$106,400	-1.5%
FY11	$111,100	4.4%
FY12	$111,100	0%
FY13	$111,100	0%
FY14	$111,100	0%
FY15	$111,500	0.4%
FY16	$111,500	0%
FY17	$111,500	0%

Table 2. Newsline for the Blind, Current and Projected Costs.

	FY 17	FY 18	FY19
Newsline Contract	$40,000	$40,000	$40,000
Telecommunications	12,200	14,600	17,600
Regional Library Contract	52,400	62,800	78,400
Newspaper contracts	5,000	10,000	10,000
Printing	1,200	1,000	800
Total	**$110,800**	**$128,400**	**$146,800**

Statutory Language

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

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7011 – LIBRARY SERVICE CONTRACTS

362 – Library service contracts
s. 20.255 (3) (r)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$1,170,400**	**$1,174,300**
Less Base	**$1,167,200**	**$1,167,200**
Requested Change	**$3,200**	**$7,100**

Request

The Department requests an increase of $3,200 SEG in FY18 and $7,100 SEG in FY19 to fully fund the estimated costs of the library service contracts maintained by the Department under s. 43.03 (6) and (7), Wis. Stats.

Background

This request is to fully fund estimated costs of the library service contracts that the Department is required to maintain under current law, s. 43.03 (6) and (7), Wis. Stats. Under s. 43.03 (7), Wis. Stats., the State Superintendent is required to contract for services with libraries and other resource providers inside and outside of this state to serve as resources of specialized library materials and information that are not available in public libraries or the library operated by the Resources for Libraries and Lifelong Learning (RL&LL) Team.

The four providers with whom the Department contracts to meet the obligations under s. 43.03 (7), Wis. Stats., include: the Milwaukee Public Library (MPL), the University of Wisconsin-Madison (UW), the Wisconsin Talking Book and Braille Library (WTBBL) and the Cooperative Children's Book Center (CCBC).

The UW and MPL lend materials to residents living in all parts of the state in response to requests forwarded by the RL&LL staff or public library systems. The contracts with UW and MPL ensure access to the major collections and unique materials held by these libraries for patrons statewide. Funds are used to pay for staff to locate, retrieve, ship and shelve materials, and for supplies and postage to ship to those libraries that are not participating in the statewide delivery service.

Under s. 43.03 (6), Wis. Stats., the State Superintendent is required to enter into a contract annually with the public library in a first class city (Milwaukee), for the provision of library services to physically handicapped persons, including the blind and physically handicapped. Since 1961, this contract has been maintained with the WTBBL located in the MPL, which provides its space without charge. WTBBL provides specialized services to certified blind and physically handicapped persons throughout the state. The Library of Congress provides the recorded and Braille materials (estimated at an annual value of $376,700), but the state is obligated to provide for processing, maintenance, and circulation.

The CCBC is a repository of children's books used by children's librarians and teachers throughout the state, providing unique resources and services to educators and other citizens. The contract provides partial funding for staff and center operations.

Funding History

The budget for the library services contracts have undergone several major changes in the past two decades. The 2003-05 biennial budget (2003 Wisconsin Act 33) reduced the appropriation for the contracts by $154,800 GPR for both FY04 and FY05. Funding remained flat for several years, until the 2007-09 biennial budget (2007 Wisconsin Act 20) provided increases of $257,300 GPR in FY08 and $220,300 GPR in FY09. These increases allowed the Department to maintain existing services and to purchased a Digital Talking Books server.

The 2009-11 biennial budget (2009 Wisconsin Act 28) replaced GPR funding for library service contracts with SEG funds from the Universal Services Fund (USF). Act 28 also provided an increase for the library service contracts, of $37,100 SEG in FY10 and $72,600 SEG in FY11. The increases allowed the Department to maintain existing services.

The 2011-13 biennial budget (2011 Wisconsin Act 32) reduced the appropriation by $25,300 SEG for both FY12 and FY13. The funding decrease represented a 10 percent reduction for all contracts except the Regional Library for the Blind and Physically Handicapped (net reduction of 2.2. percent).

The 2013-15 biennial budget (2013 Wisconsin Act 20) increased the appropriation by $22,700 SEG (USF) in both years, a 2.0 percent increase over FY13, allowing the Department to maintain existing service levels. The 2015-17 biennial budget (2015 Wisconsin Act 55) maintained the $1,167,200 SEG (USF) base appropriation established in the 2013-15 budget. Table 1 presents the library service contracts appropriation history:

Table 1. Library Service Contracts Appropriation History, FY09 through FY17.

Year	Appropriation	Change Over Previous Year
FY02	$1,047,300	
FY03*	$1,031,700	-1.5%
FY04	$876,900	-15.0%
FY05	$876,900	0.0%
F706	$876,900	0.0%
FY07	$876,900	0.0%
FY08	$1,134,200	29.3%
FY09	$1,097,200	-3.3%
FY10	$1,134,300	3.4%
FY11	$1,169,800	3.1%
FY12	$1,144,500	-2.2%
FY13	$1,144,500	0.0%
FY14	$1,167,200	2.0%
FY15	$1,167,200	0.0%
FY16	$1,167,200	0.0%
FY17	$1,167,200	0.0%

**The 2001-13 biennial budget bill (2001 Act 16) appropriated $1,047,300 for library service contracts for FY102 and FY03; however, the subsequent budget adjustment bill (2001 Act 109) reduced the appropriation by $15,600 for FY03.*

The estimated costs for the individual contracts that comprise the library service contracts are shown in Table 2 below.

Table 2. Library Service Contracts 2017-19 Budget Projection

Contract	FY17 Base	FY18 Projection	FY19 Projection
UW	$75,000	$75,000	$75,000
MPL - ILL	$59,847	$61,343	$62,877
WTBBL	$916,300	$916,300	$916,300
CCBC	$103,244	$117,800	$120,156
Total Costs (Rounded)	**$1,154,400**	**$1,170,400**	**$1,174,300**
Change to Appropriation	**$1,167,200**	**$3,200**	**$7,100**

The estimated cost increases are driven by the following factors: 2.5 percent annual increases in the cost of services provided by the Milwaukee Public Library Interlibrary Loan (MPL – ILL) contracts; and increases in the salaries of student workers under the CCBC contract.

If the funding increase requested by the Department is not provided (i.e., if the current funding level for the library service contracts is maintained), the total number of items that can be requested from the MPL and the UW libraries will be capped. Requests are sent to all of the other libraries that don't charge for lending before they are sent to the MPL and UW. If borrowing from the MPL and UW libraries has to be capped, the impact is felt by library patrons. That is, Wisconsin residents may be denied access to the various materials available only from the MPL and UW libraries.

Statutory Language

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

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7020 – GRANTS FOR NATIONAL BOARD TEACHER CERTIFICATION OR MASTER EDUCATOR LICENSE

306 – Grants for national teacher certification or master educator licensure
s. 20.255 (3) (c)

FISCAL SUMMARY		
	2017-18 Request	2018-19 Request
Requested Aid	$3,194,300	$3,213,700
Less Base	$2,910,000	$2,910,000
Requested Change	$284,300	$303,700

Request

The Department requests an increase of $284,300 GPR in FY18 and $303,700 GPR in FY19, to encourage more teachers who are nationally board certified, or who hold a Wisconsin master educator license, to teach in high poverty schools. This request would provide increased grant amounts to those certified educators who teach in high poverty districts, with a greater differential for those who teach in high poverty schools in the Milwaukee Public Schools (MPS) district. The appropriation is sum sufficient, requiring the Department to make payments for as many teachers as are eligible in any fiscal year.

Background

There are two ways through which an individual may receive a grant under the National Teacher Certification or Master Educator Licensure program under s. 115.42, Wis. Stats.:

- The national process, by obtaining a national certificate issued by the National Board for Professional Teaching Standards (NBPTS), referred to as nationally board certified.
- The state process, by completing the Wisconsin Master Educator Assessment Process (WMEAP), referred to as holding a Wisconsin master educator license.

Created in 1987, the NBPTS is an independent, nonprofit, nonpartisan organization governed by a 63-member board of directors. The mission of the NBPTS is to: 1) establish rigorous standards for what accomplished teachers should know and be able to do; 2) develop and operate a national, voluntary system to assess and certify teachers who meet these standards; and 3) advance related educational reforms for the purpose of improving student learning in American schools.

Originally created under 1997 Wisconsin Act 237, the state's National Teacher Certification grant program provided a sum-sufficient appropriation to award initial grants of up to $2,000, and continuing grants of $2,500 annually for nine years thereafter, for teachers earning national certification only. Under 2007 Wisconsin Act 20, s. 115.42, Wis. Stats., was modified to allow persons (other than administrators) receiving a master educator license through the state process (WMEAP) to also receive the grants. In addition, Act 20 provided an incentive to grant recipients to work in high poverty schools by providing $5,000, rather than $2,500, to persons applying for continuing grants, if they work in a school in which at least 60 percent of the pupils enrolled were eligible for free or reduced-priced lunch (FRL-eligible) under 42 USC 1758 (b).

The WMEAP is as rigorous as the NBPTS process, and perhaps more so, because the applicant must have a master's degree. WMEAP offers licensure in subject areas not currently offered under the NBPTS, including, but not limited to: school counselor, school social worker and school psychologist. Eventually, the state process will offer licenses in the subject areas granted through the NBPTS as well.

The NBPTS currently provides certification on a 10-year basis. However, the NBPTS will be moving to 5-year certificates for candidates who certify beginning in 2017. For those already certified, this requirement will become effective for educators who renew starting in 2021. Thus, educators wishing to be NBPTS certified will need to go through a recertification process every five years.

Proposed Changes to the Grant Program

To further increase the effectiveness of the program, the Department proposes two policy changes in this request. These proposed changes will help school districts with the greatest challenges and needs to recruit and retain more highly qualified teachers:

1. Increase the size of the continuing grant (beginning in year 2) to eligible educators who teach in high poverty districts, from $5,000 to $7,500 in schools that are not in MPS; and increase the size of the continuing grant from $5,000 to $10,000 for eligible educators who teach in high poverty schools located within MPS.
2. Align the state grant for nationally board certified teachers with the NBPTS change from a 10-year to a 5-year certificate. That is, a teacher who obtains a 5-year national board certificate would now be eligible for 5 years of the state grant (first year of the grant would reimburse for costs of applying for the certificate, then years two through five would be the continuing grant amount). Teachers would need to recertify every 5 years instead of 10 years to remain eligible for future grants.

Table 1. Estimated Grant Recipients and Costs, FY18

Grant Program	# of Apps.	Award Amount	Sub-Total Award Amount	FICA at 0.0765 (continuing grants only)	Total Award Amount
NBPTS					
Initial applications	105	$1,800	$189,000	$0	**$189,000**
Continuing: Non-High Poverty	607	$2,500	$1,517,500	$116,100	**$1,633,600**
Continuing: Non-MPS High Poverty	108	$7,500	$810,000	$62,000	**$872,000**
Continuing: MPS High Poverty	42	$10,000	$420,000	$32,100	**$452,100**
WMEAP					
Initial applications	1	$1,800	$1,800	$0	**$1,800**
Continuing: Non-High Poverty	5	$2,500	$12,500	$1,000	**$13,500**
Continuing: Non-MPS High Poverty	4	$7,500	$30,000	$2,300	**$32,300**
Continuing: MPS High Poverty	0	$10,000	$0	$0	**$0**
TOTAL	**872**				**$3,194,300**
FY17 Base Appropriation					**$2,910,000**
Request					**$284,300**

**IRS findings and the State Controller's Office requires the Department to recognize these individuals as nonclassified nominal employees and must, therefore, pay Medicare and Social Security at 7.65 percent of the cost of the continuing grant amount.*

Table 2. Estimated Grant Recipients and Costs, FY19

Grant Program	# of Apps.	Award Amount	Sub-Total Award Amount	FICA at 0.0765 (continuing grants only)	Total Award Amount
NBPTS					
Initial applications	59	$1,800	$106,200	$0	**$106,200**
Continuing: Non-High Poverty	615	$2,500	$1,537,500	$117,600	**$1,655,100**
Continuing: Non-MPS High Poverty	114	$7,500	$855,000	$65,400	**$920,400**
Continuing: MPS High Poverty	45	$10,000	$450,000	$34,400	**$484,400**
WMEAP					
Initial applications	1	$1,800	$1,800		**$1,800**
Continuing: Non-High Poverty	5	$2,500	$12,500	$1,000	**$13,500**
Continuing: Non-MPS High Poverty	4	$7,500	$30,000	$2,300	**$32,300**
Continuing: MPS High Poverty	0	$10,000	$0	$0	**$0**
TOTAL	**843**				**$3,213,700**
FY17 Base Appropriation					**$2,910,000**
Request					**$303,700**

**IRS findings and the State Controller's Office requires the Department to recognize these individuals as nonclassified nominal employees and must, therefore, pay Medicare and Social Security at 7.65 percent of the cost of the continuing grant amount.*

Table 3. Summary of Costs by Fiscal Year

	FY18	FY19
Total Continuing Grants (LTE Salaries)	$2,790,000	$2,885,000
FICA Costs (Fringe Benefits)	$213,500	$220,700
Total Initial Year Grants (S&S)	$190,800	$108,000
TOTAL	**$3,194,300**	**$3,213,700**
FY17 BASE	$2,910,000	$2,910,000
Change to Base	**$284,300**	**$303,700**

Tables 1 and 2, above, reflect the Department's estimates of the number of new and continuing nationally board certified teachers and teachers holding a Wisconsin master educator license for grant payments made during the 2017-19 biennium. The tables also indicate the required amount of funding to provide grant awards, reflecting the proposed increases for those grant recipients who are teaching in high poverty schools. The Department is projecting that 15 percent of new NBPTS teachers will teach in high poverty schools during the 2017-19 biennium.

Projections were derived from current figures for grant recipients and taking into account recent changes to the certification process implemented by the NBPTS. Those changes allow for teachers to complete the four required components in one year or over several years. To implement the revised process, NBPTS is phasing in the components with the last component becoming available during FY17. As a result, FY15 candidates are not able to complete the entire process until FY17, when the last component is available. This leaves FY17 as a "gap year", during which no initial candidates will

receive certification, except those who had applied prior to FY15, did not pass and then had the option to retry for certification.

The revised NBPTS certification process is creating previously unanticipated fluctuations in the number of “initial applicant” grants from year to year. There were 38 initial applicants for FY16 and just 12 initial applicants for FY17. The Department projects that there will be 105 initial applicants for FY18. The significant increase reflects, in part, the pent up demand for new applications due to those applicants being unable to apply during the FY 17 “gap year”. Then, for FY19, the number of initial applicants is expected to rebound to 59, a more typical figure.

Statutory Language

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

DEPARTMENT OF PUBLIC INSTRUCTION
2017-19 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

☒ Draft for Possible 2017-19 Budget Bill Introduction (*Agency Decision Item No. 7020*)

Subject:	Grants for National Teacher Certification or Master Educator Licensure
Request Date:	9/12/16
Agency Contact:	Grant Huber, 267-2003
Agency Budget Director:	Erin Fath, 266-2804

Brief Description of Intent:

The Department requests the following changes:

1. Increase the size of the continuing grant* to eligible educators who teach in high poverty districts, from $5,000 to $7,500 in schools that are not in MPS; and increase the size of the continuing grant from $5,000 to $10,000 for eligible educators who teach in high poverty schools located within MPS.

2. Align the state grant for nationally board certified teachers with the National Board for Professional Teaching Standards (NBPTS) change from a 10-year to a 5-year certificate. That is, a teacher who obtains a 5-year national board certificate would now be eligible for 5 years of the state grant (first year of the grant would reimburse for costs of applying for the certificate, then years two through five would be the continuing grant amount). Teachers would need to recertify every 5 years instead of 10 years to remain eligible for future grants.

* "continuing grant" refers to years 2 through the last year in which a grant is received.

Related Stat. Citations:

Modify 115.42 (2) (a), 115.42 (2) (c), and 115.42 (2) (d).

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7025 – VERY SPECIAL ARTS

309 – Very special arts
s. 20.255 (3) (fa)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$75,000**	**$75,000**
Less Base	**$63,300**	**$63,300**
Requested Change	**$11,700**	**$11,700**

Request

The Department requests an increase of $11,700 GPR in FY18 and $11,700 GPR in FY19 to restore funding for Very Special Arts to $75,000 annually.

Background

Very Special Arts Wisconsin (VSA) is a nonprofit organization that that uses dance, drama, creative writing, music, and visual art to celebrate the creative power and artistic accomplishments of children and adults with disabilities throughout Wisconsin. Incorporated in 1985, VSA programs began with a one-day festival for school-aged children. The program has grown through the years and now, statewide initiatives serve individuals across the age spectrum. VSA choirs, artist residencies, and art classes and workshops provide an outlet for creative expression and unlimited possibilities for personal, academic, and professional success. Exhibitions, performances, and special events showcase the talents of people with disabilities.

The 1991-93 biennial budget (1991 Act 39) created a state appropriation within the Department's Chapter 20 appropriations schedule, in the amount of $75,000 GPR annually, beginning in FY92, for VSA. The state appropriation for VSA remained at this level until it was reduced to $70,300 beginning in FY10, under the 2009-11 biennial budget (2009 Act 28), as part of across-the-board reductions to most non-federal appropriations (reduction of $4,700, or 6.3 percent). Subsequently, the 2011-13 biennial budget (2011 Act 32), further reduced this appropriation by $7,000, to the current level of $63,300, as part of across-the-board 10 percent budget reductions.

In total, between FY10 and FY12, funding for VSA decreased by $11,700 (-15.6 percent). In addition to the reduction in state funding, VSA staff indicated in early 2014 that the organization had also lost funding in the amount of $15,000 from Northwestern Mutual.

The Department requests $11,700 GPR annually to restore funding to the VSA to $75,000 annually, the level of funding prior to the application of across-the-board budgets over two biennia.

Statutory Language

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

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7030 – REPURPOSE PROGRAM REVENUE POSITION

132 – Funds transferred from other state agencies; program operations
s. 20.255 (1) (ke)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested FTE	**15.17 FTE**	**15.17 FTE**
Less Base	**16.17 FTE**	**16.17 FTE**
Requested Change	**-1.00 FTE**	**-1.00 FTE**

122 – Personnel licensure, teacher supply, information and analysis and teacher improvement
s. 20.255 (1) (hg)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested FTE	**27.20 FTE**	**27.20 FTE**
Less Base	**26.20 FTE**	**26.20 FTE**
Requested Change	**1.00 FTE**	**1.00 FTE**

Request

The Department requests a decrease of 1.0 FTE PR-S position in FY18 and FY19 in the appropriation under s. 20.255 (1) (ke) and an increase of 1.0 FTE PR position in FY18 and FY19 in the appropriation under s. 20.255 (1) (hg).

Background

The appropriation under s. 20.255 (1) (ke), *Funds transferred from other state agencies; program operations*, receives revenus from other state agencies to support the Department's operational costs of impelmenting the programing for which the Department recieves revenues from other state agencies. As an example, the Department recevies revenue from the Wisconsin Technical College System (WTCS) to implement programming under the federal Carl Perkins program. The Carl Perkins monies are provided directly to the WTCS from the federal government, and then are distributed by WTCS to the Department. Thus, the Carl Perkins funds are considered Program Revenue – Service (PR-S) to the Department.

The Carl Perkins monies received the appropriation under s. 20.255 (1) (ke) support statewide leadership and administrative functions of the Department related to impelementing Carl Perkins supported actvities. The Department also receives Carl Perkins monies in the appropriaiton under s. 20.255 (2) (k), *Funds transferred from other state agencies; local aids*, from WTCS. The revenues received under 20.255 (2) (k) are distributed by the Department as aid to school districts for the purpose of implementing programming under the Carl Perkins program at the local level.

Currently there are 16.17 FTE permanent PR-S postions, and 1.00 FTE project PR-S position, authorized in the appropriation under s. 20.255 (1) (ke), hereafter referred to as APN 132 (the associated numeric appropriation in the state's accounting system). Of the total 16.17 FTE permanent positions in APN 132, 11.10 FTE permanent positions reside on the Department's Career and

Technical Education (CTE) Team. The remaining position authority in APN 132 resides on other teams in the Deparment that are responsible for implementing programs for which the Department receives other funding (e.g., Race to the Top, School Health, Promise Grant). Just over 50 percent of the revenues received in APN 132 in FY16 were Carl Perkins funds received from WTCS.

The CTE Team provides leadership, service and connections to prepare individuals for a wide range of careers that reflect the contemporary workplace. The team is responsible for the coordination and implementation of Carl Perkins federal CTE funds, state certified Cooperative Education Programs, the State Superintendent's advisory committees for CTE, and the state CTE student organizations. Additionally, the team provides state leadership for curriculum alignment between secondary and post-secondary education, management of the federal office of Civil Rights Regulations, support for local, state, and national teacher professional development opportunities, and development of professional curriculum resources. Finally, the team serves as a liaison to state and national professional organizations and university programs, assists with teacher preparation and certification, and serves as a clearinghouse for educational information and guidance.

In recent years, the amount of funding provided under the Carl Perkins program for administration and state leadership activities has been insufficient to support the full complement of permanent FTE positions allocated to the CTE team. Specifically, 1.0 FTE permanent position has been vacant for more than one year, due to insufficient Carl Perkins administrative fund to support the full salary, fringe benefit and fixed costs associated with the permanent position. The Department anticipates that Carl Perkins funding for state adminstrative activities will remain relatively constant, and thus, does not anticipate being able to make use of the position authority in the future.

The Department does, however, have staffing needs in other areas of operation, namely, in its teacher certification and licensing function, housed on the Teacher Education, Professional Development and Licensing (TEPDL). For this reason, the Department proposed to reallocate 1.0 FTE permanent position from the CTE Team, in APN 132, to the TEPDL Team. Budget and position authority for the TEPDL Team resides in the appropriation under s. 20.255 (1) (hg), *Personnel licensure, teacher supply, information and analysis and teacher improvement*, hereafter referred to as APN 122 (the associated numeric appropriation in the state's accounting system).

TEPDL Team

Currently, there are 26.20 FTE permanent positions funded from APN 122, of which 23.0 FTE reside on the TEPDL Team. The 23.0 FTE positions on the TEPDL team include the Director and two Assistant Directors, ten Education Consultants, seven Education Specialists, two IS Technical Services Professionals, and one Office Operations Associate. The remaining 3.20 FTE positions are located on different teams in the Department, including 1.20 FTE positions on the Educator Effectiveness (EE) Team; 1.20 FTE positions providing additional IT support services (but located on the Department's Applications Development Management Team); and 0.80 FTE that compirse portions of other positions in the Department.

Teacher Certification and Licensing Functions in the Department

The 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.

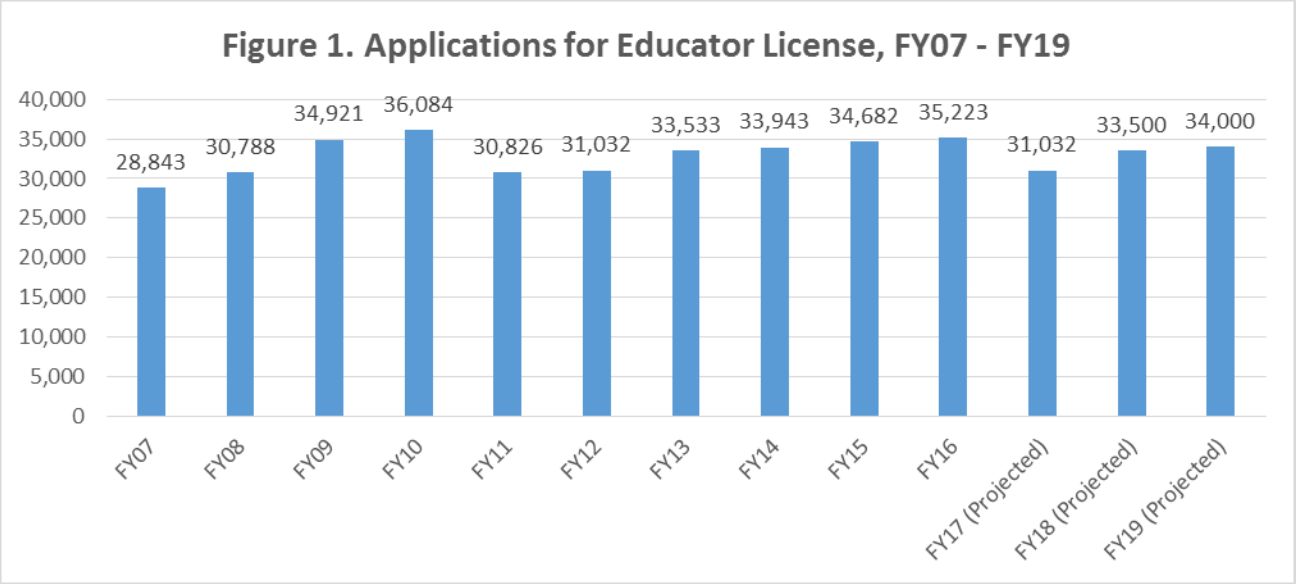
The Department is required under state law to perform the following duties:

- 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 FY16, the Department processed over 35,000 licenses. While the number of applications is estimated to dip in FY17, applications are anticipated to increase during the 2017-19 biennium, consistent with the 5-year cycle of applications received by the Department. Figure 1, below, demonstrates the cyclical nature of educator license applications received by the Department.



Initial application 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 licensing applications for a given fiscal year in May, June, and July. A significant portion of license applications require 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. Initially, a total of 4.0 FTE were used to create a new 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. 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 requested 3.0 FTE permanent positions for the TEPDL team to meet ongoing workload needs that were exacerbated by the reallocation of positions from the TEPDL to the EE team in 2012. The request was not included as part of the 2015-17 biennial budget (2015 Act 55). Over time, as school districts have sought increased guidance and assistance from the EE Team, the EE Team has grown from 4.0 FTE to 6.0 FTE. However, the Department has been able to reallocate position authority among other fund sources for the EE team (GPR and FED – Title II), such that at this time, just 1.20 FTE positions on the EE team are funded from APN 122.

The Department is requesting a permanent 1.0 FTE Education Specialist to provide additional capacity among the permanent TEPDL team staff, to conduct background checks, five-year renewal applications, and follow-up on out-of-state applications. Teacher certification program revenue in APN 122 would be used to fund these positions. The Department is requesting this position 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.

The Department is not requesting an increase to the expenditure authority in this request because projected revenues in APN 122 would be sufficent to cover the anticipated salary, fringe benefit, and fixed costs associated with the additional 1.0 FTE permanent position. However, if this request were approved, the Department would request reallocating expenditure authority, from the supplies and services line, to the salary and fringe benefit lines, within APN 122 to achieve the required expenditure authority on the appropriate budget lines. Additional information is available from the Department upon request.

Statutory Language

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

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7031 – PARENTAL CHOICE PROGRAMS POSITION AUTHORITY

101 – General program operations
s. 20.255 (1) (a)

FISCAL SUMMARY		
	2017-18 Request	**2018-19 Request**
Requested Funding	**$12,072,400 94.75 FTE**	**$12,110,800 94.75 FTE**
Less Base	**$11,951,700 92.75 FTE**	**$11,951,700 92.75 FTE**
Requested Change	**$120,700 2.0 FTE**	**$159,100 2.0 FTE**

Request

The Department requests an increase of 2.0 FTE GPR permanent positions in FY18 and FY19 in the appropriation under s. 20.255 (1) (a), and $120,700 GPR in FY18 and $159,100 GPR FY19, to support the Department's work on the Special Needs Scholarship Program, and the Milwaukee, Racine, and Wisconsin Private School Parental Choice programs.

Background

Under 2015 Act 55 the Legislature created the Special Needs Scholarship program (SNSP). This new program, while patterned somewhat after the three existing private school parental choice ("voucher") programs, has significantly different eligibility and procedural provisions. In FY17, its first year of operation, 26 new schools and over 200 students are participating in the SNSP. Under the SNSP, an eligible pupil may attend a privte school with a Special Needs Voucher in the amount of $12,000. The FY16 estimated cost is $2,400,000.

When the SNSP was created under Act 55, no position authority or funding was provided to the Department for implementation and ongoing administration. Below is a list of some of the broad duties that are required of the Department to administer the SNSP:

- Create and update forms for the program (school and student applications, rights comparison form, etc.);
- Develop the programming needed to administer the program; including a system to process payments;
- Promulgate administrative rules as required under statute;
- Determine which private schools are eligible to participate in the program, which includes reviewing financial information or surety bonds if a school expects at receive at least $50,000 during a school year;
- Review private school's annual financial reports;
- Verify student eligibility for the program;
- Provide training for school district and participating private schools;
- Provide assistance and guidance to school districts, private schools and parents related to the program;
- Ensure compliance with the program's statutory and administrative rule requirements;
- Pay and process the voucher to each private school; and

- Ensure all calculations to the general school aid formula related to this program are conducted accurately and in a timely manner.

While the Department has been able to manage the workload associated with implementing the new SNSP to this point, it has sone so by borrowing existing position authority to from other areas of the Department. This is not a sustainable situation for the Department's operations.

The Department therefore requests authority for 1.0 FTE GPR permanent position to create an Education Consultat position on the School Management Services (SMS) team for continued administration of the SNSP. The amounts requested for this position are detailed below and assumes nine months of funding in FY18 and 12 months in FY19:

Education Consultant	FY18	FY19
Salary	$41,000	$54,700
Fringe Benefits	$16,200	$21,600
Supplies/Services	$14,100	$17,800
Total Personnel Costs	**$71,300**	**$94,100**

Private School Parental Choice Programs and Public School Opent Enrollment

The Department also requests authority for 1.0 FTE GPR permanent position to create an Education Specialist position on the SMS team for continued administration of the private school parental choice programs – collectively, the "voucher" programs – and as needed, with specific tasks related to the open enrollment program. This position would assist in the processing of the statutory quarterly payments under the four voucher programs, assist parents and participating private schools with student voucher application questions via phone and email, and assist in the review of program enrollment audits.

It is crucial that these tasks be completed accurately and timely. The Department receives hundreds of calls from parents during choice application periods. In addition, participating and interested schools have questions about the program that need quick answers. Additional staff is need to timely respond to these program needs. As the number of schools, students and auditors increase additional resources are needed to timely process the schools' payments, provide data for auditors and provide training. In addition, given the complicated funding structure of the program additional staff is needed to process choice payment data for the school finance team for use during the October 15 general aid certification process.

Given the Wisconsin Parental Choice Program expansion under 2015 Act 55, and the creation of the SNSP, it is not possible for current voucher program staff to complete this workload. For FY17, 212 private schools are participating in the four voucher programs with approximately 34,000 students receiving a voucher for a total estimated cost of $248 million.

<u>Growth in Private School Parental Choice Programs</u>

In the FY10 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 FY12; and then, the statewide Wisconsin Parental Choice Program (WPCP), in FY14.

The 2011-13 biennial budget, under 2011 Wisconsin Act 32, removed the enrollment limit on the MPCP, raised the income threshold to 300 percent of the federal poverty level, and deleted

the geographic requirement for schools in the program. Act 32 also created the RPCP starting in FY12. 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 2013-15 biennial budget, under 2013 Wisconsin Act 20, created the WPCP starting in the FY14. The program had a student limit of 500 FTE in FY14 and 1,000 FTE in FY15. The 2015-17 biennial budget, 2015 Wisconsin Act 55, then created a cap based on the percentage of students enrolling in the program that reside in any given public school district, which is one percent in FY17, two percent in FY18, three percent in FY19. The cap increase by one percent each year thereafter until the cap reaches ten percent, in FY26, after which there will be no enrollment cap on the WPCP.

Act 55 also created the SNSP. In FY17, 26 schools and over 200 students are participating in the program. There is no limit on the number of schools or students that can participate in the program.

The overall increase in enrollment over the last four biennia is detailed in the Table 1 below.

Table 1. Participation in Parental Choice Programs and the SNSP

Fiscal Year	MPCP	RPCP	WPCP	SNSP	Total FTE	Total Participating Schools
FY10	20,372	0	0		20,372	109
FY11	20,256	0	0		20,256	100
FY12	22,220	219	0		22,439	114
FY13	23,789	485	0		24,274	111
FY14	24,776	1,169	499		26,444	146
FY15	25,745	1,660	994		28,399	156
FY16	26,470	2,057	2,483		31,010	186
FY17	27,302	2,464	2,993	202	32,961	212
FY18	27,650	2,863	3,700	350	34,563	*
FY19	28,150	3,263	4,400	500	36,313	*

**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.

Public School Open Enrollment

Finally, additional support is also needed on the SMS team to assist in the processing of claims filed for open enrollment transportation reimbursement for low-income families. For FY15, a total of 1,800 claims were paid, totaling approximately $434,000. The processing of these claims occurs at the same time as open enrollment program staff is processing open enrollment appeals. Without additional assistance, low-income parents will have to wait longer for available reimbursement of their prior year transportation costs and open enrollment appeal decisions may be delayed until after the school year starts.

The Department therefore requests authority for 1.0 FTE GPR permanent position to create an Education Specialist position on the SMS team, in order to timely administer all responsibilities for current law voucher and open enrollment programs. The amounts requested for this position are detailed below and assumes nine months of funding in FY18 and 12 months in FY19:

Education Specialist	FY18	FY19
Salary	$26,900	$35,900
Fringe Benefits	$10,600	$14,200
Supplies/Services	$11,900	$14,900
Total Personnel Costs	**$49,400**	**$65,000**

Statutory Language

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

STANDARD BUDGET ADJUSTMENTS AND REVENUE REESTIMATES

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 3001 – TURNOVER REDUCTION

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
101	***s. 20.255 (1) (a)***	**-$116,400**	**-$116,400**
102	***s. 20.255 (1) (b)***	**-$311,500**	**-$311,500**
141	***s. 20.255 (1) (me)***	**-$494,800**	**-$494,800**
Total		**-$922,700**	**-$922,700**

The Department requests $-427,900 GPR and $-494,800 PR-F in FY18 and FY19 as the Department's required turnover reduction in appropriations funding more than 50 FTE permanent positions.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 3002 – REMOVAL OF NONCONTINUING ITEMS FROM THE BASE

141 – Federal aids; program operations
s. 20.255 (1) (me)

		FISCAL SUMMARY			
		2017-18 Request		2018-19 Request	
Numeric Appropriation	Alpha Appropriation	FTE	Dollars	FTE	Dollars
141	*s. 20.255 (1) (me)*	-1.000	-$76,200	-2.000	-$144,700
Total		-1.000	-$76,200	-2.000	-$144,700

The Department is removing 1.00 FTE PR-F project positions and $76,200 PR-F in FY18. The Department is removing 1.00 FTE PR-F additional project positions in FY19, for a total of 2.00 FTE PR-F and $144.700 PR-F in FY19.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 3003 – FULL FUNDING OF CONTINUING SALARIES AND FRINGE

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
101	***s. 20.255 (1) (a)***	**-$213,900**	**-$213,900**
102	***s. 20.255 (1) (b)***	**-$609,600**	**-$609,600**
122	***s. 20.255 (1) (hg)***	**-$33,600**	**-$33,600**
123	***s. 20.255 (1) (j)***	**$1,100**	**$1,100**
124	***s. 20.255 (1) (i)***	**$1,700**	**$1,700**
125	***s. 20.255 (1) (jg)***	**$34,400**	**$34,400**
130	***s. 20.255 (1) (hj)***	**-$500**	**-$500**
131	***s. 20.255 (1) (ks)***	**$178,200**	**$178,200**
132	***s. 20.255 (1) (ke)***	**-$79,100**	**-$79,100**
133	***s. 20.255 (1) (kd)***	**-$9,900**	**-$9,900**
134	***s. 20.255 (1) (hm)***	**-$23,100**	**-$23,100**
141	***s. 20.255 (1) (me)***	**$438,900**	**$438,900**
146	***s. 20.255 (1) (pz)***	**$404,900**	**$404,900**
Total		**$89,500**	**$89,500**

The Department requests -$823,500 GPR, $3,100 PR, $66,100 PR-S and $843,800 PR-F in FY18 and FY19 to adjust the amount needed to bring salary and fringe amounts to FY17 levels. A detailed calculation is available on a separate spreadsheet from the Policy and Budget Team

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 3007 – OVERTIME

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
101	***s. 20.255 (1) (a)***	**$10,400**	**$10,400**
102	***s. 20.255 (1) (b)***	**$264,100**	**$264,100**
122	***s. 20.255 (1) (hg)***	**$2,900**	**$2,900**
124	***s. 20.255 (1) (i)***	**$500**	**$500**
125	***s. 20.255 (1) (jg)***	**$200**	**$200**
131	***s. 20.255 (1) (ks)***	**$100**	**$100**
132	***s. 20.255 (1) (ke)***	**$9,500**	**$9,500**
133	***s. 20.255 (1) (kd)***	**$600**	**$600**
141	***s. 20.255 (1) (me)***	**$36,200**	**$36,200**
146	***s. 20.255 (1) (pz)***	**$14,000**	**$14,000**
Total		**$338,500**	**$338,500**

The Department requests $274,500 GPR, $3,600 PR, $10,200 PR-S and $50,200 PR-F in FY18 and FY19 to restore funds for overtime differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2015 Wisconsin Act 55. Fringe benefits are calculated at the variable fringe rate of 15.75 percent.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 3008 – NIGHT AND WEEKEND DIFFERENTIAL

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
101	***s. 20.255 (1) (a)***	**$500**	**$500**
102	***s. 20.255 (1) (b)***	**$55,000**	**$55,000**
132	***s. 20.255 (1) (ke)***	**$200**	**$200**
141	***s. 20.255 (1) (me)***	**$200**	**$200**
146	***s. 20.255 (1) (pz)***	**$200**	**$200**
Total		**$56,100**	**$56,100**

The Department requests $55,500 GPR, $200 PR-S and $400 PR-F in FY18 and FY19 to restore funds for night and weekend differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2015 Wisconsin Act 55. Fringe benefits are calculated at the variable fringe rate of 15.75 percent.

DPI 2017-19 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)

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
101	***s. 20.255 (1) (a)***	**$52,200**	**$99,800**
141	***s. 20.255 (1) (me)***	**$16,800**	**$18,200**
Total		**$69,000**	**$118,000**

The Department requests $52,200 GPR and $16,800 PR-F in FY18 and $99,800 GPR and $18,200 PR-F in FY19 to fully fund the department's lease costs. The amount requested is based on private lease and state-owned space expenditures as provided by the Department of Administration.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7041 – PROGRAM REVENUE RE ESTIMATES

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
122	***s. 20.255 (1)(hg)***	**$151,100**	**$ 207,300**
232	***2.20.255 (2)(k)***	**$3,000,000**	**$3,000,000**
Total		**$151,100**	**$ 207,300**

The Department requests a total of $3,151,100 PR in FY18 and $3,207,300 PR in FY19 to reflect projected revenues and expenditures.

The reestimates for the appropriation under s. 20.255 (1) (hg) reflects projected teacher licenses fee revenue.

The appropriation under s. 20.255 (2) (k) receives revenues from other state agencies, to be used for purposes specified for each revenue source. The reestimate for this appropriation reflects the new (in FY16) practice of transferring $3,000,000, from the Department of Workforce Development (DWD) to the Department, for the Career and Technical Education Incentive Grants program, which was transferred from the Department to DWD under 2015 Act 55, but for which the two departments have entered into a Memorandum of Understanding that specifies that the state (GPR) funding that is appropriated with DWD for these CTE Incentive Grants will be transferred to the Department in order to facilitate payments to school districts.

DPI 2017-19 BIENNIAL BUDGET REQUEST

DECISION ITEM 7042 – FEDERAL REVENUE RE ESTIMIMATES

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2017-18 Request**	**2018-19 Request**
344	***s. 20.255(3)(ms)***	**$923,600**	**$923,600**
Total		**$923,600**	**$923,600**

The Department requests $923,600 FED in FY18 and $923,600 FED in FY19 to reflect projected revenues and expenditures in federal fund sources.

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DPI 2017-19 BIENNIAL BUDGET REQUEST

SUMMARY OF AGENCY-WIDE BUDGET – ALL FUNDS

	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	$0	$5,911,086,500	$5,972,317,800	$6,357,969,500	253.47	253.47		$11,822,173,000	$12,330,287,300	$508,114,300	4.3
A	$0	$335,015,900	$343,110,000	$371,379,000	0	0		$670,031,800	$714,489,000	$44,457,200	6.64
L	$0	$5,519,892,700	$5,573,287,100	$5,930,561,000	0	0		$11,039,785,400	$11,503,848,100	$464,062,700	4.2
S	$0	$56,177,900	$55,920,700	$56,029,500	253.47	253.47		$112,355,800	$111,950,200	($405,600)	-0.36
PR	$0	$43,748,800	$46,983,100	$47,601,500	81.69	81.69		$87,497,600	$94,584,600	$7,087,000	8.1
L	$0	$10,007,500	$13,007,500	$13,409,700	0	0		$20,015,000	$26,417,200	$6,402,200	31.99
S	$0	$33,741,300	$33,975,600	$34,191,800	81.69	81.69		$67,482,600	$68,167,400	$684,800	1.01
SEG	$0	$58,082,500	$71,479,700	$74,129,800	0	0		$116,165,000	$145,609,500	$29,444,500	25.35
L	$0	$55,915,300	$69,309,300	$71,955,500	0	0		$111,830,600	$141,264,800	$29,434,200	26.32
S	$0	$2,167,200	$2,170,400	$2,174,300	0	0		$4,334,400	$4,344,700	$10,300	0.24
Total - Non Federal											
A	$0	$335,015,900	$343,110,000	$371,379,000	0	0		$670,031,800	$714,489,000	$44,457,200	6.64
L	$0	$5,585,815,500	$5,655,603,900	$6,015,926,200	0	0		$11,171,631,000	$11,671,530,100	$499,899,100	4.47
S	$0	$92,086,400	$92,066,700	$92,395,600	335.16	335.16		$184,172,800	$184,462,300	$289,500	0.16
PR - F	$0	$878,114,300	$879,378,000	$879,310,900	313.84	312.84		$1,756,228,600	$1,758,688,900	$2,460,300	0.14
A	$0	$61,944,900	$62,868,500	$62,868,500	0	0		$123,889,800	$125,737,000	$1,847,200	1.49
L	$0	$761,933,500	$761,933,500	$761,933,500	0	0		$1,523,867,000	$1,523,867,000	$0	0
S	$0	$54,235,900	$54,576,000	$54,508,900	313.84	312.84		$108,471,800	$109,084,900	$613,100	0.57
Total - Federal											
A	$0	$61,944,900	$62,868,500	$62,868,500	0	0		$123,889,800	$125,737,000	$1,847,200	1.49
L	$0	$761,933,500	$761,933,500	$761,933,500	0	0		$1,523,867,000	$1,523,867,000	$0	0
S	$0	$54,235,900	$54,576,000	$54,508,900	313.84	312.84		$108,471,800	$109,084,900	$613,100	0.57
GPR	$0	$5,911,086,500	$5,972,317,800	$6,357,969,500	253.47	253.47		$11,822,173,000	$12,330,287,300	$508,114,300	4.3
A	$0	$335,015,900	$343,110,000	$371,379,000	0	0		$670,031,800	$714,489,000	$44,457,200	6.64
L	$0	$5,519,892,700	$5,573,287,100	$5,930,561,000	0	0		$11,039,785,400	$11,503,848,100	$464,062,700	4.2
S	$0	$56,177,900	$55,920,700	$56,029,500	253.47	253.47		$112,355,800	$111,950,200	($405,600)	-0.36
PR	$0	$921,863,100	$926,361,100	$926,912,400	395.53	394.53		$1,843,726,200	$1,853,273,500	$9,547,300	0.52
A	$0	$61,944,900	$62,868,500	$62,868,500	0	0		$123,889,800	$125,737,000	$1,847,200	1.49
L	$0	$771,941,000	$774,941,000	$775,343,200	0	0		$1,543,882,000	$1,550,284,200	$6,402,200	0.41
S	$0	$87,977,200	$88,551,600	$88,700,700	395.53	394.53		$175,954,400	$177,252,300	$1,297,900	0.74
SEG	$0	$58,082,500	$71,479,700	$74,129,800	0	0		$116,165,000	$145,609,500	$29,444,500	25.35
L	$0	$55,915,300	$69,309,300	$71,955,500	0	0		$111,830,600	$141,264,800	$29,434,200	26.32
S	$0	$2,167,200	$2,170,400	$2,174,300	0	0		$4,334,400	$4,344,700	$10,300	0.24
Total											
A	$0	$396,960,800	$405,978,500	$434,247,500	0	0		$793,921,600	$840,226,000	$46,304,400	5.83
L	$0	$6,347,749,000	$6,417,537,400	$6,777,859,700	0	0		$12,695,498,000	$13,195,397,100	$499,899,100	3.94
S	$0	$146,322,300	$146,642,700	$146,904,500	649	648		$292,644,600	$293,547,200	$902,600	0.31
Grand Total	$0	$6,891,032,100	$6,970,158,600	$7,359,011,700	649	648		$13,782,064,200	$14,329,170,300	$547,106,100	3.97
Gen. Purpose Rev. - Earned	$1,716,100	$2,468,200	$649,800	$656,000	0	0		$4,936,400	$1,305,800	($3,630,600)	-73.55

DPI 2017-19 BIENNIAL BUDGET REQUEST

2015 ACT 201 – ZERO GROWTH EXERCISE: FY18 & FY19

[REQUIREMENT UNDER S. 16.42 (4) (b) 1.]

	Appropriation		Fund	Adjusted Base		0% Change	**Proposed Budget 2017-18**		Item	Change from Adj Base		Remove SBAs		Change from Adjusted Base after Removal of SBAs	
Agency	Alpha	Numeric	Source	$	FTE	Target	Proposed $	Proposed FTE	Ref.	$	FTE	$	FTE	$	FTE
255	1a	101	GPR	11,951,700	92.75	0	11,684,500	92.75		(267,200)	0.00	267,200	0.00	0	0.00
255	1b	102	GPR	11,520,900	157.72	0	10,918,900	157.72		(602,000)	0.00	602,000	0.00	0	0.00
255	1c	103	GPR	612,000	0.00	0	612,000	0.00		0	0.00	0	0.00	0	0.00
255	1dw	105	GPR	18,558,400	0.00	0	18,558,400	0.00		0	0.00	0	0.00	0	0.00
255	1e	106	GPR	3,400,000	0.00	0	3,400,000	0.00		0	0.00	0	0.00	0	0.00
255	1ee	109	GPR	973,300	0.00	0	973,300	0.00		0	0.00	0	0.00	0	0.00
255	1ek	108	GPR	3,488,100	0.00	0	3,488,100	0.00		0	0.00	0	0.00	0	0.00
255	1eL	110	GPR	1,359,000	0.00	0	1,359,000	0.00		0	0.00	0	0.00	0	0.00
255	1em	107	GPR	1,100,000	0.00	0	1,100,000	0.00		0	0.00	0	0.00	0	0.00
255	1f	115	GPR	2,151,000	0.00	0	2,151,000	0.00		0	0.00	0	0.00	0	0.00
255	1g	121	PR	100	0.00	0	100	0.00		0	0.00	0	0.00	0	0.00
255	1ge	119	PR	4,309,500	0.00	0	4,309,500	0.00		0	0.00	0	0.00	0	0.00
255	1gL	172	PR	2,000	0.00	0	2,000	0.00		0	0.00	0	0.00	0	0.00
255	1gs	174	PR	7,000	0.00	0	7,000	0.00		0	0.00	0	0.00	0	0.00
255	1gt	136	PR	1,210,000	0.00	0	1,210,000	0.00		0	0.00	0	0.00	0	0.00
255	1hg	122	PR	3,698,400	26.20	0	3,667,700	26.20		(30,700)	0.00	30,700	0.00	0	0.00
255	1hj	130	PR	146,500	1.00	0	146,000	1.00		(500)	0.00	500	0.00	0	0.00
255	1hm	134	PR	164,700	1.30	0	141,600	1.30		(23,100)	0.00	23,100	0.00	0	0.00
255	1i	124	PR	150,600	1.00	0	152,800	1.00		2,200	0.00	(2,200)	0.00	0	0.00
255	1im	135	PR	141,100	0.00	0	141,100	0.00		0	0.00	0	0.00	0	0.00
255	1j	123	PR	134,600	1.00	0	135,700	1.00		1,100	0.00	(1,100)	0.00	0	0.00
255	1jg	125	PR	10,027,600	3.30	0	10,062,200	3.30		34,600	0.00	(34,600)	0.00	0	0.00
255	1jm	126	PR	106,300	0.00	0	106,300	0.00		0	0.00	0	0.00	0	0.00
255	1jr	127	PR	1,250,000	0.00	0	1,250,000	0.00		0	0.00	0	0.00	0	0.00
255	1jr	128	PR	250,000	0.00	0	250,000	0.00		0	0.00	0	0.00	0	0.00
255	1jz	120	PR	10,000	0.00	0	10,000	0.00		0	0.00	0	0.00	0	0.00
255	1kd	133	PR	609,500	4.05	0	600,200	4.05		(9,300)	0.00	9,300	0.00	0	0.00
255	1ke	132	PR	2,736,100	16.17	0	2,666,700	16.17		(69,400)	0.00	69,400	0.00	0	0.00
255	1km	129	PR	8,100	0.00	0	8,100	0.00		0	0.00	0	0.00	0	0.00
255	1ks	131	PR	8,779,200	27.67	0	8,957,500	27.67		178,300	0.00	(178,300)	0.00	0	0.00
255	1q	161	SEG	1,000,000	0.00	0	1,000,000	0.00		0	0.00	0	0.00	0	0.00
255	3f	318	GPR	900	0.00	0	900	0.00		0	0.00	0	0.00	0	0.00
255	3r	362	SEG	1,167,200	0.00	0	1,167,200	0.00		0	0.00	0	0.00	0	0.00
Totals				**91,023,800**	**332.16**	**0**	**90,237,800**	**332.16**		**(786,000)**	**0.00**	**786,000**	**0.00**	**0**	**0.00**

DPI 2017-19 BIENNIAL BUDGET REQUEST

2015 ACT 201 – FIVE PERCENT REDUCTIONS EXERCISE: FY18 & FY19

[REQUIREMENT UNDER S. 16.42 (4) (b) 1.]

	Appropriation		Fund	Adjusted Base		5% Reduction	**Proposed Budget 2017-18**		Item	Change from Adj Base		Remove SBAs		Change from Adjusted Base after Removal of SBAs	
Agency	Alpha	Numeric	Source	$	FTE	Target	Proposed $	Proposed FTE	Ref.	$	FTE	$	FTE	$	FTE
255	1a	101	GPR	11,951,700	92.75	(597,600)	11,086,900	92.75		(864,800)	0.00	267,200	0.00	(597,600)	0.00
255	1b	102	GPR	11,520,900	157.72	(576,000)	10,342,900	157.72		(1,178,000)	0.00	602,000	0.00	(576,000)	0.00
255	1c	103	GPR	612,000	0.00	(30,600)	581,400	0.00		(30,600)	0.00	0	0.00	(30,600)	0.00
255	1dw	105	GPR	18,558,400	0.00	(927,900)	17,630,500	0.00		(927,900)	0.00	0	0.00	(927,900)	0.00
255	1e	106	GPR	3,400,000	0.00	(170,000)	3,230,000	0.00		(170,000)	0.00	0	0.00	(170,000)	0.00
255	1ee	109	GPR	973,300	0.00	(48,700)	924,600	0.00		(48,700)	0.00	0	0.00	(48,700)	0.00
255	1ek	108	GPR	3,488,100	0.00	(174,400)	3,313,700	0.00		(174,400)	0.00	0	0.00	(174,400)	0.00
255	1eL	110	GPR	1,359,000	0.00	(68,000)	1,291,000	0.00		(68,000)	0.00	0	0.00	(68,000)	0.00
255	1em	107	GPR	1,100,000	0.00	(55,000)	1,045,000	0.00		(55,000)	0.00	0	0.00	(55,000)	0.00
255	1f	115	GPR	2,151,000	0.00	(107,600)	2,043,400	0.00		(107,600)	0.00	0	0.00	(107,600)	0.00
255	1g	121	PR	100	0.00	0	100	0.00		0	0.00	0	0.00	0	0.00
255	1ge	119	PR	4,309,500	0.00	(215,500)	4,094,000	0.00		(215,500)	0.00	0	0.00	(215,500)	0.00
255	1gL	172	PR	2,000	0.00	(100)	1,900	0.00		(100)	0.00	0	0.00	(100)	0.00
255	1gs	174	PR	7,000	0.00	(400)	6,600	0.00		(400)	0.00	0	0.00	(400)	0.00
255	1gt	136	PR	1,210,000	0.00	(60,500)	1,149,500	0.00		(60,500)	0.00	0	0.00	(60,500)	0.00
255	1hg	122	PR	3,698,400	26.20	(184,900)	3,482,800	26.20		(215,600)	0.00	30,700	0.00	(184,900)	0.00
255	1hj	130	PR	146,500	1.00	(7,300)	138,700	1.00		(7,800)	0.00	500	0.00	(7,300)	0.00
255	1hm	134	PR	164,700	1.30	(8,200)	133,400	1.30		(31,300)	0.00	23,100	0.00	(8,200)	0.00
255	1i	124	PR	150,600	1.00	(7,500)	145,300	1.00		(5,300)	0.00	(2,200)	0.00	(7,500)	0.00
255	1im	135	PR	141,100	0.00	(7,100)	134,000	0.00		(7,100)	0.00	0	0.00	(7,100)	0.00
255	1j	123	PR	134,600	1.00	(6,700)	129,000	1.00		(5,600)	0.00	(1,100)	0.00	(6,700)	0.00
255	1jg	125	PR	10,027,600	3.30	(501,400)	9,560,800	3.30		(466,800)	0.00	(34,600)	0.00	(501,400)	0.00
255	1jm	126	PR	106,300	0.00	(5,300)	101,000	0.00		(5,300)	0.00	0	0.00	(5,300)	0.00
255	1jr	127	PR	1,250,000	0.00	(62,500)	1,187,500	0.00		(62,500)	0.00	0	0.00	(62,500)	0.00
255	1jr	128	PR	250,000	0.00	(12,500)	237,500	0.00		(12,500)	0.00	0	0.00	(12,500)	0.00
255	1jz	120	PR	10,000	0.00	(500)	9,500	0.00		(500)	0.00	0	0.00	(500)	0.00
255	1kd	133	PR	609,500	4.05	(30,500)	569,700	4.05		(39,800)	0.00	9,300	0.00	(30,500)	0.00
255	1ke	132	PR	2,736,100	16.17	(136,800)	2,529,900	16.17		(206,200)	0.00	69,400	0.00	(136,800)	0.00
255	1km	129	PR	8,100	0.00	(400)	7,700	0.00		(400)	0.00	0	0.00	(400)	0.00
255	1ks	131	PR	8,779,200	27.67	(439,000)	8,518,500	27.67		(260,700)	0.00	(178,300)	0.00	(439,000)	0.00
255	1q	161	SEG	1,000,000	0.00	(50,000)	950,000	0.00		(50,000)	0.00	0	0.00	(50,000)	0.00
255	3f	318	GPR	900	0.00	0	900	0.00		0	0.00	0	0.00	0	0.00
255	3r	362	SEG	1,167,200	0.00	(58,400)	1,108,800	0.00		(58,400)	0.00	0	0.00	(58,400)	0.00
Totals				**91,023,800**	**332.16**	**(4,551,300)**	**85,686,500**	**332.16**		**(5,337,300)**	**0.00**	**786,000**	**0.00**	**(4,551,300)**	**0.00**