2021-23

Biennial Budget Request

K-12 School Aids, Public Libraries, and Agency Operations

November 9, 2020

Wisconsin Department of Public Instruction
Carolyn Stanford Taylor, State Superintendent
Madison, Wisconsin

2021-2023 Biennial Budget Request

Decision Item Narratives

Developed by:

Carolyn Stanford-Taylor
State Superintendent

Michael Thompson, PhD
Deputy State Superintendent

Scott Jones, PhD
Chief of Staff

Robert Soldner
Assistant State Superintendent for Finance and Management

Erin Fath
Director, Policy and Budget Team

Morgan Aschenbrenner – Budget and Policy Analyst
Ben Koptizke – Budget and Policy Analyst

Wisconsin Department of Public Instruction
Carolyn Stanford Taylor, State Superintendent
Madison, Wisconsin

This publication is available from:

POLICY AND BUDGET TEAM
Wisconsin Department of Public Instruction
125 South Webster Street
Madison, WI 53703

608-266-2804
https://dpi.wi.gov/policy-budget

© NOVEMBER 2020 Wisconsin Department of Public Instruction

The Wisconsin Department of Public Instruction does not discriminate on the basis of sex, race, color, religion, creed, age, national origin, ancestry, pregnancy, marital status or parental status, sexual orientation, or disability.

Printed on Recycled Paper

TABLE OF CONTENTS

AGENCY DESCRIPTION 1
MISSION 1
PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES 2
SUMMARY OF STATE SUPPORT FOR K-12 EDUCATION (STATE AIDS AND TAX CREDITS) 3
ALL DECISION ITEM NARRATIVES (DINs) 4
DECISION ITEM 6000 – GENERAL SCHOOL AID AND REVENUE LIMITS: BUILDING EQUITY AND RESTORING TWO-THIRDS FUNDING FOR K-12 SCHOOL DISTRICTS 5
DECISION ITEM 6001 – PER PUPIL AID 13
DECISION ITEM 6011 –MENTAL HEALTH AND STUDENT WELLNESS AID 17
DECISION ITEM 6012 – SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT 22
DECISION ITEM 6015 – SPECIAL EDUCATION CATEGORICAL AID 25
DECISION ITEM 6016 – HIGH COST SPECIAL EDUCATION CATEGORICAL AID 28
DECISION ITEM 6017 – SPECIAL EDUCATION TRANSITION READINESS GRANTS 33
DECISION ITEM 6021 – ENGLISH LEARNER CATEGORIAL AID 35
DECISION ITEM 6022 – CAPACITY BUILDING GRANTS FOR ESL AND BLBC LICENSED EDUCATORS 41
DECISION ITEM 6025 – SPARSITY AID 43
DECISION ITEM 6026 – PUPIL TRANSPORTATION AID 47
DECISION ITEM 6027 – HIGH COST TRANSPORTATION AID 51
DECISION ITEM 6028 –TRANSPORTATION AID FOR OPEN ENROLLMENT AND EARLY COLLEGE CREDIT PROGRAMS 54
DECISION ITEM 6029 – OUT-OF-SCHOOL TIME PROGRAMS GRANT 57
DECISION ITEM 6030 – DRIVER EDUCATION AID 64
DECISION ITEM 6032 – SCHOOL BREAKFAST REIMBURSEMENT 71
DECISION ITEM 6033 – SUPPLEMENTAL NUTRITION AID 76
DECISION ITEM 6035 – AID REALLOCATIONS 80
ADJUSTMENT TO THE PER PUPIL PAYMENT FOR PARENTAL CHOICE PROGRAMS 83
DECISION ITEM 6051 – INDEPENDENT CHARTER SCHOOL PROGRAMS RE-ESTIMATES 84
DECISION ITEM 6052 – MILWAUKEE PARENTAL CHOICE PROGRAM RE-ESTIMATE 89
DECISION ITEM 6053 – RACINE AND WISCONSIN PARENTAL CHOICE PROGRAM RE-ESTIMATES 90
DECISION ITEM 6054 – SPECIAL NEEDS SCHOLARSHIP PROGRAM RE-ESTIMATE 91
DECISION ITEM 4001 –ACADEMIC AND CAREER PLANNING 92
DECISION ITEM 4002 – GED TEST SUBSIDY AND DATA MODERNIZATION 95
DECISION ITEM 4003 –MENTAL HEALTH TRAINING PROGRAMS 101
DECISION ITEM 4004 – PUPIL ASSESSMENT 106
DECISION ITEM 4005 – WISELEARN 111

DECISION ITEM 5000 – EDUCATOR LICENSING APPROPRIATION 112
DECISION ITEM 5001 – PUBLIC LIBRARY SYSTEM AID 114
DECISION ITEM 5002 – LIBRARY SERVICE CONTRACTS 118
DECISION ITEM 5003 – RECOLLECTION WISCONSIN 121
DECISION ITEM 7001 – PROGRAM REVENUE RE-ESTIMATES 124
STANDARD BUDGET ADJUSTMENTS 125
DECISION ITEM 3001 – TURNOVER REDUCTION 125
DECISION ITEM 3003 – FULL FUNDING OF CONTINUING SALARIES AND FRINGE 126
DECISION ITEM 3007 – OVERTIME 127
DECISION ITEM 3008 – NIGHT AND WEEKEND DIFFERENTIAL 128
DECISION ITEM 3010 – FULL FUNDING OF LEASE AND DIRECTED MOVES COSTS 129
DECISION ITEM 3011 – MINOR TRANSFERS WITHIN THE SAME ALPHA APPROPRIATION 130
ACT 201 BUDGET REDUCTION EXERCISE (Zero-Growth GPR Budget, FY22) 132
ACT 201 BUDGET REDUCTION EXERCISE (Zero-Growth GPR Budget, FY23) 133
ACT 201 BUDGET REDUCTION EXERCISE (5% Reduction to GPR Budget, FY22 and FY23) 134
ANNUAL AND BIENNIAL SUMMARY OF REQUEST BY FUND SOURCE AND PURPOSE 135

KEY TO ABBREVIATIONS AND NOTES

Commonly Used Acronyms

- **CESA** – cooperative educational services agency
- **DIN** – decision item narrative
- **FTE** – full time equivalent
- **FY** – fiscal year
- **FED** – federal revenue
- **JCF** – Joint Committee on Finance
- **LEA** – local educational agency

Fund Sources

- **GPR** – general purpose revenue
- **PR** – program revenue
- **PR-S** – program revenue-service
- **SEG** – segregated revenue

FY21 Base - The total FY21 authorized funding level for an agency or program. The base equals FY21 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for the 2021-23 biennium.

References to Members, Pupils, and Students

Throughout this document there are references to "student(s)", "pupil(s)", "member(s)", and "membership". These are all references to K-12 students, but the terms "member(s)" and "membership" reflect how students are counted under state law for purposes of state general equalization aid, certain categorical aids, and revenue limits.

Simply put, a district's "membership" is the total full time equivalent (FTE) of students who are residents of the school district and for whom the district pays the cost of educating. As an example: a district's "membership" includes residents who attend a public school in a different school district from where they reside, under the open enrollment program (and conversely, excludes non-resident students who attend a public school in the district under open enrollment). This is because each school district incurs a cost, via a reduction in its state general aid, for each resident student who enrolls into a public school in a different school district under the open enrollment program. State law provides for similar adjustments to a district's membership for other circumstance as well.

The singular term "member" generally means 1.0 FTE pupil, unless otherwise stated (e.g., with respect to four-year-old kindergarten, which may reference 0.5 FTE or 0.6 FTE pupil).

Membership for general equalization aid purposes uses prior year data. A district's total membership includes the average of the September and January pupil counts (converted to FTE), and adds in the district's FTE pupils for summer school and interim session, as applicable. General aid membership now also includes resident students of the district who enroll in the Racine and the Wisconsin private school parental choice programs (if the student first enrolled in those programs in the 2015-16 school year or after), and for a subset of independent charter schools. Finally, adjustments are made to reflect students enrolled part-time in the school district, in the Youth Challenge Academy program, and for some students in foster care placements.

Membership for revenue limit purposes uses current and prior year data. It is comprised of the three-year rolling average of FTE of the third Friday in September student count, plus 40 percent of summer school FTE (if applicable).

While general equalization aid membership is calculated differently than membership for revenue limit purposes, the concept of a member (a resident for whom the district pays the cost of educating) is the same for both purposes.

In this paper, references to “pupil” (e.g., “per pupil adjustment”), in the context of state aids and revenue limits, has the same meaning as “member”, as described above.

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Carolyn Stanford Taylor, State Superintendent

November 9, 2020

To the Citizens of Wisconsin:

As stated in my September 15, 2020, letter, I am completing the Department of Public Instruction's (DPI) biennial budget submission with my recommendations for school funding. These recommendations respond to unprecedented needs caused by the public health crisis. School districts have expressed the necessity for flexible and sustainable funding to ensure the immediate and future needs of all Wisconsin students are met. This budget request is grounded in equity and focuses on the unique funding challenges of schools while supporting the whole child.

I understand there will be economic challenges making this budget discussion more difficult than in years past. My budget provides the necessary resources, services, and funding necessary to meet the needs of Wisconsin students.

Priority areas outlined in the DPI's budget request include: increasing special education funding, restoring the state's commitment to two-thirds funding, increasing funding for mental health services in schools to respond to the growing needs of our students, ensuring all families who need support can access school nutrition programs, and investing strategically to help districts mitigate the effects of the pandemic.

This budget lays out a historic investment in special education categorical aid and gives schools confidence the promised support will be there by requesting the appropriation be sum-sufficient. I am asking for $371 million to reach a 40 percent reimbursement rate by the 2022-2023 school year and a commitment to reach a 60 percent reimbursement rate by 2025. If additional resources are available beyond this request, I would ask they be dedicated to increasing the investment in special education categorical funding.

I am calling for a restoration of the state's commitment to funding two-thirds of school costs. This is a historic promise the state has made to communities and has yet to be fulfilled. Absent this investment, costs are borne increasingly by local property tax payers, which can inequitably impact educational resources and opportunities.

Focusing on the whole child is important to ensuring all students have access to necessary supports and services. My budget addresses this focus through increased support for out-of-school time programming with a $20 million increase in funding over the biennium prioritizing students in middle and high school settings while furthering the reach of programming to elementary students. Also, I am calling for an increase in funding for mental health services by $7 million, expanding funding for provision of pupil services by $46.5 million, and increasing school nutrition funding by nearly $10 million.

I look forward to working with you to ensure the students, parents, and educators have the resources needed to be successful as we continue to navigate these unprecedented times. Increased investments are necessary to support our schools to continue to be cornerstones of the communities on which our families depend.

Sincerely,

Carolyn Stanford Taylor
State Superintendent

CST: ef

PO Box 7841, Madison, WI 53707-7841 ■ 125 South Webster Street, Madison, WI 53703
(608) 266-3390 ■ (800) 441-4563 toll free ■ dpi.wi.gov

DPI 2021-23 BIENNIAL BUDGET REQUEST

AGENCY DESCRIPTION

The department is headed by the State Superintendent of Public Instruction, a constitutional officer who is elected on the nonpartisan spring ballot for a four-year term. The State Superintendent appoints a deputy state superintendent, an executive assistant, a special assistant and assistant state superintendents. The assistant state superintendents are responsible for administering the five operating divisions of the department: Academic Excellence, Finance and Management, Learning Support, Libraries and Technology, and Student and School Success.

MISSION

The department, under the leadership and direction of the elected state superintendent, advances the cause of public education and public libraries, and supports Wisconsin's public schools, so all school-age children can access high-quality educational programs meeting student needs and all citizens have access to comprehensive public library resources and services.

The department's mission advances educational equity and is driven by the state superintendent's vision that every child is a graduate, college and career ready. The department's work builds on the state's nation-leading graduation rates, college entrance exam scores, and more students taking rigorous college-level courses. But, this vision also acknowledges that today, not every child graduates ready for college or career, and this inequity ultimately drives the department's work.

To achieve our vision for every student, the department is committed to ensuring educational equity remains central to how the department functions. Educational equity means that every student has access to the educational resources and rigor they need at the right moment in their education, across race, gender, ethnicity, language, disability, sexual orientation, family background and/or family income.

The department wants all students in Wisconsin to graduate from high school both academically prepared, as well as socially and emotionally competent. The department strives to ensure all graduates possess and demonstrate: proficiency in academic content and knowledge; the ability to apply their knowledge through skills such as critical thinking, communication, collaboration, and creativity; and, habits for success, including perseverance, responsibility, adaptability, and leadership. To this end, the department has established five focus areas of work:

- Effective Instruction: Each student is taught by teachers using high-quality, standards-aligned, culturally responsive materials and practices.
- School and Instructional Leadership: Each student's needs are met in schools led by high quality and effective educators.
- Family and Community Engagement: Each student attends a school that authentically engages with families, communities, and libraries.
- Safe and Supported Students: Each student learns in an environment that promotes social, emotional, and physical well-being and removes barriers to learning.
- Meaningful Relationships with Students: Each student has meaningful connections with at least one adult in their school.

Public education in Wisconsin is one of our state's great economic and social strengths. The department's mission drives this agenda, providing direct actions to improve student learning, promoting safe and healthy school environments; and ensuring our educators and schools remain the best in the nation. Transforming our education system so every child is a graduate, ready for college and career, will continue to make a lasting impact and strengthen prosperity for all in Wisconsin.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Educational Leadership

Goal: Talented, dedicated and well-prepared educators are in every classroom and public school.

Objective/Activity: Provide every classroom with teachers who are prepared to help students meet the district's challenging academic standards.

Goal: Make the department a high-performance organization by focusing on results, service quality and customer satisfaction.

Objective/Activity: Provide timely, consistent service and dissemination of high-quality information and products to customers.

Program 3: Aids to Libraries, Individuals and Organizations

Goal: Ensure all citizens have equal access to comprehensive public library resources and services.

Objective/Activity: All libraries make effective use of technology and the Internet in order to provide access to information and knowledge resources to the state's residents.

DPI 2021-23 BIENNIAL BUDGET REQUEST

SUMMARY OF STATE SUPPORT FOR K-12 EDUCATION (STATE AIDS AND TAX CREDITS)

	FY21 - Base	FY22	FY23	FY23 to Base	Total Change to Base
Categorical Aid Programs					
Per Pupil Aid	$ 616,973,000	$ 674,477,900	$ 672,891,600	$ 55,918,600	**$ 113,423,500**
Special Education Categorical Aid	$ 450,276,200	$ 580,978,000	$ 690,533,000	$ 240,256,800	**$ 370,958,600**
Achievement Gap Reduction Contracts	$ 109,184,500	$ 109,184,500	$ 109,184,500	$ -	**$ -**
Sparsity Aid	$ 24,813,900	$ 27,962,400	$ 27,983,800	$ 3,169,900	**$ 6,318,400**
Pupil Transportation Aid	$ 24,000,000	$ 24,000,000	$ 24,000,000	$ -	**$ -**
High-Cost Transportation Aid	$ 13,500,000	$ 15,500,000	$ 15,500,000	$ 2,000,000	**$ 4,000,000**
High-Cost Special Education Aid	$ 9,353,800	$ 12,340,000	$ 19,065,200	$ 9,711,400	**$ 12,697,600**
Bilingual-Bicultural Aid	$ 8,589,800	$ 26,877,000	$ 26,877,000	$ 18,287,200	**$ 36,574,400**
State Tuition Payments	$ 8,242,900	$ 8,242,900	$ 8,242,900	$ -	**$ -**
Mental Health School-Based Services Grant	$ 6,500,000	$ 10,000,000	$ 10,000,000	$ 3,500,000	**$ 7,000,000**
Head Start Supplement	$ 6,264,100	$ 6,264,100	$ 6,264,100	$ -	**$ -**
Mental Health & Student Wellness Categorical Aid	$ 6,000,000	$ 28,500,000	$ 30,000,000	$ 24,000,000	**$ 46,500,000**
Educator Effectiveness Grants	$ 5,746,000	$ 5,746,000	$ 5,746,000	$ -	**$ -**
School Lunch Match	$ 4,218,100	$ 4,218,100	$ 4,218,100	$ -	**$ -**
Aid for CCDEB's	$ 4,067,300	$ 4,067,300	$ 4,067,300	$ -	**$ -**
Special Education Transition Incentive Grant	$ 3,600,000	$ 3,600,000	$ 3,600,000	$ -	**$ -**
School Breakfast Grant	$ 2,510,500	$ 4,970,000	$ 5,070,000	$ 2,559,500	**$ 5,019,000**
Supplemental Per Pupil Aid (new under Act 9)	$ 2,500,000	$ -	$ -	$ (2,500,000)	**$ (5,000,000)**
Peer Review and Mentoring Grant	$ 1,606,700	$ 1,606,700	$ 1,606,700	$ -	**$ -**
Rural Teacher Talent Pilot Program	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ -	**$ -**
Special Education Transition Readiness Grant	$ 1,500,000	$ 3,000,000	$ 4,500,000	$ 3,000,000	**$ 4,500,000**
Summer School Programs Grant	$ 1,400,000	$ 1,400,000	$ 1,400,000	$ -	**$ -**
4K Start Up Grant	$ 1,350,000	$ -	$ -	$ (1,350,000)	**$ (2,700,000)**
School Day Milk Grant	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -	**$ -**
TEACH Debt Service Aid	$ 832,300	$ 832,300	$ 832,300	$ -	**$ -**
Robotics League Participation Grant	$ 500,000	$ 500,000	$ 500,000	$ -	**$ -**
Transportation Aid for Open Enrollment*	$ 454,200	$ 2,219,800	$ 2,447,200	$ 1,993,000	**$ 3,758,600**
Transportation Aid for ECCP*	$ -	$ 10,000	$ 10,000	$ 10,000	**$ 20,000**
Peer to Peer Support Grants	$ 250,000	$ 250,000	$ 250,000	$ -	**$ -**
Gifted and Talented Grant	$ 237,200	$ 237,200	$ 237,200	$ -	**$ -**
SAGE Debt Service Aid	$ 133,700	$ 133,700	$ 133,700	$ -	**$ -**
Supplemental Aid	$ 100,000	$ 100,000	$ 100,000	$ -	**$ -**
Afterschool/Out-of-School Time Program Grant	$ -	$ -	$ 20,000,000	$ 20,000,000	**$ 20,000,000**
EL- & BL-Licensed Educators Grant	$ -	$ -	$ 750,000	$ 750,000	**$ 750,000**
Supplemental Nutrition Aid	$ -	$ 2,432,000	$ 2,432,000	$ 2,432,000	**$ 4,864,000**
Drivers Education Aid	$ -	$ -	$ 5,800,000	$ 5,800,000	**$ 5,800,000**
GPR Categorical Aids	**$ 1,317,204,200**	**$ 1,562,149,900**	**$ 1,706,742,600**	**$ 389,538,400**	**$ 634,484,100**
Tribal Languages (PR)	$ 222,800	$ 222,800	$ 222,800	$ -	**$ -**
Aid for AODA (PR)	$ 1,284,700	$ 1,284,700	$ 1,284,700	$ -	**$ -**
PR Categorical Aids	**$ 1,507,500**	**$ 1,507,500**	**$ 1,507,500**	**$ -**	**$ -**
School Library Aids	$ 40,300,000	$ 40,300,000	$ 40,300,000	$ -	**$ -**
Educ Telecomm Access-DOA	$ 15,984,200	$ 15,984,200	$ 15,984,200	$ -	**$ -**
SEG Categorical Aids	**$ 56,284,200**	**$ 56,284,200**	**$ 56,284,200**	**$ -**	**$ -**
Total Categorical Aids	**$ 1,374,995,900**	**$ 1,619,941,600**	**$ 1,764,534,300**	**$ 389,538,400**	**$ 634,484,100**
General Aids		7.3%	2.5%		**8.6%**
General Equalization Aids	$ 4,903,590,000	**$ 5,260,500,000**	**$ 5,390,700,000**	$ 487,110,000	**$ 844,020,000**
Gen Aids-Hold Harmless (Sum Sufficient)	$ -	$ -	$ -	$ -	**$ -**
High Poverty Aid	$ 16,830,000	$ 16,830,000	$ 16,830,000	$ -	**$ -**
Total General Aids	**$ 4,920,420,000**	**$ 5,277,330,000**	**$ 5,407,530,000**	**$ 487,110,000**	**$ 844,020,000**
Total State School Aids (no tax credit)	$ 6,295,415,900	$ 6,897,271,600	$ 7,172,064,300	$ 876,648,400	**$ 1,478,504,100**
School Levy Tax Credit	$ 1,090,000,000	$ 1,090,000,000	$ 1,090,000,000	$ -	**$ -**
Total Cat/Gen School Aids & Credits	**$ 7,385,415,900**	**$ 7,987,271,600**	**$ 8,262,064,300**	**$ 876,648,400**	**$ 1,478,504,100**
State Residential Schools	$ 11,928,400	$ 12,874,400	$ 12,874,400	$ 946,000	**$ 1,892,000**
Total State Support	**$ 7,397,344,300**	**$ 8,000,146,000**	**$ 8,274,938,700**	**$ 877,594,400**	**$ 1,480,396,100**
Percent change to base:				**11.9%**	**10.0%**

DPI 2021-23 BIENNIAL BUDGET REQUEST

ALL DECISION ITEM NARRATIVES (DINs)

					CHANGE TO FY21 BASE		BIENNIAL CHANGE	
DIN #	Program	Fund Source	Purpose	FY21 Base	FY22	FY23	Total $	% of base year doubled
3000	Standard Budget Adjustments	FED	State Operations		187,800	187,800	375,600	
3000	Standard Budget Adjustments	GPR	State Operations		634,600	634,600	1,269,200	
3000	Standard Budget Adjustments	PR	State Operations		410,900	410,900	821,800	
4001	Academic and Career Planning	GPR	State Operations	1,100,000	89,000	466,000	555,000	25.2%
4002	GED - subsidize testing fees	GPR	State Operations	-	400,000	900,000	1,300,000	
4002	GED - digitize paper records & automated system	GPR	State Operations	-	1,045,000	-	1,045,000	
4003	Mental Health - Training Programs	GPR	State Operations	420,000	500,000	500,000	1,000,000	119.0%
4004	Student Assessments (reallocation)	GPR	State Operations	18,558,400	(2,000,000)	(2,000,000)	(4,000,000)	-10.8%
4005	WISElearn (reallocation)	GPR	State Operations	1,359,000	(150,000)	(200,000)	(350,000)	-12.9%
5000	Educator Licensing (see also DIN 7001)	PR	State Operations	3,651,400	-	-	-	0.0%
5001	Public Library System Aid	SEG	Public Libraries	16,013,100	2,500,000	4,000,000	6,500,000	20.3%
5002	Library Service Contracts	SEG	Public Libraries	1,342,400	12,900	25,300	38,200	1.4%
5003	Recollection Wisconsin	GPR	Public Libraries	-	150,000	300,000	450,000	
6000	General Equalization Aid	GPR	School Aids	4,903,590,000	356,910,000	487,110,000	844,020,000	8.6%
6001	Per Pupil Aid	GPR	School Aids	616,973,000	55,004,900	53,418,600	108,423,500	8.8%
6011	Mental Health and Student Wellness Aid	GPR	School Aids	6,000,000	22,500,000	24,000,000	46,500,000	387.5%
6012	School-based mental health services grants	GPR	School Aids	6,500,000	3,500,000	3,500,000	7,000,000	53.8%
6015	Special Education Categorical Aid	GPR	School Aids	450,276,200	130,701,800	240,256,800	370,958,600	41.2%
6016	High Cost Special Education Aid	GPR	School Aids	9,353,800	2,986,200	9,711,400	12,697,600	67.9%
6017	Special Education Transition Readiness Grant	GPR	School Aids	1,500,000	1,500,000	3,000,000	4,500,000	150.0%
6021	Aid for English Learners	GPR	School Aids	8,589,800	18,287,200	18,287,200	36,574,400	212.9%
6022	Grants for ESL & BLBC Licensed Educators	GPR	School Aids	-		750,000	750,000	
6025	Sparsity Aid	GPR	School Aids	24,813,900	3,148,500	3,169,900	6,318,400	12.7%
6026	Pupil Transportation Aid	GPR	School Aids	2,400,000	-	-	-	0.0%
6027	High Cost Transportation Aid	GPR	School Aids	13,500,000	2,000,000	2,000,000	4,000,000	14.8%
6028	Transportation Aid for Students - OE	GPR	School Aids	454,200	1,765,600	1,993,000	3,758,600	413.8%
6028	Transportation Aid for Students - ECCP	GPR	School Aids	-	10,000	10,000	20,000	
6029	Out-of-School Time Grant (NEW)	GPR	School Aids	-		20,000,000	20,000,000	
6029	Out-of-School Time Grant (NEW) - position	GPR	State Operations	-	73,700	97,700	171,400	
6030	Drivers Education Aid (NEW)	GPR	School Aids	-		5,800,000	5,800,000	
6032	School Breakfast Reimbursement	GPR	School Aids	2,510,500	2,459,500	2,559,500	5,019,000	100.0%
6033	Supplemental Nutrition Aid (NEW)	GPR	School Aids	-	2,432,000	2,432,000	4,864,000	
6035	Reallocations [4k Start Up Grants]	GPR	School Aids	1,350,000	(1,350,000)	(1,350,000)	(2,700,000)	-100.0%
6051	ICS Reestimate	GPR	Charter/Private School Choice/SNSP	82,755,000	3,081,200	10,114,600	13,195,800	8.0%
6052	MPCP Reestimate	GPR	Charter/Private School Choice/SNSP	250,323,300	(240,900)	11,734,900	11,494,000	2.3%
6053	RPCP and WPCP Reestimates	GPR	Charter/Private School Choice/SNSP	137,512,600	22,600,000	53,376,100	75,976,100	27.6%
6054	SNSP Reestimate	GPR	Charter/Private School Choice/SNSP	17,084,900	10,562,300	24,689,400	35,251,700	103.2%
7001	Revenue Re-estimate [Educ. Lic. / APN 122]	PR	State Operations	4,820,000	958,600	958,600	1,917,200	19.9%
7001	Revenue Re-estimate [GED / APN 130]	PR	State Operations	158,100	(30,300)	(43,400)	(73,700)	-23.3%
7001	Revenue Re-estimate [PR-S / APN 232]	PR	School Aids	11,500,000	4,500,000	4,500,000	9,000,000	39.1%
	All DINs				647,140,500	987,300,900	1,634,441,400	
			Budget by Purpose (All Fund Sources)					
			School Aids	7,073,100,000	606,355,700	881,148,400	1,487,504,100	10.5%
			Public Libraries	17,355,500	2,662,900	4,325,300	6,988,200	20.1%
			Aids for Individuals & Organizations*	52,984,100	-	-	-	0.0%
			Charter/Private School Choice/SNSP	491,844,000	36,002,600	99,915,000	135,917,600	13.8%
			State Operations	151,616,100	2,119,300	1,912,200	4,031,500	1.3%
				7,786,899,700	647,140,500	987,300,900	1,634,441,400	10.5%
			Budget by Fund Source (All Purposes)					
			FED	882,354,500	187,800	187,800	375,600	0.0%
			GPR	6,795,070,900	638,600,600	977,261,700	1,615,862,300	11.9%
			PR	47,535,500	5,839,200	5,826,100	11,665,300	12.3%
			SEG	61,938,800	2,512,900	4,025,300	6,538,200	5.3%
				7,786,899,700	647,140,500	987,300,900	1,634,441,400	10.5%

***Aids for Individuals and Organizations includes**: state-supported (GPR) appropriations for grant payments to individuals under the National Board-Certification / Master Educator License Grant Program, and for Pre-College Scholarship; as well as grants to various organizations authorized under state law (Adult Literacy Grants, Elks and Easter Seals Center for Respite and Recreation, Grants for Bullying Prevention, Milwaukee Public Museum, Very Special Arts, College Possible, Inc., Special Olympics, and the Wisconsin Reading Corps). It also reflects federal grants that pass through the department to public libraries, private schools, child care and adult care centers, and non-profit organizations (primarily for federal nutrition programs).

DECISION ITEM 6000 – GENERAL SCHOOL AID AND REVENUE LIMITS: BUILDING EQUITY AND RESTORING TWO-THIRDS FUNDING FOR K-12 SCHOOL DISTRICTS

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Aid	$5,260,500,000	$5,390,700,000
Less Base	$4,903,590,000	$4,903,590,000
Requested Change	$356,910,000	$487,110,000

Request

The department requests increases of $356,910,000 GPR in FY22 and $487,110,000 GPR in FY23, for general equalization aids for public school districts. These figures reflect general school aid increases of 7.3 percent in FY22, and 2.5 percent in FY23, over the prior year. The department also requests the following changes for state general aid and revenue limits for school districts:

- To address the detrimental impacts the COVID-19 pandemic has had on enrollments in public schools throughout the state:
  - Modify the pupil count for revenue limits by using the greater of 2020 or 2019 pupil counts for both summer and fall 2020;
  - For one year only, treat the non-recurring revenue limit exemption for declining enrollment and the base hold-harmless adjustment, as calculated for the 2020-21 school year, as recurring adjustments going into the 2021-22 school year (then resume as non-recurring in FY23 and thereafter). This will restore the foregone base-building revenue authority that would have occurred had enrollments not dropped so precipitously in summer and fall 2020;
  - Adjust the special adjustment aid for FY22 and for FY23, to guarantee that no school district experiences a decrease in general equalization aid of more than 10 percent in FY22 and in FY23.
- Increase funding for the general equalization aid appropriation, by $356,910,000 GPR in FY22 and $487,110,000 GPR in FY23.
- Change the revenue limit per pupil adjustment amount to $150 per member in FY22 and to $152.25 in FY23, and increase it by the Consumer Price Index (CPI) annually, starting in FY23.
- Increase the low revenue ceiling from $10,000 per revenue limit member, to $10,150 in FY22 and to $10,303 in FY23. Propose statutory language to remove the current law penalty denying the low revenue ceiling based on the results of a school referendum.
- Increase the four-year-old (4K) membership calculations for school district general equalization aid and revenue limits, independent charter schools, and private schools in the state's parental choice programs that provide a full-day 4K program, from either 0.5 or 0.6 full time equivalent (FTE) member under current law, to 1.0 FTE member, beginning in FY23.
- Provide requisite general and categorical aids to fulfill the state's former "two-thirds" funding definition that was in effect from FY97–FY03, while holding property taxes to zero, and restore the state's commitment to funding two-thirds of K-12 education, as under prior law.

- Incorporate technical changes to ensure that calculation of certain aid programs are consistent with legislative intent.

Background

Impact of COVID-19 Pandemic

The arrival in February 2020 of the novel Coronavirus, and the public health emergency caused by the COVID-19 disease associated with the virus, resulted in the statewide closure of all schools to in-person instruction in March. Students continued to learn via remote instruction for the last quarter of the 2019-20 school year. Despite the measures encouraged by public health authorities to mitigate the spread of the disease since the first surge of infections in the spring, COVID-19 remains present in many communities throughout the state even now, nine months after the first case was identified in the state.

With the continued surges of infections throughout the summer months of 2020, school boards worked with their communities to determine the best approach to reopening schools in September. While some schools initially opened to in-person instruction, some had to close school buildings and deliver instruction remotely again, at least temporarily, until students and teachers could safely return to in-person instruction. Many school districts in the state chose to reopen the school year with remote instruction for all students. And, in some districts, a blended approach was used, providing a combination of in person and remote instruction in a way that is intended to reduce the potential for the virus to spread. Regardless of the way in which schools reopened this past fall, it seems likely that school districts will have to continue to be responsive to changes in COVID-19 conditions, until such time as the virus no longer presents a threat.

School districts, independent charter schools, and private schools all report student enrollments each fall. This year, the enrollment data showed unusually large decreases as seen in the table below. While enrollments were declining by roughly one-half percent each year previously, the statewide enrollment (headcount) dropped by nearly three percent in fall 2020 (closer to four percent for FTE).[1]

Table 1. Public School Enrollments, 2017 – 2020 (Fall Pupil Count)

					Number Change (compared to prior year)			Percent Change (compared to prior year)		
	HEADCOUNT									
Category	**2017**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
4K/PK Spec Ed	53,342	53,423	53,646	45,183	81	223	(8,463)	0.15%	0.42%	-15.78%
Kindergarten	56,272	56,206	55,948	53,208	(66)	(258)	(2,740)	-0.12%	-0.46%	-4.90%
Grades 1 - 12	742,566	738,313	734,560	720,531	(4,253)	(3,753)	(14,029)	-0.57%	-0.51%	-1.91%
Statewide Total	**852,180**	**847,942**	**844,154**	**818,922**	**(4,238)**	**(3,788)**	**(25,232)**	**-0.50%**	**-0.45%**	**-2.99%**
					Number Change (compared to prior year)			Percent Change (compared to prior year)		
	FTE (STATEWIDE)									
Category	**2017**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
4K/PK Spec Ed	31,444	31,514	31,654	26,723	70	140	(4,931)	0.22%	0.44%	-15.58%
Kindergarten	56,245	56,211	55,933	53,129	(34)	(278)	(2,804)	-0.06%	-0.49%	-5.01%
Grades 1 - 12	742,547	738,487	734,457	720,735	(4,060)	(4,030)	(13,722)	-0.55%	-0.55%	-1.87%
Summer	19,692	19,992	19,905	8,517	300	(87)	(11,388)	1.52%	-0.44%	-57.21%
Statewide Total	**849,928**	**846,204**	**841,949**	**809,104**	**(3,724)**	**(4,255)**	**(32,845)**	**-0.44%**	**-0.50%**	**-3.90%**

[1] The reported fall 2020 enrollments for non-school district schools did not decrease, though the increases were smaller than in the prior year. Independent charter schools reported a total headcount increase of 1.6 percent (lower than the 2.8 percent increase in 2019); the 4K headcount was down by 16.7 percent, 5K was down by 0.1 percent, while grades 1 through 12 increased by 3.9 percent. The state's four private school parental choice programs reported a combined headcount increase of 5.9 percent (lower than the 8.3 percent increase in 2019); the 4K headcount declined by 3.5 percent, 5K increased by 5.1 percent, and grades 1 through 12 were up by 6.7 percent. Enrollment data in home-based private education programs and private schools not participating in a parental choice program were not available as of the writing of this paper.

By far the most significant decreases were for 4K enrollments, followed by a smaller (yet significant) decrease for students enrolled in 5K. It seems quite likely that the lower enrollments among 4K and 5K age children is due to the complications associated with the COVID-19 pandemic: parents may be concerned about health risks if they send their children to school; or, conversely, if instruction is offered only via remote means, parents may not be able to tend to the schooling needs of their children at home due to work obligations, and they may have chosen to keep their children in child care settings rather than start them in school this fall.[2]

Regardless of the reasons why, the decrease in the fall 2020 enrollments are precipitous, and will have direct impacts on funding for schools districts. The revenue limit membership calculation uses a three year rolling average measure of school district membership, as counted on the third Friday of September each year, and includes 40 percent of a school district's summer school FTE. A district's revenue limit is largely based on the formula of revenue limit membership multiplied by the allowable per-member amount for the district, with adjustments for certain factors and additional revenue authority available via means of referenda.

Decreases in enrollment translate into decreases in revenue limit membership; thus, the concern about the impact of the unusually large decrease in enrollments in the summer and fall 2020 on school districts' financial outlook. Because revenue limit membership is based on a three-year rolling average, enrollment changes are smoothed out; thus, the change in revenue limit membership appears smaller, at 1.35 percent, than the change in enrollments shown in Table 1. However, the annual change in revenue limit membership has a range from -0.04 to -0.41 percent, making the 1.35 percent decrease this year stand out significantly.

Table 2. Revenue Limit Membership (Three-Year Rolling Average) and Change to Prior Year

	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Membership	847,515	846,490	846,148	845,600	843,945	841,906	839,885	837,642	834,192	**822,961**
# Change	(2,053)	(1,025)	(342)	(548)	(1,655)	(2,039)	(2,021)	(2,243)	(3,450)	**(11,231)**
% Change	-0.24%	-0.12%	-0.04%	-0.06%	-0.20%	-0.24%	-0.24%	-0.27%	-0.41%	**-1.35%**

Declining enrollment is already an issue for many school districts in the state: the percent of districts with declining enrollment increased from 52 percent in 2006-07 to 64 percent in 2019-20. However, 78 percent of school districts experienced a decline in enrollment this current year (2020-21).

The revenue limit formula does include an adjustment for districts with declining enrollment, which has the effect of mitigating the loss of revenue capacity due to enrollment declines; it is a temporary adjustment, and is determined each year based on enrollment data. So, school districts will receive an adjustment for in their 2020-21 revenue limit. But under current law this one-time adjustment will be removed from districts' base revenue authority going forward. And, while enrollments may resume to normal (or nearly normal) levels in fall 2021, the pupil count from fall 2020 would continue to be the unusually low number for most districts. This, in turn, will impact their revenue limit calculations for the next few years, as the fall 2020 count will be part of the "current" three-year rolling average through the 2022-23 school year, and part of the "prior" three-year rolling average through 2023-24.

[2] The compulsory school attendance law under Wis. Stat. sec. 118.15 applies to children between the ages of six and 18; neither 4K nor 5K are required in Wisconsin.

Proposal for Counting Pupils – Revenue Limits

To address the detrimental impacts the COVID-19 pandemic has had on enrollments in public schools throughout the state, the department requests the following changes for school district revenue limits:

- First, direct the department to use the greater of a school district's reported 2020 or 2019 pupil count, for both the summer 2020 and the third Friday in September 2020 count, for revenue limit calculations for the school years 2021-22, 2022-23, and 2023-24. This change would mitigate the impacts of the steep decline in enrollments in 2020 that would continue into subsequent years.
- Second, for one year only, treat the non-recurring revenue limit exemption for declining enrollment and the non-recurring base hold-harmless adjustment, as calculated for the 2020-21 school year, as recurring adjustments going into the 2021-22 school year (then resume as non-recurring adjustments in FY23 and thereafter). This change would restore the foregone base-building revenue authority that would have occurred had enrollments not dropped so precipitously in summer and fall 2020.

Proposal for Special Adjustment Aid (General Aid Formula)

While general (equalization) aid is not distributed on a "per-member basis", membership is a factor in the aid formula, as it reimburses school districts on the basis of shared costs per member and property value per member. The aid formula uses prior year membership, which is equal to the average of a school district's third Friday in September and second Friday in January pupil counts (FTE), plus its summer school FTE membership.

The state has long provided additional state general aid to districts as a way to cushion the impact of state aid reductions from one year to the next, called Special Adjustment Aid (commonly referred to as a "hold harmless" aid). Special Adjustment Aid benefits a wide variety of districts, including the 21 districts that receive no state equalization aid (districts that are "out of the formula" due to very high property value per member), as well as those districts with declining enrollment or those that experience 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 FY21 (October 15 certified aid), 49 districts qualified for Special Adjustment Aid.

The general aid distributed in FY22 will be based on FY21 membership – which will be lower than usual for the many districts that are seeing a decline in enrollment this year. While enrollments may return to normal in fall 2021, the swing back to "normal" enrollment in FY22 will have an impact on general aid membership, and thus aid, in FY23.

As a way to mitigate dramatic swings in aid that can result from volatility in general aid membership, the department requests that the Special Adjustment Aid threshold be increased, from 85 to 90 percent, for general aid distributed in FY22 and in FY23.

<u>State General Equalization Aid Formula</u>

The department requests increases in funding for the general equalization aid appropriation, by $356,910,000 GPR in FY22 and $487,110,000 GPR in FY23. This amount is intended to provide sufficient general aid to school districts to achieve two-thirds funding (in concert with the department's proposals for categorical aids for schools), and to provide enough property tax relief to result in no increase in the statewide, net school property tax levy (after application of the school levy tax credit).

The department also requests that for purposes of calculating general aid membership, students who attend a full day 4K program be counted as 1.0 FTE member, beginning in FY23. Under current law, 4K students are counted as 0.5 FTE or 0.6 FTE (depending on sufficient hours of outreach to families), regardless of the length of the 4k program in the school district. This change, meant to bring more equity to districts in their pupil counts, is also proposed for calculating revenue limit membership (see below).

The department further requests the restoration of the state's commitment to funding two-thirds of K-12 education (partial school revenues), as provided under prior law.

Revenue Limit

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 revenue limit authority per member by no less than $190 (the figure in FY94). Initially, the incremental change to school districts' revenue limit (the "per-pupil adjustment") was determined by multiplying the prior year adjustment amount by the Consumer Price Index for all urban consumers, as calculated by the U.S. Department of Labor (i.e., the March over March CPI-U). Beginning with FY10, the per-pupil adjustment was no longer indexed to the CPI-U; instead, the amount was set by the Legislature every two years as part of the biennial budget process. It was set at $200 in both FY10 and FY11.

School district revenue limits were reduced under 2011 Wisconsin Act 32 (the 2011-13 biennial budget); for FY12, each district's allowable revenue per member was reduced by 5.5 percent (roughly 5.28 percent, on average). Thereafter, the annual per-pupil adjustment amounts were small, relative to prior years, or not provided at all: $50 in FY13, $75 in both FY14 and FY15, and then $0 in FY16 through FY19. Current law provided an increase of $175 for FY20 and an increase of $179 for FY21. During these years of minimal or no per-pupil adjustment, the Legislature increased the amounts that school districts receive under the Per Pupil Aid program, providing a flat dollar amount per revenue limit member to all school districts.

In order to provide additional necessary resources to school districts and reduce their need to go to referenda, the department requests:

- Setting the per pupil revenue limit adjustment amount at $150 per member in FY22; and,
- Beginning in FY23, index the change in the per pupil revenue limit adjustment to the March over March CPI-U, as under prior law, but not less than zero.

The department estimates the CPI-U factor at 1.5 percent, for a per-pupil adjustment of $152.25 in FY23.

Low-Revenue Ceiling Adjustment to Revenue Limit

Revenue limits were imposed in FY94 and have been in place for 26 years. One of the many concerns related to revenue limits has been that frugal, "low-spending" districts in FY93 have been "locked in" to relatively low-revenue authority, as revenue limits have been calculated on the basis of FTE membership 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 the low-revenue ceiling (LRC) adjustment, which allows districts to increase their revenues up to a state-determined figure per member without having to go to referenda. Use of the LRC adjustment is not required; rather, it is an option for school boards to increase their operating

revenues if they so choose. Historically, the LRC adjustment was increased each year, as the revenue limit per pupil adjustment increased with the CPI; however, it was held constant at $9,000 per member from FY09 through FY13. After a $100 increase was provided in FY14, the low-revenue adjustment was again frozen, at $9,100 per member, from FY14 through FY18.
In March 2018, the legislature enacted 2017 Wisconsin Act 141 (Act 141), which provided an increase to the low revenue ceiling for the first time in five years, allowing the low revenue ceiling threshold to increase by $100 (per member) annually, for FY19 and for the subsequent four years (through FY23). However, Act 141 also created provisions that penalize districts by prohibiting them from utilizing it if they have a failed referendum in the three prior years (with some exceptions).

Under 2019 Wisconsin Act 9 (the 2019-21 biennial budget), the LRC was again adjusted, set at $9,400 per member in FY19, $9,700 in FY20 and $10,000 in FY21. A total of 124 districts were eligible for the LRC adjustment in FY20 and 154 districts were eligible in FY21.

The department requests that the LRC threshold be raised to $10,150 for FY22, and thereafter, increase the LRC threshold by the same dollar amount (rounded) as the CPI-U indexed per pupil adjustment. This change, along with the proposed counting of 4K students (see below), will advance revenue limit equity among school districts in the state.

The department also requests repeal of the statutory limitation currently in effect, under Wis. Stat. sec. 121.905 (1) (b), for districts that have a failed referenda, so that any district whose per member revenue limit authority falls below the low revenue ceiling threshold can make use of the low revenue adjustment as intended.

Four-Year-Old Kindergarten (4K) Membership Change

While not statutorily required to do so, nearly all of the state's 410 districts that serve elementary grades also offer programming for 4K students in FY21. Under current law, a 4K student is counted as 0.5 FTE if the student attends a program providing at least 437 hours annually, and may be counted as 0.6 FTE if the program provides at least 87.5 additional hours of outreach activities.

There are some school districts, independent charter schools, and private schools in the state's various choice programs that have long provided full-day programming for 4K students; however, they are only able to count them as 0.5 or 0.6 FTE for state general aid and revenue limit membership purposes under current law. **The department requests to allow those school districts, independent charter schools, and private schools in the state's parental choice programs choosing to provide full-day programming for 4K students, to count those students as 1.0 FTE in their membership for general aid and revenue limit purposes, beginning in FY23.**

<u>School Finance – Technical Change Requests</u>

1. **Modify the calculation of special adjustment aid under Wis. Stat. sec. 121.105 so as not to exclude revenue limit penalties from the special adjustment base.**

Under current law, special adjustment or "hold harmless" aid is an amount sufficient for a district's total general school aids to be no less than 85 percent of payments in the prior year. Meanwhile, the penalty for a district that exceeds its revenue limit includes a deduction from the following general aid payment (usually the September equalization aid payment). The most common reason for a revenue limit penalty is due to revisions in September pupil counts, which are often the result of late open enrollment reconciliations through no fault of the district.

The effect of these two provisions is that if a district receives a revenue limit penalty and is eligible for special adjustment aid in the following years, the penalty applies every consecutive year until the district no longer receives special adjustment aid. Most such districts are rural with declining enrollments. For districts "out of the formula" that receive special adjustment aid year after year, this renders a revenue limit penalty permanent. There are currently five districts receiving no general aids whatsoever for this reason. The department therefore requests to include revenue limit penalty amounts in the base used for special adjustment aid determinations, eliminating the multi-year impact of revenue limit penalties on special adjustment aid, and removing the inequity in how revenue limit penalties apply to districts, primarily rural, in declining enrollment.

Amend Wis. Stat. sec. 121.105 (1) to read:
(1) In this section "state aid" means the sum of the payments provided to a school district under this section and ss. 121.08, 121.85 and 121.86 **and deductions under s. 121.92 from amounts determined under this section and ss. 121.08, 121.85 and 121.86**.

2. Update the CCDEB finance statutes to reflect the ability of a student residing in a district not participating in a CCDEB to be enrolled by a CCDEB via open enrollment to a participating district, such that CCDEB state aid and resulting revenue limit adjustments are based upon students' district of attendance, not their district of residence.

Under current law, county children with disabilities education boards (CCDEBs) are primarily funded by four sources: service charges to districts participating in a CCDEB, a county tax levy on residents of those districts, state CCDEB aid, and state special education aid. State CCDEB aid is for students solely enrolled by the CCDEB and is based upon the equalization aid and shared cost of each student's resident district. Districts receive an adjustment to their base revenue limits equal to the CCDEB aid generated by their residents. The intent of this provision is to avoid duplication by districts of the state aid and revenue authority held by the county for residents solely enrolled by the CCDEB.

Due to changes in open enrollment law over the past several years, and the application of state and federal laws guaranteeing a free appropriate public education (FAPE) to those changes, students residing in non-CCDEB districts—including students residing in other counties—are now able to access CCDEBs through open enrollment to participating districts. The effect is that non-CCDEB districts receive base revenue limit adjustments for CCDEB students.

The department therefore requests to reassign solely enrolled students who access a CCDEB through open enrollment from their resident district to their district of attendance, for state aid and revenue limit purposes.

Amend Wis. Stat. sec. 121.135 (2) (a) 1. to read:
1. "Additional general aid" means the amount determined by calculating the percentage of a school district's shared costs that would be paid under s. 121.08 if its membership included each pupil who is a resident of the school district **or a nonresident attending under s. 118.51** and solely enrolled in a special education program provided by ~~a~~ **the** county children with disabilities education board **that included the school district in its program under s. 115.817 (2),** and the school district's shared costs were increased by the costs of the county children with disabilities education board program for all pupils participating in the county children with disabilities education board program who are residents of the school district, and multiplying the costs of the county children with disabilities education board program by that percentage.

Amend Wis. Stat. sec. 121.905 (3) (a) 1. to read:
1. Except as provided under subds. 2. and 3., calculate the sum of the amount of state aid received in the previous school year and property taxes levied for the previous school year, excluding property taxes

levied for the purpose of s. 120.13 (19) and excluding funds described under s. 121.91 (4) (c), and the costs of the county children with disabilities education board program, as defined in s. 121.135 (2) (a) 2., for pupils who were school district residents **or nonresidents attending under s. 118.51** and solely enrolled in a special education program provided by ~~a~~ **the** county children with disabilities education board **that included the school district in its program under s. 115.817 (2)** in the previous school year.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6001 – PER PUPIL AID

279 – Per Pupil Aid
s. 20.255 (2) (aq)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$674,477,900	$672,891,600
Less Base	$616,973,000	$616,973,000
Requested Change	$57,504,900	$55,918,600

245 – Supplemental Per Pupil Aid
s. 20.255 (2) (ap)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$0	$0
Less Base	$2,500,000	$2,500,000
Requested Change	-$2,500,000	-$2,500,000

Request

The department requests increases of $57,504,900 GPR in FY22 and $55,918,600 GPR in FY23 to fully fund the projected cost of the Per Pupil Aid program under the department's proposal to: 1) provide a per pupil payment of $750; and 2) to make the Per Pupil Aid program more equitable, by providing an additional payment of $150 to school districts for each student in poverty. The department also requests decreases of $2,500,000 GPR in FY22 and $2,500,000 GPR in FY23, to reflect the elimination of funding for the Supplemental Per Pupil Aid program and proposed repeal of the appropriation. The net impact of the department's requests amount to increases of $55,004,900 in FY22 and $53,418,600 in FY23.

Background

Per Pupil Aid is provided to school districts as a statutorily defined amount per revenue limit member. It is received outside a district's revenue limit, and is paid on the fourth Monday in March each year, based on the school district's current year revenue limit membership. Districts use Per Pupil Aid for general district operations (i.e., it is not targeted for a specific purpose).

Initally established as Per Pupil Adjustment Aid in 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 levy less than their maximum allowable revenue limit, 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 (though actual payments totaled $39,883,800). 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 to the full amount allowed under

its revenue limit. Additionally, the appropriation for Per Pupil Aid was changed from an annual, sum-certain appropriation to a sum-sufficient appropriation; thus, every district receives the full amount for which the district is eligible (aid payments are never prorated). Table 1 shows the per member payment amount, and the total Per Pupil Aid payments in each year, from FY13 through FY21.

Table 1. Per Pupil Aid History

Year	Per Pupil Payment	Aid Membership	Aid Payments
FY13*	$50	846,162	$39,883,800
FY14	$75	846,162	$63,462,150
FY15	$150	845,615	$126,842,250
FY16	$150	843,945	$126,591,750
FY17	$250	841,911	$210,477,750
FY18	$450	839,835	$377,925,750
FY19	$654	837,485	$547,715,190
FY20**	$745	834,105	$618,905,910
FY21**^	$745	822,582	$612,855,844

*For FY13, aid was provided as "Per Pupil Adjustment Aid", equal to $50 multiplied by the district's revenue limit membership, but prorated for districts that chose to levy less than their maximum allowable revenue limit, in proportion to the district's under levy.

**For FY20 and FY21, the amount shown combines the payment per revenue limit member under the Per Pupil Aid program ($742) and the Supplemental Per Pupil Aid program (~$3), for a combined total of $745.

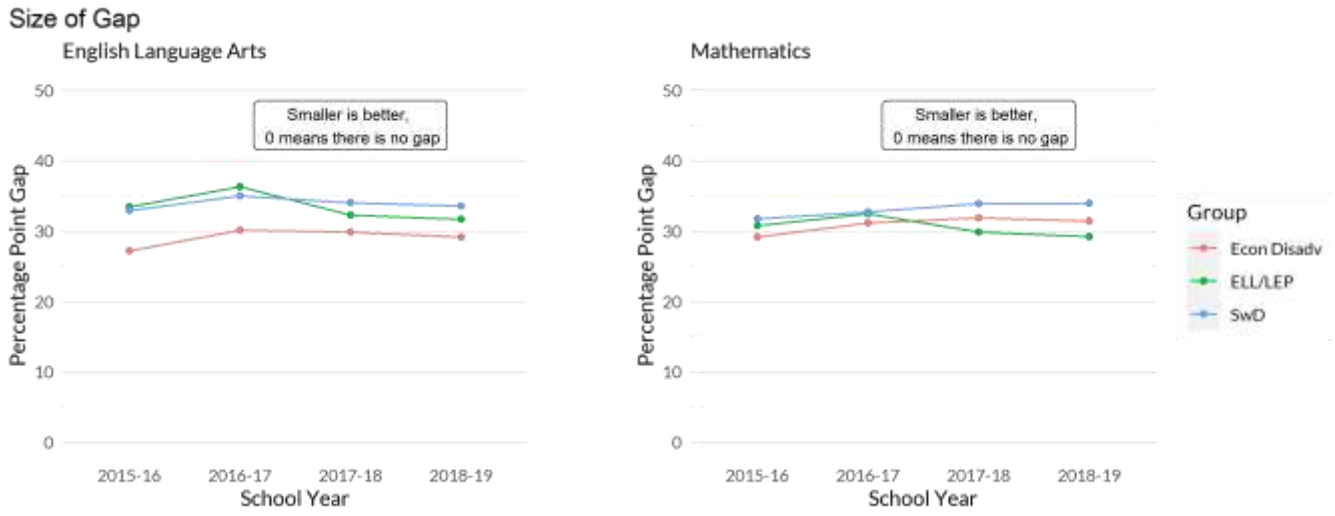
^FY21 – preliminary data; aid payments will be made in March 2021.

Improving Equity

The Per Pupil Aid program provides a stable source of state aid to all school districts in the state. As the per pupil payment amount is established every two years under the state biennial budget process, school districts can reasonably estimate the amount of this categorical state aid that will flow to the school district for two years at a time (depending on accuracy of revenue limit membership projections). This is different from other categorical aid programs that generally provide aid as a reimbursement of allowable expenditures, or other indicator or need (e.g., meals served, for nutrition programs) – which may be more challenging for a district to estimate from year to year.

However, as structured under current law, the Per Pupil Aid program is arguably an inequitable approach to funding the costs of education, providing a flat dollar amount for each student, regardless of individual student needs, and the cost of programs and services provided to meet those needs. State data clearly demonstrates an academic achievement gap between economically disadvantaged students and their peers – see Figure 1 on the following page, which shows the achievement gaps among various groups of students in Wisconsin's schools over four years, including economically disadvantaged students, as well as English learner students, and students with disabilities.

Figure 1. Achievement Gaps by Group



Source: Department of Public Instruction, Data Warehouse. Comparisons are: economically disadvantaged (ED) students to their non-ED peers; English language learners (ELs) to their non-EL peers; and students with disabilities (SwD) to their non-SwD peers. Test data is from the Forward Exam and Dynamic Learning Maps (i.e., the state's standardized pupil assessments). Tests were not administered in 2019-20.

Both the State of Wisconsin and the federal government provide financial support to schools to offset the costs associated with serving students with disabilities (special education aids) and students who have limited English proficiency (English learner aids). Yet, Wisconsin has no state aid program dedicated to providing additional resources to school districts (outside the district's revenue limit) specifically for supporting students in poverty.[3] While the state's High Poverty Aid program is targeted to school districts with higher concentrations of students in poverty (50 percent or higher), this aid is received by eligible school districts under their revenue limit. This means that High Poverty Aid reduces school property tax levies, which benefits property taxpayers in those districts. For school districts, however, this aid program simply replaces property tax revenue with state aid; it does not provide additional resources for school districts to directly support students in poverty.

Proposal

The department proposes to continue providing aid to all school districts in the state under the Per Pupil Aid program, in an amount equal to $750 per revenue limit member, in FY22 and in FY23. The department further proposes making the Per Pupil Aid more equitable, by providing an additional payment of $150 to school districts for each student in poverty, to recognize additional resources needed by schools to help students in poverty, who begin their school with learning deficits at a disproportionate rate (compared to their peers), to be successful in school and to raise achievement to rates to those of their peers. For the purpose of determining the number of students in poverty for Per Pupil Aid payments in FY22 and FY23, the department requests that the school district's applicable revenue limit membership be multiplied by the district's rate for economically disadvantaged students, using data reported by school districts for the 2019-20 school year. Beginning with Per Pupil Aid Payments made in FY24 and thereafter, the

[3] The federal government does provide assistance to states to support students in poverty: Title I, Part A (Title I) of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act, provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. Federal funds are allocated through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state.

department recommends using the economically disadvantaged rate for the school district from the prior school year.

The projected costs of the department's proposal for Per Pupil Aid is shown in Table 2 below.

Table 2. Per Pupil Aid Proposal

	FY21 Base	FY22	FY23
Per Pupil Aid Base Payment*	$745	$750	$750
Per Pupil Aid Limit Membership**	822,582	829,096	827,146
Base Payment	$612,855,844	$621,822,000	$620,359,500
Per Pupil Payment for Students in Poverty (NEW)	$0	$150	$150
Number of Students in Poverty***		351,039	350,214
Payment for Students in Poverty		$52,655,850	$52,532,100
Total Costs (FY21 Appropriation)	$616,973,000	$674,477,900	$672,891,600
Change to Base (Request)		**$57,504,900**	**$55,918,600**
Elimination of Supplemental Per Pupil Aid		**-$2,500,000**	**-$2,500,000**
Net Change to Appropriations		**$55,004,900**	**$53,418,600**

*For FY21, the amount shown combines the payment per revenue limit member under the Per Pupil Aid program ($742) and the Supplemental Per Pupil Aid program (~$3), for a combined total of $745.

**Membership used for the Per Pupil Aid program is equal to the school district's revenue limit membership for the current year, less those students enrolled in certain independent charter schools that were added to the district's revenue limit pupil count, as required under Wis. State. Sec. 121.90 (1) (g).

***The estimated number of students in poverty was calculated using the 2019-20 statewide rate for students with the status "economically disadvantaged" (42.34 percent), as reported by school districts to the department in the statewide student information system.

Statutory Language

The department is proposing statutory language related to this request.

The department requests that the statutory citation on backing out independent charter students for Per Pupil Aid be corrected:

- The 2015-2017 biennial budget (2015 Wisconsin Act 55) created the Special Needs Scholarship Program (SNSP) and expanded independent charter school authorizers, funded through the addition of those students to membership counts for general state aids and revenue limits.
- A related provision directed the department to back those students out of the revenue limit membership used to determine Per Pupil Aid.
- Subsequently, the 2017-2019 biennial budget (2017 Wisconsin Act 59) shifted the revenue limit consideration of SNSP students from membership to an exemption amount for districts' aid withholdings, but the statutory reference for Per Pupil Aid was not updated accordingly.

Amend 115.437(1) to read:

(1) In this section, "number of pupils enrolled" has the meaning given in s. 121.90 (1) (intro.) and includes 40 percent of the summer enrollment. "Number of pupils enrolled" does not include pupils described in the exception under s. 121.90 (1) ~~(f)~~ **(g)**.

DECISION ITEM 6011 –MENTAL HEALTH AND STUDENT WELLNESS AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$28,500,000	$30,000,000
Less Base	$6,000,000	$6,000,000
Requested Change	$22,500,000	$24,000,000

Request

The department requests an increase of $22,500,000 GPR in FY22 and $24,000,000 GPR in FY23, to expand the School Mental Health Categorical Aid Program to include reimbursement for expenditures made for pupil services generally, rather than just for social worker services. The department also proposes to modify the program so that all school districts, independent charter schools, and private parental choice schools with expenditures for pupil support staff are eligible to receive funding. The proposed funding is sufficient to reimburse 10 percent of estimated total pupil services expenditures.

Background

In Wisconsin, the ratio of pupils to pupil services professionals shifts slightly from year to year. Even so, the ratio for each of the four pupil services categories significantly exceeds the recommended staffing levels suggested by national organizations, as shown in Table 1. Data come from the department's own Office of Student Services, Prevention, and Wellness.

Table 1. Student-Pupil Services Professional Ratio

Pupil Services Position	Wisconsin Pupil Services Ratios					National Organization Recommendations
	2012	2016	2017	2018	2019	
Counselors	466:1	399:1	444:1	420:1	424:1	250:1
Psychologists	956:1	1,073:1	993:1	967:1	934:1	500-700:1
Social Workers	1,050:1	1,528:1	1,567:1	1,468:1	1,418:1	400:1
Nurses	1596:1	1,721:1	1,911:1	1,871:1	1,850:1	*750:1

*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 healthcare needs, and 1:1 may be necessary for some students who require daily and continuous professional nursing services (National Association of School Nurses, 2010).

Between 2012 and 2019, the ratios for school psychologist and counselors improved slightly, while the ratios for social workers and nurses worsened substantially. However, between 2016 and 2019, the data indicate a slight improvement in the ratio of pupils to school social workers. That change might be partly explained by the advent of this categorical aid program, as it was designed to increase the availability of social workers in schools settings.

At a time when the need for pupil services is at an all-time high, only three states met the recommended ratio for counselors and only four states met the recommended ratio for psychologists as of the 2015-16 school year. No states met the recommended student-to-social worker ratio, and while 20 states met the recommended student-to-nurse ratio, "more than 70 percent of the nation's students attended schools that did not meet the recommended ratio" (ACLU, 2019; NEA, 2019).

Stressors like academic achievement, school safety, poverty, and social media have contributed to increasing rates of mental health disorders among adolescents over the last decade. These disorders include major depression, suicidal thoughts, and psychological distress (APA, 2019). Pupil services staff—nurses, psychologists, social workers, and counselors—are regularly the first to identify students in need of assistance. And, more often than not, they offer the only professional aid those students will receive. Of youth who receive mental health assistance, 70 to 80 percent receive their mental health services in their schools (ACLU, 2019).

Current School Mental Health Categorical Aid Program

The School Mental Health Categorical Aid program was one of the three pillars of the department's School Mental Health Initiative included in its 2017-19 biennial budget request. All three components of the Mental Health Initiative were included in the governor's budget proposal and subsequently included in the 2017-19 budget bill that was signed into law as 2017 Wisconsin Act 59 (Act 59).

Beginning in FY19, Act 59 appropriated $3,000,000 GPR annually for a new categorical aid program to support school districts, independent charter schools, and private schools participating in a parental choice program (collectively referred to as local education agencies or LEAs) in the provision and expansion of mental health services. The aid program reimburses eligible districts and schools for expenditures on social worker services (district employees or contracted services).

The grant program is currently structured with two tiers of aid. Tier 1 provides aid at 50 percent of the increase in expenditures for school social worker services from one year to the next. Tier 2 provides reimbursement on the basis of the amount remaining in the appropriation (after Tier 1 aid is determined), as a proportion of unreimbursed eligible expenditures. As constructed under current law, Tier 2 is available only to eligible LEAs, which are defined as those that increased expenditures for social worker services in the prior year, as compared to the two years prior. Thus, an LEA that incurred expenditures for social workers but did not increase those expenditures from the year prior is not eligible for aid under current law.

The first year for which aid payments were made under the program was FY19. The calculation of School Mental Health Categorical Aid for FY19 was based on the increase in social worker expenditures from FY17 to FY18. The department uses audited expenditure data as the basis for aid, and there is a lag time of nearly one year (after close of a school year) before the audited data is available. Thus, the first payments to eligible LEAs under this program were made in June 2019.

The program was again included in the department's 2019-21 biennial budget request, with two key additions: first, the department proposed that the program expand to include expenditures for all four pupil services job categories instead of only social workers; and second, that all LEAs that had pupil services expenditures in the prior year share in the Tier 2 aid. Ultimately, the Joint Committee on Finance increased the appropriation by $3,000,000 GPR annually but otherwise maintained current law.

As noted above, the minor improvement in the ratio of pupils to school social workers between 2016 and 2019, though small, may be in part a result of the new categorical aid program. With the passage of Act 59 in September 2017, districts may have started to expand school social worker services in anticipation of

state aid. The very limited time frame does not allow for a robust trend analysis, and the department recognizes that other factors could have contributed to the reduction in the student to social worker ratio between 2016 and 2019. The department will continue to observe trends in the ratio of students to pupil services professionals.

Pupil Services

Pupil services professionals include school staff licensed as school counselors, psychologists, social workers, and nurses, and all provide essential services to students, 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.[4] 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 2 and 3, below, which include expenditure information through FY19.

Table 2. School Districts Reporting No Fund 10 Expenditures for Pupil Services Positions

	FY16		FY17		FY18		FY19	
	#	%	#	%	#	%	#	%
Social Worker	328	78%	328	78%	308	73%	287	68%
School Psychologist	189	45%	189	45%	176	42%	175	42%
School Counselor	3	1%	3	1%	5	1%	4	1%
Health*	108	26%	108	26%	53	13%	45	11%

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

Table 3. School Districts Reporting No Fund 10 or Fund 27 Expenditures for Pupil Services Positions

	FY16		FY17		FY18		FY19	
	#	%	#	%	#	%	#	%
Social Worker	316	75%	316	75%	297	71%	276	66%
School Psychologist	53	13%	53	13%	23	5%	20	5%
School Counselor	0	0%	0	0%	4	1%	3	1%
Health*	96	23%	96	23%	38	9%	30	7%

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

When the department developed its School Mental Health Initiative for the 2017-19 budget request, the categorical aid program was designed to target aid to the area of greatest need, within the limited amount requested ($3 million annually). As was the case at that time, school social worker is the category of pupil services professionals for which the greatest number of school districts had no expenditures, in either their general or special education funds (Fund 10 and Fund 27, respectively). The data from FY18 and

[4] 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.

FY19 expenditures is generally consistent with the observations for FY16 and FY17. As was the case two years ago, the expenditure data show that:

- Almost all districts reported expenditures in the school counselor category, presumably because guidance counseling services are required of school districts.
- In contrast, two-thirds of all school districts 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.
- 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 (federal and/or state aid) to support the work of school psychologists.

However, in FY18 and FY19, significantly more districts reported Fund 10 and/or Fund 27 expenditures for health services positions. Likewise, the number of districts reporting no expenditures on school psychologist services dropped sharply between FY16/FY17 and FY18/FY19, i.e. substantially more districts reported Fund 27 expenditures in FY18 and FY19 for school psychologist services.

Including both the Fund 10 and Fund 27 expenditures provides a more comprehensive picture of pupil services professionals in school districts; however, use of Fund 27 to support pupil services indicates that a specific subset of students are being served (students with disabilities). The goal of the department's proposal was to expand mental health services to **all** students.

Staffing data from FY18 and FY19 from the DPI Public All Staff Report is presented in Table 4, below. The data reflect staffing for fall 2017 and fall 2018. The pattern of public school districts reporting no personnel within the specific job categories is consistent with the pattern observed in the expenditure data, particularly for school psychologists.

Table 4. Number of School Districts that Reported No Staff in Pupil Services Categories

	FY16 (Fall 2015)		FY17 (Fall 2016)		FY18 (Fall 2017)		FY19 (Fall 2018)	
Category	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Social Worker	322	76	308	73	310	74	292	69
School Psychologist	119	28	119	28	63	15	62	15
School Counselor	4	1	2	<1	4	1	7	2
School Nurse*	130	31	n/a	n/a	117	28	109	26

*The job title used in this analysis was School Nurse; public schools only.

Proposal

School counselors, psychologists, social workers, and nurses all provide essential services to students, including those related to mental health. The department's proposal focuses on providing aid for all types of pupil services professionals (rather than just social workers), as a way to increase the number of professionals providing mental health services and support to students, for two reasons:

- The ratio of pupils to pupil services professionals in Wisconsin all significantly exceed the national recommendations for all four pupil services professional groups.

- All four pupil services professional groups possess the expertise to work across systems and with community-based professionals and families.

The department requests that the appropriation be renamed to "Mental health and student wellness aid" to reflect the proposal to include all pupil support staff expenditures as eligible for aid, and the larger goal of promoting student wellness.

Under the department's proposal, the annual GPR appropriation increases by $22,500,000 in FY22 and by $24,000,000 in FY23.

The proposed funding levels ($28.5 million in FY22 and $30 million in FY23) are estimated to reimburse approximately 10 percent of statewide Fund 10 expenditures for pupil services staff. Because the department does not at this time have pupil services expenditure data from independent charter schools or private parental choice schools, only public school district expenditures can be used for this aid simulation.

Table 5 below shows the department's projections for expenditures on pupil services staff and the amounts required to provide state aid at 10 percent by fiscal year. Based on recent trends, the department projects that Fund 10 expenditures will reach $300 million by FY22 (for aid in FY23). If the appropriation is not increased, the categorical aid will cover less than 25 percent of social worker expenditures (or just two percent of all pupil services expenditures).

Table 5. Estimated Expenditures and Aid by Fiscal Year

Aided Year	Payment Year	Total Fund 10 Expenditures*	Appropriation (Aid)**	Unaided Expenditures*
FY17	FY18	$236,949,827	$0	$236,949,827
FY18	FY19	$251,306,729	$3,000,000	$248,306,729
FY19	FY20	$260,989,486	$6,000,000	$254,989,486
FY20	FY21	$270,000,000	$6,000,000	$264,000,000
FY21	FY22	$285,000,000	$28,500,000	$256,500,000
FY22	FY23	$300,000,000	$30,000,000	$270,000,000

* Amounts for FY20, FY21, and FY22 aided years are estimates.

** Amounts for FY22 and FY23 payment years are the department's request.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6012 – SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT

297 – School-based mental health services grants
s. 20.255 (2) (dt)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$10,000,000	$10,000,000
Less Base	$6,500,000	$6,500,000
Requested Change	$3,500,000	$3,500,000

Request

The department requests $3,500,000 GPR in FY22 and $3,500,000 GPR in FY23 to expand the School-Based Mental Health Services Collaboration Grant program, in order to support more school districts and independent charter schools in connecting youth to needed mental health services. The department also proposes changing statutory language to be more inclusive.

Current School-Based Mental Health Services Collaboration Grant Program

The School-Based Mental Health Services Collaboration (SBMH) grant program was one of the three pillars of the department's School Mental Health Initiative included in its 2017-19 biennial budget request. All three components of the Mental Health Initiative were included in the governor's budget proposal and subsequently included in the budget bill that was signed into law as 2017 Wisconsin Act 59 (Act 59).

Beginning in FY19, Act 59 appropriated $3.25 million GPR annually to the department to award SBMH grants to school districts and to independent charter schools (collectively referred to as local educational agencies or LEAs). The grants can be used for the purpose of connecting students to needed mental health services, in collaboration with community health agencies. Strategies allowed under the grant include co-locating community mental health clinics in schools, and providing screening and intervention services to students.

The SBMH grant program seeks to connect schools and the students they serve to effective mental health services and to locate those resources within schools, which facilitates:

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

Placing mental health services for school age youth directly in schools provides an opportunity for mental health promotion, prevention, early identification, and early intervention. Locating services directly in schools can reduce the many barriers to accessing and receiving needed mental health services, which may include financial/insurance concerns, childcare, transportation, mistrust and/or stigma, negative prior experiences, waiting lists for services, long and/or uncomfortable intake processes, and the general stress of reaching out for assistance. Many positive outcomes are associated with using a co-location model to deliver mental health services to students, as cited by similar programs:

- 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;
- decreases in school suspensions; and
- increases in school attendance.

Grant History

In its inaugural year, the 2018-19 school year, the competitive grant program attracted proposals from 141 applicants, representing 182 LEAs. Grant awards ranged from just over $11,000 to the grant maximum of $75,000. The total amount requested for all grant applications combined was more than $8 million—well over twice the amount appropriated for the grants at the time ($3.25 million). The department was able to award grants to just 52 applicants.

As part of the 2019-21 biennial budget (2019 Wisconsin Act 9), funding was doubled for the program, to $6.5 million GPR annually, beginning in FY20. The department was able to fund 106 applicants in the most recent grant cycle, but even with the increased funding, dozens of applicants went unfunded. Demand for mental health services continues to rise, as shown in the most recent Youth Risk Behavior Survey, where nearly 60 percent of high school students reported experiencing mental health challenges in the previous year.

Moreover, the COVID-19 pandemic has created new challenges for students, their families, and educators across the state, with the closure of schools statewide to in-person instruction and cancellation of extra-curricular activities through the spring of the 2019-20 school year, the continued need for social distancing throughout the summer, and the disruption to normal instruction and school operations into the 2020-21 school year. The pandemic has exacerbated students' mental health issues across the state and further highlighted the need for additional mental health supports in schools.

Students deal with the same mental health issues as adults, such as anxiety, depression, self-harm, and substance abuse. Whether treated or not, these problems can tie into major challenges found in schools: chronic absence, low achievement, disruptive behavior, and dropping out. Applicants conduct a local needs assessment along with their community partners to focus the proposal. Additionally, applicants demonstrate how parents, caregivers, and families would be involved in the project.

All funded projects involve collaboration with community mental health providers and other stakeholders to create comprehensive support systems for children, youth, and families. Grant recipients may use grant funds for a variety of services, on a continuum from universal wellness activities for an entire school to intensive intervention for students in crisis. Grant proposals have included activities to:

- develop and support student and staff social and emotional wellness;
- increase staff capacity to create trauma sensitive environments;
- provide training to staff and students to recognize mental health challenges and know how to advocate for themselves and others;
- provide student support groups led by school and community mental health providers;
- develop referral processes to ensure students who need additional support are referred to qualified providers;
- create spaces in schools for community mental health providers to work with students; and
- provide guidance to students and families to access multiple systems and supports.

Grant recipients collect data on the number of students who receive mental health contact by school mental health providers and the number of students who receive contact or service from a community mental health provider. Additionally, grant recipients report on how activities address goals and outcomes outlined in the grant proposal.

School-Based Mental Health Services Federal Grant Program

In October 2020, Wisconsin was one of six states selected to receive a $10 million, five-year grant from the federal Department of Education. The School-Based Mental Health Services Grant, while similar in name to the subject of this proposal, has an inherently different scope. The goal of the federal grant is to increase the number of qualified mental health services professionals that provide school-based services, while the main purpose of the state grant is to collaborate with community health agencies to provide mental health services to pupils.

A key component of the federal grant involves re-specialization training for existing mental health service professionals to qualify them for work in schools. Funds may be used for the creation and expansion of online preparation options, too. The grant will emphasize finding more staff for schools in rural areas, qualified opportunity zones, and those that serve American Indian students.

Proposal

The department requests an increase of $3,500,000 GPR in FY22 and $3,500,000 GPR in FY23, in order to support more LEAs in connecting youth to needed mental health services. The department does not propose any changes to the program's purpose or scope. Additional funding is required to serve the significant—and growing—demand for mental health services for students in Wisconsin's schools.

The department also requests changing Wis. Stat. sec. 115.367 (1) to allow more school districts to access the grant program. Currently, the statute specifies that SBMH grants are awarded "for the purpose of collaborating with community mental health agencies". However, many districts, especially those in rural areas of the state, are geographically distant from any such agencies. Replacing "community mental health agencies" with "mental health providers"—while emphasizing community partners where it is feasible in the state—would enable districts to meet grant requirements by partnering with individual providers and even by employing telehealth or online strategies.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6015 – SPECIAL EDUCATION CATEGORICAL AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$580,978,000	$690,533,000
Less Base	$450,276,200	$450,276,200
Requested Change	$130,701,800	$240,256,800

Request

The department requests $130,701,800 GPR in FY22 and $240,256,800 GPR in FY23 to increase the reimbursement rate for special education expenditures to 35 percent in FY22 and 40 percent in FY23. The department also requests that the targeted reimbursement rates be specified in statute and that the appropriation type be changed from sum certain to sum sufficient.

Background

Under Wis. Stat. sec. 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 students with disabilities under Wis. Stat. secs. 115.88, 115.93, and 118.255. This is the primary state categorical aid program for special education, providing support for special education services delivered by school districts, CESAs, and CCDEBs. Approximately 14 percent of Wisconsin students receive supports through an Individualized Education Program (IEP).

The appropriation now provides $450,276,200 GPR annually but has not increased at the same rate as special education costs. For 11 years (from FY09 to FY19) the appropriation was held flat. Maintaining the same level of categorical aid while special education costs perpetually rise effectively shifts the funding source for special education programs to general aids and property taxes, and it raises the question of whether students with disabilities are receiving the services and support they need to be successful in school and beyond.

Wisconsin, like much of the nation, has experienced an increase in identification of students 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 students with disabilities.

Accordingly, special education costs are increasing annually, and at a faster rate than in recent years. The department projects a four percent increase in Prior Year Aidable Costs (PYAC) in FY21 and onward. PYAC surpassed $1.5 billion for the first time in FY20 and will approach $1.75 billion by the end of FY23. PYAC are growing even though the number of students with disabilities enrolled in public schools has stabilized. The department projects no growth in the special education child count in the next biennium.

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 (combined with revenue restrictions) has the effect of reducing a district's resources for non-special education related instruction.

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

Decreasing Reimbursement Rates under State Aid

The department proposes modifying this appropriation to sum sufficient—and enshrining the target reimbursement rates in statute—to ensure that school districts are reimbursed for providing special education services at a sustainable rate.

Reimbursement fell below 30 percent of aidable costs starting in FY05 and below 25 percent in FY19. For the 2019-21 biennial budget, the Joint Committee on Finance provided funds to increase the reimbursement rate to 26 percent in FY20 and 30 percent in FY21. However, due to unexpectedly high growth in PYAC, the reimbursement rate for FY20 ended up just over 25 percent, and the reimbursement rate for FY21 is projected to be just over 28 percent. Based on FY21 projections, aidable costs have increased 22 percent over the last decade. PYAC and reimbursement rates for FY18 to FY21 are shown in Table 1, below.

The department estimates that increasing the appropriation for special education categorical aid by $130,701,800 GPR in FY22 and $240,256,800 GPR in FY23 will increase the reimbursement rates to 35 percent for FY22 and 40 percent for FY23. Based on a projected four percent annual growth in PYAC, the overall reimbursement will drop by approximately one percentage point each year for the foreseeable future unless additional funds are allocated to special education categorical aid.

These increases are the first steps toward achieving a 60 percent reimbursement for special education costs. In the subsequent biennium, the department aims to request funds to attain a 50 percent reimbursement rate in FY24 followed by a 60 percent reimbursement rate in FY25 and thereafter. Estimated costs for the 2021-23 and 2023-25 biennia are included in Table 1, below.

Table 1. Reimbursements Rates: Current Law and Targeted Levels

Aid Year*	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
FY18	$1,435,356,008	118,546	$12,108	$368,939,100	26%	$3,112
FY19	$1,482,145,947	120,602	$12,290	$368,939,100	25%	$3,059
FY20	$1,534,311,880	120,010	$12,785	$384,472,300	25%	$3,204
FY21	$1,596,091,436	120,000	$13,301	$450,276,200	28%	$3,752
				Target Reimbursement Rates		
FY22	$1,659,935,100	120,000	$13,833	$580,978,000	**35%**	$4,841
FY23	$1,726,332,500	120,000	$14,386	$690,533,000	**40%**	$5,754
FY24	$1,795,385,800	120,000	$14,961	$897,693,000	**50%**	$7,481
FY25	$1,867,201,200	120,000	$15,560	$1,120,321,000	**60%**	$9,336

*FY20 figures are actuals. Subsequent values are based on preliminary estimates, including four percent annual growth in PYAC and no growth in pupil count. The Chapter 20 appropriation amounts under the department's request are rounded.

Therefore, the department requests $130,701,800 GPR in FY22 and $240,256,800 GPR in FY23 for the special education categorical aid appropriation, and to change the existing appropriation for special education categorical aid from a sum certain (annual) to a sum sufficient appropriation, to ensure that all schools are reimbursed at the targeted rate. A summary of the request is shown in Table 2, below.

Table 2. Requested Increase to Reach Targeted Reimbursement Rates

	FY22	FY23
Appropriation at Targeted Reimbursement Rates	$580,978,000	$690,533,000
FY21 Base Appropriation	$450,276,200	$450,276,200
Request	**$130,701,800**	**$240,256,800**
Biennial Total	**$370,958,600**	

Statutory Language

The department is proposing statutory language for this request.

DECISION ITEM 6016 – HIGH COST SPECIAL EDUCATION CATEGORICAL AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$12,340,000	$19,065,200
Less Base	$19,065,200	$9,353,800
Requested Change	$2,986,200	$9,711,400

Request

The department requests $2,986,200 GPR in FY22 and $9,711,400 GPR in FY23 to increase the reimbursement rate under the High Cost Special Education aid program, from the current level (31 percent for FY21) to 40 percent in FY22 and to 60 percent in FY23. The department also requests modifying the program to allow for reimbursement of 100 percent of eligible prior year costs above the $30,000 per student high cost threshold and to change the appropriation from sum-certain to sum-sufficient to ensure that school districts and other eligible local educational agencies (LEAs) receive the full amount of aid for which they are eligible. Finally, the department requests that the targeted reimbursement rates be specified in statute.

Background

To address the funding concerns for school districts and to improve access to open enrollment for high cost special education students, the department is requesting the Additional ("High Cost") Special Education Aid program be fully funded (i.e., 100 percent of costs above the $30,000 threshold reimbursed) with a sum sufficient appropriation. The number of resident districts with high cost claims, the number of high cost student claims, and the sum of eligible costs remained relatively constant through FY18. In FY19, both the number of claims and total eligible costs increased sharply, rising 13 percent and 21 percent, respectively. In FY20, the number of claims rose by 16 percent, while eligible costs nearly doubled, increasing by 80 percent to more than $29 million. The recent histories of high cost special education eligible costs and aid payments are shown in Tables 1 and 2, respectively. (See the Appendix to this DIN for a complete program history.)

Table 1. Recent History of High Cost Special Education Eligible Costs

Aid Year	# Resident District LEAs	# Pupil Claims	Total Eligible Costs	% Change to Prior Year (Total Eligible Costs)	PYAC = 90% of Eligible Costs for State Aid (70% in FY16 & F17)	% Change to Prior Year (State Aidable Costs)
FY15	173	1,052	$13,781,000		$12,402,900	
FY16	168	951	$12,643,700	-8.3%	$8,850,600	-29%
FY17*	138	890	$12,028,000	-4.9%	$8,419,600	-5%
FY18	164	1,069	$13,307,800	10.6%	$11,977,000	42%
FY19	173	1,205	$16,156,700	21.4%	$14,541,000	21%
FY20	163	1,394	$29,079,000	80.0%	$26,171,100	80%

Table 2. Recent History of High Cost Special Education Aid Payments

Aid Year	State Aid (High Cost Special Ed Approp.)	State Aid as % of State Eligible Costs	Remaining Costs (not State-Aided)	Assistance (IDEA)	Federal Aid as % of Non-State Aided Costs	Overall Reimb. Rate for Total Eligible Costs
FY15	$3,500,000	28%	$10,281,000	$2,232,600	22%	42%
FY16	$3,500,000	40%	$9,143,700	$2,254,100	25%	46%
FY17*	$8,419,600	100%	$3,608,400	$2,291,600	64%	89%
FY18	$9,239,000	77%	$4,068,800	$2,295,500	56%	87%
FY19	$9,353,800	64%	$6,802,900	$2,333,083	34%	72%
FY20	$9,353,800	36%	$19,725,200	$0	0%	32%

*The state appropriated $8,500,000 GPR in FY17 for High Cost Special Education Aid; but because the total PYAC amount was just $8,419,600 (due to the 70 percent limitation in effect for that year's aid payments), the appropriation exceeded the amount paid to LEAs.

This sudden increase can largely be attributed to a revision of the department's administrative rule that first affected aid paid in FY20. The revised methodology picks up many more students in the $30,000 to $40,000 range who had previously been excluded and better reflects actual high cost needs. Moreover, as of FY20, the department is no longer able to allocate discretionary grant funds under the Individuals with Disabilities Education Act (IDEA) Part B grant to the high cost special education program. In FY19, this contribution exceeded $2.3 million.

Meeting the needs of students 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 of educating a student with no disabilities.

Eligible costs under the program include all costs (except administration or leadership) specific to educating a particular student with high cost special educational needs. Costs reimbursed by IDEA flow-through funds, Medicaid, and special education categorical aids are first deducted to arrive at a measure of eligible prior year costs. The amount by which the remaining prior year eligible costs associated with an individual child exceeds $30,000 is the resulting prior year aidable cost (PYAC) amount – the basis for reimbursement under the High Cost Special Education Aid program. Under current law, only 90 percent of PYAC are reimbursable under the program. In FY16 and FY17, the level for aidable costs was just 70 percent of PYAC.

One example is an individual student whose services total $75,000. Federal reimbursement and state categorical aid add up to $30,000. The school district covers the first $30,000 of the remaining $45,000, leaving $15,000 of "high cost" expenses. Of this $15,000, 90 percent ($13,500) is eligible for reimbursement out of this appropriation under current law. The final aid payment received by the school district will be less than $13,500 if the state appropriation is insufficient to pay all claims (typically the case for this aid program).

Aid payments received by school districts under this categorical aid program do not affect federal Maintenance of Effort. School districts would continue to fund special education costs below the $30,000 per student threshold for high cost aid, with IDEA flow-through funds, Medicaid, state special education categorical aid, general equalization aid, and local (property tax revenue) funding.

Legislative History

In its 2015-17 biennial budget request, the department requested increases of just over $7 million GPR, annually, to fully fund 100 percent of PYAC. At that time, 90 percent of eligible costs were eligible for reimbursement under the program. Under 2015 Wisconsin Act 55, additional funding was provided for the aid program ($5 million 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 FY16. Thus, while additional funding was provided, a smaller portion of PYAC were eligible to be aided by the state.

Likewise, in the 2017-19 biennial budget request, the department requested $2 million GPR in FY18 and $2.2 million GPR in FY19 to fully fund projected high cost special education claims. The department also requested to modify the program to allow for reimbursement of 100 percent of PYAC. The governor denied the request and maintained base funding at $8,500,000 GPR annually. In budget deliberations, the Joint Committee on Finance increased the appropriation by $739,000 GPR in FY18 and $853,800 in FY19 and returned the reimbursable portion of eligible costs to 90 percent. These provisions were signed into law under 2017 Wisconsin Act 59 (the 2017-19 biennial budget).

In the 2019-21 biennial budget, the department again requested to modify the program to allow for reimbursement of 100 percent of PYAC. Additionally, the department requested that base funding be maintained and that the appropriation type be changed to sum sufficient, to allow all eligible claims to be fully paid. The Joint Committee on Finance denied these requests and maintained current program language and annual funding of $9,353,800 GPR.

Proposal

The department proposes modifying this appropriation from sum-certain to sum-sufficient to ensure that the costs of providing services to children with more severe disabilities are adequately funded. Making the appropriation sum sufficient in FY22 instead of FY23 would eliminate the confusion that could result from changing appropriation type mid-biennium. The department also proposes modifying the program to allow for reimbursement of 100 percent of eligible prior year costs above the $30,000 per student high cost threshold, instead of the current 90 percent.

Taking into account both state and federal funding, the overall reimbursement rate for the high cost special education reimbursement rate for prior year expenses dropped from its highest point, 89 percent in FY17, to 72 percent in FY19, and then just 32 percent in FY20; it is projected to be 31 percent for FY21. The steep decrease in the reimbursement rate in recent years is due to the combination of unanticipated increases in eligible costs and unavailability of federal funding. Based on a projected four percent annual growth in PYAC, and absent any increases in the state appropriation, the overall reimbursement is expected to drop by approximately one percentage point each year for the foreseeable future.

The department proposes that funding in be sufficient to reach a 40 percent reimbursement rate in FY22 and that funding be sufficient to reach a 60 percent reimbursement rate in FY23. The department estimates that reaching these benchmarks while allowing reimbursement of 100 percent of eligible prior year costs would require an additional $2,986,200 GPR in FY22 and $9,711,400 in FY23, for a total of $12,697,600 GPR across the biennium.

These increases are the first steps toward fully reimbursing all eligible high cost special education costs. In the subsequent biennium, the department aims to request funds to attain an 80 percent reimbursement rate in FY24 followed by a 100 percent reimbursement rate in FY25. Estimated costs for the 2021-23 and 2023-25 biennia are shown in Table 3, below.

Table 3. Estimated High Cost Special Education Costs, FY21FY25 Aid Years

Aid Year	PYAC=100% Eligible Costs	High Cost Special Ed Appropriation	Increase From Prior Base	Biennial Total Increase	Reimbursement Rate
FY21	$29,951,400	$9,353,800			31%
FY22	$30,849,900	$12,340,000	$2,986,200	**$12,697,600**	40%
FY23	$31,775,400	$19,065,200	$9,711,400		60%
FY24	$32,728,700	$26,183,000	$7,117,800	**$21,763,200**	80%
FY25	$33,710,600	$33,710,600	$14,645,400		100%

Statutory Language

The department is proposing statutory language for this request.

APPENDIX A (DIN 6016)

Table 4 shows the history of special education high cost categorical aid and reimbursement rates since the program's inception in FY04. The table reflects current law, under which the program considers Prior Year Aidable Costs as 90 percent of eligible costs (70 percent in FY16 and FY17).

Table 4. Current Law with PYAC=90% of Eligible Costs (70% in FY16 and FY17)

Aid Year	# of Resident District LEAs	# Pupil Claims	Total Eligible Costs	% Change (Total Eligible Costs)	PYAC=90% Eligible Costs for State Aid (70% in FY16 & FY17)	% Change - State Aidable Costs	Average PYAC per Claim	Average Paid to LEA per Claim (State + Federal)	High Cost Special Education State Aid Payments	Federal Assistance (IDEA)	State Reimb. Rate for State Aidable Costs	Federal Reimb. Rate for Non-State-Aided Costs	Overall Reimb. Rate for Total Costs
FY04	128	389	$3,776,700	New	$0			$5,141	$0	$2,000,000	0%	53%	53%
FY05	144	531	$5,661,000	50%	$0			$3,766	$0	$2,000,000	0%	35%	35%
FY06	145	613	$7,147,300	26%	$0			$2,039	$0	$1,250,000	0%	17%	17%
FY07	150	713	$8,174,000	14%	$7,356,600	New	$10,318	$7,604	$3,500,000	$1,921,700	48%	41%	66%
FY08	158	806	$9,826,200	20%	$8,843,600	20%	$10,972	$6,723	$3,500,000	$1,919,100	40%	30%	55%
FY09	146	878	$10,970,900	12%	$9,873,800	12%	$11,246	$6,201	$3,500,000	$1,944,100	35%	26%	50%
FY10	168	1,008	$12,345,400	13%	$11,110,900	13%	$11,023	$5,469	$3,500,000	$2,012,900	32%	23%	45%
FY11	159	972	$11,696,000	-5%	$10,526,400	-5%	$10,830	$5,747	$3,500,000	$2,086,500	33%	25%	48%
FY12	146	994	$12,623,600	8%	$11,361,200	8%	$11,430	$5,620	$3,500,000	$2,086,500	31%	23%	44%
FY13	156	882	$11,287,700	-11%	$10,158,900	-11%	$11,518	$6,362	$3,500,000	$2,110,900	34%	27%	50%
FY14	154	946	$12,348,200	9%	$11,113,400	9%	$11,748	$6,010	$3,500,000	$2,185,300	31%	25%	46%
FY15	173	1,052	$13,781,000	12%	$12,402,900	12%	$11,790	$5,449	$3,500,000	$2,232,600	28%	22%	42%
FY16	168	951	$12,643,700	-8%	$8,850,600	-29%	$9,307	$6,051	$3,500,000	$2,254,100	40%	25%	46%
FY17*	138	890	$12,028,000	-5%	$8,419,600	-5%	$9,460	$12,035	$8,419,600	$2,291,600	100%	64%	89%
FY18	164	1,069	$13,307,800	11%	$11,977,000	42%	$11,204	$10,790	$9,239,000	$2,295,500	77%	56%	87%
FY19	173	1,205	$16,156,721	21%	$14,541,000	21%	$12,067	$9,699	$9,353,800	$2,333,083	64%	34%	72%
FY20	163	1,394	$29,079,038	80%	$26,171,100	80%	$18,774	$6,710	$9,353,800	$0	36%	0%	32%

*The state appropriated $8,500,000 GPR in FY17 for High Cost Special Education Aid; but because the total PYAC amount was just $8,419,600 (due to the 70 percent limitation in effect for that year's aid payments), the appropriation exceeded the amount paid to LEAs for state-aidable costs. The remaining costs not aided by the state were eligible for reimbursement with federal IDEA funds.

The number of claims does not represent all high cost special education students. School districts can claim costs related to high cost students 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 student level. Costs claimed under this state high cost aid program are per student costs.

The number of resident LEAs represents the district in which the student resides and the district responsible for the student cost.

DECISION ITEM 6017 – SPECIAL EDUCATION TRANSITION READINESS GRANTS

257– Special education transition readiness grants
s. 20.255 (2) (bg)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$3,000,000	$4,500,000
Less Base	$1,500,000	$1,500,000
Requested Change	$1,500,000	$3,000,000

Request

The department requests increases of $1,500,000 GPR in FY22 and $3,000,000 GPR in FY23 to expand the Transition Readiness Grant (TRG) program.

Background

In response to the concern that too few of Wisconsin's special education students successfully transition to competitive work or postsecondary education after completing high school, the legislature approved the creation of the TRG program, as proposed by the department in its 2017-19 budget request, under 2017 Wisconsin Act 59 (Act 59, the 2017-19 biennial budget).

Programs administered by the Wisconsin Department of Workforce Development, Division of Vocational Rehabilitation effectively serve a targeted, small subset of the roughly 35,000 Wisconsin high school students with disabilities (e.g., Wisconsin PROMISE Grant). For the remainder of these students not served by these programs, a lack of employment opportunities hinders their ability to gain the experience necessary to compete for competitive employment after graduation.

Work experiences, a critical component of preparing youth for transition to adulthood, are particularly valuable to youth with disabilities. 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 4) developing an understanding of different occupations in order to make informed career choices.

Research shows that work experiences during high school for youth with disabilities help them acquire jobs at higher wages after they graduate (Colley & Jamison, 1998). Additionally, research studies suggest that work-based learning may increase school attendance, decrease dropout rates, reduce school suspensions, and increase school engagement (Medrich, Calderon, & Hoachlander, 2002). Pupils who participate in work-based learning are more likely than their peers to attend college or obtain employment (Jobs for the Future, 2007).

Under the Workforce Innovation and Opportunity Act, as of July 22, 2016, a Local Education Agency 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. When this provision took effect, more than 330 students with disabilities were employed in subminimum wage jobs in "sheltered workshops" across the state, with an average hourly wage less than half the minimum wage.

Due to past reliance on "sheltered workshops" to provide transition services for a portion of students, school districts now need to expand development of community-based transition services. The TRG program provides targeted support to districts for such expansion.

Current Transition Readiness Grant

The TRG program was created under Act 59, providing $1.5 million annually beginning in FY19. In the grant program's inaugural year, the department accepted more than 130 applications, with applicants requesting more than $9 million in total aid. The first group of awards went to 37 districts across the state, representing all 12 CESAs. Altogether, these 37 districts requested nearly $3 million in aid for the 17,125 students with disabilities they serve.

In the second and third years of the grant, FY20 and FY21, the department awarded grants to 39 and 41 districts, respectively. In both years, all 12 CESAs were represented among the grantees. Funding was prioritized for districts that had not previously received an award.

Because the TRG appropriation is only $1.5 million, the department has given priority to TRG applicants that cite services proven to increase the likelihood of postsecondary employment. All funded applicants must follow a set of general requirements that relate to the longer-term development and refinement of integrated, community-based transition processes. Over the last two years, just over 60 percent of funded projects pertained to transportation and just under 30 percent supported Project SEARCH, a nine to 12 month program that provides total immersion in a community business for students with disabilities.

Proposal

The department proposes expanding the TRG program from $1,500,000 GPR in FY21 to $3,000,000 GPR in FY22 and $4,500,000 GPR in FY23, to provide resources to school districts to help students with disabilities transition into the workforce and postsecondary education. Grant awards would still range from $25,000 to $100,000 per recipient, and the three primary expenses covered by the grant would be transportation for students, professional development for instructors, and staffing for schools.

Statutory Language

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

DECISION ITEM 6021 – ENGLISH LEARNER CATEGORIAL AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$26,877,000	$26,877,000
Less Base	$8,589,800	$8,589,800
Requested Change	$18,287,200	$18,287,200

Request

The department requests an increase of $18,287,200 GPR in FY22 and $18,287,200 GPR in FY23 to support English Learner students (ELs)[5] in school districts across the state. This proposal establishes a funding floor of $10,000 for each district serving at least one, and up to 20, ELs, and provides $500 for each additional EL served in the school district. The proposal also includes independent charter schools as eligible for state aid. The department also requests changing the name of the Bilingual-Bicultural state aid appropriation under Wis. Stat. sec. 20.255 (2) (cc) from "Bilingual-bicultural education aids" to "English learner categorical aid", to better reflect the nature of, and participants in, the state aid program.

Background

State law, under Wis. Stat. Chapter 115, Subchapter VII, governs Bilingual-Bicultural (BLBC) education and requires school districts to establish a BLBC program if they meet a certain threshold of ELs from the same language group within specified grade bands of an individual school in the district. Wis. Stat. sec. 115.97 establishes the following thresholds:

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

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

Under current law, $8,589,800 GPR is provided annually in the appropriation under Wis. Stat. sec. 20.255 (2) (cc), Bilingual-bicultural education aids, for aid payments to school districts, to offset the costs of providing BLBC programming for ELs. 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 ELs; the remaining $8,339,800 is distributed to districts on the basis of expenditures on the district's BLBC programs (i.e., claims reimbursement model). Table 1, below, shows the number of ELs and districts, and those served in the BLBC program during FY20.

[5] *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. BLBC Program Statistics, 2018-19 School Year

Number of EL students identified	51,825
Number of EL students served in state reimbursed programs	27,532
Number of districts receiving aid	53
Average approved cost/EL	$3,746
Average state reimbursement/EL	$303
Percent of eligible expenditures reimbursed*	8.1%
Number of state reimbursed programs	53
Districts with state reimbursed BLBC programs: Abbotsford, Appleton, Baraboo, Barron, Beloit, Burlington, Clinton, DC Everest, Darlington, Delavan-Darien, Eau Claire, Edgerton, Elk Mound, Elkhorn, Fond du Lac, Franklin, Green Bay, Holmen, Howard-Suamico, Janesville, Kenosha, Kewaunee, La Crosse, Lake Geneva J1, Lake Geneva-Genoa City UHS, Luxemburg-Casco, Madison, Manitowoc, Marshall, Menasha, Menomonie, Middleton-Cross Plains, Milwaukee, New London, Onalaska, Oregon, Oshkosh, Racine, Reedsburg, Rice Lake, Sauk Prairie, Sheboygan, Shorewood, Stevens Point, Verona, Walworth J1, Waterloo, Waukesha, Wausau, Wautoma, Whitewater, Wisconsin Dells, and Wisconsin Rapids.	
Districts receiving set-aside (EL enrollments of at least 15% of their student enrollment receive a percentage of the set-aside of $250,000): Abbotsford, Beloit, Darlington, Delavan-Darien, Green Bay, Madison, Sheboygan, Walworth, Waterloo, and Whitewater.	

*The 8.1 percent reimbursement rate is for school districts that do not receive set-aside funding. The formula for determining the reimbursement rate is: ($8,589,800-$250,000) / $103,139,073.

While ELs are enrolled in about 86 percent of school districts throughout the state, most of these school districts lack the concentration of ELs sufficient to trigger the statutory requirement to establish a BLBC program for which the school district would receive BLBC aid. In the 2018-19 school year, the total number of EL students in public schools was 51,825. However only 27,532 (53 percent) of those ELs were enrolled in school districts that qualified for BLBC aid. See Table 2 for historic data.

Table 2. English Learner Students, Aided and Non-Aided Districts, FY10 – FY20

Fiscal Year	Number of Districts Reporting ELs	Number of ELs Reported*	Number of Aided Districts	Number of ELs Served in BLBC Program	Number of Non-Aided Districts	Balance of ELs
2009-10	361	52,100	55	26,954	306	25,146
2010-11	352	49,927	58	28,086	294	23,858
2011-12*	354	45,651	59	27,220	295	24,507
2012-13	355	49,994	52	26,426	303	23,626
2013-14	351	49,560	51	23,716	300	25,844
2014-15	356	49,309	50	24,998	306	24,311
2015-16	355	48,405	51	25,692	304	22,713
2016-17	357	49,670	52	26,721	305	22,949
2017-18	361	52,446	53	27,961	308	24,485
2018-19	365	51,825	53	27,532	312	24,293
2019-20	361	51,706	Not yet available			

* Beginning with the March 2011 census, data sources differ from previous years and numbers for PK students identified as ELs are again included. The change has caused an apparent drop in the number of ELs, though that drop is likely due to the change in data sources. This count appears low because it does not include most migrant ELs or ELs enrolled in PK.

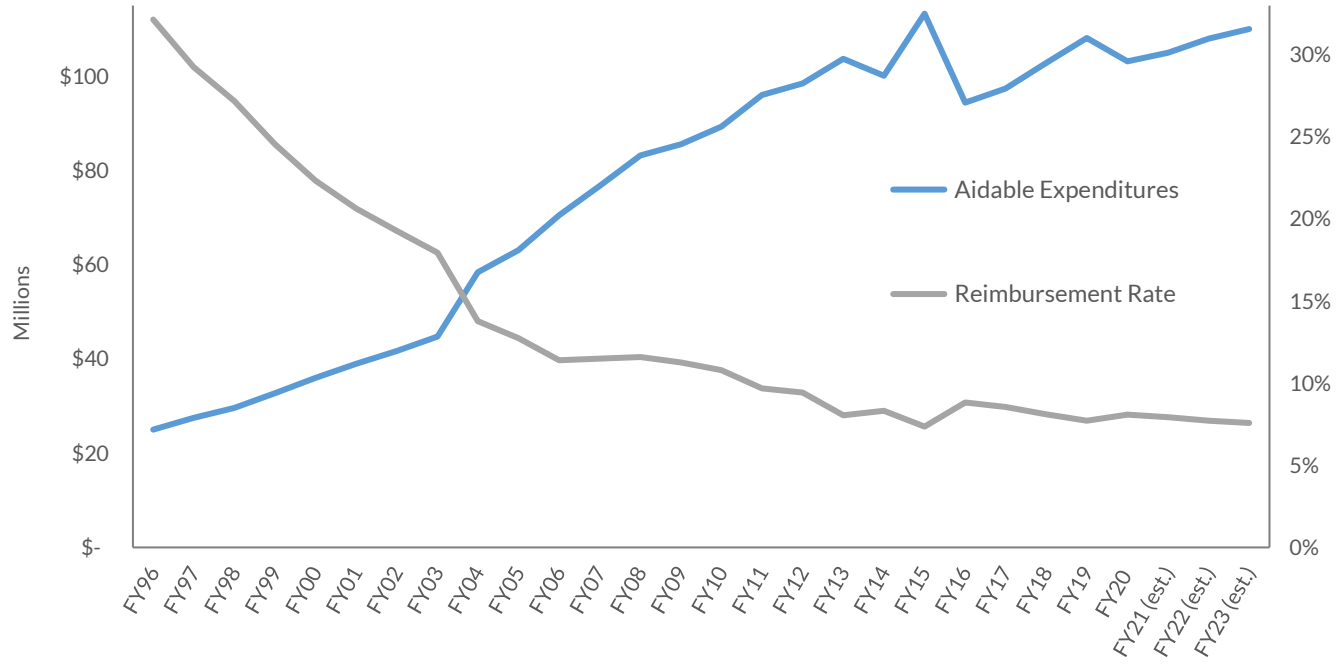
The five-year average (FY15-FY19) enrollment of ELs in aided and non-aided districts is 26,581 and 23,750 (respectively), representing 53 percent and 47 percent (respectively) of the total number of ELs enrolled statewide, as reported by school districts. School districts that are not required to establish a BLBC program under current law do not qualify for BLBC state aid, even though they are required to educate all ELs enrolled in the district.

According to FY20 data, there were 312 school districts serving 24,293 ELs that did not qualify for BLBC aid. Most of the BLBC aided school districts are larger and are concentrated in the more densely populated areas of the state. Thus, the lack of additional state resources to support EL students in school districts with no required BLBC program can be viewed as a problem experienced largely by small and rural school districts.

Funding History

The appropriation for BLBC aid has been flat-funded since FY12. As demonstrated in the figure below, because aidable expenditures for BLBC education programs have increased most years, the reimbursement rate for eligible expenditures has generally decreased over time, from 32.2 percent in FY95 to 8.1 percent in FY20.

Figure 1. BLBC Aidable Expenditures and Reimbursement Rate



Funding for ELs in Other States

According to the Education Commission of the States, there are four primary EL funding methods used across the United States. Of the states that specify their funding models in statute, 33 use a foundation formula, six use a resource allocation model, and six use grants. Wisconsin is the only state that relies on a reimbursement model, yet the reimbursement model used by Wisconsin does not recognize the costs incurred by school districts on behalf of nearly 50 percent of the ELs they educate.

DPI 2021-23 BIENNIAL BUDGET REQUEST

Proposal

State funding to support ELs educated in Wisconsin's school districts is simply insufficient. The fact that dedicated state support is not provided for nearly half of the ELs enrolled in public schools throughout the state is a severe shortcoming of the current law BLBC aid program structure. The very low and continually declining level of state reimbursement to those districts with a required BLBC program is a significant concern. Under current law, Independent Charter Schools do not receive state aid for the ELs enrolled and served in their schools. Therefore, the department's requests for increased funding to support ELs involves an overhaul of the BLBC aid program parameters:

- Establish a funding floor of $10,000 for each school district and independent charter school serving at least one and up to 20 ELs, and $500 for each additional EL student above 20 in the district.
- Provide state aid to the Independent Charter Schools under Wis. Stat. Sec. 118.40 (2r) and (2x) for ELs served by the schools.
- Eliminate the current law set-aside funding for school districts in which ELs make up more than 15 percent of their total student enrollment.
- Provide for a temporary "hold harmless" payment for districts that do not receive more state aid under the proposed new EL categorical aid program than they received in FY21 under current law.
- Rename the BLBC aid program to "English learner categorical aid" in state statute.

Set-Aside Funding

Under the department's proposal, the current law set-aside ($250,000) for districts in which ELs constitute more than 15 percent of their total student enrollment, would be eliminated. This set-aside amount has historically been distributed among 10 or fewer of the 350 to 360 Wisconsin school districts that serve ELs. The structure of the proposed EL state aid program would recognize the higher concentration of ELs in certain districts with a higher payment, based on number of ELs served.
Hold Harmless Funding

The department anticipates that most, if not all, school districts will receive a higher aid amount under the proposed EL categorical aid program than under the current law BLBC aid program. For a few districts, however, the proposed structure may generate a smaller amount of aid than does the current law method of reimbursing BLBC program expenditures. The department's proposal for mitigating loss of aid under the proposed EL categorical aid program is to create a hold harmless provision for the 2021-23 biennium, under which an eligible school district would receive an additional payment as follows:

- In FY22, 100 percent of the difference between the district's FY21 and FY22 aid payments
- In FY23, 50 percent of the difference between the district's FY21 and FY23 aid payments

Because this aid program is funded from a sum-certain (annual) appropriation, aid payments to school districts and Independent Charter Schools would be prorated if the budget authority is insufficient to fully fund aid eligibility, including the hold harmless payments described above.

Estimated Cost

The department proposes that the aid program be renamed, to "English learner categorical aid", to better reflect the nature of, and participants in, the state aid program. This plan ensures that every English Learner in a public school is backed by state dollars, unlike the current law BLBC program. Table 3 shows the projected GPR required to fully fund the department's proposal.

Table 3. Expenditure and Aid Projections for FY22 and FY23

	FY22	FY23
Funding for Districts with 1-20 EL Students	$10,000	$10,000
Funding Per Each Additional Student	$500	$500
Total Appropriation	$26,877,000	$26,877,000
Less: Base Funding	$8,589,800	$8,589,800
GPR Request	$18,287,200	$18,287,200

Without an increase in funding, the reimbursement rate is projected to be below eight percent in both years for just those districts with a required BLBC program (i.e., no reimbursement for districts that do not trigger the required BLBC program, but serve ELs nonetheless). While the department could have proposed a flat payment per EL, regardless of the number of ELs, the aid amount generated for those districts serving very few ELs would provide little meaningful assistance. The funding floor will benefit smaller districts serving few ELs, in particular benefiting rural school districts, as seen on the map in Figure 3, Appendix A.

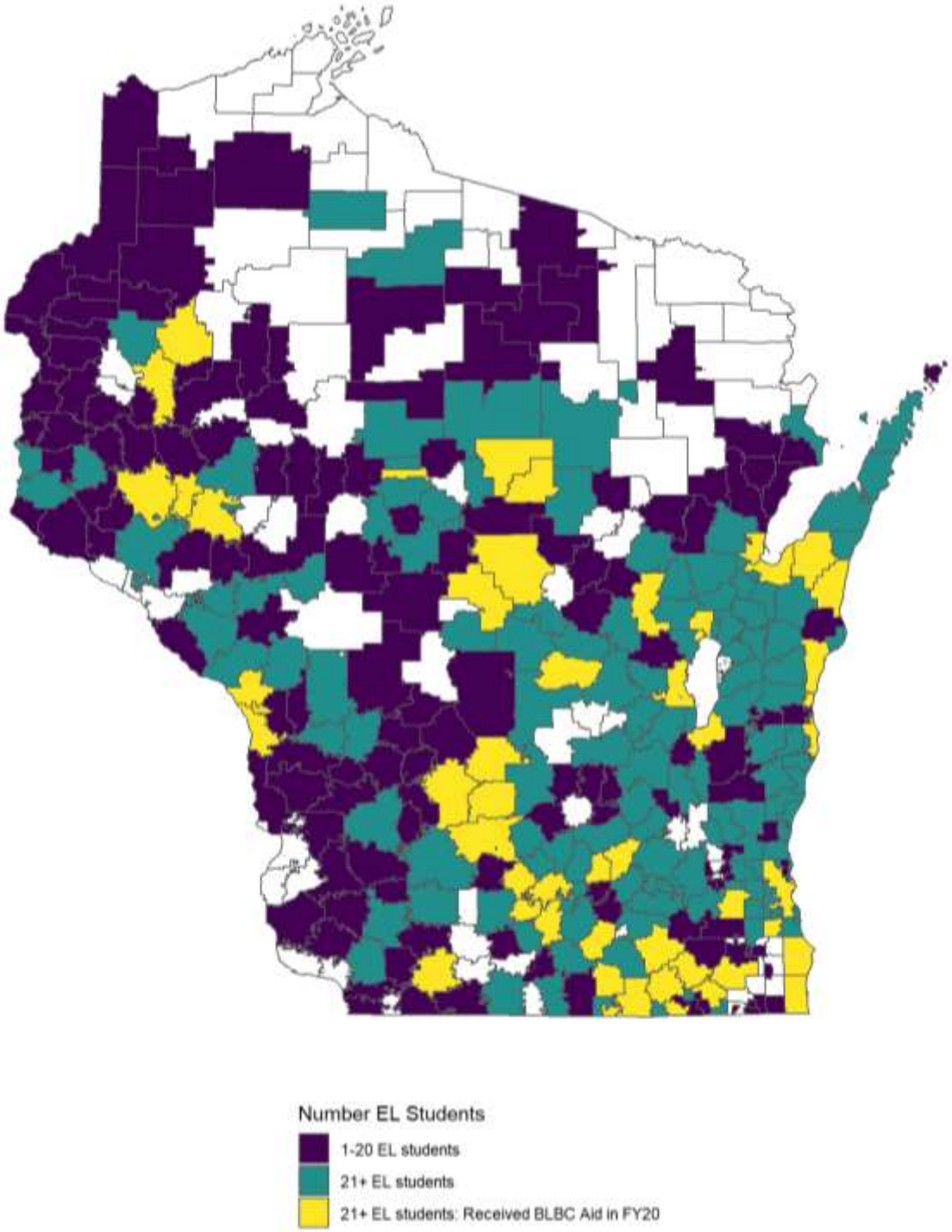
Statutory Language

The department is proposing statutory language related to this request.

Appendix A

Figure 3 shows a map of ELs by school district, using preliminary 2019-20 enrollment data. Under this proposal, districts colored purple serve 20 or fewer ELs and would each receive $10,000. The districts colored turquoise and yellow serve 21 or more ELs and would receive the base $10,000 aid payment plus $500 for each additional EL student over 20. Yellow signifies districts that meet the statutory criteria for a required BLBC program under current law, and thus received BLBC aid in FY20, based on their BLBC program expenditures. Districts in white served no EL students during the 2019-20 school year.

Figure 3. Map of English Learners by District, 2019-20



DECISION ITEM 6022 – CAPACITY BUILDING GRANTS FOR ESL AND BLBC LICENSED EDUCATORS

251 – Capacity building grants for English as a second language and bilingual-bicultural education licensed educators
s. 20.255 (2) (ch) – NEW

FISCAL SUMMARY		
	2021-22 Request	2022-23 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 FY23, to create a new discretionary grant program to increase the capacity of English Learner (EL) educational programming in schools. Specifically, the grants are intended to increase the number of English Learner- and Bilingual-licensed educators.

Background

State law, under Wis. Stat. sec. 115.97 (2), recognizes the state's obligation to serve all EL students:

> **(2)** It is the policy of this state to provide equal educational opportunities by ensuring that necessary programs are available for limited-English proficient[6] students 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 students in school districts with specified concentrations of limited-English proficient students in the attendance areas of particular schools.

School districts that are not required to establish a BLBC program under current law do not qualify for BLBC state aid, even though they are required to educate all ELs enrolled in the district. According to FY20 data for the 2018-19 school year, there were 312 school districts serving 24,293 ELs—47 percent of EL students in the state—that did not qualify for BLBC aid.

The appropriation for the BLBC aid program has been flat-funded since FY12, while eligible expenditures have increased most years. As a result, the reimbursement rate for eligible expenditures has decreased over time, from 32.2 percent in FY95 to 8.1 percent in FY20. The department is submitting a separate request under DIN 6021 that would ensure that every EL student would be supported by at least $500 in additional funding. The proposed new grant program would be open to all school districts and independent charter schools.

As demonstrated in Table 1, below, the number and proportion of ELs enrolled in independent charter schools has risen from 311 (3.7 percent) in 2013-14 to 1,140 (12.5 percent) in 2019-20. While the number of independent charter schools has remained relatively constant during this period, both the number and the percent of EL students attending these schools have increased about 350 percent.

[6] 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. Number of EL Students in Independent Charter Schools

School Year	Schools	EL Students*	Total Students*	Percent EL
2013-14	23	311	8,376	3.7%
2014-15	23	529	8,830	6.0%
2015-16	24	617	9,243	6.7%
2016-17	22	695	7,902	8.8%
2017-18	23	769	8,184	9.4%
2018-19	26	913	8,877	10.3%
2019-20	25	1,140	9,126	12.5%

*Third Friday of September count.

Proposal – Building Capacity with Bilingual- and ESL-Licensed Educators

The intent of the grant program is to expand the capacity of EL education programs by increasing the number of qualified educators in schools. The state currently has a shortage of bilingual and English as a Second Language (ESL) teachers, and an increasing number of citizens who do not speak English as their first language. According to US Census estimates, Wisconsin has seen the number of people who do not speak English as their primary language increase from 7.3 percent in 2000, to 8.7 percent in 2019, a 19.2 percent increase.

The goal is to encourage school districts to build capacity within each district for ESL and bilingual education teachers by providing districts with the resources to "grow their own" qualified ESL/bilingual education staff. Currently, a student seeking ESL certification at UW—Madison must complete 21 credits of coursework. To acquire the additional bilingual certification, a student must complete the ESL certification, then complete an additional four credits of field work.

This grant enables districts to address ESL/bilingual education teacher shortages in a way that avoids poaching qualified staff from other school districts. Moreover, paying the costs for existing staff to obtain additional training and eventual ESL/bilingual education certification while still employed with the school district allows those paraprofessionals and teachers to avoid a disruption in their employment.

Additionally, this grant encourages 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, for the benefit of ELs enrolled in the district.

Statutory Language

The department is requesting statutory language related to this request.

DECISION ITEM 6025 – SPARSITY AID

255 – Sparsity aid
s. 20.255 (2) (ae)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$27,962,400	$27,983,800
Less Base	$24,813,900	$24,813,900
Requested Change	$3,148,500	$3,169,900

Request

The department requests a total increase of $3,148,500 GPR in FY22 and $3,169,900 in FY23 to fully fund the Sparsity Aid categorical aid program, based on projected membership in eligible school districts. The amount requested reflects the department's proposal to create a second tier of eligibility within the program, to expand eligibility for Sparsity Aid to school districts that have sparse student populations, but that exceed the current law limit on membership (745) for eligibility. Under the department's proposal, districts with a membership of 746 up to 1,000 members and fewer than 10 members per square mile would meet the second tier criteria and would be eligible to receive aid in the amount up to $100 per member.

In addition, the department requests a statutory change to modify the current law Sparsity Aid "stopgap" payment so that a district that loses eligibility for Sparsity Aid because it no longer meets the sparsity criteria (fewer than 10 members per square mile) would be eligible for the stop gap payment, equal to 50 percent of the district's prior year aid payment. Under current law, a school district is eligible for the stopgap payment only if it loses eligibility due to exceeding the membership criteria.

Background

Many of the state's small, rural school districts face a similar set of issues, including 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 also experiencing declining enrollment, which further exacerbates the challenges associated with these issues.

For these small, rural school districts, their relatively large geographic size and distance from neighboring schools, compounded in many districts by declining enrollment, result in relatively larger costs per student just to maintain operations (e.g., for instruction, transportation, administration, and facilities). In addition, some of these school districts with sparser student populations are among the state's lowest wealth districts, in terms of average income; they often have poverty rates higher than the state average, higher total transportation costs, and in some cases, relatively high property value per member, compared to other districts.

In the general school aid formula, a school district's "ability to pay" is measured by the district's equalized property value per member. The higher the district's property value per member, relative to other school districts, the lower the percentage of that school district's shared costs that are reimbursed in the state's general aid formula. As a result, districts that are aided at a lower percent of shared costs must rely more heavily on the local tax levy to maximize revenues, within the framework of state imposed revenue limits. For school districts with sparse student populations, the greater reliance on property taxes within

revenue limits, combined with lower than average median incomes within their communities, makes the prospect of raising property tax revenues outside the revenue limits (i.e., via referendum) to increase resources for school district operations more challenging.

Legislative History

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. However, a scaled-down Sparsity Aid proposal was eventually adopted under 2007 Wisconsin Act 20 (Act 20, the 2007-09 biennial budget).

As initially created under Act 20, eligibility for Sparsity Aid required a school district to meet all of the following criteria:

- membership in the prior year of no more than 725;
- fewer than 10 members per square mile of district attendance area (referred to as "sparsity"); and
- 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 member. In the years that followed, a school district was eligible to receive $300 per member as long as they met the 20 percent FRL threshold, in addition to meeting the membership and sparsity criteria.

The Sparsity Aid program was modified in several ways following the inception of the program, and funding was adjusted in each biennial budget. The Sparsity Aid appropriation was significantly increased under 2009 Wisconsin Act 28 (the 2009-11 biennial budget), from $3,517,100 GPR in FY10 to $14,948,100 GPR in FY11. This allowed the per member payment 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 2011 Wisconsin Act 32 (the 2011-13 biennial budget). While the eligibility for aid remained at $300 per member, the funding reduction resulted in more deeply prorated payments, down to $241 per member in FY12 and $246 per member 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 member payments were further prorated, down to $237 per member in FY14 and $236 per member in FY15.

Under 2015 Wisconsin Act 55 (Act 55, the 2015-17 biennial budget), the FRL criteria for districts to qualify for Sparsity Aid was eliminated. Act 55 also appropriated an additional $4,220,700 GPR in FY16 and FY17 to fully fund estimated payments for the Sparsity Aid program. As a result, Sparsity Aid payments were fully funded (not prorated) for the first time in FY16; aid payments were prorated to 97 percent in FY17.

The program was further modified under 2015 Wisconsin Act 305 (Act 305) to create a second round of aid eligibility determination for school districts that lose eligibility for Sparsity Aid due to membership increases. Act 305 stipulated that if the appropriation were not fully expended after the initial round of eligibility determination, and if there were any districts that lost eligibility due to membership exceeding the 725 member threshold, the department must calculate a second round of aid for the districts that lost eligibility. Of note, this provision did not apply to districts that lost eligibility due to exceeding the sparsity criteria (fewer than 10 members per square mile). In addition, Act 305 increased the membership cap for receiving Sparsity Aid, from 725 to 745, first effective for Sparsity Aid distributed in FY17.

Further changes were made to the Sparsity Aid program in the 2017-2018 legislative session. Under 2017 Wisconsin Act 59 (Act 59, the 2017-19 biennial budget), the aid entitlement created under Act 305 was replaced with a stopgap payment. Under this provision, school districts will receive 50 percent of the Sparsity Aid amount received in the prior year, if the school district no longer meets the membership criteria (now 745 or fewer members). This provision was first effective for aid distributed in FY18. Additionally, Act 59 provides that for school district consolidations that occur on or after July 1, 2019, the consolidating districts will receive no less than 50 percent of the aggregate amount of Sparsity Aid received by the consolidating school districts in the school year prior to the school year in which the consolidation takes effect and in each of the subsequent four school years.

Finally, 2017 Wisconsin Act 141 increased the Sparsity Aid payment for eligible school districts to $400 per member, beginning in FY19. An additional $6,454,600 GPR was committed to the appropriation to fully fund the higher per-member payment amount.

If the appropriation in any fiscal year is insufficient to pay the full amount of aid for regular eligibility, stopgap payments, or consolidation-related payments, the department must prorate the payments among all eligible school districts. 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 Member 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
FY18	$18,496,200	$297	99%	144	62,377
FY19**	$25,213,900	$400	100%	144/2	62,146
FY20	$24,813,900	$400	99%	143	62,156
FY21	$24,813,900	$400	99%	144	62,273

* 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 member; eligible districts whose FRL percentage exceeded 50 percent were eligible for $300 per member.

** Reflects an increase to the appropriation of $6,454,600 GPR under 2017 Wisconsin Act 141. Actual aid payments for FY19 were calculated at $25,071,896. This includes two school districts that received a 50 percent stopgap payment due to membership increases. This was the first time stopgap payments were made since the provision was created in 2017 Wisconsin Act 59.

The recently enacted changes to the stopgap payment do create more stability for school districts that could lose eligibility for Sparsity Aid due to growing membership or district consolidation. However, there is the potential for payments for all entitled districts to be prorated, unless the legislature appropriates additional funding for this categorical aid, as the number of eligible districts increases. In addition, the changes to the Sparsity Aid statute have taken a fairly complicated, shorter term approach to help a few affected districts (i.e., awarding payments to only those districts that lost eligibility due to changes in membership, but not for changes in the sparsity factor), and do not address the larger policy question:

how best to support all districts that struggle with the challenges associated with relatively sparse student populations and large geographic size. The department takes the position that the challenges arising from a sparse student population are of consequence to medium and small districts alike.

Proposal

The department proposes to create a second tier of eligibility, at a lower per-member payment amount. Under the department's proposal, districts that meet the sparsity criteria would be eligible for aid, as long as membership does not exceed 1,000 students. Districts with 745 or fewer members would receive $400 per member, while districts with more than 745 up to 1,000 members (but still "sparse") would receive $100 per member. Because there would be a membership limit change on eligibility for Sparsity Aid, the department requests that the program be modified to provide the stopgap payment (50 percent of the prior year aid payment) to districts that no longer meet either the sparsity criteria or the Tier 2 membership limit (no more than 1,000 members). 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

	FY22	FY23
Current Law - $400/member (Membership ≤745)		
Estimated Cost	$24,930,000	$25,046,800
Eligible Members	62,325	62,617
Eligible Districts	145	147
Additional Tier - $100/member (Membership >745≤1,000)		
Estimated Cost	$3,032,400	$2,937,000
Eligible Members	30,324	29,370
Eligible Districts	36	35
"Stopgap" Eligible Districts	0	1
TOTAL Estimated Cost	$27,962,400	$27,983,800
FY21 Base Appropriation	$24,813,900	$24,813,900
Requested Change to Base	**$3,148,500**	**$3,169,900**

The department projected membership at the district level, using a trend analysis of membership over several years, to predict membership for FY22 and FY23, in order to estimate costs of expanding and fully funding the program. Those projections demonstrate continued growth in the number of school districts eligible for Sparsity Aid, even at the current law criteria for size and sparsity. According to the department's projections, no school district would fall out of eligibility in FY22, and just one school district was projected to fall out of Tier 2 eligibility in FY23, as indicated in the table above. Under the department's proposal, all districts facing the challenges associated with having a sparse student population and operating in a geographically large attendance area will benefit from additional state support, and will experience less drastic changes in Sparsity Aid payments from year to year.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6026 – PUPIL TRANSPORTATION AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$24,000,000	$24,000,000
Less Base	$24,000,000	$24,000,000
Requested Change	$0	$0

Request

The department requests two statutory language changes to the Pupil Transportation Aid program, under Wis. Stat. sec. 121.58. First, increase the amount paid to school districts and independent charter schools for each student it transported over 12 miles to and from the school attended in the regular school year, from $365 to $375. Second, eliminate the requirement that the department prorate aid payments for summer and interim session transportation based on the number of days a student rides the bus.

Background

Under current law, school districts are required to provide transportation services to resident public and private school students enrolled in regular education programs if the student resides more than two miles from the nearest public school they are entitled to attend. State aid is paid to school districts based on the number of students who are transported within mileage categories that are specified in statute. Aid is also paid from this appropriation for any district that must transport students over ice. Annually, $35,000 is allocated from this appropriation to reimburse schools districts for 75 percent of the cost of transporting pupils to and from an island over ice, including costs for equipment maintenance and storage. Just one district in the state (Bayfield) receives this type of transportation aid payment ($21,050 in FY20). Independent charter schools, under Wis. Stat. sec. 118.40 (2r) and (2x) are also eligible to claim aid for students transported (same reimbursement rates apply as for public school districts). In this paper, where appropriate, the term local educational agencies (LEAs) is used to refer collectively to school districts and independent charter schools.

Transportation costs vary widely among school districts, from $20 per student in some districts, to more than $1,935 per student in others. Several factors affect school district transportation expenditures, including labor, maintenance, and insurance costs. Geographically large, rural districts that transport students significant distances tend to have higher costs on a per-student basis, due to the longer bus routes and fewer students transported.

In FY19, the most recent year for which comparative cost information is available, school districts across the state spent $472,007,117 on student transportation (excluding extracurricular events and field trips). Total transportation costs thus account for roughly four percent of all K-12 expenditures in Wisconsin's public school districts. When looking at just school districts' general fund transportation expenditures (i.e., non-special education related transportation), transportation expenditures totaled $382,172,671 in FY19. Total payments to school districts (net of payments to independent charter schools) under the Pupil Transportation Aid program have provided aid amounts equal to approximately 6.28 percent of adjusted general fund transportation expenditures each year, over the past year.

In addition to the Pupil Transportation Aid program, school districts with relatively high transportation costs per student (member) are eligible for High Cost Transportation Aid, as created under 2013 Wisconsin Act 20 (the 2013-15 biennial budget). Currently funded at $13.5 million annually, the High Cost Transportation Aid program provides aid based on eligible expenditures above a statutorily-defined threshold. In FY19, the two transportation aid programs combined provided aid to school districts equal to approximately 10 percent of districts' adjusted general fund transportation costs. For more information about the High Cost Transportation Aid program, see DIN 6027.

Funding and Rate History

Beginning with 2005 Wisconsin Act 25 (Act 25, the 2005-07 biennial budget), the Pupil Transportation Aid program has received attention as the primary mechanism to aid school districts for transportation costs. Prior to Act 25, funding for this aid program had not been increased since FY1991. Act 25 increased the appropriation for this aid program, from $17.7 million in FY05, to $20.7 million in FY06, and then to $27.3 in FY07. Thereafter, the appropriation was held constant until across-the-board budget cuts were implemented in the 2009-11 biennial budget (3.5 percent reduction), and again in the 2011-13 budget (10 percent reduction). By FY13, the appropriation was $23.7 million, and remained at that level until it was increased modestly, to $24.0 million, under 2017 Wisconsin Act 59 (Act 59, the 2017-19 biennial budget) and continued through the 2019-2021 biennial budget.

The reimbursement rates for the various mileage bands has been modified over time as well. As demonstrated in Table 1 below, rate increases have been provided primarily for the highest mileage category, as a way to target the state's resources to support rural school districts facing the challenges of transporting students over significant distances.

Table 1. Pupil Transportation Aid Reimbursement Rates

Mileage Band	FY06	FY07	FY08-FY13	FY14-FY15	FY16-FY17	FY18-FY19	FY19-FY20
School Year							
0-2 miles (hazardous areas)	$12	$15	$15	$15	$15	$15	$15
2-5 miles	$30	$35	$35	$35	$35	$35	$35
5-8 miles	$45	$55	$55	$55	$55	$55	$55
8-12 miles	$82	$110	$110	$110	$110	$110	$110
12 or more miles	$150	$180	$220	$275	$300	$365	$365
Summer/Interim Session	FY06-F17					FY18-FY19	FY19-FY20
2-5 miles	$4					$10	$10
5 or more miles*	$6					$20	N/A
Over 5 up to 8**	N/A					N/A	$20
Over 8 up to 12**							$20
Over 12**							$20

*Mileage band replaced with further breakdowns

**Categories created for FY20 payments

Most recently, Act 59 increased the reimbursement rate for students transported over 12 miles, from $300 to $365 per student, beginning in FY18. Additionally, Act 59 increased the reimbursement rate for students transported to and from summer/interim session – the rates for which had never been increased previously – from $4 to $10 per student (mileage band: two to five miles), and from $6 to $20 per student (mileage band: five or more miles).

Act 59 also eliminated the proration of aid payments for students who ride fewer than 90 days during the regular school year. This change was requested by the department as part of its 2017-19 budget request. The department had also requested to eliminate the proration of summer/interim session payments for students riding fewer than 15 days to and from summer/interim session. While that change was not included in Act 59, the stated intent in the governor's 2017-19 budget proposal was to approve the department's request for changes to the Pupil Transportation Aid program; the omission of the summer/interim session proration change was deemed an oversight. The 2017-19 biennial budget provided an additional $45,000 GPR in FY18 and FY19 to fully fund estimated aid eligibility under this program, bringing the appropriation to its current level of $24,000,000 GPR annually.

During the FY20 school year, 415 of 421 school districts, and seven of 23 independent charter schools, received state aid for transporting 448,381 public school students and 27,587 private school students. For FY19, the appropriation exceeded the amount of approved claims paid in full in January 2019. Table 2, below, shows the ridership and current law payments for each mileage band.

Table 2. FY20 Pupil Transportation Aid (Based on FY19 Ridership)

Period of Transportation	Distance To School	Public Pupils Transported	Non-Public Pupils Transported	Total Pupils Transported	Aid Per Pupil	Total Aid Eligibility
Regular School Year						
Over 90 days	0 to 2 miles (hazardous)	100,023	3,690	103,713	$15	$1,555,695
Over 90 days	Over 2 to 5 miles	176,916	13,013	189,929	$35	$6,647,515
Over 90 days	Over 5 to 8 miles	74,071	6,813	80,884	$55	$4,448,620
Over 90 days	Over 8 to 12 miles	33,202	3,075	36,277	$110	$3,990,470
Over 90 days	Over 12 miles	12,505	945	13,450	$365	$4,909,250
Totals - Regular School Year		**396,717**	**27,536**	**424,253**		**$21,551,550**
Vocational						
Over 90 days	Over 2 to 5 miles	333	3	336	$35	$11,760
Over 90 days	Over 5 to 8 miles	121	2	123	$55	$6,765
Over 90 days	Over 8 to 12 miles	73	1	74	$110	$8,140
Over 90 days	Over 12 miles	46	10	56	$365	$20,440
Totals - Summer School		**573**	**16**	**589**		**$47,105**
Summer School						
1-15 days	2 to 5 miles	6,777	26	6,803	$5.00	$34,015
1-15 days	Over 5 miles	9,861	52	9,913	$10.00	$99,130
Over 15 days	2 to 5 miles	12,700	34	12,734	$10.00	$127,340
Over 15 days	Over 5 miles	11,056	81	11,137	$20.00	$222,740
Totals - Summer School		**40,394**	**193**	**40,587**		**$483,225**
TOTALS		**437,684**	**27,745**	**465,429**		**$22,081,880**

Proration of Transportation Aid

Under prior law, the department was required to prorate transportation aid payments for students who rode 90 or fewer days in a school year, and 15 or fewer days during summer/interim session. In its 2017-19 budget request, the department requested the elimination of the requirement to prorate aid payments, arguing that school districts and charter schools have to establish routes at the beginning of a school year (or summer/interim session), assuming full ridership for the whole period of time. The

districts' costs of running buses along established routes every day is the same whether some students ride the bus for the entire, or for less than half of, the school year or of the summer or interim session.

While Act 59 eliminated the propration of aid payments for the school year, the bill did not eliminate the proration for summer/interim session transportation aid payments (this omission was deemed an oversight). For summer/interim session transportation aid, the department currently prorates payments (to half of the statutory rate for each mileage band) for students riding 15 or fewer days, to comply with state law. The department again requests the elimination of the requirement to prorate transportation aid payments for summer/interim session. This change would alleviate the administrative burden on LEAs associated with reporting ridership during the summer/interim session (i.e., students riding 15 or fewer days and students riding more than 15 days), and would recognize the full actual costs to school districts associated with transporting students, consistent with the treatment of transportation aid for the regular school year.

Full Distribution of Transportation Aid Appropriation

The appropriation for Pupil Transportation Aid is an annual appropriation, meaning that uncommitted amounts lapse to the state's general fund at the close of each fiscal year. The lapse requirement applies to the Pupil Transportation Aid appropriation; however, 2011 Wisconsin Act 105 modified the statute to require the department to distribute all funds appropriated under Wis. Stat. sec. 20.255 (2) (cr). This means that if the approved claims for transportation aid for all LEAs is less than the amount appropriated, the department must distribute the remaining amount on a proportional basis, per Wis. Stat. sec. 121.58 (6) (b).

Since FY11, when this statutory provision became effective, the state appropriation has been sufficient to pay all transportation aid claims in full. Thus, the department has provided a second round of transportation aid to school districts in each year since FY11 (initial aid payments occur in January and the second round payment occurs in June). For aid payments in FY20, the amount that was distributed in the second round was $1,145,955 (4.77 percent of the transportation aid appropriation).

Proposal

The department proposes to modify the Pupil Transportation Aid program so as to increase the reimbursement rate for students transported 12 or more miles, from $365 to $375 per student. The department also proposes eliminating the proration of aid payments for the summer/interim session, such that one rate would be paid for each student transported, regardless of the number of days transported during the summer/interim session.

The department projects that if the proposed changes were enacted, it is likely that the appropriation would be fully distributed in one round of aid eligibility determination. School districts would receive their full (or nearly) aid payment in January, rather than waiting until June for a second round payment.

Increasing the rate for students who are transported 12 or more miles will provide additional aid to geographically large, rural districts, which incur some of the highest per-student transportation costs in the state. Increasing the summer/interim session rates will benefit those districts that transport students for the summer/interim session, and may incentivize more school districts to provide transportation for students attending summer/interim sessions.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6027 – HIGH COST TRANSPORTATION AID

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$15,500,000	$15,500,000
Less Base	$13,500,000	$13,500,000
Requested Change	$2,000,000	$2,000,000

Request

The department requests an increase of $2,000,000 GPR in FY22 and $2,000,000 GPR FY23 to increase the reimbursement rate for the High Cost Transportation Aid categorical aid program from 91.1 percent (FY21) to 100 percent of eligible expenditures. The department also requests a change to statutory language to remove the dollar limit on the "stopgap" payments for this aid program, under which school districts that have lost eligibility for aid receive an aid payment equal to 50 percent of its prior year aid award (prorated, if necessary). The amount required to fully fund all stopgap payments is included in the request. A statutory change will be required to eliminate the dollar limit on stopgap payments.

Background

The High Cost Transportation Aid program was created under 2013 Act 20 (Act 20, the 2013-15 biennial budget) to provide additional transportation aid to school districts with relatively high per-student (member) transportation expenditures. As created by Act 20, a school district is eligible for aid if the district's transportation expenditures per member exceed 150 percent of the statewide average transportation expenditures per member, based on audited information from the prior fiscal year. District transportation expenditures above the eligibility threshold are eligible for aid. If the appropriation is insufficient to pay the full amount, aid payments are prorated. For purposes of determining eligibility for High Cost Transportation Aid only the "regular" transportation expenditures from a district's general fund are included in the calculation of transportation expenditures per member (i.e., transportation expenditures supported by federal or state special education categorical aids are excluded).

The High Cost Transportation Aid program is intended to provide additional aid to districts that cannot achieve economies of scale due to low student population density and larger geographic area. These districts must transport students longer distances and have fewer students for whom they receive state aids; thus, their transportation program are, by virtue of their size and area, less efficient than more densely 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.

Funding and Aid Proration History

Act 20 appropriated $5,000,000 GPR in FY14 and in FY15 for High Cost Transportation Aid, providing reimbursement to 128 eligible school districts. As of FY15, the appropriation was sufficient to reimburse 32.5 percent of eligible expenditures.
The legislature added $2,500,000 GPR in both FY16 and FY17 under 2015 Act 55 (Act 55, the 2015-17 biennial budget). This increase was intended to increase the reimbursement rate to 50 percent of eligible

expenditures. Act 55 also added a new eligibility requirement for the program, under which only those districts with a student population density of 50 students per square mile or less are eligible to receive the aid. Aid was prorated at 60.4 percent in FY16 and 51.6 percent in FY17.

Under 2017 Act 59 (Act 59, the 2017-19 biennial budget), the appropriation was increased by $5,000,000 GPR in both FY18 and FY19 to fully fund estimated aid eligibility in the 2017-19 biennium, as requested by the department. The department's request to add $200,000 GPR to the appropriation in FY18 and FY19 to pay for the proposed stopgap payment was also approved. The stopgap payment provides a one-year aid payment equal to 50 percent of a district's prior year aid payment if the district has lost eligibility for High Cost Transportation Aid. As enacted in Act 59, the $200,000 amount that the department identified as the estimated cost of stopgap payments was created as a cap on stopgap payments; thus, under current law, the sum of all stopgap payments cannot exceed $200,000 (i.e., stopgap payments are subject to proration). The legislature further modified this program under Act 59, by lowering the eligibility threshold from 150 percent to 145 percent of the statewide average transportation expenditures per member.

While the department's request to fully fund eligible costs was approved under 2017 Act 59, aid eligibility was greater than the estimates that were the basis of that request. The reimbursement rate for High Cost Transportation Aid in FY18 was 84.9 percent, and can be attributed in part to the change in the eligibility threshold, from 145 percent to 150 percent of statewide eligible costs per member. First, this change extended eligibility to four new school districts: Big Foot UHS, Loyal, Melrose-Mindoro, and Westby Area; and second, lowering the eligibility threshold also resulted in currently eligible school districts receiving aid on a greater share of aidable costs. Finally, while $200,000 was added to fund the stopgap payments, that amount is not sufficient to fully fund school districts that qualified for the stopgap payment. The 22 school districts that qualified for stopgap aid in FY20 received only 36.5% of what they would have otherwise been entitled, absent the $200,000 limitation on stopgap payments and insufficient funding.

Table 1. High Cost Transportation Aid History and Estimates (Funding and Aid Payments)

Regular Aid						Stop Gap Aid			
Fiscal Year (Aid Paid)	Eligibility Threshold (% of SW average)	Eligible Districts	Total Eligible (Aidable) Prior Year Costs	Appropriation	Aid Proration	Stop Gap Eligible Districts	Maximum Aid (50% of Prior Year)	Stop Gap Allotted	Stop Gap Aid Proration **
FY14	150%	128	$ 14,843,704	$ 5,000,000	33.7%	n/a	n/a	n/a	n/a
FY15	150%	135	15,598,287	5,000,000	32.1%	n/a	n/a	n/a	n/a
FY16*	150%	128	12,422,117	7,500,000	60.4%	n/a	n/a	n/a	n/a
FY17	150%	123	14,529,262	7,500,000	51.6%	n/a	n/a	n/a	n/a
FY18**	145%	126	14,731,973	12,700,000	84.9%	13	$ 389,607	$ 200,000	51.3%
FY19	145%	139	17,571,931	12,700,000	71.1%	15	347,580	200,000	57.6%
FY20	145%	136	16,779,075	13,500,000	79.3%	22	548,513	200,000	36.5%
FY21 – est.	145%	147	**14,600,000**	13,500,000	91.1%	16	600,000	200,000	33.3%
FY22 – est.* **	**145%**	**~150**	**15,000,000**	**13,500,000**	**90.0%**	**~15**	**400,000**	**200,000**	**50.0%**
FY23 – est.* **	**145%**	**~150**	**15,000,000**	**13,500,000**	**90.0%**	**~15**	**400,000**	**200,000**	**50.0%**

* FY16 was the first year for which the student density factor (50 or fewer members per square mile) was in effect.

**FY18 was the first year for which the stopgap payment (50% of prior year's aid payment for districts that lost eligibility) was in effect. There were 13 districts eligible for a stopgap payment; they received a total of $200,000 in aid (with $389,607 in eligibility, aid was prorated at 51.3%).

As indicated in Table 1, above, eligible expenditures for High Cost Transportation Aid program have not followed a discernable trend. As such, it is difficult to estimate the projected cost to the state of funding High Cost Transportation Aid at 100 percent of eligible transportation expenditures and to fully fund total "stopgap" payments at 50 percent of eligible districts' prior year aid award.

The department assumes that eligible expenditures for this aid program will remain relatively constant in its estimates for FY22 and FY23: annually, $15,000,000 in aidable expenditures for eligible school districts and up to $500,000 in stop gap payments for districts that lose eligibility. Thus, a request of $2,000,000 GPR annually above the current base funding level would be required to cover 100 percent of aidable costs, including stopgap payments. Should the appropriation not be fully expended, the unexpended funds would lapse to the state's general fund at the end of each fiscal year (i.e., current law does not permit distribution of remaining funds, as it does for the Pupil Transportation Aid program).

Proposal

The department requests $2,000,000 GPR in FY22 and $2,000,000 GPR in FY23, to fully fund the projected aid eligibility for the High Cost Transportation aid program. In order to fully fund stopgap payments, a statutory change will be required to eliminated the current law dollar limit on total stopgap payments ($200,000). With the elimination of the dollar limit on stopgap payments, the aid payments for all districts would be prorated at the same rate. This is similar to how current law addresses propration of Sparsity Aid, which also has a stopgap provision for districts that lose eligibility for aid under that program.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6028 –TRANSPORTATION AID FOR OPEN ENROLLMENT AND EARLY COLLEGE CREDIT PROGRAMS

271 – Aid for transportation; open enrollment [and early college credit program]
s. 20.255 (2) (cy)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$2,219,800	$2,447,200
Less Base	$454,200	$454,200
Requested Change	$1,765,600	$1,993,000

272 – Aid for transportation; early college credit program
s. 20.255 (2) (cz) – New

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$10,000	$10,000
Less Base	$0	$0
Requested Change	$10,000	$10,000

Request

The department requests $1,765,600 GPR in FY22 and $1,993,000 GPR in FY23 to fully fund the appropriation for transportation aid for students enrolled in a nonresident school district under the public school Open Enrollment (OE) program. The department also requests $10,000 GPR in FY22 and $10,000 GPR in FY23 for transportation aid payments for students participating in the Early College Credit Program (ECCP). The department further requests a statutory language change to create two separate appropriations for these programs, to facilitate administration of the aid programs.

Background

The appropriation under Wis. Stat. sec. 20.255 (2) (cy) provides aid payments to reimburse parents directly for costs associated with transporting their child (or children) to school, for students participating in OE and/or the ECCP. Under the OE transportation aid statute [Wis. Stat. sec. 118.51 (14) (b)], the parent of a student who satisfies the income eligibility criteria for a free or reduced-price lunch (FRL) under 42 USC 1758 (b) (1) and who will be attending public school in a nonresident school district in the following school year under OE, may apply to the department for the reimbursement of costs incurred for the transportation of the student to and from their residence and the school that they will be attending. The reimbursement amount may not exceed the lesser of the actual transportation costs incurred by the parent or three times the statewide average transportation cost per student.

Prior to July 1, 2018, there was also an appropriation, under Wis. Stat. sec. 20.255 (2) (cw), which provided reimbursement of transportation costs incurred to enroll in an institution of higher education (IHE) as part of the former Youth Options program [prior law, under Wis. Stat. sec. 118.55 (7g)]. That

statute required the department to give preference to students who satisfied the FRL income eligibility criteria.

Under 2017 Wisconsin Act 59 (Act 59, the 2017-19 biennial budget), the ECCP was created to provide high school students in public and private high schools the opportunity to enroll in courses offered by an IHE and to receive high school and/or college credit for that course. The ECCP replaced the Youth Options program. As part of the change to the ECCP, Act 59 also consolidated the two separate appropriations for transportation aid for OE and Youth Options, and renamed the appropriation to reflect the new ECCP, effective July 1, 2018. The consolidated appropriation provided $454,200 GPR annually, including $20,000 to reflect the funding level for the former Youth Options transportation aid appropriation, and the remainder from the FY17 base for OE transportation aid.

Table 1. Open Enrollment Transportation Reimbursement Claim History and Estimates

Year	Total of Approved Eligible Claims	% Change in Eligible Claims	Total Approp.	Proration Rate	Families Submitting Claims	% Change in # of Families	Average Approved Claims	Average Claim Payment	% Change in Claim Payment
FY09	$1,011,911		$500,000	49%	840		$1,205	$595	
FY10	$1,475,946	46%	$482,500	33%	1,107	32%	$1,333	$436	-27%
FY11	$1,334,325	-10%	$482,500	36%	914	-17%	$1,460	$528	21%
FY12	$1,378,413	3%	$434,200	32%	796	-13%	$1,732	$545	3%
FY13	$1,418,444	3%	$434,200	31%	842	6%	$1,685	$516	-5%
FY14	$1,571,822	11%	$434,200	28%	924	10%	$1,701	$470	-9%
FY15	$1,757,184	12%	$434,200	25%	1,094	18%	$1,606	$397	-16%
FY16	$2,163,992	23%	$434,200	20%	1,296	18%	$1,670	$335	-16%
FY17	$2,047,958	-5%	$434,200	21%	1,237	-5%	$1,656	$351	5%
FY18	$2,433,560	19%	$454,200	19%	1,537	24%	$1,583	$296	-16%
FY19	$2,189,065	-10%	$454,200	21%	1,324	-14%	$1,653	$343	16%
FY20*	$1,824,927	-17%	$454,200	25%	1,313	-1%	$1,390	$346	1%
FY21 (est.)	$2,013,340	10%	$454,200	23%	1,379	5%	$1,460	$329	-5%
FY22 (est.)	$2,219,784	10%	$454,201	21%	1,448	5%	$1,533	$314	-5%
FY23 (est.)	$2,447,200	10%	$454,202	19%	1,520	5%	$1,610	$299	-5%

*FY20 data includes OE and ECCP transportation aid; program staff indicate that there was one claim for ECCP transportation aid in FY20.

As indicated in Table 1., the program has never been able to fully fund approved eligible claims. Proration rates have dropped from approximately 50 percent to approximately 25 percent in FY20. The proration rate is projected to further drop below 20 percent in FY23, if the appropriation is not increased. Low payout rates may be detering families from applying or even enrolling in OE, as the burden of transportation costs on families is not significantly lessened due to the decreasing average claim payment.

Proposal

The department requests full funding of transportation aid for students participating in OE and/or ECCP, with an increase of $1,765,600 GPR in FY22 and $1,993,000 GPR in FY23 for OE transportation aid, and $10,000 GPR annually for ECCP transportation aid. The department further requests to separate the appropriation language for these two programs,

There are some practical concerns with administering the two distinct transportation aid programs for OE and ECCP from a single appropriation. The payments to parents are made under different timelines: OE transportation aid payments are provided on an annual basis, while ECCP transportation aid should be provided on a semester basis (as it was under the former Youth Options program). In addition, aid is

calculated with different eligibility requirements: pupils meeting the income criteria for FRL eligibility are given priority for aid under the ECCP transportation aid statute, but under the OE transportation aid statute, aid is available only for those students who meet the FRL eligibility criteria. The result of this nonalignment between the two programs is that the department has to force the ECCP transportation aid program to work within the parameters of the OE transportationa aid program: reimbursing claims at one time after a school year concludes (rather than on a semester basis), effectively forcing a proration of the ECCP transportation aid claims along with the OE transportation aid claims.

For these reasons, the department proposes to separate the single appropriation governing transportation aid for students participating in OE and/or the ECCP, into two distinct appropriations at the amounts indicated at the beginning of this DIN. This change would revert to the structure that was in place prior to the ECCP, and would facilitate the efficient administration of both aid programs.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6029 – OUT-OF-SCHOOL TIME PROGRAMS GRANT

283 – Grants for out-of-school time programs
s. 20.255 (2) (dk) – NEW

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$0	$20,000,000
Less Base	$0	$0
Requested Change	$0	$20,000,000

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding Requested Position	$73,700 +1.0 FTE	$97,700 +1.0 FTE

Request

The department requests $20,000,000 GPR annually, beginning in FY23, for a new program to support out-of-school time programs. The department also requests authority for a 1.0 FTE GPR permanent position, beginning in FY22, to support the implementation of the proposed out-of-school time grant program. Funding for the position is also requested, at $73,700 GPR in FY22 (9 months) and $97,700 GPR in FY23.

Background

According to the Afterschool Alliance, decades of research show that out-of-school time (OST) programs help kids learn, grow, and avoid risky behaviors. The department uses the term out-of school time instead of afterschool because OST is more encompassing; in addition to time after the school day concludes, it includes time before school and during periods when schools are not in session.

OST programs spark interest in learning so students attend school more often, get better grades, and improve their behavior in class. Through new learning experiences, young people discover what they love to do and gain the skills that will serve them academically and emotionally. They also build essential skills, such as perseverance and critical thinking, which help prepare them for participating actively in their communtities and in the workforce following their K-12 education.

Per the Afterschool Alliance (March 2020), there are numerous benefits to students associated with attending OST programs:

- Academic improvements:
    - roughly 50 percent improve their math and reading grades;
    - nearly 60 percent improve their behavior in class; and
    - around 65 percent improve their homework completion and class participation.

- More than 70 percent in OST programs focused on Science, Technology, Engineering, and Mathematics (STEM) activities express more interest in, and knowledge about, related careers.
- Three-fourths of Wisconsin parents believe OST programs reduce the likelihood that kids will engage in risky behaviors.
- Two-thirds (67 percent) of Wisconsin parents agree that OST programs give students access to caring adults and mentors.

An evaluation of high-quality OST programs[7] found that regular participation in high-quality OST programs by low-income youth resulted in significant gains in math test scores and work habits and reductions in behavioral problems. The Study of Promising Afterschool Programs, a study of about 3,000 low-income, ethnically-diverse elementary and middle school students, found that those who regularly attended high-quality programs over two years demonstrated gains of up to 20 percentiles and 12 percentiles, respectively, in standardized math test scores, compared to their peers who were routinely unsupervised during OST hours.

OST programs also provide a solid return on investment. According to the Afterschool Alliance, research shows that every one dollar invested in OST programs saves at least three dollars by increasing kids' learning potential, improving kids' performance at school, and reducing crime and juvenile delinquency.

The Afterschool Alliance has reported that demand for OST programs is so great that two out of every three applications cannot be funded. According to the Afterschool Alliance, throughout the country, there are 10.2 million students enrolled in 21st Century Community Learning Center OST programs and 19.4 million that would participate if a program were available.

21st Century Community Learning Centers

The only dedicated source of support for local communities' OST programs comes from the 21st Century Community Learning Center (21st CCLC) federal grant, governed by Title IV, Part B, of the Every Student Succeeds Act (ESSA). The purpose of the 21st CCLC program is to create community learning centers that provide students with academic enrichment opportunities, as well as additional activities designed to complement their regular academic program. Community learning centers must also offer literacy and related educational development to the families of students served by the program.

The community learning centers can be located in elementary or secondary schools, or other similarly accessible facilities; they provide a range of high-quality services to support student learning and development, including tutoring and mentoring, homework help, academic enrichment (such as hands-on science or technology programs), community service opportunities, as well as music, arts, sports, and cultural activities. At the same time, centers help working parents by providing a safe environment for students when school is not in session.

The 21st CCLC funds support centers that primarily serve students from schools that have at least 40 percent of their students who qualify for free and reduced-price lunch (FRL), although other sources of objective data in addition to FRL count may be used to establish eligibility. In addition, eligible applicants proposing to primarily serve students from schools with significant academic deficiencies will receive priority for grant awards.

[7] *Outcomes Linked to High-Quality Afterschool Programs: Longitudinal Findings from the Study of Promising Afterschool Programs* at: https://files.eric.ed.gov/fulltext/ED499113.pdf.

OST Programs in Wisconsin

Over 121,000 Wisconsin students participate in out-of-school time programs; the majority of these students are eligible for FRL. Currently in Wisconsin, these OST programs are funded through a mix of federal 21st CCLC startup grants, local funds, and philanthropic dollars, as well as Wisconsin Shares (the public child care subsidy program), for programs that are structured as child care centers. However, the amount of available federal funding and philanthropic dollars is inadequate to support programming in many places throughout the state, leaving a substantial amount of unmet need.

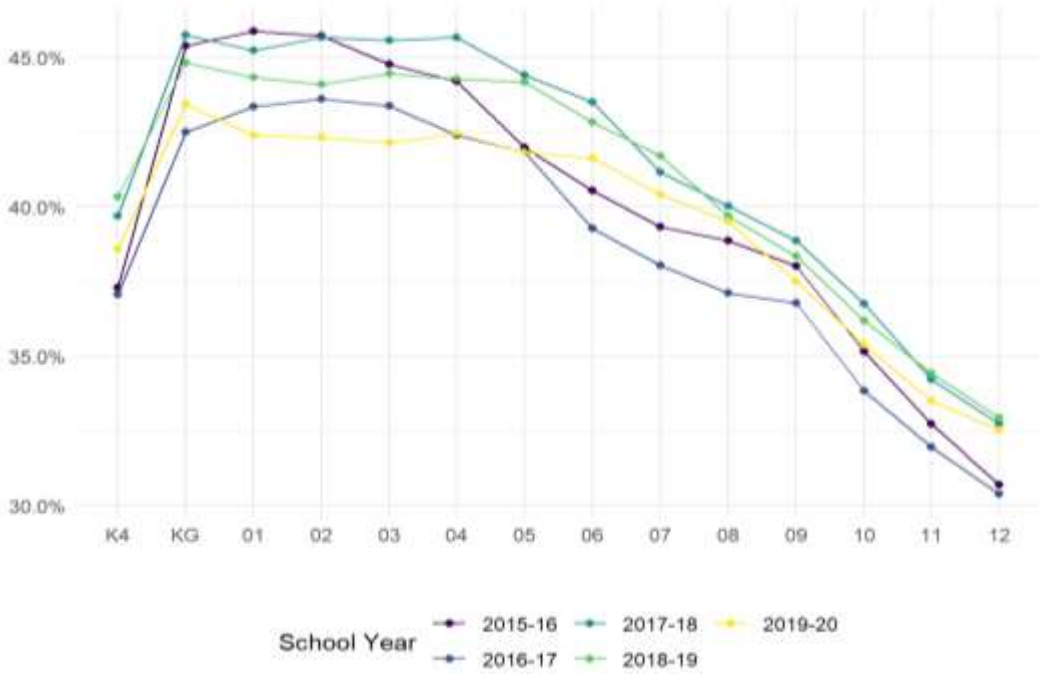
In the most recent 21st CCLC grant competiton for the 2019-20 school year, 135 21st CCLCs requested over $16 million, but only $4.12 million was available. The funds supported just 35 new sites, joining the 97 sites already receiving the five-year grants; that is, roughly one-quarter of demand could be met with 21st CCLC resources. Consequently, many existing, high-quality programs that previously received funding are without federal grant support. There were 24 programs funded in 2018-19 that were not awarded a grant in the 2019-20 cycle. Additionally, while a few new sites were awarded funds, the demand for expansion greatly exceeds capacity and competes with the need for ongoing, sustainable funding. This cycle of lost and limited funding has been problematic for more than a decade.

The vast majority of 21st CCLC funding in Wisconsin—some 80 percent—is used at the elementary school level, in part due to increased demand for OST programming for younger students, but also because middle and high school programs have difficulty meeting the 40 percent FRL threshold for 21st CCLC eligibility. FRL is the major source of data for determining students' status as economically disadvantaged (ED).

Enrollment figures show that the fraction of economically disadvantaged students begins to drop off during the middle grades and then drops of sharply between grades nine and 12 (see Figure 1, below). The overall level of ED shifts a few percentage points over time, but the pattern is remarkably stable.

The origins of this pattern are unknown at present but may include social stigma among teenage students regarding ED status or reduced economic stress as older siblings leave the household or parents return to the workforce. Additionally, parents might earn higher wages over time or finish a college degree, thus improving their earning potential. The consistent pattern is not definitive but strongly suggests that the declining ED rate is not caused by broader economic forces or compositional differences between older and younger cohorts of students.

Figure 1. Statewide Percentage of Economically Disadvantaged Students by Grade

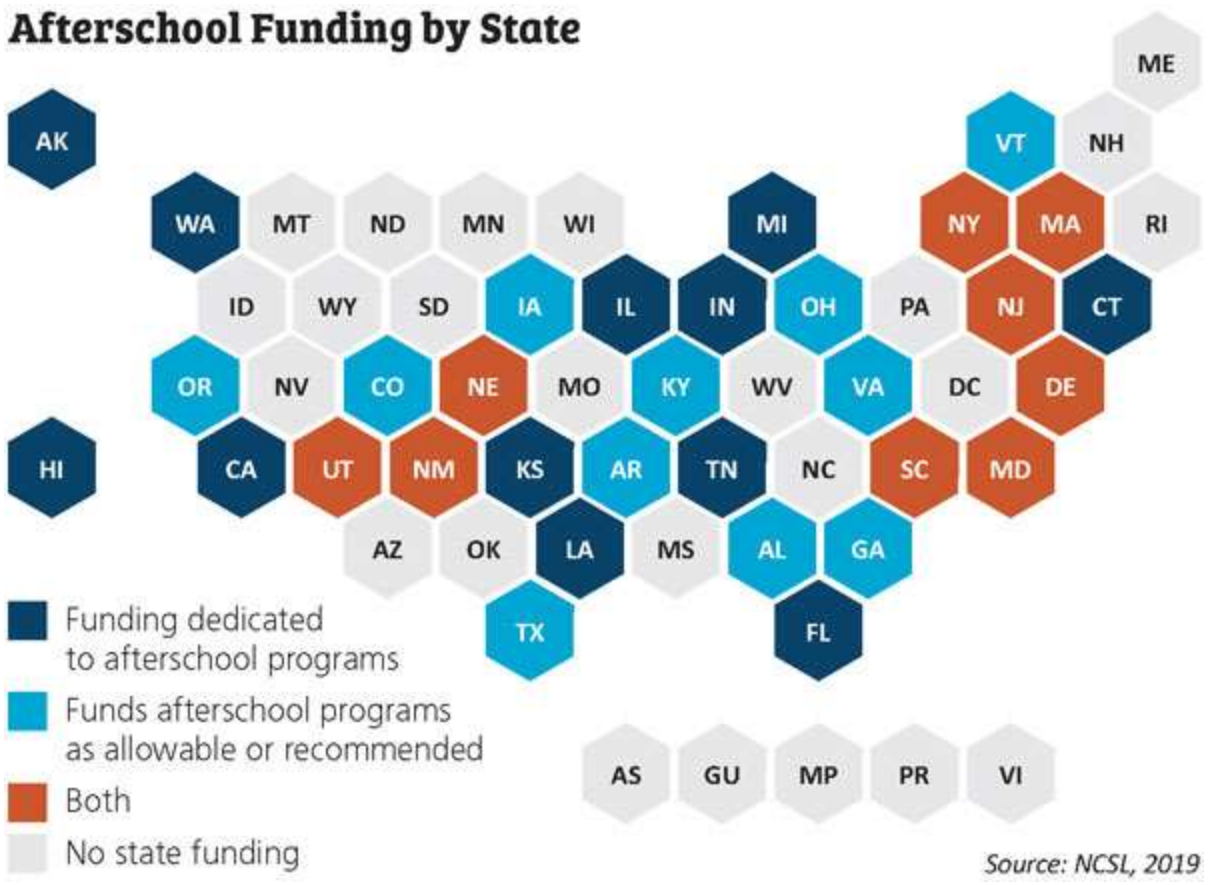


State Support for OST Programs in Other States

According to an August 2019 report from the National Conference of State Legislatures (NCSL), the 21st Century Community Learning Centers Program constitutes the only dedicated federal funding stream for OST programs. Even though nearly a quarter (24 percent) of children in OST programs live in impoverished communities, federal funds cover only 11 percent of program costs. Thus, the burden of sustaining such programs falls on state budgets, communities, and parents. Furthermore, the Administration's proposed FY21 federal budget eliminates all funding for 21st CCLC programs.

Less than half of states—just 21—allocate dedicated funds to out-of-school time programs. A further 11 states fund initiatives that include OST programs as an allowable use. Alternative state funds are also employed to fund OST programming: some grant programs receive a portion of state lottery profits, while others receive funds from state departments of education or social services (NCSL, August 2019). The map in Figure 2 shows which states dedicate funding to OST programs and which states allow or recommend OST program funding.

Figure 2. State Funding Levels for Afterschool Programs (2019)



According to a December 2019 report from the National Conference of State Legislatures, in 2019 more than half—at least 27—states funded OST programs through budget actions, either distributing funding directly (e.g., as grants or dedicated line items) or in more expansive initiatives in which OST programs are required, recommended, or allowed. These investments totaled almost $1.7 billion. Many states are investing in key policy areas such as supporting at-risk youth, creating a council/task force, utilizing data, and addressing underrepresentation in STEM fields (NCSL, August 2019).

Some recent funding highlights include:

- New York provided $55 million in FY20 to directly fund the Empire After School Program. The current budget provides both continuation funding for existing grantees and funding for a new cohort of program participants.

- During the 2019-20 school year, New Mexico distributed an estimated $62.5 million to school districts enrolled in an extended learning program that, in part, requires districts to provide afterschool programming.

- Ohio funded a new student wellness and success initiative, under which school districts may provide services to students' OST and when school is not in session. Fund distribution is calculated on a per-pupil basis incorporating poverty classification, and expenditures were expected to total $275 million in the 2019-20 school year. Oregon likewise funded a broad initiative in schools.

- South Carolina allocated $1.5 million from lottery revenue to an after school pilot program, and Missouri transferred $3 million to OST programs. In FY18, Tennessee provided $15.2 million for afterschool programs from unclaimed lottery prize money (NCSL, December 2019).

Proposal

To address the significant unmet need for out-of-school time programming, the department is requesting $20,000,000 GPR, beginning in FY23, to create a state-funded program to provide ongoing support to OST programs. The department requests that the OST program be funded with a continuing appropriation, as nascent OST programs often have carryover.

As the primary goal will be to create OST programs that support middle and high school students, there will be flexibility for establishing eligibility criteria, particularly with respect to the economic status of middle and high school students served (i.e., criteria other than free and reduced-price lunch eligibility). However, at least 30 percent of funding each year will be reserved for OST programs that serve elementary school students.

Individual grants will range from $80,000 to $145,000 per year and will last for five years, to align with the federal 21st CCLC grants. Providing grants on a cycle of less than five years would significantly increase the workload for program staff and diminish the benefits obtainable by grantees. Principally, both the department and applicants would need to devote to the application process precious resources that would be far better spent directly on students.

The funding model for elementary school OST programs would mirror the tiered funding model used for the 21st CCLC, where applicants are eligible to apply for funding based on the amount needed to operate the proposed program **and** must serve the projected minimum average daily attendance (ADA) associated with the selected funding tier. Due to the need for flexibility in upper grades, an ADA model is not recommended for middle and high school sites.

The department intends to fund OST programs for middle and high school students in one of two ways:

1. Tiered model: funding is contingent on the number of students served 60 days or more per school year; grant recipients can adjust their funding requests based on their annual reports.
2. Per-pupil award model: offering schools more flexibility, this model involves a funding floor and ceiling, and grant recipients would need to serve a minimum number of students to receive funds.

Data Collection

The department would conduct a robust data collection as part of the OST grant program, gathering information from program sites to track progress toward achieving desired outcomes. The department has identified six goals for the proposed OST grant program:

1. Program participants will report a sense of connection to school and their place in it.
2. Program participants will demonstrate improved academic outcomes, including homework completion, grades, and study behaviors.
3. Program participants will graduate college and career ready.
4. Program participants will have access to a safe and welcoming environment during out-of-school time hours and will report lower rates of participation in risky behaviors.
5. Program participants will exhibit improved social and emotional skills and have opportunities to demonstrate leadership.
6. Program participants will have access to experiences and opportunities that contribute to the development of the whole child, such as civic engagement and community service.

The OST grant program will also have two overarching goals at the state level. First, the program will enhance collaboration and reinforce state-level connections and horizontal alignment between teams at the department. These teams include Student Services Prevention/Wellness (SSPW), Career and Technical Education (CTE), Wisconsin Child Nutrition Programs, Wisconsin Educational Opportunity Programs (WEOP), and Teaching and Learning. These diverse teams will leverage their communal expertise to provide technical assistance, guidance, and professional development for OST program staff across the state.

Second, the program will foster collaboration and solidify vertical alignment with external stakeholders and key partners in the OST field, such as the Wisconsin Afterschool Network, community-based organizations, and other state agencies. Partners will rely on technical proficiency and resources to inform OST policies, supports, and resources for programs. They will likewise provide insight into professional development and funding needs.

Operational Support for the OST Grant Program

The department also requests authority for a 1.0 FTE GPR permanent position, beginning in FY22, to support the implementation of the OST grant program. The funding for the position, an Education Consultant, is also requested, at $73,700 GPR in FY22 and $97,700 GPR in FY23. While the grants will not be distributed until FY23, the Education Consultant will need sufficient time during FY22 to implement the new OST grant program, including creation of the grant application and administrative processes. Thus, the department requests the new position authority in FY22 and budget authority for nine months of FY22. For comparison, the department employs 3.0 FTE to oversee the $15 million federal 21st CCLC grant for data collection, risk assessment, compliance, etc.

The department intends to reallocate an estimated $1.35 million GPR from the four-year-old kindergarten startup grants appropriation to offset the request for the new OST grant program (see DIN 6034).

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6030 – DRIVER EDUCATION AID

278 – Driver education aid
s. 20.255 (2) (cv) – NEW

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$0	$5,800,000
Less Base	$0	$0
Requested Change	$0	$5,800,000

Request

The department requests an increase of $5,800,000 GPR beginning in FY23 to create a new categorical aid program to offset the costs of providing driver education (DE) instruction. Under the new aid program, school districts, independent charter schools, and Cooperative Educational Services Agencies (CESAs), as well as private drivers education providers (collectively, DE providers), would be eligible to receive state aid based on the number of economically disadvantaged students who, in the prior school year, have completed a department-approved driver education course of instruction, including both in-classroom and behind the wheel (BTW) instruction.

For each qualified student, the DE providers would be eligible to receive state aid to offset the costs of providing in-classroom and BTW instruction. In order for a DE provider to count a student for purposes of the proposed new aid program, the student must meet the criteria for a free or reduced-price lunch (i.e., FRL-eligible), and the DE provider would have to demonstrate to the department that the fee normally charged to students for DE instruction was completely waived for the qualified student. The funds would be appropriated in a new sum-sufficient appropriation to ensure that the full cost of the DE instruction is covered by the state aid payments, thereby encouraging DE providers to serve qualified students.

Background

Wisconsin requires the satisfactory completion of a DE course of instruction, including in-classroom and BTW instruction, for persons under 18 years of age electing to be licensed after the age of 16. For many (if not most) students of this age, having access to the required DE course and BTW instruction within the school they attend is the most convenient way to prepare for obtaining their driver's license. For many students, it may be the only practical way to access that necessary instruction; this may be particularly true for students in very rural school districts, and students from economically disadvantaged families.

Prior to FY05, the state provided aid to school districts operating high school grades, County Children with Disabilities Education Boards (CCDEBs) that provide the substantial equivalent of a high school education, and technical college districts, to "promote a uniformly effective driver education program among high school and technical college students". From FY98 through FY04, the driver education aid program paid school districts up to $100 for each high school student who successfully completed the in-classroom and BTW phases of a department-approved DE course of instruction. The program and its funding was eliminated, effective in FY05, under 2003 Wisconsin Act 33 (the 2003-05 biennial budget).

While current law, under Wis. Stat. sec. 121.41, authorizes school boards and technical colleges to establish and collect reasonable fees for any DE program, or part of a program which is neither required for nor credited toward graduation, there is currently no state aid dedicated to assist school districts (or

technical colleges) with the costs of providing DE instruction. School boards and technical colleges are permitted to waive any fee established for the DE instruction for any indigent pupil.

Prior Law Driver Education State Aid

The prior law driver education aid program was supported by a GPR, annual (sum certain) appropriation (see Table 1, below, for appropriations). During the seven-year period between FY98 through FY04, the amount expended from the prior law program varied each year, with a high of $4,124,900 being paid in FY99, to a low of $3,418,000 paid in FY04, the last year of the aid program's operation.

Table 1. Appropriation and Expenditure History for Drivers Education Aid

	Appropriation	Expenditures*	Unused (Lapse)
FY98	$4,498,400	$4,051,300	$447,100
FY99	$4,493,700	$4,124,900	$368,800
FY00	$4,493,700	$4,101,100	$392,600
FY01	$4,493,700	$4,058,600	$435,100
FY02	$4,345,600	$3,677,900	$667,700
FY03	$4,304,700	$3,606,116	$698,584
FY04	$3,804,700	$3,417,500	$387,200

*Expenditures include amounts paid to the other (non-school district) entities that were eligible for aid under prior law.

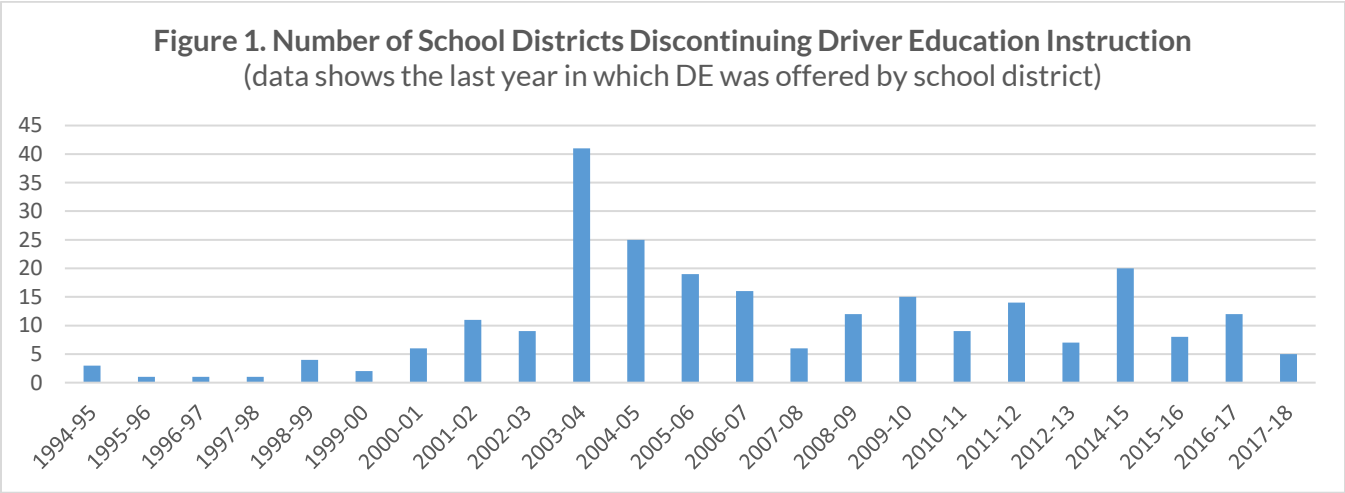
In FY03, of the total 426 school districts in the state, 45 were K-8 districts (thus would not offer DE instruction). Of the 381 school districts with high schools, 328 (86 percent) offered DE instruction. In contrast, in FY19, of the 378 school districts that operated a high school, just 95 of those districts—25 percent—were offering DE courses to their students. The most current data from school districts, for the 2020-21 school year, indicates that just 92 school districts will directly offer DE instruction to high school students, and of the total, only 76 offer both classroom and BTW instruction – thus, only one-fifth of school districts with high schools offer a comprehensive DE program for their students.

The expenditure data from the prior law aid program shows that generally, expenditures from the appropriation decreased; thus, it is assumed that the number of aidable students declined during the life of the aid program (particularly since FY99), despite relatively constant general aid membership over those same years. The decrease in aidable students over those years may have been attributable to a number of factors. According to the budget paper prepared by the Legislative Fiscal Bureau during the 2003-05 biennial budget deliberations, the flat $100 per student state aid amount was generally not sufficient to cover school districts' costs of offering the program. Rather than continue to subsidize drivers education courses with state general aid and/or property tax revenues, school districts may have opted to simply stop offering the courses.

Another factor may have been increased interest by families in obtaining drivers education services provided by non-school organizations (e.g., private driving schools and CESAs). It's unknown whether the increased availability of DE instruction services by CESAs and private organizations was more of a cause or an effect of decreased participation in school district offered DE instruction. Finally, it is possible that students and their parents increasingly chose to delay DE until the student was older, thereby shifting demand for drivers education services to a higher age, when the individual was no longer in high school.

Decline in DE Instruction Programs

Clearly, the number of school districts offering DE instruction continues to decrease. As demonstrated in Figure 1, below, the year in which the greatest number of school districts (41) ceased offering DE instruction was FY05 (following FY04, the last year for which DE aid was paid to school districts). That year was followed by three more years of relatively significant decreases in the number of districts that ceased offering DE instruction – 60 districts from FY06 to FY08.



Non-School Providers of DE Instruction

It is worth noting that in addition to the many private providers of DE instruction throughout the state, students from several school districts can be served by CESA 2, which provides a department-approved DE program to high school students throughout Wisconsin (though the majority of districts served are CESA 2 members). Additionally, CESA 2 offers a DE program for students enrolled in virtual charter and private schools. For 2020-21, the CESA 2 program serves students in 36 school districts, two virtual charter schools, and one private school (located in Madison). Thus, high school students in 128 school districts (34 percent of those with high schools) around the state have access to a DE instruction program in either their own school district or through CESA 2; the figure is less than one-third (30 percent) when considering the comprehensive DE programs that offer both classroom and BTW instruction.

It is important to acknowledge that the DE program offered by CESA 2 fills a gap in DE instruction for students who no longer have access through their school. However, many students live and attend school in parts of the state that do not have a robust, non-school provider for DE instruction; thus, their only option may be a private provider of DE instruction. The CESA 2 model works well for the region of the state it serves, though, this type of model may be more feasible in some areas of the state than others.

Importance of Access to Drivers Education

Some have argued that eliminating state aid for the DE program in public schools has made it more difficult for some students to afford DE, particularly students from economically disadvantaged families. For young people, having a driver's license and access to a vehicle may be an important factor for being able to hold a job, for getting to and from school, and to generally assist with their families' transportation needs. However, since persons who are under the age of 18 cannot get a driver's license unless they have completed a DE course, obtaining a license may be difficult for some if the cost of the course is too burdensome to the family.

The cost of, and lack of convenient access to, DE instruction is a barrier face by economically disadvantaged students and students residing in rural parts of the state; this can result in negative and sometimes significant outcomes. Some teens who are unable to obtain a driver's license due to cost of instruction may choose to drive without a license in order to hold a job, to get to and from school, and to help with family transportation needs. If stopped, these teens may be issued a traffic citation which can result in additional financial burdens. Teens repeatedly caught driving without a license may eventually face more severe consequences including falling into the juvenile justice system.

Budget Proposal History

In its 2007-09 biennial budget request, the department requested $100,000 GPR annually to create a new categorical aid program to provide $150 per pupil, specifically for Milwaukee Public School district (MPS) students taking an approved DE course. Under that proposal, aid was provided for DE students who met the free or reduced-price lunch income-eligibility criteria; MPS would have been required to reduce their DE student fee by $150. The governor included the proposal in his 2007-09 biennial budget proposal, but the legislature eliminated it.

In the governor's 2009-11 biennial budget proposal, a new, annual appropriation of $3,960,000 was requested to award grants for DE courses; the appropriation would have been supported with segregated funds from the state's Transportation Fund (SEG-TF). Under that proposal, the Department of Transportation (DOT) was charged with developing and administering a program to provide grants to providers of DE instruction to offset the cost of providing DE instruction to economically disadvantaged individuals. The DOT was to promulgate rules to implement and administer the program, including rules establishing criteria and standards for grant eligibility for DE instruction providers, the definition of "economically disadvantaged" individuals, criteria and standards for evaluating and ranking grant applications, and for determining the amount of the grants awarded.

The Joint Committee on Finance agreed the program was a worthy idea, but the state could not afford the program at the time. The committee deleted the provision, but directed the department (public instruction) to include a proposal for a DE grant program in its 2011-13 biennial budget request, along with proposed administrative rules for the program.

The department did include a DE aid proposal in its 2011-13 biennial budget request, under which aid would have been provided at a rate of $150 per economically disadvantaged student that completed department-approved DE instruction (both in-classroom and BTW). The thought was that the proposed DE grant program could encourage some school districts without DE programs to start offering courses, because it would lower the costs that must be recovered from student fees and other school revenues. For that proposal, the department requested $1,020,000 SEG-TF to provide $150 per student, estimating approximately 6,800 income-eligible students in grades 10 attending school in 186 districts that offered both classroom and BTW instruction. However, that proposal was not adopted.

Cost of DE Instruction Programs

In preparing this request, the department reviewed the costs associated with both public and private DE instruction programs throughout the state.

Public programs:

- Sun Prairie High School currently offers a quarter credit for classroom instruction. Since the course is for high school credit there is no fee charged to the student. According to school officials it costs the district about $125 to $150 per student for the classroom portion only. The cost of BTW instruction depends on the provider used by the student.

- CESA 2, which offers a large DE instruction program serving students in many school districts (36 for the 2018-19 school year), charges $415 to $440 for a package of classroom and BTW instruction, comprised of $150 for classroom ($175 for the online course) and $250 for BTW instruction (plus modest fees for hardcover instruction materials, car cleaning).

Private programs: See Appendix A to this DIN for a list of the sampled private providers and range of costs for a DE program offering both classroom and BTW instruction for teens.

Estimated Aid Eligibility

To estimate the number of students who could be determined qualified for purposes of determining a DE provider's eligibility for state aid payments, the department reviewed enrollment data from 2019-20 to first determine the number of economically disadvantaged students in grades 10, 11, and 12, as a proxy for the number of age-eligible and FRL-eligible students in the state.

Table 3. Economically Disadvantaged Students in Grades 10, 11, 12 – Public and Private Schools (FY20)

	Economically Disadvantaged Students*				
Grade	Public Schools	Private Schools	Total	Take Up Rate	Students
10	23,928	2,635	26,563	35%	9,297
11	22,335	2,162	24,497	15%	3,675
12	21,926	1,721	23,647	5%	1,182
TOTAL	68,189	6,518	74,707		14,154
				Average Cost:	$410.00
				Total Cost:	$5,803,140
				Request (rounded):	**$5,800,000**

*Economically disadvantaged (ED): student meets criteria for a free or reduced-price lunch. Public Schools includes students in school districts and Independent Charter Schools; figures for private schools is the number of students enrolled in private schools who are participating in one of the state's private school parental choice programs (Milwaukee, Racine, and Wisconsin programs).

The department recognizes that not every economically disadvantaged student in grades 10 through 12 would be aided under the new aid program, because: some will have already obtained a driver's license (hence the decreasing assumed take-up rate from grade 10 to 12); and some will choose not to pursue a driver's license. Furthermore, since 18-year old students would not be statutorily required to complete a DE course of instruction as a part of the licensing process, they would be less inclined to pursue a DE course of instruction. Finally, it is unlikely that every school district in the state that does not currently offer a DE instruction program would start up (or restore) a program immediately; because aid would be based on prior year completion of instruction, the DE instruction program would have to be in place for the 2021-22 school year (FY22) for aid eligibility in FY23.

Proposal

The department proposes to provide aid to public and private DE providers, for students who have completed both the classroom and BTW components of DE instruction and was determined to be FRL-eligible (in the prior school year). The DE provider would have to demonstrate to the department that it completely waived the fee normally charged to a student for DE instruction for the qualified student. As a sum-sufficient appropriation, aid payments would be prorated if the appropriation were insufficient to fully pay all eligible claims.

The proposed new aid program would offset the costs incurred by DE providers, whether under a new program of DE instruction, or to additional students in an existing program. However, the larger goal of the proposal is to expand access to DE instruction for students who currently face economic barriers to accessing DE instructional services. The department believes that the continued decline in the number of school districts offering DE instruction will have detrimental impacts on a large portion of Wisconsin's students. The proposed aid program could reverse the decline, by ensuring that existing DE instruction programs remain in operation, or by encouraging other potential DE providers to start up (or restore) a DE instruction program.

Students acquire skills beyond core academic competencies during their K-12 education that help prepare them for a successful transition to adulthood; the ability to acquire a driver's licenses is an important tool for accomplishing the transition to the world of post-secondary education, work, and community engagement. Working to make sure that all students have access to the supports they require at the right time in their education—including proper DE instruction—is part of the department's larger mission to ensure equity for all students.

The department therefore requests $5,800,000 GPR annually, beginning in FY23, to create the proposed state aid program to support DE instruction and licensing of high-school age students in the state.

Statutory Language

The department is proposing statutory language related to this request.

Appendix A – Sample of Drivers Education Programs, Private Providers*

County	Link to Provider's Website	Highest Priced Course**
Ashland	https://roadprosdrivingschool.net/	$ 350
Brown	www.AABCDrivingSchools.com	$ 340
Brown	www.philsdrivingschoolgb.com	$ 330
Buffalo	https://drivewithkeys.com/	$ 375
Clark	https://jwdrivingssl.com/schedule.php	$ 350
Columbia	https://www.scenicvalleydrivingschool.net/	$ 450
Dane	https://tds.ms/OE/Customer/studentTeen?companyId=zUlNsQVK7jA&Param=TCR	$ 600
Dane	https://oregonareadrivingschool.com/pricing	$ 385
Dodge	https://bestwaydrivingschool.net/class-info-fees/	$ 450
Dunn	http://www.dunnrightdrivingschool.com/	$ 125
Eau Claire	https://www.accountabledrivered.com/resources.html	$ 495
Green	https://mjmhilldrivingschool.com/	$ 330
Jefferson	https://www.learningsafedriving.com/	$ 405
Kenosha	http://www.acdrivingschool.net/programs-schedule.php	$ 280
Kenosha	http://www.drive5star.com/	$ 385
La Crosse	https://www.edi-wi.com/	$ 575
Marathon	http://www.deckersdriving.com/5/	$ 420
Milwaukee	https://www.ladadriverschool.com/TeenShorewoodOnline.html	$ 375
Milwaukee	https://www.handsonthewheeldrivingschool.com/	$ 389
Milwaukee	https://arcadedriversschool.com/	$ 699
Outagamie	http://driversedfoxcities.com/online-course/	$ 390
Ozaukee	http://mrdriversedllc.com/available-courses.html	$ 425
Pierce	https://kinnidrivingschool.com/courses/	$ 350
Racine	https://amprodrivingschool.com/A.P.D.S./Welcome.html	$ 350
Racine	http://www.lbdrivingschool.com/	$ 385
Rock	https://www.rockvalleydriverschool.com/drivers_ed_services.phtml	$ 425
St. Croix	https://btbsdllc.com/	$ 400
Shawano	http://www.crossroadsdriversed.com/	$ 325
Vilas	http://lawdogsdrive.com/	$ 415
Walworth	http://www.wallaceoneway.com/online-and-hybrid-courses.html	$ 395
Waukesha***	https://justdrivewi.com/oconomowoc/	$ 425
Waukesha	https://www.kcsdrivingschool.com/BTW	$ 425
Waukesha	https://www.openroadsdrivingschool.com/	$ 325
Waupaca	https://fergdrive.com/registration	$ 350
Wood	https://www.preferreddriver.com/	$ 99
	MEDIAN	**$ 385**
	AVERAGE (MEAN)	**$ 388**

*A sample of drivers education schools were selected from a list of providers found on the Wisconsin Department of Transportation website, at: https://wisconsindot.gov/Pages/dmv/teen-driver/teen-hw-aply/schools.aspx (accessed 11/5/2020).

**Many driver education schools offer the classroom instruction as either an in-person or as an online course; some providers charge a slightly higher price for the online course option.

***Just Drive offers drivers education programs at various locations, serving 35 school districts (according the Just Drive website: https://justdrivewi.com/locations/; the cost charged for a comprehensive course (classroom and BTW) varied by location, ranging from $330 to $435 on the low end (in-person classroom), and $380 to $460 on the high end (online classroom), of the pricing range.

DECISION ITEM 6032 – SCHOOL BREAKFAST REIMBURSEMENT

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$4,970,000	$5,070,000
Less Base	$2,510,500	$2,510,500
Requested Change	$2,459,500	$2,559,500

Request

The department requests $2,459,500 GPR in FY22 and $2,559,500 GPR in FY23 for state aids for reimbursements under the School Breakfast Program (SBP) at 15.0 cents for each breakfast served.

The department's request includes $120,000 GPR in FY22 and in FY23 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 Wis. Stat. sec. 118.40 (2r) and (2x); 2) the Wisconsin Educational Services Program for the Deaf and Hard of Hearing ("School for the Deaf") under Wis. State. sec. 115.52; 3) the Wisconsin Center for the Blind and Visually Impaired ("School for the Blind"), under Wis. Stat. sec. 115.525; and 4) residential care centers for children and youth (RCCs), as defined under Wis. Stat. sec. 115.76 (14g). In this paper, the School for the Deaf and the School for the Blind are referred to collectively as the state's residential schools.

Additionally, the department requests a change in statute to cease payment of aid under the SBP 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 students 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.[8] Additionally, children who eat breakfast closer to class and test-taking time perform better on tests.[9] 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 students. Participating entities receive cash subsidies from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve breakfasts that meet federal requirements, and they must offer free or reduced-price breakfasts to eligible children. Eligibility criteria, student costs, and USDA reimbursement rates for free, reduced, and full-price meals during the 2019-20 school year are shown in Table 1, below.

The state provides support for school breakfast programs via the GPR appropriation under Wis. Stats., sec. 20.255 (2) (cm), to reimburse participating entities at a rate of $0.15 per each breakfast served,

[8] See studies referenced by the National Education Association, Nutrition Programs: https://www.nea.org/student-success/smart-just-policies/funding-public-schools/nutrition-programs
[9] Athlos Academies, 2017: https://athlosacademies.org/healthy-breakfast-benefits-students/

regardless of a student's eligibility for free or reduced-price meals. If the appropriation is insufficient to pay the full amount of aid, the department must prorate state aid payments.

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

	Eligibility Criteria	Amount Student's Family Pays	Amount USDA Reimburses Participating Entity* (non-severe / severe)
Free meals	Children from families with incomes at or below 130 percent of the federal poverty level.	$0.00	$1.89 / $2.26 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	$1.59 / $1.96 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.	$0.32 per meal

*For students in the free or reduced-price categories, the two USDA reimbursement amounts reflect the school's status as either non-severe need or severe need (i.e., 40 percent or more of the student lunches served at the school in the second preceding school year [SY 2018-19] were served free or at a reduced price). The difference between the categories (i.e. free meals, reduced-price meals, and full-price meals) was the same whether or not the student is enrolled in a school identified as non-severe need or severe need ($0.30).

The state reimbursement for SBP was created under 1993 Wisconsin 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. School districts and private schools in which at least 20 percent of students were eligible to receive free or reduced-price lunch (FRL-eligible) 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.

In the initial years of the program, the appropriation was more than 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 by FY06. This is the first time claims were not paid at 100 percent. State aid payments have been prorated since FY06, as a result of the continued increase in school breakfast participation.

The statutory reimbursement rate was increased to $0.15 per breakfast served beginning in FY08. Despite that increase, aid payments continued to be prorated. The highest per-meal reimbursement was achieved in FY09, when the program paid just over $0.14 per breakfast. Since then, the reimbursement rate has decreased steadily, as participation increased and the appropriation remained flat. The per-breakfast reimbursement decreased to just under $0.08 in FY16 and has remained below $0.08 per breakfast since.

Table 2 shows the history of the school breakfast aid appropriation, reimbursement rates and proration of aid as well as projected reimbursements for FY18 through FY23. Note that 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.

Table 2. School Breakfast Program Reimbursement History and Projections (FY01 – FY23)

Year	Beginning Balance	Appropriation*	Breakfasts Served** (Prior Year)	Percent Change in Breakfasts Served	Payment per Breakfasts Served	Statutory Payment per Breakfast Served	Proration Rate
FY01	$145,400	$892,100	9,901,000		$0.090	$0.100	90.1%
FY02	$47,400	$1,055,400	9,070,000	-8.40%	$0.116	$0.100	100.0%
FY03	$195,800	$1,055,400	9,837,000	8.50%	$0.107	$0.100	100.0%
FY04	$267,500	$1,055,400	10,470,000	6.40%	$0.101	$0.100	100.0%
FY05	$275,900	$1,055,400	11,384,000	8.70%	$0.093	$0.100	92.7%
FY06	$192,900	$1,055,400	12,590,201	10.60%	$0.084	$0.100	83.8%
FY07	$0	$1,055,400	14,571,109	15.70%	$0.072	$0.100	72.4%
FY08	$0	$2,513,500	18,604,737	27.70%	$0.135	$0.150	90.1%
FY09	$0	$2,890,600	20,331,997	9.30%	$0.142	$0.150	94.8%
FY10	$0	$2,789,400	22,124,048	8.80%	$0.126	$0.150	84.1%
FY11	$0	$2,789,400	24,348,813	10.10%	$0.115	$0.150	76.4%
FY12	$0	$2,510,500	26,451,375	8.60%	$0.095	$0.150	63.3%
FY13	$0	$2,510,500	28,451,334	7.60%	$0.088	$0.150	58.8%
FY14	$0	$2,510,500	29,209,199	2.70%	$0.086	$0.150	57.3%
FY15	$0	$2,510,500	30,498,801	5.10%	$0.082	$0.150	54.9%
FY16	$0	$2,510,500	31,792,576	3.26%	$0.079	$0.150	52.6%
FY17	$0	$2,510,500	31,764,547	-0.03%	$0.079	$0.150	52.7%
FY18	$0	$2,510,500	32,138,309	0.12%	$0.078	$0.150	52.1%
FY19	$0	$2,510,500	32,247,843	0.34%	$0.078	$0.150	51.9%
FY20	$0	$2,510,500	27,241,401	-15.52%	$0.092	$0.150	61.4%
FY21 (est.)	$0	$2,510,500	31,688,413	16.32%	$0.079	$0.150	52.8%
FY22 (est.)	$0	$2,510,500	32,322,181	2.00%	$0.078	$0.150	51.8%
FY23 (est.)	$0	$2,510,500	32,968,625	2.00%	$0.076	$0.150	50.8%

* The school breakfast appropriation is a continuing appropriation; therefore, any unspent funds or ending balance becomes the subsequent year's beginning balance.
** The number of breakfasts served do not include the breakfasts served in independent charter schools, the state's residential schools, and RCCs. These entities do not receive reimbursement from the SBP under current law.

During FY18, reimbursements were provided to 366 participating public school districts (1,853 public schools), and 102 participating private schools (at 135 sites). It is anticipated that the number of school breakfasts served will continue to increase by at least 2.00 percent annually in over the next few years, based on a linear projection of participation in the last five years considering the volatility in FY20 due to COVID-19. This projection is also reflective of the fact that the Community Eligibility Provision (CEP) under federal law requires that free breakfasts be served to every student 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 FY21 and throughout FY22 and FY23:

- FY19 – 7.79 cents per breakfast served
- FY20 – 9.22 cents per breakfast served
- FY21 – 7.92 cents per breakfast served
- FY22 – 7.77 cents per breakfast served
- FY23 – 7.61 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. This, in turn, would very likely result in a reduction in the number of children who participate in the school breakfast programs, to the detriment of those students whose families are most in need of nutritional support.

Program Changes

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. Table 3 below details the available data on the number of breakfasts served in independent charter schools, the state's residential schools, and RCCs, as well as eligible expenditures if these entities were reimbursed at the same rate as participating institutions, from FY13 through FY20. Because the data on the number of breakfasts served in these institutions is highly volatile the department assumes that the number of breakfasts served in these schools/RCCs will be approximately 800,000 annually and will therefore require $120,000 GPR in FY22 and in FY23 in order to fully fund all breakfast meal claims at $0.15 per meal.

Table 3. Independent Charter Schools, State Residential Schools, and RCCs

Year	Estimated Breakfasts Served	Percent Change in Breakfasts Served	Reimbursement at $.150
FY13	840,983		$126,147
FY14	924,822	10.0%	$138,723
FY15	900,783	-2.6%	$135,117
FY16	762,152	-15.4%	$114,323
FY17	795,437	4.4%	$119,316
FY18	399,479	-49.8%	$59,922
FY19	738,134	84.8%	$110,720
FY20	607,341	-17.7%	$91,101

Students attending these institutions should have access to school breakfast just as students attending any other public or private school in the state. Allowing independent charter schools, the residential schools, and RCCs to receive state reimbursement for school breakfast could incentivize them to expand the number of students receiving school breakfast, or to offer a school breakfast program if a school does not already have a program. The department also believes that extending SBP eligibility to these entities will create stability in program participation and prevent the large swings in breakfasts served, as demonstrated in the table above, which benefit the students in attendance at those entities.

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, also 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.

School Closures

Under current law, the department reimburses SBP participants for breakfasts served in the prior school year; reimbursements are made for all breakfasts served, whether a school operates its SBP for the full year or just part of the year. Under current law, if a school were to actually cease operations, the department would be required to attempt to make payments for SBP reimbursements for the prior year breakfasts served. If an individual public school were to cease operations, SBP aid payments would still be made to the school district of the closed school; and in the case of school district consolidation, aid payments could be made to the newly consolidated district (based on the eligibility of the indivdiual districts prior to consolidation). However, closure of a private school (or a an independent charter school, RCC, or the state's residential schools) presents a unique challenge, in that there simply would be no existing instiution to which the department could make payments after a school closure. This contrasts with state aid payments under the School Lunch Program (NSLP), 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 does not propose the exact same treatment for the SBP as exists under the NSLP. However, eliminating the requirement to pay aid to schools that closed in the prior school year would ease administration of the program.

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, as well as independent charter schools, RCCs, and the state's residential schools in FY22 and FY23 at 15 cents per breakfast served, as shown in Table 4, below. Additionally, the department proposes to cease payments to schools that ceased to operate at any point during or at the end of the previous school year.

Table 4. Projected Costs of Providing Full Reimbursement at 15 cents per Breakfast

	FY22	FY23
Estimated Breakfasts Served (rounded)		
Current Law Eligible:	32,322,200	32,968,600
Independent Charter Schools, Residential Schools, RCC:	800,000	800,000
Total Estimated Breakfast Meals Served	33,122,200	33,768,600
Cost of Reimbursements at $0.15 per Meal (rounded)	$4,970,000	$5,070,000
FY21 Base	$2,510,500	$2,510,500
Request	$2,459,500	$2,559,500

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6033 – SUPPLEMENTAL NUTRITION AID

288 – Supplemental reimbursement for nutrition programs
s. 20.255 (2) (co) – NEW

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$2,432,000	$2,432,000
Less Base	$0	$0
Requested Change	$2,432,000	$2,432,000

Request

The department requests $2,432,000 GPR in FY22 and $2,432,000 GPR in FY23 for a new state-funded categorical aid program. The proposed aid program would provide reimbursement for meals served to students who are eligible for a reduced-price meal and would prohibit charging a price to students for a reduced-price meal (i.e., make meals free for these students). The proposed aid would be available to all school districts, independent charter schools [under Wis. Stat. sec. 118.40 (2r) and (2x)], private schools, and tribal schools, as well as the state's residential schools[10] and Residential Care Centers (RCC) – collectively referred to as local education agencies (LEAs). The department further proposes that the appropriation be created as sum-sufficient, to ensure that all LEAs are reimbursed for the full amount for which they are eligible for providing nutritious meals to students in schools throughout the state.

Background

School districts, private schools, tribal schools, independent charter schools, and residential schools are eligible to receive reimbursements to offset the costs of providing nutritious meals and snacks to school-age children under various federal and state nutritional support programs, primarily serving children who meet income eligibility criteria for a free or reduced-price lunch (FRL) under the federal school lunch program.

There are several federally-funded aid programs administered by the United States Department of Agriculture (USDA) that support nutrition programs in public and private schools for students during regular school time, after-school, and summers, as well as programs to support nutrition programs for individuals in adult care settings and children in childcare or pre-school settings. Generally, under the USDA federal grant programs, the reimbursement rate for each meal differs depending on a student's FRL status (see Table 3 in this paper). Exceptions include schools and school districts that participate in the Community Eligibility Provision (CEP), under which all students are eligible for meals at no cost to the family. The number of School Food Authorities (SFA) participating in the CEP has increased in a fairly stable manner, from 80 in the first school year (2014-15) to 115 in the current school year (2020-21); the number of individual schools participating in CEP grew from 347 to 487 during that same time frame.

The state also provides funding to support school nutrition programs in three GPR appropriations for programs administered by the department. The state-funded programs are described in Table 1, below.

[10] The Wisconsin Center for the Blind and Visually Impaired (WCBVI, or School for the Blind) and the Wisconsin Educational Services and Programs for the Deaf and Hard of Hearing (WESP-DHH, or School for the Deaf).

Table 1. State Funded Nutritional Support Programs, K-12 Schools, and Elderly Nutrition Improvement Programs

State Program	FY21 Appropriation	Program Rules	Who is Served
Aids for School Lunches and Nutritional Improvement	$4,218,100	Payments are determined by prorating the state's matching obligation based on the number of school lunches served to children in the prior year.	1) School lunch: school districts, ICS, private, tribal schools, and the residential schools. 2) Elderly nutritional improvement programs: school districts, UW System schools, and WTCS schools*.
Reimbursement for School Breakfast Programs	$2,510,500	Reimburse 15 cents for each breakfast served; prorated if appropriation is insufficient (prorated since FY06).	School districts, private schools, and tribal schools (ICS and residential schools are not eligible under current law).
Wisconsin School Day Milk Program	$1,000,000	Reimburse for cost of milk served to eligible students in prior year; prorated if appropriation is insufficient (has been prorated as much as 50%, until funding increase effective in FY20).	School districts, private schools, and tribal schools (ICS and residential schools are not eligible under current law).

*Payment data from FY20 indicates that the following UW System and WTCS schools received reimbursements: UWS – Eau Claire, Fox Valley, Green Bay, La Crosse, Madison, Marathon County, Milwaukee, Oshkosh, Platteville, River Falls, Stevens Point, Stout, Superior, Whitewater, and UW-Extension; WTCS: Fox Valley, Madison, Milwaukee, Waukesha County.

While these federal and state nutrition programs offset the costs to schools of operating food service programs, the combined federal and state funding does not fully support those programs. And, while revenue is generated for paid meals (families pay for meals if their children are eligible for a reduced price meal, or do not meet any FRL eligibility criteria), in fact, it is not unusual for a school district to make an operating transfer from the district's general fund for school operations in order to balance the district's food service fund. According to annual financial reports receive by the department's School Financial Services Team, nearly one-third of school districts have done such transfers: 131 districts made an operating transfer from Fund 10 (general fund) to Fund 50 (food service fund) in FY19; current data for the FY20 annual reports (still preliminary) show that 136 districts made such transfers.

The income eligibility per the federal guidelines puts reduced meals at 185% of the federal poverty guidelines and free meals at 130% of the federal poverty line. For the 2020-21 school year (FY21), eligibility for a free or a reduced-price meal is shown in Table 2, below.

Table 2. Income Limits: Eligibility for Free or Reduced-Price Meals, School Year 2020-21, Family of Four

	Amount	Percent of FPL
Federal Poverty Line (FPL)	$26,200	100%
Eligibility for a Free Meal	$34,060	130%
Eligibility for a Reduced-Price Meal	$48,470	185%

Students who qualify for a reduced-price (but not a free) meal are still economically vulnerable, and their family's income may in fact be negligibly higher than that of families whose income qualifies for a free

meal – an income between 130 and 185 percent of FPL may be much closer to the lower end of the range. Yet, these families are required to pay a price for their students' meals. The USDA regulations require that the reduced-price charge to students does not exceed 40 cents for a lunch meal, 30 cents for a breakfast meal, and 15 cents for an afterschool snack (2020-21 school year).[11] The reimbursement differential between a free meal and a reduced-price meal (received by the district or school) are shown for each meal type in the table below.

Table 3. Reimbursement Differential between Free Meals and Reduced-Price Meals

Reimbursement Per Meal	Breakfast	Lunch	Snack
Free Meal	$2.075	$3.555	$ 0.96
Reduced Meal	$1.775	$3.155	$ 0.48
Difference to Fully Reimburse	$0.300	$0.400	$ 0.48

Students whose families struggle to pay for meals may suffer from "lunch shaming", which is any action in which a pupil is held publicly accountable for unpaid school lunch or other meals ("lunch debt"), including: throwing away food, providing a less desirable alternative lunch, or requiring pupils to perform chores to pay off unpaid lunch/meal debts. This was the subject of a proposed bill in the current legislative session (2019 Assembly Bill 84), introduced by Representative Gary Tauchen and Senator Lena Taylor. There are concerns that in order avoid the embarrassment of unpaid meal balances, students may choose to not eat a school-provided meal, but go hungry if the family does not have the resources to send food to school. Eliminating the family charge for a reduced-price meal would remove that stigma and could encourage more students to take meals at school.

School nutrition has continued to be an important and vital program that provides security to low-income students. Due to COVID-19, Wisconsin's FoodShare programs have seen an increase of 19 percent in demand over the course of 2020, further demonstrating the need for expanding meal security at schools.[12]

Providing additional aid to school districts and schools to cover the reimbursement differential between a free and a reduced-price meal would allow children who are vulnerable to food insecurity to receive meals free of charge. Under this proposal, state aid would replace revenue from meal charges for reduced-price eligible students for the breakfast, lunch and snack programs. While it is not intended to increase net revenues for schools directly, it is possible that in creating a stable, state-funded appropriation for this purpose, schools would generate more revenue than they do presently, as there would presumably be less unpaid meal debt (and by extension, reducing the amount of operating transfers from a school district's general fund to balance the food service fund).

That said, the focus of this proposal is on helping families. Access to nutritious meals on a consistent basis is a vitally important factor in a student's ability to learn and be successful in school; as such, providing that access for students who otherwise would not have it is a matter of equity.

Proposal

This proposal is intended to expand access to free meals for students who are qualified (i.e., meet the income criteria) for reduced-price meals offered in school nutrition programs (breakfast, lunch, and snack). Under the proposal, LEAs would receive aid payments equal to the amount of the reimbursement differential between a free meal and a reduced-price meal, multiplied by the number of meals served (using prior year data), and be prohibited from charging students for a reduced-price meal.

[11] https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/reimburse-rates-20-21.pdf
[12] https://wispolicyforum.org/research/rise-in-foodshare-another-indicator-of-pandemics-toll/

The tables below include data on participation in school meals, the differential cost charged for reduced price meals, and the assumptions used by the department in estimating the costs of the supplemental nutrition aid program proposed by the department.

Table 4. Meals Served, Free, Reduced-Price, and Full Price, FY15 – FY18*

	Breakfast			Lunch			Snack		
Year	Full Price Meals	Reduced Price	Free Meals	Full Price Meals	Reduced Price	Free Meals	Full Price Meals	Reduced Price	Free Meals
2015	5,932,057	1,696,882	22,869,862	38,217,556	5,341,934	45,310,837	180,864	16,386	2,435,251
2016	6,143,988	1,634,241	24,014,347	36,714,924	4,966,204	45,167,178	180,607	18,442	2,624,725
2017	6,380,525	1,654,158	23,729,854	35,852,861	4,839,751	43,646,182	159,543	15,764	2,514,145
2018	6,704,665	1,633,452	23,800,192	34,762,886	4,574,508	43,165,096	151,054	14,175	2,304,736

*Confirmed data on meals served is available through the 2017-18 school year (FY18). Typically there is a one-year lag for confirmed and publicly available data. The COVID-19 public health emergency is one factor in the delay for FY19 data.

In estimating the costs for the proposed supplemental nutrition aid program, the department reviewed the data on the number of reduced-price meals served between F15 and FY18, and used the average number of meals for each type to project the number of meals served for FY22 and FY23. The estimated cost for the proposed Supplemental Nutrition Aid are shown in Table 5, below.

Table 5. Projected Costs of Subsidizing Reduced-Price Meals

	Breakfast	Lunch	Snack	Total Meals
Number of Meals*	1,654,500	4,819,700	16,000	6,490,200
Subsidy per Meal	$0.30	$0.40	$0.48	
Total Payments (rounded)	$496,000	$1,9723,000	$8,000	$2,432,000

*Average number of reduced-price meals served, FY15-FY18, rounded to the nearest 1,000.

The department requests $2,432,000 GPR annually, beginning in FY22, for the proposed new aid program.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 6035 – AID REALLOCATIONS

288 – Four-year-old kindergarten grants
s. 20.255 (2) (dp)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$0	$0
Less Base	$1,350,000	$1,350,000
Requested Change	-$1,350,000	-$1,350,000

Request

The department requests decreases of $1,350,000 GPR in FY22 and $1,350,000 in FY23 to reflect the elimination of funding for the Four-Year-Old Kindergarten Startup Grant program.

Background

All Wisconsin school districts offer kindergarten programs for five-year-old children. These 5K programs vary from district to district, with most being full day programs, some being part day, and many districts offering either option to families. In the last few years, many more districts have begun to offer kindergarten programs to 4-year-old children. Currently, all but five school districts that offer a 5K program also offer a 4K program to all children in the school district.

In recognition of the positive impacts associated with high quality early childhood education, Wisconsin invested in 4K in public schools. The state recognized that lack of startup funds was a barrier to many school districts that were considering implementing a 4K program. This is because in Wisconsin, a large share of each districts' revenue raising capacity is controlled by the district-specific limit on the total amount of state general aid and local property tax revenue that a district can raise (i.e., the district's "revenue limit"). The revenue limit calculation uses a three-year rolling average for counting pupils. As such, it takes three years before a student who is enrolled (for three consecutive years) to be "fully counted" as a 1.0 full time equivalent (FTE) pupil in the revenue limit formula.

Beginning in FY09, the Legislature appropriated $3 million GPR annually (later reduced to $1.5 million, and then $1.35 million, annually) for 4K startup grants to school districts. The grant program provided an eligible school district with $3,000 per 4K student in year one of implementation, and $1,500 per 4K student in year two of implementation. The 4K grant amounts represented an average per-student amount that a school district would not be able to capture within the revenue limit formula, in years one and two of a new 4K program.

The state's 4K startup grant has been successful in helping districts implement 4K programs. In FY08, 283 school districts in the state had a 4K program in place; that grew to 319 school districts with a 4K program in FY09, the first year of the 4K startup grants. The number of 4K programs has risen every year since, though the rate of growth has started to decelerate, as most school districts have a program in place. Of the 421 school districts, 11 do not serve elementary grades; of the 410 school districts that do serve elementary grades (K-8 and K-12 districts), just five of them do not offer a 4K program (the school districts of Elmbrook, Germantown, Gibraltar, New Berlin, and Paris J1).

Currently, just one school district receives aid under the 4K start up grant program: the Franklin School District is the most recent district to implement a 4K program, starting in the 2019-20 school year. The districted received $3,000 per 4K pupil ($573,000) in FY20; the 2020-21 school year will be the district's second and final year of aid under this program, receiving $1,500 per 4K pupil (estimated $286,500). No other school districts have indicated that they are considering or planning for a 4K program. As such, this program has reached its natural end. All budget authority in the appropriation will lapse to the state's general fund, beginning in FY22.

The department requests that the 4K start up grant program be sunset, effective June 30, 2021, and that the budget authority for the program be eliminated.

Proposal

The department requests elimination of funding for the appropriation under Wis. Stat. sec. 20.255 (2) (dp), Four-year-old kindergarten grants, effective in FY22, and inserting a sunset provision to prohibit the department from distributing aid payments from the appropriation after June 30, 2021. The proposal will free up budget authority of $1,350,000 GPR annually, which the department proposes be reallocated to the proposed Out-of-School Time grant program, under DIN 6029 of the department's budget request.

Statutory Language

The department is proposing statutory language related to this request.

ADJUSTMENT TO THE PER PUPIL PAYMENT FOR PARENTAL CHOICE PROGRAMS

Under current law, the state makes payments to independent charter schools and certain private schools, based on the number students enrolled multiplied by a per-pupil payment, which is adjusted each year according to an indexing mechanism specified in statute. Under the indexing mechanism, the adjustment amount is equal to the current year revenue limit adjustment (per pupil) for school districts, plus the per member change in appropriated categorical aids. This applies to the following programs:

- Independent Charter Schools
- Private School Parental Choice Programs (Milwaukee, Racine, and Wisconsin programs)
- Special Needs Scholar Ship Program

Additionally, the full-time transfer amount between school districts under the public school open enrollment program is also adjusted annually by this indexing mechanism (both for special needs and non-special needs students participating in open enrollment).

The per member change in the categorical aids is calculated by dividing the dollar change in categorical aids appropriations over the prior year by the prior year statewide revenue limit membership. Based on the department's budget request for the 2021-23 biennium, the adjustment to the per pupil payment amount for each of the programs listed above is estimated to be $448 in FY22 and $327:

Per Pupil change in Categorical Aids	$	298.00	$	175.00
Per Pupil Revenue Limit Adjustment	$	150.00	$	152.25
TOTAL Per Pupil Increase*	**$**	**448.00**	**$**	**327.00**

Accordingly, the department estimates the per-pupil payments under each program as follows:

	FY21 Base	FY22	FY23
Private School Choice (K-8)	$8,300	$8,748	$9,075
Private School Choice (9-12)	$8,946	$9,394	$9,721
Independent Charter Schools	$9,165	$9,613	$9,940
Special Needs Voucher	$12,977	$13,425	$13,752
Open Enrollment	$8,125	$8,573	$8,900
Open Enrollment - Special Education	$12,977	$13,425	$13,752

DECISION ITEM 6051 – INDEPENDENT CHARTER SCHOOL PROGRAMS RE-ESTIMATES

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$85,555,700	$91,448,000
Less Base	$82,755,000	$82,755,000
Requested Change	$2,800,700	$8,693,000

289 – Charter schools; office of educational opportunity
s. 20.255 (2) (fp)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$4,325,900	$5,467,000
Less Base	$4,045,400	$4,045,400
Requested Change	$280,500	$1,421,600

Request

The department requests an increase of $2,800,700 GPR in FY22 and $8,693,000 GPR in FY23, to reflect estimates for state aid payments for the legacy 2r independent charter schools (ICS) authorized by the City of Milwaukee, University of Wisconsin—Milwaukee, and the University of Wisconsin—Parkside, and for the newly opened ICS authorized by the Lac Courte Oreilles Ojibwa Community College, under Wis. Stat. sec. 118.40 (2r). The department requests an increase of $280,500 GPR in FY22 and $1,421,600 GPR in FY23 to reflect estimates for state aid payments for the new 2x ICS authorized by the Office of Educational Opportunity (OEO) within the University of Wisconsin System (UWS), under Wis. Stat. sec. 118.40 (2x).

Additionally, the department requests changes to the statutory language governing the ICS programs:

- Modify the per pupil payment for students enrolled in an ICS authorized by a tribal college to be equal to the payment received for students enrolled in all the other ICS in the state; this will have the impact of raising the payment for students enrolled in a tribal college authorized ICS.
- Eliminate the requirement for the report under Wis. Stat. sec. 118.40 (3m) (f).
- Explicitly permit students at an ICS high school to be eligible to participate in the Early College Credit Program under Wis. Stat. sec 118.55.

Background

Under current law, state aid for legacy "2r" ICS is paid from a separate sum-sufficient, GPR appropriation. The amount of state aid paid to these ICS is withheld proportionately from state general equalization aid payments under Wis. Stat. sec. 20.255 (2) (ac), for the state's 416 public school districts that receive state general aid (five districts no longer receive any state general aid and therefore do not have an aid deduction for this program). To determine the state aid reduction for each school district, the department multiplies the estimated total number of FTE students expected to enroll in legacy "2r" ICS each year by the statutorily required per FTE student payment amount to arrive at an overall legacy "2r" ICS cost. The department then calculates an overall proportional reduction that it applies to each school district, based

on the total legacy "2r" ICS cost as a percentage of the state general equalization aid appropriation. In FY21, the aid reduction amounts to roughly 1.6 percent of all general school aids (October 15 general aid certification). This amount is deducted from each school district's state general aid entitlement and shown on each district's state aid worksheet each year.

The state aid that is then withheld from each school district lapses to the state's general fund per state law. School districts are allowed to increase their property tax levies under their revenue limit to recover the loss of this state aid. Students in legacy "2r" ICS are not counted by any school district in their membership for state general aid or revenue limit purposes.

"Legacy" Independent Charter School Program Re-estimates

Table 1 below shows the state's legacy 2r ICS funding history and estimated payments:

Table 1. Independent Charter School Program Funding (Legacy 2r ICS)

Fiscal Year	Legacy 2r ICS FTE Pupil	Legacy 2r ICS State Aid Payment per FTE Pupil	School Districts State Aid Reduction for Legacy 2r ICS
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	7,529	$8,188	$61,647,500
FY18	7,813	$8,395	$65,590,100
FY19	8,204	$8,619	$71,191,002
FY20*	8,398	$8,911	$75,345,024
FY21 (est.)*	8,591	$9,165	$78,736,515
FY22 (est.)*	8,865	$9,613	$85,219,245
FY23 (est.)*	9,155	$9,940	$91,000,700

*Beginning with FY19, ICS are eligible for funding for summer school students. The estimates for FY21 through FY23 do not include amounts for summer school payments.

As allowed by state law, all school districts that are eligible for state general equalization aid may increase their property taxes to recover these reduced state general aids for students enrolling in legacy "2r" ICS.

This state general aid reduction from public school districts throughout the state is estimated to increase from $78.7 million in FY21, to $85.2 million in FY22, and to $91.0 million in FY23.

2x ICS Re-estimates—Office of Educational Opportunity and Tribal College Authorizers

Under current law, the Office Educational Opportunity (OEO, UW System) may authorize ICS; because this authority reside under Wis. Stat. sec. 118.40 (2x), the OEO authorized ICS are referred to as 2x ICS. The state aid for new 2x ICS is paid from a separate sum sufficient, GPR appropriation. Students enrolled in a 2x ICS are funded through a reduction in the state general aid of the student's resident school district. Affected districts are allowed to count resident 2x ICS students in their membership for revenue limit (and general aid) purposes, which may or may not generate actual additional revenue limit/property tax authority (and/or general aid – see below) for them.

This funding mechanism also applies to an ICS authorized by a Tribal College located in the state, under Wis. Stat. sec. 118.40 (2r) (b) 1.g. and 1.h. (while the Tribal College ICS authorizers are not under the same statute as the OEO, these two ICS authorizers are referred to collectively as 2x ICS). One such ICS opened in the 2020-21 school year: the Akii-gikinoo'amaading school, authorized by Lac Courte Oreilles Ojibwa Community College. The department has been notified that Lac Courte Oreilles Ojibwa Community College has already authorized a second charter school set to open next school year (expected to be located in Waukesha County).

Unlike the funding mechanism identified for legacy 2r ICS noted above, affected school districts are allowed to count these new 2x ICS students in their membership for state general aid purposes. However, not all school districts are eligible for state general aid nor do all school districts generate any additional state general aid by adding more students to their membership. At the same time, there is a resulting redistribution of state general aid among most districts in the state.

Table 2 below shows the state's new 2x ICS funding history and estimated payments:

Table 2. Independent Charter School Program Funding (New 2x ICS)

Fiscal Year	New 2x ICS FTE Pupils	New 2x ICS Student State Aid Payment per FTE Pupil	Affected School Districts State Aid Reduction for New 2x ICS
FY19	251	$8,619	$2,165,955
FY20	295	$8,911	$2,631,418
FY21 (est.)* - OEO	371	$9,165	$3,398,382
FY21 (est.)* - Tribal^	8	$8,568	$68,544
FY22 (est.)* - OEO	450	$9,613	$4,325,850
FY22 (est.)* - Tribal^	35	$9,613	$336,455
FY23 (est.)*- OEO	550	$9,940	$5,467,000
FY23 (est.)* - Tribal^	45	$9,940	$447,300

*Beginning with FY19, ICS are eligible for funding for summer school students. The estimates for FY21 through FY23 do not include amounts for summer school payments.

^The per pupil payment for a Tribal College authorized ICS is set by a different formula than other ICS, per state law. The per pupil amount shown for FY21 is in accordance with current state law; however, the amounts shown for FY22 and FY23 are equal to the per pupil payments for all other ICS, consistent with the department's request to align all ICS payments.

As allowed by state law, affected school districts' share of paying for students in new 2x ICS are estimated at $3.47 million in FY21, $4.66 million in FY22, and $5.91 million in FY23.

Any resulting property tax levy increases may be modestly offset in some districts with new 2x ICS students through increased state general aid as resident districts count these students in their state general aid membership. However, it is impossible to estimate that impact in any given year due to the complexity of the state's general equalization aid formula, the fact that not all districts with resident ICS students receive additional state aid by counting these students, and not knowing the amount of funding appropriated in the state school aid formula in future years.

Payment Adjustment for ICS

Under current law, indexing of the payment per FTE student for both of the state's independent charter programs is equal to the current year's per student revenue limit adjustment plus the per member change in categorical aids. The latter is calculated by dividing the dollar change in categorical aids appropriations over the prior year by the prior year's statewide revenue limit membership. The estimated per pupil payment for ICS under current law and with the department's requested increases for school aids and revenue limit adjustments will amount to $9,613 in FY22 and $9,940 in FY23.

Table 3. Legacy 2r and new 2x Independent Charter Schools in 2020-21

School/LEA Name	Authorizer	Grade Levels
21st Century Preparatory School	UW-Parkside	4K-8
Akii-gikinoo'amaading*	Lac Courte Oreilles Ojibwa College	6-11
Bruce Guadalupe	UW-Milwaukee	4K-8
Central City Cyberschool of Milwaukee	City of Milwaukee	4K-10
Darrell Lynn Hines (DLH) Academy	City of Milwaukee	4K-8
Downtown Montessori	City of Milwaukee	PK-8
Dr. Howard Fuller Collegiate Acad	City of Milwaukee	9-12
Escuela Verde	City of Milwaukee	9-12
Isthmus Montessori Academy Public	Office of Educational Opportunity	4K-12
La Casa de Esperanza Charter School	UW-Milwaukee	4K-8
Milestone Democratic School	Office of Educational Opportunity	7-12
Milwaukee Academy of Science	City of Milwaukee	4K-12
Milwaukee Math & Science Academy	City of Milwaukee	4K-8
Milwaukee Scholars Charter School	UW-Milwaukee	4K-8
One City Senior Preschool	Office of Educational Opportunity	4K-2
Pathways High	UW-Milwaukee	9-12
Penfield Montessori Academy	UW-Milwaukee	PK-8
Rocketship Education, Inc.	UW-Milwaukee	4K-5
Seeds of Health, Inc.	UW-Milwaukee	4K-12
Stellar Collegiate Academy	UW-Milwaukee	4K-5
UCC Acosta Middle School	UW-Milwaukee	6-8
Woodlands School	UW-Milwaukee	4K-8
Woodlands School-State Street Campus	UW-Milwaukee	4K-8

*New ICS in 2020-21.

Statutory Language

The department is proposing statutory language related to this request (see following page).

DPI 2021-23 BIENNIAL BUDGET REQUEST

Department staff has identified the following language changes as priorities for the Independent Charter School (ICS) program.

1. **Align the per pupil payment for ICS authorized by a Tribal College with that of ICS authorized by all other authorizers, specifically:**
   - Delete statutory language that establishes a **different per pupil payment amount** for ICS authorized by a Tribal College (the college of Menominee Nation or the Lac Courte Oreilles Ojibwa Community College), and have them included in the same per pupil amount for other independent charters authorized under Wis. Stat. sec. 118.40 (2r).
     a) There is no policy rationale for why the two tribal authorizers should receive a different per pupil payment amount.
     b) The current law per pupil calculation for tribal independent charters is not readily calculable.
     c) Due to data reporting timelines at the federal Bureau of Indian Education, DPI is not able to calculate the tribal per pupil amount until approximately September 1 each year; this late date makes budgeting and planning very difficult for the two Tribal College authorizers.

2. **Eliminate the charter school authorizer report under Wis. Stat. sec. 118.40 (3m) (f)**
   - Created under 2015 Wisconsin Act 55, this statute requires charter school authorizers to submit an annual report to DPI and to the Legislature that contains information on charter schools currently under contract, contract renewals, non-renewals, revocations, new contracts, performance of charter schools, authorizer operating costs and services provided to charter schools.
     a) This report was not requested by DPI.
     b) The department does not rely on this report for overseeing the ICS program, with one exception being that for subgrantees under the federal charter school grant program, the authorizer report is one of the tools used to monitor authorizers.
     c) The federal charter grant notwithstanding, the statute provides no requirement for the department to use any of the data contained within the report. There is also no penalty for late submission, erroneous submission or no submission, making compliance with the report very difficult.
     d) Due to significant errors within authorizer reports that are submitted, and late/no submissions, a significant amount of staff time is spent on this report.

3. **Amend Early College Credit Program (ECCP), Wis. Stat. sec. 118.55, to explicitly permit students at an ICS high school to be eligible to participate in the program.**
   - The current ECCP statute inadvertently excludes eligibility for ICS students; there is no reason for ICS high school students to be excluded from the ECCP.
     a) The law makes many references to "school board", which would permit district-authorized charter school students to participate.
     b) The statute should be amended in all places where "school board" is mentioned to include a reference to " the governing board of the charter school under s. 118.40 (2r) or (2x)".

DECISION ITEM 6052 – MILWAUKEE PARENTAL CHOICE PROGRAM RE-ESTIMATE

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$250,082,400	$262,058,200
Less Base	$250,323,300	$250,323,300
Requested Change	$(240,900)	$11,734,900

Request

The department requests a decrease of $240,900 GPR in FY22 and an increase $11,734,900 GPR in FY23, to reflect estimates for state aid payments to private schools participating in the Milwaukee Parental Choice Program (MPCP).

Fiscal Year	MPCP FTE Pupils	MPS State Aid Reduction ($ in millions)	Total MPCP Cost/Payments ($ in millions)
FY21 (est.)	27,805	$30.0	$234.2
FY22 (est.)	28,100	$24.0	$250.1
FY23 (est.)	28,400	$16.8	$262.1

Additionally, the department requests the repeal of Wis. Stats. sec. 121.137, an unnecessary mechanism under current law. This section requires that 6.6 percent of the state general aid reduction to MPS 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.

DECISION ITEM 6053 – RACINE AND WISCONSIN PARENTAL CHOICE PROGRAM RE-ESTIMATES

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

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$160,112,600	$190,888,700
Less Base	$137,512,600	$137,512,600
Requested Change	$22,600,000	$53,376,100

Request

The department requests increases $22,600,000 GPR in FY22 and $53,376,100 GPR in FY23, to reflect estimates for state aid payments to private schools participating in the Racine Parental Choice Program (RPCP) and the Wisconsin Parental Choice Program (WPCP).

Fiscal Year	RPCP FTE Pupils	State Aid Reduction ($ in millions)	Total RPCP Cost/Payments ($ in millions)
FY21 (est.)	3,764	*	$31.8
FY22 (est.)	3,900	$29.0	$34.7
FY23 (est.)	4,200	$33.2	$38.8

Fiscal Year	WPCP FTE Pupils	State Aid Reduction ($ in millions)	Total WPCP Cost/Payments ($ in millions)
FY21 (est.)	11,740	*	$99.2
FY22 (est.)	14,100	$122.0	$125.4
FY23 (est.)	16,500	$149.2	$152.1

*This data is forthcoming.

Statutory Language

The department is not requesting any statutory language request changes for these programs.

DECISION ITEM 6054 – SPECIAL NEEDS SCHOLARSHIP PROGRAM RE-ESTIMATE

250 – Special need scholarship program
s. 20.255 (2) (az)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$27,647,200	$41,774,300
Less Base	$17,084,900	$17,084,900
Requested Change	$10,562,300	$24,689,400

Request

The department requests a decrease of $10,562,300 GPR in FY22 and an increase $24,689,400 GPR in FY23, to reflect estimates for state aid payments to private schools participating in the Special Needs Scholarship Program (SNSP).

Fiscal Year	SNSP FTE Pupils	State Aid Reduction ($ in millions)	Total SNSP Cost/Payments ($ in millions)
FY21 (est.)	1,407	$18.0	$18.0
FY22 (est.)	2,100	$27.6	$27.6
FY23 (est.)	3,100	$41.8	$41.8

Additionally, the department requests the repeal of changes that were made in prior legislative Acts that provide for an "actual cost" basis for payments to private schools under the SNSP and for Special Education Open Enrollment.

Actual cost basis for payments to private schools participating in the Special Needs Scholarship Program (SNSP) for a child with a disability enrolled under the SNSP, and for students with special needs who open enroll to a school district other than their resident district (special education open enrollment, SEOE).

Relevant Statutes:

Wis. Stat. sec. 115.7915 (4c) [and related cross-references]

Wis. Stat. sec. 118.51 (12) [and related cross-references]

The provisions related to the payments based on actual cost statements are not workable and create issues for schools, parents, school districts, and the department. Specifically, combining a prior year cost payment requirement with a current year payment requirement creates financial hardship and uncertainty for schools and districts.

Statutory Language

The department is not requesting any statutory language request changes for these programs.

DECISION ITEM 4001 –ACADEMIC AND CAREER PLANNING

107 – Academic and career planning
s. 20.255 (1) (em)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$1,189,000	$1,566,000
Less Base	$1,100,000	1,100,000
Requested Change	$89,000	$466,000

Request

The department requests $89,000 GPR in FY22 and $466,000 GPR in FY23 to maintain the current level of services to school districts across the state under the Academic and Career Planning program and to study the impact of Academic and Career Planning on student outcomes.

Background

Academic and Career Planning (ACP) equips students and their families with tools to make informed decisions about postsecondary education, training, and careers. The program was created as part of the 2013-15 budget (Act 20) and is funded by a $1,100,000 GPR continuing appropriation that started in FY15.

The state superintendent has four responsibilities under the law regarding ACP:

- Ensure that every school board provides ACP services to pupils enrolled in grades 6-12;
- Provide software to be used statewide to provide said ACP services;
- Produce guidance for and provide technical assistance to school districts on how to implement model ACP; and
- Promulgate necessary rules.

The department meets these obligations by: 1) providing college and career planning software (Xello, formerly called Career Cruising) to school districts and 2) subsidizing the cost of ACP coordinators in each of the 12 CESAs.

Currently, 417 school districts use Xello. This year, FY21, is the fifth and final year of the department's Xello contract, and the department has an option to renew up to twice for two years each time. Additionally, the department has a contract with each CESA to support the implementation of ACP, which includes professional development.

The department also maintains an annual contract with the Wisconsin Center for Education Research (WCER) to conduct a longitudinal study of the ACP program. While this research is not specifically required in statute, it will expectantly demonstrate the value of the State's investment in ACP by determining the impact of ACP practices on student outcome measures.

Because ACP has a continuing appropriation and because identifying an appropriate software vendor and determining how to best deliver training and technical assistance took two years, the ACP program

entered FY21 with around $775,000 GPR in carryover, as outlined in Table 1, below. However, in meeting the total $6.9 million GPR reduction to the department's state operations appropriations (FY21), ACP is facing a proportionate GPR reduction of $131,300 (11.9 percent of the appropriation). In total, the loss of carryover resulting from the FY21 GPR reduction and ongoing funding commitments exceed available budget authority in the next biennium; i.e., ACP faces a deficit in FY22 and FY23.

Table 1. ACP Expenditures, FY15 to FY20

	FY15	FY16	FY17	FY18	FY19	FY20
Carryover from Prior Year	NA	$ 936,200	$1,779,300	$1,468,900	$1,098,000	$1,086,900
GPR Appropriation	$1,100,000	$1,100,000	$1,100,000	$1,100,000	$1,100,000	$1,100,000
Available Balance	$1,100,000	$2,036,200	$2,879,300	$2,568,900	$2,199,406	$2,187,537
Expenditures						
Software (Xello)	$ -	$ -	$ 952,800	$ 959,300	$ 915,600	$ 920,500
CESA Contracts	$ 70,000	$ -	$ 120,000	$ 180,000	$ 192,000	$ 234,500
WCER Contract	$ 50,000	$ 192,400	$ 281,500	$ 284,800	$ -	$ 200,000
Professional Development	$ 3,000	$ 22,800	$ 25,700	$ 41,000	$ 300	$ 12,300
Miscellaneous + LTE	$ 40,800	$ 41,700	$ 30,400	$ 5,000	$ 4,000	$ 45,400
Total Expenditures	**$ 168,300**	**$ 256,900**	**$ 1,410,400**	**$ 1,470,100**	**$ 1,111,900**	**$ 1,412,700**
Uncommitted Carryover	**$ 936,200**	**$ 1,779,300**	**$ 1,468,900**	**$ 1,098,800**	**$ 1,086,900**	**$ 774,200**

Proposal

The department requests increased funding of $89,000 GPR in FY22 and $466,000 GPR in FY23 (total of $555,000 GPR over the biennium) to meet its statutory requirements to provide Academic and Career Planning services to pupils across the state and to study the impact of ACP on student outcomes. The specific components of the funding increase are outlined directly below; costs are summarized in Table 2.

1. Xello ACP software ($990,000 GPR)

   Xello software helps students explore career and college options and develop a path to their postsecondary goals. The cost of Xello is based on the prior year enrollment of school districts when they sign on. The cost of the software for FY21 is $917,303. For FY22 and FY23, the software cost will increase to an estimated $990,000 annually.

2. CESA Contracts ($300,000 GPR)

   The department maintains contracts with each of the 12 CESAs to support the implementation of ACP. The contracts contain required elements that total around $15,000 and have a maximum value of $25,000. In FY20, every contract was between $17,500 and $21,000 with a combined total of $234,500. CESA contracts have already been signed for FY21, and every contract is for the maximum $25,000 ($300,000 total). The department emphasizes the importance and value of directly funding CESAs and expects that in the upcoming biennium every CESA contract will be for the maximum amount.

3. WCER Contract ($150,000 GPR)

   The department maintains a $200,000 annual contract with the Wisconsin Center for Education Research to conduct a longitudinal study of the ACP program. The contract could potentially be reduced by $50,000 without significantly inhibiting the research. The contract for FY21 has already been signed, but the department is confident that it can be renegotiated to $150,000.

4. Inspire software license ($125,000 GPR)

   Inspire virtually connects businesses with potential future workers. It is the department's understanding the Governor's Council on Workforce Investment intends to recommend support

for a larger Pathways Wisconsin (K-12 Career Readiness) initiative as part of its biennial budget request, which includes adding Inspire to the suite of available resources under ACP.

Table 2. Projected Costs for Academic and Career Planning

	FY21	FY22	FY23
Carryover from Prior Year*	$ 775,400	$ 376,800	$ (28,700)
GPR Appropriation	$1,100,000	$1,100,000	$ 1,100,000
Available Budget Authority	**$1,875,400**	**$1,476,800**	**$ 1,011,000**
Estimated Expenditures			
Software (Xello)	$ 917,300	$ 990,000	$ 990,000
CESA Contracts (Guidance/TA)	$ 300,000	$ 300,000	$ 300,000
WCER Contract (Evaluation)	$ 150,000	$ 150,000	$ 150,000
Miscellaneous	$ 0	$ 800	$ 1,000
NEW - Inspire License	$ 0	$ 125,000	$ 125,000
Total Expenditures	**$1,367,300**	**$1,565,800**	**$1,566,000**
FY21 Budget Reduction*	$ (131,300)		
Uncommitted Carryover	**$ 376,800**	**$ (89,000)**	**$ (555,000)**

*The amount of budget authority that will carry over from FY21 to FY22 reflects a reduction of $131,300 in the ACP appropriation in FY21, as part of the reductions to GPR-funded operational appropriations imposed on all state agencies by the Department of Administration.

Statutory Language

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

DECISION ITEM 4002 – GED TEST SUBSIDY AND DATA MODERNIZATION

111 – General education development test fee payments
s. 20.255 (1) (fd)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$400,000	$900,000
Less Base	$0	$0
Requested Change	$400,000	$900,000

112 – General education development and high school graduation equivalency; automated data system
s. 20.255 (1) (fe)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$1,045,000	$0
Less Base	$0	$0
Requested Change	$1,045,000	$0

Request

The department requests $400,000 GPR in FY22 and $900,000 GPR in FY23 in a new sum-sufficient appropriation, to subsidize testing fees for individuals taking the General Equivalency Diploma (GED) tests. The department also requests $1,045,000 GPR in FY22 in a new biennial appropriation, to create an automated, online GED credentialing system and to digitize paper records.

Background

The GED (General Education Development) test consists of a battery of tests to measure competency in math, science, social studies, and language arts. Wisconsin's version has four additional subject areas and is called the HSED (High School Equivalency Diploma). The HSED consists of the GED test battery as well as health, civic literacy, employability skills, and career awareness. The GED is accepted by most employers, technical colleges, and community colleges, but some employers, universities, and branches of the military require an HSED.

In 2019, a total of 7,624 Wisconsin residents took the GED, including 5,109 (67 percent) first time test takers, totaling 20,461 tests. Of the 3,667 completers, 3,021 passed the test, for a statewide pass rate of 82 percent (vs. national pass rate of 79 percent).

Each of the four sections of the test costs $33.75, which goes to GED Testing Service (GEDTS). Of the amount collected by GEDTS for tests, the department receives a credentialing fee of $3.75 per test ($15 for each full battery of tests). The credentialing fee is only $5 for adults in Wisconsin correctional institutions. GED Ready practice tests cost $6, and emergency expedited service is available for $25. These costs are borne by the test takers.

DPI 2021-23 BIENNIAL BUDGET REQUEST

Department Responsibilities

State law, under Wis. Stat. sec. 115.29 (4), authorizes the state superintendent to grant a declaration of equivalency of high school graduation (i.e., an HSED) to individuals who have completed a recognized high school course of study or its equivalent and have successfully completed the civics test required under Wis. Stat. sec. 118.33 (1m) (a). The state superintendent has authority to establish the standards by which high school graduation equivalency is determined; those standards may consist of the following:

- Evidence of completion of high school courses in high schools recognized as accredited
- Results of examinations given by or at the request of the state superintendent
- Successful completion of correspondence study courses
- A general educational development certificate of high school equivalency (i.e., GED credential) issued by an agency of the U.S. government
- Course credits received in schools meeting the approval of the state superintendent
- Other standards established by the state superintendent

The state superintendent also has authority to promulgate rules establishing fees for issuing a GED credential or HSED. The department promulgated PI 5 – High School Equivalency Diplomas and Certificates of General Educational Development in administering this section of state law. The GED/HSED program is administered by the Career and Technical Education (CTE) team, located in the department's Division for Academic Excellence.

The revenue generated by the credentialing fee is received by the department in a Program Revenue (PR) appropriation and is used to support 1.0 FTE permanent positon authority in the department. This position authority is split between two positions on the department's Career and Technical Education Team, supporting half of a 1.0 FTE School Administration Consultant position (splits time between GED/HSED and GPR-funded Alternative Education job responsibilities) and half of an Office Operations Associate position that provides support to the GED/HSED program.

While the CTE team also responds to GED/HSED verification requests from employers, colleges, and universities, the department does not have authority under current law to assess a fee for providing this service. The appropriation authorizes the department to use credential fee revenue for the administrative costs of issuing GED certificates and declarations of equivalency of high school graduation. Having the authority to charge a fee for GED/HSED verifications would be beneficial, as the amount of revenue collected via the credentialing fee has typically not been sufficient to fully support the salary, fringe benefits, and fixed costs associated with the 1.0 FTE position authority. However, unless an automated, online credential system is built, it is not practical to pursue authority to charge for the GED/HSED verification inquiries because there is no infrastructure in place to process said charges.

Subsidizing GED Test Fees

Several states, including Minnesota and Illinois, now offer subsidized or free GED tests. Overall, around 8 percent of Wisconsin adults over the age of 25 (~320,000 people) lack a high school diploma. In Milwaukee, that figure is double, at nearly 17 percent (U.S. Census Bureau, 2019; Wisconsin Department of Health Services, 2020). According to a 2019 WalletHub study, Wisconsin had the largest gap between white and black adult residents with at least a high school diploma. Moreover, Wisconsin has one of the highest concentration of jobs in occupations that require a high school diploma or equivalent (Bureau of Labor Statistics, 2014).

The department's CTE team staff have been fielding an increased volume of GED inquiries from students, parents, mentors, and teachers—especially in the Milwaukee area—who are seeking help for students who could not complete their high school credential due to the COVID-19 pandemic/public health emergency that caused schools, colleges and universities, businesses, and non-profit organizations to

close for significant periods of time. Other individuals without a high school diploma are out of work and trying to finish their credential to improve their job prospects. According to department staff, the cost of testing is the most common issue brought up by individuals who contact the department for information about GED/HSED.

Staff indicate that there has also been a recent spike in credentialing requests, which they attribute to the pandemic. Being able to obtain and access one's GED record is essential when applying for a job. Facilitating the ability for individuals to take the test and access their credentials is an important component of workforce development and economic recovery in the state.

Moreover, it is a matter of equity: more than half of GED inquiries come from individuals who are economically and educationally impoverished, and persons of color are disproportionately represented. While 55 percent of GED participants in 2019 were non-white, only 25 percent of Wisconsin high school graduates were non-white; and while African American students represented 7 percent of high school graduates in 2018-19, they represented 22 percent of GED participants (GED Testing Service, 2020; DPI Data Collections, 2020).

Data Modernization – Automated GED Credential System

The department is currently storing approximately 35 years of hard copy GED credentials, an estimated 155,000 records in total. These hard copy records are the only proof of the thousands of Wisconsin residents who earned their high school credential. While the records are stored in a secure location within the department, there is the risk that flooding, fire, or other natural disaster could destroy these records. These records are of vital importance to the individuals who depend on the department to provide their high school credential for purposes of applying for a job or for admissions to an institution of higher education. The digitization of existing hard copy records is an important step in ensuring that these records are available to those who need them and accessible in a timely manner.

Digitizing the hard copy records could involve either creating an electronic back up of the record (i.e., scan and store the record electronically so it can be retrieved later, if necessary), or creating a digital record of the credential within the GED credential system itself. Having the record entered into the credential system would reduce operational inefficiencies; it would require less staff time to retrieve the record and provide the credential to the individual, or to perform a verification for employers and college/university admissions offices.

For a portion of these hard copy records, creating a record of the credential within the GED credential system will not be necessary, as the individual possessing the credential will not have need to access their record (e.g., individual will not need for job application, is retired, or is deceased). However, the department does field requests for credentials that are in hard copy format only (approximately 15-30 per week, on average). Due to the demands of the program, staff are able to digitize records only on an as-needed basis, when credential or verification requests come in for records that exist only as paper. And even though most new records are available as part of a weekly download, certain types of records, including all HSEDs, need to be entered manually by staff and often arrive in large batches. Maintaining records is more complicated in Wisconsin than in other states because other states do not offer the variety of HSED options that Wisconsin does.

The department is assessing two options for digitizing paper GED/HSED records. First, the department could contract with a digital credentialing service, such as Parchment, to digitize the records. However, the input of records could be a protracted process because the records are not uniform in nature. Some records are typewritten, some are printed out, and others are even handwritten. Alternatively, the department could hire Limited Term Employees (LTEs) to digitize records (i.e., enter the data from the paper records into the database). These LTEs could support the program in other ways as needed – for

example, processing requests for credential or for verifications once GED demand expectantly increases due to subsidized test fees, as proposed in this request.
Similarly, the department's credentialing system relies on fax machines, paper checks, and mailed physical copies because the department currently lacks the financial resources to develop an automated, online system to process credentials and respond to GED verification requests. The necessary reliance on physical records and payments also encumbers the credentialing process and occupies a significant amount of staff time. Because credential requests cannot be processed immediately (electronically) and because GED recipients on average change addresses more frequently, up to 20 percent of credentials that the department mails out are returned to sender, potentially delaying financial aid, job applications, and apprenticeship offers. These practices have been particularly problematic during the COVID-19 pandemic when state offices have been closed for significant periods of time.

A new system would enable the electronic payment for and distribution of test transcripts, credentials, and employer verifications. In addition to saving substantial resources, an online system would increase user satisfaction, with more efficient processing of requests, and would greatly expand the department's data collection and analysis capabilities. Creating operational efficiencies would allow the GED/HSED Administrator position to dedicate more of their work time to Alternative Education, which is meant to occupy half of that position's time.

The department's GED/HSED Administrator position was supported by GPR funds until, under 2003 Wisconsin Act 33 (the 2003-05 biennial budget), the fund source was changed to program revenue (i.e. the credentialing fee). As noted previously, the credential fee revenue has typically been insufficient to support the full costs of the 1.0 FTE authorized permanent position, thus, the department must utilize its GPR general program operations appropriation to support the operational costs of the GED/HSED work on the CTE team. Wisconsin dedicates two positions to administering the GED/HSED program, while North Dakota has four such staff, Nebraska has five, and Minnesota has a minimum of six.

The department assumes that there will be an increase in GED test taking as a result of the state fully subsidizing the test fees (a cost that is currently borne entirely by the test takers). It follows that the CTE team would experience an increase in workload, as the number of inquiries, requests for credentials, and employee verifications increase along with test taking. This increased workload is expected to be temporary and then slow down, as demand for GED eventually plateaus. However, as this would be occurring while the department is building an automated system, the temporary workload increase would require additional support for the department's GED operations.

The department does not seek additional PR-funded position authority as part of this request. The credential fee would have to be increased to support additional PR-funded positions, but the department does not wish to impose an increase in the credential fee. Rather, the amounts requested to build an automated, online credential system assume that a portion of monies will be used to support LTE positions to assist with the temporary increase in workload as the department develops, tests, and then implements the automated online system. Once in place, the automated credential system will result in far more efficient processing of GED credential requests and employer verifications.

Proposal

The projected expenses for this program are $1,445,000 GPR in FY22 and $900,000 GPR in FY23, divided across two different appropriations, as outlined in Table 1, below.

- First, a sum sufficient appropriation will subsidize GED/HSED testing expenses for Wisconsin residents. The sum sufficient nature of the appropriation ensures that everyone who qualifies for the subsidized testing is able to receive it.

- Second, a biennial appropriation will support the creation of an automated, online GED/HSED credentialing system and the digitization of paper GED/HSED records. The biennial nature of this appropriation ensures that the work on these two vital efforts can be conducted across fiscal years of the biennium.

Auto-Subsidy Model ($400,000 GPR in FY22 and $900,000 GPR in FY23)

Under the auto-subsidy model, the department and GED Testing Service would enter into an agreement whereby payments would be made directly to GEDTS for Wisconsin residents. GEDTS would send the department an invoice for the number of Wisconsin resident tests taken in the previous month, paid for from the department's new appropriation for GED test fee subsidies. The department proposes a sum sufficient appropriation to avoid curtailing subsidies before the end of a fiscal year, due to lack of sufficient funding. This would help avoid situations in which individuals in effect compete for a subsidy slot (i.e., rush to schedule their test as early in the fiscal year as possible to get the subsidy before it runs out). To qualify for the subsidy, test takers must have an initial counseling session at an assessment center and must reach "Likely to Pass" status on the GED Ready exam.

The department proposes to begin subsidized testing effective January 1, 2022, to allow the department sufficient time to make financial arrangements with GEDTS and to promote the program. Based on other states that have begun subsidizing GED testing, the department expects a 40 percent to 50 percent increase in demand in GED testing in FY23.

Online GED/HSED Credentialing System ($900,000 GPR in FY22 and $0 GPR in FY23)

The department's GED/HSED credentialing system is outdated, relying on paper checks, hard copies, and conventional mail delivery systems. An automated, online system would save substantial staff time and, with improved efficiency in processing requests and reduced waiting time, increase user satisfaction. Moreover, an online system would enable the department to better collect and analyze data, ensuring that the department can meet the evolving needs of test takers.

The CTE team consulted with Applications Development staff in the department's Division for Libraries and Technology. They estimated project costs ranging from approximately $900,000 to $1,346,400 and needing 12 to 18 months to complete the project. Because the breakdown of project costs by state fiscal year is not certain, the department requests the appropriation be created as a biennial appropriation, so that unexpended monies from FY22 automatically carry over into FY23, ensuring that lack of budget authority does not disrupt progress on the project. Unused budget authority would lapse to the state's general fund at the end of FY23. The department would assess whether continued funding would be required to complete the project or be needed for ongoing maintenance of the system, as part of its 2023-25 biennial budget request.

Digitize Paper Records ($145,000 GPR in FY22 and $0 GPR in FY23)

The department is assessing two options for digitizing paper GED/HSED records: either contract with a digitizing service, such as Parchment; or hire LTEs to enter the data from the paper records into the database. The requested amount would be sufficient to support approximately 7,000 hours of LTE labor.[13] Once the best option is determined, the $145,000 GPR will be used to begin digitizing the records. This amount is included in the proposed biennial appropriation, along with the amount requested for developing an online, automated credential system.

[13] Roughly 6.75 LTE appointments, which are limited to 1039 hours apiece, if the funding were dedicated entirely to LTE staff. The department may need to make a one-time purchase of specialized scanning equipment to facilitate the creation of electronic backup files for hard copy records.

Table 1. Projected Costs for GED/HSED

Program	FY22	FY23
Sum Sufficient Appropriation		
Subsidize GED/HSED testing fees	$400,000	$900,000
Biennial Appropriation		
Online credentialing system	$900,000	$0
Digitize paper records	$145,000	$0
Requested Funding	**$1,445,000**	**$900,000**

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 4003 –MENTAL HEALTH TRAINING PROGRAMS

118 – Mental health training program
s. 20.255 (1) (ep)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$920,000	$920,000
Less Base	$420,000	$420,000
Requested Change	$500,000	$500,000

Request

The department requests $500,000 GPR in FY22 and $500,000 GPR in FY23 to increase support for existing mental health training programs, to expand the types of mental health trainings that can be offered, and to increase the capacity of the WISH Center to deliver trainings.

Background

The department has been involved in advancing strategies associated with school mental health services for a number of years, and utilizes a School Mental Health Framework that offers 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. Program strategies have been identified within that framework that are all evidence-based interventions.

Under current law, the department has appropriated $420,000 GPR annually to provide training to school district staff and instructional staff of independent charter schools, on three specific evidence-based strategies related to addressing mental health issues in schools. As specified in Wis. Stat. sec. 115.28 (63), the trainings include Screening, Brief Interventions, and Referral to Treatment (SBIRT), Trauma Sensitive Schools (TSS), and Youth Mental Health First Aid (YMHFA).

Screening, Brief Interventions, and Referral to Treatment (SBIRT)

The department has partnered with the Department of Health Services (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 train school staff (usually pupil services professionals) to conduct screenings of students suspected of having mental or behavioral health challenges. Additionally, 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 has demonstrated positive results.

Trauma Sensitive Schools (TSS)

The department has worked with St. Amelia-Lakeside to create self-directed training modules that school teams can use to implement a trauma-informed care model, as 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 as depression, withdrawal, generalized anxiety, or combative behaviors that may become violent. Currently, 16 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)

YMHFA is designed to teach parents, family members, caregivers, teachers, school staff, peers, neighbors, health and human services workers, and other caring citizens how to help an adolescent (age 12-18) who is experiencing a mental health crisis. The intervention is designed primarily for adults who regularly interact with young people. YMHFA 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.

Current Mental Health Training Program

The department was provided $420,000 GPR annually, beginning in FY18, to support school mental health training. This funding has allowed for several trainings to occur throughout the state; as a result, more schools were able to access state-funded trainings and supports designed to identify children and youth with mental health and substance abuse needs. During the 2019-20 school year:

- SBIRT coaching and technical assistance was provided to 178 participants from 37 schools.
- In partnership with the WISH Center, the department facilitated professional development on TSS for a cohort of 54 schools.
- As part of an effort to scale-up TSS across the state, the department hosted a mid-year virtual learning course with 241 participants from nearly 40 school teams and held a Training of Trainers (TOT) event that included continued learning for the 11 participating CESAs.
- The department, in collaboration with the WISH Center, coordinated 84 YMHFA trainings throughout the state while increasing the number of YMHFA statewide trainers to 70.

Expanding Training Opportunities

The department requests an increase in funding to provide more trainings to school staff, as well as to broaden training offerings to include other evidenced-based strategies beyond those specified under current law and to expand the scope of trainings to include bullying prevention and violence prevention. Below are three examples of specific mental health programs that could be offered to school staff with increased state funding:

- Compassion Resilience: One such program, Resilience Strategies for Educators, covers the impact of stress, burnout, and compassion fatigue on the overall environment of the school, and facilitates the creation of a practical action plan to create resiliency among educators.
- Bullying Prevention: This funding would support the creation of and access to bullying prevention training modules to be available online for schools.[14] Additional resources and content would be connected to the modules for school district use. With increased numbers of students engaging in online education due to the pandemic, heightened attention should be given to cyberbullying prevention.
- Restorative Practices: Working through Restorative Practices is a training that helps schools implement restorative practices, whereby students who have engaged in inappropriate behavior that has hurt others must face the harm they have caused to individuals and to the school

[14] The requested funding here for mental health training would be used to support online training for staff in bullying prevention and related resources to help schools respond to bullying, as opposed to supporting the creation of a bullying prevention curriculum, which is supported with a state bullying prevention grant administered by the department.

community. When the student gains an understanding of the harm done, and learns to take responsibility for their actions, progress towards restoring trust with peers and educators can begin; learning in a safe and caring environment can resume.

The Wisconsin Safe and Healthy Schools Training and Technical Assistance Center (WISH Center)

The Wish Center is a collaborative project between the department and the CESA Statewide Network. The center is led by a statewide director and employs four regional coordinators. The WISH Center builds the capacity of Wisconsin public school districts to implement programs in prevention and intervention of alcohol, tobacco, and other drug abuse, in mental health, and in school safety to reduce barriers to learning.

In 2018-19, the WISH Center provided training to 1,590 educators from 270 school districts and 72 private schools, agencies, or organizations throughout the state of Wisconsin on a variety of topics ranging from trauma, mental health, and suicide prevention to school safety. Overall participation was up 25 percent compared to 2017-18. The WISH Center also coordinates the YMHFA Trainings for the entire state, and the four Regional Coordinators serve as external coaches for the TSS project.

Proposal

The department requests increased funding of $500,000 GPR annually, beginning in FY22, to bolster existing mental health trainings, to expand the types of mental health trainings offered, and to increase the capacity of the WISH Center to deliver trainings. The specific components of the funding increase are outlined directly below; costs are summarized in Table 1.

1. Expansion of the mental health training program ($168,500 GPR annually) to include additional types of trainings related to student mental health, including some described above.
2. Enhanced support for the WISH Center ($201,500 GPR annually): This allocation would enable the WISH Center to hire two additional regional coordinators, making six total, each responsible for two CESAs. Additional staffing would increase the capacity of the WISH Center to deliver trainings and technical assistance, particularly in rural areas of Wisconsin.
3. Increased support for TSS ($100,000 GPR annually): Demand for TSS services greatly exceeds available funding and program expenses come from other fund sources.
4. Funds to enable virtual trainings for Youth Mental Health First Aid ($30,000 GPR annually): Due to the coronavirus pandemic, trainings for YMHFA need to be adapted for online participation.

Table 1. Projected Costs for Training Support

Program	FY22	FY23
Existing trainings: TSS, YMHFA, SBIRT	$420,000	$420,000
Additional support for TSS	$100,000	$100,000
Virtual YMHFA training	$30,000	$30,000
Expansion of training programs	$168,500	$168,500
Support for the WISH Center	$201,500	$201,500
Sub Total – Training Support	**$920,000**	**$920,000**
Less Base	$420,000	$420,000
Requested Change to Base	**$500,000**	**$500,000**

The department requests that the statutory language for mental health training programs under Wis. Stat. sec. 115.28(63) be modified to accurately reflect the broadened scope of trainings for which the department would use funding as proposed here.

Current Grant for Bullying Prevention

In addition to the statutory language change proposed for mental health training programs, the department requests that the statutory language under Wis. Stat. sec. 115.28 (45) be modified, in order to facilitate administration of the Grant for Bullying Prevention. As created under Act 59, the appropriation under Wis. Stat. sec. 20.225 (3) (eb) provides $150,000 GPR annually to the department to "award grants to a nonprofit organization, as defined in s. 108.02 (19), to provide training and an online bullying prevention curriculum for pupils in grades kindergarten to 8".

Beginning with the grant cycle for FY18, the department conducted a competitive process for this grant. Just one organization, the Children's Hospital of Wisconsin (CHW), applied for the grant. CHW maintains a complement of E-learning programs aimed at improving health outcomes for children. One of the E-learning programs ("ActNow!") is an on-line bullying prevention course specifically for students in kindergarten through eighth grade. The department awarded the grant to the CHW to support its programming under the ActNow! E-learning program for both the FY18-FY19 and FY20-FY21 grant cycles.

As the statute indicates, the bullying prevention grant may be awarded to just one nonprofit organization. Only one organization (CHW) has applied for the grant each year since the grant program began; it is likely to be the only organization to continue to apply for and be awarded this grant. The department therefore recommends modifying the statutory language to specify CHW as the grant recipient. Moving forward in this way would eliminate the need for the department to dedicate staff time to a competitive grant process for which the just one organization will apply. For these reasons, the department suggests that the language under Wis. State. sec. 115.28 (45) be modified to require the department to award the bullying prevention grant to the same entity that received the grant in FY20 and FY21.

Federal ESSER Funding to Support Mental Health Training

As part of the CARES (Coronavirus Aid, Relief, and Economic Security) Act, the department has awarded more than $158 million in ESSER (Elementary and Secondary School Emergency Relief) funds directly to Wisconsin school districts through grants. A portion of the department's 10 percent set-aside of those funds supports mental health training:

- There is ESSER funding to expand Restorative Practices TOT to increase the number of trainers in the field. However, the 10 percent set-aside does not contain any funding for Compassion Resilience or Bullying Prevention.
- While this budget proposal covers the extra cost of moving Youth Mental Health First Aid trainings online, ESSER funds will be used for YMHFA to expand TOT, manage training requests, and establish MOU agreements with trainers.
- There is no additional support for TSS in the 10 percent set-aside.
- No ESSER funds are dedicated to support the infrastructure of the WISH Center. Even though ESSER funding supports a Center for Resilient Schools that will focus on Social and Emotional Learning and expansion of mental health coaching throughout the state, these funds will not increase the capacity of the WISH Center to deliver trainings and technical assistance.

It is important to note that while the ESSER funding provided to DPI under the CARES Act will be used to complement existing sources for mental health training in schools, the ESSER funding is temporary; all funds under the 10 percent set-aside must be obligated by September 30, 2022. It will not provide sustained support for mental health training and supports. Thus, the department's request for additional, ongoing state support for mental health training for schools throughout the state.

Statutory Language

The department is proposing statutory language related to this request.

DECISION ITEM 4004 – PUPIL ASSESSMENT

105 – Pupil Assessment
s. 20.255 (1) (dw)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$16,558,400	$16,558,400
Less Base	$18,558,400	$18,558,400
Requested Change	-$2,000,000	-$2,000,000

Request

The department requests a decrease of $2,000,000 GPR in FY22 and a decrease of $2,000,000 GPR FY23 to reflect the re-estimate of amounts required for contracts with vendors to fulfill the department's obligations under state and federal law for administering standardized pupil assessments.

Background

Federal law, under the Every Student Succeeds Act (ESSA, the 1965 Elementary and Secondary Education Act as reauthorized in 2015), and Wisconsin state law both require pupil assessments. Though they are not equivalent, federal and state requirements do overlap. The federal and state pupil testing requirements are summarized below. Appendix A includes information about the assessments used in the State of Wisconsin to satisfy both the federal and the state testing requirements.

Requirements under Federal Law [USC 6311 (b) (2)][15]

1. Academic Assessments
   a) Assess pupils in English Language Arts & Math in each of grades three through eight and at least once during grades nine through 12.
   b) Assess pupils in Science at least once during grades three through five, during grades six through nine, and during grades 10 through 12.
   c) States may provide for academic assessments in any other subjects at their own discretion.
   d) States may provide for alternate academic assessments for the pupils with the most significant cognitive disabilities.
2. English Language Proficiency Assessment
   a) Annually assess the English proficiency of all English learners.

Requirements under State Law

1. Annually, during four- and five-year old kindergarten through second grade, assess pupils for reading readiness using a literacy screener selected by the district or independent charter school operator. Applies to all school district schools and independent charter schools, but not to parental choice private schools. [Wis. Stat. sec. 118.016 (1) (b)]

[15] Federal testing requirements apply to public school students only.

2. Administer a reading assessment to pupils in third grade. Applies to all school district schools and independent charter schools, but not to parental choice private schools. However, parental choice private schools do have to administer such an assessment under the statute described in 3., below. [Wis. Stat. sec. 121.02 (1) (r)]
3. Administer knowledge and concepts exams to pupils in fourth, eighth, ninth, 10th, and 11th grade. Applies to all school district schools and independent charter schools, as well as to parental choice private schools. Parental choice private schools are also required to administer any other academic assessments federal law requires public schools to administer. [Wis. Stat. sec. 118.30]
4. Annually assess the English language proficiency of all English learners. Applies to all school district schools only; does not apply to independent charter schools or parental choice private schools. [Wis. Stat. sec. 115.96 (1)]

Funding History

State funding for pupil assessments since FY14 is shown in Table 1, below.

Table 1. History of State Funding for Pupil Assessments

Year	Pupil Assessment State Appropriation
FY14	$ 6,310,400
FY15	$14,588,500
FY16	$17,605,900
FY17	$18,558,400
FY18	$18,558,400
FY19	$18,558,400
FY20	$18,558,400
FY21	$18,558,400

There have been a number of changes to the tools used for standardized assessments of public school pupils since the state first began using standardized testing to measure pupil achievement (1975). More recently, the department transitioned to a different set of assessments to fulfill the requirements under state law to administer the Wisconsin knowledge and concepts examinations: initially, the Badger exam for the 2014-15 school year, and then the Forward exam, beginning in the 2015-16 school year.

Additionally, the department began administering Dynamic Learning Maps (DLM), the assessment tool for pupils with the most significant cognitive disabilities, as well as the ACT suite of assessments for pupils in ninth, 10th, and 11th grade. The ACT suite included the ACT Aspire for ninth- and 10th-grade pupils and The ACT and ACT WorkKeys for students in 11th grade. A full history of the assessments administered to pupils in Wisconsin can be found on the department's website: https://dpi.wi.gov/assessment/historical.

The increase in the GPR appropriation for pupil assessments from FY14 to FY15 reflected decisions made under 2013 Wisconsin Act 20 (the 2013-15 biennial budget) to transition to different the assessment tools currently in use, as described above. State funding increased again in FY16 and F17 in accordance with the department's cost estimates for those years. Funding has remained consistent since FY17.

The department discontinued the ACT WorkKeys assessment for 11th grade pupils in the 2019-20 school year. The decision to discontinue this assessment was based on the results of a survey conducted by the department of district administrators, private parental choice school representatives, and CESA assessment personnel, in response to concerns over the usefulness of WorkKeys data and results from the assessment. The WorkKeys results had been reported in WISEdash for districts but had not been reported publically, nor had those results been used for school and district report cards or accountability purposes. The elimination of the WorkKeys assessment did not impact the departments ability to meet testing obligations under state or federal law.

The cost savings resulting from this decision were estimated at approximately $2,000,000 to $2,500,000 on an annual basis; however, the net savings in the pupil assessment appropriation is a function of changes in costs for contracts with other vendors used for the the various assessments administered to pupils in all grades that are tested. That said, the elimination of the WorkKeys test underlies the department's request to reallocate $2,000,000 GPR from the appropriation for pupil assessements for other purposes in the department.

Table 2, below, shows the department's estimates for GPR expenditures for the upcoming 2021-23 biennium.

Table 2. Estimated GPR Costs of Contracts for Pupil Assessments

ASSESSMENT	FY22 GPR	FY23 GPR
ACCESS*		-
ACT	$ 7,252,600	$ 7,246,800
DLM	$ 703,400	$ 707,600
Forward ELA/Math/Science	$ 6,050,000	$ 6,051,000
Forward Social Studies	$ 2,263,000	$ 2,263,000
Ed Analytics	$ 289,400	$ 290,000
TOTAL	**$16,558,400**	**$16,558,400**
Pupil Assessment Appropriation (current)	$18,558,400	$18,558,400
DIFFERENCE (Change to base funding)	**-$ 2,000,000**	**-$ 2,000,000**

*ACCESS is the test for pupils who are English learners. This test is funded with federal funds under ESSA (Title 1 – Part B).

Proposal

The department proposes to reallocate $2,000,000 GPR annually from the appropriation under Wis. Stat. sec. 20. 255 (1) (dw) for pupil assessments, to other initiatives in the department's budget request for agency operations, as shown in Table 3. See these DINs for more information.

Table 3. Reallocation of Pupil Assessment Funding

		REQUEST (reallocation)		
DIN	PROPOSAL	FY22	FY23	BIENNIAL
4001	Academic and Career Planning	$ 89,000	$ 466,000	$ 555,000
4002	GED/HSED Test Fee Subsidy & Data Modernization	$1,445,000	$ 900,000	$2,445,000
4003	Mental Health Training Programs	$ 500,000	$ 500,000	$1,000,000
5003	Recollection Wisconsin*	$ 0	$ 100,000	$ 100,000
	SUBTOTAL	**$2,034,000**	**$1,966,000**	**$4,000,000**
4004	**Reallocation from Pupil Assessments**	**-$2,000,000**	**-$2,000,000**	**-$4,000,000**
	TOTAL	**$ 34,000**	**-$ 34,000**	**$ 0**

*The Recollection Wisconsin proposal is also funded in part with a reduction to the department's appropriation for WISELearn.

Statutory Language

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

DIN 4004 – Appendix A: Assessments Administered to Satisfy Federal and State Requirements

School districts, independent charter schools, and parental choice private schools are required to administer all of the assessments listed in the table, with the exception that the grades 4K through two literacy screener requirement does not apply to parental choice private schools.

Grade	Exam	Subjects
4K-2 annually	Literacy screener selected by district or school operator Does not apply to parental choice private schools	
3	**Forward Exam**	ELA and Math
4	**Forward Exam**	ELA, Math, Science, and Social Studies
5	**Forward Exam**	ELA and Math
6	**Forward Exam**	ELA and Math
7	**Forward Exam**	ELA and Math
8	**Forward Exam**	ELA, Math, Science, and Social Studies
9	**ACT Aspire – Early High School**	English, Reading, Math, Science, and Writing
10	**ACT Aspire – Early High School** **Forward Exam**	English, Reading, Math, Science, and Writing Social Studies
11	**ACT with writing**	English, Reading, Math, Science, and Writing

Dynamic Learning Maps, or **DLM**, is an alternate academic assessment that is administered to pupils with the most significant cognitive disabilities in the same grades and subjects as are covered by the Forward Exam, ACT Aspire, and ACT with writing.

ACCESS for ELLs is the English language proficiency assessment that is administered by school districts annually to English learners in grades K through 12. An **Alternate ACCESS for ELLs** is available in grades one through 12 for English learners with the most significant cognitive disabilities.

DECISION ITEM 4005 – WISELEARN

110 – Digital learning portal (WISELearn)
s. 20.255 (1) (eL)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$1,359,000	$1,359,000
Less Base	$1,209,000	$1,159,000
Requested Change	-$150,000	-$200,000

Request

The department requests that the appropriation for WISELearn be decreased, by $150,000 GPR in FY22 and by $200,000 GPR in FY23, and to reallocate the GPR budget authority for a dedicated funding source for Recollection Wisconsin, as proposed by the department in its 2021-23 biennial budget request. See DIN 5003 for more information about the Recollection Wisconsin project.

Statutory Language

The department is not requesting statutory language changes for this request.

DECISION ITEM 5000 – EDUCATOR LICENSING APPROPRIATION

122 – Personnel licensure; teacher supply, information and analysis; teacher improvement s. 20.255 (1) (hg)

Request

The department requests two modifications to appropriation for educator licensing under Wis. Stat. sec. 20.255 (1) (hg) [Personnel licensure; teacher supply, information and analysis; teacher improvement]:

1. Change the appropriation type from an annual, sum certain appropriation, to a continuing appropriation. This would be designated by a change in the Chapter 20 schedule, under "type" from "A" to "C". Within the language under s. 20.255 (1) (hg), the language would change from "The amounts in the schedule" to "As a continuing appropriation".
2. Eliminate the statutory requirement that the department lapse 10 percent of revenue collected from the licensing application fees to the state's general fund at the end of each fiscal year.

These two changes will benefit the operations of the department by 1) allowing the department to utilize all fee revenue collected within each fiscal year, and 2) allowing the department to access revenues that have accumulated over time as a result of the sum certain nature of the appropriation. In prior year, when actual revenues (net of the required lapse) exceeded the allowable budget authority in the appropriation, the revenues accumulate, as they cannot be accessed by the department for operations of the Teacher Education, Professional Development, and Licensing (TEPDL) team in the department.

State law, under Wis. Stat. sec. 115.28 (7), requires the state superintendent to license all teachers for the public schools of the state, and, to make rules establishing standards of attainment and procedures for the examination and licensing of teachers. The statute, under Wis. Stat. sec. 11528 (7) (d) authorizes the state superintendent to establish fees for "the certification or licensure of school and public library personnel sufficient to fund certification and licensing administrative costs." This statute can be understood to assume that the revenue generated by the licensing application fees is intended to remain within the department for operations of the TEPDL team.

In prior years, the department has had to draw on revenue from its GPR appropriation for general program operations to cover a portion of operational costs on the TEPDL team (most recently, for FY20, the amount was approximately $87,500). In these cases, there were sufficient revenues collected within the fiscal year to cover all expenditures; however, the limit on expenditure authority prevented the department from accessing the full amount of revenues collected.

Changing the appropriation to be continuing would allow the department to increase budget authority, if needed, to access existing revenue, for TEPDL team operations. Further, the uncommitted revenue balance would carry forward (as it does currently) and be accessible to the TEPDL team in subsequent years.

The workload of the TEPDL team can is cyclical, with predictable peaks in workload that correspond to the time during the year when more individuals submit applications for licensure (e.g., upon completion of an educator preparation programs, prior to the start of a school year). Additionally, the number of licensing applications submitted and required background checks conducted by the TEPDL team can vary across years. The change from a five-year renewal model for educator licensing, to a lifetime license model, under 2017 Act 59 (the 2017-19 state biennial budget) created expectations of a more even workload over the years. However, the requirement that educators have a background check conducted

(by the department) every five years as one of the conditions for retaining a lifetime license does result in uneven workload across years.

This is an important reason for the department's request that the appropriation be changed to continuing – while revenues can fluctuate from year to year, the budget authority tends to be static for two year periods, a function of the state's biennial budget process. A continuing appropriation would provide the department the flexibility to cover operational costs that fluctuate from year to year with available revenue.

In addition to operating flexibility, having access to accumulated revenues would allow the department to pursue much needed upgrades to the online educator licensing system (ELOS), which is used by individuals to apply for all educator licensing types. The current ELOS has been determined to be at the end of its expected useful life cycle; upgrades are required to ensure efficient operations of the TEPDL team. Currently, there is a balance of revenues generated by licensing fee applications, which could be used to support upgrading of the ELOS and to hire additional Limited Term Employee support for peak workload times on the team.

The statute indicates that this is the very purpose of the fee revenue collected by the department, as it authorizes the state superintendent to establish fees that are "sufficient to fund certification and licensing administrative costs"; the required lapse of ten percent of fee revenues collected by the department is an impediment to the efficient operation of the TEPDL team in is educator licensing duties.

There is no change in budget authority associated with this request because the budget authority set in the chapter 20 schedule reflects gross (estimated) revenues; the lapse to the general fund of 10 percent of licensing fees is reflected as an expenditure in the accounting system. If the department's request to convert the appropriation to be continuing is granted, then the department would seek increases in budget authority, commensurate with anticipated expenditures supported with existing revenue, through administrative means (i.e., working with the state budget office and state controller's office). The department is not proposing or planning to raise educator licensing fees at this time or during the 2021-23 biennium.

Statutory Language

The department is proposing statutory language changes for this request.

DECISION ITEM 5001 – PUBLIC LIBRARY SYSTEM AID

361 – Aid to public library systems
s. 20.255 (3) (qm)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$18,513,100	$20,013,100
Less Base	$16,013,100	$16,013,100
Requested Change	$2,500,000	$4,000,000

Request

The department requests increases of $2,500,000 SEG in FY22 and $4,000,000 SEG in FY23 for the appropriation for aid to public library systems to support the operations and maintenance of public library services in Wisconsin.

Background

There are 16 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.

Aid is paid to library systems based on the formula specified in Wis. Stat. sec. 43.24. Each system must have on file a plan approved by the department for the use of state aid it will receive as a condition of receiving aid. No more than 20 percent of the aid received can be used for administrative purposes.

Prior to the passage of 2017 Wisconsin Act 59 (Act 59, the 2017-19 biennial budget), state statutes required the department to include in its biennial budget submission a request for a funding adjustment for public library system aid equal to 13 percent of (estimated) prior year local and county expenditures for all public library systems in the state. This formula was referred to public library system aid indexing, structuring state aid for public library systems as a reimbursement for local and county expenditures.

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 (enacted as 1993 Wisconsin Act 16) eliminated the 13 percent indexing level. However, under 1997 Wisconsin Act 150, the indexing of public library system aid was again incorporated into state law. The department was required to include a biennial budget request to bring state funding for public library systems to the 13 percent index level. Finally, under Act 59, the indexing requirement was eliminated.

Funding History

Prior to the passage of 2003 Wisconsin Act 33 (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 and funded with funds from the Universal Services Fund (USF), one of the state's 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 funds increased to 33 percent, as the legislature shifted more funding from GPR to SEG. The 2009-11 biennial budget (2009 Wisconsin Act 28) deleted the GPR appropriation entirely and the SEG appropriation was increased, becoming the sole funding source for state aid to library systems.

Under 2011 Wisconsin Act 32 (Act 32, the 2011-13 biennial budget), funding was decreased, 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 2015-17 biennia. Finally, Act 59 provided additional funding, on a one-time basis, of $500,000 SEG in FY18 and $1,000,000 in FY19 above the FY17 base. As directed by Act 59, the FY19 base appropriation for Public Library System Aid has reverted to the FY17 level of $15,013,100 for the 2019-21 biennium.

Estimated Cost Increases

Local public library system expenditures are projected to grow by 1.6 percent annually in 2019 and 2020. 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 6.7 percent for FY19 (as a result of the one-time increase in system aid), to 6.2 percent in FY20 and 6.1 percent in FY21. Appendix A shows the history of local expenditures and state aid, from 2003 (FY04) through 2018 (FY19); as well as the projected local expenditures for 2019 (FY20) through 2020 (FY21).

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.

Public libraries are, and continue to be, instrumental in their communities' response to the COVID-19 pandemic and never stopped serving Wisconsin residents, even during the Safer at Home order. Wisconsin's public libraries provide access to a seemingly endless supply of e-books, audiobooks, movies, music, virtual programs and story times, and other activities that patrons can access from home. For many library users, a home internet connection is a luxury.

Through services that libraries already provided locally, or newly added services supported by federal funds,[16] many public libraries throughout the state offered outdoor access to wireless internet while the building was physically closed to the public. Librarians adapted their programming offerings to virtual platforms to reach children, families, and lifelong learners while library patrons stayed Safer at Home.

Libraries have adapted and provided curbside service so that library users could continue to access physical educational and entertainment materials while also adhering to strict and diligent sanitizing procedures to ensure the health and safety of their patrons and their communities. As a result, libraries never truly closed during the pandemic: they adapted and provided necessary services to their communities in a challenging time. Whether they are providing reliable health information, workforce development and information for job seekers during this recession, government information, public-use

[16] From funding provided through the Institute of Museum and Library Service's Library Services and Technology Act (LSTA) grants or Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grants.

computers, access to the internet, library materials, library programs, and many more services, libraries have remained essential pillars of their communities during the COVID-19 pandemic.

According to the Wisconsin Library Association, libraries have identified several priorities for which additional funding increases would be directed, to address workforce development, technology infrastructure, and promotion of lifelong learning. These services offered by libraries are pivotal to the community that they serve. Additional funds could be used to expand online course offerings and technology training opportunities to help people with new careers and mid-career changes; to expand technology services to all areas of the state, such as rural or low-income communities, and to include wireless hotpots, local area networks, technology equipment for maker spaces and digitization services; and to support various activities for residents of all ages that promote lifetime learning, such as early literacy, summer reading, and STEM programs.

Proposal

The department is requesting an increase in funding aid to public library systems, by $2,500,000 SEG in FY22 and $4,000,000 SEG in FY23, to consistently support operations and maintenance of public library services in Wisconsin in a way that is sustainable for member libraries and the state's residents.

Statutory Language

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

DPI 2021-23 BIENNIAL BUDGET REQUEST

APPENDIX A (DIN 7001)

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
2005	$185,169,732	4.55%	**FY06**	$14,908,600	GPR/SEG	5.01%	**8.05%**	13.00%	$24,072,100	$9,163,500
2006	$192,192,100	3.79%	**FY07**	$15,521,200	GPR/SEG	4.11%	**8.08%**	13.00%	$24,985,000	$9,463,800
2007	$197,355,785	2.69%	**FY08**	$16,138,000	GPR/SEG	3.97%	**8.18%**	13.00%	$25,656,300	$9,518,300
2008	$205,696,696	4.23%	**FY09**	$16,783,500	GPR/SEG	4.00%	**8.16%**	13.00%	$26,740,600	$9,957,100
2009	$211,137,195	2.64%	**FY10**	$16,165,400	SEG	-3.68%	**7.66%**	13.00%	$27,447,800	$11,282,400
2010	$215,123,445	1.89%	**FY11**	$16,681,200	SEG	3.19%	**7.75%**	13.00%	$27,966,000	$11,284,800
2011	$216,886,354	0.82%	**FY12**	$15,013,100	SEG	-10.00%	**6.92%**	13.00%	$28,195,200	$13,182,100
2012	$213,620,201	-1.51%	**FY13**	$15,013,100	SEG	0.00%	**7.03%**	13.00%	$27,770,600	$12,757,500
2013	$217,095,564	1.63%	**FY14**	$15,013,100	SEG	0.00%	**6.92%**	13.00%	$28,222,400	$13,209,300
2014	$223,379,348	2.89%	**FY15**	$15,013,100	SEG	0.00%	**6.72%**	13.00%	$29,039,300	$14,026,200
2015	$232,086,772	3.90%	**FY16**	$15,013,100	SEG	0.00%	**6.47%**	13.00%	$30,171,300	$15,158,200
2016	$225,878,850	-2.67%	**FY17**	$15,013,100	SEG	0.00%	**6.65%**	13.00%	$29,364,300	$14,351,200
2017	$230,013,904	1.83%	**FY18**	$15,513,100	SEG	3.33%	**6.74%**	13.00%	$29,901,800	$14,388,700
2018-Est.	$258,294,735	12.30%	**FY19**	$16,013,100	SEG	3.22%	**6.20%**	13.00%	$33,578,300	$17,565,200
2019-Est.	$263,392,916	1.97%	**FY20**	$16,013,100	SEG	0.00%	**6.08%**	N/A^	N/A^	N/A^
2020-Est.	$268,660,774	2.00%	**FY21**	$16,013,100	SEG	0.00%	**5.96%**	N/A^	N/A^	N/A^
2021-Est.	$274,033,989	2.00%	**FY22**	$16,013,100	SEG	0.00%	**5.84%**	N/A^	N/A^	N/A^
2022-Est.	$279,514,669	2.00%	**FY23**	$16,013,100	SEG	0.00%	**5.73%**	N/A^	N/A^	N/A^

*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.

**FY18 and FY19: The appropriation under 2017 Act 59 was increased funding on a one-time basis by $500,000 SEG in FY18 and $1,000,000 in FY19 above the FY17 base.

^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 in an amount that would bring state aid to the 13% index level. The 13% index requirement was again eliminated under 2017 Act 59.

DECISION ITEM 5002 – LIBRARY SERVICE CONTRACTS

362 – Library service contracts
s. 20.255 (3) (r)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$1,355,300	$1,367,700
Less Base	$1,342,400	$1,342,400
Requested Change	$12,900	$25,300

Request

The department requests an increase of $12,900 SEG in FY22 and $25,300 SEG in FY23 to fully fund the estimated costs of the library service contracts maintained by the department. The funding source for the library service contracts comes from the Universal Service Fund (USF), one of the state's segregated (SEG) funds.

Background

This request is to fully fund estimated costs of the library service contracts that the department is required to maintain pursuant to Wis. Stat. sec. 43.03 (6) and (7). Under this statute, the department 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 department contracts with four providers: the Milwaukee Public Library (MPL), the University of Wisconsin-Madison (UW-Madison), the Wisconsin Talking Book and Braille Library (WTBBL), and the Cooperative Children's Book Center (CCBC).

The UW-Madison 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-Madison 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 current law, the department 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 children's and young adult literature book examination center located on the UW-Madison campus providing unique resources and reference services to adults whose studies and work intersects with books for youth. Funding through the contract with the department supports the CCBC in providing information, outreach, and continuing education opportunities for Wisconsin public and school librarians, teachers, and others throughout the state.

Funding History

The budget for the library services contracts has undergone several major changes in the past two decades. The 2003-05 biennial budget 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 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 purchase a Digital Talking Books server.

Under 2009 Wisconsin Act 28 (Act 28, the 2009-11 biennial budget), the GPR funding for the contracts was replaced with SEG funds from the 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. Funding for the contracts was modified several times in the past during the state's biennial budget process.

The projected increases to the library service contracts for FY22 and FY23 are driven by general operating cost increases among the four contract entities, as shown in Table 2 below.

If the funding increase requested by the department is not provided (i.e., maintain base funding), 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. Table 1 below presents the library service contracts appropriation history since FY08.

Table 1. Library Service Contracts Appropriation History, FY08 through FY21

Year	Appropriation	Change Over Previous Year
FY08	$1,134,200	
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%
FY18	$1,170,400	0.3%
FY19	$1,174,300	0.3%
FY20	$1,307,500	11.30%
FY21	$1,342,400	14.30%

Table 2. Library Service Contracts 2020-21 Budget Projection

Contract	FY21 Base	FY22 Projection	FY23 Projection
UW	$80,000	$80,000	$80,000
MPL - ILL	$66,500	$69,300	$72,200
WTBBL	$1,053,600	$1,053,600	$1,057,700
CCBC	$142,300	$152,400	$157,800
Total Costs (Rounded)	$1,342,400	$1,355,300	$1,367,700
Change to Appropriation	**n/a**	**$12,900**	**$25,300**

Therefore, the department requests $12,900 SEG in FY22 and $25,300 SEG in FY23 to maintain existing service levels under the library service contracts.

Statutory Language

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

DECISION ITEM 5003 – RECOLLECTION WISCONSIN

383 – Recollection Wisconsin
s. 20.255 (3) (er)

FISCAL SUMMARY		
	2021-22 Request	2022-23 Request
Requested Funding	$150,000	$300,000
Less Base	$0	$0
Requested Change	$150,000	$300,000

Request

The department requests $150,000 GPR in FY22 and $300,000 GPR in FY23 to provide a dedicated funding source for Recollection Wisconsin. The department also requests a reduction to its appropriation for the WISELearn digital learning portal (see DIN 4005), as well as a reduction in the appropriation for Pupil Assessments (see DIN 4004), to offset the requested increase for Recollection Wisconsin.

Background

Started by local libraries as a grassroots movement, Recollection Wisconsin brings together digital cultural heritage resources from Wisconsin libraries, archives, museums, and historical societies, and shares them with the world in partnership with the Digital Public Library of America. Recollection Wisconsin supports more than 200 Wisconsin libraries, museums, and other cultural heritage institutions, aiding those institutions in digitizing and sharing photographs, maps, letters, diaries, oral histories, artifacts, and other historical resources. This helps Wisconsin knowledge centers that may not otherwise have the resources or capacity to bring their collections into a digital format.

Recollection Wisconsin offers a Digital Projects Toolkit, which provides free resources for all steps of digitization, such as planning, copyright, scanning, metadata, and storage. Recollection Wisconsin provides services and benefits to students, teachers, genealogists, academic researchers, and all Wisconsinites who want to learn and explore the state's history.[17]

Recollection Wisconsin is a consortium administered by WiLS[18] and managed by seven governing partners: WiLS, the Wisconsin Historical Society, UW-Milwaukee, UW-Madison, the Milwaukee Public Library, Marquette University, and the department. Primary support has been provided by the department, previously with federal Library Services and Technology Act (LSTA) funds (distributed by the federal Institute of Museum and Library Services [IMLS]), and currently, with GPR from the WISELearn appropriation (see Table 1).

Between FY15 and FY19, the department provided approximately $50,000 annually for Recollection Wisconsin from its federal LSTA allocation. In FY20, the department provided $132,000, solely from the GPR appropriation for WISELearn. The funds are provided as grants to WiLS; the department does not provide Recollection Wisconsin with direct personnel support. See Table 1, below.

[17] https://recollectionwisconsin.org/about/overview
[18] WiLS (formally Wisconsin Library Services) is a non-profit membership organization that facilitates collaborative projects and services to save members time and money and to advance library service, primarily in the state of Wisconsin. Most members are libraries, but WiLS also works with cultural institutions, government agencies, and other non-profits to develop partnerships and projects. (https://www.wils.org/about-wils/

Table 1. Department Support for Recollection Wisconsin

	Fund Source / Appropriation		
Fiscal Year	**LSTA (Federal)**	**WISELearn (State)**	**Recollection Wisconsin (State)**
FY15	$37,576		
FY16	$50,000		
FY17	$50,000		
FY18	$52,000		
FY19	$52,000		
FY20	$0	$132,000	
FY21	*	*	
FY22 – Proposal			$150,000
FY23 – Proposal			$300,000

*The initial estimate for FY21 support from the WISELearn appropriation was $150,000; however, the actual allocation for Recollection Wisconsin has not been determined for FY21, and may be less than $150,000 (or possibly zero) as the department is in the process of determining a reduction to its GPR operating budget (to which the WISELearn appropriation is subject).

In addition to the funding provided by the department, the organization receives support from in-kind contributions, hosting fees, and other grants, such as the IMLS Laura Bush 21st Century guardian grant (2017-2019), the National Endowment for the Humanities (2016-2020), the Nicholas Family Foundation (2009-2017), the Jane Bradley Pettit Foundation (2017), and the Lynde and Harry Bradley Foundation (2015-2016).[19]

The resources provided by Recollection Wisconsin are vitally important to public libraries in rural communities, which may not otherwise be able to digitize and make their collections more accessible to library patrons. In contrast, larger libraries, such as those in suburban areas and city-centers, have greater capacity to expand the digitization of their collections. Recollection Wisconsin works to bridge this divide between rural and suburban/urban areas of the state.

Currently, the majority of the department's support for Recollection Wisconsin comes from federal LSTA grants and the GPR appropriation for WISELearn. Because these funding streams support other work in the department, there is no guarantee from year to year that funding will be available for Recollection Wisconsin. Without a stable, ongoing source of funding to support its work, Recollection Wisconsin will be less able to provide stable, ongoing support to libraries across the state. That loss of support will have the greatest impact on public libraries in Wisconsin's rural communities.

Creating a dedicated, GPR appropriation for Recollection Wisconsin would provide a stable fund source for the work of digitizing historic materials in public libraries throughout the state, and in particular, in the rural parts of the state. The Wisconsin Libraries Association (WLA) indicates that if provided, a dedicated

[19] https://recollectionwisconsin.org/about/funding

state appropriation would support project management, content hosting and management, staff training, and technology related costs.

Proposal

The department requests the creation of a dedicated GPR appropriation to provide a permanent source of state support for Recollection Wisconsin, at $150,000 GPR in FY22 and $300,000 GPR in FY23, The department's request would have no net impact on the state's general fund, as the request includes a commensurate decrease in the appropriation for WISELearn. The department's request is supported by the WLA.

Statutory Language

The department is proposing any statutory language related to this request.

DECISION ITEM 7001 – 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)	$ 958,600	$ 958,600
130	s. 20.255 (1) (hj)	-$ 30,300	-$ 43,400
232	s. 20.255 (2) (k)	$ 4,500,000	$ 4,500,000
Total		$ 5,428,300	$ 5,415,200

The Department requests adjustments in budget authority for Program Revenue (PR) appropriations of $5,428,300 PR in FY22 and $5,415,200 PR in FY23 to reflect projected revenues and expenditures.

The re-estimates for the appropriation under s. 20.255 (1) (hg) reflects projected teacher licenses fee revenue.

The re-estimates for the appropriation under s. 20.255 (1) (hj) reflects projected GED/HSED credential 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.

STANDARD BUDGET ADJUSTMENTS

DECISION ITEM 3001 – TURNOVER REDUCTION

See Appropriations Below

FISCAL SUMMARY			
Numeric	Alpha	2021-22	2022-23
Appropriation	Appropriation	Request	Request
101	s. 20.255 (1) (a)	-$440,500	-$440,500
102	s. 20.255 (1) (b)	$0	$0
141	s. 20.255 (1) (me)	-$525,900	-$525,900
Total		-$966,400	-$966,400

The department requests -$440,500 GPR and -$525,900 PR-F in FY22 and FY23 as the department's required turnover reduction in appropriations funding more than 50 FTE permanent positions.

DECISION ITEM 3003 – FULL FUNDING OF CONTINUING SALARIES AND FRINGE

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2021-22 Request**	**2022-23 Request**
101	s. 20.255 (1) (a)	$471,100	$471,100
102	s. 20.255 (1) (b)	$270,300	$270,300
122	s. 20.255 (1) (hg)	$120,100	$120,100
123	s. 20.255 (1) (j)	-$3,500	-$3,500
124	s. 20.255 (1) (i)	-$7,400	$7,400
125	s. 20.255 (1) (jg)	-$9,100	-$9,100
130	s. 20.255 (1) (hj)	$5,000	$5,000
131	s. 20.255 (1) (ks)	$127,400	$127,400
132	s. 20.255 (1) (ke)	$163,100	$163,100
133	s. 20.255 (1) (kd)	-$3,100	-$3,100
134	s. 20.255 (1) (hm)	$4,200	$4,200
141	s. 20.255 (1) (me)	$37,600	$37,600
146	s. 20.255 (1) (pz)	$662,600	$662,600
Total		$1,838,300	$1,838,300

The department requests $741,400 GPR, $105,100 PR, $291,600 PR-S, and $700,200 PR-F in FY22 and FY23 to adjust the amount needed to bring salary and fringe amounts to FY21 levels. A detailed calculation is available on a separate spreadsheet from the Policy and Budget Team.

DECISION ITEM 3007 – OVERTIME

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	Alpha Appropriation	2021-22 Request	2022-23 Request
101	s. 20.255 (1) (a)	$10,400	$10,400
102	s. 20.255 (1) (b)	$263,600	$263,600
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)	$7,800	$7,800
133	s. 20.255 (1) (kd)	$600	$600
141	s. 20.255 (1) (me)	$27,800	$27,800
146	s. 20.255 (1) (pz)	$14,100	$14,100
Total		$328,000	$328,000

The department requests $274,000 GPR, $3,600 PR, $8,500 PR-S, and $41,900 PR-F in FY22 and FY23 to restore funds for overtime differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2019 Wisconsin Act 9. Fringe benefits are calculated at the variable fringe rate of 15.50 percent.

DECISION ITEM 3008 – NIGHT AND WEEKEND DIFFERENTIAL

See Appropriations Below

FISCAL SUMMARY			
Numeric Appropriation	Alpha Appropriation	2021-22 Request	2022-23 Request
101	s. 20.255 (1) (a)	$400	$400
102	s. 20.255 (1) (b)	$54,900	$54,900
132	s. 20.255 (1) (ke)	$200	$200
141	s. 20.255 (1) (me)	$200	$200
146	s. 20.255 (1) (pz)	$100	$100
Total		$55,800	$55,800

The department requests $55,300 GPR, $200 PR-S and $300 PR-F in FY22 and FY23 to restore funds for night and weekend differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2019 Wisconsin Act 9. Fringe benefits are calculated at the variable fringe rate of 15.50 percent.

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	2021-22 Request	2022-23 Request
101	s. 20.255 (1) (a)	$4,400	$4,400
141	s. 20.255 (1) (me)	-$34,600	-$34,600
Total		-$30,200	$30,200

The department requests $4,400 GPR and -$34,600 PR-F in FY22 and $4,400 GPR and -$34,600 PR-F in FY23 to fully fund the department's lease costs. The amount requested is based on private lease and state-owned space expenditures in FY21 as provided by the Department of Administration.

DECISION ITEM 3011 – MINOR TRANSFERS WITHIN THE SAME ALPHA APPROPRIATION

See appropriations below.

FISCAL SUMMARY			
Numeric Appropriation	**Alpha Appropriation**	**2021-22 Request**	**2022-23 Request**
104 sub. 7	s. 20.255 (1) (d)	$260,800	$260,800
104 sub. 7	s. 20.255 (1) (d)	-$260,800	-$260,800
105 sub. 4	s. 20.255 (1) (dw)	-$3,381,900	-$3,381,900
105 sub. 4	s. 20.255 (1) (e)	$3,381,900	$3,381,900
122 sub. 1	s. 20.255 (1) (hg)	-$7,500	-$7,500
122 sub. 3	s. 20.255 (1) (hg)	-$14,800	-$14,800
122 sub. 4	s. 20.255 (1) (hg)	-$9,000	-$9,000
122 sub. 8	s. 20.255 (1) (hg)	-$13,400	-$13,400
122 sub. 9	s. 20.255 (1) (hg)	$44,700	$44,700
131 sub. 1	s. 20.255 (1) (ks)	-$137,800	-$137,800
131 sub. 8	s. 20.255 (1) (ks)	$137,900	$137,900
131 sub. 9	s. 20.255 (1) (ks)	-$100	-$100
141 sub. 2	s. 20.255 (1) (me)	$375,800	$375,800
141 sub. 9	s. 20.255 (1) (me)	-$375,800	-$375,800
224 sub. 1	s. 20.255 (2) (fr)	$26,273,500	$26,273,500
224 sub. 2	s. 20.255 (2) (fr)	-$26,273,500	-$26,273,500
232 sub. 2	s. 20.255 (2) (k)	$8,500,000	$8,500,000
232 sub. 3	s. 20.255 (2) (k)	-$8,500,000	-$8,500,000
241	s. 20.255 (2) (m)	-$95,710,000	-$95,710,000
241 sub. 3	s. 20.255 (2) (m)	$95,710,000	$95,710,000
250	s. 20.255 (2) (az)	-$2,933,000	-$2,933,000
250 sub. 1	s. 20.255 (2) (az)	$7,764,600	$7,764,600
250 sub. 2	s. 20.255 (2) (az)	-$4,831,600	-$4,831,600
275 sub. 2, line 4	s. 20.255 (2) (cu)	-$125,000	-$125,000
275 sub. 2, line 6	s. 20.255 (2) (cu)	$125,000	$125,000
344	s. 20.255 (3) (ms)	-$5,300,000	-$5,300,000
344 sub. 2	s. 20.255 (3) (ms)	$5,300,000	$5,300,000
360 sub. 1	s. 20.255 (3) (q)	-$2,937,500	-$2,937,500
360 sub. 2	s. 20.255 (3) (q)	$2,937,500	$2,937,500
Total		**$0**	**$0**

The department requests to move amounts between lines, and between subprograms, within the same alpha appropriation, for three appropriations. There is no funding change associated with this request.

ACT 201 BUDGET REDUCTION EXERCISE (Zero-Growth GPR Budget, FY22)

	Appropriation		Fund	Adjusted Base		(See Note 1) 0% Change	Proposed Budget FY22		Item	Change from Adj Base		(See Note 2) Remove SBAs		Change from Adjusted Base after Removal of SBAs	
Agency	Alpha	Numer	Sourc	$	FTE	Target	Proposed $	Proposed FT	Ref.	$	FTE	$	FTE	$	FTE
255	**1a**	101	GPR	$13,126,900.00	94.75	0	14,583,100	94.75	1	1,456,200	0.00	(45,200)	0.00	1,411,000	0.00
255	**1b**	102	GPR	$12,285,600.00	157.72	0	12,874,400	157.72		588,800	0.00	(588,800)	0.00	0	0.00
255	**1c**	103	GPR	$548,500.00	0.00	0	548,500	0.00		0	0.00		0.00	0	0.00
255	**1cm**	113	GPR	$14,500.00	0.00	0	14,500	0.00		0	0.00		0.00	0	0.00
255	**1dw**	105	GPR	$18,558,400.00	0.00	0	16,558,400	0.00	1	(2,000,000)	0.00		0.00	(2,000,000)	0.00
255	**1e**	106	GPR	$3,400,000.00	0.00	0	3,400,000	0.00		0	0.00		0.00	0	0.00
255	**1ee**	109	GPR	$973,300.00	0.00	0	973,300	0.00		0	0.00		0.00	0	0.00
255	**1ek**	108	GPR	$3,488,100.00	0.00	0	3,488,100	0.00		0	0.00		0.00	0	0.00
255	**1eL**	110	GPR	$1,359,000.00	0.00	0	1,359,000	0.00		0	0.00		0.00	0	0.00
255	**1em**	107	GPR	$1,100,000.00	0.00	0	1,189,000	0.00	1	89,000	0.00		0.00	89,000	0.00
255	**1ep**	118	GPR	$420,000.00	0.00	0	920,000	0.00	1	500,000	0.00		0.00	500,000	0.00
255	**1g**	121	PR	$100.00	0.00	0	100	0.00		0	0.00		0.00	0	0.00
255	**1ge**	119	PR	$4,309,500.00	0.00	0	4,309,500	0.00		0	0.00		0.00	0	0.00
255	**1gL**	172	PR	$2,000.00	0.00	0	2,000	0.00		0	0.00		0.00	0	0.00
255	**1gs**	174	PR	$7,000.00	0.00	0	7,000	0.00		0	0.00		0.00	0	0.00
255	**1gt**	136	PR	$1,210,000.00	0.00	0	1,210,000	0.00		0	0.00		0.00	0	0.00
255	**1hg**	122	PR	$3,718,600.00	21.20	0	3,841,600	21.20		123,000	0.00	(123,000)	0.00	0	0.00
255	**1hj**	130	PR	$158,100.00	1.00	0	163,100	1.00		5,000	0.00	(5,000)	0.00	0	0.00
255	**1hm**	134	PR	$153,300.00	1.30	0	157,500	1.30		4,200	0.00	(4,200)	0.00	0	0.00
255	**1i**	124	PR	$150,200.00	1.00	0	143,300	1.00		(6,900)	0.00	6,900	0.00	0	0.00
255	**1im**	135	PR	$141,100.00	0.00	0	141,100	0.00		0	0.00		0.00	0	0.00
255	**1j**	123	PR	$145,500.00	1.00	0	142,000	1.00		(3,500)	0.00	3,500	0.00	0	0.00
255	**1jg**	125	PR	$10,113,200.00	3.30	0	10,104,300	3.30		(8,900)	0.00	8,900	0.00	0	0.00
255	**1jm**	126	PR	$106,300.00	0.00	0	106,300	0.00		0	0.00		0.00	0	0.00
255	**1jr**	128	PR	$250,000.00	0.00	0	250,000	0.00		0	0.00		0.00	0	0.00
255	**1jr**	127	PR	$1,250,000.00	0.00	0	1,250,000	0.00		0	0.00		0.00	0	0.00
255	**1jz**	120	PR	$10,000.00	0.00	0	10,000	0.00		0	0.00		0.00	0	0.00
255	**1kd**	133	PR	$631,000.00	4.05	0	628,500	4.05		(2,500)	0.00	2,500	0.00	0	0.00
255	**1ke**	132	PR	$2,862,000.00	16.17	0	3,035,000	16.17		173,000	0.00	(173,000)	0.00	0	0.00
255	**1km**	129	PR	$8,100.00	0.00	0	8,100	0.00		0	0.00		0.00	0	0.00
255	**1ks**	131	PR	$9,302,000.00	27.67	0	9,429,500	27.67		127,500	0.00	(127,500)	0.00	0	0.00
255	**1q**	161	SEG	$1,000,000.00	0.00	0	1,000,000	0.00		0	0.00		0.00	0	0.00
255	**2eb**	295	GPR	$875,000.00	0.00	0	875,000	0.00		0	0.00		0.00	0	0.00
255	**3f**	318	GPR	$900.00	0.00	0	900	0.00		0	0.00		0.00	0	0.00
255	**3r**	362	SEG	$1,342,400.00	0.00	0	1,342,400	0.00		0	0.00		0.00	0	0.00
Totals				**93,020,600**	**329.16**	**0**	**94,065,500**	**329.16**		**1,044,900**	**0.00**	**(1,044,900)**	**0.00**	**0**	**0.00**

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = 0

Should equal $0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

1 Reallocate $2,000,000 GPR from APN 105 (Pupil Assessments) to: APN 107 (Academic and Career Planning), APN XXX (Mental Health Training), and to APN 101 (GPR general program operations). The department's actual budget request also reallocates $2,000,000 GPR, but provides a portion in two new GPR appropriations (instead of APN 1010) for a new budget initiative for GED testing fee subsidies), and to update the GED information technology infrastructure.

ACT 201 BUDGET REDUCTION EXERCISE (Zero-Growth GPR Budget, FY23)

	Appropriation		Fund	Adjusted Base		(See Note 1) 0% Change	Proposed Budget FY23		Item	Change from Adj Base		(See Note 2) Remove SBAs		Change from Adjusted Base after Removal of SBAs	
Agency	Alpha	Numer	Sourc	$	FTE	Target	Proposed $	Proposed FT	Ref.	$	FTE	$	FTE	$	FTE
255	**1a**	101	GPR	$13,126,900.00	94.75	0	14,206,100	94.75	1	1,079,200	0.00	(45,200)	0.00	1,034,000	0.00
255	**1b**	102	GPR	$12,285,600.00	157.72	0	12,874,400	157.72		588,800	0.00	(588,800)	0.00	0	0.00
255	**1c**	103	GPR	$548,500.00	0.00	0	548,500	0.00		0	0.00		0.00	0	0.00
255	**1cm**	113	GPR	$14,500.00	0.00	0	14,500	0.00		0	0.00		0.00	0	0.00
255	**1dw**	105	GPR	$18,558,400.00	0.00	0	16,558,400	0.00	1	(2,000,000)	0.00		0.00	(2,000,000)	0.00
255	**1e**	106	GPR	$3,400,000.00	0.00	0	3,400,000	0.00		0	0.00		0.00	0	0.00
255	**1ee**	109	GPR	$973,300.00	0.00	0	973,300	0.00		0	0.00		0.00	0	0.00
255	**1ek**	108	GPR	$3,488,100.00	0.00	0	3,488,100	0.00		0	0.00		0.00	0	0.00
255	**1eL**	110	GPR	$1,359,000.00	0.00	0	1,359,000	0.00		0	0.00		0.00	0	0.00
255	**1em**	107	GPR	$1,100,000.00	0.00	0	1,566,000	0.00	1	466,000	0.00		0.00	466,000	0.00
255	**1ep**	118	GPR	$420,000.00	0.00	0	920,000	0.00	1	500,000	0.00		0.00	500,000	0.00
255	**1g**	121	PR	$100.00	0.00	0	100	0.00		0	0.00		0.00	0	0.00
255	**1ge**	119	PR	$4,309,500.00	0.00	0	4,309,500	0.00		0	0.00		0.00	0	0.00
255	**1gL**	172	PR	$2,000.00	0.00	0	2,000	0.00		0	0.00		0.00	0	0.00
255	**1gs**	174	PR	$7,000.00	0.00	0	7,000	0.00		0	0.00		0.00	0	0.00
255	**1gt**	136	PR	$1,210,000.00	0.00	0	1,210,000	0.00		0	0.00		0.00	0	0.00
255	**1hg**	122	PR	$3,718,600.00	21.20	0	3,841,600	21.20		123,000	0.00	(123,000)	0.00	0	0.00
255	**1hj**	130	PR	$158,100.00	1.00	0	163,100	1.00		5,000	0.00	(5,000)	0.00	0	0.00
255	**1hm**	134	PR	$153,300.00	1.30	0	157,500	1.30		4,200	0.00	(4,200)	0.00	0	0.00
255	**1i**	124	PR	$150,200.00	1.00	0	143,300	1.00		(6,900)	0.00	6,900	0.00	0	0.00
255	**1im**	135	PR	$141,100.00	0.00	0	141,100	0.00		0	0.00		0.00	0	0.00
255	**1j**	123	PR	$145,500.00	1.00	0	142,000	1.00		(3,500)	0.00	3,500	0.00	0	0.00
255	**1jg**	125	PR	$10,113,200.00	3.30	0	10,104,300	3.30		(8,900)	0.00	8,900	0.00	0	0.00
255	**1jm**	126	PR	$106,300.00	0.00	0	106,300	0.00		0	0.00		0.00	0	0.00
255	**1jr**	128	PR	$250,000.00	0.00	0	250,000	0.00		0	0.00		0.00	0	0.00
255	**1jr**	127	PR	$1,250,000.00	0.00	0	1,250,000	0.00		0	0.00		0.00	0	0.00
255	**1jz**	120	PR	$10,000.00	0.00	0	10,000	0.00		0	0.00		0.00	0	0.00
255	**1kd**	133	PR	$631,000.00	4.05	0	628,500	4.05		(2,500)	0.00	2,500	0.00	0	0.00
255	**1ke**	132	PR	$2,862,000.00	16.17	0	3,035,000	16.17		173,000	0.00	(173,000)	0.00	0	0.00
255	**1km**	129	PR	$8,100.00	0.00	0	8,100	0.00		0	0.00		0.00	0	0.00
255	**1ks**	131	PR	$9,302,000.00	27.67	0	9,429,500	27.67		127,500	0.00	(127,500)	0.00	0	0.00
255	**1q**	161	SEG	$1,000,000.00	0.00	0	1,000,000	0.00		0	0.00		0.00	0	0.00
255	**2eb**	295	GPR	$875,000.00	0.00	0	875,000	0.00		0	0.00		0.00	0	0.00
255	**3f**	318	GPR	$900.00	0.00	0	900	0.00		0	0.00		0.00	0	0.00
255	**3r**	362	SEG	$1,342,400.00	0.00	0	1,342,400	0.00		0	0.00		0.00	0	0.00
Totals				**93,020,600**	**329.16**	**0**	**94,065,500**	**329.16**		**1,044,900**	**0.00**	**(1,044,900)**	**0.00**	**0**	**0.00**

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = 0

Should equal $0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

1 Reallocate $2,000,000 GPR from APN 105 (Pupil Assessments) to: APN 107 (Academic and Career Planning), APN XXX (Mental Health Training), and to APN 101 (GPR general program operations). The department's actual budget request also reallocates $2,000,000 GPR, but provides a portion in two new GPR appropriations (instead of APN 1010) for a new budget initiative for GED testing fee subsidies), and to update the GED information technology infrastructure.

ACT 201 BUDGET REDUCTION EXERCISE (5% Reduction to GPR Budget, FY22 and FY23)

						(See Note 1)						(See Note 2)		Change from Adjusted Base	
	Appropriation		Fund	Adjusted Base		5% Reduction	Proposed Budget FY22 & FY23		Item	Change from Adj Base		Remove SBAs		after Removal of SBAs	
Agenc	Alpha	Numer	Sourc	$	FTE	Target	Proposed	Proposed F	Ref.	$	FTE	$	FTE	$	FTE
255	**1a**	101	GPR	$13,126,900.00	94.75	(656,300)	12,469,200	0.00		(657,700)	(94.75)	(45,200)	0.00	(702,900)	(94.75)
255	**1b**	102	GPR	$12,285,600.00	157.72	(614,300)	12,260,100	0.00		(25,500)	(157.72)	(588,800)	0.00	(614,300)	(157.72)
255	**1c**	103	GPR	$548,500.00	0.00	(27,400)	521,100	0.00		(27,400)	0.00		0.00	(27,400)	0.00
255	**1cm**	113	GPR	$14,500.00	0.00	(700)	14,500	0.00		0	0.00		0.00	0	0.00
255	**1dw**	105	GPR	$18,558,400.00	0.00	(927,900)	16,500,000	0.00		(2,058,400)	0.00		0.00	(2,058,400)	0.00
255	**1e**	106	GPR	$3,400,000.00	0.00	(170,000)	3,200,000	0.00		(200,000)	0.00		0.00	(200,000)	0.00
255	**1ee**	109	GPR	$973,300.00	0.00	(48,700)	875,900	0.00		(97,400)	0.00		0.00	(97,400)	0.00
255	**1ek**	108	GPR	$3,488,100.00	0.00	(174,400)	3,200,000	0.00		(288,100)	0.00		0.00	(288,100)	0.00
255	**1eL**	110	GPR	$1,359,000.00	0.00	(68,000)	1,250,000	0.00		(109,000)	0.00		0.00	(109,000)	0.00
255	**1em**	107	GPR	$1,100,000.00	0.00	(55,000)	1,100,000	0.00		0	0.00		0.00	0	0.00
255	**1ep**	118	GPR	$420,000.00	0.00	(21,000)	420,000	0.00		0	0.00		0.00	0	0.00
255	**1g**	121	PR	$100.00	0.00	0	100	0.00		0	0.00		0.00	0	0.00
255	**1ge**	119	PR	$4,309,500.00	0.00	(215,500)	4,309,500	0.00		0	0.00		0.00	0	0.00
255	**1gL**	172	PR	$2,000.00	0.00	(100)	2,000	0.00		0	0.00		0.00	0	0.00
255	**1gs**	174	PR	$7,000.00	0.00	(400)	7,000	0.00		0	0.00		0.00	0	0.00
255	**1gt**	136	PR	$1,210,000.00	0.00	(60,500)	1,210,000	0.00		0	0.00		0.00	0	0.00
255	**1hg**	122	PR	$3,718,600.00	21.20	(185,900)	3,718,600	0.00		0	(21.20)	(123,000)	0.00	(123,000)	(21.20)
255	**1hj**	130	PR	$158,100.00	1.00	(7,900)	158,100	0.00		0	(1.00)	(5,000)	0.00	(5,000)	(1.00)
255	**1hm**	134	PR	$153,300.00	1.30	(7,700)	153,300	0.00		0	(1.30)	(4,200)	0.00	(4,200)	(1.30)
255	**1i**	124	PR	$150,200.00	1.00	(7,500)	150,200	0.00		0	(1.00)	6,900	0.00	6,900	(1.00)
255	**1im**	135	PR	$141,100.00	0.00	(7,100)	141,100	0.00		0	0.00		0.00	0	0.00
255	**1j**	123	PR	$145,500.00	1.00	(7,300)	145,500	0.00		0	(1.00)	3,500	0.00	3,500	(1.00)
255	**1jg**	125	PR	$10,113,200.00	3.30	(505,700)	10,113,200	0.00		0	(3.30)	8,900	0.00	8,900	(3.30)
255	**1jm**	126	PR	$106,300.00	0.00	(5,300)	101,000	0.00		(5,300)	0.00		0.00	(5,300)	0.00
255	**1jr**	128	PR	$250,000.00	0.00	(12,500)	250,000	0.00		0	0.00		0.00	0	0.00
255	**1jr**	127	PR	$1,250,000.00	0.00	(62,500)	1,250,000	0.00		0	0.00		0.00	0	0.00
255	**1jz**	120	PR	$10,000.00	0.00	(500)	10,000	0.00		0	0.00		0.00	0	0.00
255	**1kd**	133	PR	$631,000.00	4.05	(31,600)	631,000	0.00		0	(4.05)	2,500	0.00	2,500	(4.05)
255	**1ke**	132	PR	$2,862,000.00	16.17	(143,100)	2,862,000	0.00		0	(16.17)	(173,000)	0.00	(173,000)	(16.17)
255	**1km**	129	PR	$8,100.00	0.00	(400)	8,100	0.00		0	0.00		0.00	0	0.00
255	**1ks**	131	PR	$9,302,000.00	27.67	(465,100)	9,302,000	0.00		0	(27.67)	(127,500)	0.00	(127,500)	(27.67)
255	**1q**	161	SEG	$1,000,000.00	0.00	(50,000)	950,000	0.00		(50,000)	0.00		0.00	(50,000)	0.00
255	**2eb**	295	GPR	$875,000.00	0.00	(43,800)	787,500	0.00		(87,500)	0.00		0.00	(87,500)	0.00
255	**3f**	318	GPR	$900.00	0.00	0	900	0.00		0	0.00		0.00	0	0.00
255	**3r**	362	SEG	$1,342,400.00	0.00	(67,100)	1,342,400	0.00		0	0.00		0.00	0	0.00
Totals				**93,020,600**	**329.16**	**(4,651,200)**	**89,414,300**	**0.00**		**(3,606,300)**	**(329.16)**	**(1,044,900)**	**0.00**	**(4,651,200)**	**(329.16)**
										1,044,900					

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Target Reduction = (4,651,200)

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Difference = **0**

Should equal $0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

1 Reducing appropriation under 20.255 (1)(dw) (APN 105) as part of agency request (by $2,000,000)

ANNUAL AND BIENNIAL SUMMARY OF REQUEST BY FUND SOURCE AND PURPOSE

	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	$6,272,229,306	$6,795,070,900	$7,433,671,500	$7,772,332,600	253.47	253.47	$13,590,141,800	$15,206,004,100	$1,615,862,300	11.89
A	$432,625,400	$499,315,100	$537,243,300	$601,533,100	0	0	$998,630,200	$1,138,776,400	$140,146,200	14.03
L	$5,787,175,574	$6,238,562,600	$6,838,642,700	$7,113,208,000	0	0	$12,477,125,200	$13,951,850,700	$1,474,725,500	11.82
S	$52,428,332	$57,193,200	$57,785,500	$57,591,500	253.47	253.47	$114,386,400	$115,377,000	$990,600	0.87
PR	$44,445,313	$47,535,500	$53,374,700	$53,361,600	76.69	76.69	$95,071,000	$106,736,300	$11,665,300	12.27
L	$16,024,369	$13,007,500	$17,507,500	$17,507,500	0	0	$26,015,000	$35,015,000	$9,000,000	34.6
S	$28,420,944	$34,528,000	$35,867,200	$35,854,100	76.69	76.69	$69,056,000	$71,721,300	$2,665,300	3.86
SEG	$64,505,610	$61,938,800	$64,451,700	$65,964,100	0	0	$123,877,600	$130,415,800	$6,538,200	5.28
L	$62,332,023	$59,596,400	$62,096,400	$63,596,400	0	0	$119,192,800	$125,692,800	$6,500,000	5.45
S	$2,173,587	$2,342,400	$2,355,300	$2,367,700	0	0	$4,684,800	$4,723,000	$38,200	0.82
Total - Non Federal										
A	$432,625,400	$499,315,100	$537,243,300	$601,533,100	0	0	$998,630,200	$1,138,776,400	$140,146,200	14.03
L	$5,865,531,966	$6,311,166,500	$6,918,246,600	$7,194,311,900	0	0	$12,622,333,000	$14,112,558,500	$1,490,225,500	11.81
S	$83,022,863	$94,063,600	$96,008,000	$95,813,300	330.16	330.16	$188,127,200	$191,821,300	$3,694,100	1.96
PR - F	$803,996,127	$882,354,500	$882,542,300	$882,542,300	313.84	313.84	$1,764,709,000	$1,765,084,600	$375,600	0.02
A	$57,105,226	$62,868,500	$62,868,500	$62,868,500	0	0	$125,737,000	$125,737,000	$0	0
L	$698,331,472	$761,933,500	$761,933,500	$761,933,500	0	0	$1,523,867,000	$1,523,867,000	$0	0
S	$48,559,429	$57,552,500	$57,740,300	$57,740,300	313.84	313.84	$115,105,000	$115,480,600	$375,600	0.33
Total - Federal										
A	$57,105,226	$62,868,500	$62,868,500	$62,868,500	0	0	$125,737,000	$125,737,000	$0	0
L	$698,331,472	$761,933,500	$761,933,500	$761,933,500	0	0	$1,523,867,000	$1,523,867,000	$0	0
S	$48,559,429	$57,552,500	$57,740,300	$57,740,300	313.84	313.84	$115,105,000	$115,480,600	$375,600	0.33
GPR	$6,272,229,306	$6,795,070,900	$7,433,671,500	$7,772,332,600	253.47	253.47	$13,590,141,800	$15,206,004,100	$1,615,862,300	11.89
A	$432,625,400	$499,315,100	$537,243,300	$601,533,100	0	0	$998,630,200	$1,138,776,400	$140,146,200	14.03
L	$5,787,175,574	$6,238,562,600	$6,838,642,700	$7,113,208,000	0	0	$12,477,125,200	$13,951,850,700	$1,474,725,500	11.82
S	$52,428,332	$57,193,200	$57,785,500	$57,591,500	253.47	253.47	$114,386,400	$115,377,000	$990,600	0.87
PR	$848,441,440	$929,890,000	$935,917,000	$935,903,900	390.53	390.53	$1,859,780,000	$1,871,820,900	$12,040,900	0.65
A	$57,105,226	$62,868,500	$62,868,500	$62,868,500	0	0	$125,737,000	$125,737,000	$0	0
L	$714,355,841	$774,941,000	$779,441,000	$779,441,000	0	0	$1,549,882,000	$1,558,882,000	$9,000,000	0.58
S	$76,980,373	$92,080,500	$93,607,500	$93,594,400	390.53	390.53	$184,161,000	$187,201,900	$3,040,900	1.65
SEG	$64,505,610	$61,938,800	$64,451,700	$65,964,100	0	0	$123,877,600	$130,415,800	$6,538,200	5.28
L	$62,332,023	$59,596,400	$62,096,400	$63,596,400	0	0	$119,192,800	$125,692,800	$6,500,000	5.45
S	$2,173,587	$2,342,400	$2,355,300	$2,367,700	0	0	$4,684,800	$4,723,000	$38,200	0.82
Total										
A	$489,730,626	$562,183,600	$600,111,800	$664,401,600	0	0	$1,124,367,200	$1,264,513,400	$140,146,200	12.46
L	$6,563,863,438	$7,073,100,000	$7,680,180,100	$7,956,245,400	0	0	$14,146,200,000	$15,636,425,500	$1,490,225,500	10.53
S	$131,582,292	$151,616,100	$153,748,300	$153,553,600	644	644	$303,232,200	$307,301,900	$4,069,700	1.34
Grand Total	$7,185,176,356	$7,786,899,700	$8,434,040,200	$8,774,200,600	644	644	$15,573,799,400	$17,208,240,800	$1,634,441,400	10.49
Gen. Purpose Rev. - Earned	$440,900	$443,600	$0	$0	0	0	$887,200	$0	($887,200)	-100

[END OF DOCUMENT]