# 2023-25

# Biennial Budget Request

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

September 15, 2022

**Wisconsin Department of Public Instruction**
**Jill K. Underly, PhD, State Superintendent**
**Madison, Wisconsin**

# 2023-2025 Biennial Budget Request

# Decision Item Narratives


Developed by:

**Jill K. Underly, PhD**
State Superintendent

**John Johnson, PhD**
Deputy State Superintendent

**Tom McCarthy**
Executive Director

**Erin Fath**
Director, Policy, Budget, and Research Team

**Morgan Aschenbrenner** – Budget and Policy Analyst
**Grant Huber** – Policy Initiatives Advisor
**Carl Frederick** – Research Analyst
**Justin Meyer** – Research Analyst

**Wisconsin Department of Public Instruction**
**Jill K. Underly, PhD, 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
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September 15, 2022

To the Residents of Wisconsin:

The children, families, and communities of Wisconsin deserve the best public education and library systems in the country, and to obtain this goal, we need robust and ongoing investment. This type of investment by the leaders of our state was made in the distant past, and it needs to be made again. The biennial budget we propose would be the most significant financial investment our state **has ever made** in Wisconsin's schools and libraries, and it comes at a **critical** time when the need is incredible. **Our state deserves no less.**

This budget responds to the critical needs of our schools and libraries in the following key areas:

- Creating predictable and sustainable funding for schools, with increases for per pupil aid and revenue limit adjustment increases, and special education reimbursement rate increases
- Increasing, diversifying, and strengthening the educator pipeline, by providing stipends for student and intern teachers, stipends for cooperating teachers, and aid for district "grow your own" programs
- Addressing student mental health, replacing a competitive grant model with reimbursement model for comprehensive school mental health systems and enhancing aid for school-based mental health professionals
- Establishing strong foundations of learning, including funding for early literacy and reading improvement, increases in categorical aid for English learners, availability of out-of-school time grants to community-based organizations, and subsidies for GED test fees
- Ensuring student nutrition, by providing universal free meals program and incentive payments of locally sourced foods in school meals
- Strengthening libraries and lifelong learning, with library system aid increases, adult literacy grant increases, and support for the digitization of collections

More specifics on these key areas and more are included in the attached budget proposal.

The focus of our budget on these key areas represents our belief that public schools and libraries are foundational to our communities and to our democracy. We prepared this budget with our communities and our children foremost in our mind. The children of Wisconsin are the future of Wisconsin, and it is up to all of us to prepare them well to lead our state.

Sincerely,

Jill K. Underly

State Superintendent

## 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, promote safe and healthy school environments, and ensure 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.

## 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

**FY23 Base** - The total FY23 authorized funding level for an agency or program. The base equals FY23 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for the 2023-25 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.

## 2023-25 BIENNIAL BUDGET – DPI REQUEST FOR K-12 SCHOOL AIDS

| | FY23 (Base) | FY24 | FY25 | FY24-Change to FY23 | FY25-Change to FY24 | FY25-Change to FY23 | Total Change to Base |
|---|---|---|---|---|---|---|---|
| Categorical Aid Programs | | | | | | | |
| Per Pupil Aid | $ 601,400,000 | $ 622,375,000 | $ 658,937,500 | $ 20,975,000 | $ 36,562,500 | $ 57,537,500 | $ 78,512,500 |
| Special Education Categorical Aid | $ 517,890,000 | $ 754,103,600 | $ 1,035,635,600 | $ 236,213,600 | $ 281,532,000 | $ 517,745,600 | $ 753,959,200 |
| Achievement Gap Reduction Contracts | $ 109,184,500 | $ 109,184,500 | $ 109,184,500 | $ - | $ - | $ - | $ - |
| Sparsity Aid | $ 27,983,800 | $ 28,614,000 | $ 28,614,000 | $ 630,200 | $ - | $ 630,200 | $ 1,260,400 |
| Pupil Transportation Aid | $ 24,000,000 | $ 24,000,000 | $ 24,000,000 | $ - | $ - | $ - | $ - |
| High-Cost Transportation Aid | $ 19,856,200 | $ 30,400,000 | $ 30,400,000 | $ 10,543,800 | $ - | $ 10,543,800 | $ 21,087,600 |
| High-Cost Special Education Aid | $ 11,439,200 | $ 14,480,000 | $ 19,306,700 | $ 3,040,800 | $ 4,826,700 | $ 7,867,500 | $ 10,908,300 |
| Bilingual-Bicultural Aid/English Learner Aid | $ 8,589,800 | $ 16,788,900 | $ 22,743,000 | $ 8,199,100 | $ 5,954,100 | $ 14,153,200 | $ 22,352,300 |
| State Tuition Payments | $ 8,242,900 | $ 8,242,900 | $ 8,242,900 | $ - | $ - | $ - | $ - |
| Aid for School-Based Mental Health Professionals | $ 12,000,000 | $ 30,000,000 | $ 30,000,000 | $ 18,000,000 | $ - | $ 18,000,000 | $ 36,000,000 |
| **Mental Health Categorical Aid [NEW]*** | $ - | $ 127,914,300 | $ 127,914,300 | $ 127,914,300 | $ - | $ 127,914,300 | $ 255,828,600 |
| School-Based Mental Health Services Grant* | $ 10,000,000 | $ - | $ - | $ (10,000,000) | $ - | $ (10,000,000) | $ (20,000,000) |
| Head Start Supplement | $ 6,264,100 | $ 6,264,100 | $ 6,264,100 | $ - | $ - | $ - | $ - |
| 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 | $ 6,837,300 | $ 7,173,500 | $ 4,326,800 | $ 336,200 | $ 4,663,000 | $ 8,989,800 |
| 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 | $ 1,500,000 | $ 1,500,000 | $ - | $ - | $ - | $ - |
| Summer School Programs Grant | $ 1,400,000 | $ 1,400,000 | $ 1,400,000 | $ - | $ - | $ - | $ - |
| 4K Start Up Grant | $ 1,350,000 | $ 1,350,000 | $ 1,350,000 | $ - | $ - | $ - | $ - |
| School Day Milk Grant | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ - | $ - | $ - | $ - |
| TEACH Debt Service Aid | $ 325,500 | $ 325,500 | $ 325,500 | $ - | $ - | $ - | $ - |
| Robotics League Participation Grant | $ 500,000 | $ 500,000 | $ 500,000 | $ - | $ - | $ - | $ - |
| Transportation Aid for Open Enrollment/ECCP | $ 454,200 | $ 454,200 | $ 454,200 | $ - | $ - | $ - | $ - |
| Peer to Peer Support Grants | $ 250,000 | $ 250,000 | $ 250,000 | $ - | $ - | $ - | $ - |
| Gifted and Talented Grant | $ 474,400 | $ 474,400 | $ 474,400 | $ - | $ - | $ - | $ - |
| SAGE Debt Service Aid | $ 133,700 | $ 133,700 | $ 133,700 | $ - | $ - | $ - | $ - |
| Supplemental Aid | $ 100,000 | $ 100,000 | $ 100,000 | $ - | $ - | $ - | $ - |
| *Proposed New Programs* | | | | | | | |
| **AODA Grant [NEW]** | $ - | $ - | $ 4,520,000 | $ - | $ 4,520,000 | $ 4,520,000 | $ 4,520,000 |
| **Drivers Education Aid [NEW]** | $ - | $ - | $ 6,500,000 | $ - | $ 6,500,000 | $ 6,500,000 | $ 6,500,000 |
| **Early Literacy and Reading Improvement [NEW]** | $ - | $ 10,000,000 | $ 10,000,000 | $ 10,000,000 | $ - | $ 10,000,000 | $ 20,000,000 |
| **Educator Pipeline - Grow Your Own Programs [NEW]** | $ - | $ - | $ 10,000,000 | $ - | $ 10,000,000 | $ 10,000,000 | $ 10,000,000 |
| **English Learner Categorical Aid [NEW]** | $ - | $ 25,992,000 | $ 25,992,000 | $ 25,992,000 | $ - | $ 25,992,000 | $ 51,984,000 |
| **Locally Sourced Foods - Enhanced Payment [NEW]** | $ - | $ - | $ 2,750,000 | $ - | $ 2,750,000 | $ 2,750,000 | $ 2,750,000 |
| **Milk Coolers and Dispensers Grant [NEW]** | $ - | $ - | $ 50,000 | $ - | $ 50,000 | $ 50,000 | $ 50,000 |
| **Out-of-School Time Program Grant [NEW]** | $ - | $ - | $ 20,000,000 | $ - | $ 20,000,000 | $ 20,000,000 | $ 20,000,000 |
| **Personal Financial Literacy [NEW]** | $ - | $ 2,500,000 | $ 2,500,000 | $ 2,500,000 | $ - | $ 2,500,000 | $ 5,000,000 |
| **Supplemental Nutrition Aid** | $ - | $ - | $ 120,168,000 | $ - | $ 120,168,000 | $ 120,168,000 | $ 120,168,000 |
| **GPR Categorical Aids** | **$ 1,387,586,900** | **$ 1,845,922,500** | **$ 2,339,122,000** | **$ 458,335,600** | **$ 493,199,500** | **$ 951,535,100** | **$ 1,409,870,700** |
| Tribal Languages (PR) | $ 222,800 | $ 222,800 | $ 222,800 | $ - | $ - | $ - | $ - |
| Aid for AODA (PR) | $ 1,284,700 | $ 1,518,600 | $ 1,518,600 | $ 233,900 | $ - | $ 233,900 | $ 467,800 |
| **PR Categorical Aids** | **$ 1,507,500** | **$ 1,741,400** | **$ 1,741,400** | **$ 233,900** | **$ -** | **$ 233,900** | **$ 467,800** |
| School Library Aids | $ 45,000,000 | $ 45,000,000 | $ 45,000,000 | $ - | $ - | $ - | $ - |
| Educ Telecomm Access-DOA | $ 15,984,200 | $ 15,984,200 | $ 15,984,200 | $ - | $ - | $ - | $ - |
| **SEG Categorical Aids** | **$ 60,984,200** | **$ 60,984,200** | **$ 60,984,200** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Total Categorical Aids** | **$ 1,450,078,600** | **$ 1,908,648,100** | **$ 2,401,847,600** | **$ 458,569,500** | | **$ 951,769,000** | **$ 1,410,338,500** |

(*continued on the following page*)

## *Summary of State Support for K-12 Education – continued*

| | FY23 (Base) | FY24 | FY25 | FY24-Change to FY23 | FY25-Change to FY24 | FY25-Change to FY23 | Total Change to Base |
|---|---|---|---|---|---|---|---|
| General Aids | | | | | | | |
| General Equalization Aids | $ 5,201,590,000 | $ 5,502,795,000 | $ 5,829,867,400 | $ 301,205,000 | $ 327,072,400 | $ 628,277,400 | $ 929,482,400 |
| High Poverty Aid | $ 16,830,000 | $ - | $ - | $ (16,830,000) | $ - | $ (16,830,000) | $ (33,660,000) |
| **Total General Aids** | **$ 5,218,420,000** | **$ 5,502,795,000** | **$ 5,829,867,400** | **$ 284,375,000** | **$ 327,072,400** | **$ 611,447,400** | **$ 895,822,400** |
| | | | | | | | |
| Total State School Aids | $ 6,668,498,600 | $ 7,411,443,100 | $ 8,231,715,000 | $ 742,944,500 | $ 820,271,900 | $ 1,563,216,400 | $ 2,306,160,900 |
| School Levy Tax Credit | $ 1,090,000,000 | $ 1,090,000,000 | $ 1,090,000,000 | $ - | $ - | $ - | $ - |
| **Total School Aids & Tax Credits** | **$ 7,758,498,600** | **$ 8,501,443,100** | **$ 9,321,715,000** | **$ 742,944,500** | **$ 820,271,900** | **$ 1,563,216,400** | **$ 2,306,160,900** |
| | | | | | | | |
| State Residential Schools | $ 13,252,900 | $ 13,657,800 | $ 13,658,000 | $ 404,900 | $ 200 | $ 405,100 | $ 810,000 |
| **TOTAL STATE SUPPORT** | **$ 7,771,751,500** | **$ 8,515,100,900** | **$ 9,335,373,000** | **$ 743,349,400** | **$ 820,272,100** | **$ 1,563,621,500** | **$ 2,306,970,900** |
| | | | | | | | |
| **TOTAL STATE SUPPORT - Percent change:** | | | | **9.6%** | **9.6%** | **20.1%** | **14.8%** |

## EDUCATOR PIPELINE

## DECISION ITEM 4000 – SUPPORTING FUTURE EDUCATORS

### *302– Wisconsin internship program payments*

***s. 20.255 (3)(ci) (New)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $1,750,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $1,750,000 |

**Request**

The department requests $1,750,000 GPR in FY25 for a new program to provide state-funded stipend payments to future educators participating in the existing teacher internship program under Wis. Stat. sec. 115.41 (Teacher improvement programs, also referred to as the "Wisconsin Improvement Program, or WIP), to individuals completing an internship as part of their student teaching requirement in a DPI-approved educator preparation program.

### *303– Student teacher stipend payments*

***s. 20.255 (3)(cs) (New)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $7,000,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $7,000,000 |

**Request**

The department requests $7,000,000 GPR in FY25 for a new program to provide state-funded stipend payments to future educators completing their student teaching as a requirement of a DPI-approved educator preparation program.

**[DECISION ITEM 4000 – SUPPORTING FUTURE EDUCATORS – continued]**

***304– Cooperating teacher stipend payments***

***s. 20.255 (3)(ct) (New)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $2,033,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $2,033,00 |

**Request**

The department requests $2,033,000 in FY25 for a new program to provide state-funded stipend payments to licensed teachers serving as cooperating teachers for WIP interns and/or student teachers.

***307– Library intern stipend payments***

***s. 20.255 (3)(cL) (New)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $50,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $50,000 |

**Request**

The department requests $50,000 in FY25 to provide a stipend payment program to support individuals pursuing a career as a public library professional and placed as an intern in a public library setting.

**Background**

School districts are facing challenges in recruiting and retaining teachers and other school staff, making it difficult for many districts to fill positions. Recruiting and retaining teachers and school staff has presented challenges for many years. According to a *2018 Education Commission of the States-Policy Snapshot paper: Targeted Teacher Recruitment*, several states have enacted targeted teacher recruitment legislation in one or more of the following areas to attract teachers to high-need schools and subjects:

- Convening work groups and collecting teacher supply and demand data
- Providing flexibility to design targeted teacher recruitment strategies
- Creating career pathways and grow-your-own programs for high school students
- Altering teacher preparation and licensure requirements
- Providing financial incentives (scholarships/grants, loan forgiveness, hiring bonuses/salary increases)
- Providing incentives for retired teachers to return to the profession

In August 2022, the department surveyed school districts regarding staffing shortages for the upcoming 2022-23 school year. The survey generated responses from 11 independent charter schools (ICS) and 322 school districts (333 local education agencies [LEAs] in total), as of August 23, 2022. The LEA responses provided valuable feedback on the challenges they face filling positions and suggestions on what DPI can do to assist schools. Though the survey was limited in scope, it does present a current snapshot of the situation in Wisconsin schools (response patterns differ between ICS and school districts, as demonstrated in the tables that follow):

- 91 percent of responding school districts and 100 percent of responding ICS indicated that they are having trouble finding staff to operate their district for the upcoming 2022-23 school year.
- While 70 percent of responding LEAs indicated that current vacancy rates were at five percent or lower, nearly one-fifth reported vacancy rates at up to 10 percent. As one district noted, even the lowest category ("5% or less") may represent a significant number of positions (i.e., 30 positions in the Kimberly Area School District).
- Shortages by position type appear to be most acute for classroom teachers and classroom support staff, followed by the building operations category (food service, custodian, bus drivers, etc.) – the survey did not ask for the specific type of building operations positions.
- The subject area reported most frequently as having staffing shortages was special education (over 50 percent), followed by math, English language arts (ELA), and career and technical education (CTE); English Learner/Language Acquisition staff shortages were reported by 17 percent of responding LEAs.

Tables 1 through 3 below summarize findings from the August 2022 DPI Survey.

### Table 1. Degree of Need (Vacancy Rates)

| Reported Vacant Rate | School Districts | Independent Charter Schools |
|---|---|---|
| 5% or less currently unfilled | 71% | 55% |
| 10% or less currently unfilled | 19% | 9% |
| 15% or less currently unfilled | 4% | 9% |
| 20% or less currently unfilled | 2% | 27% |
| More than 20% currently unfilled* | 0% | 0% |
| Blank (no response) | 4% | 0% |

*One LEA responded yes.

### Table 2. Shortages by Position Type

| Reported Shortages by Position Type* | School Districts | Independent Charter Schools |
|---|---|---|
| Administrators/principals/building leaders | 3% | 91% |
| Classroom teachers | 70% | 55% |
| Classroom support staff | 65% | 45% |
| Pupil services staff | 39% | 27% |
| Building operations (including bus drivers) | 53% | 18% |
| Blank (no response) | 4% | 0% |

*Each LEA could respond to more than one category of position type.

### Table 3. Shortages by Subject Area

| Reported Shortages by Subject Area* | School Districts | Independent Charter Schools |
|---|---|---|
| Special Education | 53% | 36% |
| Math | 27% | 27% |
| ELA/literacy/reading | 25% | 27% |
| CTE/technical fields | 26% | 9% |
| Science | 18% | 9% |
| English Learner/Language Acquisition | 17% | 0% |
| Social Studies | 6% | 0% |
| Other (Art, Music, Foreign Language, etc.)** | 13% | 18% |
| Blank (no response) | 19% | 0% |

*Each LEA could respond to more than one category of position type.

**Some LEAs also reported grade levels (i.e., elementary, middle, etc.) and/or pupil support position types (school psychologist, etc.) in the subject field.

The survey also asked LEAs to share ideas on how DPI could assist with staffing shortages. Of the total 333 LEAs responding, 208 entered comments (55 percent of ICS and 63 percent of school districts). Common themes appearing in the comments are listed below in Table 4 (following page). Many LEAs acknowledged that DPI is not able to directly execute the suggested changes but called for DPI to advocate for and support advancing changes that are outside DPI's direct control.

**Table 4. How Can DPI Help Schools Address Staffing Shortages?**

| Theme | Number of LEAs* | Percent of LEAs* |
|---|---|---|
| Alternative Pathways to Licensure / Licensing Flexibility | 96 | 46% |
| Compensation (revenue limit relief / state support for schools) | 51 | 25% |
| Promote Education Profession / Modifications to EPPs Requirements | 40 | 19% |
| Financial Support for Students in EPPs | 24 | 12% |
| Working Conditions (workload / lack of respect / political discourse) | 18 | 9% |
| Allow WRS Annuitants / Retired Teachers to Teach (remove obstacles) | 16 | 8% |
| FORT (create alternatives or eliminate) | 15 | 7% |
| Support Grow Your Own Programs | 5 | 2% |
| Other | 18 | 9% |

*A total of 208 LEAs submitted comments, some of which touched on multiple themes; the "Percent of LEAs" is calculated out of a total of208.

## Options for Student Teaching – Current Programs

*Wisconsin Internship Program (WIP)*

Founded in 1950, the Wisconsin Legislature formalized the WIP as part of Wisconsin's education landscape in its 1987- 89 budget bill. Two components of WIP are the teacher internship program and the funding of professional development programs for interns and cooperating teachers throughout the state.

The internship program offers students of education throughout Wisconsin a chance to enter the profession with specialized intern licenses, by pairing promising student interns with experienced cooperating teachers in a semester-long clinical experience.

WIP interns are preservice teachers enrolled in one of Wisconsin's approved EPPS who complete an internship in lieu of student teaching. Internships are full-time, one-semester positions in Wisconsin public and private schools. Although interns are placed in their schools for full days, they may teach no more than 50 percent of the time over the course of the semester. WIP interns do not require the presence of a licensed teacher in the classroom when they are teaching (which is a requirement for student teachers).

WIP interns must hold intern licenses issued by the DPI. They apply for these licenses after they have received an offer for an internship from a school or district. Interns may not serve as substitute teachers. WIP interns are paid at least $4,500 per semester by the employing school or district.

Participating schools or districts contribute $500 per intern toward the costs of WIP professional development. They are billed by the DPI each semester in any school year that they have had at least one intern. This fee is used to offset the costs of professional development, as follows:

- $225 is returned to the intern, cooperating teacher, school, or district when reimbursement of the cost of the intern's professional development is requested.
- $225 is returned to the intern's EPP when reimbursement for the cost of the intern's professional development is requested.
- $50 is retained by the DPI to pay for statewide professional development of WIP coordinators at educator preparation programs.

Each EPP also contributes towards the WIP, paying $200 directly to DPI per filled intern (billed by DPI at end of each semester). If an EPP does not place any interns, they are billed by DPI for the cost of one annual membership fee ($200).

Data from the state's accounting system indicates that WIP revenues are generally increasing, from $92,400 collected in FY17 to $128,100 collected in FY22. Though WIP revenue dipped in FY20, it did partially recover in FY21 and increased again in FY22, along with the number of **filled intern requests** (placements), as shown in the table below.

**Table 5. WIP Revenue and Intern Requests**

| WIP Program | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|
| WIP Revenue | $109,400 | $85,600 | $106,900 | $128,100 |
| **Filled Intern Requests (placements)** | **152** | **118** | **149** | **182** |
| Unfilled Intern Requests | 91 | 74 | 40 | 66 |
| Total Schools/Districts Placing Interns | 42 | 31 | 42 | 53 |
| Total Schools/Districts Requesting Interns | 62 | 56 | 61 | 92 |

Only a limited number of Wisconsin school districts take advantage of the WIP program. It is possible that districts and schools are not fully aware of the program benefits, though the Licensing, Educator Advancement, and Development (LEAD) team in DPI conducts outreach and informational sessions to make school districts aware of the WIP and its benefits to future educators and school districts. However, the $4,500 minimum intern stipend, along with the $500 program fee ($5,000 total), may present a barrier to some LEAS and be a factor in the

current level of participation in the program. The department believes providing a state funded stipend will encourage more districts to utilize the WIP program and in turn attract and help train more future educators.

*Student teachers*

A legally required part of the Wisconsin preparation process is the student teaching experience. It is during the candidates' full semester of student teaching, which occurs at the end of education preparation programs, that candidates experience the authentic, rigorous, sustained day-to-day reality of what a teacher must be able to do every single day. Candidates are guided by a master teacher during this clinical experience, and they hone their skills to demonstrate that they are "ready to teach" independently. Student teachers must have a licensed teacher in the classroom when they are teaching.

Student teachers are not required to be paid and in some cases are attending class and student teaching, as well as working an outside job to cover living expenses. By providing stipends for student teaching, the candidate can lessen their overall student debt and potentially remove the need to work a second job while student teaching. This in turn would allow the student to concentrate more of their time and energy on completing their studies and teacher preparation.

*Cooperating teachers*

The law requires the use of cooperating teachers as part of the teacher preparation process. This requires additional work and time from licensed teachers who take on these added work responsibilities. Anecdotally, the department has heard from school administrators that they are having difficulty recruiting teachers to take on this added role. There is no required minimum amount that cooperating teachers are compensated for this additional work and the amount may vary depending on the schools in which they teach. Providing a state funded minimum stipend to districts would support the recruitment of qualified licensed teachers to serve as cooperating teachers in the educational preparation of aspiring teachers, as required under state law.

**Library Interns**

According to staff on the department's Library Services Team, workforce shortages are also an issue for public libraries in the state. With this in mind, the department proposes that state funding be established to support expanding the library worker pipeline. The program would be similar in concept to the proposal for stipend payments for student teachers and WIP interns but be applied to individuals pursuing a career as a public library professional and who are working in a public library internship setting. The department proposes beginning with a smaller amount of funding ($50,000 GPR beginning in FY25) to establish a program of modest scope initially. Then the department will assess the need for additional demand (and thus funding) for public library internship opportunities in the state for consideration as a budget request in future biennia.

**Educator Preparation Program (EPP) Completers**

The number of individuals who complete EPPs can be found in the table below. The data, which is reported to the federal government annually, includes both traditional and alternative pathways

within EPPs. The department assumes modest growth in the number of completers for both traditional and alternative EPPs due to the availability of stipends to future educators and cooperating teachers under the department's proposal.

**Table 6. Educator Preparation Program Completers***

| School Year | Total | Traditional | Alternative |
|---|---|---|---|
| **2015-16** | 3,031 | 2,888 | 143 |
| **2016-17** | 2,775 | 2,619 | 156 |
| **2017-18** | 2,823 | 2,664 | 159 |
| **2018-19** | 2,840 | 2,625 | 215 |
| **2019-20** | 3,079 | 2,808 | 271 |
| **2020-21 (est.)** | 3,100 | 2,800 | 300 |
| **2021-22 (est.)** | 3,225 | 2,900 | 325 |
| **2022-23 (est.)** | 3,300 | 2,950 | 350 |
| **2023-24 (est.)** | **3,375** | **3,000** | **375** |
| **2024-25 (est.)** | **3,450** | **3,050** | **400** |

*The 2019-20 school year is the most recent year for which the data has been reported to the federal government (lag in reporting due to auditing).

**Proposal**

As noted previously, students in a traditional pathway must complete the student teaching component of their EPP. Students in an alternative pathway are not subject to this requirement. Therefore, in projecting the costs of this proposal, the total estimated number of traditional pathway EPP completers is used to project the number of WIP interns, student teachers, and cooperating teachers who would qualify for a stipend. The department assumed modest growth in both the total number of teacher candidates and in those participating in the WIP specifically, as indicated in the table below.

Under the department's proposal, WIP interns would receive a $7,000 stipend/semester, and teacher candidates in a student teaching placement would receive a $2,500 stipend/semester. The differential payment for WIP interns is proposed in recognition of the additional responsibilities required of the WIP interns: interns are placed in their schools for full days, they must hold an intern license issued by DPI, and they are not required to have a licensed teacher present in the classroom when they are teaching. In contrast, student teachers spend less time in the school than WIP interns; they are not required to obtain the DPI-issued intern license, and a DPI-licensed teacher must be present in the classroom with a student teacher.

In recognition of the additional workload and responsibility required of a cooperating teacher, the department also proposes a state-funded stipend of $1,000/semester, to ensure that all cooperating teachers throughout the state receive remuneration for the valuable service they provide to future educators.

The total projected cost of providing state-funded stipend payments to WIP interns, student teachers, and cooperating teachers is shown in Table 7.

**Table 7. Projected Cost of Future Educator and Cooperating Teacher Stipend Program (FY25)**

| | FY25 |
|---|---|
| Total estimated EPP completers | 3,450 |
| Total Traditional EPP completers* | 3,050 |
| **Wisconsin Internship Program** | |
| Number | 250 |
| Payment per Intern | $7,000 |
| Intern Payment Costs | **$1,750,000** |
| **Student Teachers** | |
| Number | 2,800 |
| Payment per Student Teacher | $2,500 |
| Student Teacher Stipend Cost | **$7,000,000** |
| **Cooperating Teachers*** | |
| Number | 2,033 |
| Payment per Cooperating Teacher | $1,000 |
| Cooperating Teachers Cost | **$2,033,000** |
| | |
| **TOTAL COSTS** | **$10,783,000** |

*Students in traditional EPP must complete student teaching component to successfully complete the program.

**A cooperating teacher may take on more than one student; this projection assumes one Cooperating Teacher for every 1.5 EPP student teacher/inter.

The department requests a total of $10,833,000 GPR beginning in FY25, in a new sum-sufficient appropriation, to support the department's future educator stipend proposal. Of the total, $10,783,000 is requested for a program to provide state-funded stipend payments to future educators completing the student teaching or WIP internship as part of their EPP, and for stipend payments to cooperating teachers. Additionally, the department's request includes $50,000 GPR in FY25 to support a new program for public library internships. The department proposes distributing the stipend payments beginning with the 2024-25 school year, so as to have sufficient time to implement the program.

### Statutory Language

The department is proposing statutory language related to this request.

## DECISION ITEM 4001 – GROW YOUR OWN EDUCATOR PROGRAMS

***251 –Capacity building grants***

***s. 20.255 (2)(ch)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $10,000,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $10,000,000 |

**Request**

The department requests $10,000,000 GPR in FY25 for a new categorical aid program to reimburse local educational agencies (LEASs) for the cost related to "Grow Your Own" initiatives and programs, as a means to build the educator workforce in Wisconsin schools.

**Background**

As described in the department's proposal under DIN 4000 (Supporting Future Educators), data at both the national and state level indicate that school districts are facing challenges in recruiting and retaining teachers and other school staff, making it difficult for many districts and schools to fill positions. For example, according to a *2018 Education Commission of the States-Policy Snapshot paper: Targeted Teacher Recruitment*, several states have enacted targeted teacher recruitment legislation in one or more of the following areas to attract teachers to high-need schools and subjects:

- Convening work groups and collecting teacher supply and demand data
- Providing flexibility to design targeted teacher recruitment strategies
- Creating career pathways and grow-your-own programs for high school students
- Altering teacher preparation and licensure requirements
- Providing financial incentives (scholarships/grants, loan forgiveness, hiring bonuses/salary increases)
- Providing incentives for retired teachers to return to the profession

In August 2022, the department surveyed school districts regarding staffing shortages for the upcoming 2022-23 school year. The survey generated responses from 11 independent charter schools (ICS) and 322 school districts (333 local educational agencies [LEAs] in total), as of August 23, 2022. The LEA responses provided valuable feedback on the challenges they face

filling positions and suggestions on what DPI can do to assist schools. See the department's DIN 4000 for more information on LEA responses to the DPI survey.

**Proposal**

This proposal would create a new grant program that would reimburse LEAs for building teaching capacity in Wisconsin's schools via "grow-your-own" (GYO) initiatives and programs – including pathways for staff to complete a program leading to an education degree and/or licensure, as well as support for student organizations that encourage high school students to pursue careers in education. GYO initiatives could include the following approaches and strategies:

- Sponsorship of high school clubs
- Payment for costs associated with acquiring education necessary for licensure
- Support for a career pathway using dual enrollment for high school students
- Support for partnerships or collaborations with community organizations, educator preparation programs, or businesses focused on attracting or developing new teachers
- Incentives to support paraprofessionals leading to licensure

*Grow Your Own Programs*

The goal of GYO programs is to encourage school districts to build capacity within the school district by providing districts with the resources to grow their own qualified education staff. It would provide schools with a tool to address teacher and staff shortages in a way that avoids poaching of licensed staff from other school districts. It would particularly benefit smaller and more rural districts who may lack the resources to compete with larger districts recruiting new teachers.

One specific aim of creating a state-supported grant program for GYO initiatives is to encourage school districts that are experiencing staff shortages to support their existing teaching and paraprofessional staff in efforts to acquire appropriate credentials, benefiting both the school staff and their students.

Additionally, LEAs could use the grant award to pay the costs for existing staff to pursue additional educator credentials (e.g., degree in education, add-on licensure/certification in high need areas). A benefit of supporting further career development for existing staff while they are still employed within the LEA is that it allows those teaching and paraprofessional staff to avoid a disruption in their employment (i.e., they would not have to leave employment to pursue continued education and training). This would be beneficial to students as well because their education experience would be less likely to be disrupted due to staff leaving, resulting in more continuity of instruction and an environment more conducive to building and maintaining strong relationships between students and educators.

*Expand Participation in Student Organizations*

Student organizations that center on the teaching profession provide an opportunity for students to explore careers in education. Expanding student participation in student organizations presents challenges, including getting students interested in joining and finding teachers who have the time and capacity to serve as advisors, as well as paying for the costs associated with establishing chapters and attendance at state, regional, and national conferences and events.

The GYO grant could be used by LEAs to expand students' access to and participation in this type of organization, using grant funds to cover the cost of starting up the local chapter or for student membership fees and advisor stipends. While local and national chapter or affiliation fees are generally modest, the cost may present a barrier to some students' participation.

The department's proposal would allow LEA to use GYO grant funds to start new chapters and to maintain and expand current chapters, with the general goal of providing support to grow the number of education profession related student groups, and ultimately, to encourage more high school students to explore careers in education. Examples of two existing student organizations in Wisconsin that provide opportunities for students to explore careers in education include the FCCLA and Educators Rising.

<u>WI Family, Career and Community Leaders of America (FCCLA)</u>

FCCLA is a national student organization with more than 220,000 members and nearly 7,000 chapters from 50 state associations and the District of Columbia, Puerto Rico, and the Virgin Islands. The organization has involved more than ten million youth since its founding in 1945. There are approximately 200 FCCLA chapters in Wisconsin.

FCCLA supports Career Pathways in Human Services, Hospitality and Tourism, Education and Training, and Visual Arts and Design. FCCLA National Programs and Competitive Events support CTE students' development of knowledge and skills, enhancing the classroom experience and career pathway initiatives. FCCLA is integrated into FCS and is intra-curricular, exposing students to work-based learning, business and industry networks, and industry-recognized certifications.

<u>WI Educators Rising</u>

WI Educators Rising is Wisconsin's state affiliate with the national Educators Rising (ER) organization. Membership in this professional organization provides resources, a sense of community and belonging, and the opportunity for reciprocal learning. The experience can be brought to students in a curricular, extra-curricular or co-curricular pathway with flexible scheduling to meet the needs of teacher leaders and students.

There are currently 14 WI ER chapters statewide. In 2020, a committee to develop curriculum for WI Educator Rising chapters was created, and included K-12 educators, representatives from two- and four-year IHEs, one tribal school (Menomonee College), and DPI representation. The

curriculum that was ultimately developed reflects both (national) ER standards and Wisconsin Teacher Standards.

*Grant Program Structure*

The department will develop a framework for this grant program that will consider various factors in awarding grants to LEAs; factors could include the following (but not be limited to):

- School size (enrollments generally and/or the level of concentration of specific populations, such as students with disabilities or English learners)
- Existing school/district resources
- Specific teacher recruitment challenges
- Shortage areas (e.g., Special ed, Bilingual/ESL)
- Current staffing level and types (e.g., paraprofessionals, licensed educators)
- Existing student organizations that center on the teaching profession

To accomplish the goal of building Wisconsin's educator pipeline, the department requests $10,000,000 GPR beginning in FY25 for a new grant program that will reimburse LEAs for the costs of GYO educator initiatives and programs.

**Statutory Language**

The department is proposing statutory language related to this request.

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## PREDICTABLE AND SUSTAINABLE FUNDING FOR SCHOOLS

## DECISION ITEM 6000 – GENERAL SCHOOL AID AND REVENUE LIMITS

### *201 – General equalization aids*

*s. 20.255 (2) (ac)*

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Aid | $5,485,965,000 | $5,813,037,400 |
| Less Base | $5,201,590,000 | $5,201,590,000 |
| Requested Change | $301,205,000 | $ 628,277,400 |

### *225 – Aid for high-poverty school districts*

*s. 20.255 (2) (ac)*

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Aid | $0 | $0 |
| Less Base | $16,830,000 | $16,830,000 |
| Requested Change | ($16,830,000) | ($16,830,000) |

**Request**

The department requests net increases of $284,375,000 GPR in FY24 and $611,447,400 GPR in FY25 for combined changes to general equalization aid and high poverty aid for school districts, to mitigate the increases in the school property tax levy resulting from adjustments under school district revenue limits. The combined changes to these aid programs comprise a 5.4 percent increase in FY24 (over FY23) and a 5.9 percent increase FY25 (over FY24); and a biennial increase of 8.6 percent over the biennium (over the FY23 base year doubled).

The department requests the following changes as part of this proposal:

1. Increase funding for the general equalization aid appropriation by $301,205,000 GPR in FY24 and $628,277,400 GPR in FY25. These figures reflect general school aid increases of 5.8 percent in FY24, and 5.9 percent in FY25, over the prior year; and a biennial increase of 8.9 percent above the FY23 base year doubled.

2. Reduce funding in the appropriation for high poverty aid under Wis. Stat. sec. 20.255 (2)(bb), by $16,830,000 in FY24 and in FY25, to reflect the reallocation of funds to general equalization aid under Wis. Stat. sec. 20.255 (2)(ac).

3. Change the revenue limit per pupil adjustment amount to $350 per member in FY24 and to $650 in FY25, and increase it by the Consumer Price Index (CPI) annually, starting in FY26.

4. Increase the low revenue ceiling from $10,000 per revenue limit member, to $10,350 in FY24 and to $11,000 in FY25, and index the low revenue ceiling amount to the dollar change in the revenue limit per pupil adjustment, beginning in FY26 (see #2, above).

5. Propose statutory language to remove the current law penalty denying the low revenue ceiling based on the results of a school referendum.

6. Increase the four-year-old (4K) membership calculations for school district general equalization aid and revenue limits, independent charter schools (ICS), 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 FY25.

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

**State General Equalization Aid**

The department requests increases in funding for the general equalization aid appropriation of $301,205,000 GPR in FY24 and $628,277,400 GPR in FY25. This amount is intended to mitigate the impact on local school district tax levies resulting from the proposed increases in school district revenue limits.

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 FY25. 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).

**Aid for High-Poverty School Districts**

The department requests eliminating the funding under the appropriation for aid to high-poverty school districts and folding the funding directly into the appropriation for state general / equalization aid. Since the 2007-09 biennium, the high-poverty aid program has provided aid to school districts with a population of economically disadvantaged students that exceeds 50 percent. The aid formula distributes funding based on the appropriated amount divided by the total membership in eligible school districts. High-poverty aid is calculated every two years; eligible school districts receive the same aid payment amount in both years of a fiscal biennium.

For the 2021-23 biennium, a total of 130 school districts are eligible for high-poverty aid. The Milwaukee Public Schools district (MPS) has always met the eligibility criteria for the percent of students in poverty. Because MPS is the largest school district in the state[1], it is not a surprise that they receive the largest share of high-poverty aid: MPS currently receives $3.9 million in high poverty aid annually (23 percent of the $16.8 million annual appropriation). Most of the 130 school districts that are eligible for high-poverty aid receive an allocation that is 1.0 percent or less of the appropriation (116, or 89 percent); the remaining 13 school districts receive amounts ranging from just over one percent to 8.6 percent of the high-poverty aid appropriation. The high-poverty aid amounts for eligible districts in the 2021 23 and previous biennia are available on the department's Aid to High Poverty Districts web page.

It is important to understand that high-poverty aid is received under school district revenue limits, meaning that receipt of high poverty aid does not provide a school district with additional revenue/spending capacity. It simply reduces the mix of state general aid and school property taxes under school district revenue limits.

Under current law, school districts are permitted to levy property taxes for an amount equal to the difference between their allowable revenue limit (for general school operations) and their certified state general aid amount. Because the MPCP-related reduction is applied to MPS' certified general aid amount, MPS is effectively permitted to offset that MPCP-related aid reduction with tax levy. While the high-poverty aid program has the largest dollar impact on the MPS school levy, it does also have a property tax mitigating impact on all the districts that receive high poverty aid, albeit to a lesser degree than for MPS.

High poverty aid was authorized under 2007 Act 20; the first aid payments were distributed to school districts in FY08. One of the primary goals of the program was to mitigate the impact of the MPCP-related aid reduction on the MPS property tax levy. Prior to the creation of the high-poverty aid program, state law provided that the state effectively paid for 55 percent of the MPCP, while the remaining 45 percent was effectively picked up by the MPS tax levy (via the general aid reduction and levy backfill). The addition of high-poverty aid – received under the revenue limit – meant that MPS resident taxpayers received additional property tax relief, beginning in FY08 ($7.4 million).

The MPCP cost sharing between the state and MPS was modified under 2009 Act 28, so that the state picked up a greater proportion of the MPCP costs: the MPS share was reduced to 41.6 percent in FY10 and to 38.4 percent in FY11. Then, under 2013 Act 20, the law was changed so that the state's share for the MPCP increased (and MPS' share decreased), by 3.2 percent points each year until the state pays 100 percent of the cost of the MPCP as of the 2024-25 school year (FY25). In other words, there will be no reduction applied to the MPS general aid payment for the

[1] The high-poverty aid formula is based on general aid membership in the school year prior to the biennium for which aid is calculated. For purposes of high-poverty aid distributed in the 2021-23 biennium, the MPS general aid membership used in the formula was 73,389.

MPCP beginning in FY25[2]. Thus, the impetus for the creation of the high-poverty aid program will not exist as of 2024-25.

**Revenue Limits**

*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. Under the biennial budget for the 2021-23 biennium, school districts were provided $0 in FY22 and in FY23. 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.

The Appendix for this DIN shows the per pupil adjustments under revenue limits provided in each year since their inception in the 1993-94 school year, the Per Pupil Aid amounts provided beginning in the 2011-12 school year, and the combined impact of both. The difference between the combined actual revenue limit per pupil adjustment and Per Pupil Aid payments received by school districts is compared to the CPI-U adjusted per pupil adjustment for the school years beginning with the 2009-10 school year, when the state ceased providing inflation-adjusted adjustments under revenue limits (i.e., the CPI-U linked per pupil adjustment).

As noted in the table, the multiple years of minimal or no increase in the revenue limit per pupil adjustment, <u>even when combined with the increases in Per Pupil Aid</u>, have left school districts well below inflationary adjustments (as measured by CPI-U):

- For the five years between 2018-19 through 2022-23, districts are **$1,055 per pupil below** where they would have been with CPI-U adjustments.
- Since the 2012-13 school year (the year after a 5.5 percent reduction was applied to school district revenue limits), districts are **$2,287 per pupil below** where they would have been with CPI-U adjustments.

[2] The MPCP is not ending; rather, the state will begin paying 100% of the costs of the MPCP directly as of the 2024-25 school year.

- Since the 2009-10 school year, when the per pupil adjustment were first decoupled from the CPI-U, districts are **$3,210 per pupil below** where they would have been with CPI-U adjustments.

**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 $350 per member in FY24 and $650 per member in FY25.**

This will provide combined revenue raising authority of $1,000 per pupil over the two years of the 2023-25 biennium, in order to bring school district closer to an inflation adjusted revenue limit after years of minimal or no adjustments to the revenue limit per pupil adjustment.

**Beginning in FY26, 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 (as under prior law).**

While the revenue limit adjustments proposed by the department for FY24 and FY25 will not raise school district revenue capacity to what it would have been if CPI-U adjustments had been in place all along, it would provide a much needed boost in resources for school districts, almost making up for the past five years of below-inflation adjustments.

The department recognizes that school boards have the ability to seek additional spending capacity for school district operations from their communities via referenda (albeit with less flexibility now than in prior years when they were not restricted in frequency and timing of scheduling referenda**). However, as a matter of policy, the department advocates for regular, predictable increases in resources for school districts** – at a minimum, inflationary adjustments – so that school districts do not have to take their chances getting approval from communities in a referenda vote just to maintain school operations. Predictability in revenue raising authority, via regular adjustments to the per pupil revenue limit, would put school districts in a much better position for long term financial planning.

*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 FY25). 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; it has remained at this level with no change for the 2021-23 biennium.

**The department requests that the LRC threshold be raised from $10,000 in FY23 to $10,350 for FY24 and to $11,000 for FY25, commensurate with the dollar increase proposed for the revenue limit per pupil adjustment.**

**The department also requests that thereafter, the state 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 full day 4K students, 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 FY23. 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 FY25.**

**Statutory Language**

The department is proposing statutory language related to this request.

## Appendix – Cumulative Impact of Revenue Limit Adjustments and Per Pupil Aid Changes Compared to Inflation (as measure by CPI-U)

| School Year | Per Pupil Aid ($/pupil)** | Increase to Prior Year Per Pupil Aid (the incremental increase) | Actual Per Pupil Adjustment to Revenue Limit (base-building) | COMBINED IMPACT of RL Adj/Pupil and Per Pupil Aid Increase | Per Pupil Adjustment Using CPI | Difference between Combined Impact of Actual RL PPA & PP Aid and CPI | Cumulative Difference Since 2009-10 | Cumulative Difference Since 2012-13 | Cumulative Difference Since 2018-19 |
|---|---|---|---|---|---|---|---|---|---|
| 1993-94^ | | | $ 190.00 | **$ 190.00** | $ 190.00 | $ - | | | |
| 1994-95^ | | | $ 194.37 | **$ 194.37** | $ 194.37 | $ - | | | |
| 1995-96 | | | $ 200.00 | **$ 200.00** | $ 200.00 | $ - | | | |
| 1996-97 | | | $ 206.00 | **$ 206.00** | $ 206.00 | $ - | | | |
| 1997-98 | | | $ 206.00 | **$ 206.00** | $ 206.00 | $ - | | | |
| 1998-99 | | | $ 208.88 | **$ 208.88** | $ 208.88 | $ - | | | |
| 1999-00 | | | $ 212.43 | **$ 212.43** | $ 212.43 | $ - | | | |
| 2000-01 | | | $ 220.29 | **$ 220.29** | $ 220.29 | $ - | | | |
| 2001-02 | | | $ 226.68 | **$ 226.68** | $ 226.68 | $ - | | | |
| 2002-03 | | | $ 230.08 | **$ 230.08** | $ 230.08 | $ - | | | |
| 2003-04 | | | $ 236.98 | **$ 236.98** | $ 236.98 | $ - | | | |
| 2004-05 | | | $ 241.01 | **$ 241.01** | $ 241.01 | $ - | | | |
| 2005-06 | | | $ 248.48 | **$ 248.48** | $ 248.48 | $ - | | | |
| 2006-07 | | | $ 256.93 | **$ 256.93** | $ 256.93 | $ - | | | |
| 2007-08 | | | $ 264.12 | **$ 264.12** | $ 264.12 | $ - | | | |
| 2008-09 | | | $ 274.68 | **$ 274.68** | $ 274.68 | $ - | | | |
| 2009-10 | | | $ 200.00 | **$ 200.00** | $ 274.68 | $ (74.68) | | | |
| 2010-11 | | | $ 200.00 | **$ 200.00** | $ 281.00 | $ (81.00) | | | |
| 2011-12* | $ 50.00 | $ 50.00 | $ (528.81) | **$ (478.81)** | $ 288.59 | $ (767.40) | | | |
| 2012-13 | $ 75.00 | $ 25.00 | $ 50.00 | **$ 75.00** | $ 296.38 | $ (221.38) | | | |
| 2013-14 | $ 75.00 | $ - | $ 75.00 | **$ 75.00** | $ 300.83 | $ (225.83) | | | |
| 2014-15 | $ 150.00 | $ 75.00 | $ 75.00 | **$ 150.00** | $ 305.34 | $ (155.34) | | | |
| 2015-16 | $ 150.00 | $ - | $ - | **$ -** | $ 305.34 | $ (305.34) | | | |
| 2016-17 | $ 250.00 | $ 100.00 | $ - | **$ 100.00** | $ 308.09 | $ (208.09) | | | |
| 2017-18 | $ 450.00 | $ 200.00 | $ - | **$ 200.00** | $ 315.48 | $ (115.48) | | | |
| 2018-19 | $ 654.00 | $ 204.00 | $ - | **$ 204.00** | $ 323.05 | $ (119.05) | | | |
| 2019-20 | $ 745.00 | $ 91.00 | $ 175.00 | **$ 266.00** | $ 329.19 | $ (63.19) | | | |
| 2020-21 | $ 745.00 | $ - | $ 179.00 | **$ 179.00** | $ 334.13 | $ (155.13) | | | |
| 2021-22 | $ 742.00 | $ (3.00) | $ - | **$ (3.00)** | $ 342.82 | $ (345.82) | | | |
| 2022-23 | $ 742.00 | $ - | $ - | **$ -** | $ 371.96 | $ (371.96) | $ (3,210) | $ (2,287) | $ (1,055) |

^For 1993-94 and 1994-95, the allowable per pupil adjustment was the greater of the CPI-U or the amount shown.

*For the 2011-12 year, all districts had their base revenue limit per member reduced by 5.5%; the per pupil change shown here is the statewide average for 2011-12.

**Per pupil aid began in FY13 at $50/pupil, but was prorated for districts that levies less than their maximum allowable revenue that year, The per pupil aid eligibility amount was decoupled from district under levies beginning in FY14. For FY20 and FY21, supplemental per pupil aid provided an additional $3/pupil, raising total per pupil aid to $745/pupil.

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## DECISION ITEM 6001 – PER PUPIL AID

***279 – Per pupil aid***

***s. 20.255 (2) (aq)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2023-24 Request |
| Requested Funding | $622,375,000 | $658,937,500 |
| Less Base | $601,400,300 | $601,400,000 |
| Requested Change | $20,975,000 | $57,537,500 |

**Request**

The department requests increases of $20,975,000 GPR in FY24 and $57,537,500 GPR in FY25 for Per Pupil Aid to school districts. The requested increases reflect proposed payments under the Per Pupil Aid payment of $766 per pupil in FY24 and to $811 per pupil in FY25 (compared to from $742 per pupil in FY23) and projected revenue limit membership of 812,500 in each year.

**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).

Initially 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 (i.e., Per Pupil Aid payments are never prorated). See table 1 for a history of Per Pupil Aid payments.

**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 | 822,668 | $612,919,656 |
| **FY22** | $742 | 811,717 | $602,294,014 |
| **FY23^** | $742 | 812,500 | $602,875,000 |

*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.

## Proposal

The per pupil payment under the Per Pupil Aid program is set every two years as part of the state's biennial budget process (i.e., there is no indexing method to automatically adjust the per pupil payment amount). 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 $766 per revenue limit member in FY24 and $811 per revenue limit member in FY23. The increases to the per pupil payment amount represent the estimated percent increase in the statewide average revenue limit per pupil, based on the department's proposal for the revenue limit per pupil adjustment (see DIN 6000).[3]

Starting with a base revenue per member going into the 2022-23 school year at $10,787 (there is no per pupil adjustment provided for FY23), the addition of $350 per pupil in FY24, as proposed by the department, equals a 3.24 percent increase (from $10,787 to $11,137). Lifting the current Per Pupil Aid payment ($742) by that dollar amount yields $766 per pupil. The proposed revenue limit adjustment for FY25 is $650, which would raise the average revenue limit per member to $11,787, an increase of 5.84 percent. Applying that percent increase to the proposed FY24 Per

[3] The department is not proposing to create an index method for the per pupil aid payment in statute.

Pupil Aid payment yields $811 per pupil for FY25. The projected costs of the department's proposal for Per Pupil Aid is shown in Table 2 below.

**Table 2. Per Pupil Aid Payments for FY24 and FY25**

| | FY23 | FY24 | FY25 |
|---|---|---|---|
| Average Revenue per Member (FY23 Base) | $10,787 | | |
| Revenue Limit Per Pupil Adjustment (proposed) | | $350 | $650 |
| Average Revenue per Member (FY24/FY25 projections) | | $11,137 | $11,787 |
| Revenue Limit Per Pupil Adjustment – Percent Change | | 3.24% | 5.84% |
| Per Pupil Aid payment (FY23 Base) | $742 | | |
| Dollar Increase to Per Pupil Aid for FY24 & FY25 | | $24 | $45 |
| Per Pupil Aid FY24 & FY25 (DPI request) | | $766 | $811 |
| Estimated Revenue Limit Membership | | 812,500 | 812,500 |
| **Projected Cost** | | **$622,375,000** | **$658,937,500** |
| FY23 Base (*adjusted chapter 20 appropriation*) | | $601,400,000 | $601,400,000 |
| **Increase to Base (request)** | | **$20,975,000** | **$57,537,500** |

**Statutory Language**

The department is proposing statutory language related to this request (technical correction).

**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)**.

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.

## DECISION ITEM 6005 – SPECIAL EDUCATION CATEGORICAL AID

***206 – Aid for special education and school age parents programs***

***s. 20.255 (2) (b)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $754,103,600 | $1,035,635,600 |
| Less Base | $517,890,000 | $517,890,000 |
| Requested Change | $236,213,600 | $517,745,600 |

**Request**

The department requests $236,213,600 GPR in FY24 and $517,745,600 GPR in FY25 to increase the reimbursement rate for special education expenditures to 45 percent in FY24 and 60 percent in FY25. 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 (collectively, local educational agencies, LEAs). Approximately 14.5 percent[4] of Wisconsin students receive supports through an Individualized Education Program (IEP).

The appropriation now provides $517,890,000 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

[4] Source: Department of Public Insruction, WISEdash public portal, 2021-22 school year enrollments in public schoo districts and independent charter schools.

of special education can be attributed to the more complex needs of higher cost students with disabilities. Accordingly, special education costs are increasing annually.

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. General equalization aids are received under a school district's revenue limit; thus, additianal general aid does not provide additional spending capacity for school distrcts; instead, it impacts the mix of state general aid an property taxes. Regardless of increases general equalization aid provided by the state, rising special education costs, combined with revenue restrictions, has the effect of reducing a district's resources for general, 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, along with economically disadvantaged students, and students with limited English language skills.[5]

**Decreasing Reimbursement Rates under State Aid**

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

The reimbursement provided to LEAs under the special education categorical aid program are base on prior year allowable costs (PYAC). The reimbursement rate from the state appropriation fell below 30 percent of aidable costs starting in FY05 and then below 25 percent in FY19.

For the 2019-21 biennial budget, the Legislature 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 was 25.1 percent, and the reimbursement rate for FY21 was 28.2 percent.

For the 2021-23 biennial budget, the Legislature again provided funding increases for this aid program, with the goal of reaching reimbursement rates of 28.2 percent in FY22 and 30 percent in FY23, based on cost projections at that time. The actual reimursement rate in FY22 was higher than the goal, at 29.6 percent, due to a decrease in PYAC (i.e., special education expenditures incurred in the 2020-21 school year). Based on the department's projections, the current law appropriaiton will reimburse LEAs for 31.7 percent of PYAC for aid distributed in FY23.

[5] "REVIEW of a decision of the Court of Appeals. *Affirmed*. Reported at: 223 Wis.2d 799, 589 N.W.2d 455 (Ct.App. 1999 Unpublished)" *Vincent v. Voight*, 236 Wis. 2d 588, 597 (Wis. 2000); https://casetext.com/case/vincent-v-voight

The rate of growth in PYAC increased steadily from FY18 through FY21, and then decreased by one percent in FY22 for the first time since FY13 (see longer history of PYAC changes in the Appendix to this DIN). It is possible that the disruptiveness of the COVID-19 pandemic impacted expenditures/allowable costs in the 2020-21 school year, thus causing a decrease in PYAC for aid distributed in FY22. The department projects annual average change in PYAC of 3.39 percent, based on the average rate of change in PYAC in the two years prior to the COVID-19 pandemic (FY19 and FY20), for aid distributed in FY23 and onward.

Based on the projected 3.39 percent annual growth in PYAC, if the state appropriation for special education categorical aid remains at its current level, the reimbursement rates will drop by approximately one percentage point each year for the next four years. The department estimates that increasing the appropriation by $236,213,600 GPR in FY24 and $517,745,600 GPR in FY25 will increase the reimbursement rate to 45 percent in FY24 and 60 percent in FY25.

These increases are the first steps toward achieving a 90 percent reimbursement for special education costs. In the subsequent biennium, the department aims to request funds to attain a 75 percent reimbursement rate in FY26 followed by a 90 percent reimbursement rate in FY27 and thereafter.

Table 1 below shows the history of PYAC, the state aid appropriation for special education categorical aid, and the resulting reimbursement rates to LEAs, for FY18 through FY22, as well as projections for FY23 through FY27. The estimated costs for reaching the targeted level of reimbursement under the department's proposal in FY24 and FY25 are shown in Table 2.

**Table 1. Reimbursements Rates: Current Law and Targeted Levels**

| Aid Year* | Prior Year Aidable Costs (PYAC) | Percent Change in PYAC | Chapter 20 Appropriation | ACTUAL State Reimburse-ment Rate | TARGET State Reimburse-ment Rate | Total Appropriation Required to Reach Target |
|---|---|---|---|---|---|---|
| **FY18** | $1,435,356,008 | 2.21% | $368,939,100 | 25.7% | | |
| **FY19** | $1,482,145,947 | 3.26% | $368,939,100 | 24.9% | | |
| **FY20** | $1,534,311,880 | 3.52% | $384,472,300 | 25.1% | | |
| **FY21** | $1,596,091,436 | 4.01% | $450,276,200 | 28.2% | | |
| **FY22** | $1,579,588,774 | -1.02% | $580,978,000 | 29.6% | | |
| **FY23*** | $1,633,136,833 | 3.39% | $517,890,000 | 31.7% | | |
| | ***PROJECTIONS*** | | | | | |
| **FY24*** | $1,675,785,778 | | $517,890,000 | 30.7% | **45%** | **$759,825,100** |
| **FY25*** | $1,726,059,333 | | $517,890,000 | 29.7% | **60%** | **$1,047,444,200** |
| **FY26*** | $1,804,920,925 | | $517,890,000 | 28.7% | **75%** | **$1,353,690,700** |
| **FY27*** | $1,866,107,744 | | $517,890,000 | 27.8% | **90%** | **$1,679,497,000** |

*FY22 is the most recent year for which actual PYAC data is available. The PYAC for FY23 through FY27 are projections, using 3.39 percent annual growth in PYAC, beginning with aid for FY23 (i.e., FY22 aidable costs). The "actual" state reimbursement rate for FY23 is an estimate, based on the projected growth in PYAC and the current law appropriation level.

**Table 2. Requested Increase to Reach Targeted Reimbursement Rates (FY24-FY25)**

| | FY24 | FY25 |
|---|---|---|
| Appropriation at Targeted Reimbursement Rates | $754,103,600 | $1,035,635,600 |
| FY23 Base Appropriation | $517,890,000 | $517,890,000 |
| **Request** | **$236,213,600** | **$517,745,600** |
| **Biennial Total** | **$771,489,300** | |

The department requests $236,213,600 GPR in FY24 and $517,745,600 GPR in FY25 to increase the reimbursement rate for special education expenditures to 45 percent in FY24 and 60 percent in FY25.

**The department also requests the following statutory language changes for the special education categorical aid program:**

- **the targeted reimbursement rates be specified in statute**
- **the appropriation type be changed from sum certain to sum sufficient.**

**Statutory Language**

The department is proposing statutory language for this request.

**Appendix**

**Special Education Categorical Aid – Prior Year Aidable Costs, State Appropriation, and State Reimbursement Rates**

| Fiscal Year | Prior Year Aidable Costs | % Change over PY | Categorical Aid Appropriation | Reimburse-ment Rate |
|---|---|---|---|---|
| 2007-08 | $ 1,213,607,540 | | $ 350,192,500 | 28.9% |
| 2008-09 | 1,285,385,255 | 5.91% | 368,939,100 | 28.7% |
| 2009-10 | 1,322,974,688 | 2.92% | 368,939,100 | 27.9% |
| 2010-11 | 1,312,271,260 | -0.81% | 368,939,100 | 28.1% |
| 2011-12 | 1,385,983,348 | 5.62% | 368,939,100 | 26.6% |
| 2012-13 | 1,343,053,653 | -3.10% | 368,939,100 | 27.5% |
| 2013-14 | 1,359,647,100 | 1.24% | 368,939,100 | 27.1% |
| 2014-15 | 1,375,594,466 | 1.17% | 368,939,100 | 26.8% |
| 2015-16 | 1,391,199,161 | 1.13% | 368,939,100 | 26.5% |
| 2016-17 | 1,404,311,864 | 0.94% | 368,939,100 | 26.3% |
| 2017-18 | 1,435,356,008 | 2.21% | 368,939,100 | 25.7% |
| 2018-19 | 1,482,145,948 | 3.26% | 368,939,100 | 24.9% |
| 2019-20 | 1,534,311,880 | 3.52% | 384,472,300 | 25.1% |
| 2020-21 | 1,595,858,595 | 4.01% | 450,276,200 | 28.2% |
| 2021-22 | 1,579,588,774 | -1.02% | 468,091,800 | 29.6% |
| 2022-23 (proj) | 1,633,136,833 | 3.39% | 517,890,000 | 31.7% |
| 2023-24 (proj) | 1,688,500,172 | 3.39% | 517,890,000 | 30.7% |
| 2024-25 (proj) | 1,745,740,328 | 3.39% | 517,890,000 | 29.7% |
| 2025-26 (proj) | 1,804,920,925 | 3.39% | 517,890,000 | 28.7% |
| 2026-27 (proj) | 1,866,107,744 | 3.39% | 517,890,000 | 27.8% |

## DECISION ITEM 6006 – SPECIAL EDUCATION – HIGH COST AID

***204 – Additional special education aid***

***s. 20.255 (2) (bd)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2023-24 Request |
| Requested Funding | $14,480,000 | $19,306,700 |
| Less Base | $11,439,200 | $11,439,200 |
| Requested Change | $3,040,800 | $7,867,500 |

**Request**

The department requests increases of $3,040,800 GPR in FY24 and $7,867,500 GPR in FY25 for High Cost Special Education Aid. The requested funding increases reflect modifying eligible costs to include 100 percent of prior year allowable costs (compared to 90 percent under current law) and to reimburse allowable costs at 45 percent in FY24 and 60 percent in FY25. 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**

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. 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.

**Proposal**

The department proposes a request for funding that assumes eligible expenditures for this aid program will remain relatively constant for FY24 and FY25: annually, $32,177,800 in aidable expenditures. With target reimbursement rates of 45 percent in FY24 and 60 percent in FY25, the appropriation would need to be set at $14,480,000 in FY24 and at $19,306,700 in FY25, in order to fully fund aidable costs.

**Table 1. Projected Costs of Fully Funding the High Cost Special Education Aid Program**

| | FY23 | FY24 | FY25 |
|---|---|---|---|
| Aid Payments | $ 11,439,200 | | |
| Proration | 39.5% | | |
| Aid Eligibility (90% of PYAC) | $ 28,960,000 | | |
| 100% of PYAC | $ 32,177,778 | | |
| **Target Reimbursement Rate** | | **45%** | **60%** |
| **Appropriation** | | **$ 14,480,000** | **$ 19,306,700** |
| Base Appropriation | $ 11,439,200 | | |
| **Requested Increase** | | **$ 3,040,800** | **$ 7,867,500** |

The department requests $3,040,800 GPR in FY24 and $7,867,500 GPR in FY25 to increase the reimbursement rate for 100 percent of allowable costs under the high cost special education aid program, at 45 percent in FY24 and 60 percent in FY25. The department also requests the following statutory language changes for the special education categorical aid program:

- aid eligibility is based on 100 percent of prior year allowable costs
- the targeted reimbursement rates be specified in statute
- the appropriation type be changed from sum certain to sum sufficient.

**Statutory Language**

The department is proposing statutory language for this request.

## DECISION ITEM 6007 – SPARSITY AID

***255 – Sparsity aid***

***s. 20.255 (2) (ae)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2023-24 Request |
| Requested Funding | $28,614,000 | $28,614,000 |
| Less Base | $27,983,800 | $27,983,800 |
| Requested Change | $630,200 | $630,200 |

**Request**

The department requests increases of $630,200 GPR in FY24 and $630,200 GPR in FY25 for Sparsity Aid for school districts. The requested funding increases are intended to fully fund aid eligibility for school districts that qualify for Sparsity Aid.

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 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.

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.

Finally, under 2021 Act 58 (the 2021-23 biennial budget), a second tier of aid was added to the Sparsity Aid program: districts that meet the sparsity factor (fewer than 10 members per square mile) and that have a membership of 746 up to 1,000 are now eligible for Sparsity Aid at $100 per member. The department has requested the creation of a second tier of aid for school districts with somewhat larger membership, but that are still relatively small in size and large in geographic area. With this change, the only time that the stop gap payment comes into play is if a school district exceed the 1,000 membership threshold for tier 2 aid. Districts the move from the tier 1 to the tier 2 size category still receive aid for each year they qualify, but at the $100 per pupil rate.

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 |
| **FY22** | $27,962,400 | $400/$100 | 97% | 153/32 | 65,450/27,175 |
| **FY23^** | $27,983,800 | $400/$100 | 98% | 150/33 | 64,328/27,886 |

* 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.

^In FY23, two districts are eligible for stopgap payments due to exceeding the 1,000 membership level for Tier 2 aid (representing 2,062 students).

### Proposal

Despite increases in the appropriation provided under the most recent budget bill (2021-23), Sparsity Aid payments were still prorated in FY22 (97%) and FY23 (FY98%). For FY23 aid payments, the appropriation was short by $630,200. In order to avoid proration in future years, the department requests increases of $630,200 in FY24 and in FY25, to fully fund the Sparsity Aid program (assuming that total aid eligibility will remain fairly constant into the next biennium).

### Statutory Language

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

## DECISION ITEM 6008 – PUPIL TRANSPORTATION AID

***210 – Pupil transportation aid***

***s. 20.255 (2) (cr)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2023-24 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 modifying current law under the Pupil Transportation Aid program to increase the reimbursement rate provided to school districts and independent charter schools that transport pupils more than 12 miles, from $375 per pupil under current law to $400 per pupil, beginning in FY24. This change to the reimbursement rate will not require additional funding.

**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 ($35,000 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.

The reimbursement rates for the various mileage bands has been modified over time. 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 | FY20-FY21 | FY22-FY23 |
|---|---|---|---|---|---|---|---|---|
| School Year | | | | | | | | |
| 0-2 miles (hazardous areas) | $12 | $15 | $15 | $15 | $15 | $15 | $15 | $15 |
| 2-5 miles | $30 | $35 | $35 | $35 | $35 | $35 | $35 | $35 |
| 5-8 miles | $45 | $55 | $55 | $55 | $55 | $55 | $55 | $55 |
| 8-12 miles | $82 | $110 | $110 | $110 | $110 | $110 | $110 | $110 |
| 12 or more miles | $150 | $180 | $220 | $275 | $300 | $365 | $365 | $375 |

| Mileage Band | FY06-F17 | FY18-FY19 | FY19-FY20 | FY22-FY23 |
|---|---|---|---|---|
| Summer/Interim Session | | | | |
| 2-5 miles | $4 | $10 | $10 | $10 |
| 5 or more miles* | $6 | $20 | N/A | N/A |
| Over 5 up to 8** | N/A | N/A | $20 | $20 |
| Over 8 up to 12** | | | $20 | $20 |
| Over 12** | | | $20 | $20 |

*Mileage band replaced with further breakdowns.

**Categories created for FY20 payments.

Most recently, 2021 Act 58 increased the reimbursement rate for students transported over 12 miles, from $365 to $375 per student, beginning in FY22. Additionally, the proration of transportation aid for summer school was eliminated from the statute (as had been done in a previous budget for transportation aid payments 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 FY22, the amount that was distributed in the second round was $6.3 million (26 percent of the transportation aid

appropriation), and in FY21, the second round distribution amount was even higher, at $7.6 million (nearly 47 percent of the appropriation).

The amount of aid distributed in the second round for FY21 and FY22 were atypically high – in comparison, for aid payments made in FY19 and FY20, the second round distribution was less than $2 million (5.1 to 8.6 percent of the appropriation). The atypically high second round distribution amounts seen in FY21 and FY22 are likely explained by the impacts of the COVID-19 pandemic on school district operations. Because aid is calculated based on prior year data, the FY22 aid was reflective of ridership in the 2020-21 school year – the first full year of school during the COVID-19 pandemic, before vaccinations were available. Student enrollment in public schools decreased by an unusually high amount for the 2020-21 school year, particularly for the youngest learners in 4-year old and 5-year old kindergarten. The combination of lower enrollments, the use of continued remote learning in some school districts, and potentially families choosing to drive their children to work to avoid exposure to COVID-19 (on buses) may have contributed to the lower ridership in the 2020-21 school year and resulting number of pupils reported for the Pupil Transportation Aid program for aid distributed in FY22. See the table below for aid payments distributed in FY22.

**Table 2. Pupil Transportation Aid Payments, FY22 (2020-21 Ridership Data)**

| Period of Transportation | Distance to School | Public School Pupils | Private School Pupils | Total Pupils | Aid Per Pupil | Total Aid Eligibility |
|---|---|---|---|---|---|---|
| **Regular School Year** | | | | | | |
| Over 90 days | Over 12 miles | 10,847 | 655 | 11,502 | $375.00 | $ 4,313,250 |
| Over 90 days | 0 to 2 miles (hazardous) | 85,144 | 3,201 | 88,345 | $15.00 | $ 1,325,175 |
| Over 90 days | Over 2 to 5 miles | 133,116 | 8,006 | 141,122 | $35.00 | $ 4,939,270 |
| Over 90 days | Over 5 to 8 miles | 57,154 | 4,605 | 61,759 | $55.00 | $ 3,396,745 |
| Over 90 days | Over 8 to 12 miles | 26,823 | 2,010 | 28,833 | $110.00 | $ 3,171,630 |
| | **Subtotal** | **313,084** | **18,477** | **331,561** | | **$ 17,146,070** |
| | | | | | | |
| **Vocational School** | | | | | | |
| Over 90 days | Over 12 miles | 85 | 0 | 85 | $375.00 | $ 31,875 |
| Over 90 days | Over 2 to 5 miles | 435 | 0 | 435 | $35.00 | $ 15,225 |
| Over 90 days | Over 5 to 8 miles | 121 | 0 | 121 | $55.00 | $ 6,655 |
| Over 90 days | Over 8 to 12 miles | 114 | 0 | 114 | $110.00 | $ 12,540 |
| | **Subtotal** | **755** | **0** | **755** | | **$ 66,295** |
| | | | | | | |
| **Summer School** | | | | | | |
| 1-15 days | 2 to 5 miles | 5,431 | 56 | 5,487 | $10.00 | $ 54,870 |
| 1-15 days | Over 5 miles | 8,594 | 61 | 8,655 | $20.00 | $ 173,100 |
| Over 15 days | 2 to 5 miles | 8,087 | 58 | 8,145 | $10.00 | $ 81,450 |
| Over 15 days | Over 5 miles | 6,359 | 58 | 6,417 | $20.00 | $ 128,340 |
| | **Subtotal** | **28,471** | **233** | **28,704** | | **$ 437,760** |
| | | | | | | |
| | **GRAND TOTAL** | **336,877** | **18,550** | **355,427** | | **$ 17,650,125** |
| | | | | | | |
| | | | | | Transportation Over Ice | $ 35,000 |
| | | | | | Audit Findings | $ 35,235 |
| | | | | | Aid Eligibility - January: | **$ 17,720,360** |
| | | | | | Appropriation | $ 24,000,000 |
| | | | | | **Remaining - Distributed in June** | **$ 6,279,640** |

## 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 $375 to $400 per student. Using ridership data from the 2020-21 school year would suggest that the additional $25 per student in this mileage band would produce additional aid eligibility of $289,675 (11,587 students transported 12 or more miles, multiplied by the $25 difference in payment per student). This amount would easily be absorbed in the existing transportation aid appropriation and would deliver more of the transportation aid to LEAs sooner in the year (for students transported the furthest distances).

The department recognizes that if enrollments in public schools increase to pre-pandemic levels, and ridership on school buses rise accordingly, the impact of this proposed change could be greater. To account for this possibility, the transportation aid simulation can be run with ridership data from the 2018-19 school year, for transportation aid paid in 2019-20. Even using these higher ridership figures, the Pupil Transportation Aid appropriation could still absorb the increase to $400 per student for those transported 12 miles or more by a school district.

**Table 3. Simulation of Pupil Transportation Aid Payments based on Pre-Pandemic Ridership Levels (2018-19 Ridership Data)**

| Period of Transportation | Distance to School | Public School Pupils | Private School Pupils | Total Pupils | Aid Per Pupil | Total Aid Eligibility |
|---|---|---|---|---|---|---|
| **Regular School Year** | | | | | | |
| Over 90 days | Over 12 miles | 12,504 | 947 | 13,451 | **$400.00** | $ 5,380,400 |
| Over 90 days | 0 to 2 miles (hazardous) | 100,018 | 3,690 | 103,708 | $15.00 | $ 1,555,620 |
| Over 90 days | Over 2 to 5 miles | 176,913 | 13,007 | 189,920 | $35.00 | $ 6,647,200 |
| Over 90 days | Over 5 to 8 miles | 74,062 | 6,806 | 80,868 | $55.00 | $ 4,447,740 |
| Over 90 days | Over 8 to 12 miles | 33,175 | 3,067 | 36,242 | $110.00 | $ 3,986,620 |
| | **Subtotal** | **396,672** | **27,517** | **424,189** | | **$ 22,017,580** |
| | | | | | | |
| **Vocational School** | | | | | | |
| Over 90 days | Over 12 miles | 14 | 3 | 17 | **$400.00** | $ 6,800 |
| Over 90 days | Over 2 to 5 miles | 66 | 3 | 69 | $35.00 | $ 2,415 |
| Over 90 days | Over 5 to 8 miles | 1 | 2 | 3 | $55.00 | $ 165 |
| Over 90 days | Over 8 to 12 miles | 3 | 1 | 4 | $110.00 | $ 440 |
| | **Subtotal** | **84** | **9** | **93** | | **$ 9,820** |
| | | | | | | |
| **Summer School** | | | | | | |
| 1-15 days | 2 to 5 miles | 7,095 | 26 | 7,121 | $10.00 | $ 71,210 |
| 1-15 days | Over 5 miles | 10,048 | 52 | 10,100 | $20.00 | $ 202,000 |
| Over 15 days | 2 to 5 miles | 11,896 | 34 | 11,930 | $10.00 | $ 119,300 |
| Over 15 days | Over 5 miles | 10,931 | 81 | 11,012 | $20.00 | $ 220,240 |
| | **Subtotal** | **39,970** | **193** | **40,163** | | **$ 612,750** |
| | | | | | | |
| | **GRAND TOTAL** | **436,726** | **27,719** | **464,445** | | **$ 22,640,150** |
| | | | | | | |
| | | | | | Transportation over ice | $ 35,000 |
| | | | | | Audit findings | $ 35,235 |
| | | | | | Total aid eligibility - paid in January | **$ 22,710,385** |
| | | | | | Appropriation | $ 24,000,000 |
| | | | | | **Remaining for distribution in June*** | **$ 1,289,615** |

Therefore, the department requests modifying current law under the Pupil Transportation Aid program to increase the reimbursement rate provided to LEAs that transport pupils more than 12 miles, from $375 per pupil under current law to $400 per pupil, beginning in FY24. This change to the reimbursement rate will not require additional funding.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6009 – TRANSPORTATION – HIGH COST AID

***211 – Aid for high cost transportation***

***s. 20.255 (2) (cq)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2023-24 Request |
| Requested Funding | $30,400,000 | $30,400,000 |
| Less Base | $19,856,200 | $19,856,200 |
| Requested Change | $10,543,800 | $10,543,800 |

**Request**

The department requests increases of $10,543,800 GPR in FY24 and $10,543,800 GPR in FY25 for High Cost Transportation Aid to school districts. The requested funding increases are intended to fully fund aid eligibility for school districts that qualify for High Cost Transportation Aid. Additionally, the department requests that the $200,000 statutory limit on stop-gap payments be eliminated, so that all stopgap and regular eligibility payments be paid in full, or prorated at the same rate.

**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.

Under 2021 Act 58 (Act 58, the 2021-23 biennial budget), the appropriation was increased again, to $19,856,200 in FY22 and in FY23, to fully fund estimated aid eligibility in the 2021-23 biennium. The Legislature also modified the program once again, to change the threshold for eligibility from 145 percent to 140 percent of statewide average transportation costs per member. The Legislature attempted to insert another criterion for eligibility – that a school district have fewer than 3,500 members. However, that provision was vetoed by the Governor; thus, there is no absolute size limit for aid eligibility (though the school district must have 50 or fewer members per square mile to be eligible for aid).

**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** | 145% | 136 | 16,145,976 | 13,500,000 | 83.4% | 23 | 684,392 | 200,000 | 29.2% |
| **FY22** | 140% | 192 | 29,433,386 | 19,856,200 | 66.8% | 11 | 378,544 | 200,000 | 52.8% |
| **FY23 – est.** | 140% | | 30,000,000 | 19,856,200 | 66.2% | | 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 expenditures and to fully fund total "stopgap" payments at 50 percent of eligible districts' prior year aid award.

**Proposal**

The department proposes a request for funding that assumes eligible expenditures for this aid program will remain relatively constant for FY24 and FY25: annually, $30,000,000 in aidable expenditures for eligible school districts and up to $400,000 in stop gap payments for districts that lose eligibility. Thus, the appropriation would need to be set at $30,400,000 GPR annually - $10,543,800 above the current base funding level – in order to fully fund 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.

The department requests $10,543,800 GPR in FY24 and $10,543,800 GPR in FY25, 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 eliminate 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 fully paid or if proration is necessary, 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 6010 – AID FOR COMPREHENSIVE SCHOOL MENTAL HEALTH SYSTEMS

***223 –Aid for comprehensive school mental health systems***

***s. 20.255 (2)(dc) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $127,914,300 | $127,914,300 |
| Less Base | $0 | $0 |
| Requested Change | $127,914,300 | $127,914,300 |

***297 –School-based mental health service grants***

***s. 20.255 (2)(dt)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $0 |
| Less Base | $10,000,000 | $10,000,000 |
| Requested Change | ($10,000,000) | ($10,000,000) |

### Request

The department requests $127,914,300 GPR in FY24 and $127,914,300 GPR in FY25, to create a new categorical aid program to support comprehensive mental health systems in schools. The department also requests eliminating the existing school-based mental health services grants program and redirecting the appropriated budget authority to the proposed new aid program for comprehensive school mental health systems (i.e., reallocating $10,000,000 GPR in FY24 and $10,000,000 GPR in FY25). Therefore, the net increase in state funding under this proposal would be $117,914,300 GPR in both years.

### Background

Mental health among students has been a pressing issue for some time. In recent years, there has been increased awareness of student mental health as a legitimate health concern and acknowledgment that schools have a critical role to play in addressing students' mental health needs. This increased awareness has led to investments by the state in programs designed to

identify and address mental health concerns among students, as evidenced by growing financial support by the state for school mental health aids and grants.

The emergence of COVID-19 and the public health pandemic that followed created tremendous stress for students, families, and schools. There was a very sudden shift to remote learning in the early days of the pandemic, and then extended periods of reduced social contact (and for some, real isolation) as remote schooling and working continued through the 2021-22 school year. People generally had far less access to participate in typical life activities. The pandemic took an economic toll on many families, adding financial strain to the general stress and trauma of the pandemic. Mental health needs did not disappear with the introduction of the COVID vaccine. While the vaccination allowed for a (slow) return to a somewhat normal (pre-pandemic) level of social activity, student responses to the Youth Risk Behavior Survey (YRBS) demonstrate that students continue to have significant mental health struggles.

*Youth Risk Behavior Survey*

DPI administers a statewide high school survey provided by the Centers for Disease Control (CDC) every other year to measure student perceptions, called the Youth Risk Behavior Survey (YRBS). The 2021 YRBS data will be available in the Fall of 2022; therefore, this paper relies on data from the report on the 2019 YRBS.

The 2019 YRBS results show that suicide is a major concern for Wisconsin youth, and that anxiety and depression are common. Wisconsin's adolescent suicide rate exceeds the national rate. The CDC reports the adolescent suicide rate in Wisconsin was 14.43 per 100,000 in 2020. In the US, there was an increase in the suicide rate from 10.4 per 100,000 in 2012 to 13.5 per 100,000 in 2020.[6]

*Mental Health in Schools*

One in six U.S. youth aged 6-17 experience a mental health disorder each year, and half of all mental health conditions begin by age 14. Attention-deficit/hyperactivity disorder (ADHD), behavior problems, anxiety, and depression are the most commonly diagnosed mental disorders in children. Yet, only about half of youth with mental health conditions received any kind of treatment in the past year.[7] Undiagnosed, untreated, or inadequately treated mental illnesses can significantly interfere with a student's ability to learn, grow, and develop. Since children spend much of their productive time in educational settings, schools offer a unique opportunity for early identification, prevention, and interventions that serve students where they already are. (NAMI, 2022)

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[6] Source: Centers for Disease Control MMWR, April 1, 2022

[7] *Mental Health in Schools*, National Alliance on Mental Illness (NAMI), 2022

*Limitations of Current Law School Mental Health Programs*

The department often hears from stakeholders that schools are looking not simply for increased funding, but funding that is predictable and sustainable – which is not accomplished with competitive grant processes or complicated aid formulas that can result in significant swings in aid amounts from year to year. DPI currently administers a School-Based Mental Health Services Grant Program (SBMHS), a competitive grant program funded with state GPR and authorized under Wis. Stat. sec. 115.367. The amount currently budgeted for the SBMHS grant is $10 million GPR annually. The SBMHS grant reimburses LEAs for allowable expenditures, which include collaborating with community mental health agencies to provide mental health services to pupils. This is a competitive grant program, so eligible entities (school districts, ICS, and Cooperative Education Agencies (LEAs) must submit a grant application to be considered for funding.

The concerns about the SBMHS grant are that, as a competitive grant, the SBMHS grant program creates inequities, because some LEAs are better equipped/positioned to write grant applications that are likely to be successful. Additionally, the uncertainty of obtaining continued funding beyond current grant award cycle is a concern for applying LEAs. DPI often hears from schools "why should school have to compete for funding to meet the mental health needs of our students?"

**Proposal**

The department's proposal is a simple but effective approach to distributing state mental health funds to support students: providing aid to every LEA (school districts and ICS) with a minimum level of funding ($100,000 per LEA) and additional amounts based on student enrollment ($100/student). This would allow LEAs to make reasonable assumptions about the amount of state funding they could expect for student mental health purposes. Under this approach, the state would still be able to ensure that LEAs are accountable for using the funding for allowable purposes. Each LEA's award amount would be made available early in the school year, but the actual monies would be distributed to LEAs under a claims reimbursement model, requiring supporting documentation of expenditures for allowable activities. Under this new aid program, the department would provide a minimum award of $100,000 per LEA, plus $100 per student (using prior year enrollments). See the Table 1 below for the department's estimate for total grant awards under the proposed CSMHS program.

**Table 1. Estimated Costs for the CSMHS Program**

| | LEAs | Student Enrollment (2021-22) | Annual Cost |
|---|---|---|---|
| Number of LEAs & Students | 450 | 829,143 | |
| Funding Amount | $ 100,000 | $100/student | |
| **Subtotal** | **$ 45,000,000** | **$ 82,914,300** | **$ 127,914,300** |
| Eliminate SBMHS Grant | | | **-$10,000,000** |
| **Net Total Annual Cost** | | | **$117,914,300** |

The department also requests to eliminate the existing SBMHS competitive grant program and redirect that program's $10,000,000 annual appropriation to the proposed *Aid for comprehensive school mental health systems (*beginning in FY24). The elimination of the SBMHS grant program would reduce state appropriations by $10,000,000 annually, resulting in a net increase in state appropriations of $117,914,300 annually, for the proposed formula for distributing state support for mental health programs.

The department's intention is that LEAs be permitted to use the Aid for CSMHS funding for a broad array of purposes that meet an overarching goal of providing comprehensive support to students during the school day and while they are engaged in after school and other out-of-time school programs. Allowable uses of the proposed aid would include (but not limited to):

- Mental health Evidence-Based Improvement Strategies (EBIS)
- Mental health literacy and stigma reduction programs for students and adults
- Collaborating and/or contracting with community mental health providers, consultants, organizations, CESAs, and other experts to provide consultation, training, mentoring, and coaching
- Parent training and informational events
- Student and Family Assistance Programs (SFAP)
- School-employed mental health professionals accessible to all students
- Mental health navigators
- Mental health system planning
- Translator and interpreter services
- Offsetting the costs associated with school-employed mental health professionals accessible to all students (to complement state aid received under the School-Based Mental Health Professionals program, as requested under DIN 6011)

The following would be considered ineligible for reimbursement under this proposal: payments for direct treatment services or insurance deductibles, non-mental health-related training, staff salaries for non-mental health-related positions, and indirect costs of regular school operations (e.g., existing overhead expenses). Finally, the department's intent is that LEAs be allowed to use these funds for both in-school and out-of-school activities and program. For example, an LEA that operates an afterschool program for students (either directly or under contract with a provider) could seek reimbursement for allowable costs of providing services to students in the afterschool program using this CSMHS funding.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6011 – AID FOR SCHOOL-BASED MENTAL HEALTH PROFESSIONALS

***221 –Aid for school-based mental health professionals; staff***

***s. 20.255 (2)(db) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $30,000,000 | $30,000,000 |
| Less Base | $0 | $0 |
| Requested Change | $30,000,000 | $30,000,000 |

***227 – Aid for school mental health programs***

***s. 20.255 (2)(da)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $0 |
| Less Base | $12,000,000 | $12,000,000 |
| Requested Change | ($12,000,000) | ($12,000,000) |

**Request**

The department requests net increases of $18,000,000 GPR in FY24 and $18,000,000 GPR in FY25, to expand the *current law* Aid for School Mental Health Programs to include reimbursement for expenditures made for pupil services staff generally, rather than just for school social workers. Additionally, the department requests that this aid program be restructured so as to provide reimbursement for prior year eligible costs generally, by eliminating the *current law* two-tiered aid model. Finally, the department requests changing the name of the program to Aid for School-Based Mental Health Professionals. This proposal would reallocate $12,000,000 GPR annually (beginning in FY24) from the current law appropriation under Wis. Stat. sec. 20.255 (2)(da) to a new appropriation under Wis. Stat. sec. 20.255 (2)(db) [*proposed*], *School-based mental health professionals; staff*.

**Background**

School-Based Mental Health Professionals assist and strengthen schools and districts by providing comprehensive supports. These professionals work collaboratively to meet the many needs of students and staff with their unique skills, training, and expertise through a team-based

approach. Collaboration, consultation, and direct services are provided within multi-level systems of support, which emphasize evidence-based interventions, data-based problem-solving practices, connecting families with resources, and equitable mental health services, access and outcomes[8]. Wisconsin Pupil Services Professionals include School Counselors, School Psychologists, School Social Workers, and School Nurses.

The current law categorial aid program currently provides $12,000,000 GPR annually to support the provision and expansion of mental health services for students in school district and independent charter schools (ICS) [collectively, local educational agencies, or LEAs] and in private parental choice schools. This program provides reimbursement for expenditures made specifically for school social worker staff/services (school/district employees or contracted services).

State aid under this program is paid under two tiers; school districts, ICS, and private choice schools that increased expenditures from one year to the next are eligible for aid.

- Tier 1 eligible expenditures include the *increase in expenditures* for the Social Workers category in the prior year, less expenditures from the year two years prior. Reimbursement is made at 50% of eligible expenditures.
- Tier 2 aid is distributed if funds remain in the appropriation after distribution of Tier 1 aid. This remaining funding is used to reimburse school districts, ICS, and private choice school for increased expenditures for Social Workers in the prior year, less the dollar amount of increased expenditures that was reimbursed under Tier 1, prorated as necessary.

**Student Mental Health Challenges**

One in six U.S. youth aged 6-17 experience a mental health disorder each year, and half of all mental health conditions begin by age 14. Attention-deficit/hyperactivity disorder (ADHD), behavior problems, anxiety, and depression are the most commonly diagnosed mental disorders in children. Yet, only about half of youth with mental health conditions received any kind of treatment in the past year.[9]

The lack of professional help and intervention for children and youth struggling with mental health issues is considered a significant factor to unsafe school environments. Youth are almost as likely to receive mental health services in an education setting as they are to receive treatment from a specialty mental health provider — in 2019, 15% of adolescents aged 12-

[8] Adapted with permission from the Oklahoma State Department of Education, Counseling and School-Based Mental Health Integration

[9] Mental Health In Schools, National Alliance on Mental Health (NAMI), 2019, Mental Health in Schools | NAMI:

17 reported receiving mental health services at school, compared to 17% who saw a specialty provider.[10]

Wisconsin's adolescent suicide rate also exceeds the national rate. The Centers for Disease Control (CDC) reports the adolescent suicide rate in Wisconsin was 14.43 per 100,000 in 2020. In the US, there was an increase in the suicide rate from 10.4 per 100,000 in 2012 to 13.5 per 100,000 in 2020.[11]

Stressors like academic achievement, violence in schools, 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).

According to 2022 data from Mental Health America – Wisconsin had the 33rd highest reporting of youth with at least one major depressive episode (MDE) in the nation with 15.99% of youth (about 71,000 youth)[12] .

National data from Mental Health America shows:

- 15.08% of youth (age 12-17) report suffering from at least one major depressive episode (MDE) in the past year.
- Childhood depression is more likely to persist into adulthood if gone untreated.
- The number of youth experiencing MDE increased by 306,000 (1.24%) from last year's dataset.
- The state prevalence of youth with MDE ranges from 11.36% in the District of Columbia to 18.62% in Oregon.

Additional data from Mental Health America regarding youth experiencing major depression who did not receive any mental health treatment- show WI is ranked 19th in the nation with 55.10% of youth not receiving treatment (about 36,000 youth).

Nationally:

- 60.3% of youth with major depression do not receive any mental health treatment.
- Youth experiencing MDE (major depressive episode) continue to go untreated. Even among the states with greatest access for youth, 1 in 3 youth are still not receiving the mental health services they need.

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[10] Substance Abuse and Mental Health Services Administration. (2020). Key substance use and mental health indicators in the United States: Results from the 2019 National Survey on Drug Use and Health (HHS Publication No. PEP20-07-01-001, NSDUH Series H-55.

[11] Source: Centers for Disease Control MMWR, April 1, 2022

[12] (Mental Health America 2022)

- The state prevalence of untreated youth with depression ranges from 30.0% in Maine to 73.1% in Texas.

### School Based Mental Health Professionals Staff

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).

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 fall significantly short of 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.

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 Service Professional Ratio**

| Pupil Services Position | Wisconsin Pupil Services Ratios | | | | | | | National Organization Recommendation |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **Counselors** | 466:1 | 399:1 | 444:1 | 420:1 | 424:1 | 390:1 | 381:1 | **250:1** |
| **Psychologists** | 956:1 | 1,073:1 | 993:1 | 967:1 | 934:1 | 845:1 | 826:1 | **500:1** |
| **Social Workers** | 1,050:1 | 1,528:1 | 1,567:1 | 1,468:1 | 1,418:1 | 1,196:1 | 1,136:1 | **400:1** |
| **Nurses** | 1596:1 | 1,721:1 | 1,911:1 | 1,871:1 | 1,850:1 | 1,632:1 | 1,516:1 | ***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.

### Proposal

The department requests that the appropriation be renamed to "Aid for School-Based Mental Health Professionals" to reflect the proposal to include all pupil support staff expenditures as eligible for aid.

The department requests net increases of $18,000,000 GPR in FY24 and $18,000,000 GPR in FY25, to expand the current law categorical aid program to include reimbursement for expenditures made for all pupil services staff rather than just for school social workers – that is, include expenditures for school counselors, school psychologists, and school nurses as allowable costs for aid. Finally, the department proposes that the current law structure that provides aid in two tiers be eliminated, so as to provide reimbursement simply on the basis of prior year allowable costs.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6012 – PEER-TO-PEER SUICIDE PREVENTION GRANTS

***246 – Peer-to-peer suicide prevention program: grants***

**s. 20.255 (2) (du)**

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $250,000 | $250,000 |
| Less Base | $250,000 | $250,000 |
| Requested Change | $0 | $0 |

**Request**

The department requests a statutory change to increase the maximum grant award for Peer-to-Peer Suicide Prevention Grants from $1,000 to $6,000. This would more accurately reflect the actual costs to a school to implement this type of program. The department is not seeking any changes to the program's base funding at this time.

**Background**

As created by 2019 Act 83, the Peer-to-Peer Suicide Prevention Grant program provides grants for public, private, and tribal schools operating high school grades to implement peer-to-peer suicide prevention programs or to support existing programs. Beginning in the 2020-21 school year, the Department of Public Instruction (DPI) began awarding grants up to $1,000 per local education agency (LEA) or private/tribal school, through a competitive application process. Act 83 appropriated $250,000 in beginning in FY21 for the grants.

DPI administers a statewide high school survey provided by the Center for Disease Control (CDC) every other year to measure student perceptions, called the Youth Risk Behavior Survey (YRBS). The 2021 YRBS data will be available in the Fall of 2022; therefore, this paper relies on data from the report on the 2019 YRBS.

The 2019 YRBS results show that suicide is a major concern for Wisconsin youth, and that anxiety and depression are common. The survey also points to the fact that young people in distress are twice as likely to turn to peers, rather than adults. Equipping youth to work effectively with friends or other peers who may be suicidal is therefore an important component of Wisconsin's youth suicide prevention strategy.[13]

[13] 2019 YRBS summary report (pg. 11)

Wisconsin's adolescent suicide rate exceeds the national rate. The Center for Disease Control (CDC) reports the adolescent suicide rate in Wisconsin was 14.43 per 100,000 in 2020. In the US, there was an increase in the suicide rate from 10.4 per 100,000 in 2012 to 13.5 per 100,000 in 2020.[14] 2019 WI data shows LGBT students (not including Q+ at the time of administration) were 2.6 times as likely to seriously consider suicide as compared to youth overall. The COVID pandemic has adversely impacted mental health for many people and in particular our youth who need more supports including suicide preventions programs they can easily access in school.

**Peer-to-Peer Training**

Peer-to-peer training is an integral component of many youth suicide-prevention programs. This model trains students to recognize warning signs in depressed or suicidal peers, and to empower them to report those signs to an adult. Peers are considered to be the most effective receptors of warning signs because they spend so much time together and are able to recognize when someone is acting differently.

HOPE Squad is one example of a school-based peer-to-peer training program. The program is characterized by partnerships between schools and local mental health and community agencies. HOPE Squad students are trained by knowledgeable adults to be active listeners and supported by those adults to help and respond to peers who are struggling with emotional issues, such as depression and suicidality, as well as reporting behavior and concerns to adults.

Another example is the Sources of Strengths program. This is a strength-based comprehensive wellness program focused primarily on suicide prevention but also touches on other issues such as substance abuse and violence. The program is based on a relational connections model that uses teams of peer leaders who are mentored by adult advisors to change peer social norms about help seeking. It also encourages students to individually assess and develop strengths in their life. Peer leaders interact with their classmates to have one-on-one conversations and develop materials to promote protective factors in students' lives. The program promotes and focuses on connectivity, school bonding, peer-adult partnerships, and help seeking behaviors.

**Key Benefits of Peer-to-Peer Training**

Peer-to-Peer Training is a recognized strategy by the US Department of Health and Human Services. Having a program to engage students in suicide prevention is on the Checklist of Suicide Prevention Activities. There is evidence that peer support programs make a difference in reducing risk factors.[15] It reaches young people where they are most likely to seek help. Young people are more likely to turn to peers in times of emotional distress than to adults.[16] According

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[14] Source: Centers for Disease Control MMWR, April 1, 2022

[15] US Dept. of Health and Human Services. n.d. "Suicide Prevention A Toolkit for High Schools." Accessed October 23, 2019.https://store.samhsa.gov/system/files/sma12-4669.pdf

[16] Wisconsin Department of Public Instruction. n.d. "Summary Report. 2017 Wisconsin Youth Risk Behavior Survey." Accessed October 23, 2019. https://dpi.wi.gov/sites/default/files/imce/sspw/pdf/yrbs-2017-final-summary-report.pdf

to the American Journal of Health, there is evidence that peer support programs can make a difference in reducing risk factors.[17]

According to program staff, the estimated costs to schools to provide peer-to-peer suicide prevention programing is approximately $6,000. The costs of either a Hope Squad or Sources of Strength (SOS) program is between $4,000-$5,000. The common associated costs beyond training and curriculum and staff time include:

- Transportation costs for regional, in-person training ($200-$900)
- Substitute pay for when staff is away being trained ($200-$500)
- Publicity costs: posters, radio ads and related costs which are part of each Hope Squad and SOS ($300-$1,000)

**Grant Awards**

For FY21, there were two rounds of awards resulting in a total of 63 awards approved, totaling $62,162 for which $37,246 was paid, based on claims submitted to DPI. For FY22 there were two rounds of awards resulting in a total of 79 awards approved, totaling $77,985 for which $15,533 was paid, based on claims submitted to DPI, however, schools to have until September 30, 2022, to submit their claims.

Schools in some cases faced challenges trying to establish new Hope Squad or SOS programs during the COVID pandemic. Some schools also may not have the resources or staff capacity to write for a $1,000 grant if the funds do not support the training, curriculum, and necessary resources. The maximum grant award of $1,000 per grantee does not cover full costs of the programming, potentially precluding some schools from applying for this grant. Increasing the maximum award amount would better reflect the actual costs a school incurs to implement this type of program.

**Proposal**

The department requests a statutory change to increase the maximum grant award for Peer-to-Peer Suicide Prevention Grants from $1,000 to $6,000, to accurately reflect the actual costs to a school to implement this type of program.

**Statutory Language**

The department is proposing statutory language related to this request.

[17] American Journal of Public Health (AJPH), September 2010, "An Outcome Evaluation of the Sources of Strength Suicide Prevention Program Delivered by Adolescent Peer Leaders in High School"

## DECISION ITEM 6013 – MENTAL HEALTH TRAINING PROGRAM

***118– Mental health training program***

***s. 20.255 (1)(ep)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $1,000,000 | $1,000,000 |
| Less Base | $420,000 | $420,000 |
| Requested Change | $580,000 | $580,000 |

**Request**

The department requests increases of $580,000 GPR in FY24 and $580,000 GPR in FY25 to increase support for existing mental health training programs and to expand the types of mental health trainings that can be offered beyond the three specific program strategies authorized under current law. The department also requests that the mental health trainings be made available for staff working in out-of-school time programs that serve school-aged children and youth.

**Background**

Under current law, funding is provided to DPI to provide school mental health training opportunities for school staff. The existing mental health training program was created as part of the 2017-19 budget (2017 Act 59) and subsequently modified by 2017 Act 31. The combined result of those Acts is the appropriation for mental health training, at $420,000 annually, to support training opportunities aimed at increasing capacity within school districts and independent charter schools to provide mental health screening and intervention services to pupils.

The existing program utilizes three key program strategies that are specified in state statute: Youth Mental Health First Aid (YMHFA), Trauma Sensitive Schools (TSS), and SBIRT (Screening, Brief Intervention, Referral and Treatment). The three identified program strategies that are allowable under the statute are all evidence-based interventions. See the Appendix to this paper for more information about each of the programs and participation in the trainings.

The department has repeatedly requested additional state funding for the mental health training program, both to expand training offerings and to reach more people with the trainings:

- 2021-23 State Budget (2021 WI Act 58) The department requested $500,000 GPR annually, beginning in FY22, to increase support for existing mental health training programs, to expand the types of mental health trainings that can be offered and increase

the capacity of the WISH Center to deliver trainings. The proposal sought to expand the scope of trainings to include bullying prevention and violence prevention. Examples of specific mental health program trainings that could be offered to school staff with increased state funding include Compassion Resilience, Restorative Practices and Bullying prevention.

- 2019-21 State Budget (2019 WI Act 9) The department requested $2,580,000 GPR annually, beginning in FY20, to expand the scope of trainings to include additional mental health and school climate/safety related trainings for school staff.

**Expanding Mental Health Training Programs**

Current law restricts the use of the program's existing funding to the three statutorily enumerated program strategies. However, limiting the allowable program strategies precludes the department from utilizing other effective and science-based strategies to provide a more comprehensive approach to school mental health.

The department has been advancing school mental health services for a number of years and utilizes a School Mental Health Framework that offers school guidance on how to develop a comprehensive approach to meeting students' mental health needs. The framework focuses on both the delivery of school-based services and collaboration with community mental health providers.

Examples of the expanded training and supports the department is seeking include statewide and regional technical assistance and coaching in comprehensive school mental health promotion, early intervention and treatment including mental health literacy, bullying prevention, suicide prevention and targeted training and support to out-of-school time (OST) programs to provide comprehensive school mental health supports to students and staff, further aligning the day school to OST programming to support the whole child.

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[18]. Additional resources and content would be connected to the modules for school district use. With increased numbers of

[18] 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.

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 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.

Shifting the focus to a continuum of supports, rather than a specific program, will provide a larger array of mental health supports for students across all grade bands, including early childhood. Further, a comprehensive approach ensures students are supported throughout the entire day – from the time they begin the school day and into afterschool and other out-of-school time activities and programs. This will ensure equitable access to these supports for all students and families, including targeted support for students most at risk for serious mental health needs and those experiencing suicide ideation.

**Proposal**

Investing in training staff in multiple approaches through a trauma sensitive lens will improve implementation and sustainability and will take the burden to find training dollars for staff off local districts and communities. While the department possesses the necessary infrastructure to continue providing the trainings, additional financial support is required to scale up the programs to reach a larger audience of professionals who work with school age students.

In order to implement a comprehensive approach to school mental health the department is requesting an additional $580,000 GPR annually to expand the types of mental health training available to schools, and to provide necessary training, technical assistance, and coaching to school staff to implement a continuum of evidence based, high quality mental health programs and practices.

**Statutory Language**

The department is proposing statutory language related to this request.

## Appendix

### Current Law Mental Health Training Programs

**Youth Mental Health First Aid** Training: the Youth Mental Health First Aid (YMHFA) approach is focused on assisting those who interact with students aged 12-18 daily (teachers, school administration, custodial staff, etc.) to help in identifying students with mental health or addictions challenges or crises, so students can be referred to appropriate treatment.

- Over 800 individuals participated in 57 Youth Mental Health First Aid trainings in schools and communities throughout Wisconsin.
- In addition, three Communities of Practice were held to support statewide YMHFA instructors providing promising practices for online instruction and infusing trauma-informed principles into training.
- Five Training of Trainers were held to increase school capacity to provide training on Youth Mental Health First Aid; 70 new YMHFA trainers were certified as a result of these training sessions. (ESSER funded).

**Trauma Sensitive Schools**: Individual Trauma Sensitive Schools (TSS) Leads from each CESA facilitate future TSS program support within the schools they serve:

- In partnership with the DPI and CESAs, the WISH Center facilitated four CESA-led Community of Practice sessions and two virtual learning events for schools related to trauma sensitive schools practices. 254 educators attended these virtual learning events.
- Fall Kickoff: Supporting Students, Staff and Ourselves with Crisis and Loss during the Recovery from the COVID-19 Pandemic presented by Dr. David Schonfeld.
- Winter Session: Trauma Informed Communication presented by Antoine Moore from The School Crisis Recovery & Renewal (SCRR) Project.

**School SBIRT Evaluation Results 2021-2022**: SBIRT is a well-established, evidence-based public health model used to address selected health behaviors within a population. Originally designed for delivery within healthcare, SBIRT is readily adaptable for delivery in middle and high schools by members of the pupil services team.

- There were 28 Wisconsin Public School Districts (14 new and 14 returning schools) participated in the School SBIRT (Screening Brief Intervention Referral for Treatment) Project.
- Five virtual training sessions facilitated learning for new schools and a total of 97 practitioners. Sixty educators trained in SBIRT attended two Boosters and 199 participants attended Communities of Practice sessions held to increase learning and implementation of the brief intervention.
- In 2021-2022, 254 students received SBIRT services delivered by 67 school staff. Students received an average of 4 Brief Intervention sessions. Two screening tools were used to measure change, the GAIN-SS and the Timeline Followback Calendar, at the initial and final follow-up meeting with the student. Student response to the Brief Intervention showed statistically significant and clinically meaningful reductions in behavioral health symptoms and problem behavior from initial to follow-up screening.

## DECISION ITEM 6014 – AODA AID

***228 – Aid for alcohol and other drug abuse programs (PR-S)***

***s. 20.255 (2)(kd)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $ 1,518,600 | $1,518,600 |
| Less Base | $1,284,700 | $1,284,700 |
| Requested Change | $233,900 | $233,900 |

***280 – Aid for alcohol and other drug abuse programs (GPR)***

***s. 20.255 (2) (fx) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $4,520,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $4,520,000 |

**Request**

The department requests increases of $233,900 PR-S in FY24 and $233,900 PR-S in FY25 to expand support for alcohol and other drug abuse (AODA) prevention programs in schools that are provided under the current law appropriation for aid for AODA programs. The department also requests an increase of $4,520,000 GPR beginning in FY25 to restore funding for the AODA program that existing under prior law, Wis. Stat. sec. 20.255 (2) (dm), Grants for alcohol and other drug programs. This would provide increased support to school districts to expand existing programs and/or implement new AODA prevention programs.

**Background**

DPI provides access to a wide range of AODA-related resources, including grants, training, educational materials, networking opportunities, and technical assistance. AODA prevention program grants provide funding for the development and expansion of district-wide, comprehensive, kindergarten through grade 12, AODA prevention curricula, as well as K-12 prevention and early intervention programming as part of a coordinated school health program.

Prior to 2012, DPI received $4,520,000 GPR in an annual appropriation to fund AODA grants to LEAs under Wis. Stat. sec. 20.255 (2) (dm), *Grants for alcohol and other drug programs*. However, the funding and statutory language for this school aid appropriation was reduced and completely eliminated beginning in FY12 (2011-13 biennial budget). Following that loss of state support in 2012, the department was forced to reduce grant funding and support to schools. Since then, state funding for school AODA prevention has remained flat, while the increase in alcohol and drug abuse has grown.

Two state appropriations currently fund DPI's AODA programs. Both are supported with program revenue DPI receives from the Wisconsin Department of Justice (DOJ), which are derived from a portion of the fines and forfeitures collected by DOJ.

1. Wis. Stat. sec. 20.255 (1)(kd), *AODA programs*: provides $628,500 PR-S annually to DPI for operations (supports 4.05 FTE positions) and student mini grants.
2. Wis. Stat. sec. 20.255 (2)(kd), *Aid for AODA programs*: provides $1,284,700 PR-S annually to DPI. The majority of these monies are distributed to school districts as competitive grants, but a portion is used for training and technical support to school staff. Grant awards range from $15,000 to $25,000, based on the size of the district.

For the 2021-23 AODA prevention grant competition, 52 applications were submitted, representing 65 school districts. The department recommended that $908,906 in grants be awarded to 48 of the applicants (representing 61 districts); some applications were recommended for full funding of their proposals, other for partial funding.

**Youth Risk Behavior Survey**

DPI administers a statewide high school survey provided by the Centers for Disease Control (CDC) every other year to measure student perceptions, called the Youth Risk Behavior Survey (YRBS). The 2021 YRBS data will be available in the Fall of 2022; therefore, this paper relies on data from the report on the 2019 YRBS.

The YRBS data from 2019 indicated that 11.4% of students took prescription pain medicine without a doctor's prescription, 19.9% of students currently used marijuana, and 29.8% of students currently drank alcohol.[19]

The lethality of the illicit drug supply appears to have driven an exponential rise in the overdose death rate among U.S. teens amid the COVID-19 pandemic – an increase that has come without a parallel surge in drug use itself.[20] The overdose mortality rate among U.S. adolescents 14 to 18 years old rose by 94% between 2019 and 2020, from 2.36 deaths per 100,000 population to 4.57

[19] 2019 Youth Risk Behavior Survey (YRSB) https://dpi.wi.gov/sites/default/files/imce/sspw/pdf/YRBS_2019_Summary_Report_DPI_Web_Version.pdf

[20] Teen Overdose Deaths Have Soared, Even Though Drug Use Hasn't., U.S News and World Report, by Steven Ross Johnson, April 12, 2022.

per 100,000, according to the findings of an analysis recently published in the Journal of the American Medical Association.[21]

Fentanyl overdose deaths tripled among teens—and surged five-fold among Black teens—over the past two years, according to data from the Centers for Disease Control and Prevention.[22] A February 14, 2022, article in Medical Xpress noted that users often do not know that the drugs they are taking contain fentanyl. The synthetic opioid is 100 times more potent than morphine and 50 times stronger than heroin.

**Proposal**

To address the growing need for AODA prevention resources, the department is seeking increased funding to support school districts in utilizing their staff and program resources to develop comprehensive AODA programs, encompassing both prevention and intervention services.

The department requests increases of $233,900 PR-S in FY24 and $233,900 PR-S in FY25, for providing aid for school AODA prevention programs under the existing grant program administered by DPI. The proposed increases would bring the annual appropriation back up to $1,518,600 annually, which represents funding level as of FY09, prior to the across-the-board budget cuts sustained by state agencies in the 2009-11 and 2011-13 biennial budgets.

The department also requests an increase of $4,520,000 GPR beginning in FY25 to restore funding for the state-funded appropriation that existed under prior law for grants for alcohol and other drug abuse prevention programs. This would provide needed increases in financial support to school districts to implement or expand existing alcohol and other drug prevention programs. For example, with increased resources, districts would be able to fund the salary of a position at the district level to coordinate and implement AODA prevention programming. Under this proposal, the department would award grants in varying amounts based on school district size and on the quality of the applications.

**Statutory Language**

The department is proposing statutory language related to this request.

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[21] JAMA-JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION, Volume 327,Issue 14 Pages 1398-1400, Published APR 12, 2022.

[22] Teenage fentanyl deaths are soaring, and Black teens are hit hardest, Harvard T.H. Chan Public School of Health 2022.

## DECISION ITEM 6020 – EARLY LITERACY AND READING IMPROVEMENT

***137 – Early literacy and reading improvement***

***s. 20.255 (1)(er) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $9,195,000 | $9,195,000 |
| Less Base | $0 | $0 |
| Requested Change | $9,195,000 | $9,195,000 |

***261 – Early literacy and reading improvement***

***s. 20.255 (2)(er) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $805,000 | $805,000 |
| Less Base | $0 | $0 |
| Requested Change | $805,000 | $805,000 |

**Request**

The department requests $10,000,000 GPR in FY24 and $10,000,000 GPR in FY25 in a new appropriation to improve reading outcomes for Wisconsin students. Under the department's two-pronged approach, one effort will focus on evidence-based literacy instructional practices for students in 5K through grade 12 and the other effort will focus on early reading instructional transitions from 4K to 5K to grade one.

**Background**

Literacy skills and reading are fundamental both to academic success and the ability to be a productive citizen. Literacy and reading involve much more than a focus on reading foundational skills. Literacy development is complex and educators need more professional learning and support in order to achieve successful outcomes for each student. The department has invested

time and resources into creating freely available tools and supports to improve early literacy outcomes for students.

Department staff indicate that there is anecdotal evidence that educators in the field are not aware of the department's available resources. Without immediate support and ongoing support, educators may not be able to incorporate evidence and research into their instructional practices. The department has limited state funding and resources to support schools in the area of reading. Therefore, a budget request is necessary to address reading outcomes in Wisconsin.

This paper provides information on the research surrounding literacy and reading instruction, as well as an overview of existing programs and current efforts to promote evidence- and research-informed reading instruction practices from Wisconsin and from other states. It also describes the systematic and structural challenges educators face in implementing effective reading instruction. The department's budget request is based on a proposal to implement systematic training and coaching for educators that is designed to improve reading outcomes for Wisconsin's students.

**Data and Research Findings**

Even prior to the COVID-19 pandemic, the number and percentage of Wisconsin students at the proficient or advanced levels of the English Language Arts (ELA) Forward Exam was steadily declining, from 44.4 percent in 2016-2017 to 40.9 percent in 2018-2019. This means that prior to the pandemic, approximately 60 percent of Wisconsin students were not testing at the proficient level in ELA, as measured by our state summative assessment.

When disaggregated by student subgroup, the data show race-based disproportionalities that can be described as extreme. Wisconsin continues to have the largest race-based student achievement gap in the nation in ELA as measured by state summative assessments. Wisconsin has 246 schools identified for improvement under the Every Student Succeeds Act (ESSA, as reauthorized in 2015)[23] in 60 local educational agencies (LEAs). These schools are identified, in part, due to disproportionate student subgroup achievement in ELA as identified by the state summative assessment.

National data shows that educators modify standards-aligned curriculum to make it easier for students to achieve in classroom instruction. In ELA, common modifications are engaging students with easier text, shorter reading passages, and fewer analytical writing opportunities. At the same time, data also shows that when educators engage students in grade-level curriculum and have on-going coaching on implementing that curriculum, achievement gaps close. See the department's research brief on this topic. Data collected by the department shows that approximately 30 percent of Wisconsin students have access to verifiably standards-aligned curriculum in ELA.

[23] Originally enacted as the Elementary and Secondary School Act (ESEA) of 1965.

**External Partners**

Each Cooperative Educational Service Agency (CESA) has at least one staff member who supports regional literacy work. Each CESA has the independent authority to determine the focus of this work without any input from the department. In 2011, the Wisconsin Response to Intervention (RtI) Center developed a series to train cohorts of LEA teams in evidence-based, K-12 reading instructional practices, in collaboration with literacy consultants in the department. The last time the Wisconsin RtI Center facilitated this training was for a single, small cohort of LEAs located in the CESA 10 geographic area, in winter of 2020.

**Early Childhood and Reading**

Wisconsin's Model Early Learning Standards (WMELS) are for children from birth through first grade; these are developmental competencies that include early literacy competencies such as recognizing letter names and sounds and rhyming. Wisconsin's Academic Standards for ELA are for children in 5K through grade 12; these are end of year academic goals that also include early literacy goals such as recognizing letter names and sounds and rhyming.

The goals in these two sets of standards are not in alignment. LEAs make individual choices about which set of standards they use to inform their curriculum, which sometimes leads to redundancies and/or gaps in early literacy instruction from 4K to 5K to grade 1.

In 2012 in response to the above issue, the department's literacy consultants worked with external early childhood partners who provided WMELS training to develop a process and a training designed to support LEAs in planning for and implementing a curriculum that identified and addressed these redundancies and/or gaps in early literacy instruction, to improve transition from 4K to 5K to grade 1. This training, titled Planning for Early Literacy Success, was then handed over to WMELS trainers. There is no available data on the last time this training was offered.

**Support for Federally Identified Schools**

One previously proposed component of a joint Title I and Special Education funded system of support for federally identified schools included contracting with individuals to be trained on evidence-based early reading instructional practices, identifying those instructional practices in a practice profile for educators, and supporting implementation of those instructional practices in a subset of federally identified schools, to collect data on successes and challenges. The intention was to use the data to inform an effort to scale up the model to other federally identified schools and/or statewide. This proposal is currently on pause.

**Existing Department Resources**

Foundational Reading Skills Tool and webinars. This self-assessment tool allows educators and leaders to identify which reading foundational skills are being addressed in their instruction and which may need attention. Besides the self-assessment tool, this online module includes a webinar series with Wisconsin classroom footage of reading foundational skills instruction and descriptions of how to assess reading foundational skills in developmentally appropriate ways.

The department used CARES Act funding to incentivize CESAs to offer professional development and coaching on these resources to their local LEAs. All CESAs met the minimum requirements to receive funding but the majority have not scheduled additional professional development or training on these resources without the dollar incentive.

Reading-Focused Lesson Plan Study. This template and process has been designed as a next step to the Foundational Reading Skills Tool and webinar series. It is a tool to support educators in ensuring their foundational skills instruction results in all students being able to independently apply the targeted skills in reading and writing. It is being piloted this school year in seven LEAs, with data being collected to inform the scale up the use of this tool to schools statewide.

Evidence and research informed grade-level instructional practice guides. These guides identify and describe grade-level instructional practices that will lead to proficiency in 5K through 12 grade-level standards. Most of these instructional practices are based on tier I, II, III, or IV of evidence (federally defined).

High-Quality, Standards-Aligned Instructional Materials. Beginning in 2018, the department received grants from several funders – the Council of Chief State School Officers (CCSSO), the Aspen Institute, Education First, and the WK Kellogg Foundation – to support the department's work in offering professional learning opportunities (at no cost to LEAs) and subgrant opportunities to incentivize LEAs in selecting, adopting, and implementing high-quality, standards-aligned instructional materials. The basic theory of action is that if students are not being engaged with verifiably standards-aligned curriculum, they will not be able to achieve on a standards-based summative assessment. At the same time, educators need to be engaged with professional learning focused on how to implement those standards-aligned instructional materials. Preliminary ESSER III data shows that many LEAs are using ESSER III funds to purchase standards-aligned curriculum.

**Models From Other States**

Other states have also engaged in various activities to improve literacy outcomes for all students by creating a formal statewide literacy plan to align SEA funds and resources to address literacy outcomes for all students. For example, the state of Mississippi provided coaches who had all received a specific reading training to schools. Under the Wisconsin legislative Joint Committee on Finance's Motion 57 (ESSER III funding), the department offers LEAs a grant for this same training, but does not provide coaches to support implementation and application of the training to instructional practice. The state of Michigan created online learning on research-based instructional practices and invested in regional network improvement communities to coach educators at a regional level on these practices. Finally, several states[24] are formal members of CCSSO's Instructional Materials and Professional Development cohort to pull policy levers to

24 Arizona, Arkansas, Delaware, Kentucky, Louisiana, Massachusetts, Mississippi, Nebraska, New Mexico, Ohio, Rhode Island, Tennessee, and Texas.

increase the selection, adoption, and implementation of high-quality, standards-aligned instructional materials in ELA and math. Wisconsin was a member of this cohort until 2021.

**Proposal**

The department's proposal for improving reading outcomes are built around the concept of a Reading Center that would provide training to facilitate reading-focused, school improvement plan implementation, utilizing both evidence-based improvement strategies and ensuring attention to systems and structures. Services would be made available to schools statewide by allocating resources across the state (e.g., by CESA region) and also provide support directly to the state's five largest urban school districts (Milwaukee, Madison, Green Bay, Kenosha, and Racine).

The proposal represents a two-pronged effort to improve reading outcomes for Wisconsin students: one effort focusing on evidence-based literacy instructional practices for students in 5K through grade 12 and the other effort focusing on early reading instructional transitions from 4K to 5K to grade one.

*Evidence-Based Literacy Instructional Practices*

The first focus area is evidence-based literacy instructional practices. In this focus area, the goal is to provide funding to support installation and implementation of evidence-based literacy instructional practices in Wisconsin classrooms to achieve the outcome of increased reading proficiency among all Wisconsin students as measured by our state summative assessment. In this focus area, the department would contract with individuals who possess literacy knowledge, expertise, and K-12 instructional experience. These subcontractors would serve as regional coaches, working directly with LEA instructional staff.

Department content experts would provide training to these coaches to ensure that they are versed in and know how to identify evidence-based literacy instructional practices, including but not limited to, explicit and systematic reading foundational skills instruction. Then LEAs would opt into working with a coach and would receive a stipend that could be used for instructional resources, stipends to teachers for their involvement, or to cover the cost of substitutes that may be needed for teachers to receive necessary training.

Each LEA and their coach would identify a desired literacy outcome for a specific grade-level and literacy area based on local data and needs (e.g., 5K through grade 2 early reading foundational skills, grades 6 through 8 reading comprehension). The coach would provide on-going training and implementation support on evidence-based literacy instructional practices throughout the school year aligned to the desired literacy outcome of the LEA.

Coaches would also attend a department facilitated mid-year training to receive any updated information and resources on evidence-based literacy practices, as well as to share successes and address challenges. Coaches would be required to provide data to the department on the specific literacy outcomes they are supporting, the evidence-based literacy instructional practices being implemented, and data showing progress towards achieving desired local literacy outcomes.

*Early Reading Instructional Transitions*

The second focus area is early reading instructional transitions from 4K to 5K to grade one. In this focus area, the goal is to provide funding for regional face-to-face trainings for LEA teams of 4K, 5K, and grade one teachers. The regional trainings would provide an avenue for the LEA Teams to convene and analyze their early reading instructional goals and curriculum so that they can: 1) identify overlaps and/or gaps from one grade-level to the next; and 2) create local, standards-aligned, and developmentally appropriate reading outcomes for 4K, 5K, and grade one, to ensure coherence in early reading instruction.

The intended outcome is to increase reading proficiency rates of all students as measured by the state summative assessment. In this focus area, the department would contract with individuals with early literacy expertise, knowledge, and experience. Department content experts would train these subcontractors to facilitate regional trainings focused on early reading instructional coherence (as described above). Facilitators would be required to provide data to the department pertaining to training participants.

This funding proposal allows for greater numbers of regional coaches/trainers in more densely populated areas, as well as specifically to work directly with Wisconsin's five largest urban districts (the "Big Five"). The projected costs of the proposed initiative are detailed below.

**Summary of Costs**

***Evidence-Based Literacy Instructional Practices***

1. Regional Coaches/Trainers: the department would contract with individuals who possess literacy knowledge, expertise, and K-12 instructional experience. These subcontractors would serve as regional coaches, working directly with LEA instructional staff:

   **28 regional coaches/trainers x $125,000 = $3,500,000**

2. Training for Regional Coaches/Trainers: to ensure that they are versed in and know how to identify evidence-based literacy instructional practices, including but not limited to, explicit and systematic reading foundational skills instruction:

   **28 regional coaches/trainers x 2 sessions x $6,000 = $336,000**

3. Stipends for LEAs: LEAs would opt in to working with a coach and would receive a stipend that could be used for instructional resources, stipends to teachers for their involvement, or to cover the cost of substitutes that may be needed for teachers to receive necessary training.

   **115 LEAs x $7,000 = $805,000 [5 largest urban districts + 110 LEAs]**

***Early Reading Instructional Transitions***

1. Regional Coaches/Trainers: the department would contract with individuals with early literacy expertise, knowledge, and experience. These subcontractors would serve as regional coaches, working directly with LEA instructional staff:

   **28 regional coaches/trainers x $125,000 = $3,500,000**

2. Department content experts would train these subcontractors to facilitate regional trainings focused on early reading instructional coherence. Facilitators would be required to provide data to the department pertaining to training participants.

   **28 regional coaches/trainers x 2 sessions x $6,000 = $336,000**

3. LEA Trainings: regional face-to-face trainings for LEA teams of 4K, 5K, and grade one teachers. The regional trainings would provide an avenue for the LEA Teams to convene and analyze their early reading instructional goals and curriculum so that they can: 1) identify overlaps and/or gaps from one grade-level to the next; and 2) create local, standards-aligned, and developmentally appropriate reading outcomes for 4K, 5K, and grade one, to ensure coherence in early reading instruction.

   **115 LEAs x $6,000 = $1,380,000 [5 largest urban districts + 110 LEAs]**

**Table 1. Early Literacy and Reading Improvement Proposal – Projected Costs (Annual)**

| | | Regional Coaches/Trainers (contracts) | Regional Coaches/Trainers - Face-to-FaceTrainings | LEA - Stipends |
|---|---|---|---|---|
| **A.** | **Reading-Focused School Improvement Plan Implementation:** Individuals will receive training from DPI to facilitate reading-focused school improvement plan implementation utilizing both evidence-based improvement strategies and attention to systems and structures. | 1 for each CESA region + 1 for each Big Five district plus 1 to 3 additional for larger LEAs (>40, >80k, >120k)* [total 28] | 2 sessions annually for each Regional Coach/Trainer ($6,000/training) | 115 LEAs [Big Five + 110] x $7,000/LEA |
| | | **$ 3,500,000** | **$ 336,000** | **$ 805,000** |
| | | | **Subtotal** | **$ 4,641,000** |
| | | **Regional Coaches/Trainers (contracts)** | **Regional Coaches/Trainers - Face-to-FaceTrainings** | **LEA - Face to Face Trainings** |
| **B.** | **Reading-Focused Early Childhood Transition:** Individuals will receive training from DPI to facilitate training focused on developing local plans for supporting the transition from 4K to 5K to grade 1 specific to reading with attention to building sustainable systems and structures. | 1 for each CESA region + 1 for each Big Five district plus 1 to 3 additional for larger LEAs (>40, >80k, >120k)* [total 28] | 2 sessions annually for each Regional Coach/Trainer ($6,000/training) | 115 LEAs [Big Five + 110] x 2 sessions |
| | | **$ 3,500,000** | **$ 336,000** | **$ 1,380,000** |
| | | | **Subtotal** | **$ 5,216,000** |
| | **Total for Regional Coaches/Trainers, Training Sessions, and LEA Stipends** | | | **$ 9,857,000** |
| | | | Retain for operations** | $ 143,000 |
| | | | **TOTAL** | **$ 10,000,000** |

*Additional contracts for Regional Coaches/Trainers based on enrollments: 6 CESA regions with at least 40,000 students, 3 CESA regions with at least 80,000 students, and 2 CESA regions with at least 120,000 student (net of student enrollments in the five largest districts in the state - the Big Five). $125,000 per contract.

**The department woud retain a portion of the funding to support the coordination and oversight contracts for the regional coaches/trainers and training sessions (agency operations).

The department requests $10,000,000 GPR in FY24 and $10,000,000 GPR in FY25 for the proposed early literacy and reading improvement initiative.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6021 – BILINGUAL-BICULTURAL AID

***207 – Bilingual-bicultural education aids***

***s. 20.255 (2) (cc)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $16,788,800 | $22,742,900 |
| Less Base | $8,589,800 | $8,589,800 |
| Requested Change | $8,199,000 | $14, 153,100 |

**Request**

The department requests an increase of $8,199,000, GPR in FY24 and $14,153,100 in FY25 to increase the state reimbursement rate for Bilingual-Bicultural (BLBC) education programs, from 7.9 percent under current law, to 15 percent in FY24 and to 20 percent in FY25. In future biennia, the department requests the reimbursement rate be increased by 5% annually until reimbursement rate for allowable expenses reaches of 50 percent [statutory language change].

**Background**

The BLBC program provides reimbursement to school districts for prior year expenditures on BLBC programming. State law, under Wis. Stat. sec. 115.97 (2), recognizes the state's obligation to serve all English learner pupils (ELs), but the state does not provide additional aid on behalf of all EL pupils. While all school districts must provide services to the district's EL pupil population, only those districts that meet all of the BLBC program's statutory criteria (concentration of EL pupils, appropriate educator certifications) are eligible for BLBC state aid.

Under current law, the state requires school districts to establish a BLBC program if there are enough EL pupils enrolled in the district to reach specified concentrations of EL pupils from the same language group within an individual school in the district.

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

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.

The appropriation includes a set-aside of $250,000 for districts whose EL population comprises 15 percent or more its total pupil population. Typically, about 10 districts receive funding from this set-aside each year. The remaining $8,339,800 is distributed to districts on the basis of prior year expenditures on the district's BLBC programs (i.e., claims reimbursement model).

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. Table 1, below, shows the number of ELs and districts, and those served in the BLBC program during FY21.

**Table 1. BLBC Program Statistics, 2020-21 School Year**

| | |
|---|---:|
| Number of EL students identified | 49,528 |
| Number of EL students served in state reimbursed programs | 27,129 |
| Number of districts receiving aid | 50 |
| Average approved aidable cost/EL | $3,906 |
| Average state reimbursement/EL | $307 |
| Percent of eligible expenditures reimbursed* | 7.9% |
| Number of state reimbursed programs | 50 |

*The 7.9 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.

***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, 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, and Waterloo.

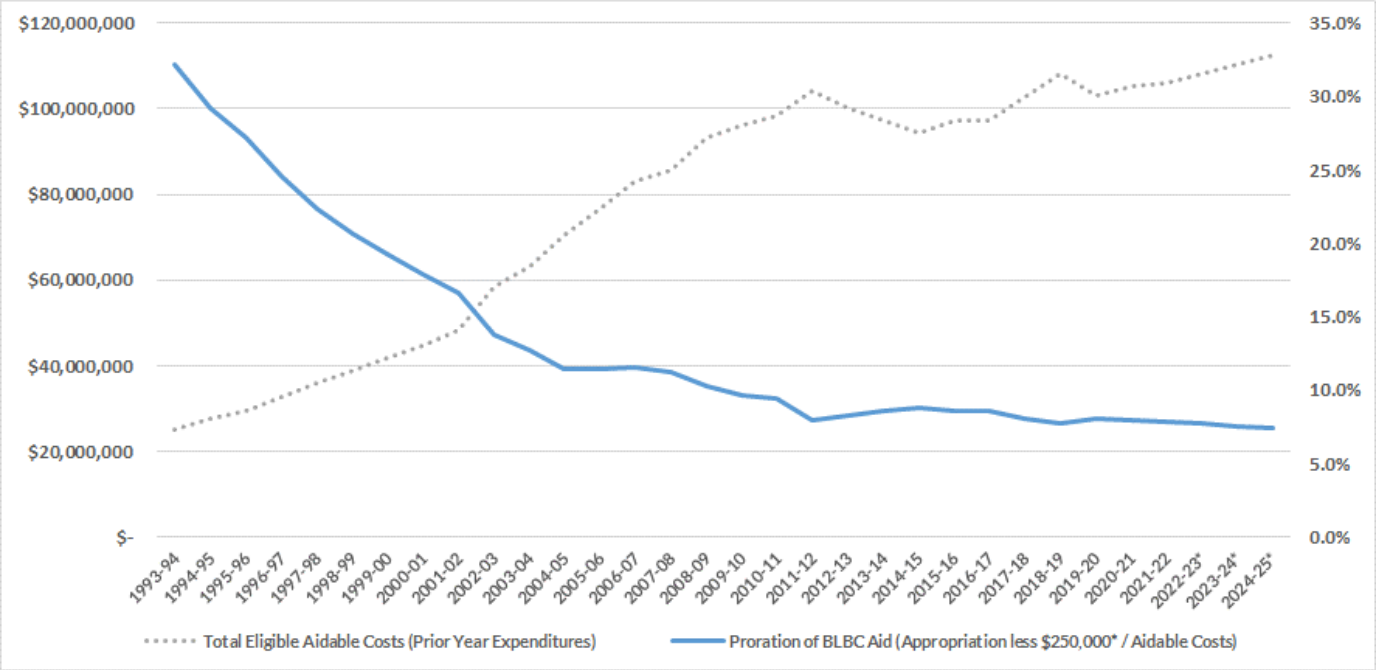
**Allowable Costs and State Aid**

In 2021-22, the combined allowable costs of districts required to establish a BLBC program reported total aidable costs of $105,978,069. Subtracting the $250,000 set-aside from the $8,589,900 appropriation resulted in a 7.7 percent reimbursement rate to all aided districts except those receiving set-aside funds.

While state support for BLBC has been remained flat since 2011-12, the total reimbursable costs have continued to grow, further driving down the reimbursement rates for eligible districts. Funding history is shown in Appendix A of this paper.

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 (FY94 – FY25)**




*Projections.

Projecting future growth in aidable expenditures under the BLBC program is complicated by variability in aidable costs over the years. Additionally, the COVID pandemic clearly impacted enrollments in public schools, particularly in the Fall 2020, when total enrollments decreased by approximately 3 percent (compared to Fall 2019); enrollments did not resume to pre-pandemic levels in Fall 2021. However, based on the change from FY21 to FY22 (2.10 percent) and the average rate of change over the past four years (2.05 percent), this paper assumes annual growth of two percent each year, as shown in Table 2. If the appropriation does not increase, the projected reimbursement rates in FY23, FY24, and FY25 will continue to diminish, to 7.7, 7.6, and 7.4 percent (respectively).

**Table 2. Projected Aidable Costs and Aid Proration**

| Fiscal Year | State BLBC Aid Appropriation | Percent Change from Prior Year (BLBC Aid Appropriation) | Total Eligible Aidable Costs (Prior Year Expenditures) | Percent Change from Prior Year (Total Eligible Aidable Costs) | Proration of BLBC Aid (*Appropriation less $250,000* / Aidable Costs*) |
|---|---|---|---|---|---|
| **2022-23 (est)** | $8,589,800 | 0.0% | $108,097,630 | 2.0% | 7.7% |
| **2023-24 (est)** | $8,589,800 | 0.0% | $110,259,583 | 2.0% | 7.6% |
| **2024-25 (est)** | $8,589,800 | 0.0% | $112,464,775 | 2.0% | 7.4% |

## Proposal

State funding to support ELs and bilingual education in Wisconsin's school districts is simply insufficient. The department requests additional funding to increase the BLBC reimbursement rate to 15 percent in FY 24 and to 20 percent in FY25. See the table below for estimated costs of raising the reimbursement rate to those levels.

**Table 3. Estimated Cost of Raising BLBC Aid Reimbursement Rate**

| Fiscal Year | Eligible Costs (projected) | Reimburse-ment Rate | Aid Eligibility | Set Aside | Total Aid Eligibility | Increase to FY23 Base |
|---|---|---|---|---|---|---|
| **2023-24** | $110,259,583 | 15% | $16,538,900 | $250,000 | $16,788,900 | **$8,199,000** |
| **2024-25** | $112,464,775 | 20% | $22,493,000 | $250,000 | $22,743,000 | **$14,153,100** |
| | | | | | **Biennial Total:** | **$22,352,100** |

Additionally, the department proposes to create a new categorical aid program to support ELs in school districts and ICS throughout the state – see the department's request under DIN 6022.

## Statutory Language

The department is proposing statutory language related to this request.

## DECISION ITEM 6022 – AID FOR ENGLISH LANGUAGE ACQUISITION

***263 – Aid for English language acquisition***

***s. 20.255 (2)(ca) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $25,992,000 | $25,992,000 |
| Less Base | $0 | $0 |
| Requested Change | $25,992,000 | $25,992,000 |

**Request**

The department requests $25,992,000 GPR in FY24 and $25,992,000 GPR in FY25 to create a new categorical aid program to support English Learner pupils (ELs) in school districts and independent charter schools across the state. The new program would provide base funding to each school district and independent charter school serving at least one and up to 20 ELs, plus an incremental amount for or each additional EL above 20.

**Background**

The Bilingual-Bicultural (BLBC) aid program provides reimbursement to school districts for prior year expenditures on BLBC programming. State law, under Wis. Stat. sec. 115.97 (2), recognizes the state's obligation to serve all EL pupils, but the state does not provide additional aid on behalf of all EL pupils. For more information on the current law BLBC Aid program, see DIN 6021.

While state law recognizes the state's obligation to serve all Els, the existing funding is inadequate, leaving too many districts without the necessary resources to fully support their EL pupils. The current law mechanism for providing state aid for BLBC programs does not provide any state support specifically for ELs attending a school that does not have a statutorily required BLBC program, because eligibility for BLBC aid is conditioned on the requirement to offer a BLBC programs – which itself is conditioned on specific levels of EL pupils by grade bands.

EL pupils are enrolled in the majority of school districts (362 of 421 in the 2020-21 school year) throughout the state; however, most of these school districts lack the concentration of EL pupils at the level that triggers the requirement to establish a formal BLBC program for which the school district would receive aid – thus they receive no state aid specifically for supporting the ELs they serve.

In the 2020-21 school year, 312 school districts served 22,399 ELs but did not qualify BLBC aid. The five-year average (FY17-FY21) enrollment of ELs in aided and non-aided districts is 27,730

and 22,826 (respectively), representing 54.8 percent and 45.2 percent (respectively) of the total number of ELs enrolled statewide, as reported by school districts. The number of aided and non-aided ELs in school districts throughout the state is shown in the table in Appendix A, as well as the map in Appendix B.

While Independent Charter Schools (ICS) – which are public schools – also enroll ELs, they are not eligible for state BLBC aid (though, they are also not required to provide BLBC programming). As demonstrated in the table below, the number and proportion of ELs enrolled in ICS has been increasing over time.

**Table 1. Number of EL Students in Independent Charter Schools***

| School Year | Total ICS | ICS with enrolled ELs | ELs enrolled in ICS* | Total ICS Enrollment | Percent ELs enrolled in ICS |
|---|---|---|---|---|---|
| **2013-14** | 21 | 11 | 370 | 8,412 | 4.4% |
| **2014-15** | 21 | 11 | 576 | 8,839 | 6.5% |
| **2015-16**** | 24 | 14 | 619 | 9,337 | 6.6% |
| **2016-17** | 20 | 13 | 620 | 7,900 | 7.8% |
| **2017-18** | 21 | 12 | 685 | 8,185 | 8.4% |
| **2018-19** | 23 | 15 | 913 | 8,877 | 10.3% |
| **2019-20** | 22 | 13 | 1,140 | 9,126 | 12.5% |
| **2020-21** | 23 | 12 | 1,069 | 9,257 | 11.5% |
| **2021-22** | 29 | 18 | 1,185 | 10,672 | 11.1% |

*Third Friday of September counts.

**2015-16 school year: data in WISEdash lists three schools that are part of Seeds of Health as three separate LEA codes; all other years, the three ICS are included in the Seeds of Health LEA code.

**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, in addition to the department's requests for additional funding to increase the BLBC reimbursement rate to 15% in FY 24 and to 20% in FY25 (under DIN 6021), the department also proposes to create a new categorical aid program to support ELs statewide that would:

- 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.

The funding floor will benefit smaller districts serving few ELs, in particular benefiting rural school districts, as seen on the map in Appendix B. The department proposes that the new aid program be named "Aid for English language acquisition". This proposal ensures that every EL student in a public school is backed by state dollars, unlike the current law BLBC program. The table below shows the projected GPR required to fully fund the department's proposal.

**Table 2. Proposed New Aid Formula – Cost Projections for FY24 and FY25***

| | FY24 | FY25 |
|---|---:|---:|
| Funding for Districts with 1-20 EL Students | $10,000 | $10,000 |
| Funding Per Each Additional Student | $500 | $500 |
| Estimated formula payments | $25,992,000 | $25,992,000 |
| Less: Base Funding | $0 | $0 |
| **GPR Request** | **$25,992,000** | **$25,992,000** |

* The data used for this cost estimate is based on 2021-22 certified data from DPI's WISEdash data portal (static enrollment figures).

### Statutory Language

The department is proposing statutory language related to this request.

## Appendix A

**English Learner Pupils, Aided and Non-Aided Districts (FY02 – FY21)***

| School Year | Number of Districts Reporting EL Pupils | Number of EL Pupils reported | Number of Aided Districts | Number of EL Pupils Served in BLBC Program | Number of Non-Aided Districts | Balance of EL Students[25] |
|---|---|---|---|---|---|---|
| **2001-02** | 199 | 32,588 | 45 | 22,016 | 154 | 10,572 |
| **2002-03** | 211 | 34,199 | 43 | 22,136 | 168 | 12,063 |
| **2003-04** | 247 | 35,602 | 49 | 22,311 | 189 | 13,291 |
| **2004-05** | 267 | 39,255 | 49 | 24,672 | 218 | 14,583 |
| **2005-06** | 183 | 33,402[26] | 51 | 25,081 | 132 | 8,321 |
| **2006-07** | 289 | 40,752 | 52 | 26,331 | 237 | 14,421 |
| **2007-08** | 328 | 45,651 | 54 | 27,031 | 274 | 18,620 |
| **2008-09** | 358 | 51,772 | 56 | 27,663 | 302 | 24,109 |
| **2009-10** | 361 | 52,100 | 55 | 26,954 | 306 | 25,146 |
| **2010-11** | 352 | 51,944 | 58 | 28,086 | 294 | 23,858 |
| **2011-12** | 354 | 41,727 | 59 | 27,220 | 295 | 24,507 |
| **2012-13** | 355 | 50,052 | 52 | 26,426 | 303 | 23,626 |
| **2013-14[27]** | 351 | 49,560 | 51 | 23,716 | 300 | 25,844 |
| **2014-15** | 356 | 49,309 | 50 | 24,998 | 306 | 24,311 |
| **2015-16** | 355 | 47,042 | 51 | 25,692 | 304 | 21,350 |
| **2016-17** | 357 | 47,277 | 52 | 26,707 | 305 | 20,570 |
| **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 | 53 | 29,321 | 308 | 22,385 |
| **2020-21** | 362 | 49,528 | 50 | 27,129 | 312 | 22,399 |
| **2021-22** | N/A | N/A | 51 | N/A | N/A | N/A |

*Source: data reported by school districts to DPI (Teaching and Learning Team) to fulfill the statutory reporting requirements under Wis. Stat. sec. 115.96 (1), "Count of Limited-English Proficient Pupils".

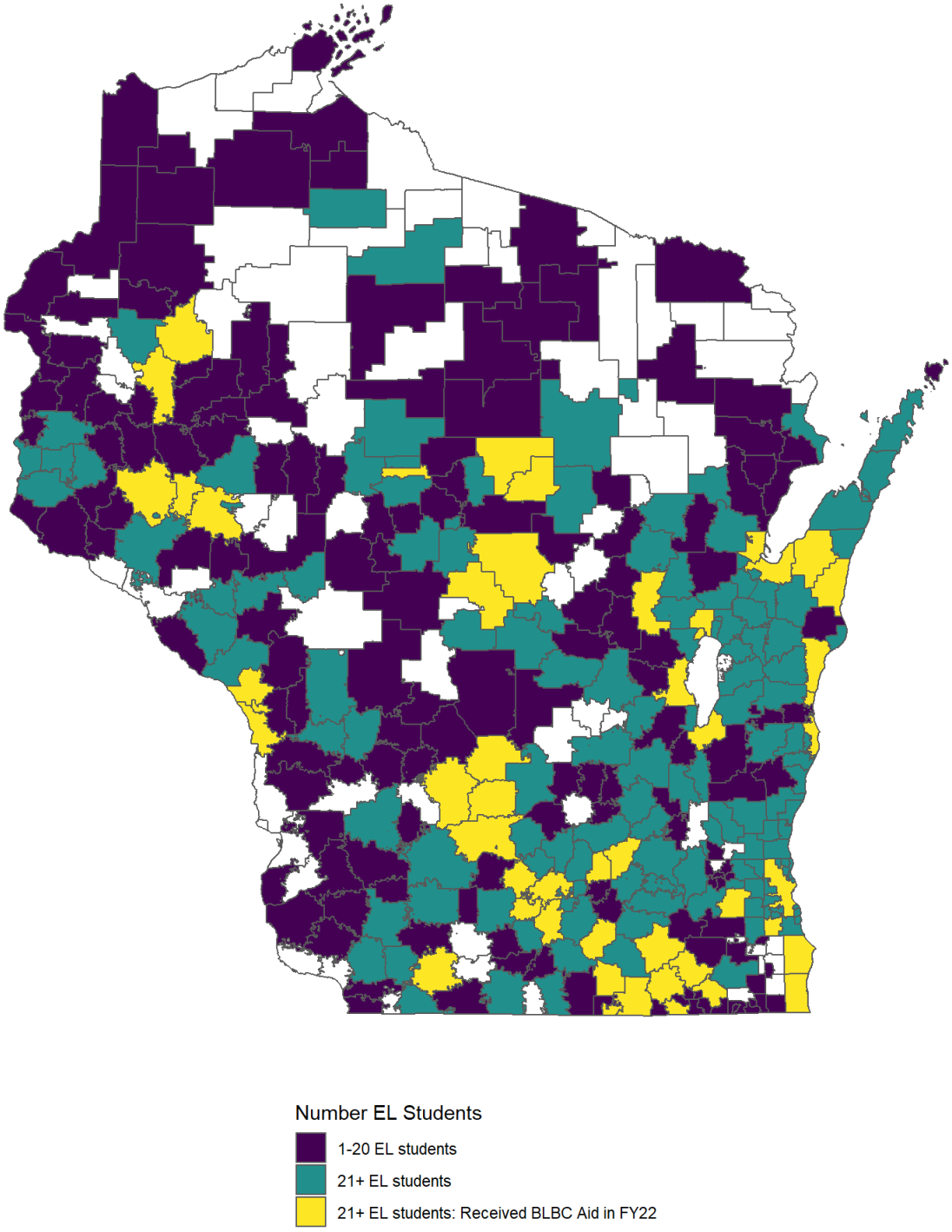
[25] Data regarding the types of services received, if any, are not collected for "non-eligible" limited English proficient (LEP) students; most of these students are being served in second language acquisition programs.

[26] This count appears low because it does not include most EL migrant students or ELs in PK.

[27] 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 more than likely due to the change in data sources.

## Appendix B

**Map of English Learners by District, 2021-22 School Year***




*Source: DPI, WISEdash data portal, 2021-22 certified data.

## DECISION ITEM 6023 – SEAL OF BILITERACY

***139 – Seal of biliteracy***

***s. 20.255 (1)(fc) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $26,500 | $284,000 |
| Less Base | $0 | $0 |
| Requested Change | $26,500 | $284,000 |

**Request**

The department requests $26,500 GPR in FY24 and $284,000 GPR in FY25 to formalize the process of earning the Wisconsin Seal of Biliteracy and to allow a greater number of students to earn the Seal.

**Background**

The Wisconsin Seal of Biliteracy (WSB) is awarded to graduating high school students who have demonstrated advanced achievement in in bilingualism, biliteracy, and sociocultural competence in two or more languages. The WSB is available to students enrolled in school districts with a Department of Public Instruction (DPI)-approved program.

A student who meets WSB completion criteria is eligible for a Seal of Biliteracy certificate from the State Superintendent of Public Instruction. Coordinators in schools with DPI-approved WSB programs can generate a digital certificate for student distribution by accessing the Seal of Biliteracy state-certified Credentials application through WISEhome. DPI awarded Seals of Biliteracy to 292 graduating students in the class of 2022.

**Table 1: Seal of Biliteracy Awarded in Wisconsin**

| Year of Implementation | Number of Seals Awarded | Number of Languages | Number of Districts with Recipients |
|---|---|---|---|
| 2020-2021 | 186 | 10 | 8 |
| 2021-2022 | 292 | 17 | 14 |

There are 49 states that provide a Seal of Biliteracy (South Dakota does not). Wisconsin is the only state that requires districts to apply to DPI to implement the program. In other states, students may qualify through assessment without formal district pathways or programs.

**Current Participation**

In the 2021-22 school year, 14 Wisconsin school districts were approved by DPI to issue the WSB: Abbotsford, Arcadia, Beloit, Deforest, Green Bay, La Crosse, Madison, Menasha Joint, Middleton-Cross Plains, Milwaukee Public Schools, Nicolet, Sheboygan Falls, Verona, and Waukesha. Students in all other school districts are not able to access the WSB certification.

Prior to 2019-20, school districts could establish a DPI-approved WSB program only if they offered a K-12 Dual Language Immersion (DLI) program or bilingual education. However, the department recently modified requirements so as to eliminate this requirement as a condition of receiving DPI approval for their WSB program. This change was made to remove barriers to accessing this pre-college credential for all language learners within a diversity of language program models.

DPI program staff indicate that the changes in DPI's program approval requirements (see point above), and growing awareness of the Seal of Biliteracy generally, are likely to encourage participation by school districts and increase student interest in earning a WSB certificate.

Beginning with the 2020-21 academic year, Seal of Biliteracy data is being collected within the state-certified credential skill application in WISEdata alongside Career and Technical Education (CTE) pre-college credentials. This credential has yet to be recognized as an industry recognized credential and reported as such on school report cards.

The department supports formalizing the WSB process and expanding access so that more students are able to earn the WSB. A longer-term goal would be to obtain official recognition of the WSB by the Wisconsin Department of Workforce Development (DWD) as a state certified credential, which would facilitate data collection and reporting. Additionally, formalization as a state certified credential would ensure inclusion of the WSB as an industry recognized credential for purposes of the state's CTE incentive grant and CTE completer grant programs. This would add value to the WSB and likely encourage development of programs preparing graduates with bilingual skills for the workplace and in their communities. One eventual policy outcome might include creating a state policy to award proficiency-based high school and/or college credit for language and literacy skills.

**Benefits of Expanding Access**

As noted previously, Wisconsin is the only state that requires districts to apply to the state education agency (DPI) to implement the program. In other states, students may qualify through assessment without formal district pathways or programs. That requirement limits student access to this credential in Wisconsin.

Wisconsin students would benefit from improved access to the WSB credential. Just as the attainment of second language proficiency by native English speakers learning Chinese, Spanish, French and German is celebrated by students, schools, and DPI, Wisconsin must also recognize the achievement of students acquiring proficiency in English alongside fluency in the language they speak at home. These students are truly bilingual.

In the 2021-22 school year, just four of the nine school districts that are currently eligible for concentrated BLBC aid (those with 15 percent or greater EL populations) are participating in the WSB program. This would seem to reflect a perspective that the WSB is a credential designed expressly for students whose home language is English and who attain proficiency in a different language. Those students whose home language is not English and who attain proficiency in English – who are truly bilingual – do not currently have access to the WSB as a credential.

One of the barriers to expanding the presence of DPI-approved WSB programs is that schools need to be able to administer the appropriate assessments for students in order to award the WSB credential. The costs of these assessments would be an additional cost to a school district (they are not part of the required state and federal assessments administered to students and which are paid for with state and federal funding). Additionally, educators need to be familiar with how to administer the assessment tools that are used to assess a student's level of proficiency in languages, which will require training and technical assistance.

Currently, the state does not dedicate resources specifically for supporting the costs to local educational agencies (LEAs) of pupil formative assessments and proficiency testing in languages other than English – nor are state resources dedicated to training educators in how to assess proficiency in languages other than English.

**Proposal**

State funding would enable LEAs to provide greater access to formative assessments and proficiency testing in languages other than English, through which a student could demonstrate that they meet WSB criteria. Funding could also be used to train world language and bilingual educators to assess language proficiency. This is part of building educational pathways in schools to the WSB, which would also encourage early first/home language and second language literacy development.

The department proposes that state funds be used to reimburse LEA for the costs associated with preparing educators to conduct the necessary assessments, and the cost of the actual assessments tools, to pave the way for more LEAs to offer a path to the WSB for more students.

Specifically, the department requests increases of $26,500 GPR in FY24 and $284,000 GPR in FY25 to formalize and expand access for pupils to earn the WSB. See Table 2 (following page) for estimated costs of providing state support for professional learning/training on administration of the required assessments ($26,500 in FY24 and $34,000 in FY25), and for costs of procuring the language proficiency assessments ($250,000 in FY25). For more information on resources regarding available assessments and training see the **Appendix** to this paper.

**Table 2. Estimated Costs for a Budget Proposal**

| FY24 | FY25 |
|---|---|
| 12 Hybrid Familiarization Workshops<br>20 educators/CESA<br>$2,000/workshop<br>=$24,000 | 12 Hybrid Familiarization Workshops<br>20 educators/CESA<br>$2,000/workshop<br>=$24,000 |
| 10 Virtual LinguaFolio Training Sessions<br>DPI contract with CASLS<br>Up to 100 educators<br>=$2,500 | Student LinguaFolio Subscriptions<br>25 LEAs with trained teachers<br>$2/student x 5,000 students<br>= $10,000<br>LEA Reimbursement or DPI-CASLS Partnership |
| | LEA Reimbursement for Proficiency Assessments<br>50% of language proficiency assessment costs up to $10,000 for 25 districts<br>= $250,000 |
| Total for Training: $26,500 | Total for Training: $34,000 |
| | Total for Reimbursements for Assessments: $250,000 |

The department requests $26,500 GPR in FY24 and $284,000 GPR in FY25 to formalize the process of earning the Wisconsin Seal of Biliteracy and to allow a greater number of students to earn the Seal.

**Statutory Language**

The department is proposing statutory language related to this request.

## Appendix

## Additional State and National Resources on Seal of Biliteracy

**National Context**
National Seal of Biliteracy Website
National Seal of Biliteracy Guidelines
National Seal of Biliteracy Report 2020 (data from 2018-2019)
10 Year Retrospective by Kristin Davin
**Competency Based Credit for Proficiency**
Heritage speakers of languages other than English access world language credit via testing to recognize their skills and linguistic heritage and to also grant them credits required for college admissions and advanced language coursework.
20 states have competency-based world language programs including IL, MN, MI, OH and IN
WA Seal of Biliteracy Policies
Competency Based Credits
Video - World Language Credit Program for Heritage Speakers
NC Credit by Demonstrated Mastery for heritage speaking/multilingual learners
**Language Proficiency Training for Educators**
ACTFL Proficiency Training Workshops DPI could sponsor workshops in collaboration with the Wisconsin Association for Language Teachers WAFLT and the Wisconsin Association of Bilingual Educators WIABE
**Formative Assessment/Progress Monitoring of Language Proficiency**
LinguaFolio - Center for Applied Second Language Studies CASLS (state partnership for professional training and assessment implementation option)
LinguaFolio Training Modules (North Carolina)
**Summative Assessment of Language Proficiency**
World Language Program Performance Benchmarks WI - World Language
Primary Assessment Providers
LTI AAPPL
Avant STAMP
Alternative Pathways for Less Commonly Taught Languages
MN Department of Education (Hmong and Ojjbwe)
ALTA
**DPI and Wisconsin Context**
Wisconsin Seal of Biliteracy Planning Guide
World Language Learning for Life - Briefing and Recommendations 22.4.30

## DECISION ITEM 6025 – PERSONAL FINANCIAL LITERACY

***240 Personal financial literacy grants***

***s. 20.255 (2) (ef) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $2,500,000 | $2,500,000 |
| Less Base | $0 | $0 |
| Requested Change | $2,500,000 | $2,500,000 |

**Request**

The department requests $2,500,000 GPR in FY24 and $2,500,000 GPR in FY25 to create a new a Personal Financial Literacy grant program. The grant would provide resources to school districts and independent charter schools for the purpose of starting new, or improving existing, financial literacy curriculum and programming, with an emphasis on bringing innovation into personal financial literacy instruction. The department requests that this grant program be created as a biennial appropriation, so that uncommitted funds in FY24 may be used for making grants in FY25.

**Background**

Personal financial literacy (PFL) gives students the knowledge and skills needed to make informed financial decisions, develop sound financial habits, and manage money effectively. A solid foundation in PFL can help students finance post-secondary education and/or training, purchase a home, or cover medical expenses. In other words, it can help them plan for how to reach their goals and maintain financial stability regardless of life's unanticipated difficulties.

2017 Wisconsin Act 94, which became effective December 2, 2017, requires each school board to adopt academic standards for financial literacy, and requires them to incorporate instruction in financial literacy into the curriculum in grades kindergarten to 12. The concept of financial literacy is that students will learn best if they are provided opportunities to learn about it early and often – as opposed to first learning about financial literacy in a concentrated course at the high school level. This is reflected in current law and in the updated academic standards which specify what knowledge and skills Wisconsin students should learn at different grade levels or bands of grades.

The Wisconsin Department of Financial Institutions (DFI), along with the Governor's Council on Financial Literacy and Capability, created the **Financial Literacy Innovation Grant** for the purpose of promoting innovation in the teaching of personal financial literacy (PFL) in the classroom.

In those years when grants are available, funding for the program is provided by DFI through settlement dollars designated for financial literacy education. The DFI makes these monies available to school districts statewide through the DPI in the form of the Financial Literacy Innovation grants. These grants make available a maximum of $10,000 per school through a competitive grant program to public and private schools, partnering with communities, to support the implementation of the Wisconsin Model Academic Standards for Personal Financial Literacy in order to improve financial literacy among youth.

The most recent round of grants (announced in July 2020) were awarded to school districts that met criteria for allowable uses of the grant funds, which included Implementation of a new personal financial literacy course as a high school graduation requirement in the school district; innovative projects to be created or expanded in classrooms; and the creation of student-run financial institutions

In 2020, DPI and DFI awarded $150,000 in Innovation grants to school districts. However, funding for these grants was not available in the 2021-22 school year; information on funding for the 2022-23 school year was not available at the time this paper was written.

**Governor's Council on Financial Literacy**

Gov. Tony Evers created the Governor's Council on Financial Literacy and Capability by signing Executive Order #106 on February 8, 2021. The order renamed the existing Governor's Council on Financial Literacy and expanded its mission to include helping Wisconsinites build financial capability and identifying ways to improve the financial inclusion of all Wisconsin residents. In addition, the order increased the Council's membership from 25 to 35 members bolstering the Council's expertise in the areas of financial capability and inclusion.

**Proposal**

The department requests increases of $2,500,000 GPR in FY24 and $2,500,000 GPR in FY25, to create a new a grant program to provide resources to support school districts to start up or improve financial literacy curriculum and prepare students for success.

This bill would award grants to promote innovation in the teaching of personal financial literacy (PFL) in the classroom. Under this request, the department will seek advice and collaboration with the DFI in implementing this grant program. In addition, the department will also work with CESA's to develop a regional support network that includes professional development for educators and a model curriculum/scope and sequence for districts to implement.

The request will expand programing and expertise in school districts to increase the knowledge of personal financial literacy of Wisconsin high school graduates, better preparing them to make sound financial decisions as they begin the next step of their lives, whether that is college or a career.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6026 – GRANTS FOR OUT-OF-SCHOOL TIME PROGRAMS

***283 – Grants for out-of-school time programs***

***s. 20.255 (2)(dk)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $20,000,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $20,000,000 |

**Request**

The department requests $20,000,000 GPR in FY25 for a new grant program to support the expansion of out-of-school time programs offered through local educational agencies and community based organizations that provide out-of-school time programming for school-aged children and youth.

**Background**

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.

According to the Afterschool Alliance, decades of research show that out-of-school time (OST) programs help kids learn, grow, and avoid risky behaviors. 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.[28]

Regular participation in afterschool programs helped narrow the achievement gap between high- and low-income students in math, improved academic and behavioral outcomes, and reduced school absences.[29] OST programs can 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

[28] Afterschool Alliance estimate based on findings from state-level return on investment studies conducted in states that include California, Georgia, Maryland, Oklahoma, and Vermont.

[29] Pierce, K. M., Auger, A. & Vandell, D. L. (2013). Narrowing the Achievement Gap: Consistency and intensity of structured activities during elementary school. Unpublished paper presented at the Society for Research in Child Development Biennial Meeting, Seattle WA.

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.

According to 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[30] 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.

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 community 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

[30] 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.

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.

**OST Programs in Wisconsin**

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.

For 2021-22 school year, the Department awarded $8.8 million in federal 21st CCLC funds to 77 sites across the state to improve student acheivement, attendeance and behaviror by providing eniching activoties for youit during non-school hours.

About 10,000 Wisconsin students received services through 21st CCLC programs in 2021-22 at the state's nearly 150 grant-funded sites. On average, students spent about 18 hours a week at a CCLC-funded program, receiving education in arts and music, drug and violence prevention, financial literacy, credit recovery, apprenticeships, environmental literacy, science, technology, engineering, and mathematics (STEM), in addition to tutoring services. 21st CCLC sites also offer adult family members activities that promote engagement in their children's education.

Grants are made to awardees for five consecutive years, contingent on satisfactory progress toward achieving goals. Applicants for this grant funding must be Title I eligible, demonstrate how they will target students in need of academic support, and must be determined as needing additional intervention and support.

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).

**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.

Fewer than half of the 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).

**Proposal**

To address the significant unmet need for out-of-school time programming, the department is requesting $20,000,000 GPR, beginning in FY25, to create a state-funded program to provide ongoing support to OST programs. The department proposes to make this grant availale to community based organizations that provide OST programming for school age children and youth, as well as to school districts and independent charter schools (collectively, local educational agencies, or LEAs). The department requests that the OST program be funded with a continuing appropriation, as nascent OST programs often have carryover in the intial years of the program.

One emphasis of the program would 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, the department recognizes there is still need at the elementary grade levels for additional OST programming and therefore intends to reserve funding each year for OST programs that serve elementary school students.

The department would structure the program to award a range of funding per receipient, based on the number of students served and potentially other factors; each recipient would receive the annual grant award 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 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.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6027 –ACADEMIC AND CAREER PLANNING

***107 – Academic and career planning***

***s. 20.255 (1) (em)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $1,422,500 | $1,481,500 |
| Less Base | $1,100,000 | 1,100,000 |
| Requested Change | $322,500 | $381,500 |

**Request**

The department requests $322,500 GPR in FY24 and $381,500 GPR in FY25 to maintain the current level of Academic and Career Planning services to school districts across the state.

**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 biennial budget (2013 Act 20) and is funded by a $1,100,000 GPR continuing appropriation that started in FY15.

Under Wis. Stat. sec. 115.28 (59), the state superintendent has four responsibilities regarding ACP implementation:

- 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. The 2022-23 school year is the sixth year of the department's Xello contract. Additionally, the department has a contract with each CESA to support the implementation of ACP in school districts in CESA regions, 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.

The appropriation for ACP is a continuing appropriation, meaning uncommitted budget authority remaining at the end of a fiscal year carries over into the following fiscal year. It was constructed this way because it was expected that it would take time for the department to identify an appropriate software vendor and to determine how to best deliver training and technical assistance to school districts for implementing ACP. While the $1.1 million appropriation started in FY15, the department was required to have the ACP tools available to school districts so that all school districts could offer ACP to students in grades 6 to 12, by the 2017-18 school year.

The accumulated carryover budget authority was $1,779,300 going into FY17, the first year that the contracts were firmly in place. Over time, as the costs of the ACP related contracts and work increased and the appropriation remained flat, the ACP program entered FY22 with $340,000 in carryover and then just $268,300 in FY23. The table below shows expenditures for ACP related contracts and work, and the carryover budget authority each year, from the beginning of the program through FY22.

**Table 1. ACP Expenditures, FY17 to FY22**

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|---|---|---|---|---|---|---|
| Carryover from Prior Year | $1,779,300 | $1,468,900 | $1,098,000 | $1,086,900 | $749,300 | $340,000 |
| GPR Appropriation | $1,100,000 | $1,100,000 | $1,100,000 | $1,100,000 | $1,100,000 | $1,100,000 |
| **Available Balance** | $2,879,300 | $2,568,900 | $2,199,406 | $2,187,537 | $1,849,300 | $1,440,000 |
| Expenditures | | | | | | |
| Software (Xello) | $952,800 | $959,300 | $915,600 | $920,500 | $1,098,000 | $763,000 |
| CESA Contracts | $120,000 | $180,000 | $192,000 | $234,500 | $270,300 | $298,250 |
| WCER Contract | $281,500 | $284,800 | $0 | $200,000 | $162,500 | $137,500 |
| Professional Development | $25,700 | $41,000 | $300 | $12,300 | $0 | $0 |
| Miscellaneous + LTE | $30,400 | $5,000 | $4,000 | $45,400 | $0 | $0 |
| Other* | $0 | $0 | $0 | $0 | $0 | ($83,700) |
| **Total Expenditures** | **$1,410,400** | **$1,470,100** | **$1,111,900** | **$1,412,700** | **$1,530,800** | **$1,115,050** |
| **Uncommitted Carryover** | **$1,468,900** | **$1,098,800** | **$1,086,900** | **$749,400** | **$340,000** | **$268,300** |

*Accounting correction necessary for totals.

## Proposal

The department requests increased funding of $233,500 GPR in FY24 and $381,500 GPR in FY25 (total of $704,000 GPR over the biennium) to meet its statutory requirements to provide ACP services to students 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

   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 FY23 is $985,000 and is expected to remain at that level for FY24, but increase to $1,044,000 for FY25.

2. CESA Contracts ($300,000 GPR annually)

   The department maintains contracts with each of the 12 CESAs to support the implementation of ACP. The contracts contain required elements that total $25,000 each.

3. WCER Contract ($137,500 GPR annually)

   The department maintains an annual contract with the Wisconsin Center for Education Research (WCER) to conduct a longitudinal study of the ACP program.

**Table 2. Projected Costs for Academic and Career Planning**

| | FY23 | FY24 | FY25 |
|---|---|---|---|
| Revenue | | | |
| GPR Appropriation | $1,100,000 | $1,100,000 | $1,100,000 |
| + Carryover from Prior Year | $268,300 | $0 | $0 |
| **Available Balance** | **$1,368,300** | **$1,100,000** | **$1,100,000** |
| | | | |
| Expenditures | | | |
| Software (Xello) | $985,000 | $985,000 | $1,044,000 |
| CESA Contracts | $300,000 | $300,000 | $300,000 |
| WCER Contract | $137,500 | $137,500 | $137,500 |
| **Total Expenditures** | **$1,422,500** | **$1,422,500** | **$1,481,500** |
| | | | |
| **Projected Deficit*** | **-$54,200** | **-$322,500** | **-$381,500** |

*To manage the projected deficit for FY23, the department will seek to amend current contracts and/or utilize GPR from its appropriation for general program operations.

### Statutory Language

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

## DECISION ITEM 6028 – DRIVER EDUCATION AID

***278 – Driver education aid***

***s. 20.255 (2) (cv) – NEW***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $6,500,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $6,500,000 |

**Request**

The department requests an increase of $6,500,000 GPR beginning in FY25 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 (ICS) , and Cooperative Educational Services Agencies (CESAs) collectively referred in this paper as (LEAs) 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 LEAs would be eligible to receive state aid to offset the costs of providing in-classroom and BTW instruction. In order for a LEA 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 aid eligibility is covered by the state aid payments, thereby encouraging LEAs 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**

| School Year | 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 non-school district entities that were eligible for aid under prior law.

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 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**

The number of school districts offering DE instruction has generally decreased over the past two decades. In FY03, of the 381 school districts with high schools, 328 (86 percent) offered DE instruction. By FY19, 378 of 421 Wisconsin's school districts operated a high school; just 137 (35 percent) offered DE courses. This decrease continued with the onset of the COVID-19 pandemic (March 2020): by FY22, those figures dropped to just 113 school districts (29 percent of 378 high school districts) in the state. The Wisconsin School for the Deaf and two private schools also offer driver education.

**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. Un the 2020-21 school year, the CESA 2 program serve students in 36 LEAs (including two virtual charter schools) and two private schools (one located in Madison). Thus, high school students in only 126 school districts (33 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 even less than that – just 29 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.

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 cost of, and lack of convenient access to, DE instruction is a barrier faced 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 (Transportation Fund) 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.

In its 2019-21 biennial budget request, the department request $2.5 GPR million beginning in FY21 for a driver education state aid program structured similarly to this current request. In its 2021-23 biennial budget request, the department requested $5.8 million beginning in FY23 to create a driver education state aid program that would have provided 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). Neither proposals were 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.

Sun Prairie High School indicates that the cost to the school district is roughly $240 per student for BTW instruction; they currently do not offer classroom instruction, due to teacher turn over and a back log of BTW students. Other DE programs charge approximately $150 for the classroom portion and $250-$300 for behind the wheel instruction.

CESA 2 charges $165 for in-person classroom instruction, $175 online and $285 for Behind-the-Wheel for a total of, between $450 and $460. CESA 2 represents upwards of 32 high schools. Private driver training schools such as AAA in Madison and Reis in Fond du Lac charge $439 and $430, respectively.

A list of DPI-approved DE programs in schools and CESA 2 is available on the department's webpage for Driver Education.

**Estimated Aid Eligibility**

To estimate the number of students who could be determined qualified for state aid payments, the department reviewed enrollment data from 2021-22 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. See Table 2 below for projections.

Students enrolled in a private high school or who are home-schooled are permitted, with limits, take courses at a public school of the school district in which the student resides; so it is possible that some private high school students and home-schooled students receive DE instruction through their local public high school – though DPI does not collect this data. Of course, some private schools may offer DE instruction directly, and private school and home-schooled students may take DE instruction through a CESA or a private DE provider.

**Table 2. Economically Disadvantaged Students in Grades 10, 11, and 12**
(Combined Public School Districts and Independent Charter Schools, 2021-22 School Year)

| Grade | Economically Disadvantaged Students*^ | Total Students^ | Percent Economically Disadvantaged *^ | Estimated Rate of "Take-Up" | Estimated Number of Aided Students |
|---|---|---|---|---|---|
| 10 | 23,901 | 64,186 | 37.2% | 35% | 8,365 |
| 11 | 22,572 | 64,242 | 35.1% | 15% | 3,386 |
| 12 | 22,481 | 66,704 | 33.7% | 5% | 1,124 |
| **TOTAL** | **68,954** | **195,132** | **35.3%** | | **12,875** |
| | | | | Aid per qualified student: | **$440** |
| | | | | Estimated total cost of aid: | $5,665,000 |
| | | | | **Request amount (rounded):** | **$5,665,000** |

* Economically disadvantaged (ED): student meets the FRL income eligibility standard.

^ Figures above include students enrolled in an ICS—the total number of ED students enrolled in an ICS in grades 10 through 12 represents about 1.3% of the total ED students in grades 10 through 12.

DPI does not collect data on the economic status of all students enrolled private schools. In order to approximate the number of qualified (FRL-eligible) students enrolled in a private school for purposes of this DE state aid proposal, we could use enrollments of school choice students.

Note that the income eligibility threshold for participation in a private school choice program is different than the FRL income eligibility standard. For the Milwaukee and Racine programs, the family's income may not exceed 300 percent of the federal poverty limit (FPL), and for the Wisconsin program, that threshold is 220 percent of the FPL; however, eligibility for a free meal is limited to children from families with incomes at or below 130 percent of the FPL, and those with incomes between 130 and 185 percent of the FPL are eligible for reduced price meals. (Thus, the use of school choice students as a proxy may overstate the likely number of private school students for whom state DE aid would be paid.)

In the 2021-22 school year, a total of 17,517 students were enrolled in grades 10, 11, and 12, in private schools throughout the state. About 84 percent (14,765) were enrolled as participants in one of the state's private school parental choice program. Applying the same assumptions about take-up rate by grade level as for public school students (see Table 1), there could be as many as 2,835 qualified students enrolled in private schools receiving DE instruction. Assuming half of those students receive DE instruction in a school district or CESA class, $623,900 would be added to the estimated annual cost of providing $440 per qualified student in DE state aid.

DPI collects data by grade for home-schooled students: in FY22 there were 6,610 home-schooled students reported as being in grade 10, 11, 12, and "ungraded" high school

placements)[31]. However, DPI has no data on the economic status of home-schooled students. If home-schooled students are assumed to be economically disadvantaged (FRL-eligible) at the same rate as students enrolled in public high schools, we would expect to see roughly 2,344 qualified home-schooled students. If the proportion of home-school students taking DE instruction through a school district or CESA is similar to the take-up rate for public school students (see Table 1), approximately 470 (of 2,344 qualified home-schooled students) would generate state DE aid for the school district/CESA in which they received the DE instruction, amounting to $206,800 annually.

**Proposal**

The department proposes creating a new categorial aid program to provide support to LEAs to increase access to DE instruction 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). Home-schooled students and those participating in one of the state's parental choice programs who receive DE instruction provided by a public school or CESAs would also be eligible under this program. The LEA providing DE instruction would have to demonstrate to the department that it completely waived the fee normally charged to a student for DE instruction, in order to receive state aid for qualified students. As a sum-sufficient appropriation, aid payments would not 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.

**Table 3. Projected Costs for Eligible Students**

| | Amount per Student (Aid) | Estimated Number of Qualified Students | Total Aid (beginning in FY25) |
|---|---|---|---|
| Public Schools & ICS | $440 | 12,875 | $5,665,00 |
| Private Parent Choice | $440 | 1,418 | $623,900 |
| Home-Schooled | $440 | 470 | $206,800 |
| **Total Qualified Students and Cost (rounded)** | | **14,763** | **$6,500,000** |

The department requests $6,500,000 GPR annually, beginning in FY25, to create the proposed state aid program to support DE instruction and licensing of high-school age students.

[31] Enrollments in home-based private education programs increases significantly in 2020-21 and 2021-22, compared to 2019-20 and prior years (COVID-19 pandemic); trends for enrollment in future years is unknown.

**Statutory Language**

The department is proposing  statutory language related to this request.

## DECISION ITEM 6029 – GED TEST SUBSIDY

***111 – General education development test fee payments***

***s. 20.255 (1) (fd)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $500,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $500,000 |

**Request**

The department requests $500,000 GPR in FY25 in a new sum-sufficient appropriation to subsidize testing fees for individuals taking the General Equivalency Diploma (GED) tests.

**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). More recently, a total of nearly 15,000 tests were taken by Wisconsin residents during calendar year 2021, of which 9,612 were taken in tradition (in-person) settings; 2,688 tests were by incarcerated persons and another 2,189 were taken as on-line tests.

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) – thus the cost to the test taker of an individual test is $30, or $120 total for the full battery of test in the four subject areas. There is a $6 surcharge per test collected by GEDTS for on-line tests (total of $39.75 per test, of which $3.75 is returned to the department as a credential fee).

The cost to adults in Wisconsin correctional institutions is $5 per test, or $20 for the full battery of test, and a credentialing fee of $1.25 per test ($5 for four tests). GED Ready practice tests cost $6, and emergency expedited service is available for $25. These costs are borne by the test

takers. The table below shows costs for tests by test setting and for the cost of the test and the credential.

**Table 1. GED Test Fees and Credential Fees**

| | Total Cost (four tests) | Test Fee | Credential Fee |
|---|---|---|---|
| In-person setting | $135 | $120 | $15 |
| Online test | $159 | $144 | $15 |
| Incarcerated Individuals | $85 | $80 | $5 |

**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 position authority in the department. This position authority is split between two positions on the department's CTE 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.

**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 report that in the first months of the COVID-19 pandemic, there was a marked increase in the volume of GED inquiries from students, parents, mentors, and teachers—especially in the Milwaukee area—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 who are unemployed 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. 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).

**Proposal**

The projected expenses for this program are $500,000 GPR in FY25 to create a sum sufficient appropriation that 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 can receive it.

**Table 2. Projected Costs of GED Test Fee Subsidy**

| Test Setting | Total Test Fee | Credential Fee* | Cost to Test Taker | Number of Tests Taken (CY2021) | Testing Fee / Subsidy Amount |
|---|---|---|---|---|---|
| Traditional (in person) | $33.75 | $3.75 | $30.00 | 9,612 | $288,360 |
| Online Test | $39.75 | $3.75 | $36.00 | 2,189 | $78,804 |
| Incarcerated Persons | $21.25 | $1.25 | $20.00 | 2,688 | $53,760 |
| | | | | **14,489** | **$420,924** |
| **Projected Cost, FY25 (reflects increased demand):** | | | | | **$500,000** |

### Auto-Subsidy Model ($500,000 GPR in FY25)

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 (if the appropriation were sum-certain and insufficient to fully pay for all tests). 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). The department further proposes that in order 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 July 1, 2024, 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 roughly 20 percent increase in demand in GED testing in FY25, compared to the most recent figures from calendar year 2021.

### Staturory Language

The department is proposing a statutory language change in order to create a sum sufficient appropriation in FY25.

## STUDENT NUTRITION

## DECISION ITEM 6040 – GRANTS FOR MILK COOLERS & DISPENSERS

***233 – School nutrition-grants for milk coolers & dispensers***

***s. 20.255 (2)(bj)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $50,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $50,000 |

**Request**

The department requests $50,000 GPR in FY25 for a new competitive grant program that would reimburse School Food Authorities for the cost of purchasing milk coolers and milk dispensers that do not qualify for reimbursement under a federally funded program for purchase of equipment.

**Background**

The department acts as a passthrough for the United States Department of Agriculture (USDA) National School Lunch Program (NSLP) Equipment Assistance Grant for School Food Authorities (hereafter referred to as the EAG). Under the EAG program, state education agencies award equipment assistance grants to eligible School Food Authorities (SFAs) participating in the NSLP, on a competitive basis, giving priority to high need schools (i.e., schools in underserved areas, schools with limited access to other resources, and age of food service equipment).

These funds allow SFAs to purchase equipment to serve healthier meals that meet the updated meal patterns (with emphasis on more fruits and vegetables in school meals), to improve food safety, and to expand access to healthy foods to students in schools.

In FY21, the USDA awarded Wisconsin $398,070 to distribute to SFAs for this purpose. Under the first round of grant awards, the deparment's School Nutrition Team (SNT) awarded EAG funding for 26 pieces of equipment; and, under round two, they will award funds for purchase of equipment by potentially five more SFAs: three projects are currently ready to begin and two projects are pending approval (waiting for information on bids).

SNT program staff indicate that there will be approximately $44,300 in EAG funding that could be awarded to the two pending projects, and that those two projects could very well exhaust the remaining $44,300.

Wisconsin received $407,465 in equipment grant funding for FY22. DPI has not yet opened the application for FY22 grant funds, but application materials for the FY22 NSLP Equipment Assistance Grant will be available in late fall.

Under the EAG program, equipment requests must meet the capitalization threshold for the SFA applying for the grant. This threshold is typically $5,000 or more.

The SNT indicates that SFAs looking to purchase milk coolers and/or dispensers are often not able to use the EAG program for this purpose, because the milk coolers and/or dispensers tend to cost less than $5,000 (the typical capitalization threshold). An internet search for milk cooler and milk dispenser options available to schools shows prices tends to run from $3,000 to $5,000 for small to medium capacity milk coolers and dispensers.

Currently, the SNT receives five to 10 requests annually to cover the costs of purchasing milk coolers, but the requests cannot be approved under the EAG program because the cost of the milk cooler is less than the SFA's capitalization threshold.

**Proposal**

The department proposes a state-funded grant program that would be available to SFAs to use to purchase milk coolers and milk dispensers priced below the capitalization threshold (and therefore not eligible under the USDA-NSLP EAG program). Assuming a purchase price up to $5,000 per milk cooler/dispenser, a grant program funded at $50,000 annually would support the purchase of at least 10 milk cooler or dispensers each year. The department requests that a new appropriation be created ($50,000 GPR in FY25) to support the proposed grant program.

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6041-SCHOOL NUTRITION-LOCALLY SOURCED FOOD INCENTIVES

***234 – Locally sourced foods incentive payment***

***s. 20.255 (2)(bk) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $2,750,000 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $2,750,000 |

### Request

The department requests $2,750,000 GPR in FY25 to create a new categorical aid program to reimburse school food authorities in public and private schools an additional 10 cents for each meal it serves that includes a locally sourced food item.

### Background

As part of the "Build Back Better" initiative (under the American Rescue Plan Act), Congress authorized funding for programs established by the USDA Agricultural Marketing Service (AMS)[32]. This includes the *Local Food Purchase Assistance Cooperative Agreement Program (LFPA)*, administered by the WI DATCP (estimated state allocation is $4,900,000); and, the *Local Food for Schools Cooperative Agreement Program (LFS)*, administered by DPI[33] (estimated state allocation is $3,447,772).

The LFPA program will award up to $400 million through non-competitive cooperative agreements with state and tribal governments to support local, regional, and underserved producers through the purchase of domestic local foods, with a period of performance up to two years from time of award to accommodate two harvest seasons. Under the LFPA program, the funding is directed towards serving the needs of the population, and serve feeding programs (including food banks), as well as schools and organizations that reach underserved communities. In addition to increasing local food consumption, funds will help build and expand economic opportunity for local and socially disadvantaged producers.

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[32] LFPA RFA: https://www.ams.usda.gov/sites/default/files/media/LFPA_RFA.pdf; LFS RFA: https://www.ams.usda.gov/sites/default/files/media/LFS_RFA.pdf

[33] DPI has submitted its application for the USDA Local Foods to Schools grant program.

Under the LFS program, USDA will award up to $200 million to states for food assistance purchases of domestic local foods for distribution to schools, with a period of performance up to 18 months from time of award to accommodate two harvest seasons. Under the LFS program, the funding is directed towards strengthening the food system for schools by helping to build a fair, competitive, and resilient local food chain, and expand local and regional markets with an emphasis on purchasing from historically underserved producers and processors.

**Proposal**

The overarching goals of the federal LFPA and LFS program are to provide an opportunity for states to: strengthen their local and regional food system; help to support local, small, and socially disadvantaged farmers/producers through building and expanding economic opportunities; and establish and broaden partnerships with farmers/producers and schools to ensure distribution of fresh and nutritious foods.

Locally or regionally produced food means food that is raised, produced, aggregated, sorted, processed, and distributed in the locality or region in which the food is made available for consumers; and, within 400 miles of the SFAs where the food is being served. This means that this program would have a direct impact on both strengthening local supply chains and supporting the local economy, as well as providing more fresh, nutritious food products to students in schools.

The department is proposing a new state categorical aid program to incentivize SFAs to incorporate more locally sourced foods in school meals, specifically, to reimburse each SFA with 10 cents for each meal that includes a locally sourced food item (beginning in FY25, for meals served during the 2023-24 [FY24] school year). The estimated cost of this program is based on the following assumptions: 25 percent of the total 110 million meals served in the 2023-24 school year will contain a locally sourced food item, for which the 10 cent per meal reimbursement would cost $2,750,000. The department requests $2,750,000 GPR in FY25 in order to start the locally sourced food incentives program in the second year of the biennium.

**Table 1. Projected Costs of Providing Enhanced Payments for Locally Sourced Foods**

| | Full Price Meals | Reduced Price | Free Meals | TOTAL |
|---|---|---|---|---|
| **Breakfast** | 7,674,257 | 1,973,136 | 28,352,607 | 38,000,000 |
| **Lunch** | 29,505,917 | 3,980,432 | 36,513,651 | 70,000,000 |
| **Snack** | 122,100 | 11,912 | 1,865,988 | 2,000,000 |
| **TOTAL** | **37,302,274** | **5,965,480** | **66,732,246** | **110,000,000** |
| **Projected proportion of meals with a locally sourced food item:** | | | | **27,500,000** |
| **Projected cost of reimbursements (FY25):** | | | | **$2,750,000** |

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6042 – SCHOOL BREAKFAST REIMBURSEMENT

***215 – Reimbursement for school breakfast programs***

***s. 20.255 (2)(cm)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $6,837,300 | $7,173,500 |
| Less Base | $2,510,500 | $2,510,500 |
| Requested Change | $4,326,800 | $4,663,000 |

### Request

The department requests increases of $4,326,800 GPR in FY24 and $4,663,000 GPR in FY25 for state aids for reimbursements under the School Breakfast Program (SBP) at 15.0 cents for each breakfast served.

The department's request includes $112,500 GPR in FY24 and in FY25 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.

The department also 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[34]. Additionally, children who eat breakfast closer to class and test-taking time perform better on tests[35]. Many children do not eat a nutritious breakfast every morning and children who eat school breakfast tend to have a more nutritious breakfast.

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[34] See studies referenced by the National Education Association, Nutrition Programs: https://www.nea.org/student-success/smart-just-policies/funding-public-schools/nutrition-programs

[35] Athlos Academies, 2017: https://athlosacademies.org/healthy-breakfast-benefits-students/

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. As a result of decreases in federal funding since the 1980s, payments to local child nutrition programs have not been sufficient in covering the total cost of providing school breakfast. Eligibility criteria, student costs, and USDA reimbursement rates for free, reduced, and full-price meals during the 2022-23 school year are shown in Table 1 below.

**Table 1. School Breakfast Program**

**Eligibility Criteria, Student Charges, and Reimbursement Rates (FY23)**

| Pay Status | 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 | $2.26 / $2.67 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 | $1.96 / $2.37 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. | $0.50 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 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, 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.

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 an 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 FY23 through FY25.

**Table 2. School Breakfast Program Reimbursement History and Projections (FY16 – FY25)**

(FY23 Base Appropriation - $2,510,500)

| State Fiscal Year | Breakfasts Served (Prior Year) | Percent Change in Breakfasts Served | Statutory Reimburse-ment | Cost to Fully Fund Statutory Rate | Actual Reimburse-ment | Rate of Proration |
|---|---|---|---|---|---|---|
| **FY16** | 31,792,576 | 4.24% | 0.15 | 4,768,886 | 0.079 | 53% |
| **FY17** | 31,764,537 | -0.09% | 0.15 | 4,764,681 | 0.079 | 53% |
| **FY18** | 32,138,309 | 1.18% | 0.15 | 4,820,746 | 0.078 | 52% |
| **FY19** | 30,665,542 | -4.58% | 0.15 | 4,599,831 | 0.082 | 55% |
| **FY20** | 38,065,359 | 24.13% | 0.15 | 5,709,804 | 0.066 | 44% |
| **FY21** | 34,763,789 | -8.67% | 0.15 | 5,214,568 | 0.072 | 48% |
| **FY22** | 40,663,528 | 16.97% | 0.15 | 6,099,529 | 0.062 | 41% |
| **FY23 (est.)** | 42,696,704 | 5.00% | 0.15 | 6,404,506 | 0.059 | 39% |
| **FY24 (est.)** | 44,831,540 | 5.00% | 0.15 | 6,724,731 | 0.056 | 37% |
| **FY25 (est.)** | 47,073,117 | 5.00% | 0.15 | 7,060,967 | 0.053 | 36% |

The department anticipates that the number of school breakfasts served will continue to increase by approximately five percent annually over the next few years, based on a smoothed average of participation between the 2010-11 and the 2020-21 school years (for aid distributed

in FY12 through FY22). Participation in the school breakfast program has generally grown most years, with an obvious interruption during the 2019-20 school year (COVID public health emergency beginning March 2020), as evidenced by the nearly nine percent drop in breakfast meal reimbursements between FY20 and FY21 (for meals served in 2018-19 and 2019-20 school years, respectively). The department's projection also reflects the impact of the Community Eligibility Provision (CEP) under federal law, which 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 throughout FY23, FY24, and FY25:

- FY21 – 7.2 cents per breakfast served
- FY22 – 6.2 cents per breakfast served
- FY23 – 5.9 cents per breakfast served (estimate)
- FY24 – 5.6 cents per breakfast served est (estimate)
- FY25 – 5.3 cents per breakfast served (estimate)

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**

*Expanding Reimbursements to Other Institutions*

Currently, only public and private schools receive the state reimbursement for breakfasts served. This is not consistent with the state matching program for the federal school lunch program, under which independent charter schools, the state's residential schools, and RCCs are eligible for state reimbursement. 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 (data not yet available for FY21 and FY22). Because the data indicates that the number of breakfasts served in these institutions shifts sometimes substantially from year to year, the department assumes that the number of breakfasts served in these schools/RCCs will be approximately 750,000 annually and will therefore require $112,500 GPR in FY24 and in FY25 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, 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. However, establishing an exception in the statute for private schools, independent charter schools, RCCs, and the residential schools, that absolves the department from making payments for meals served in the prior school year, would be beneficial.

**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 FY24 and FY25 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**

| | FY24 | FY25 |
|---|---|---|
| Estimated Breakfasts Served (rounded) | | |
| Current Law Eligible: | 44,831,600 | 47,073,200 |
| Independent Charter Schools, Residential Schools, RCC: | 750,000 | 750,000 |
| Total Estimated Breakfast Meals Served | 45,581,540 | 47,823,117 |
| Cost of Reimbursements at $0.15 per Meal (rounded) | $6,837,300 | $7,173,500 |
| FY23 Base | $2,510,500 | $2,510,500 |
| **Request** | **$4,326,800** | **$4,663,000** |

**Statutory Language**

The department is proposing statutory language related to this request.

## DECISION ITEM 6043 – SUPPLEMENTAL NUTRITION AID

***266 – Supplemental reimbursement for nutrition programs***

***s. 20.255 (2)(co) [NEW]***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $0 | $120,168,500 |
| Less Base | $0 | $0 |
| Requested Change | $0 | $120,168,500 |

**Request**

The department requests $120,168,500 GPR in FY25 to create a new categorical aid program to eliminate fees charged to students for meals served in schools. Under the new aid program, the department would pay school food authorities (SFAs) for the difference between the federal per-meal reimbursement received by the SFA for a student who qualifies for a free meal and the federal per-meal reimbursement received by the SFA for a student that qualifies for a reduced-price meal or who pays full-price for a meal. SFAs include school districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program.

**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.

The United States Department of Agriculture (USDA) administers several federally funded aid programs that support nutrition programs in public and private schools for students during regular school time, after-school and out-of-school time, and summer, as well as 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 economic status, as determined by eligibility for a free or reduced-price meal (i.e., FRL status). 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 SFAs participating in the CEP has increased in a fairly stable manner, from 80 in the first school year (2014-15) to 115 in the 2020-21 school year; 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 as described in the table below.

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

| State Program | FY23 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.<br>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 and pay "full price" for a meal), 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 received by the department's School Financial Services Team, nearly one-third of school districts have made 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[36].

Per federal guidelines, income eligibility for a reduced-price meal discontinues when family income exceeds 185% of the federal poverty level (FPL), and at 130% of the FPL for a free meal. The income eligibility thresholds for a free or reduced-price meal for the 2022-23 school year (FY23) is shown in the table below.

**Table 2. Eligibility for Free or Reduced-Price Meals, School Year 2022-23 (family of four)**

| | Annual Income | Percent of FPL |
|---|---|---|
| Federal Poverty Line (FPL) | $27,750 | 100% |
| Eligibility for a Free Meal | $36,075 | 130% |
| Eligibility for a Reduced-Price Meal | $51,338 | 185% |

School nutrition has continued to be an important and vital program that provides security to low-income students. Students who qualify for a reduced-price 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 (i.e., just above the 130 percent limit to qualify for a free meal). Yet, these families are required to pay a price for their students' meals.

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 intended for a student (rather than allowing the student to have it despite not being "paid for"), providing a less desirable alternative lunch, or requiring pupils to perform chores to pay off unpaid lunch/meal debts. Lunch shaming was the subject of a proposed bill in a previous legislative session (2019 Assembly Bill 84), introduced by Representative Gary Tauchen and Senator Lena Taylor. In order avoid the embarrassment of unpaid meal balances, students may choose to not eat a school-provided meal, and instead potentially go hungry, if their family does not have the resources to send food with the student 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.

At the time that DPI submitted its 2021-23 budget request (Fall 2020), only the first federal COVID response/stimulus bill (the CARES Act) had been enacted. The provision of free meals for all students enabled under the CARES Act was assumed to continue through the 2020-21 school year, but it was not known at that time whether the federal government would continue reimbursing schools for all meals beyond the 2020-21 school year. Subsequently, two more

[36] With the onset of the COVID-19 pandemic, the federal government provided the opportunity for schools throughout the nation to essentially provide meals to all students, free of charge, from the start of the national public health emergency in March 2020 through summer 2022. Thus, the data on school district transfers from their general operating fund to their food service fund during that time (i.e., FY20, FY21, and FY22) is not comparable to that of the years preceding the pandemic and the public health emergency.

federal stimulus/COVID response bills were enacted, and the universal federal reimbursements for all school meals continued through the 2021-22 school year. However, the USDA school nutrition programs have now returned to the reimbursement structures that existed prior to the COVID pandemic, beginning with the 2022-23 school year. It is quite possible that with this change, substantial numbers of students will no longer have access to school meals.

Providing additional aid to school districts and schools to cover the differential in the federal reimbursement amounts between free meals and reduced-price meals 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 all students for the breakfast, lunch, and snack programs. While this proposal is not intended to increase net revenues for SFAs, in creating a stable, state-funded revenue stream for SFAs, there would presumably no longer be unpaid meal debt (and by extension, reduce 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 all students who otherwise would not have it is a matter of equity.

**Proposal**

The department proposes to create a new state aid program that would expand access to free meals for all students. Under the proposal, SFAs would receive aid payments equal to the amount of the difference in the federal reimbursement amount for free meals and that of reduced-price meals and full price meals, multiplied by the number of meals served (using prior year data on number of meals served). To be eligible to receive this state aid, the SFA would be prohibited from charging students for meals for which the SFA receives federal reimbursement.

The department reviewed the data on the number of reduced-price meals served between FY15 and FY22, using the average number of meals for each type to project the number of meals served in FY24, the basis for state aid payments in FY25. The tables below display projected meals served, the differential cost charged for reduced price and full price meals, and the estimated cost for the proposed Supplemental Nutrition Aid.

**Table 3. Projected Meals Served by Type and FRL Status (FY24)**

| FRL Status | Breakfast | Lunch | Snack | Total |
|---|---|---|---|---|
| Free Meal | 28,352,607 | 36,513,651 | 1,865,988 | **66,732,246** |
| Reduced Price Meal | 1,973,136 | 3,980,432 | 11,912 | **5,965,480** |
| Full Price Meal | 7,674,257 | 29,505,917 | 122,100 | **37,302,274** |
| | **38,000,000** | **70,000,000** | **2,000,000** | **110,000,000** |

**Table 4. Proposed Reimbursement Rate for Reduced-Price Meals and Full Price Meals**

| Reimbursement Per Meal | Breakfast | Lunch | Snack |
|---|---|---|---|
| Reduced Meal | $0.30 | $0.40 | $0.54 |
| Full Price Meal | $1.67 | $3.56 | $0.99 |

**Table 5. Reimbursement for Full and Reduced Price Meals (FY25)***

| School Year | Breakfast | | Lunch | | Snack | |
|---|---|---|---|---|---|---|
| | Full Price Meals | Reduced Price | Full Price Meals | Reduced Price | Full Price Meals | Reduced Price |
| Number of Meals | 7,674,257 | 1,973,136 | 29,505,917 | 3,980,432 | 122,100 | 11,912 |
| Aid/Meal | $1.67 | $0.30 | $3.56 | $0.40 | $0.99 | $0.54 |
| **TOTAL** | **$12,816,009** | **$591,941** | **$105,041,065** | **$1,592,173** | **$120,879** | **$6,432** |

*Based on meals served in FY24.

The department proposes that this new aid program be created with a sum-sufficient appropriation, so that SFAs receive the full amount for which they are eligible (no proration of aid), based on the number of meals served, and the reimbursement differential, from the prior school year. The department requests $120,168,500 GPR in FY25 for the new proposed appropriation.

**Table 6. Projected Costs of Supplemental Nutrition Aid Program**

| FRL Status | FY25 |
|---|---|
| Reduced price eligible students | $2,190,500 |
| Full price students | $117,978,000 |
| **Total** | **$120,168,500** |

**Statutory Language**

The department is proposing statutory language related to this request.

## ADJUSTMENT TO PER PUPIL PAYMENTS FOR CHARTER, CHOICE, SNSP, and OPEN ENROLLMENT

Under current law, the adjustment to the per pupil payment amount for independent charter schools (ICS), the state's three private school parental choice programs, the Special Needs Scholarship Program (SNSP) are indexed to changes in resources for school districts. Specifically, the adjustment made each year 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. This indexing mechanism is also used to adjust the full time transfer payment for purposes of public school open enrollment (OE).

The department proposes to modify current law, such that these adjustments continue to be indexed to the revenue limit per pupil adjustment for school districts and to the dollar change in the Per Pupil Aid program (rather than the per member change in appropriations for all categorical aids). Using this proposed formula, the per pupil payments would be adjusted by $374 in FY24 and by $695 in FY25 (change to FY24).

| | **FY24** | **FY25** |
|---|---|---|
| Per Pupil Revenue Limit Adjustment | $350 | $650 |
| Change to Per Pupil Aid | $ 24 | $ 45 |
| **TOTAL Per Pupil Increase*** | **$374** | **$695** |

The estimated per pupil payments for ICS, choice programs, and the SNSP, as well as for full time OE transfer amount under the department's proposal are show below.

| | FY23 Base | FY24 | FY25 |
|---|---|---|---|
| Open Enrollment (regular) | $8,224 | $8,598 | $9,293 |
| Choice (K-8) | 8,399 | 8,773 | 9,468 |
| Choice (9-12) | 9,045 | 9,419 | 10,114 |
| Independent Charter Schools | 9,264 | 9,638 | 10,333 |
| Open Enrollment - Special Education | 13,076 | 13,450 | 14,145 |
| Special Needs Scholarship Program | 13,076 | 13,450 | 14,145 |

### Statutory Language

The department is proposing statutory language related to this request.

## DECISION ITEM 6051 – INDEPENDENT CHARTER SCHOOLS REESTIMATE

***218 – Charter schools***

***s. 20.255 (2)(fm)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $95,027,700 | $104,521,800 |
| Less Base | $86,584,100 | $86,584,100 |
| Requested Change | $8,443,600 | $17,937,700 |

***289 – Charter schools; office of educational opportunities***

***s. 20.255 (2)(fp)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $30,456,100 | $38,046,100 |
| Less Base | $ 9,805,000 | $9,805,000 |
| Requested Change | $20,651,100 | $28,241,100 |

**Request**

The department requests increases $29,094,700 GPR in FY24 and $46,178,800 GPR in FY25 in the appropriations for payments to independent charter schools (ICS) to reflect estimated payments based on enrollment projections and the per pupil payment for ICS, as proposed by the department.

**Proposal**

Based on the department's proposal for adjusting per pupil payments for ICS, and the department's projections for enrollments in ICS, the department requests in funding for the appropriations for ICS, per the information in the table below.

**Table 1. ICS – Projected Pupils (FTE) and Costs (FY23-FY25)**

| | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| | | | |
| **2r Independent Charter Schools (20.255 (2)(fm) / APN 218)** | | | |
| General FTE (Legacy ICS Authorizers) | 9,015 | 9,265 | 9,515 |
| + Tribal College Authorized FTE | 520 | 530 | 540 |
| **= Total 2r Charter FTE** | **9,535** | **9,795** | **10,055** |
| x Per Pupil Payments | $9,264 | $9,638 | $10,333 |
| = Estimated FTE Payments | $88,332,240 | $94,404,200 | $103,898,300 |
| + Estimated Summer School Payments | $623,437 | $632,500 | $632,500 |
| **= Estimated Total 2r Charter Payments** | | **$95,027,700** | **$104,521,800** |
| - Chapter 20 Base Appropriation | | $86,584,100 | $86,584,100 |
| **= Requested Increase** | | **$8,443,600** | **$17,937,700** |
| | | | |
| **OEO/2x Independent Charter Schools** | | | |
| Office of Educational Opportunity ICS FTE | 1,008 | 3,160 | 3,682 |
| x Per Pupil Payments | $9,264 | $9,638 | $10,333 |
| = Estimated FTE Payments | $9,338,112 | $30,456,100 | $38,046,100 |
| + Estimated Summer School Payments | N/A | N/A | N/A |
| **= Estimated Total 2r Charter Payments** | **$9,338,112** | **$30,456,100** | **$38,046,100** |
| - Chapter 20 Base Appropriation | | $9,805,000 | $9,805,000 |
| **= Requested Increase** | | **$20,651,100** | **$28,241,100** |
| | | | |
| **COMBINED TOTALS** | | | |
| 2r and OEO Total FTE | 10,543 | 12,955 | 13,737 |
| 2r and OEO Total Payments (including summer) | $98,293,819 | $125,483,800 | $142,567,900 |
| Chapter 20 Base Appropriations | | $96,389,100 | $96,389,100 |
| **Total Requested Increases** | | **$29,094,700** | **$46,178,800** |

### Statutory Language

The department is proposing statutory language related to this request (adjustment to the per pupil adjustment index mechanism).

## DECISION ITEM 6052 – MILWAUKEE PARENTAL CHOICE PROGRAM REESTIMATE

***235 – Milwaukee parental choice program***

***s. 20.255 (2)(fu)***

| FISCAL SUMMARY | | |
|---|---|---|
| | **2023-24 Request** | **2024-25 Request** |
| **Requested Funding** | **$255,239,800** | **$278,097,400** |
| **Less Base** | **$244,416,600** | **$244,416,600** |
| **Requested Change** | **$10,823,200** | **$33,680,800** |

**Request**

The department requests increases of $10,823,200 GPR in FY24 and $33,680,800 GPR in FY25 in the appropriation for payments to private schools in the Milwaukee Parental Choice Program (MPCP) to reflect estimated payments based on enrollment projections and the per pupil payments under the MPCP, as proposed by the department.

**Proposal**

Based on the department's proposal for adjusting per pupil payments for the MPCP, and the department's projections for enrollments in the MPCP, the department requests in funding for the appropriation for the MPCP, per the information in the table below.

**Table 1. MPCP – Projected Pupils (FTE) and Costs (FY23-FY25)**

| | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| | | | |
| **Pupil Counts (FTE)** | | | |
| Grades K-8 | 21,200 | 21,300 | 21,400 |
| Grades 9-12 | 6,900 | 7,100 | 7,300 |
| **Total FTE** | **28,100** | **28,400** | **28,700** |
| | | | |
| **Per Pupil Payment** | | | |
| Grades K-8 | $8,399 | $8,773 | $9,468 |
| Grades 9-12 | $9,045 | $9,419 | $10,114 |
| | | | |
| **COSTS** | | | |
| Grades K-8 | $178,058,800 | $186,864,900 | $202,615,200 |
| Grades 9-12 | $62,410,500 | $66,874,900 | $73,832,200 |
| Summer School (all grades) | $1,350,000 | $1,500,000 | $1,650,000 |
| **TOTAL COST** | **$241,819,300** | **$255,239,800** | **$278,097,400** |
| FY23 Base Appropriation (chapter 20) | | $244,416,600 | $244,416,600 |
| **Requested Increases** | | **$10,823,200** | **$33,680,800** |

**Statutory Language**

The department is proposing statutory language related to this request (adjustment to the per pupil adjustment index mechanism).

## DECISION ITEM 6053 – RACINE AND WISCONSIN PARENTAL CHOICE PROGRAMS REESTIMATE

***224 – Parental choice programs for eligible school districts***

***s. 20.255 (2)(fr)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| **Requested Funding** | **$204,424,000** | **$245,341,600** |
| **Less Base** | **$172,417,000** | **$172,417,000** |
| **Requested Change** | **$32,007,000** | **$72,924,600** |

**Request**

The department requests increases of $32,007,000 GPR in FY24 and $72,924,600 GPR in FY25 in the appropriation for payments to private schools in the Racine Parental Choice Program (RPCP) and the Wisconsin Parental Choice Program (WPCP) to reflect estimated payments based on enrollment projections and the per pupil payments under the RPCP and the WPCP, as proposed by the department.

**Proposal**

Based on the department's proposal for adjusting per pupil payments for RPCP and WPCP, and the department's projections for enrollments in both programs, the department requests in funding for the appropriation for the the RPCP and WPCP, per the information in the table below.

**Table 1. RPCP & WPCP – Projected Pupils (FTE) and Costs (FY23-FY25)**

| | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| | | | |
| **RPCP and WPCP Legacy Students - FTE** | | | |
| Grade K-8 Legacy | 260 | 80 | 0 |
| Grade 9-12 Legacy | 530 | 610 | 560 |
| | | | |
| **RPCP and WPCP Incoming Students - FTE** | | | |
| Grade K-8 Incoming | 15,540 | 17,770 | 19,900 |
| Grade 9-12 Incoming | 3,970 | 4,440 | 5,040 |
| | | | |
| **Combined Legacy and Incoming** | | | |
| Grade K-8 Total | 15,800 | 17,850 | 19,900 |
| Grade 9-12 Total | 4,500 | 5,050 | 5,600 |
| | | | |
| **Per Pupil Payment** | | | |
| Grades K-8 | $8,399 | $8,773 | $9,468 |
| Grades 9-12 | $9,045 | $9,419 | $10,114 |
| **COSTS** | | | |
| Grades K-8 | $132,704,200 | $156,598,050 | $188,413,200 |
| Grades 9-12 | $40,702,500 | $47,565,950 | $56,638,400 |
| Summer School* | $210,000 | $260,000 | $290,000 |
| **TOTAL COST** | **$173,616,700** | **$204,424,000** | **$245,341,600** |
| FY23 Base Appropriation (chapter 20) | | $172,417,000 | $172,417,000 |
| **Requested Increases** | | **$32,007,000** | **$72,924,600** |

*Summer school estimates for all legacy and incoming students in both the RPCP & WPCP.

### Statutory Language

The department is proposing statutory language related to this request (adjustment to the per pupil adjustment index mechanism).

## DECISION ITEM 6054 – SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE

***250 – Special needs scholarship program***

***s. 20.255 (2)(az)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $33,973,300 | $41,494,600 |
| Less Base | $40,626,800 | $40,626,800 |
| Requested Change | $(6,653,500) | $867,800 |

**Request**

The department requests a decrease of $6,653,500 GPR in FY24 and an increase of $867,800 GPR in FY25 in the appropriation for payments to private schools in the Special Needs Scholarship Program (SNSP) to reflect estimated payments based on enrollment projections and the per pupil payments under the SNSP, as proposed by the department. The department also requests the elimination of the current law language that provides for an "actual cost" payment option, under Wis. Stat. sec.

**Proposal**

Based on the department's proposal for adjusting per pupil payments for the SNSP, and the department's projections for enrollments in the SNSP, the department requests in funding for the appropriation for the SNSP, per the information in the table below.

**Table 1. SNSP – Projected Pupils (FTE) and Costs (FY23-FY25)**

| | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| | | | |
| **SNSP Pupil Counts (FTE)** | | | |
| Full Scholarship FTE | 1,961.6 | 2,311.6 | 2,661.6 |
| Partial K-8 FTE | 170.0 | 225.0 | 280.0 |
| Partial 9-12 FTE | 14.0 | 19.0 | 24.0 |
| **Total FTE** | **1,961.6** | **2,311.6** | **2,661.6** |
| | | | |
| Per Pupil Payment | | | |
| Full Scholarship | $13,076 | $13,450 | $14,145 |
| Grades K-8 | $8,399 | $8,773 | $9,468 |
| Grades 9-12 | $9,045 | $9,419 | $10,114 |
| **COSTS** | | | |
| Full Scholarship | $25,649,882 | $31,091,020 | $37,648,332 |
| Grades K-8 | $1,427,830 | $1,973,925 | $2,651,040 |
| Grades 9-12 | $126,630 | $178,961 | $242,736 |
| Summer School | $100,000 | $115,000 | $130,000 |
| Actual Cost Pupils | $433,212 | $614,360 | $822,509 |
| **TOTAL COST** | **$27,737,553** | **$33,973,266** | **$41,494,617** |
| FY23 Base Appropriation (chapter 20) | | $40,626,800 | $40,626,800 |
| **Requested Changes** | | **$(6,653,500)** | **$867,800** |

**Statutory Language**

The department is proposing statutory language related to this request (adjustment to the per pupil adjustment index mechanism).

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.

## PUBLIC LIBRARIES AND LIFELONG LEARNING

## DECISION ITEM 5001 – PUBLIC LIBRARY SYSTEM AID

***361 – Aid to public library systems***

***s. 20.255 (3)(qm)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $25,013,100 | $25,013,100 |
| Less Base | $20,013,100 | $20,013,100 |
| Requested Change | $5,000,000 | $5,000,000 |

**Request**

The department requests increases of $5,000,000 SEG in FY24 and $5,000,000 SEG in FY25 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 (2017 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 as "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, 2017 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 reverted to the FY17 level of $15,013,100 for purposes of determining the adjusted base going into the 2019-21 biennium. However, the legislature made the FY19 increase of $1,000,000 permanent, as part of the 2019-21 biennial budget process, so that funding was steady at $16,013,100 in FY20 and FY21. Then, under 2021 Act 58 (the 2021-23 biennial budget), funding for public library system aid increased to $18,513,100 in FY22 and $20,013,100 in FY23.

**Estimated Cost Increases**

Despite the elimination of the requirement that the department request state funding according to the indexing mechanism from prior law, there is still a tendency to frame state aid for public libraries as a percent of prior year local and county expenditures. The Appendix at the end of this DIN contains historical data on public library system expenditures and state aid.

Generally, local and county expenditures have increased over time. The state aid appropriation was flat for several years (FY12 through FY18), resulting in state aid being at or below seven

percent of local and county expenditures. The modest increases in state aid that were provided in FY18 and FY19 amounted to a little more than three percent annually. But, due to the growth in local and county funded expenditures, state aid was still not above seven percent of local and county expenditures.

With the Legislature's approval of additional funding for the 2021-23 biennium, the appropriation for public library system aid has increased, to $18,513,100 in FY22 and $20,013,100 in FY23 – annual increases of 15.6 percent and 8.1 percent, respectively. Based on actual expenditure data for public libraries, the FY21 appropriation provided state aid equal to 6.5 percent of prior year public library expenditures. Based on *estimated* local and county expenditures going forward, the appropriation is projected to provide aid at 7.5 percent in FY22 and 7.9 percent in FY23 (the appropriation increased by $1.5 million in FY23). If the appropriation is not increased, it is estimated to provide aid at roughly 7.8 percent in FY24 and FY25 (see Appendix).

**Need for Additional State Funding**

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' responses to the COVID-19 pandemic and never stopped serving Wisconsin residents, even through 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[37], 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. Public libraries have remained essential pillars of their communities during the COVID-19 pandemic, providing reliable health

[37] 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.

information, workforce development and information for job seekers during times of economic downturn, government information, public-use computers, access to the internet, library materials, library programs, and many more services.

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 communities 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 $5,000,000 SEG in FY24 and $5,000,000 SEG in FY25, to provide consistent state support for 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.

## Appendix

### Public Library Systems: History of Local Expenditures, Appropriations for State Aid and Indexing Levels (CY09 – CY24)

| Calendar Year | Local Expenditures | Change from Prior Year | State Fiscal Year | Chapter 20 Appropriation | Fund Source | Change in Appropriation | Aid as Percent of Prior CY Expenditures | Applicable Index Level | Aid at Applicable Index Level | Funding Required to Meet Index |
|---|---|---|---|---|---|---|---|---|---|---|
| **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** | $ 243,725,991 | 7.90% | **FY18** | $15,513,100 | SEG | 3.33% | 6.36% | 13.00% | $29,901,800 | $14,388,700 |
| **2018** | $ 248,611,309 | 2.00% | **FY19** | $16,013,100 | SEG | 3.22% | 6.44% | 13.00% | $33,578,300 | $17,565,200 |
| **2019** | $ 254,868,395 | 2.52% | **FY20** | $16,013,100 | SEG | 0.00% | 6.28% | N/A^ | N/A^ | N/A^ |
| **2020** | $ 245,560,681 | -3.65% | **FY21** | $16,013,100 | SEG | 0.00% | 6.52% | N/A^ | N/A^ | N/A^ |
| **2021-Est.** | $ 248,554,384 | 1.22% | **FY22** | $18,513,100 | SEG | 15.61% | 7.45% | N/A^ | N/A^ | N/A^ |
| **2022-Est.** | $ 253,520,306 | 2.00% | **FY23** | $20,013,100 | SEG | 8.10% | 7.89% | N/A^ | N/A^ | N/A^ |
| **2023-Est.** | $ 255,592,240 | 0.82% | **FY24** | $20,013,100 | SEG | 0.00% | 7.83% | N/A^ | N/A^ | N/A^ |
| **2024-Est.** | $ 257,074,247 | 0.58% | **FY25** | $20,013,100 | SEG | 0.00% | 7.78% | N/A^ | N/A^ | N/A^ |

**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. Subsequently, 2019 Act xx made the $1,000,000 increase permanent.

^NA: The requirement to index Public Library System Aid to 13 percent 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 percent index level. The requirement that DPI request funding to achieve the 13 percent index was eliminated under 2017 Act 59.

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## DECISION ITEM 5002 – LIBRARY SERVICE CONTRACTS

***362 – Library service contracts***

***s. 20.255 (3)(r)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| **Requested Funding** | **$1,367,700** | **$1,397,500** |
| **Less Base** | **$1,367,700** | **$1,367,700** |
| **Requested Change** | **$0** | **$29,800** |

**Request**

The department requests an increase of $29,800 SEG in FY25 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 has been modified several times in the past during the state's biennial budget process. These changes reflected the estimated costs to continue for ongoing services under the library service contracts. Table 1 below presents the library service contracts appropriation history since FY14.

**Table 1. Library Service Contracts Appropriation History, FY14 through FY23**

| Fiscal Year | Appropriation | Change Over Prior Year |
|---|---|---|
| **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% |
| **FY22** | $1,355,300 | 0.96% |
| **FY23** | $1,367,700 | 0.91% |

The projected increases to the library service contracts for FY24 and FY25 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, 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 will be felt by library patrons – Wisconsin residents may be denied access to the various materials available only from the MPL and UW libraries.

**Table 2. Library Service Contracts in FY24 and FY25 Budget Projection**

| Contract | FY 23 Base | FY24 Projection | FY25 Projection |
|---|---|---|---|
| **UW-Madison** | $80,000 | $80,000 | $80,000 |
| **MPL-ILL** | $72,200 | $186,900 | $192,100 |
| **MPL-WTBBL** | $1,057,700 | $925,900 | $954,700 |
| **CCBC** | $157,800 | $165,700 | $170,700 |
| **Total Costs (Rounded)** | $1,367,700 | $1,358,500 | $1,397,500 |
| **Change to FY23 Base** | | -$9,200 | $29,800 |
| **DPI Request** | | **$0** | **$29,800** |

**Proposal**

The department requests $29,800 SEG in FY25 to maintain existing service levels under the library service contracts.

**Statutory Language**

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

## DECISION ITEM 5003 – BADGERLINK AND NEWSLINE FOR THE BLIND

***360 – Periodical and reference information databases; newsline for the blind***

***s. 20.255 (3)(q)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-24 Request | 2024-25 Request |
| Requested Funding | $3,387,300 | $3,486,300 |
| Less Base | $3,283,300 | $3,283,300 |
| Requested Change | $104,000 | $203,000 |

**Request**

The department requests $104,000 SEG in FY24 and $203,000 in FY25 to increase funding for the contracts with all current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind. The funding source for both services comes from the Universal Service Fund (USF), one of the state's segregated (SEG) funds.

**Background**

*BadgerLink*

BadgerLink is Wisconsin's online library which provides access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. BadgerLink began operation in July 1998, with 3,500 full text magazines and other resources from EBSCO, as well as about 40 newspapers from ProQuest. BadgerLink provides increased access to information resources for Wisconsin residents in cooperation with the state's public, school, academic, and special libraries. Funding for BadgerLink has come from SEG funds since the early 2000's; state support for BadgerLink is provided in the same appropriation as for Newsline for the Blind.

The department currently contracts with five vendors (EBSCO, Encyclopaedia Britannica, Inc., Wisconsin Newspaper Association, ProQuest and TeachingBooks.net, LLC) to provide access to a large volume of full-text information. Users can search approximately 20,000 full-text magazines, journals, newspapers, reference materials, and other specialized information sources. Included are over 8,000 full text magazines and journals, over 1,500 newspapers and newswires, and approximately 6,800 full textbooks. Full text articles are taken from 2,900 historical newspaper titles.

In addition, the BadgerLink vendors provide access to automobile repair manuals, company profiles, country economic reports, industrial reports and yearbooks, biographies, primary historical documents, charts, images, schematics, maps, poems, essays, speeches, plays, short stories, author audio programs and book readings, author video programs, book reviews or

discussion guides, and many other full text resources not available through regular internet search engines. When these resources are available through search engines such as Google, it is because Wisconsin has licensed the content to appear when searched through these search engines. BadgerLink also connects users to WISCAT (the online catalog of Wisconsin library holdings), OCLC WorldCat (an international database of library holdings), directories of libraries, digitized library collections, and other information.

Statewide contracts provide cost savings. Local library staff do not have to review vendor services and bids, negotiate with the vendor, pay invoices, monitor vendor performance, and arrange for training. If libraries, schools, universities, and other organizations had to purchase the databases in BadgerLink directly, it is estimated that it would cost them approximately $73-75 million.

*Newsline for the Blind*

Newsline for the Blind (Newsline) provides access to newspapers on a daily basis for people who cannot read print newspapers, using an automated electronic voice that can be accessed using a regular touch-tone telephone. The Regional Library for the Blind and Physically Handicapped (RLBPH) assists in providing the service by registering new users, providing technical support, and placing Wisconsin announcements and local information on the Newsline local channel.

Newsline provides access to 14 Wisconsin newspapers and over 365 national newspapers, news wire services, and some national magazines. The Wisconsin newspapers that are included in Newsline are: Appleton Post-Crescent, Fond du Lac Reporter, Green Bay Press-Gazette, Janesville Gazette, Herald Time Reporter (Manitowoc), La Crosse Tribune, Marshfield News-Herald, Milwaukee Journal Sentinel, Oshkosh Northwestern, Stevens Point Journal, The Sheboygan Press, Wausau Daily Herald, Wisconsin Rapids Daily Tribune, and Wisconsin State Journal/The Capital Times.

Newsline currently has more than 1,365 Wisconsin users registered. The average length of a call into Newsline is 15 minutes. Both usage and length of call have declined in recent years, peaking at over 2,300 registered users in 2008 and a call length of 25 minutes.

Non-statutory language included in 1997 Wisconsin Act 27 (Act 27, the 1997-99 biennial budget) required the department to enter into a two-year contract with the National Federation for the Blind (NFB) to provide Newsline services from the Madison and Milwaukee locations. The department was directed to use USF funds transferred into the department's appropriation under Wis. Stat. sec. 20.255 (1) (ke), from the Public Service Commission (PSC), to fund the Newsline contract. Initially, the statutes directed specific amounts be transferred to fund Newsline. However, beginning in FY02, the legislature instead enumerated the Newsline program as an allowable purpose for which USF revenues received from the PSC, in the department's appropriation for BadgerLink, could be used.

Table 2 below shows the contracted vendors and the cost of each contract under BadgerLink, the current and projected costs under Newsline, and total costs under the appropriation.

**Table 2. BadgerLink Contracts and Newsline for the Blind – Current and Projected Costs**

| | FY23 | FY24 | FY25 |
|---|---|---|---|
| **BadgerLink Databases** | | | |
| EBSCO (multiple databases) | $2,010,165 | $2,080,521 | $2,153,339 |
| Teaching Books | 73,218 | 75,415 | 77,677 |
| Proquest Multiple databases | 455,852 | 478,645 | 502,577 |
| Encyclopaedia Britannica | 274,500 | 290,000 | 290,000 |
| Wisconsin Newspaper Association | 327,025 | 327,025 | 327,025 |
| **TOTAL BADGERLINK COSTS (rounded)** | **$3,140,800** | **$3,251,600** | **$3,350,600** |
| | | | |
| **Newsline for the Blind** | | | |
| NFB Newsline contract | $38,500 | $38,500 | $38,500 |
| NFB Telecom | 3,000 | 3,000 | 3,000 |
| Hudson Star Observer (NEW) | | 5,000 | 5,000 |
| WTBBL Staff Costs (Regional Library Contract) | 78,400 | 78,400 | 78,400 |
| Newspaper Contracts | 10,000 | 10,000 | 10,000 |
| Printing | 800 | 800 | 800 |
| **TOTAL NEWSLINE COSTS (rounded)** | **$130,700** | **$135,700** | **$135,700** |
| | | | |
| **TOTAL COSTS for Appropriation** | **$3,271,500** | **$3,387,300** | **$3,486,300** |
| FY23 Base appropriation | $3,283,300 | | |
| **Required increase to fully fund (request)** | | **$104,000** | **$203,000** |

**Proposal**

The department requests $104,000 SEG in FY24 and $203,000 SEG FY25 to increase funding for the contracts with all current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind.

**Statutory Language**

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

## DECISION ITEM 5004 – RECOLLECTION WISCONSIN

### *363 – Recollection Wisconsin*

### *s. 20.255 (3)(s)*

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-4 Request | 2024-5 Request |
| Requested Funding | $150,000 | $300,000 |
| Less Base | $0 | $0 |
| Requested Change | $150,000 | $300,000 |

**Request**

The department requests $150,000 SEG in FY24 and $300,000 SEG in FY25 to provide a dedicated funding source 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.[38]

Recollection Wisconsin is a consortium administered by WiLS[39] 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)

[38] https://recollectionwisconsin.org/about/overview

[39] 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/

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 and FY21, the department provided $132,000 and $150,000 (respectively), solely from the department's 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.

**Table 1. Department Support for Recollection Wisconsin**

| | Fund Source / Appropriation | | |
|---|---|---|---|
| **Fiscal Year** | **LSTA (Federal)** | **Federal ARP Act* (LSTA)** | **WISELearn (State)** |
| **FY15** | $37,576 | | |
| **FY16** | $50,000 | | |
| **FY17** | $50,000 | | |
| **FY18** | $52,000 | | |
| **FY19** | $52,000 | | |
| **FY20** | | | $132,000 |
| **FY21** | | | $150,000 |
| **FY22** | | $150,000 | |
| **FY23** | $101,000 | | |

*American Rescue Plan (ARP) Act, 2021.

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).[40]

According to program staff, public libraries in rural parts of the state are less likely to have resources to do the kind of work that is facilitate with the Digital Projects Toolkit provided by the Recollection Wisconsin initiative. 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.

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

Currently, the majority of the department's support for Recollection Wisconsin comes from federal LSTA grants, though the department has used funding from its GPR appropriation for WISELearn to support Recollection Wisconsin (FY20 and FY21). 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. In FY22, the department reverted to using federal LSTA funding, and in FY23, the department will use additional one-time LSTA funding provided under the ARP Act.

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

The department requests that the state allocate additional segregated Universal Services Funds (SEG/USF) to support Recollection Wisconsin. One rationale for this approach is that, like the Newsline for the Blind services and BadgerLink databases, Recollection Wisconsin provides resources to all Wisconsin residents. Arguably, precedent exists – the state has already chosen to use SEG/USF funds to support public libraries and resources for lifelong learning for Wisconsin residents when it chose to allocate SEG/USF for public library system aid, library services contracts, Newsline for the Blind and BadgerLink, as well as for DPI's Digital Learning Collaborative (for the statewide web academy and for the delivery of digital content and collaborative instruction).

**Proposal**

The department requests the creation of a dedicated appropriation to provide a permanent source of state support for Recollection Wisconsin, at $150,000 SEG in FY24 and $300,000 SEG in FY25.

**Statutory Language**

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

## DECISION ITEM 5005 – ADULT LITERACY GRANTS

### *301 – Adult literacy grants*

### *s. 20.255 (3)(b)*

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-4 Request | 2024-5 Request |
| Requested Funding | $150,000 | $150,000 |
| Less Base | $83,200 | $83,200 |
| Requested Change | $66,800 | $66,800 |

**Request**

The department requests increases of $66,800 GPR in FY24 and $66,800 GPR in FY25 in the appropriation for adult literacy grants.

**Background**

The department awards a grant in the amount of $83,200 annually from the appropriation under Wis. Stat. sec. 20.255 (3)(b). As directed in current law, the department awards the grant to a nonprofit organization to support programs that train community-based adult literacy staff and to establish new volunteer-based programs in areas of this state that have a demonstrated need for adult literacy services.

Since FY17, the funding for the adult literacy grant has been awarded to Wisconsin Literacy, Inc. The organization's informational material indicates that Wisconsin Literacy, Inc. supports member literacy agencies statewide and advocates for more resources throughout the field of literacy.[41] The organization works with local literacy agencies to build their capacity to provide effective literacy services, and as part of its mission generally, provides literacy program support, health literacy workshops, varoius trainings, workforce support, and advocacy for adjult literacy. According to the Wisconsin Literacy, Inc. webite, the literacy support provided by the organization reaches 88% of Wisconsin counties through service to local literacy members.

Wisconsin Literacy Inc. partners with several other organizations, including this department (DPI), several Wisconsin state agencies – Children and Families, Health Services, Corrections, and Workforce Development – as well as the Wisconsin Technical College System, and numerous healthcare organizations. These partnerships work to streamline services and better prepare adult learner to advance their education, health, and careers.

[41] Wisconsin Literacy, Inc., website: https://wisconsinliteracy.org/about/

**Proposal**

The appropriation for adult literacy grants has been flat funded since FY14. Under 2013 Act 20 (the 2013-15 biennial budget), the Legislature increased funding from $62,400 to $83,200 (current level), effective in FY14. Thus, the grant has remained flat for nearly 10 years, despite general increases in inflation during that period. In increase in funding from the state grant would provide additioanal resources for Wisconsin Literacy, Inc. to provide services to more individuals throughout the state.

The department requests increases of $66,800 GPR in FY24 and $66,800 GPR in FY25 in the appropriation for adult literacy grants.

**Statutory Language**

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

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## STATE AGENCY OPERATIONS AND STANDARD BUDGET ADJUSTMENTS

## DECISION ITEM 7001 – STAFFING SUPPORT FOR STATE PROGRAMS

***101 – General program operations***

***s. 20.255 (1)(a)***

| FISCAL SUMMARY | | |
|---|---|---|
| | 2023-4 Request | 2024-5 Request |
| Requested Funding | $14,026,600 | $14,125,300 |
| Less Base | $13,696,600 | $13,696,600 |
| Requested Change | $330,000 | $428,700 |

**Request**

The department requests increases of $330,000 GPR in FY24 and $428,700 GPR FY25, and position authority for 4.0 full time equivalent (FTE) positions beginning in FY24, in its appropriation for general program operations.

**Proposal**

The department requests the creation of GPR position authority for 4.0 FTE positions and the requisite funding for salary and fringe benefit costs, as well as for the supplies and services budget line for associated costs. Specifically, the amounts requested by budget line are shown in

*Division for Finance and Management, School Financial Services (SFS) Team/Parental Education Options (PEO) Team – School Administration Consultant (2.0 FTE)*

Two of the requested positions would be allocated to support work performed by the SFS team and potentially also the PEO team. The **SFS team** is responsible for all processes underlying the calculation of state general/equalization aids and school district revenue limits, as well as calculating eligibility for several state-funded categorical aids, including special education aids, transportation aids, school library aids, and state tuition. The underlying processes include assisting school districts with required financial reports, auditing reports, and maintaining the Wisconsin Uniform Financial Accounting Requirements (WUFAR). They are also responsible for determining the reductions to apply to school districts' state general aid payments related to ICS (new authorizers), private school parental choice programs (Racine and Wisconsin, and until FY25, the Milwaukee program), and the SNSP. The team is a critical resource for schools, providing information on several topics related to school finance and management, from counting pupils (for state aid and revenue limits), understanding school district requirements

(e.g., transporting pupils), completing a district's revenue limit worksheet, completing required reports, and understanding school finance generally.

At this time, the SFS team has one position that is able to dedicate time to running calculations for state general/equalization aid and revenue limits for all school districts (421), and has relied on limited term employee (LTE) to serve as backup for this critical function. This work is very specialized, requiring deep understanding of state laws on counting pupils for aid and revenue limit purposes, as well as of the specific mechanics of both the general/equalization aid formula and school district revenue limit calculations. The individual currently supporting the team's work as an LTE has substantial history working in this area (both at the department and as a school business manager), but will be leaving in October (2022). Due to the highly specialized nature of the work, it is not practical to expect that the team will be able to replace this function with another LTE appointment. It is therefore critical that the department obtain another permanent position to assist with this work on the SFS team.

An additional need on the SFS team has to do with leading the departments work implementing a public-facing school financial data tool, as required under 2021 Act 89 (enacted in November 2021). This Act established a committee to recommend the items for the department to include in the new, public-facing financial data tool about Wisconsin school districts (and independent charter schools, where possible) on the department's website. The committee's report will be due February 1, 2023, with implementation in 2023-24. The team will require additional support to implement the tool and maintain necessary data review to effectively increase financial transparency, as required by Act 89. In addition, the position could be utilized to increase department's capacity to analyze revenue limits, calculate general school aids, administer other state categorical aids, and review LEA expenditures and revenues.

In addition to the support required for the SFS team, the department has identified needs to support the work of the **PEO team**, which has responsibility for overseeing the various K-12 educational options available to families under Wisconsin law: public school open enrollment, school district charter schools and ICS, the state's three private school parental choice programs, and the SNSP. The PEO team provides technical assistance to school districts, schools, families, and the public in the various educational options, including with questions about private schools (non-private school choice programs) and home-based private education programs (home school). The PEO team conducts a significant amount of IT programming work to maintain the various systems used by parents and schools, as well as auditing programs.

The department seeks 2.0 FTE additional GPR positions to assist with the work of these teams. It is likely that one position would be deployed as a School Administration Consultant position on the SFS team, to assist with supporting the implementation of the school financial data tool and with the work related to calculating state general aids and revenue limits. The position for the PEO team could be deployed as an Education Consultant or potentially an Auditor-Advanced positions (both positions are in the same pay schedule and pay range, thus the budgeted costs for both classifications is the same).

*Division for Learning Support, Student Services/Prevention and Wellness (SSPW) Team – Education Consultant (1.0 FTE)*

One of the requested positions would be allocated to support state funded-competitive grants that are administered by staff on the SSPW team. The team administers multiple state funded grants that impact students from PK-12th grade, including: AODA programs, AODA mini-grants, Peer-to-Peer Suicide Prevention grants, and school mental health programs. Many school districts are unable to apply for competitive grants, due to lack of staffing resources/capacity, which means that many students do not get access to the supports provided by these grant funds. Providing detailed grant writing and grant organizational support will take the burden off districts, especially small rural districts, which will better equalize grant funding across the state.

This Education Consultant position requested for the SSPW team would provide school districts with grant writing workshops to support school staff in the grant writing process. Grant writing workshops would be available to all districts, especially small rural districts that don't have the resources or bandwidth to train their staff in grant writing. This position would provide the SSPW team with grant organizational support for all state funded grant competitions, including preparing the grant competition materials, the application/grant review process, and all other state grant making processes.

While there is a significant need currently for a dedicated position to perform this work for existing state-funded grant programs, the department would also utilize this Education Consultant position to support new state-funded programs approved under the department's 2023-25 biennial budget proposal that would be administered by the SSPW team (e.g., state-funded out-of-school time grants, drivers education aid, new state-funded AODA grant, and modified school mental health grant/aid programs).

*Division for Libraries and Technology (team TBD) – Information Technology Management Consultant (1.0 FTE)*

One of the requested positions would be used within the department's Division for Libraries and Technology to fortify the department's cybersecurity capabilities. Cybersecurity is a plan for protecting networks, applications and data from unlawful access and the practice of guaranteeing confidentiality, integrity, and the availability of information. The department seeks additional position authority and funding to develop and implement a comprehensive cybersecurity plan for critical infrastructure, data, systems, and user accounts.

The department manages various major IT systems that store personally identifiable information (PII) and interface with internal and external systems and users. Robust protection benefits citizens, businesses and other government partners who depend on the department's critical information systems and who trust the agency to keep their personal data secured.

The scope, scale, and complexity of cyberattacks is increasing each year. The department has been engaged in 12 such cybersecurity incidents either directly or indirectly (through LEAs) through July of this year alone, representing nearly a 40% increase for the same period in 2021.

While existing resources have maintained the systems, the department is working towards a comprehensive agency-wide investment and plan to strengthen cybersecurity across all of the department's platforms. An agency-wide commitment would dedicate funding regardless of individual program funding availability, since a vulnerability in a smaller system can compromise more critical areas of the network (i.e., rather than seek a PR-S position and charge back internally to programs that may not have underlying resources to support the charges, the department seeks a dedicated GPR position for this function).

While some fundamental cybersecurity is in place, technology is constantly evolving—both the technology the department uses for service delivery, and technology hackers have for exploiting system weakness, so cybersecurity efforts must be ongoing and comprehensive. Additional information on the department's request for this position can be found in Appendix to this DIN.

**Projected Costs for Requested Positions**

The amounts requested for salary are based on the minimum of the pay range for the requested classification, for 9 months in FY24 and a full 12 months for FY25 (2080 hours annually). The fringe benefit costs are calculated using the full fringe rate for the department as determined by the Department of Administration (41.94 percent of salary costs). The amounts requested on the supplies and services line reflect estimates for agency fixed cost allocations (12 percent of salary costs); the internal charge back for employee computing devices and general IT support ($6,500 annually); and an additional $1,500 to support employee training or professional development. Table 1 shows the estimated cost for each position, by budget line, for FY24 and FY25.

The positions are requested for four program areas in the department.

**Table 1. Projected Cost for 4.0 FTE Positions**

| Classification [Schedule-Pay Range] | FY24 – Total Costs (9 months) | FY25 – Total Costs (12 months) |
|---|---|---|
| School Administration Consultant (PEO) [13-02]* | $78,400 | $101,800 |
| School Administration Consultant (SFS) [13-02] | 78,400 | 101,800 |
| Education Consultant (SSPW) [13-02] | 78,400 | 101,800 |
| Information Technology Mngt. Consultant (DLT) [70-02] | 94,800 | 123,300 |
| **TOTAL – ALL POSITIONS** | **330,000** | **428,700** |
| **BREAKDOWN BY BUDGET LINE** | | |
| **School Administration Consultant (PEO)** | **FY24** | **FY25** |
| Salary | $45,300 | $60,400 |
| Fringe | $19,000 | $25,400 |
| Supplies and Services | $14,100 | $16,000 |
| **Subtotal** | **$78,400** | **$101,800** |
| **School Administration Consultant (SFS)** | **FY24** | **FY25** |
| Salary | $45,300 | $60,400 |
| Fringe | $19,000 | $25,400 |
| Supplies and Services | $14,100 | $16,000 |
| **Subtotal** | **$78,400** | **$101,800** |
| **Education Consultant (SSPW)** | **FY24** | **FY25** |
| Salary | $45,300 | $60,400 |
| Fringe | $19,000 | $25,400 |
| Supplies and Services | $14,100 | $16,000 |
| **Subtotal** | **$78,400** | **$101,800** |
| **Information Technology Mngt. Consultant** | **FY24** | **FY25** |
| Salary | $56,300 | $75,000 |
| Fringe | $23,700 | $31,300 |
| Supplies and Services | $14,800 | $17,000 |
| **Subtotal** | **$94,800** | **$123,300** |
| **TOTAL for all positions by budget line** | **FY24** | **FY25** |
| Salary | $192,200 | $256,200 |
| Fringe | $80,700 | $107,500 |
| Supplies and Services | $57,100 | $65,000 |
| **TOTAL – ALL POSITIONS** | **$330,000** | **$428,700** |

*The position requested for the PEO team would filled as either a School Administration Consultant or an Auditor-Advanced; these two classifications are in counterpart pay ranges, so the starting hourly salary is the same for both.

**Appendix – Request for Cybersecurity Position in the Division for Libraries and Technology**

Cybersecurity is a plan for protecting networks, applications and data from unlawful access and the practice of guaranteeing confidentiality, integrity, and the availability of information. The department seeks additional position authority and funding to develop and implement a comprehensive cybersecurity plan for critical infrastructure, data, systems, and user accounts.

State government has always been responsible for securing citizens' private information. Storing sensitive physical documents required locked facilities, rules around access, and other safeguards. When agencies adopted computer technology in the 1980's and 1990's, they primarily used Mainframe systems and began to adopt security measures like Resource Access Control Facility (RACF) and encryption to keep data secure.

As technology continues to evolve, government is under pressure to transition to more mobile, user-friendly, online service delivery, requiring modern tools like digital data exchange and cloud-based environments. What was once a single physical access point has become a honeycomb of pathways to protect and cyberattacks are increasingly frequent and sophisticated.

The department manages various major IT systems that store personally identifiable information (PII) and interface with internal and external systems and users. Robust protection benefits citizens, businesses and other government partners who depend on the department's critical information systems and who trust the agency to keep their personal data secured.

The department is not alone in focusing more attention on cybersecurity. The Federal Information Security Modernization Act of 2014 (FISMA)[1] amended existing laws to enable the federal government to better respond to increasing cyber-attacks on agencies. Wisconsin's Legislative Reference Bureau (LRB) published a report in 2019 titled "Data Breaches: Risk, Recovery & Regulation"[2] and another in 2020 called "Ransomware Attacks: Lessons for Wisconsin State and Local Government,"[3] sounding alarm bells and recommending actions. LRB advocates a "cyclical process for preparing for and dealing with data breaches," including preparation, detection, containment, recovery, and remediation.

In its FY2020-21 single audit of the department, the Legislative Audit Bureau (LAB) identified[4] the department's audit, access reviews, and data classification as a security concern, saying "the department did not retain audit records", and "the department did not complete access reviews for all accounts, including privileged accounts, as required by the WI Access Control Standard", and "the department did not classify all information assets per WI Data Classification Standard".

From the Executive branch, the U.S. Department of Commerce's National Institute of Standards and Technology[5] (NIST) researches and creates guidelines on federal information system security. NIST's *Special Publication 800-53 Revision 5*[6] defines recommended baseline security controls for governmental organizations under FISMA. Wisconsin's Department of Administration (DOA) uses this publication as the foundational framework for its IT security policies and standards in the *State of Wisconsin IT Security Policy Handbook*.[7] The department is

bound to these policies and is advised to also "employ more rigorous policies and standards in relation to agency-specific applications and processes."

In March 2022 DOA presented to state IT Directors on the need for cybersecurity preparedness. They said *"there is increasing pressure and incentive to not only ensure security at the network level but also within applications themselves. One reason for this is because hackers are going after apps with their attacks more today than in the past."* DOA then recommended that all agencies take the following steps:

- Identify sensitive data in applications: review application inventory and all its components
- Identify possible threats: review application logs and other information to watch for threats
- Analyze the security: have the application and its components been patched appropriately?
- Rank vulnerabilities, levels of risk, and mitigations: some components of technical debt might not have patching capabilities and so make sure to look at limiting exposure, reducing the number of people with access, and prioritizing the work needed to do based upon the associated risk.

The department is currently in compliance with Wisconsin's basic IT security policies and standards. The department backs up critical systems on an automatic and regular schedule. DLT staff provide annual training which encourages "employees to recognize, avoid, and report cybersecurity incidents." To date the department has fended off or remediated individual cyberattacks with existing resources.

The scope, scale, and complexity of cyberattacks is increasing each year. The department has been engaged in 12 such cybersecurity incidents either directly or indirectly with LEAs through July of 2022 alone, representing nearly a 40 percent increase for the same period in 2021.

While existing resources have maintained the systems, we are seeking a comprehensive agency-wide investment and plan to strengthen cybersecurity across all of the department's platforms. An agency-wide commitment would dedicate funding regardless of individual program funding availability, since a vulnerability in a smaller system can compromise more critical areas of the network. And while some fundamental cybersecurity is in place, technology is constantly evolving—both the technology the department uses for service delivery, and technology hackers have for exploiting system weakness, so cybersecurity efforts must be ongoing and comprehensive.

The department has executed multiple large-scale IT projects in recent years, and that there continues to be appetite to change and upgrade technology on a regular basis. A centralized effort employing IT staff with a security focus and a bird's eye view could logically identify shared efficiencies and best practices. It could help ensure that security does not fall through the cracks while individual project teams work under tight deadlines and inescapable staffing constraints. It could help the department be more proactive than reactive in the long-term, which would save money and the complications associated with breaches in IT security.

## DECISION ITEM 7002 – LICENSING FEE APPLICATION REVENUE

***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 Licensing, Educator Advancement and Development (LEAD) team [formerly called the Teacher Education, Professional Development, and Licensing] in the department.

### Background

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. 115.28 (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 LEAD 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 LEAD 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.

**Change Appropriation to Continuing**

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

The workload of the LEAD team 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 LEAD 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 leads to the continued five- year cycle of peaks and troughs in workload.

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 LEAD 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.

**Elimination of 10 Percent Lapse of Licensing Application Fee Revenue**

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 LEAD team in is educator licensing duties. Because the licensing application fee revenue collected by the department varies from year to year (within the five-year cycle), so too does the lapse amount; the lapse amount ranges from approximately $300,000 to $400,000 each year. The lapsed fee revenue goes to the state's general fund, becoming a general purpose revenue used

for the state's overall biennial budget. While the lapse amount from this appropriation is a very small amount in the context of the state's general fund – less than 2/1,000ths of a percent of the state's FY23 general purpose revenue appropriations ($19,752,699,400)[42].

**Proposal**

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 state's 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 via the allotment process). The department is not proposing or planning to raise educator licensing fees at this time or during the 2023-25 biennium.

**Statutory Language**

The department is proposing statutory language changes for this request.

[42] Legislative Fiscal Bureau, "Summary of Provisions – 2021 Act 58" [2021-23 biennial budget], August 2021 (p. 9) – Non-Compensation Reserve GPR Appropriations.

## DECISION ITEM 7010 – PROGRAM REVENUE REESTIMATES

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| Numeric Appropriation | Alpha Appropriation | 2023-24 Request | 2024-25 Request |
| 122 [PR] | s. 20.255(1)(hg) | $5,900 | $5,900 |
| 125 [PR] | s. 20.255 (1) (jg) | ($125,100) | ($125,100) |
| 131 [PR-S] | s. 20.255 (1) (ks) | $1,561,400 | $1,561,400 |
| 172 [PR] | s. 20.255 (1)(gL) | $10,000 | $10,000 |
| Total | | $1,446,300 | $1,446,300 |

The department requests an increase of $1,561,500 PR-S in FY24 and FY25, and a decrease of $109,200 PR in FY24 and FY25, to reflect projected changes in revenues received a multiple appropriations.

## STANDARD BUDGET ADJUSTMENTS

## DECISION ITEM 3001 – TURNOVER REDUCTION

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **101** | **s. 20.255 (1) (a)** | -$488,800 | -$488,800 |
| **141** | **s. 20.255 (1) (me)** | -$547,600 | -$547,600 |
| **Total** | | **-$1,036,400** | **-$1,036,400** |

The department requests -$488,800 GPR and -$547,600 PR-FED in FY24 and in FY25 as the department's required turnover reduction in appropriations funding more than 50 FTE permanent positions.

## DECISION ITEM 3002 – NONCONTINUING ITEMS

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **132** | **s. 20.255 (1) (ke)** | -$54,500 | -$109,000 |
| **Total** | | **-$54,500** | **-$109,000** |

The department is removing $54,500 PR-S in FY24 and $109,000 FY25 to remove an ending project position as of December 31, 2023. The amount requested is based on salary amounts provided in the adjusted base funding level. Fringe benefits are calculated at the variable fringe rate of 41.94 percent. The request removes 1.0 PR-S FTE beginning in FY24.

## DECISION ITEM 3003 – FULL FUNDING OF CONTINUING SALARIES AND FRINGE

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **101** | **s. 20.255 (1) (a)** | -$265,700 | -$265,700 |
| **102** | **s. 20.255 (1) (b)** | $86,700 | $86,700 |
| **122** | **s. 20.255 (1) (hg)** | -$5,700 | -$5,700 |
| **123** | **s. 20.255 (1) (j)** | -$2,400 | -$2,400 |
| **124** | **s. 20.255 (1) (i)** | -$8,100 | -$8,100 |
| **125** | **s. 20.255 (1) (jg)** | $10,100 | $10,100 |
| **130** | **s. 20.255 (1) (hj)** | $1,700 | $1,700 |
| **131** | **s. 20.255 (1) (ks)** | -$106,200 | -$106,200 |
| **132** | **s. 20.255 (1) (ke)** | $93,700 | $93,700 |
| **133** | **s. 20.255 (1) (kd)** | $100 | $100 |
| **134** | **s. 20.255 (1) (hm)** | -$900 | -$900 |
| **141** | **s. 20.255 (1) (me)** | $833,100 | $833,100 |
| **146** | **s. 20.255 (1) (pz)** | -$311,400 | -$311,400 |
| **Total** | | **$325,000** | **$325,000** |

The department requests -$179,000 GPR, -$4,400 PR, -$13,300 PR-S, and $521,700 PR-FED in FY24 and FY25 to adjust the amount needed to fully fund salary and fringe costs at base FY23 levels.

## DECISION ITEM 3007 – OVERTIME

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **101** | **s. 20.255 (1) (a)** | $10,300 | $10,300 |
| **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)** | $9,600 | $9,600 |
| **133** | **s. 20.255 (1) (kd)** | $600 | $600 |
| **141** | **s. 20.255 (1) (me)** | $27,800 | $27,800 |
| **146** | **s. 20.255 (1) (pz)** | $14,000 | $14,000 |
| **Total** | | **$329,600** | **$329,600** |

The department requests $273,900 GPR, $3,600 PR, $10,300 PR-S, and $41,800 PR-F in FY24 and FY25 to restore funds for overtime differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2021 Act 58. Fringe benefits are calculated at the variable fringe rate of 15.35 percent.

## DECISION ITEM 3008 – NIGHT AND WEEKEND DIFFERENTIAL

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **101** | **s. 20.255 (1) (a)** | $500 | $500 |
| **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)** | $200 | $200 |
| **Total** | | **$55,900** | **$55,900** |

The department requests $55,400 GPR, $200 PR-S and $400 PR-F in FY24 and FY25 to restore funds for night and weekend differential removed in the full funding calculation. The amount requested is based on salary amounts approved in 2021 Wisconsin Act 58. Fringe benefits are calculated at the variable fringe rate of 15.35 percent.

## DECISION ITEM 3011 – MINOR TRANSFERS WITHIN THE SAME ALPHA APPROPRIATION

**See appropriations below.**

| FISCAL SUMMARY | | | |
|---|---|---|---|
| **Numeric Appropriation** | **Alpha Appropriation** | **2023-24 Request** | **2024-25 Request** |
| **101** | **s. 20.255 (1) (a)** | $13,696,600 | $13,696,600 |
| **101 sub. 1** | **s. 20.255 (1) (a)** | -$2,181,000 | -$2,181,000 |
| **101 sub. 2** | **s. 20.255 (1) (a)** | -$703,700 | -$703,700 |
| **101 sub. 3** | **s. 20.255 (1) (a)** | -$4,878,600 | -$4,878,600 |
| **101 sub. 4** | **s. 20.255 (1) (a)** | -$1,798,600 | -$1,798,600 |
| **101 sub. 5** | **s. 20.255 (1) (a)** | -$35,000 | -$35,000 |
| **101 sub. 6** | **s. 20.255 (1) (a)** | -$33,200 | -$33,200 |
| **101 sub. 8** | **s. 20.255 (1) (a)** | -$1,693,900 | -$1,693,900 |
| **101 sub. 9** | **s. 20.255 (1) (a)** | -$2,372,600 | -$2,372,600 |
| **102** | **s. 20.255 (1) (b)** | $13,252,900 | $13,252,900 |
| **102 sub. 2** | **s. 20.255 (1) (b)** | -$335,500 | -$335,500 |
| **102 sub. 5** | **s. 20.255 (1) (b)** | -$7,498,500 | -$7,498,500 |
| **102 sub. 6** | **s. 20.255 (1) (b)** | -$5,418,900 | -$5,418,900 |
| **103** | **s. 20.255 (1) (c)** | $428,300 | $428,300 |
| **103 sub. 5** | **s. 20.255 (1) (c)** | -$229,400 | -$229,400 |
| **103 sub. 6** | **s. 20.255 (1) (c)** | -$198,900 | -$198,900 |
| **104** | **s. 20.255 (1) (d)** | $904,700 | $904,700 |
| **104 sub. 7** | **s. 20.255 (1) (d)** | -$904,700 | -$904,700 |
| **105** | **s. 20.255 (1) (dw)** | $16,558,400 | $16,558,400 |
| **105 sub. 4** | **s. 20.255 (1) (dw)** | -$16,558,400 | -$16,558,400 |
| **106** | **s. 20.255 (1) (e)** | $3,400,000 | $3,400,000 |
| **106 sub. 8** | **s. 20.255 (1) (e)** | -$3,400,000 | -$3,400,000 |
| **107** | **s. 20.255 (1) (em)** | $1,100,000 | $1,100,000 |
| **107 sub. 1** | **s. 20.255 (1) (em)** | -$1,100,000 | -$1,100,000 |
| **108** | **s. 20.255 (1) (ek)** | $3,038,100 | $3,038,100 |
| **108 sub. 8** | **s. 20.255 (1) (ek)** | -$3,038,100 | -$3,038,100 |
| **109** | **s. 20.255 (1) (ee)** | $973,300 | $973,300 |
| **109 sub. 1** | **s. 20.255 (1) (ee)** | -$973,300 | -$973,300 |
| **110** | **s. 20.255 (1) (eL)** | $1,159,000 | $1,159,000 |
| **110 sub. 8** | **s. 20.255 (1) (eL)** | -$1,159,000 | -$1,159,000 |
| **113** | **s. 20.255 (1) (cm)** | $1,900 | $1,900 |
| **113 sub. 5** | **s. 20.255 (1) (cm)** | -$900 | -$900 |
| **113 sub. 6** | **s. 20.255 (1) (cm)** | -$1,000 | -$1,000 |
| **114** | **s. 20.255 (1) (eg)** | $1,500,000 | $1,500,000 |
| **114 sub. 1** | **s. 20.255 (1) (eg)** | -$1,500,000 | -$1,500,000 |
| **115** | **s. 20.255 (1) (f)** | $2,151,000 | $2,151,000 |
| **115 sub. 4** | **s. 20.255 (1) (f)** | -$2,151,000 | -$2,151,000 |

| Numeric Appropriation | Alpha Appropriation | 2023-24 Request | 2024-25 Request |
|---|---|---|---|
| 118 | s. 20.255 (1) (ep) | $420,000 | $420,000 |
| 118 sub. 2 | s. 20.255 (1) (ep) | -$420,000 | -$420,000 |
| 119 | s. 20.255 (1) (ge) | $4,309,500 | $4,309,500 |
| 119 sub. 1 | s. 20.255 (1) (ge) | -$4,309,500 | -$4,309,500 |
| 120 | s. 20.255 (1) (jz) | $10,000 | $10,000 |
| 120 sub. 3 | s. 20.255 (1) (jz) | -$10,000 | -$10,000 |
| 121 | s. 20.255 (1) (g) | $100 | $100 |
| 121 sub. 6 | s. 20.255 (1) (g) | -$100 | -$100 |
| 122 | s. 20.255 (1) (hg) | $4,871,900 | $4,871,900 |
| 122 sub. 1 | s. 20.255 (1) (hg) | -$4,752,700 | -$4,752,700 |
| 122 sub. 9 | s. 20.255 (1) (hg) | -$119,200 | -$119,200 |
| 123 | s. 20.255 (1) (j) | $145,500 | $145,500 |
| 123 sub. 3 | s. 20.255 (1) (j) | -$145,500 | -$145,500 |
| 124 | s. 20.255 (1) (i) | $145,300 | $145,300 |
| 124 sub. 9 | s. 20.255 (1) (i) | -$145,300 | -$145,300 |
| 125 | s. 20.255 (1) (jg) | $10,114,700 | $10,114,700 |
| 125 sub. 3 | s. 20.255 (1) (jg) | -$10,114,700 | -$10,114,700 |
| 126 | s. 20.255 (1) (jm) | $106,300 | $106,300 |
| 126 sub. 6 | s. 20.255 (1) (jm) | -$106,300 | -$106,300 |
| 127 | s. 20.255 (1) (jr) | $1,250,000 | $1,250,000 |
| 127 sub. 3 | s. 20.255 (1) (jr) | -$1,250,000 | -$1,250,000 |
| 128 | s. 20.255 (1) (jr) | $250,000 | $250,000 |
| 128 sub. 5 | s. 20.255 (1) (jr) | -$10,000 | -$10,000 |
| 128 sub. 6 | s. 20.255 (1) (jr) | -$240,000 | -$240,000 |
| 129 | s. 20.255 (1) (km) | $8,100 | $8,100 |
| 129 sub. 8 | s. 20.255 (1) (km) | -$8,100 | -$8,100 |
| 130 | s. 20.255 (1) (hj) | $122,600 | $122,600 |
| 130 sub. 1 | s. 20.255 (1) (hj) | -$122,600 | -$122,600 |
| 131 | s. 20.255 (1) (ks) | $9,544,600 | $9,544,600 |
| 131 sub. 8 | s. 20.255 (1) (ks) | -$9,544,600 | -$9,544,600 |
| 132 | s. 20.255 (1) (ke) | $3,082,300 | $3,082,300 |
| 132 sub. 1 | s. 20.255 (1) (ke) | -$2,515,300 | -$2,515,300 |
| 132 sub. 2 | s. 20.255 (1) (ke) | -$217,500 | -$217,500 |
| 132 sub. 3 | s. 20.255 (1) (ke) | -$134,300 | -$134,300 |
| 132 sub. 8 | s. 20.255 (1) (ke) | -$215,200 | -$215,200 |
| 133 | s. 20.255 (1) (kd) | $640,700 | $640,700 |
| 133 sub. 2 | s. 20.255 (1) (kd) | -$626,200 | -$626,200 |
| 133 sub. 3 | s. 20.255 (1) (kd) | -$14,500 | -$14,500 |
| 134 | s. 20.255 (1) (hm) | $161,800 | $161,800 |
| 134 sub. 2 | s. 20.255 (1) (hm) | -$161,800 | -$161,800 |
| 135 | s. 20.255 (1) (im) | $141,100 | $141,100 |
| 135 sub. 8 | s. 20.255 (1) (im) | -$141,100 | -$141,100 |
| 136 | s. 20.255 (1) (gt) | $1,210,000 | $1,210,000 |
| 136 sub. 6 | s. 20.255 (1) (gt) | -$1,210,000 | -$1,210,000 |

| Numeric Appropriation | Alpha Appropriation | 2023-24 Request | 2024-25 Request |
|---|---|---|---|
| **141** | **s. 20.255 (1) (me)** | $53,593,100 | $53,593,100 |
| **141 sub. 1** | **s. 20.255 (1) (me)** | -$3,426,400 | -$3,426,400 |
| **141 sub. 2** | **s. 20.255 (1) (me)** | -$12,365,600 | -$12,365,600 |
| **141 sub. 3** | **s. 20.255 (1) (me)** | -$8,102,600 | -$8,102,600 |
| **141 sub. 4** | **s. 20.255 (1) (me)** | -$21,044,100 | -$21,044,100 |
| **141 sub. 5** | **s. 20.255 (1) (me)** | -$3,133,200 | -$3,133,200 |
| **141 sub. 6** | **s. 20.255 (1) (me)** | -$1,638,900 | -$1,638,900 |
| **141 sub. 8** | **s. 20.255 (1) (me)** | -$3,882,300 | -$3,882,300 |
| **146** | **s. 20.255 (1) (pz)** | $5,639,500 | $5,639,500 |
| **146 sub. 1** | **s. 20.255 (1) (pz)** | -$279,600 | -$279,600 |
| **146 sub. 2** | **s. 20.255 (1) (pz)** | -$14,200 | -$14,200 |
| **146 sub. 3** | **s. 20.255 (1) (pz)** | -$3,951,800 | -$3,951,800 |
| **146 sub. 4** | **s. 20.255 (1) (pz)** | -$33,500 | -$33,500 |
| **146 sub. 8** | **s. 20.255 (1) (pz)** | -$156,900 | -$156,900 |
| **146 sub. 9** | **s. 20.255 (1) (pz)** | -$1,203,500 | -$1,203,500 |
| **161** | **s. 20.255 (1) (q)** | $1,000,000 | $1,000,000 |
| **161 sub. 1** | **s. 20.255 (1) (q)** | -$1,000,000 | -$1,000,000 |
| **172** | **s. 20.255 (1) (gL)** | $2,000 | $2,000 |
| **172 sub. 5** | **s. 20.255 (1) (gL)** | -$800 | -$800 |
| **172 sub. 6** | **s. 20.255 (1) (gL)** | -$1,200 | -$1,200 |
| **174** | **s. 20.255 (1) (gs)** | $7,000 | $7,000 |
| **174 sub. 5** | **s. 20.255 (1) (gs)** | -$4,600 | -$4,600 |
| **174 sub. 6** | **s. 20.255 (1) (gs)** | -$2,400 | -$2,400 |
| **301** | **s. 20.255 (3) (b)** | $83,200 | $83,200 |
| **301 sub. 1** | **s. 20.255 (3) (b)** | -$20,800 | -$20,800 |
| **301 sub. 2** | **s. 20.255 (3) (b)** | -$62,400 | -$62,400 |
| **308** | **s. 20.255 (3) (fg)** | $100,000 | $100,000 |
| **308 sub. 1** | **s. 20.255 (3) (fg)** | -$25,000 | -$25,000 |
| **308 sub. 2** | **s. 20.255 (3) (fg)** | -$75,000 | -$75,000 |
| **310** | **s. 20.255 (3) (fz)** | $1,931,500 | $1,931,500 |
| **310 sub. 2** | **s. 20.255 (3) (fz)** | -$1,931,500 | -$1,931,500 |
| **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.

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## AGENCY TOTAL BY FUND SOURCE

| | | ANNUAL SUMMARY | | | | | | BIENNIAL SUMMARY | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Source of Funds** | | **Prior Year Total** | **Adjusted Base** | **1st Year Total** | **2nd Year Total** | **1st Year FTE** | **2nd Year FTE** | **Base Year Doubled (BYD)** | **Biennial Request** | **Change From (BYD)** | **Change From BYD %** |
| GPR | A | $510,281,810 | $562,620,600 | $621,344,500 | $720,153,100 | 0.00 | 0.00 | $1,125,241,200 | $1,341,497,600 | $216,256,400 | 19.20% |
| GPR | L | $6,218,357,549 | $6,607,452,100 | $7,318,615,600 | $8,138,888,000 | 0.00 | 0.00 | $13,214,904,200 | $15,457,503,600 | $2,242,599,400 | 17.00% |
| GPR | S | $50,982,129 | $55,809,100 | $56,681,700 | $57,542,600 | 256.47 | 255.47 | $111,618,200 | $114,224,300 | $2,606,100 | 2.30% |
| **Total** | | $6,779,621,488 | $7,225,881,800 | $7,996,641,800 | $8,916,583,700 | 256.47 | 255.47 | $14,451,763,600 | $16,913,225,500 | $2,461,461,900 | 17.00% |
| PR | L | $32,705,602 | $17,507,500 | $17,741,400 | $17,741,400 | 0.00 | 0.00 | $35,015,000 | $35,482,800 | $467,800 | 1.30% |
| PR | S | $76,432,405 | $36,123,500 | $37,932,800 | $37,988,400 | 77.69 | 77.69 | $72,247,000 | $75,921,200 | $3,674,200 | 5.10% |
| **Total** | | $109,138,007 | $53,631,000 | $55,674,200 | $55,729,800 | 77.69 | 77.69 | $107,262,000 | $111,404,000 | $4,142,000 | 3.90% |
| PR Federal | A | $80,863,082 | $62,868,500 | $62,868,500 | $62,868,500 | 0.00 | 0.00 | $125,737,000 | $125,737,000 | $0 | 0.00% |
| PR Federal | L | $1,278,451,702 | $761,933,500 | $761,933,500 | $761,933,500 | 0.00 | 0.00 | $1,523,867,000 | $1,523,867,000 | $0 | 0.00% |
| PR Federal | S | $54,502,847 | $59,232,600 | $59,255,300 | $59,255,300 | 323.84 | 323.84 | $118,465,200 | $118,510,600 | $45,400 | 0.00% |
| **Total** | | $1,413,817,631 | $884,034,600 | $884,057,300 | $884,057,300 | 323.84 | 323.84 | $1,768,069,200 | $1,768,114,600 | $45,400 | 0.00% |
| SEG | A | $0 | $0 | $150,000 | $300,000 | 0.00 | 0.00 | $0 | $450,000 | $450,000 | 0.00% |
| SEG | L | $62,350,627 | $68,296,400 | $73,400,400 | $73,499,400 | 0.00 | 0.00 | $136,592,800 | $146,899,800 | $10,307,000 | 7.50% |
| SEG | S | $1,408,065 | $2,367,700 | $2,367,700 | $2,397,500 | 0.00 | 0.00 | $4,735,400 | $4,765,200 | $29,800 | 0.60% |
| **Total** | | $63,758,692 | $70,664,100 | $75,918,100 | $76,196,900 | 0.00 | 0.00 | $141,328,200 | $152,115,000 | $10,786,800 | 7.60% |
| **Grand Total** | | $8,366,335,818 | $8,234,211,500 | $9,012,291,400 | $9,932,567,700 | 658.00 | 657.00 | $16,468,423,000 | $18,944,859,100 | $2,476,436,100 | 15.00% |

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