

# **Wisconsin Department of Public Instruction**

## **Summary of 2013 Wisconsin Act 20**

### **Final 2013-15 Budget With Vetoes**

#### **Provisions Related to Elementary and Secondary Education and State Agency Operations**

**Prepared by Policy and Budget Team  
Department of Public Instruction**



**July 2013**

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## **KEY TO ABBREVIATIONS**

### **APPROPRIATIONS**

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

FED - Appropriations financed from federal revenues.

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

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

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

SEG - Appropriations financed from segregated revenues.

### **OTHER**

FY - Fiscal year. For example, FY14 means the 2013-2014 state fiscal year.

FTE - Full-time equivalent position.

FY13 Base - The total 2012-2013 authorized funding level for an agency or program. The base equals 2012-2013 appropriations, pay plan modifications and any other supplements. It is this base that serves as the beginning point for calculating budget changes for 2013-2015.

# FINAL 2013-2015 BIENNIAL BUDGET SCHOOL AIDS & CREDITS SUMMARY

Categorical Aid Program	FY13	FY14	FY14 to Base	FY15	FY15 to FY14	FY15 to Base	Overall Change
Special Education	\$ 368,939,100	\$ 368,939,100	\$ -	\$ 368,939,100	\$ -	\$ -	\$ -
SAGE	\$ 109,184,500	\$ 109,184,500	\$ -	\$ 109,184,500	\$ -	\$ -	\$ -
Pupil Transportation	\$ 23,703,600	\$ 23,703,600	\$ -	\$ 23,703,600	\$ -	\$ -	\$ -
Sparsity Aid	\$ 13,453,300	\$ 13,453,300	\$ -	\$ 13,453,300	\$ -	\$ -	\$ -
Bilingual-Bicultural	\$ 8,589,800	\$ 8,589,800	\$ -	\$ 8,589,800	\$ -	\$ -	\$ -
Tuition Payments	\$ 8,242,900	\$ 8,242,900	\$ -	\$ 8,242,900	\$ -	\$ -	\$ -
Head Start Supplement	\$ 6,264,100	\$ 6,264,100	\$ -	\$ 6,264,100	\$ -	\$ -	\$ -
TEACH Debt Service	\$ 2,279,100	\$ 2,153,300	\$ (125,800)	\$ 2,052,300	\$ (101,000)	\$ (226,800)	\$ (352,600)
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-High Cost	\$ 3,500,000	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -	\$ -	\$ -
School Breakfast Grants	\$ 2,510,500	\$ 2,510,500	\$ -	\$ 2,510,500	\$ -	\$ -	\$ -
Special Education-Supplemental	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -
Peer Review & Mentoring	\$ 1,606,700	\$ 1,606,700	\$ -	\$ 1,606,700	\$ -	\$ -	\$ -
4K Start Up Grants	\$ 1,350,000	\$ 1,350,000	\$ -	\$ 1,350,000	\$ -	\$ -	\$ -
School Day Milk	\$ 617,100	\$ 617,100	\$ -	\$ 617,100	\$ -	\$ -	\$ -
Open Enrollment Transportation	\$ 434,200	\$ 434,200	\$ -	\$ 434,200	\$ -	\$ -	\$ -
Aid for CESAs	\$ 260,600	\$ 260,600	\$ -	\$ 260,600	\$ -	\$ -	\$ -
Gifted and Talented Grants	\$ 237,200	\$ 237,200	\$ -	\$ 237,200	\$ -	\$ -	\$ -
SAGE-Debt Service	\$ 133,700	\$ 133,700	\$ -	\$ 133,700	\$ -	\$ -	\$ -
Supplemental Aid	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Youth Options Transportation	\$ 17,400	\$ 17,400	\$ -	\$ 17,400	\$ -	\$ -	\$ -
Per Pupil Adjustment Aid	\$ 42,500,000	\$ -	\$ (42,500,000)	\$ -	\$ -	\$ (42,500,000)	\$ (85,000,000)
<i>STEM Grants</i>	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)	\$ -	\$ 250,000
<i>Educator Effectiveness</i>	\$ -	\$ 5,746,000	\$ 5,746,000	\$ 5,746,000	\$ -	\$ 5,746,000	\$ 11,492,000
<i>High Cost Transportation Aid</i>	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 10,000,000
<i>New Per Pupil Aid</i>	\$ -	\$ 63,487,500	\$ 63,487,500	\$ 126,975,000	\$ 63,487,500	\$ 126,975,000	\$ 190,462,500
<b>GPR Categorical Aids</b>	<b>\$ 603,959,200</b>	<b>\$ 635,816,900</b>	<b>\$ 31,857,700</b>	<b>\$ 698,953,400</b>	<b>\$ 63,136,500</b>	<b>\$ 94,994,200</b>	<b>\$ 126,851,900</b>
Tribal Languages (PR)	\$ 222,800	\$ 222,800	\$ -	\$ 222,800	\$ -	\$ -	\$ -
Aid for AODA (PR)	\$ 1,284,700	\$ 1,284,700	\$ -	\$ 1,284,700	\$ -	\$ -	\$ -
<b>PR Categorical Aids</b>	<b>\$ 1,507,500</b>	<b>\$ 1,507,500</b>	<b>\$ -</b>	<b>\$ 1,507,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
School Library Aids	\$ 37,000,000	\$ 32,000,000	\$ (5,000,000)	\$ 34,000,000	\$ 2,000,000	\$ (3,000,000)	\$ (8,000,000)
Env Educ, Forestry-UW	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Env Educ, Env. Assess-UW	\$ 130,500	\$ 130,500	\$ -	\$ 130,500	\$ -	\$ -	\$ -
Educ Telecomm Access-DOA	\$ 11,105,100	\$ 11,105,100	\$ -	\$ 11,105,100	\$ -	\$ -	\$ -
<b>SEG Categorical Aids</b>	<b>\$ 48,435,600</b>	<b>\$ 43,435,600</b>	<b>\$ (5,000,000)</b>	<b>\$ 45,435,600</b>	<b>\$ 2,000,000</b>	<b>\$ (3,000,000)</b>	<b>\$ (8,000,000)</b>
<b>Total Categorical Aids</b>	<b>\$ 653,902,300</b>	<b>\$ 680,760,000</b>	<b>\$ 26,857,700</b>	<b>\$ 745,896,500</b>	<b>\$ 65,136,500</b>	<b>\$ 91,994,200</b>	<b>\$ 118,851,900</b>
<b>General Aids</b>							
General Equalization Aids	\$ 4,293,658,000	\$ 4,341,594,600	\$ 47,936,600	\$ 4,415,960,500	\$ 74,365,900	\$ 122,302,500	\$ 170,239,100
High Poverty Aid	\$ 16,830,000	\$ 16,830,000	\$ -	\$ 16,830,000	\$ -	\$ -	\$ -
<b>Total General Aids</b>	<b>\$ 4,310,488,000</b>	<b>\$ 4,358,424,600</b>	<b>\$ 47,936,600</b>	<b>\$ 4,432,790,500</b>	<b>\$ 74,365,900</b>	<b>\$ 122,302,500</b>	<b>\$ 170,239,100</b>
<b>Total State School Aids</b>	<b>\$ 4,964,390,300</b>	<b>\$ 5,039,184,600</b>	<b>\$ 74,794,300</b>	<b>\$ 5,178,687,000</b>	<b>\$ 139,502,400</b>	<b>\$ 214,296,700</b>	<b>\$ 289,091,000</b>
School Levy Tax Credit	\$ 897,400,000	\$ 897,400,000	\$ -	\$ 897,400,000	\$ -	\$ -	\$ -
<b>Total School Aids &amp; Credits</b>	<b>\$ 5,861,790,300</b>	<b>\$ 5,936,584,600</b>	<b>\$ 74,794,300</b>	<b>\$ 6,076,087,000</b>	<b>\$ 139,502,400</b>	<b>\$ 214,296,700</b>	<b>\$ 289,091,000</b>
State Residential Schools	\$ 11,210,300	\$ 10,788,000	\$ (422,300)	\$ 10,788,000	\$ -	\$ (422,300)	\$ (844,600)
<b>Total State Support</b>	<b>\$ 5,873,000,600</b>	<b>\$ 5,947,372,600</b>	<b>\$ 74,372,000</b>	<b>\$ 6,086,875,000</b>	<b>\$ 139,502,400</b>	<b>\$ 213,874,400</b>	<b>\$ 288,246,400</b>
Annual General Aid % Change		1.12%		1.71%			
Annual Categorical Aid % Change		4.11%		9.57%			
Annual Total School Aids & Credits % Change		1.27%		2.35%			

## **GENERAL SCHOOL AIDS**

Note: State Superintendent Evers submitted the *Fair Funding for Our Future: School Finance Reform* package as part of his 2013-15 biennial budget request. The package was made up of various items within both the general school aids and revenue limits subsections of this summary. For a complete review of *Fair Funding for Our Future*, please visit <http://dpi.wi.gov/pb/pdf/fairfunding.pdf>.

### **General Equalization Aids**

#### **AGENCY REQUEST:**

- Request \$161,012,200 GPR in FY14 and \$407,807,800 GPR in FY15 to fund general equalization aids for public school districts in Wisconsin and implement the State Superintendent's "Fair Funding for Our Future" (Fair Funding) school finance reform formula changes. The amounts reflect a 3.75 percent and 5.42 percent annual increase, respectively, over the biennium.
- Request to modify the school aid formula to include minimum aid per pupil, include a weighing factor for income/poverty using free and reduced price lunch eligibility, and adjust the secondary cost ceiling.

#### **GOVERNOR:**

- Deny the request.
- Provide \$42,936,600 GPR in FY14 and \$86,302,500 GPR in FY15, a 1 percent increase in each year.

#### **JOINT FINANCE:**

- Provide \$47,936,600 GPR in FY14 and \$122,302,500 GPR in FY15, 1.1 and 1.7 percent increases, respectively.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Aid for High Poverty Districts**

#### **AGENCY REQUEST:**

- Request to eliminate the program in FY15 and transfer the base level funding of \$16.8 million into the general equalization aids appropriation.

#### **GOVERNOR:**

- Deny the request; maintain base funding

### **General Equalization Aids-Hold Harmless**

#### **AGENCY REQUEST:**

- Request to increase the Special Adjustment Aid hold harmless provision from 85 percent of the prior year state aid amount to 90 percent.

#### **GOVERNOR:**

- Deny the request.

### **School Levy Tax Credit**

#### **AGENCY REQUEST:**

- Request to transfer the \$897,400,000 GPR combined from the School Levy Tax Credit (SLTC; \$747,400,000) and the First Dollar Credit (FDC; \$150,000,000) into general equalization aids beginning with the FY15 state aid payments.

However, since the current SLTC and FDC are paid to municipalities in the subsequent state fiscal year, the general equalization aids appropriation [s. 20.255 (2) (ac), Wis. Stats.] will not reflect the transfer until FY16. The department proposes to have the SLTC and FDC amount paid to school districts from the FY16 appropriation and then reflected as a FY15 general equalization aid payment.

**GOVERNOR:**

- Deny the request.

**First Dollar Tax Credit**

**AGENCY REQUEST:**

- Request to transfer the \$897,400,000 GPR combined from the School Levy Tax Credit (SLTC; \$747,400,000) and the First Dollar Credit (FDC; \$150,000,000) into general equalization aids beginning with the FY15 state aid payments. However, since the current SLTC and FDC are paid to municipalities in the subsequent state fiscal year, the general equalization aids appropriation [s. 20.255 (2) (ac), Wis. Stats.] will not reflect the transfer until FY16. The department proposes to have the SLTC and FDC amount paid to school districts from the FY16 appropriation and then reflected as a FY15 general equalization aid payment.

**GOVERNOR:**

- Deny the request.

**Extended Aid For Consolidated Districts**

**AGENCY REQUEST:**

- No request.

**GOVERNOR:**

- Extend the length of time during which consolidated school districts receive additional equalization aid after consolidation by two years. Set the formula factor increase at 10 percent in the sixth year and 5 percent in the seventh year. Set the guaranteed percentage of pre-consolidation aid at 66 percent in the sixth year and 33 percent in the seventh year.

**JOINT FINANCE:**

- Modify the provision to specify that the 66% and 33% would be applied to the special adjustment aid received in the fifth year after consolidation as a result of the hold harmless provision related to the separate districts' aid payments, not to the general aid received by the separate districts in the year prior to consolidation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **REVENUE LIMITS**

### **Revenue Limit Per Pupil**

#### **AGENCY REQUEST:**

- Request to increase the per pupil revenue limit by \$225 per pupil in 2013-14 and \$230 per pupil in 2014-15. This request would have provided \$401,000,000 in additional spending authority for districts.

#### **GOVERNOR:**

- Deny the request, and provide no increases in per pupil revenue limits. As a result, general equalization aid increases would result in property tax relief, not additional spending.

#### **JOINT FINANCE:**

- Increase the per pupil revenue limit by \$75 in 2013-14 and an additional \$75 (\$150 total) in 2014-15. This would increase school district revenue limit authority by an estimated \$34,000,000 in 2013-14 and \$96,000,000 in 2014-15.
- Additional funding is provided in general equalization aids to make this increase property tax neutral.
- The per pupil revenue limit in 2015-16 and going forward would revert back to current law, providing no increase in per pupil revenue limits.
- Combined with the \$75/\$150 per pupil new categorical aid, would provide districts with up to \$150/pupil in additional expenditure authority in 2013-14 and up to \$300/pupil in 2014-15.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Low Revenue Ceiling**

#### **AGENCY REQUEST:**

- Request to modify the current law increase in the low-revenue ceiling to \$9,600 by phasing-in the increase at \$9,300 in FY14 and the \$9,600 in FY15.

#### **GOVERNOR:**

- Deny the request; maintains at \$9,100.

### **Uncounted Open Enrollment Pupils**

#### **AGENCY REQUEST:**

- None.

#### **GOVERNOR:**

- None.

#### **JOINT FINANCE:**

- Specify that the revenue limit adjustment for uncounted open enrollment pupils be non-recurring, including adjustments received by school districts in 2012-13.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Energy Efficiency Revenue Limit Adjustment**

### **AGENCY REQUEST:**

- None.

### **GOVERNOR:**

- None.

### **JOINT FINANCE:**

- Provide that the current law revenue limit exception for energy efficiency measures would apply to debt service on a state trust fund loan, rather than only bonds and notes as under current law. Specify that the revenue limit exception would apply to the amount of debt service paid in the calendar year that begins on January 1 of the school year in which the school district's revenue limit is increased, rather than the debt service paid during that school year as under current law. Require that any measured utility costs avoided as a result of a project authorized by a school district resolution after the effective date of the budget bill be applied to retire the bonds or notes issued to finance the project.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## CATEGORICAL AIDS

### School Performance Incentive Program

#### **AGENCY REQUEST:**

- Request \$114,900 GPR and 2.0 GPR FTE in FY14 and \$10,149,000 GPR and 2.0 GPR FTE in FY15 to fund support efforts in schools meeting certain criteria on the School Report Card under the new school accountability system.

#### **GOVERNOR:**

- Deny the request.
- Provide funding for a performance-based categorical aid and incentive program through which schools may receive awards based on school report card ratings published by the department. Award school districts through three separate appropriations.
- Provide \$24,000,000 GPR in FY15 to high performing schools, those receiving a rating of “significantly exceeds expectations” or “exceeds expectations” on the accountability report card.
- Provide \$30,000,000 GPR in FY15 to schools that show significant improvement, those whose rating on the accountability report card exceeds the prior year’s rating by at least 3 points.
- Provide \$10,000,000 GPR in FY15 to schools in need of assistance to improve performance, those who receive a rating of “fails to meet expectations” on the accountability report card.
- Prohibit school districts from prescribing the manner in which funds awarded to a school be used by that school. School districts shall act as fiscal agents for receipt of the award funding; the award funding shall be allocated or spent at the discretion of each awarded school in accordance with district policies.

#### **JOINT FINANCE:**

- Delete the Governor’s recommendation.

### Bilingual-Bicultural Aid

#### **AGENCY REQUEST:**

- Request \$178,000 GPR in FY 14 and \$4,606,200 GPR in FY 15 to maintain the 8 percent state reimbursement rate for bilingual-bicultural programs in FY 14 and increase the reimbursement rate in FY 15 to 12 percent.
- Request \$2,325,300 GPR to award up to \$100 per limited-English proficient (LEP) pupil to districts that have LEP populations below the statutory threshold and thus do not qualify for categorical aid under s. 115.97(2), (3), and (4), Wis. Stats.

#### **GOVERNOR:**

- Deny the request.

### Pupil Transportation Aid

#### **AGENCY REQUEST:**

- Request to increase the reimbursement rate for pupils transported over 12 miles from \$220 to \$275 per pupil for both years of the 2013-15 biennium. No additional GPR funds were requested; the base appropriation is projected to be sufficient.
- Request \$212,000 GPR in both FY14 and FY15 to fund reimbursement of transportation costs to 2r charter schools.
- Request a statutory change to s. 121.58 to include the 2r charter schools in the state pupil transportation aid payments.

#### **GOVERNOR:**

- Increase the pupil transportation rate for pupils transported over 12 miles from \$220 to \$275 to assist districts in funding high-cost transportation services.
- Deny the request for additional funding and the statutory change to include 2r charter schools.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **High Cost Pupil Transportation Aid**

**AGENCY REQUEST:**

- Request \$7,318,400 GPR in FY15 to reimburse school districts for the high cost of pupil transportation. In addition, request a statutory change to s. 121.58 to pay 75 percent of school districts' pupil transportation costs per member incurred above 150 percent of the statewide average. In addition, request a new GPR aid appropriation.

**GOVERNOR:**

- Deny the request.

**JOINT FINANCE:**

- Provide \$5,000,000 GPR in a new appropriation in both FY14 and FY15 to reimburse school districts for the high cost of pupil transportation. Provide aid to school districts to reimburse school districts' pupil transportation costs per member incurred above 150 percent of the statewide average. If the amount of the appropriation is not sufficient to pay all costs, payments to school districts shall be prorated.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **School Breakfast Aid**

**AGENCY REQUEST:**

- Request \$701,700 GPR in FY 14 and \$996,200 GPR in FY 15 to increase the state reimbursement rate for the School Breakfast Program from 9 to 10 cents for each breakfast served. In addition, provide for reimbursement in (2r) charter schools and the state residential schools.

**GOVERNOR:**

- Deny the request.

## **Special Education**

**AGENCY REQUEST:**

- Request \$17,322,200 GPR in FY14 and \$56,122,300 GPR in FY15 to maintain the estimated FY13 special education categorical aid reimbursement rate of 26.64 percent in FY14 and to increase the reimbursement rate to 28 percent in FY15.

**GOVERNOR:**

- Deny the request. Special education aid reimbursement rate is projected to fall to 26 percent in FY14 and 25 percent in FY 15.
- Create the Special Needs Scholarship Program. See Choice/Charter section for information.

**JOINT FINANCE:**

- Delete the Governor's recommendation of Special Needs Scholarship Program. See Choice/Charter section for information.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**High-Cost Special Education****AGENCY REQUEST:**

- Request \$1,500,000 GPR in FY14 and FY15 to increase the estimated reimbursement rate of high-cost special education claims to 55.0 percent and 52.3 percent, respectively. These numbers assume the continuation of \$1.9 million from the federal Individuals with Disabilities Education Act (IDEA).

**GOVERNOR:**

- Deny the request.

**Student Achievement Guarantee in Education****AGENCY REQUEST:**

- Request \$10,866,800 GPR in FY15 to fully fund the Student Achievement Guarantee in Education grant program at \$2,250 per eligible pupil.

**GOVERNOR:**

- Deny the request. SAGE aid will remain at an estimated \$2,046 per eligible pupil.

**Graduation Improvement Aid****AGENCY REQUEST:**

- Request \$4,550,000 GPR in FY15 to establish a new categorical aid program focused on increasing graduation rates and reducing dropout rates in targeted school districts throughout Wisconsin.

**GOVERNOR:**

- Deny the request.

**Sparsity Aid****AGENCY REQUEST:**

- Request \$3,300,500 GPR in FY14 and FY15 to fully fund at \$300/pupil the estimated eligible costs for the sparsity aid categorical grant program.
- Request elimination of the free or reduced-priced lunch (FRL) criteria for districts to qualify for sparsity aid.

**GOVERNOR:**

- Deny the request. As a result, per pupil reimbursement for FY14 fell to \$237 from \$246 in FY13.

## **Career and Technical Education Incentive Grants**

### **AGENCY REQUEST:**

- Request \$3,000,000 GPR in FY15 to establish a new incentive program that encourages school districts to increase the number of pupils graduating high school with an industry recognized credential in key occupations designated as being in highest need of additional skilled workers.

### **GOVERNOR:**

- Deny the request.

## **STEM Education**

### **AGENCY REQUEST:**

- Request \$70,400 in GPR and 1.0 FTE in FY14 and \$1,091,800 GPR and 1.0 FTE in FY15 for grant programs for school districts to enhance STEM course offerings and educational opportunities.
- Request a new PR appropriation to receive gifts and grants from private citizens, businesses, and organizations intended to promote the department's STEM vision in Wisconsin.

### **GOVERNOR:**

- Deny the request.

### **JOINT FINANCE:**

- Provide \$250,000 GPR on a one-time basis in FY14 in a biennial appropriation for a grant program for school districts to enhance science, technology, engineering, and mathematics (STEM) course offerings. Require the school district or independent "2r" charter school receiving a grant to provide a matching amount equal to 25% of the grant amount.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **One-Time Per-Pupil Adjustment Aid**

### **AGENCY REQUEST:**

- Request the deletion of a one-time appropriation for per pupil adjustment aid created in 2011 Wisconsin Act 32, Section 9137 (3r) to implement a non-statutory provision in the act. Reduce by -\$42,500,000 GPR in both FY14 and FY15.

### **GOVERNOR:**

- Approve the request.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Sum Sufficient Per-Pupil Adjustment Aid**

### **AGENCY REQUEST:**

- None.

**GOVERNOR:**

- None.

**JOINT FINANCE:**

- Provide \$63,487,500 GPR in FY14 and \$126,975,000 GPR in FY15 to fund a \$75 per pupil categorical aid in 2013-14, with an additional \$75 in 2014-15. Create a GPR sum sufficient appropriation to make these payments, and provide that the current three-year rolling average pupil count under revenue limits would be used to calculate this per pupil aid to school districts. Specify that this per pupil aid would be paid on the fourth Monday in March.
- The appropriation would be base-building and would carry forward into the 2015-17 biennium, unlike the per-pupil adjustment aid appropriation in the 2011-13 budget.
- Combined with the \$75/\$150 per pupil increase in revenue limits, would provide districts with up to \$150/pupil in additional expenditure authority in 2013-14 and up to \$300/pupil in 2014-15.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **CHOICE/CHARTER**

### **Milwaukee Parental Choice Program**

#### **AGENCY REQUEST:**

- Request \$19,688,400 GPR in FY14 and \$39,494,500 GPR in FY15 to fully fund the Milwaukee Parental Choice Program.

#### **GOVERNOR:**

- Provide \$13,528,200 GPR in FY14 and \$43,523,200 GPR in FY15.
- Increase the per pupil payment for pupils enrolled in grades K through 8 to \$7,050 in FY15. Increase the per pupil payment for pupils enrolled in grades 9 through 12 to \$7,856 in FY15.
- Require the department to use an alternate count date if a private school participating in a parental choice program will be closed for a regularly scheduled holiday on the third Friday in September. The department will set the alternate count date no earlier than the day after school resumes at the school.
- Permit private schools participating in the parental choice program to give priority to pupils already attending the school, siblings of pupils already attending the school, and pupils who attended another private school participating in the parental choice program in the prior year.
- Permit a private school that notifies the department of intent to participate in one parental choice program to participate in any other state parental choice program.
- Specify that pupils attending the private school under the Special Needs Scholarship Program do not count as attending through the parental choice program.

#### **JOINT FINANCE:**

- Provide \$13,528,200 GPR in FY14 and \$47,065,600 GPR in FY15.
- Increase the per pupil payment for pupils enrolled in grades K through 8 to \$7,210 in FY15. Increase the per pupil payment for pupils enrolled in grades 9 through 12 to \$7,856 in FY15.
- Specify that, beginning in 2015-16, the maximum per pupil payments in a given year be set equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to public school districts in the current year plus the change in categorical aid funding per pupil, if positive, from the prior year to the current year.
- Provide that, beginning in 2013-14, the 38.4% aid reduction provision would be reduced by 3.2 percentage points per year, until the program is fully state funded. This would establish a 12-year phase-out of the current aid reduction.
- Modify the current law requirement for a certificate of occupancy to exempt the private school from this requirement if it submits a letter or form from the municipality within which the private school is located, or from the entity that issues occupancy permits, which state that it does not issue certificates of occupancy.
- Modify the current law treatment of facilities costs for schools where the legal title to the building is held in the name of the parent organization or other related party, to eliminate the requirement that there be no other mechanism to include the private school's facilities costs in its cost calculation, before the school can include 10.5% of the fair market value of the school in its costs. Provide that such a school may include an amount equal to 10.5% of the fair market value of any building additions or new building locations if it requests this from DPI. Specify that if a school was not permitted to include the 10.5% amount in 2012-13, then it can do so if the school so requests DPI.
- Delete the current law calculation of the payment for summer school and, instead, provide that qualifying schools would receive an amount equal to 5% of the maximum per pupil payment for that grade under the program for each qualifying pupil. Specify that to qualify: (a) a school would have to offer a minimum of 19 summer days of instruction with 270 minutes of instruction per day; and (b) a pupil would have to attend at least 15 days of summer instruction. This change is effective for summer school in 2014.
- Allow participating schools to accumulate up to 15% of their annual educational costs as a reserve, and specify that these monies would be treated as an allowable educational expense.
- Specify that if a participating school accepts pupils under more than one choice program, it would only have to have one audit and submit one financial report to the state.
- Specify that a participating school would not have to determine educational costs separately for K-8 and high school pupils, but rather educational costs for all choice program pupils.

- Specify that a degree or educational credential higher than a high school diploma would satisfy the requirement that a teacher's aide have a high school diploma, declaration of equivalency of high school graduation, or general educational development certificate of high school equivalency.
- Add the Wisconsin Association of Christian Schools to the list of statutorily-recognized accrediting agencies for the parental choice programs.
- Modify an AB 40 provision that would allow a private school participating in the choice program to give preference in accepting applications to pupils who attended the school in the prior school year, regardless of whether they were choice pupils, to allow this preference only for choice pupils.
- Require a private school in a parental choice program that has achieved accreditation to ensure that it continuously maintains accreditation from a statutorily-approved accreditation agency for as long as the school continues to participate in the program. Require a choice school to immediately notify DPI if its accreditation status with one of the statutorily-approved agencies changes. Beginning in the 2013-14 school year, require a choice school to provide evidence demonstrating that the school remains accredited for the current year to DPI annually by January 15. Require the school to include as evidence of accreditation a letter prepared by one of the statutorily approved accrediting agencies that confirms that the school is accredited by that agency as of the date of that letter. Specify that, if the State Superintendent determines that a school has not complied with these requirements, he or she may issue an order barring a choice school from participating in the program in the subsequent school year (consistent with the accreditation penalty provisions under current law). Require DPI to notify a choice school of receipt and approval of accreditation status within ten days after receiving the required information. Require a choice school that would have been required to have achieved accreditation to demonstrate that its accreditation status is current with the above-described letter within 30 days of the effective date of the bill. Require the State Superintendent to issue an order barring a school's participation in the program in the current school year if the school does not provide that letter within the required time frame. Specify that this one-time requirement would not apply to new schools entering the program for the first time, schools that are preaccredited and in the three-year window to attain accreditation, and schools that had previously been exempt from the general accreditation requirement because it was approved for scholarship funding by PAVE. Provide that, if the State Superintendent determines that a choice school has failed to continuously maintain accreditation, that a choice school has withdrawn from the accreditation process, or that a choice school's accreditation has been revoked by one of the statutorily-approved agencies, he or she must issue an order barring the school's participation in the program at the end of the current school year. Require the State Superintendent to immediately notify the parent or guardian of each pupil attending the school of the order. Provide that a school whose participation in the program has been barred under this provision may not participate in the program until the school demonstrates to the satisfaction of the Department that it has obtained accreditation from a statutorily-approved accrediting agency other than the agency with which the school failed to continuously maintain accreditation or, if the school's accreditation was revoked, other than the agency that revoked its accreditation.
- Permit a private school that notifies the department of intent to participate in one parental choice program to participate in any other state parental choice program.
- Require the department to use an alternate count date if a private school participating in a parental choice program will be closed for a regularly scheduled holiday on the third Friday in September. The department will set the alternate count date no earlier than the day after school resumes at the school.
- Remove reference to Special Needs Scholarship Program.

#### **LEGISLATURE:**

- Approve Joint Finance recommendation.
- Modify current law that specifies that a teacher in a choice school have a bachelor's degree, to also allow a degree or educational credential higher than a bachelor's degree, including a masters or doctorate.
- Specify that private schools currently participating in the Milwaukee and Racine parental choice programs may accept pupils under the proposed statewide program, however could not be designated as one of the 25 schools with the most applications. Also specify that those pupils would not count against the enrollment caps in 2013-14 and 2014-15.
- Specify that the annual nonrefundable fee currently paid to the department by private schools that intend to participate in a parental choice program would be refunded to schools that: (a) did not participate in the program in 2012-13; and (b) did not get included in the count of 25 private schools under the program expansion.
- Clarify the calculation of the payments and of educational costs for purposes of the parental choice programs.
- Require the department, when publically releasing data related to, but not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for, and other information related to pupils participating in or seeking to participate in parental choice programs, to release the data all at the same time, uniformly, and completely.

- Provide that the department may selectively release portions of the information specified above only to the following: (a) the school district or an individual school; and (b) an entity requesting information for a specific participating school or the school district, provided that entity is authorized to obtain official data releases for that school or the school district.

**GOVERNOR'S VETO:**

- Veto the provision that allows existing parental choice schools in the Milwaukee and Racine programs to accept pupils in the statewide expansion outside of the enrollment caps. Combined with the requirement that these schools may not be designated as one of the 25 schools with the most applications means that unless there are fewer applications than the enrollment cap they will not be able to participate in the statewide expansion in 2013-14 or 2014-15.
- Veto the provision that the department notify the existing parental choice schools in the Milwaukee and Racine programs accepting pupils in the statewide expansion that they may accept all pupils.
- Veto the requirement for the department to approve accreditation of a private school intending to participate in a parental choice program.
- Specify that the requirement release data in a uniform and complete manner is only applicable to enrollment, standardized test results, applications submitted, and waiting lists.
- Veto the provision that the department may selectively release portions of information only to authorized entities or individuals.

## **Parental Choice Programs for Eligible School Districts**

**AGENCY REQUEST:**

- Request \$1,791,700 GPR in FY14 and \$3,824,800 GPR in FY15 to fully fund the Parental Choice Programs for Eligible School Districts in Racine Unified School District.

**GOVERNOR:**

- Provide \$4,831,500 GPR in FY14 and \$11,169,000 GPR in FY15.
- Increase the per pupil payment for pupils enrolled in grades K through 8 to \$7,050 in FY15. Increase the per pupil payment for pupils enrolled in grades 9 through 12 to \$7,856 in FY15.
- Require the department to use an alternate count date if a private school participating in a parental choice program will be closed for a regularly scheduled holiday on the third Friday in September. The department will set the alternate count date no earlier than the day after school resumes at the school.
- Permit private schools participating in the parental choice program to give priority to pupils already attending the school, siblings of pupils already attending the school, and pupils who attended another private school participating in the parental choice program in the prior year.
- Permit a private school that notifies the department of intent to participate in one parental choice program to participate in any other state parental choice program.
- Specify that pupils attending the private school under the Special Needs Scholarship Program do not count as attending through the parental choice program.
- Require the department to annually identify as eligible school districts for the following school year, all districts that meet the following criteria:
  - The number of pupils enrolled in the district is at least 4,000.
  - 2 or more schools in the school district received a score of “fails to meet expectations” or “meets few expectations” on the school report card.
- Once a school district is identified as eligible by the department, the district enters the program if at least 20 pupils who reside in the district simultaneously notify the department they have applied to attend a private school under this section. Once this has occurred the district is permanently in the program.
- A school district identified as eligible under this criteria ceases to be eligible if on subsequent publications of the school report card, no school or only one school receives a score of “fails to meet expectations” or “meets few expectations” and the school district was not notified by at least 20 pupils who reside in the district as identified above.

- In the 2013-14 school year, no more than 500 pupils may attend private schools under this section in all eligible school districts combined, with priority given to pupils who qualify for free and reduced-price lunch. In the 2014-15 school year, no more than 1,000 pupils may attend private schools under this section all eligible school districts combined. There is no limit to the number of pupils that may attend private schools under this section in subsequent school years.
- School districts that currently meet the criteria for eligibility are Beloit, Fond du Lac, Green Bay, Kenosha, Madison, Sheboygan, Superior, Waukesha, and West Allis-West Milwaukee.

#### **JOINT FINANCE:**

- Provide \$4,831,500 GPR in FY14 and \$11,431,400 GPR in FY15.
- Increase the per pupil payment for pupils enrolled in grades K through 8 to \$7,210 in FY15. Increase the per pupil payment for pupils enrolled in grades 9 through 12 to \$7,856 in FY15.
- Specify that, beginning in 2015-16, the maximum per pupil payments in a given year be set equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to public school districts in the current year plus the change in categorical aid funding per pupil, if positive, from the prior year to the current year.
- Provide that, beginning in 2013-14, the 38.4% aid reduction provision would not apply to any school district in which a choice program was established after July 1, 2011. This would mean 100 percent state funding for pupils in the Racine voucher program.
- Modify the current law requirement for a certificate of occupancy to exempt the private school from this requirement if it submits a letter or form from the municipality within which the private school is located, or from the entity that issues occupancy permits, which state that it does not issue certificates of occupancy.
- Modify the current law treatment of facilities costs for schools where the legal title to the building is held in the name of the parent organization or other related party, to eliminate the requirement that there be no other mechanism to include the private school's facilities costs in its cost calculation, before the school can include 10.5% of the fair market value of the school in its costs. Provide that the school may include an amount equal to 10.5% of the fair market value of any building additions or new building locations if it requests this from DPI. Specify that if a school was not permitted to include the 10.5% amount in 2012-13, then it can do so if the school so requests DPI.
- Delete the current law calculation of the payment for summer school and, instead, provide that qualifying schools would receive an amount equal to 5% of the maximum per pupil payment for that grade under the program for each qualifying pupil. Specify that to qualify: (a) a school would have to offer a minimum of 19 summer days of instruction with 270 minutes of instruction per day; and (b) a pupil would have to attend at least 15 days of summer instruction.
- Allow participating schools to accumulate up to 15% of their annual educational costs as a reserve, and specify that these monies would be treated as an allowable educational expense.
- Specify that if a participating school accepts pupils under more than one choice program, it would only have to have one audit and submit one financial report to the state.
- Specify that a participating school would not have to determine educational costs separately for K-8 and high school pupils, but rather educational costs for all choice program pupils.
- Specify that a degree or educational credential higher than a high school diploma would satisfy the requirement that a teacher's aide have a high school diploma, declaration of equivalency of high school graduation, or general educational development certificate of high school equivalency.
- Add the Wisconsin Association of Christian Schools to the list of statutorily-recognized accrediting agencies for the parental choice programs.
- Modify an AB 40 provision that would allow a private school participating in the choice program to give preference in accepting applications to pupils who attended the school in the prior school year, regardless of whether they were choice pupils, to allow this preference only for choice pupils.
- Require a private school in a parental choice program that has achieved accreditation to ensure that it continuously maintains accreditation from a statutorily-approved accreditation agency for as long as the school continues to participate in the program. Require a choice school to immediately notify DPI if its accreditation status with one of the statutorily-approved agencies changes. Beginning in the 2013-14 school year, require a choice school to provide evidence demonstrating that the school remains accredited for the current year to DPI annually by January 15. Require the school to include as evidence of accreditation a letter prepared by one of the statutorily approved accrediting agencies that confirms that the school is accredited by that agency as of the date of that letter. Specify that, if the State

Superintendent determines that a school has not complied with these requirements, he or she may issue an order barring a choice school from participating in the program in the subsequent school year (consistent with the accreditation penalty provisions under current law). Require DPI to notify a choice school of receipt and approval of accreditation status within ten days after receiving the required information. Require a choice school that would have been required to have achieved accreditation to demonstrate that its accreditation status is current with the above-described letter within 30 days of the effective date of the bill. Require the State Superintendent to issue an order barring a school's participation in the program in the current school year if the school does not provide that letter within the required time frame. Specify that this one-time requirement would not apply to new schools entering the program for the first time, schools that are preaccredited and in the three-year window to attain accreditation, and schools that had previously been exempt from the general accreditation requirement because it was approved for scholarship funding by PAVE. Provide that, if the State Superintendent determines that a choice school has failed to continuously maintain accreditation, that a choice school has withdrawn from the accreditation process, or that a choice school's accreditation has been revoked by one of the statutorily-approved agencies, he or she must issue an order barring the school's participation in the program at the end of the current school year. Require the State Superintendent to immediately notify the parent or guardian of each pupil attending the school of the order. Provide that a school whose participation in the program has been barred under this provision may not participate in the program until the school demonstrates to the satisfaction of the Department that it has obtained accreditation from a statutorily-approved accrediting agency other than the agency with which the school failed to continuously maintain accreditation or, if the school's accreditation was revoked, other than the agency that revoked its accreditation.

- Permit a private school that notifies the department of intent to participate in one parental choice program to participate in any other state parental choice program.
- Require the department to use an alternate count date if a private school participating in a parental choice program will be closed for a regularly scheduled holiday on the third Friday in September. The department will set the alternate count date no earlier than the day after school resumes at the school.
- Remove reference to Special Needs Scholarship Program.
- Delete the Governor's provisions regarding the expansion of the program. Instead, expand the program to all school districts statewide. Specify that no more than 500 FTE pupils in 2013-14 and 1,000 FTE pupils in 2014-15 and in each year thereafter outside of MPS and RUSD would be able to attend a choice program substantially similar to the Racine parental choice program. Specify that a pupil's total family income could not exceed 185% of the federal poverty level to be eligible for the program. Specify that no more than 1% of the pupil membership of a newly eligible district could attend a participating choice school. Specify that the prior year attendance criteria under the Racine program would not apply to the expanded program.
- Provide that in order for a private school to participate in the 2013-15 biennium, it must have been in operation on May 1, 2013. Specify that, for the 2013-14 school year, a private school must submit its intent to participate form to the Department by July 26, 2013. Provide that the Department must inform schools its receipt of the intent to participate form in writing and e-mail by July 31, 2013. Specify that schools who have submitted the intent to participate form may accept student applications beginning August 1, 2013. By August 9, require each school to report to the Department: (a) the number of pupils who have applied to attend the school under the parental choice program, and (b) the applicants who are siblings of pupils who have applied.
- Provide that the date for private schools to submit information to the department related to certification of occupancy, financial viability, and fiscal management training is September 1 before the first school term of participation in the program that begins in the 2013–14 school year, by August 1 before the first school term of participation in the program that begins in the 2014–15 school year or any school year thereafter, or by May 1 if the private school begins participating in the program during summer school.
- Provide that if the Department determines that the sum of all pupil applications reported as being received between August 1 and August 9 by all private schools is no more than the pupil participation limit, it shall immediately notify the private schools that all pupils reported under (a) may attend a private school in the program in the current school year. Specify that those schools may continue to accept applications during the periods that apply to the existing program under current law. Provide that if the number of pupils applying in an application period would cause the total number of pupils in the program to exceed the cap, the Department would establish and administer a waiting list, with preference given to siblings, and administer a random draw to allocate the remaining seats, up to the limit, to pupils applying to the program. Provide that if the Department determines that the sum of the pupil applications reported as received by August 9 by all private schools is more than the pupil participation limit, it shall notify the 25 schools with the most applications that they may participate in the program. Provide that DPI allocate 10 seats to each of the 25 schools, and that pupils be selected for those 10 seats at each school by random drawing, with preference

given to siblings. Specify that the other 250 seats be filled by random draw among the remaining pupils applying to those schools, with preference given to siblings. In performing the calculations above, specify that the Department shall count a pupil who has applied to more than one private school only once, and that the Department shall count a school based on campus location rather than federal tax identification number, if the school requests that treatment. Require the Department to maintain a waiting list for those pupils not selected in a random drawing. Require each private school to notify the Department whenever it determines that a pupil determine to be eligible to attend the private school will not be attending the school. Require the Department to select pupils on a random basis from the waiting list to fill the newly-available spaces, with preference given to siblings of accepted applicants.

- Provide that a private school that is a first-time participant in the program under section 118.60 of the statutes in the 2013-14 or 2014-15 school year is not required to receive pre-accreditation. The school may not accept pupils under either 119.23 or 118.60 that reside in an eligible school district to qualify for this exemption.
- Beginning in 2014-15, require a school to submit its intent to participate form to the Department by February 1. Specify that schools may accept applications from February 1 to April 20. Require schools to submit the number of applicants and sibling information to DPI by May 1. Provide that schools that participated in 2013-14 would initially be assigned the number of choice spots it had in the 2013-14 school year. Specify that the procedures above would apply to the distribution of the additional 500 seats in 2014-15. Provide that preference be given to students that attended a school through the parental choice program in the previous year and then preference shall be given to siblings.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.
- Specify that under the expanded choice program outside of Milwaukee and Racine, a private school would be required to give preference to a pupil who satisfies either of the following: (a) the pupil was enrolled in a public school in the school district in the previous year and is applying to attend the school in grades 2 through 8 or 10 through 12; or (b) the pupil was not enrolled in school in the previous year.
- Modify current law that specifies that a teacher in a choice school have a bachelor's degree, to also allow a degree or educational credential higher than a bachelor's degree, including a masters or doctorate.
- Specify that a pupil attending a choice school whose family income increases above the limit of 185 percent of the poverty guideline could continue in the program.
- Specify that private schools currently participating in the Milwaukee and Racine parental choice programs may accept pupils under the proposed statewide program, however could not be designated as one of the 25 schools with the most applications. Also specify that those pupils would not count against the enrollment caps in 2013-14 and 2014-15.
- Specify that the annual nonrefundable fee currently paid to the department by private schools that intend to participate in a parental choice program would be refunded to schools that: (a) did not participate in the program in 2012-13; and (b) did not get included in the count of 25 private schools under the program expansion.
- Clarify the calculation of the payments and of educational costs for purposes of the parental choice programs.
- Require the department, when publically releasing data related to, but not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for, and other information related to pupils participating in or seeking to participate in parental choice programs, to release the data all at the same time, uniformly, and completely.
- Provide that the department may selectively release portions of the information specified above only to the following: (a) the school district or an individual school; and (b) an entity requesting information for a specific participating school or the school district, provided that entity is authorized to obtain official data releases for that school or the school district.

#### **GOVERNOR'S VETO:**

- Veto the provision that allows existing parental choice schools in the Milwaukee and Racine programs to accept pupils in the statewide expansion outside of the enrollment caps. Combined with the requirement that these schools may not be designated as one of the 25 schools with the most applications means that unless there are fewer applications than the enrollment cap they will not be able to participate in the statewide expansion in 2013-14 or 2014-15.
- Veto the provision that the department notify the existing parental choice schools in the Milwaukee and Racine programs accepting pupils in the statewide expansion that they may accept all pupils.
- Veto the requirement for the department to approve accreditation of a private school intending to participate in a parental choice program.

- Specify that the requirement release data in a uniform and complete manner is only applicable to enrollment, standardized test results, applications submitted, and waiting lists.
- Veto the provision that the department may selectively release portions of information only to authorized entities or individuals.

## **Milwaukee-Racine Charter School Program**

### **AGENCY REQUEST:**

- Request \$6,627,500 GPR in FY14 and \$16,835,500 GPR in FY15 to fully fund the Milwaukee/Racine Charter Schools Program.

### **GOVERNOR:**

- Provide \$5,354,700 GPR in FY14 and \$17,930,600 GPR in FY15.
- Increase payments for pupils attending independent charter schools. The payment is set at \$7,852 per pupil in FY14 and \$7,931 per pupil in FY15, a 1 percent increase in payment each year.
- Create a charter school oversight board, which would have responsibility for approving new independent charter school authorizers. Require the board to respond to applications within 90 days.
- Allow nonprofit, nonsectarian organizations or consortium of such organizations to contact with persons to operate charter schools within the state of Wisconsin if approved by the charter school oversight board.
- Remove all geographic limits on establishment of and attendance in independent charter schools.
- Existing approvers of independent charter schools would retain authority to contract for the operation of independent charter schools however would not be allowed to operate new independent charter schools. They can continue to operate charter schools opened prior to the effective date of the budget.
- Require that contracts between independent charter school authorizers and operators include provisions allowing a governing body operating a school receiving a rating of “exceeds expectations” or “significantly exceeds expectations” on its most recent school report card to open additional charter schools.
- Allow a school board to prohibit a pupil who resides in their school district from attending an independent charter school unless the district’s membership is at least 4,000 and at least 2 public schools in the district were rated “fails to meet expectations” or “meets few expectations” in the most recent school report card. Pupils must apply to the school board, which must issue a rejection or approval within 30 days.
- Designate all independent charter schools as local education agencies under federal law.
- Repeal the limits on the chancellor of UW-Parkside dictating the number of schools and total attendance in those schools.
- Repeal language related to additional payments to the Racine Unified School District. There is no fiscal impact to this change as no aid may be paid under this section after the 2012-13 school year.

### **JOINT FINANCE:**

- Delete the Governor’s recommendation.
- Provide \$2,020,000 GPR in FY14 and \$8,080,000 GPR in FY15.
- Increase payments for pupils attending independent charter schools. The payment is set at \$7,925 per pupil in FY14 and \$8,075 per pupil in FY15, representing annual increases of \$150 per pupil. Beginning in 2015-16, provide that the independent charter school per pupil payment be set equal to the payment amount in the prior years plus the revenue limit per pupil adjustment, if positive, provided to public school districts in the current year plus the change in categorical aid funding per pupil, if positive, from the prior year to the current year.
- Provide that UW-Milwaukee may sponsor independent charter schools anywhere within Milwaukee County or an adjacent county.
- Provide that pupils residing in Milwaukee County, or in an adjacent county, would be permitted to attend any independent charter school located in Milwaukee County or an adjacent county.
- Repeal language related to additional payments to the Racine Unified School District. There is no fiscal impact to this change as no aid may be paid under this section after the 2012-13 school year.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Charter Schools**

### **AGENCY REQUEST:**

- No request.

### **GOVERNOR:**

- Allow a school board to grant a petition that would result in the conversion of all public schools in the school district to charter schools without meeting criteria in current law that 50 percent of teachers sign the petition and that the school board provides alternate public school attendance for pupils who do not wish to attend or are not admitted to a charter school.
- Require all charter schools to be governed by a governing board that is party to the contract with the authorizer.
- Allow for contacts between a school board and a charter governing body to be for more than one school and for multiple contracts between school boards and a charter governing body.
- Specify that charter schools must accept pupils at random in the event that there is insufficient space for all pupils who apply. Specify that charter schools shall give preference to pupils who attended the charter school in the prior year and to siblings of pupils who are enrolled in the charter school.
- Specify that a charter school may give preference in enrollment to children of the charter school's founders, board members, and full-time employees, but that the total number of such children given preference may constitute no more than 10 percent of the school's enrollment.
- Require that the amount a school board pay to the operator of a charter school be commensurate with the average per pupil cost for the school district.
- Grant a charter school operator sole discretion over budget, curriculum, professional development and personnel (except where health and safety are concerned).
- Prohibit a school board from imposing on a charter school any requirement from which they would otherwise be exempt under statute.
- Require entities authorizing charter schools to submit an annual report to the department including academic and financial performance of each charter school they contract with.

### **JOINT FINANCE:**

- Delete the Governor's recommendation.

## **Special Needs Scholarship Program**

### **AGENCY REQUEST:**

- No request.

### **GOVERNOR:**

- Provide funding of \$6,946,000 GPR in FY14 and \$13,903,500 GPR in FY15.
- Reduce State Aid of the resident school district by the total amount of the scholarships.
- Provide a scholarship to a special needs child to attend an eligible Wisconsin school (public school or charter school located outside the pupils school district of residence, charter school in the pupil's resident school district, virtual charter school, or a private school) if the following conditions are met:
  - An individualized education program (IEP) or services plan has been completed for the child.
  - The child attended a public school, charter school, private school (as defined by 118.60 or 119.23) or did not attend school in this state for the entire previous school year.
  - The child or child's parents on behalf of the child) has applied and been accepted to an eligible school. The application will include the rights comparison document (Rights of a Child with a disability and his or her parent) developed by DPI.
  - Scholarship applications may be made and a child may begin attending an eligible school at any time during the school year.
- Provide the scholarship for pupils eligible for an IEP until the pupil graduates from high school or until the end of the school term in which the pupil turns 21, whichever comes first.

- Limit the number of scholarship recipients in any one school year to not exceed 5 percent of the total number of children with disabilities residing in this state in the previous school year, as determined by DPI.
- Require private schools to implement the pupil's most recent IEP or services plan as modified by agreement between the private school and the pupil's parent.
- Require private schools to provide a record of implementation of the child's IEP including an evaluation of the child's progress to the resident school district as prescribed by DPI.
- Require private schools participating in the program to annually submit to DPI a school financial report prepared by a certified public accountant. If the private school expects to receive at least \$50,000 in scholarships during a school year, it must either file a surety bond with DPI or provide DPI with information demonstrating that it has the ability to pay an amount equal to the total amount of scholarships that it expects to receive.
- Require the resident school district IEP team of each pupil attending a private school with a scholarship to reevaluate the pupils IEP at least once every three years for eligibility. If the IEP team determines that the pupil no longer has a disability, the pupil is ineligible to receive a special needs scholarship beginning in the following school term.
- Require school boards to annually notify the parents of each pupil with a disability enrolled in the school district of the special needs scholarship program.
- Require DPI to determine the scholarship amount when a pupil is at an eligible school. Calculate the scholarship amount as the lesser of the following:
  - Cost of the pupil's education to an eligible school.
  - The previous year statewide cost per pupil plus the previous year statewide special education cost per pupil.
- The amount of the scholarship is to be deducted from the school aid paid to the school district where the pupil receiving the scholarship resides.
- Authorize DPI to bar a school from participating in the program if the school intentionally and substantially misrepresents required information, routinely fails to comply with financial standards, uses a pupil's scholarship for any purpose other than educational purposes, or fails to refund any scholarship overpayments to the state.
- Require the Legislative Audit Bureau contract for a study and report the results by Jan 9, 2016.

**JOINT FINANCE:**

- Delete the Governor's recommendation.

## **OPEN ENROLLMENT**

### **Open Enrollment**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- No request.

#### **JOINT FINANCE:**

- Provide that the full-time open enrollment per pupil transfer amount in 2013-14 and 2014-15 would equal the prior year amount plus \$150. Beginning in 2015-16, modify the open enrollment per pupil transfer amount to be equal to the transfer amount in the prior year plus the revenue limit per pupil adjustment, if positive, provided to public school districts in the current year plus the change in categorical aid funding per pupil, if positive, from the prior year to the current year.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Course Options/Part-Time Open Enrollment**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Amend current part-time open enrollment program to allow pupils to attend a public school in a non-resident district, the University of Wisconsin System, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, and any nonprofit organization approved by the department under part-time open enrollment (collectively defined as “educational institutions”).
- Repeal the “undue financial burden” as an allowable reason for a resident school district to reject an application under this section.
- Allow a resident school district to reject an application if it does not satisfy a high school graduation requirement or does not conform to the pupil’s academic and career plan.
- Prohibit an educational institution from charging any additional payment for a pupil attending a course at the educational institution under this section.
- These changes authorize the state superintendent to establish the tuition payment to an “educational institution” by a school district on behalf of a student taking a Course Options class.

#### **JOINT FINANCE:**

- Approve the Governor’s recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Attendance by Pupils in a Home-Based Private Educational Program**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Allow pupils enrolled in a home-based private educational program to attend up to 2 courses at a public school in a district during each semester if the school board determines there is sufficient space and they meet minimum standards for admission determined by the school district offering the course.
- Allow nonresident school districts providing classes to nonresident pupils under this program count the pupil for equalization aid purposes as 0.25 FTE for each course the pupil attends. The statutory language is unclear and DOA will be pursuing an erratum to clarify that this clause will not include resident school districts.

**JOINT FINANCE:**

- Approve the Governor's recommendation with the erratum requested by DOA to clarify that this clause does not include resident school districts and that the 0.25 FTE increase does not apply to revenue limits, but only to general equalization aids.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **ASSESSMENTS**

### **Next Generation Assessments**

#### **AGENCY REQUEST:**

- Request \$1,550,600 GPR in FY14 and \$2,782,500 GPR in FY15 to fully fund the Wisconsin Knowledge and Concepts Examination (WKCE) in FY14, to implement the SMARTER Balanced and Dynamic Learning assessment systems in FY15 and replace the Science and Social Studies portions of the WKCE in FY15.
- Request \$322,200 GPR and 2.0 GPR FTE in FY14 and \$6,837,200 GPR and 2.0 GPR FTE in FY15 to implement the ACT suite, including Explore, Plan, ACT, and WorkKeys in FY15.
- Request statutory changes to allow the State Superintendent to approve or adopt an assessment for grades 9 and 11 to allow for implementation of the full ACT suite.

#### **GOVERNOR:**

- Approve the request.

#### **JOINT FINANCE:**

- Modify the Governor's recommendation to provide an additional \$574,000 GPR in FY15 and require that the ACT Explore test be administered in both the fall and spring of 9th grade, beginning in 2014-15. Specify that the ACT Plan and the ACT would be administered in the spring of 10th grade and spring of 11<sup>th</sup> grade, respectively.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Assessments of Reading Readiness**

#### **AGENCY REQUEST:**

- Request \$1,496,000 GPR in FY14 and \$1,351,000 GPR in FY15 to phase in the PALS reading assessment program by adding pupils in grades 4K through 2 over the biennium (as recommended by the Read to Lead Task Force). In the 2013-14 school year, 4K, 5K and first grade students would participate in the reading assessment program. Second graders would be added in the 2014-15 school year. The reading assessment was first required for kindergarten pupils in the 2012-13 school year in 2011 Wisconsin Act 166.

#### **GOVERNOR:**

- Approve department's funding request.
- Beginning in the 2014-15 school year, require each school board and the governing body of each charter school, using the appropriate, valid and reliable assessment of literacy fundamentals selected by the department, to annually assess each pupil enrolled in grades kindergarten to 2 in the school district or in the charter school for reading readiness.
- Require the department to ensure that the assessment evaluates whether a pupil possesses phonemic awareness and letter sound knowledge.
- Require the school board or charter school to provide the pupil with certain reading services, if a reading readiness assessment indicates that a pupil is at risk of reading difficulty.

#### **JOINT FINANCE:**

- Modify the Governor's recommendation to clarify that school districts and independent charter schools must assess 4K, 5K, and 1st grade pupils for reading readiness beginning in 2013-14. Specify that, beginning in 2014-15, pupils in 4K through 2nd grade must be assessed for reading readiness. No change in funding would be necessary under this alternative.
- Require that, for 2014-15, the Department of Public Instruction pilot an oral vocabulary assessment for second grade pupils.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

# **LEVERAGING TECHNOLOGY**

## **Statewide Student Information System**

### **AGENCY REQUEST:**

- Request \$13,875,900 GPR, 1.0 GPR FTE, \$1,590,500 PR-S, and 3.0 PR-S FTE in FY14 and 1.0 GPR FTE, \$2,955,200 PR-S, and 3.0 PR-S FTE in FY15 to continue to procure, implement, and support the statewide student information system (SSIS) as required by 2011 WI Act 32, the biennial budget bill.
- Request that appropriation s. 20.255 (1) (e), Wis. Stats. be changed to a continuing appropriation.
- Request that a new continuing PR-S appropriation be created in FY14 for the purpose of collecting fees from users of the SSIS to pay for vendor per pupil fees and operating costs.

### **GOVERNOR:**

- Approve the request.
- Require independent (2r) charter schools and private schools participating in parental choice programs to participate in the statewide student information system.

### **JOINT FINANCE:**

- Delete the Governor's recommendation.
- Provide \$7,100,000 GPR in FY14 in the Joint Finance Committee's biennial supplemental appropriation for an "open system for standardized student data collection".
- Repeal the current law requirement that the State Superintendent establish a student information system in conjunction with the Governor.
- Instead, require the department to develop a proposal for a multi-vendor student information system for the standardized collection of pupil data.
- Require the proposal to allow schools and school districts to use their vendor of choice and include reporting requirements that can be reasonably met by multiple vendors.
- Provide that the State Superintendent may not establish a student information system, unless the proposal is approved by the Joint Committee on Finance.
- Require the State Superintendent to submit the proposal to the Committee for its approval, disapproval, or modification. If the Committee approves the proposal, or modifies and approves the proposal, the Committee may release funding to the State Superintendent and the State Superintendent would be required to implement the proposal.
- Provide that the funding would be used to pay the costs incurred by schools and school districts to meet the proposal's reporting requirements.
- Require the State Superintendent to ensure that, in addition to school districts, independent (2r) charter schools and private schools participating in parental choice programs participate in the statewide student information system, if it is approved by the Committee.
- Require the State Superintendent to ensure that information including academic performance and demographic information, aggregated by school district, school, and teacher is collected and maintained in the student information system.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **WISEdash**

### **AGENCY REQUEST:**

- Request \$4,434,300 GPR in both FY14 and FY15 to maintain and develop the department's data warehouse and reporting systems to meet the needs of education decision makers at both the state and local level as well as federal and state reporting requirements.
- Request a new GPR appropriation be created for the purpose of maintaining and developing the longitudinal data system (LDS) and WISEdash as well as maintaining the other systems.

- Request \$3,570,000 PR-S in both FY14 and FY15 in the department's data processing appropriation to utilize contractors to maintain and develop the department's data warehouse system and reporting system. The requested GPR will be used to fund the contractors.
- Request \$49,100 PR-S and 1.0 PR-S FTE, and -\$49,100 PR-F and -1.0 PR-F FTE in both FY14 and FY15 to convert an existing permanent federal position to program revenue.

**GOVERNOR:**

- Provide \$3,313,300 GPR, -\$49,100 PR-F, -1.0 PR-F, FTE, \$3,619,900 PR-S, and 1.0 PR-S FTE in both FY14 and FY15 to maintain and develop the LDS and WISEdash, the department's data reporting system, including the conversion of an existing permanent federal position to program revenue. This reduced funding level compared to DPI's request will result in fewer contractors as well as slower development as prioritized by the Department.
- Provide a new GPR appropriation be created for the purpose of maintaining and developing the LDS and WISEdash as well as maintaining the other systems.

**JOINT FINANCE:**

- Delete \$1,121,000 PR-S in both FY14 and FY15, to align PR expenditure authority with the portion of GPR funding attributable to work on the system to be performed by contractors.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **WISElearn**

**AGENCY REQUEST:**

- Request \$1,450,000 GPR and 1.19 GPR FTE in FY14 and \$2,510,000 GPR and 1.19 GPR FTE in FY15 to implement a statewide digital learning portal to facilitate blended learning environments for educators and pupils. The portal will include a learning management system, curricular and professional development content repository, web-conferencing package, and collaboration space (WISElearn) and provide funding for regional technical support centers.

**GOVERNOR:**

- Provide \$1,450,000 GPR and 1.19 GPR FTE in FY15 to implement a statewide digital learning portal to facilitate blended learning environments for educators and pupils.
- This postponement of funding delays the start of the project by one year. DPI will be able to use existing FTE to work on it this year, but there will be no new investments until FY15.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **LIBRARY SERVICES**

### **Public Library System Aid**

#### **AGENCY REQUEST:**

- Request an increase of \$13,796,000 SEG in FY14 and \$14,084,100 SEG in FY15 to fund public library system aid at a 13 percent index level.

#### **GOVERNOR:**

- Deny the request. State reimbursement is expected to fall to 6.8 percent each year of the 2013-15 biennium.

### **Library Service Contracts**

#### **AGENCY REQUEST:**

- Request an increase of \$22,700 SEG (USF) in both FY14 and FY15 to continue four library contracts to supplement services provided by the Division for Libraries and Technology.

#### **GOVERNOR:**

- Approve the request.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **BadgerLink**

#### **AGENCY REQUEST:**

- Request an increase of \$29,900 SEG in FY14 and \$36,100 SEG in FY15 to maintain the current level of services through BadgerLink and increase funding for the contract with the Wisconsin Newspaper Association to replace funding that is no longer covered by the Wisconsin Historical Society. The SEG funding source is the Universal Service Fund (USF).

#### **GOVERNOR:**

- Approve the request.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Newsline for the Blind**

#### **AGENCY REQUEST:**

- Request an increase of \$400 SEG in FY15 to continue to fully fund the Newsline for the Blind services.

#### **GOVERNOR:**

- Approve the request.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **School Library Aids Reestimate**

**AGENCY REQUEST:**

- Request -\$5,000,000 SEG in FY14 and -\$3,000,000 SEG in FY15 as a reestimate of projected school library aids.

**GOVERNOR:**

- Approve the request.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **County Library Levy Exemption for Joint Libraries**

**AGENCY REQUEST:**

- None.

**GOVERNOR:**

- None.

**JOINT FINANCE:**

- Notwithstanding current law requirements, municipalities participating in a joint library are exempt from the county library levy, provided the municipal library levy is maintained at no less than the average of the last three years.
- For most libraries, the three year average level of spending is far higher than what would be generated by the county library tax rate level as this was formerly a maintenance of effort requirement for a library to participate in a public library system under s. 43.15(4)(c). That requirement was eliminated by 2011 Act 32. Over time increasing property values in joint library communities and the county could create a considerable disparity in library tax rates, with the county funding more of the library's operations while municipalities in the joint library maintain a lower library tax rate. There would be a disincentive for the participants in the joint library agreement to increase funding for new services, since those increases would raise the three-year average for the municipalities, which could have a detrimental effect on library services in the county.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## SCHOOL DISTRICT OPERATIONS

### Academic and Career Planning

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Provide \$1,100,000 GPR in FY 15 in a continuing appropriation for academic and career planning under s. 20.255(1)(em), Stats.
- Require the State Superintendent to ensure that, beginning in the 2017-18 school year, every school board is providing academic and career planning services to pupils enrolled in grades 6 to 12 in the school district.
- Require the State Superintendent to procure, install and maintain information technology, including computer software, to be used statewide by school districts to provide academic and career planning services to pupils in grades 6 to 12.
- Require the State Superintendent to provide guidance, training, and technical assistance to school districts and school district staff, including teachers and counselors, on how to implement model academic and career plans, including training and technical assistance that is necessary to implement the information technology system.
- Require the State Superintendent to promulgate rules to implement these requirements.

#### **JOINT FINANCE:**

- Adopt the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### Eliminate Residency Requirements

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Prohibit local governmental units from requiring that any employee or prospective employee reside within the jurisdictional boundaries of the unit as a condition for employment. Any existing residency requirements in effect by a local governmental unit no longer apply and may not be enforced.
- Prohibit local governmental units from bargaining over residency requirements.

#### **JOINT FINANCE:**

- Modify the Governor's recommendation to allow a local unit of government to establish a requirement that police, fire, or emergency personnel of the local government must reside within 15 miles of the jurisdictional boundaries of the local government; and, if the local unit of government is a county, to establish a requirement that police, fire, or emergency personnel employed by the county must reside within 15 miles of the jurisdictional boundaries of the municipality to which they are assigned.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Teacher Recruitment Scholarships**

### **AGENCY REQUEST:**

- Request \$1,000,000 GPR in FY 15 to create the High Need Teacher Scholarship Program at the Higher Educational Aids Board (HEAB) to address the immediate need to recruit and retain qualified, diverse teachers in shortage areas and higher poverty school districts.

### **GOVERNOR:**

- Deny the request.

## **Work Based Learning Program School**

### **AGENCY REQUEST:**

- None.

### **GOVERNOR:**

- None.

### **JOINT FINANCE:**

- Create a work based learning program for any school in Wisconsin that meets certain criteria, for students in grades 9 through 12. Define a work based learning school as a school in which 100% of students enrolled participate in a program that provides occupational training and work based learning experiences. Specify that a private school participating in the Milwaukee parental choice program would be permitted to operate a work based learning program, and the student's earnings would not be counted toward family income for the purpose of determining eligibility for the choice program. Provide that participation would be determined through a signed agreement between the school, the student, and the student's parent or guardian.
- Provide that a work based learning program would be required to meet the following criteria: (a) students must work a minimum of 280 hours each school year, for a total of 40 to 50 days per year and no more than two days per week, and no more than 8 nor less than 6 hours per day; (b) school hours of instruction could not be substituted for hours during which a student works; (c) the school would be required to provide transportation to and from the work place which must be free of charge to the student; (d) employers must comply with state child labor laws, and a student must meet federal labor law requirements for age and immigration status; (e) students must work with an employer that provides occupational training and work based learning experiences; (f) the employer must provide a work place mentor, who must provide necessary supervision; (g) an employer would be required to provide a minimum of 30 hours of training to the student while employed; (h) the employer and mentor must provide a year-end evaluation to the student; and (i) the student could be required, upon application for the program, to demonstrate employability through an interview process, teacher recommendations, or demonstration of previous work, internship, or volunteer experience.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **GOVERNOR'S VETO:**

- Partially veto provision to remove references to specific state statutes regarding child labor laws. Retain the requirement that an employer must comply with state child labor laws.

## **Community Service Levy (Fund 80)**

### **AGENCY REQUEST:**

- None.

### **GOVERNOR:**

- None.

### **JOINT FINANCE:**

- Prohibit a school district from levying more for community service activities in 2013-14 and 2014-15 than it did in 2012-13.
- Require a school district using the community service levy in 2013-14 and 2014-15 to identify in the budget summary for its annual meeting the expenditures that will be funded from that levy and a statement of how they meet the allowable criteria for use of the community service fund, and require a school district to post the 2013-14 information on its web site within 60 days of the effective date of the bill.
- Require a district to submit the summary and statement to DPI within 10 days of the annual meeting and require DPI to post this information on its web site within 10 days.
- Specify that, if a district modifies the amount levied for community service activities in the November setting of the levy, that the district publish any updated information in the summary or statement in the minutes of that school board meeting, and that the same timelines as above must be followed for the reporting of that information.
- Require DPI to submit a report to the Joint Committee on Finance by December 1, 2014 on school district use of the community service levy.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.
- Prohibit a school district from levying more for community service activities in 2013-14 and 2014-15 than it did in the most recent year in which the district levied for those activities.
- Provide that a school district can adopt a resolution to exceed the limit by a specified amount and submit the resolution to the electors of the district for approval.

## **AGENCY ADMINISTRATION AND OTHER FUNDING**

### **Cooperative Research on Education Programs**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Add the Department of Children and Families and the Department of Workforce Development (DWD) to the group of agencies that either on their own or jointly with one or more of the other agencies may evaluate and study education programs operated or supervised by one or more of the other agencies, pursuant to a written agreement, for the purpose of improving student academic achievement beginning with preschool programs and continuing through postsecondary education.
- Require the agencies under this section, as part of the written agreement, ensure interoperability between the longitudinal data system of student data and work force data systems maintained by DWD. In addition provide for the exchange and submission of work force data in addition to student data under this section.
- Require the agencies under this section to annually submit a report to the secretary of administration regarding their progress in establishing the longitudinal data system.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Educator Effectiveness System**

#### **AGENCY REQUEST:**

- Provide \$1,118,600 GPR in FY 14 and \$973,300 GPR in FY 15 for the educator effectiveness evaluation system under s. 20.255(1)(ee), Stats.
- Permit the department to charge a fee to a school district and the governing body of a charter school to use the educator effectiveness system under s. 115.415(2)(intro). Provide \$4,309,500 in FY 14 and \$4,309,500 in FY 15 in PR-C funding for the fees from the educator effectiveness evaluation system under s. 20.255(1)(ge), Stats. Require all funding received from fees collected for the Department's educator effectiveness system to be used for the educator effectiveness system.
- Permit the department to award grants to school districts and the governing body of a charter school to implement an educator effectiveness system or an equivalency process by creating s. 115.415(3). Create a new appropriation under s. 20.255(2)(ek) for grants to school districts for the educator effectiveness system and provide \$5,746,000 GPR in FY 14 and \$5,746,000 GPR in FY 15.

#### **GOVERNOR:**

- Approve the request.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Teach for America**

### **AGENCY REQUEST:**

- No request.

### **GOVERNOR:**

- Create a biennial appropriation under s. 20.255(3)(cm) for Teach for America and provide \$500,000 GPR in FY 14 and \$500,000 GPR in FY 15.
- Require the State Superintendent to distribute the amounts appropriated to Teach for America to recruit and prepare individuals to teach in low-income or urban school districts.

### **JOINT FINANCE:**

- Modify the Governor's recommendation to require that the \$500,000 GPR annual funding would be provided to Teach for America, to be used only within the state of Wisconsin.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Adult Literacy Grants**

### **AGENCY REQUEST:**

- No request.

### **GOVERNOR:**

- No request.

### **JOINT FINANCE:**

- Move to provide \$20,800 GPR annually for adult literacy grants.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Teaching Licenses**

### **AGENCY REQUEST:**

- No request.

### **GOVERNOR:**

- Notwithstanding the requirement that teachers have a bachelor's degree and additional professional training under s. 118.19(3), Stats.; the requirements of teachers teaching the visually impaired under s. 118.19(4m), Stats.; the requirements for teaching economics, social studies, agriculture or science under s. 118.19(6), Stats.; the requirements for teaching industrial arts under 118.19(7), Stats.; the requirement for all teachers to receive instruction in minority group relations under 118.19(8), Stats.; the requirement of competency in conflict resolution under 118.19(9); the requirement involving completed instruction regarding reading and language arts using appropriate instructional methods under 118.19(12); and the requirement to pass an examination for reading teachers or reading specialists under 118.19(14); require the State Superintendent to grant a charter school teaching license to any person who has a bachelor's degree and demonstrates, based upon criteria established by the Department, that the person is proficient in the subject or subjects that he or she intends to teach. The license authorizes the person to teach that subject or those subjects in a charter school. The license is valid for 3 years and is renewable for 3-year periods.
- Eliminate the prohibition against any person teaching an online course in a public school, including a charter school, unless he or she has completed at least 30 hours of professional development designed to prepare a teacher for online teaching.

- Require the Department to ensure that the teaching experience gained while a person held an emergency permit issued by the department under s. PI 34.21(2), Wis. Adm. Code, counts toward fulfillment of the teaching experience requirement for a license based on experience under s. PI 34.195(2), Wis. Adm. Code, or for a license in a school administrator category under s. PI 34.32, Wis. Adm. Code.
- Prohibit the department from requiring a teacher licensed to teach in a virtual charter school to complete professional development not required to be completed by teachers who do not teach in a virtual charter school.
- Require a master educator, as defined under s. PI 34.19, Wis. Adm. Code, to have a rating of "effective" or "highly effective" in the educator effectiveness system in order to receive a grant under s. 115.42, Stats for those who are initially licensed as master educators and for those who maintain their master educator license. This requirement first applies to master educators who are awarded a grant in the 2014-15 school year.

#### **JOINT FINANCE:**

- Modify the Governor's recommendation by requiring that, in addition to persons licensed by DPI as master educators, persons receiving national teacher certification by the National Board for Professional Teaching Standards would be required to receive a rating of "effective" or "highly effective" under the applicable educator effectiveness system in order to receive initial or follow-on grants for those attaining these licenses and specify that a master educator or national teacher license holder who receives a rating lower than "effective" would not be eligible for a grant until the license holder receives a rating of "effective" or better on a subsequent evaluation. Provide that a license-holder who received an "effective" or "highly effective" rating in a subsequent year could again receive a grant beginning in that year.
- Approve the Governor's recommendation for all other provisions.
- Move to require that teachers include their home address when applying for a license from DPI, rather than their school district address.
- Move to delay from January 1, 2014, to January 31, 2014, the 2011 Act 166 requirement that unless the applicant has passed an examination identical to the Foundations of Reading test administered in 2012 as part of the Massachusetts Tests for Educator Licensure, the Department of Public Instruction cannot issue: (a) an initial teaching license that authorizes the holder to teach in grades K-5 or in special education; or (b) an initial license as a reading specialist.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Common Core Standards**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- No request.

#### **JOINT FINANCE:**

- Move to prohibit the Department of Public Instruction (DPI) from taking further actions to implement as standards for the state or directing districts to implement any common core standards developed by the Common Core State Standards Initiative until DPI conducts a comprehensive evaluation of the common core standards as provided in this motion.
- Require DPI to adopt college and career readiness educational standards no later than July 1, 2014. Require that the educational standards meet national and international benchmarks for college and career readiness standards and be aligned with postsecondary educational expectations. Require DPI to implement educational standards that use the common core standards as the base model for academic standards to the extent necessary to comply with federal standards to receive a flexibility waiver under 20 U.S.C. 7861. Provide that higher academic standards could be adopted that supplement or supplant the common core standards if the higher educational standards would qualify for a flexibility waiver under 20 U.S.C. 7861 because the higher educational standards meet United States Department of Education flexibility waiver requirements that ensure college and career readiness of students. Provide that any

common core standards adopted by DPI before July 1, 2013, remain in effect until the Department adopts the educational standards described above.

- Specify that the educational standards described above could not be adopted until: (a) the State Superintendent has received and considers: (1) DPI's evaluation of the common core, described below, (2) the final report of the legislative study committee, described below; and (3) the fiscal impact statement prepared by the Legislative Fiscal Bureau, described below; and (b) DPI holds at least three public meetings and takes public testimony regarding the adoption of educational standards after DPI considers the information described under (a).
- Before September 1, 2013, require the Department to provide a written evaluation of the common core standards to the: (a) Governor; (b) Speaker of the Assembly and President of Senate; and (c) chairperson of the legislative study committee, described below.
- Request that the Legislative Council establish a legislative study committee to study issues relating to common core standards or other standards. If approved, specify that no later than November 1, 2013, the legislative committee shall submit the committee's final report to the Legislative Council, Governor, and DPI. Require the report do all of the following: (a) compare existing Wisconsin standards with the common core standards; (b) consider best practices in developing and adopting the standards, seeking information from a broad range of sources, including: subject area teachers from elementary and secondary schools in Wisconsin; subject area instructors and experts from postsecondary educational institutions; and any other standards the study committee considers to be superior standards; and (c) evaluate the cost to the state associated with implementing Partnership for Assessment of Readiness for College and Careers assessment or the Smarter Balanced assessment by schools. Require the legislative study committee to hold at least three public meetings.
- Before September 1, 2013, require the Legislative Fiscal Bureau, in consultation with DPI, estimate the fiscal impact to the state if DPI: (a) fully implements the common core standards; and (b) discontinues the implementation of the common core standards.
- Define "common core standards" to mean educational standards developed for kindergarten through grade 12 by the Common Core State Standards Initiative.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Digital Learning**

#### **AGENCY REQUEST:**

- No request.

#### **GOVERNOR:**

- Require the State Superintendent to promote the delivery of digital content and collaborative instruction among schools within a school district and between 2 or more school districts, including through online courses. To accomplish these objectives, the department may not promulgate a rule requiring a licensed teacher or instructional staff person, defined in PI 8, as required under s. 121.02(1)(a)2., to be physically present in a classroom in which the delivery of content or collaborative instruction is being provided in that classroom digitally or through an online course.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Special Olympics Aid**

#### **AGENCY REQUEST:**

- Request \$7,500 GPR in FY14 and FY15 to restore aid to Special Olympics Wisconsin.

**GOVERNOR:**

- Approve the request.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **School Accountability Report Cards**

**AGENCY REQUEST:**

- None.

**GOVERNOR:**

- Require the Department annually by June 30 to publish a school and school district accountability report (also called a "school report card") that includes multiple measures to determine a school's performance or a school district's improvement, including: (a) pupil achievement and growth in reading and mathematics; (b) measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; and (c) gaps in pupil achievement and rates of graduation, categorized by race, English language proficiency, disability, and income level. Also require that the report include an index system to identify a school's level of performance and annually place each school into one of five performance categories. Require that, beginning one year after an independent "2r" charter school begins using the state student information system, or a private school participating in a parental choice program begins using the statewide student information system, or a system that is interoperable with that system, the Department include that school in the annual accountability report.

**JOINT FINANCE:**

- Modify the date by which school accountability reports, or school report cards, must be issued from June 30 to September 30.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**GOVERNOR'S VETO:**

- Partially veto the date by which school accountability reports, or school report cards, must be issued, changing the requirement from "by September 30" to "by September".

## **Fiscal Changes**

**AGENCY REQUEST:**

- No request.

**GOVERNOR:**

- Lapse \$1,049,300 in cash from GPR and PR appropriations in each fiscal year of the 2013-15 biennium as determined by the department.
- For PR appropriations, the total of the department's Chapter 20 appropriation is only expenditure authority; therefore, this item is needed to actually take the related cash associated with the budget efficiency reduction. The following appropriations are affected.

	<b>Appropriation Title</b>	<b>Cash Lapse</b>
121	Student activity therapy	-100
122	Personnel licensure	-108,700
123	Milwaukee choice program financial audits	-1,800
124	Publications	-8,200
126	Professional services center charges	-16,400
129	State agency library processing center	-1,200
130	GED	-3,500
131	Data processing	-160,800
134	Services for drivers	-13,000
135	Library products and services	-23,500
136	Program deaf center blind; pupil transportation	-159,700
174	Program deaf center blind; services	-6,900
	<b>Total Lapse</b>	<b>-503,800</b>

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Repeal of Inactive Appropriations**

**AGENCY REQUEST:**

- Request the deletion of Wis. Stats. 20.255 (2) (p) and 20.255 (2) (n) effective at the end of FY14. These appropriations contain revenue from the federal American Recovery and Reinvestment Act of 2009 (ARRA) which will be expended or returned to the federal government by September 30, 2013.

**GOVERNOR:**

- Approve the request.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Program Revenue Reestimates**

**AGENCY REQUEST:**

- Request a decrease of -\$3,699,600 in PR funding in FY14 and a decrease of -\$3,712,400 in PR funding in FY15.

**GOVERNOR:**

- Approve the request.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Federal Revenue Reestimates**

### **AGENCY REQUEST:**

- Request an increase of \$7,367,600 in PR-F funding in FY14 and an increase of \$2,367,600 in PR-F funding in FY15.

### **GOVERNOR:**

- Approve the request.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Master Educators and National Teacher Certification Reestimate**

### **AGENCY REQUEST:**

- Request \$212,100 GPR in FY14 and \$479,800 GPR in FY15 for payments to teachers who are certified by the National Board for Professional Teaching Standards (NBPTS) or certified under the Wisconsin master educator assessment process. The appropriation is sum sufficient, requiring the department to make payments for as many teachers as are eligible in any fiscal year.

### **GOVERNOR:**

- Approve the request..

### **JOINT FINANCE:**

- Approve Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **GED, Pub Sales to Continuing Appropriations**

### **AGENCY REQUEST:**

- Request to modify the general educational development (GED) and high school graduation equivalency appropriation under s. 20.255(1)(hj), Stats., and the publications appropriation under s. 20.255(1)(i) to continuing appropriations instead of annual appropriations to allow the department to more effectively utilize the revenues received for each program.

### **GOVERNOR:**

- Approve the request.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Convert School Lunch Handling to PR-F & Remove Act 32 Lapse**

### **AGENCY REQUEST:**

- Request to modify the school lunch handling appropriation to reflect revenues as federal PR-F instead of PR.
- Request to reduce the lapse amount for the department in 2011 Wisconsin Act 32 to -\$1,475,000 in both FY 14 and FY 15 as a result of including these federal revenues which are not lapsable.

### **GOVERNOR:**

- Deny the request to modify the school lunch handling appropriation to reflect revenues as federal PR-F instead of PR.
- Approve the request to reduce the lapse amount for the department in 2011 Wisconsin Act 32 to -\$1,475,000 in both FY 14 and FY 15 as a result of including these federal revenues which are not lapsable.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Retain Teacher Licensing Fee 10 Percent Lapse**

### **AGENCY REQUEST:**

- Request -\$349,000 in FY 14 and -\$355,500 in FY 15 of GPR-E by retaining the ten percent of teacher licensing fees that are currently lapsed into the general fund. The funding will be used for ongoing costs and projects, incremental costs for the online licensing system, and the reallocated positions to support Educator Effectiveness.

### **GOVERNOR:**

- Deny the request.

## **Standard Budget Adjustments**

### **AGENCY REQUEST:**

- Request adjustments to the agency's base to reflect standard budget adjustments for:
  1. Turnover reduction (-\$846,900 in each year).
  2. Remove non-continuing items from the base (-\$233,500 in FY14 and -\$523,000 in FY15).
  3. Full funding of continuing salaries and fringe (\$941,200 in each year).
  4. Overtime (\$338,500 in each year).
  5. Night and weekend differential (\$56,100 in each year).
  6. Full funding of lease and directed moves costs (\$53,100 in FY14 and \$89,000 in FY15).

### **GOVERNOR:**

- Approve the request.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Permanent GPR Reductions**

### **AGENCY REQUEST:**

- Remove \$217,700 GPR as a result of the 2011 Wisconsin Act 32, Section 9255 (1) (d) and (e).

### **GOVERNOR:**

- Approve the request.

### **JOINT FINANCE:**

- Approve the Governor's recommendation.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **OTHER AGENCIES**

### **Department of Administration – Information Technology Infrastructure**

#### **GOVERNOR:**

- Authorize the transfer of staff and equipment related to information technology infrastructure from executive branch agencies in order to allow agencies to focus on core mission goals and service delivery in order to use limited resources more efficiently.

#### **JOINT FINANCE:**

- Delete the Governor's recommendation.
- Further, move to create statutory language permitting any executive branch agency to jointly request the transfer of any positions, FT equipment, or FT systems associated with IT infrastructure services to the Department of Administration (DOA) under terms specified in a 14-day passive review request to the Committee. Terms specified would include: (a) payment of salaries and fringe benefits; (b) payment for IT equipment or systems; (c) payment for IT infrastructure services and (d) require that requests address any privacy concerns in transferring any data. Create an annual PR appropriation for assessments received from transferring agencies for the provision of FT services.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

#### **GOVERNOR'S VETO:**

- Delete the provision. Direct the department to proceed with services consolidation through memoranda of understanding with additional executive branch agencies and include a request to formalize those agreements in the 2015-17 biennial budget.

### **Department of Administration – Budget Management and Compensation - Ongoing Lapse Authority**

#### **GOVERNOR:**

- Reduce required lapse amount from PR and GPR appropriations of executive branch agencies as stated in the 2011 Wisconsin Act 32 to \$38,176,100 annually. DPI's required lapse amount is \$1,049,300.

#### **JOINT FINANCE:**

- Approve the Governor's recommendation.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Department of Administration – Sale of State-Owned Real Property**

#### **GOVERNOR:**

- Grant building commissions the authority to sell or lease state-owned real property unless it is prohibited under state or federal constitution or law, or if the sale is conducted as part of a procedure to enforce an obligation to this state.
- Require each agency to submit an inventory of real property with fair market value biannually to DOA, identifying any under-utilized assets. If an agency's state-owned heating, cooling, or power plant is sold or leased, the agency must convey all associated real and personal property to the purchaser.
- DPI owns power plants at the Wisconsin School for the Deaf and Hard of Hearing in Delavan and the Wisconsin Center for the Blind and Visually Impaired in Janesville. Employees at power plants have multiple duties performed at school sites as well.

**JOINT FINANCE:**

- Modify the Governor's recommendation by specifying that DOA or the Building Commission could not sell, enter into a lease, or contract for any of the operations of a state-owned heating, cooling or power plant unless such a transaction was approved by the Joint Committee on Finance under s. 13.10 of the statutes. In addition, require DOA to submit the following to the Committee as part of any request for approval on a sale or lease: (a) the estimated value of the facility as determined by DOA and at least one qualified privately-owned assessor; (b) the full cost of retiring remaining debt for the facility; (c) a cost benefit analysis that considers the short-term and long-term costs and benefits to the state for selling, leasing, or entering a contract for facility operations; (d) the length and conditions of any proposed sale, lease or service agreement between the state and a proposed purchaser; (e) the estimated budgetary impact for affected state agencies for at least the current and following biennium; and (f) any other information requested by the Committee.
- (Paper #161) Modify the Governor's recommendation by specifying:
  - require Building Commission approval of any state property leased by the DOA (the Governor's recommendations only require Commission's approval when DOA is proposing to sell a state property).
  - that DOA or the Building Commission could not sell, enter into a lease, or contract for any of the operations of a state-owned property unless such a transaction was approved by the Joint Committee on Finance under s. 13.10 of the statutes.
  - require DOA to submit the following to the Committee as part of any request for approval on a sale or lease: (a) the estimated value of the facility as determined by DOA and at least one qualified privately-owned assessor, (b) the full cost of retiring remaining debt for the facility; (c) a cost benefit analysis that considers the short-term and long-term costs and benefits to the state for selling, leasing, or entering a contract for facility operations; (d) the length and conditions of any proposed sale, lease or service agreement between the state and a proposed purchaser; (e) the estimated budgetary impact for affected state agencies for at least the current and following biennium; and (f) any other information requested by the Committee.
- Prohibit DOA or the Building Commission from selling any state-owned property that is at least 50% funded from federal funds or from gifts or grants.
- (Paper #162) Modify the Governor's recommendation and require the DOA Secretary or the Building Commission to apply any remaining proceeds from the sale of a state property, after the other specified obligations are met, to redeem debt supported by the same funding source and issued under the same bonding purpose authorization that was used to finance the property being sold.
- (Paper #163) Modify that Governor's recommendation and require DOA to submit any proposed actions to be carried out by the Secretary regarding the budgets and positions of agencies whose property is sold or leased to the Joint Finance Committee for approval under s. 13.10 of the statutes.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**GOVERNOR'S VETO:**

- Partially veto provisions relating to the use of remaining net sale or lease proceeds. The effect of this veto is to allow the Building Commission or the Department of Administration secretary the authority to use the net remaining proceeds toward retirement of debt, wherever it is in the best interest of the state to do so.

## Department of Administration – Study of Public Library Systems

**GOVERNOR:**

- No request.

**JOINT FINANCE:**

- Require the department, in consultation with the Department of Public Instruction, to conduct a study of Wisconsin's public library systems to identify the potential for savings by: (a) consolidating systems; (b) increasing the use of technology; (c) reducing duplications and inefficiencies; (d) utilizing LEAN production principles; and (e) increasing the sharing of services between library systems. Require DOA to submit a report on this study to the Joint Committee on Finance by July 1, 2014.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**VETO BY THE GOVERNOR:**

- Delete the provision in full.

**Department of Administration – Wisconsin Broadband Grant Program****GOVERNOR:**

- Establish a broadband grant program using the unallocated balance of the universal service fund to increase broadband access and capacity and to expand high speed Internet service access to underserved areas. Priority would be given to proposed projects that include matching funds or public-private partnerships, affect areas with no broadband service providers, and those affecting a large geographic area or number of previously underserved individuals or communities.

**JOINT FINANCE:**

- Specify that the grant program be administered by the PSC.
- Delete the SEG appropriation for broadband grants. Create a continuing PR appropriation for receipt of one-time \$4.3 million PR, provided from DOA's IT and communications services to non-state entities appropriation, for the broadband expansion grant program. Fund the grant program at \$500,000 PR annually.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Agriculture, Trade, and Consumer Protection– Buy Local, Buy Wisconsin****GOVERNOR:**

- Delete funding of \$200,000 GPR each year for Buy Local, Buy Wisconsin grants. (Statutory authority for the program, including a biennial appropriation for grants, would remain.)

**JOINT FINANCE:**

- Delete the Governor's recommendation; retain program funding.
- Require a 50% matching rate of project costs for the Buy Local, Buy Wisconsin grant program.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Children and Families – Foster Care Extension****GOVERNOR:**

- Extend foster care to age 21 for youth who would otherwise age out of foster care and are currently enrolled in a secondary school or its vocational or technical equivalent with individualized education programs.
- Provide \$175,900 (\$132,400 GPR and \$43,500 FED) in 2013-14 and \$1,275,600 (\$960,300 GPR and \$315,300 FED) in 2014-15 to provide kinship care payments and long-term kinship care payments for persons 18 years of age or over, but under 21 years of age, who are full-time students in good academic standing at a secondary school or its vocational or technical equivalent if an IEP is in effect and to provide foster care payments for persons 18 years of age or over, who are residing in a foster home or group home immediately prior to their 18th birthday, who continue to reside in the foster home or group home, are under 21 years of age, are full-time students at a secondary school or its

vocational or technical equivalent, and have an IEP in effect. Expand the definition of "child" in these programs to include these persons.

- In addition, for a child who meets the above criteria, specify that kinship care and long-term kinship care payments end when the child reaches the age of 21.
- Finally, extend the time period for which a child or juvenile may be placed in a foster home, group home, or RCC to age 21 if the child or juvenile is a full-time student at a secondary school or its vocational or technical equivalent and if an IEP is in effect for the child or juvenile.

#### **JOINT FINANCE:**

- Delete the Governor's recommendation. Instead place \$945,700 GPR in 2014-15 in the Joint Committee on Finance's general purpose revenue funds general program supplementation appropriation. Create a nonstatutory provision specifying that these funds could only be used if separate legislation is enacted regarding the extension of out-of-home care up to age 21 for youth who have an individualized education program (IEP).
- Notes: Eliminate the Governor's proposal and the funding provided in the first year. The administration had requested delayed implementation of the extension to 2014-2015 after the bill had been introduced. Put \$945,700 GPR in 2014-215 in the committee's appropriation, which would be used for the extension of out-of-home care up to age 21 for youth who have an IEP after a separate bill has been enacted. Any funds not used for this purpose would be lapsed to the general fund.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Department of Children and Families – Grants to the Boys and Girls Club**

#### **GOVERNOR:**

- Invest \$1,500,000 Temporary Assistance for Needy Families (TANF) funds annually into the Wisconsin Chapter of the Boys and Girls Club of America for programs focusing on study habits, intensive tutoring in math and English, and exposure to career options and role models, and those that improve the social, academic, and employment skills of TANF-eligible youth.

#### **JOINT FINANCE:**

- Modify the Governors' recommendation. Invest \$1,100,000 Temporary Assistance for Needy Families (TANF) funds annually into the Wisconsin Chapter of the Boys and Girls Club of America for programs focusing on study habits, intensive tutoring in math and English, and exposure to career options and role models, and those that improve the social, academic, and employment skills of TANF-eligible youth. Invest \$25,000 in 2013-2014 for the greater Wisconsin Rapids Area Boys and Girls Club to fund the cranberry Science, Technology, Engineering and Mathematics (STEM) program. Invest \$125,000 for the Green Bay Boys and Girls Clubs for the BE GREAT: Graduate program if the program provides \$125,000 in matching funds.

#### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

### **Department of Employee Trust Funds – Rehired Annuitants**

#### **GOVERNOR:**

- Increase the number of break in service days required after retired from 30 to 75 for new rehires. Additionally, a participant receiving a retirement or disability annuity who is rehired at two-thirds in a covered employment position shall terminate their annuity payments until after their position ends, rejoin the Wisconsin Retirement System, and earn additional years of service.

**JOINT FINANCE:**

- Delete the Governor's recommendation. Instead adopt the Governor's 75-day break-in-service requirement and two-thirds standard, apply the two-thirds standard to contracts, and adopt the ETF process for administering the accounts of rehired annuitants. In addition, provide that, if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, enters into a contract to provide employee services with a participating employer and he or she is expected to work at least two-thirds of what is considered full-time employment by the Department of Employee Trust Funds, as determined by rule, the participant's annuity must be terminated and no annuity payment may be payable until after the participant no longer provides employee services under the contract.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Health Services – Office of Children’s Mental Health****GOVERNOR:**

- Provide \$185,200 GPR in FY14 and \$350,200 GPR in FY15, and 4.0 GPR positions, beginning in FY14, to create and staff an Office of Children's Mental Health in DHS. Provide that the Office would study and recommend ways to improve the integration across state agencies of mental health services provided to children, coordinate initiatives to improve this integration, and monitor the performance of programs that provide these services. Specify that the Director of the Office would be appointed by and serve at the pleasure of the Governor, and increase the number of unclassified positions in DHS by one, from 9.0 to 10.0.

**JOINT FINANCE:**

- Approve the Governor's recommendation to create the Office of Children's Mental Health.
- In addition, require the office, on January 1, 2015, and by January 1 of each following year, to submit to the Joint Committee on Finance, and the relevant standing committees of the Legislature, a report that contains the following information: (a) a summary of the activities of the Office of Children's Mental Health in the previous year, including actions the office has taken to improve the coordination of mental health services provided to children by state agencies; (b) a summary of data collected by the office that relates to outcomes of children who receive mental health services; and (c) areas where the state's delivery of mental health services for children could be improved.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Justice – Transfer of the Office of Justice Assistance****GOVERNOR:**

- Transfer the funding and positions and associated appropriations of the Office of Justice Assistance to the Department of Justice, Corrections or Military Affairs.

**JOINT FINANCE:**

- Approve the Governor's recommendation to transfer all programs and responsibilities of the Department of Administration's Office of Justice Assistance (OJA), except those primarily related to the administration of federal homeland security moneys or the American Indian tribal community reintegration program, to the Department of Justice (DOJ). Transfer the administration of federal homeland security moneys (other than interoperable communications) from OJA to the Department of Military Affairs (DMA). Transfer the American Indian tribal community reintegration program from OJA to the Department of Corrections. Adopt the provisions under AB 40 implementing these program and responsibility transfers.
- Restore the current law authority of the Technical College District Board to accept gifts, grants and bequests to be used in the execution of its functions.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Natural Resources – National Forest Income****GOVERNOR:**

- None.

**JOINT FINANCE:**

- Specify that, beginning with payments received in FY14, federal National Forest Income (NFI) payments received by DNR would be provided to school districts that contain national forest lands within their boundaries based on the proportion of national forest lands within the school district, rather than being distributed to towns. In addition, provide \$2,500,000 SEG from the forestry account of the conservation fund in FY14 to be distributed by DNR to towns that were eligible to receive National Forest Income payments during FY13, based on the proportion of national forest land located in the town.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Revenue – Income Tax Deduction for Private School Tuition****GOVERNOR:**

- None.

**JOINT FINANCE:**

- Create an individual income tax deduction for tuition paid by a claimant to a private school, as defined under current law, beginning in tax year 2014. Limit the deduction to tuition expenses of up to \$4,000 per year per pupil enrolled in kindergarten through grade eight and \$10,000 per year per pupil enrolled in grades nine through twelve. Define claimant as an individual who claims a pupil as a dependent for federal income tax purposes on his or her tax return; define pupil as an individual who is enrolled in kindergarten or grades one to twelve and who is a dependent of the claimant for federal income tax purposes; and define tuition as any amount paid by a claimant, in the year to which the claim relates, for a pupil's tuition to attend a private school, as defined under current law, that meets all the criteria for a private school, as enumerated under current law.
- Decrease estimated individual income tax collections by \$30,000,000 (GPR-Tax) in 2014-15.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Department of Safety and Professional Services – Speech Language Pathologists and Audiologists Fee Reduction****GOVERNOR:**

- None.

**JOINT FINANCE:**

- Establish in statute the biennial credential renewal fees for speech language pathologists and audiologists at \$75. Reduce estimates of program revenues to the Department of Safety and Professional Services by \$186,300 in FY15 and GPR-earned estimates by \$20,700 in FY15.

**GOVERNOR'S VETO:**

- Delete the provision in full.

**Department of Transportation – GPR Transfers to Transportation Fund****GOVERNOR:**

- Transfer \$23,000,000 GPR during the 2013-15 biennium from the general fund to the transportation fund. This transfer is in addition to the current law, annual transfer of 0.25% of general fund taxes made from the general fund to the transportation fund, estimated at \$35,127,000 in FY14 and \$36,302,500 in FY15.

**JOINT FINANCE:**

- Increase the transfer by \$110,293,200 GPR, to provide a total transfer of \$133,293,200. The Transportation Fund condition statement anticipates that \$25,750,000 would be transferred in FY14 and \$107,543,200 would be transferred in FY15.

**LEGISLATURE:**

- Approve the Joint Finance Committee recommendation.

**Department of Workforce Development – Workforce Information and Technical Support Positions****GOVERNOR:**

- Provide 2.0 GPR FTE for a new Bureau of Workforce Information and Technical Support, which will realign economic and labor market analysis functions to manage a comprehensive, department-wide labor market information and public information program.

**JOINT FINANCE:**

- Modify the Governor's request to delete the Program and Policy Analyst position, for which the Governor did not recommend providing funding.

**LEGISLATURE:**

- Approve the Joint Finance Committee recommendation.

**Group Insurance Board – Premium Surcharge for State Employees That Use Tobacco Products****GOVERNOR:**

- Beginning in 2014, the Group Insurance Board must impose a premium surcharge for health care coverage for state employees and retired state employees who use tobacco products and may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products. During 2014 and 2015, the surcharge is \$50 a month. The bill further provides that the premium surcharges paid by annuitants who use tobacco products are to be used to reduce future health care coverage premiums for annuitants and to reimburse the Department of Employee Trust Funds.

**JOINT FINANCE:**

- Modify the Governor's recommendation by deleting the provision that the Group Insurance Board may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products. Instead, provide that the Group Insurance Board would be authorized to recoup surcharge

payments of any eligible employee who falsely claims that he or she does not use tobacco products, to the extent allowable under federal law.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**GOVERNOR'S VETO:**

- Delete the provision in full.

**Higher Education Aids Board – Wisconsin Covenant Scholars Grant**

**GOVERNOR:**

- Provide an additional \$4,060,000 GPR in FY14 and \$8,120,000 GPR in FY15 for the Wisconsin Covenant Scholars Grants. Total program funding would be \$12,050,000 in FY14 and \$16,110,000 in FY15.

**JOINT FINANCE:**

- Reestimate Wisconsin Covenant Scholars Grants program expenditures at \$9,230,000 GPR in FY14 and \$12,170,000 GPR in FY15. Decrease funding for program by \$2,820,000 GPR in FY14 and \$3,940,000 GPR in FY15 compared to the Governor. In addition, set the maximum grant amounts for third and fourth year students equal to the maximum grant amounts for first and second year students established by HEAB administrative rule. In addition, modify the Wisconsin Covenant Scholars grant appropriation such that it is a sum sufficient appropriation, which would allow HEAB to fully fund the statutory grant amounts in the case that actual demand exceeds budgeted funding.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Higher Education Aids Board – Wisconsin Higher Education Grant – University of Wisconsin**

**GOVERNOR:**

- Allow funds to be transferred between fiscal years for the Wisconsin higher education grant for University of Wisconsin System students.
- Suspend the link between the grant program funding and the average percentage increase in resident undergraduate academic fees in order to help balance the budget.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Joint Committee of Finance – Statewide Student Information System**

**GOVERNOR:**

- Remove \$5,000,000 GPR each year from the JCF appropriation reserve for SSIS.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Governor's recommendation.

**Joint Legislative Council – Rural Schools Task Force****GOVERNOR:**

- No request.

**JOINT FINANCE:**

- Request the Joint Legislative Council to establish a rural schools task force by August 1, 2013, to identify funding challenges faced by rural school districts, particularly with respect to transportation and technology issues. If established, require the task force to develop a long-term plan to address these issues, especially in the context of declining enrollments, and an aging population, and submit a report to the Joint Legislative Council by April 1, 2014.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Office of State Employment Relations – Assistant Deputy Secretaries****GOVERNOR:**

- Rename the title of "executive assistant" to "assistant deputy secretary" in most executive branch agencies. However, this does not apply to the DPI.

**JOINT FINANCE:**

- Approve the Governor's recommendation.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Shared Revenue – School Levy Tax Credit Funding****GOVERNOR:**

- Fully fund the school levy tax credit with GPR.
- Eliminate the lottery fund's \$14,850,000 annual portion of the payment, which will be allocated to increasing the lottery and gaming credit in an equal amount.

**JOINT FINANCE:**

- Approve the Governor's recommendation to provide \$14,850,000 GPR annually for the school levy tax credit to replace \$14,850,000 in annual SEG funding from the lottery fund for the credit. Provide \$14,850,000 SEG annually in lottery fund revenues for the lottery and gaming tax credit.
- Amend the GPR appropriation for the school levy credit to delete the reference to the SEG lottery fund appropriation. Delete the SEG lottery fund appropriation for the credit and the provision that requires DOR to promulgate rules to ensure that credits paid from this appropriation go only to state residents. Specify that these changes would first apply to school levy tax credits paid in 2013.
- Include a technical correction to the bill to adjust the annual distribution amount specified in statute to \$747,400,000 in order to reflect the increase in GPR funding.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **University of Wisconsin – Telecommunications and Information Technology Services (WiscNet)**

### **GOVERNOR:**

- Allow the system to continue membership in certain Internet consortia by defining telecommunications services to include Internet consortia by defining telecommunications services to include Internet consortia, excluding WiscNet, that advance research. The permissible consortia memberships are those that the Board of Regents, University of Wisconsin institutions, college campuses and extension held as of February 1, 2013. Additionally, partnerships with new Internet consortia must be approved by the secretary of the Department of Administration.

### **JOINT FINANCE:**

- Delete the Governor's recommendation
- Instead permit the Board of Regents, each UW institution, each UW Colleges campus, and the UW-Extension to serve as a member, shareholder, or partner in or with such third-party entities that satisfy one of the following conditions: (1) the primary purpose is to advance the academic research of higher education establishments and the Board, institution, UW College campus, or the UW-Extension served as a member, shareholder, or partner in or with the third-party entity on February 1, 2013; or (2) prior to service as a member, shareholder, or partner, the Secretary of the Department of Administration issues a determination to the Board, institution, UW Colleges campus, or the UW-Extension that the primary purpose of the third-party entity is to advance the academic research of higher education establishments.
- Provide that the Board, each UW institution, each UW Colleges campus, or the UW-Extension may use the services of such third-party entities that satisfy the conditions in par. (1) and (2) above. Modify current law to permit the Board, each UW institution, each UW Colleges campus, or the UW-Extension to participate in the operations of, provide telecommunications services for the purpose of interconnection to, or provide technical support services to, those third party entities that satisfy the conditions in par. (1) or (2) above but only in connection with the use of the services offered by those third-party entities. Define "interconnection" as linking with a third party network for the mutual exchange of traffic.
- In addition, specify that the definition of "third-party entity" would include Broadband Optical Research, Education and Sciences Network, Internet2, and the Northern Tier Network Consortium, and does not include WiscNet or its affiliates, successors, or assigns.
- Beginning on January 1, 2014, prohibit the Board of Regents from employing any individual who are also employed by WiscNet, prohibit the Board of Regents from permitting WiscNet to occupy any facilities owned or leased by the Board of Regents, and prohibit the Board of Regents from owning any assets or property in conjunction with WiscNet.

### **LEGISLATURE:**

- Approve the Joint Finance recommendation.

## **Wisconsin Technical College System – Performance Funding for Technical Colleges**

### **GOVERNOR:**

- Phase out the current general state aid formula based on property tax equalization and replace it with a performance-based formula to be established and administered by the board. An increasing percentage of the formula funding will be allocated to each technical college district based on annual measured outcomes on the following criteria: student job placement rates in jobs related to student's program of study; number of degrees and certificates awarded in high-demand fields; number of programs with industry-validated curriculum; transition of adult students from basic education to skills training; participation in dual enrollment programs; and workforce training provided to businesses and individuals. The Governor recommends phasing in the performance formula by distributing 10 percent of state aid based on performance in FY15; 20 percent in FY16; 30 percent in FY17; 40 percent in FY18; 50 percent in FY19; and 100 percent in FY20 at which point the property tax equalization formula will be eliminated.
- Require the board to report the secretary of administration the distribution of the appropriation to each district in each fiscal year.

**JOINT FINANCE:**

- Performance Based Aid Formula: Modify the Governor's recommendations with the following changes:
  - a) Provide that the System Board, in developing its plan for performance funding, would use three fiscal years of data for formula factors, rather than only the previous fiscal year as provided under the bill.
  - b) Provide that the performance funding formula include measures of the number of adults served by basic education courses, adult high school, or English language learning courses, courses that combine basic skills and occupational training as a means of expediting basic skills remediation, and the success rate of adults completing such courses.
  - c) Provide that, for the purposes of the performance based funding formula, a dual enrollment program would be any programs or courses of study designed to provide high school students the opportunity to gain credits in both technical college and high school, including transcribed credit programs or other educational services provided by contract between a school district and a technical college.
  - d) Require that the System Board submit a plan for making allocations pursuant to the new performance based funding formula to the Joint Committee on Finance under a passive review process, rather than to the Secretary of Administration as provided under the bill. Upon approval, or modification and approval, by the Committee, require the Board to administer the plan.
  - e) Provide that the deadline for the System Board to submit its plan for a performance based funding formula would be March 31, 2014, rather than December 31, 2013.
  - f) Specify that the percentage of general aids distributed under the proposed performance based funding formula would increase by 10% annually until a cap of 30% is reached.
- Funding for General Aids: Approve the Governor's recommendation
- Provide that a new formula allocating general state aid to technical colleges under AB 40 would include the following, additional criteria:
  - a) participation in statewide or regional collaboration or efficiency initiatives; and
  - b) training or other services provided to special populations or demographic groups that can be considered unique to each district.
- Provide that each district board would be permitted to choose seven of the nine total criteria on which to be measured for the purposes of receiving performance based funding.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**GOVERNOR'S VETO:**

- Partially veto provision relating to the cap on the percentage of state aid distributed through the performance funding formula after 2016-2017. As a result of this veto, the portion of state funding distributed through the performance funding formula would revert to zero in FY18. The Governor intends to address the continued transition to a performance funding formula for fiscal year FY18 and beyond in the next biennial budget proposal.

**Wisconsin Technical College System – Technical College Levy Limits****GOVERNOR:**

- Renew levy limits on technical college districts. The maximum growth factor is calculated as the greater of 0 percent or the change in equalized value within the technical college district due to new construction. The amount of net new construction will be calculated as the percentage change in equalized value due to the net new construction within the municipalities wholly located within the boundaries of the technical college district.
- Allow technical college districts to utilize unused carryover levy limit authority up to a maximum of 0.5 percent of the prior year actual levy subject to a three-quarters vote by the district board.

**JOINT FINANCE:**

- Approve the Governor's recommendation to repeal the 1.5 mill rate limitation on a technical college levy for purposes other than debt service, and to prohibit a technical college district board's tax levy in 2013 or in any year thereafter from increasing by a percentage that exceeds the district's valuation factor, based on the percentage change in equalized value due to net new construction in municipalities wholly within the district. Provide that a district board

may carry over unused levy authority to the following year, up to a maximum increase of 0.5% of the prior year's actual levy, upon a three-fourths vote by the district board.

- Modify the Governor's recommendation to include all municipalities located in a technical college district in the calculation of net new construction for the valuation factor. Require DOR to apportion the value of net new construction in a split municipality proportionately between the affected technical college districts, based on the percentage of the municipality's equalized value that is located in each district.

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

**Wisconsin Technical College System, University of Wisconsin System/ Wisconsin Association of Independent Colleges and Universities – Core Credit Transfer**

**GOVERNOR**

- Require the board and the Board of Regents of the University of Wisconsin System to enter into an agreement that ensures that no less than 30 credit hours of core general undergraduate courses must transfer between institutions without loss of credit toward graduation or completion of a specific course of study.
- Allow the association representing independent colleges and universities, and representatives from the tribal colleges to be permitted to enter into and implement the 30 core credit agreement.
- Require the board to report annually on the agreement to the Governor and Legislature.

**JOINT FINANCE:**

- Approve the Governor's recommendation, plus modify to delete the phrase "without loss of credit toward graduation or toward completion of a specific course of study" and replace it with "and would satisfy general education requirements at the receiving institution."

**LEGISLATURE:**

- Approve the Joint Finance recommendation.

## ITEMS NOT INCLUDED IN THE GOVERNOR'S BUDGET

The following requests were not included in the Governor's budget recommendations for the  
Department of Public Instruction.

Decision Item	Source of Funds	FY 14		FY 15	
		Dollars	Positions	Dollars	Positions
Fair Funding for the Future	GPR	\$161,012,200	0.0	\$413,002,900	0.0
Supporting Parental Options	GPR	\$28,107,600	0.0	\$60,154,800	0.0
Special Education Categorical Aid	GPR	\$17,322,200	0.0	\$56,122,300	0.0
High-Cost Special Education Categorical Aid	GPR	\$1,500,000	0.0	\$1,500,000	0.0
Graduation Improvement Grants	GPR	\$0	0.0	\$4,550,000	0.0
Sparsity Aid	GPR	\$3,300,500	0.0	\$3,300,500	0.0
School Breakfast Aid	GPR	\$701,700	0.0	\$996,200	0.0
Bilingual-Bicultural Aid	GPR	\$178,000	0.0	\$4,606,200	0.0
Expanded Bilingual-Bicultural Aid	GPR	\$0	0.0	\$2,325,300	0.0
Career & Technical Education Incentive Grants	GPR	\$0	0.0	\$3,000,000	0.0
High-Cost Transportation Aid	GPR	\$0	0.0	\$7,318,400	0.0
STEM Education	GPR	\$70,400	1.0	\$1,091,800	1.0
SAGE	GPR	\$0	0.0	\$10,866,800	0.0
School Support Grants	GPR	\$114,900	2.0	\$10,149,000	2.0
Teacher Recruitment Scholarships	GPR	\$0	0.0	\$1,000,000*	0.0
Library System Aid	SEG-O	\$13,796,000	0.0	\$14,084,100	0.0
Appropriation Fund Source Change and Lapse Reduction	PR-0	\$0	0.0	\$0	0.0
Retain Teacher Licensing Fee 10% Lapse	PR-0	\$0	0.0	\$0	0.0
	GPR	\$212,307,500	3.0	\$578,984,200	3.0
	PR-O	\$0	0.0	\$0	0.0
	SEG-O	\$13,796,000	0.0	\$14,084,100	0.0

\*\$1,000,000 was proposed to be provided to HEAB.