

**Summary of
2011 Wisconsin Act 32
Final 2011-13 Budget With Vetoes**

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

**Also Includes Listing of Key Provisions from the Department's
2011-13 Budget Request but NOT Included in Governor's Bill**

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



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TABLE OF CONTENTS

Final 2011-13 Biennial Budget School Aids and Credits Summary	3
General School Aids	4
Revenue Limits	6
Categorical Aids	9
Choice/Charter	15
Assessments	21
Library Services	23
School District Operations	25
Agency Administration and Other Funding	29
Other Agencies	38

Final 2011-13 Biennial Budget School Aids and Credits Summary

Categorical Aid Program	FY11 Base	FY12	FY12 to Base	FY13	FY13 to FY12	FY13 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	\$ 26,337,300	\$ 23,703,600	\$ (2,633,700)	\$ 23,703,600	\$ -	\$ (2,633,700)	\$ (5,267,400)
Sparsity Aid	\$ 14,948,100	\$ 13,453,300	\$ (1,494,800)	\$ 13,453,300	\$ -	\$ (1,494,800)	\$ (2,989,600)
MPS Achievement Grants	\$ 9,650,000	\$ -	\$ (9,650,000)	\$ -	\$ -	\$ (9,650,000)	\$ (19,300,000)
Bilingual-Bicultural	\$ 9,544,200	\$ 8,589,800	\$ (954,400)	\$ 8,589,800	\$ -	\$ (954,400)	\$ (1,908,800)
Tuition Payments	\$ 9,158,800	\$ 8,242,900	\$ (915,900)	\$ 8,242,900	\$ -	\$ (915,900)	\$ (1,831,800)
P-5 Program	\$ 7,096,400	\$ -	\$ (7,096,400)	\$ -	\$ -	\$ (7,096,400)	\$ (14,192,800)
Head Start Supplement	\$ 6,960,100	\$ 6,264,100	\$ (696,000)	\$ 6,264,100	\$ -	\$ (696,000)	\$ (1,392,000)
Alternative Education Grants	\$ 4,825,000	\$ -	\$ (4,825,000)	\$ -	\$ -	\$ (4,825,000)	\$ (9,650,000)
AODA Prevention Grants	\$ 4,361,800	\$ -	\$ (4,361,800)	\$ -	\$ -	\$ (4,361,800)	\$ (8,723,600)
TEACH Debt Service	\$ 4,342,400	\$ 1,353,100	\$ (2,989,300)	\$ 2,252,200	\$ 899,100	\$ (2,090,200)	\$ (5,079,500)
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	\$ -	\$ -	\$ -
Children-at-Risk	\$ 3,377,500	\$ -	\$ (3,377,500)	\$ -	\$ -	\$ (3,377,500)	\$ (6,755,000)
School Breakfast Grants	\$ 2,789,400	\$ 2,510,500	\$ (278,900)	\$ 2,510,500	\$ -	\$ (278,900)	\$ (557,800)
Special Education-Supplemen	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -
4K Start Up Grants	\$ 1,500,000	\$ 1,350,000	\$ (150,000)	\$ 1,350,000	\$ -	\$ (150,000)	\$ (300,000)
Grants for Mentors	\$ 1,302,700	\$ 1,172,400	\$ (130,300)	\$ -	\$ (1,172,400)	\$ (1,302,700)	\$ (1,433,000)
School Day Milk	\$ 685,700	\$ 617,100	\$ (68,600)	\$ 617,100	\$ -	\$ (68,600)	\$ (137,200)
Open Enroll Transportation	\$ 482,500	\$ 434,200	\$ (48,300)	\$ 434,200	\$ -	\$ (48,300)	\$ (96,600)
Peer Review & Mentoring	\$ 482,500	\$ 434,300	\$ (48,200)	\$ 1,606,700	\$ 1,172,400	\$ 1,124,200	\$ 1,076,000
Aid for CESAs	\$ 289,500	\$ 260,600	\$ (28,900)	\$ 260,600	\$ -	\$ (28,900)	\$ (57,800)
Gifted and Talented Grants	\$ 263,500	\$ 237,200	\$ (26,300)	\$ 237,200	\$ -	\$ (26,300)	\$ (52,600)
Grants for Nursing Services	\$ 241,200	\$ -	\$ (241,200)	\$ -	\$ -	\$ (241,200)	\$ (482,400)
SAGE-Debt Service	\$ 148,500	\$ 133,700	\$ (14,800)	\$ 133,700	\$ -	\$ (14,800)	\$ (29,600)
Supplemental Aid	\$ 120,600	\$ 100,000	\$ (20,600)	\$ 100,000	\$ -	\$ (20,600)	\$ (41,200)
Advanced Placement Grants	\$ 96,500	\$ -	\$ (96,500)	\$ -	\$ -	\$ (96,500)	\$ (193,000)
English for SE Asian Pupils	\$ 96,500	\$ -	\$ (96,500)	\$ -	\$ -	\$ (96,500)	\$ (193,000)
STEM Grants	\$ 59,400	\$ -	\$ (59,400)	\$ -	\$ -	\$ (59,400)	\$ (118,800)
Youth Options Transportation	\$ 19,300	\$ 17,400	\$ (1,900)	\$ 17,400	\$ -	\$ (1,900)	\$ (3,800)
Per Pupil Adjustment Aid	\$ -	\$ -	\$ -	\$ 42,500,000	\$ 42,500,000	\$ 42,500,000	\$ 42,500,000
GPR Categorical Aids	\$ 600,838,400	\$ 560,533,200	\$ (40,305,200)	\$ 603,932,300	\$ 43,399,100	\$ 3,093,900	\$ (37,211,300)
Tribal Languages (PR)	\$ 247,500	\$ 222,800	\$ (24,700)	\$ 222,800	\$ -	\$ (24,700)	\$ (49,400)
Aid for AODA (PR)	\$ 1,427,500	\$ 1,284,700	\$ (142,800)	\$ 1,284,700	\$ -	\$ (142,800)	\$ (285,600)
PR Categorical Aids	\$ 1,675,000	\$ 1,507,500	\$ (167,500)	\$ 1,507,500	\$ -	\$ (167,500)	\$ (335,000)
School Library Aids	\$ 39,600,000	\$ 35,000,000	\$ (4,600,000)	\$ 37,000,000	\$ 2,000,000	\$ (2,600,000)	\$ (7,200,000)
Env Educ, Forestry-UW	\$ 400,000	\$ 200,000	\$ (200,000)	\$ 200,000	\$ -	\$ (200,000)	\$ (400,000)
Env Educ, Env. Assess-UW	\$ 130,500	\$ 130,500	\$ -	\$ 130,500	\$ -	\$ -	\$ -
Educ Telecomm Access-DOA	\$ 11,190,700	\$ 11,105,100	\$ (85,600)	\$ 11,105,100	\$ -	\$ (85,600)	\$ (171,200)
SEG Categorical Aids	\$ 51,321,200	\$ 46,435,600	\$ (4,885,600)	\$ 48,435,600	\$ 2,000,000	\$ (2,885,600)	\$ (7,771,200)
Total Categorical Aids	\$ 653,834,600	\$ 608,476,300	\$ (45,358,300)	\$ 653,875,400	\$ 45,399,100	\$ 40,800	\$ (45,317,500)
General Aids							
General Equalization Aids	\$ 4,652,500,000	\$ 4,261,954,000	\$ (390,546,000)	\$ 4,293,658,000	\$ 31,704,000	\$ (358,842,000)	\$ (749,388,000)
High Poverty Aid	\$ 18,700,000	\$ 16,830,000	\$ (1,870,000)	\$ 16,830,000	\$ -	\$ (1,870,000)	\$ (3,740,000)
Low Revenue Ceiling Aid	\$ -	\$ 6,200,000	\$ 6,200,000	\$ -	\$ (6,200,000)	\$ -	\$ 6,200,000
Total General Aids	\$ 4,671,200,000	\$ 4,284,984,000	\$ (386,216,000)	\$ 4,310,488,000	\$ 25,504,000	\$ (360,712,000)	\$ (746,928,000)
Total State School Aids	\$ 5,325,034,600	\$ 4,893,460,300	\$ (431,574,300)	\$ 4,964,363,400	\$ 70,903,100	\$ (360,671,200)	\$ (792,245,500)
School Levy Tax Credit	\$ 897,400,000	\$ 897,400,000	\$ -	\$ 897,400,000	\$ -	\$ -	\$ -
State Residential Schools	\$ 11,765,700	\$ 11,210,300	\$ (555,400)	\$ 11,210,300	\$ -	\$ (555,400)	\$ (1,110,800)
Total School Aids & Credits	\$ 6,234,200,300	\$ 5,802,070,600	\$ (432,129,700)	\$ 5,872,973,700	\$ 70,903,100	\$ (361,226,600)	\$ (793,356,300)

GENERAL SCHOOL AIDS

Note: State Superintendent Evers submitted the *Fair Funding for Our Future: School Finance Reform* package as part of his 2011-13 biennial budget request. The package was made up of various items within both the general school aids and revenue limits subsections of this summary. In addition, the *Fair Funding for Our Future: Categorical Aid Reform* package is discussed in the categorical aids subsection. 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 \$93,050,000 GPR in FY12 and \$326,516,000 GPR in FY13 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 2.0 percent and 4.0 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:

- Decrease funding for general school aids by \$390,546,000 GPR (8.4 percent) in FY12 and \$358,842,000 GPR (7.7 percent) in FY13 compared to FY11.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Aid for High Poverty Districts

AGENCY REQUEST:

- Request to eliminate the program in FY13 and transfer the base level funding of \$18.7 million into the general equalization aids appropriation.

GOVERNOR:

- Deny the request.
- Apply a decrease of -\$1,870,000 GPR in both FY12 and FY13, a 10 percent cut, to the aid for high poverty districts.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

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:

- Increase the Special Adjustment Aid hold harmless provision from 85 percent of the prior year state aid amount to 90 percent for FY12; returns to 85 percent in FY13.

JOINT FINANCE/LEGISLATURE:

- Approve the Governor’s recommendation.

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 FY13 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 FY14. The department proposes to have the SLTC and FDC amount paid to school districts from the FY14 appropriation and then reflected as a FY13 general equalization aid payment.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

School Property Tax Levy Credit Certification Date

AGENCY REQUEST:

- None.

GOVERNOR:

- Extend the school property tax levy credit certification date in the years when there is a November general election from November 6 to seven days after the date of the election.

JOINT FINANCE / LEGISLATURE:

- Removed as a non-fiscal policy item.

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 FY13 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 FY14. The department proposes to have the SLTC and FDC amount paid to school districts from the FY14 appropriation and then reflected as a FY13 general equalization aid payment.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

REVENUE LIMITS

Revenue Limit Per Pupil

AGENCY REQUEST:

- Request to maintain the per pupil revenue limit adjustment at \$200 per pupil in 2011-12 and 2012-13. It would go to \$275 per pupil in 2013-14.

GOVERNOR:

- Require each school district to reduce its revenue limit per pupil by 5.5 percent in FY12 compared to FY11.
- The per pupil revenue limit adjustment would remain at the FY12 level in FY13.
- Statewide revenue limit authority is estimated to be reduced by:
 - \$464,500,200 in each year compared to the FY11 base. Total reduction of \$929,000,400 over the biennium.
 - \$637,913,500 in FY12 and \$813,373,400 in FY13 compared to the Fair Funding proposal (\$200/pupil increase each year). Total reduction of \$1,451,286,900 over the biennium.
 - \$721,765,900 in FY12 and \$960,072,500 in FY13 compared to current law (\$275/pupil increase in FY12 and \$280.50 in FY13). Total reduction of \$1,681,838,400 over the biennium.
- Repeal the guarantee that total school district base revenues in the current fiscal year must be maintained at the prior year level.
- Reduce the initial revenue limit for newly-created districts by 5.5 percent in FY12 and 100 percent in FY13.

JOINT FINANCE:

- Approve the Governor's recommendations to reduce base revenue per pupil under revenue limits for each school district by 5.5% in FY12 and to repeal the guarantee that total school district base revenues in the current fiscal year must be maintained at the prior year level.
- Provide a \$50 per pupil adjustment under revenue limits in FY13.
- Statewide revenue limit authority is estimated to be reduced by:
 - \$706,182,900 in FY12 and \$902,008,600 in FY13 compared to current law (\$275/pupil increase in FY12 and \$280.50 in FY13). Total reduction of \$1,608,191,500 over the biennium.
- Specify that the revenue limit calculation for the 2012-13 school year would apply annually thereafter.

LEGISLATURE:

- Restore and modify the prior year base revenue hold harmless – see detail below.
- Statewide revenue limit authority is estimated to be reduced by:
 - \$441,854,600 in FY12 and \$363,970,200 in FY13 compared to the FY11 base. Total reduction of \$805,824,800 over the biennium.
 - \$699,066,100 in FY12 and \$858,063,500 in FY13 compared to current law (\$275/pupil increase in FY12 and \$280.50 in FY13). Total reduction of \$1,557,129,600 over the biennium.

Prior Year Base Revenue Hold Harmless

AGENCY REQUEST:

- None.

GOVERNOR:

- Repeal the guarantee that total school district base revenues in the current fiscal year must be maintained at the prior year level.

JOINT FINANCE:

- Approve the Governor's recommendation.

LEGISLATURE:

- Restore and modify provision. In the 2011-12 school year, any district that received a prior year base revenue hold harmless adjustment in 2010-11 would receive a nonrecurring revenue limit adjustment equal to its 2010-11 adjustment amount. In the 2012-13 school year, any district that received a prior year base revenue hold harmless adjustment in 2010-11 and that received no equalization aid in 2010-11 would receive a nonrecurring revenue limit adjustment equal to its 2010-11 adjustment amount. The prior year base revenue hold harmless adjustment would be fully restored beginning in the 2013-14 school year.

Under this hold harmless adjustment, for certain school districts, their initial revenue limit for the current school year is set equal to their prior year's base revenue. The hold harmless applies if a district's initial revenue limit in the current year, after consideration of the per pupil adjustment and low revenue ceiling, but prior to any other adjustments, is less than the district's base revenue from the prior year. This adjustment is nonrecurring. For districts with relatively large declines in enrollment, the initial revenue limit for the current year can still be less than the district's prior year base revenue, even after the per pupil adjustment and low revenue ceiling adjustment are calculated.

Revenue Limit Exemptions**AGENCY REQUEST:**

- Request to delay the effective date of the revenue limit exemptions for school safety costs, school nurses, and transportation costs from 2011-12 to 2013-14.

GOVERNOR:

- Eliminate revenue limit exemptions related to school nursing costs, pupil transportation costs, school safety equipment, and security officers that are scheduled to go into effect in the 2011-12 school year.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Low Revenue Ceiling**AGENCY REQUEST:**

- Request to modify the current law increase in the low-revenue ceiling to \$9,800 by phasing-in the increase at \$9,400 in FY12 and the \$9,800 in FY13.

GOVERNOR:

- Reduce the low revenue spending ceiling to \$8,900 per pupil in both FY12 and FY13.

JOINT FINANCE / LEGISLATURE:

- Set the low revenue ceiling at \$9,000 per pupil in FY12 and FY13, and \$9,100 in FY14 and annually thereafter.
- Create a one-time general aid appropriation funded at \$6.2 million GPR in FY12.
- A district would be eligible for this new aid if it qualifies for the low revenue ceiling and utilizes some or all of the \$100 per pupil increase provided by the Joint Finance action (which is the difference between the \$8,900 under the Governor and the \$9,000 under Joint Finance).

- State aid for an eligible district would be 40% of the amount of the low revenue ceiling increase that the district utilizes, and that aid could not exceed \$40 per pupil. The department would prorate payments if aid awards would exceed available funding.

Revenue Limit Adjustment for Energy Efficiency Measures

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Modify the revenue limit adjustment for energy efficiency measures to: (a) specify that the adjustment is equal to the amount spent on a project to implement energy efficiency or for the purchase of energy efficiency products, including the payment of debt service on any bonds or notes issued to finance that project; (b) modify the current law requirement that the project will result in the avoidance of, or reduction in, energy costs to include either energy costs or operational costs; (c) add a requirement that the project be undertaken pursuant to the provisions of municipal law governing energy savings performance contracting; (d) add a requirement that the payment of debt service on any bonds or notes issued to finance a project not exceed twenty years; and (e) delete the current law requirement that DPI promulgate rules to implement the adjustment.
- The addition of debt service as an eligible cost, compared to current law, has the potential to significantly expand the size of the total exemptions.

Revenue Limit Adjustment for Refunded or Rescinded Taxes

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Create a non-recurring revenue limit adjustment for school districts equal to the amount of any refunded or rescinded taxes, provided that the Department of Revenue has determined that the equalized value of the school district is changed as a result of consideration of the valuation represented by the refunded or rescinded taxes under current law provisions.

CATEGORICAL AIDS

Fair Funding for Our Future: Categorical Aid Reform

AGENCY REQUEST:

- Request -\$1,200,000 GPR in FY12 and \$542,100 GPR in FY13 to reform categorical aid funding for public school districts in Wisconsin.
- Establish a new categorical aid program, Every Child a Graduate Grants, in FY13, to focus on increasing graduation rates and reducing dropout rates in targeted school districts throughout Wisconsin.
- The following categorical aids would be effected:

Categorical Aid	FY12	FY13
Preschool – Grade 5 (P-5)	\$0	-\$7,096,400
AODA Prevention Grants	\$0	-\$4,361,800
Children At Risk	\$0	-\$3,377,500
Alternative Education Grants (phased-out)	-\$1,200,000	-\$2,258,000
Special Education – Supplemental	\$0	-\$1,750,000
Grants for Nursing Services	\$0	-\$241,200
Supplemental Aid	\$0	-\$120,600
Advanced Placement Grants	\$0	-\$96,500
English for Southeast Asian Pupils	\$0	-\$96,500
STEM Grants	\$0	-\$59,400
Every Child a Graduate Grants	\$0	\$20,000,000
Total	-\$1,200,000	\$542,100

GOVERNOR:

- Eliminate the following categorical aids and -\$20,274,900 GPR in both FY12 and FY13.

Categorical Aid	FY12	FY13
Preschool – Grade 5 (P-5)	-\$7,096,400	-\$7,096,400
AODA Prevention Grants	-\$4,361,800	-\$4,361,800
Children At Risk	-\$3,377,500	-\$3,377,500
Alternative Education Grants	-\$4,825,000	-\$4,825,000
Grants for Nursing Services	-\$241,200	-\$241,200
Supplemental Aid	-\$120,600	-\$120,600
Advanced Placement Grants	-\$96,500	-\$96,500
English for Southeast Asian Pupils	-\$96,500	-\$96,500
STEM Grants	-\$59,400	-\$59,400
Total	-\$20,274,900	-\$20,274,900

- Further, eliminate the Grants for Improving Pupil Academic Achievement (for Milwaukee Public Schools) and -\$9,650,000 GPR in both FY12 and FY13.

Categorical Aid	FY12	FY13
Grants for Improving Pupil Academic Achievement	-\$9,650,000	-\$9,650,000
Total	-\$9,650,000	-\$9,650,000

- Deny creation of Every Child a Graduate Grants.
- Governor Walker’s budget communications discussed using the various reductions in categorical aids to instead create the statewide student information system (see SIS under Administration and Other Funding).

- Create a task force charged with developing detailed recommendations for a program to assess and improve literacy in elementary school children. Approve \$600,000 GPR in both FY12 and FY13 for the Department of Administration to implement the task force’s recommendations upon the Governor’s approval (see Assessments). Governor Walker’s budget communications discussed using the various reductions in categorical aids to instead create this elementary literacy initiative.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's recommendation on the Preschool to Grade 5 program to allow former Preschool to Grade 5 schools to instead join the SAGE program in 2011-12 only. No additional funding would be provided. Current SAGE funding would be redistributed to fund all SAGE schools.
- Approve the Governor’s recommendation to delete AODA Prevention grants, Children at Risk funding, grants for nursing services, Advanced Placement grants, English for Southeast Asian pupils, and STEM grants.
- Modify the Governor’s recommendation to restore current law statutory language for alternative education programs but maintain the deletion of funding.
- Restore \$100,000 GPR annually for the Supplemental Aid program.
- Approve the Governor’s recommendation to delete the Grants for Improving Pupil Achievement.
- Approve the Governor’s recommendation to deny creation of Every Child a Graduate Grants.
- Approve the Governor’s new reading task force and funding to implement its recommendations.

Children at Risk

AGENCY REQUEST:

- Eliminate funding and any reference to the children at risk categorical aid program under ss. 20.255 (2) (bc) and 118.153, Wis. Stats., in order to fund the proposed Every Child a Graduate Program.

GOVERNOR:

- Eliminate funding and all references to the children at risk program, including:
 - The appropriation under s. 20.255 (2) (bc), Stats.
 - The requirement that a school board develop a plan for children at risk under s. 121.02 (1) (n), Stats.
 - The requirement that a school board identify children at risk and develop a plan to meet their needs under s. 118.153 (2) (a), Stats.
 - The requirement that every school board that applies for children at risk aid make available a children at risk program.
 - Eliminate the ability of a school board to contract with an appropriate private, nonprofit, nonsectarian agency to serve children at risk under s. 118.153 (3) (b), Stats.
 - The ability of a parent guardian or child to participate in a program for children at risk as a remedy to habitual truancy.
- Maintain but renumber the definition of “children at risk” and “dropout.” The definitions are now under s. 115.001 (1m) and (2m), Stats., respectively.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation to eliminate funding.
- Restore current law language authorizing children at risk programs. Retain the current law definition of “child at risk,” “dropout,” “alternative school,” and “school within a school.” Require every school board to identify children at risk enrolled in the district and annually develop a plan describing how the school board will meet their needs. Retain the current law requirement that each school board must identify appropriate private, nonprofit, nonsectarian agencies located in the district, or within five miles of the boundaries, to meet the requirements for children at risk programs. Specify that the school board may contract with these agencies for the children at risk enrolled in the district if the board determines that the agencies can adequately serve such children.

- In addition, delete the current law 30 percent cap on the number of at-risk students that may be served by contracted agencies.

Grants for Peer Review and Mentoring

AGENCY REQUEST:

- Request to consolidate the peer review and mentoring grant program and the mentoring grants for initial educators program into a single aid program focused on educator improvement and/or effectiveness. Beginning in FY13, districts could apply for a grant to evaluate initial and veteran teachers, develop and implement strategies for intensive intervention and assistance for those educators who are underperforming, or implement new research based strategies to improve student achievement.

GOVERNOR:

- Approve the department’s request to consolidate the two grants into one peer review and mentoring grant program in FY13.
- Apply a decrease of -\$178,500, in FY13, a 10 percent cut, to the consolidated grant.
- Apply a decrease of -\$130,300, a 10 percent cut, to the mentoring grants for initial educators program in FY12.
- Apply a decrease of -\$48,200, a 10 percent cut, to the peer review and mentoring grant program in FY12.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

Bilingual-Bicultural Aid

AGENCY REQUEST:

- Request an increase of \$522,500 GPR in FY12 and \$1,111,500 GPR in FY13 to maintain the reimbursement rate at approximately 9.1 percent of approved prior year costs for school districts required to offer bilingual-bicultural education programs under ss. 20.255 (2) (cc) and 115.97 (2), (3), or (4), Wis. Stats.
- In addition, request \$3,400,000 GPR in FY13 to create a new bilingual-bicultural supplemental aid annual appropriation 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:

- Apply a decrease of -\$954,400 in both FY12 and FY13, a 10 percent cut, to the existing bilingual-bicultural education program.
- Deny the bilingual-bicultural supplemental aid program.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

Gifted and Talented Grants

AGENCY REQUEST:

- Request a statutory language change to allow University of Wisconsin-related programs to be eligible for grants to support gifted & talented K-12 pupils.

- Require that such grant dollars be spent for the purpose of providing direct gifted and talented programming to pupils.

GOVERNOR:

- Apply a decrease of -\$26,300 in both FY12 and FY13, a 10 percent cut, to the gifted and talented program.
- Allow University of Wisconsin-Madison related programs to be eligible for gifted and talented grants.
- Require that all grants provide services and activities not ordinarily provided in a regular school program to allow gifted and talented pupils to fully develop their capabilities.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation, but modify to allow all University of Wisconsin institutions to receive grants.

Pupil Transportation Aid

AGENCY REQUEST:

- Request to increase the reimbursement rate for pupils transported over 12 miles from \$220 to \$330 per pupil for both years of the 2011-13 biennium. No additional GPR funds were requested; the base appropriation is projected to be sufficient.
- Request a statutory language change to make the independent 2r charter schools eligible for pupil transportation aid. Again, no additional GPR funds were requested.

GOVERNOR:

- Deny the requests.
- Provide that a school district contracting with a parent or guardian to transport more than one pupil residing in the same household to the same private school may consolidate payments to the parent or guardian.
- Apply a decrease of -\$2,633,700 GPR in both FY12 and FY13, a 10 percent cut, to the pupil transportation aid program.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's recommendation by removing as a non-fiscal policy item the provision that a school district contracting with a parent or guardian to transport more than one pupil residing in the same household to the same private school may consolidate payments to the parent or guardian.

Aid for Transportation; Open Enrollment

AGENCY REQUEST:

- Request an increase of \$99,400 GPR in FY12 and \$219,200 GPR in FY13 to maintain the estimated FY11 reimbursement rate of 27.1 percent for transportation aid to open enrollment pupils.

GOVERNOR:

- Apply a decrease of -\$48,300 GPR in both FY12 and FY 13, a 10 percent cut.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

School Breakfast Program

AGENCY REQUEST:

- Request an increase of \$259,700 GPR in FY12 and \$534,100 GPR in FY13 in state aids to school districts and private schools to maintain the state reimbursement rate for the School Breakfast Program (SBP) at the projected FY11 reimbursement rate of 11.6 cents for each breakfast served.
- Request a statutory language change to pay the state reimbursement rate for the SBP to (2r) charter schools and state schools for each breakfast served in those schools.
- Request \$68,100 GPR in FY12 and \$74,000 in FY13 to fund the state reimbursement rate for the SBP at the projected FY11 reimbursement rate of 11.6 cents for each breakfast served in (2r) charter schools and state schools.

GOVERNOR:

- Apply a decrease of -\$278,900 GPR in both FY12 and FY 13, a 10 percent cut.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Special Education

AGENCY REQUEST:

- Request an increase of \$16,049,700 GPR in FY12 and \$32,797,600 GPR in FY13 for special education aid to maintain the estimated FY11 reimbursement rate of 26.7 percent.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

High-Cost Special Education

AGENCY REQUEST:

- Request \$794,000 GPR in FY12 and \$1,710,800 GPR in FY13 to maintain the estimated reimbursement rate of high-cost special education claims at 42.3 percent, the FY11 level of reimbursement.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

SAGE

AGENCY REQUEST:

- Request \$2,285,500 GPR in FY12 and \$4,509,500 GPR in FY13 to fund the Student Achievement Guarantee in Education (SAGE) grant program at \$2,000 per low-income pupil to maintain FY11 funding levels.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Additional Categorical Aid Cuts

AGENCY REQUEST:

- None.

GOVERNOR:

- Apply a 10 percent cut in both FY12 and FY13 to the following categorical aids not mentioned elsewhere in this document. See the summary of all categorical aids on page 3 of this summary.
 - 4K start-up grants.
 - Aid for AODA (PR).
 - Aid for CESAs.
 - Head Start supplement.
 - SAGE-debt service.
 - Wisconsin school day milk program.
 - Sparsity aid.
 - Tribal languages (PR).
 - Tuition payments; open enrollment.
 - Aid for transportation; youth options.
 - Second chance partnership.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Per Pupil Adjustment

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Create a one-time categorical aid appropriation funded at \$42.5 million GPR in FY13.
- If a district levies the maximum amount under revenue limits in FY13, excluding the carryover adjustment, in the November certification of the district's levy, the district's aid payment would equal \$50 per pupil multiplied by the district's current year three year average enrollment under revenue limits. To the extent that a district underlevies by an amount up to an equivalent of \$50 per pupil, the aid payment would be prorated accordingly.

CHOICE/CHARTER

Milwaukee Parental Choice Program

AGENCY REQUEST:

- Request \$3,298,300 GPR in FY12 and \$11,820,200 GPR in FY13 to continue to fund the Milwaukee Parental Choice Program (MPCP) under s. 119.23, Wis. Stats.
- Request a change in the state's share of funding for the program from the current 61.6 percent to 70 percent of the annual cost of the program in FY13.

GOVERNOR:

- Approve an increase of \$7,086,200 GPR in FY12 and \$15,460,800 GPR in FY13. The Governor's estimates are based on 21,600 pupils in FY12 and 22,900 in FY13 and a per pupil payment of \$6,442 per FTE in both FY12 and FY13.
- Maintain the per pupil payment for the MPCP at the FY11 level of an amount equal to the private school's operating and debt service cost per pupil that is related to educational programming, as determined by the department, or \$6,442, whichever is less.
- Eliminate the family income requirement for a pupil who wishes to attend an MPCP school beginning in the 2011-12 school year or subsequent school years if the pupil did not attend an MPCP school in the 2010-11 school year. Pupils who attended an MPCP school in the 2010-11 school year are still subject to the existing family income requirements in the 2011-12 school year and subsequent school years.
- Require an MPCP school to determine family income as it relates to the federal poverty level only at the time of initial application for pupils beginning attendance in the 2011-12 school year or subsequent school years. For pupils who attended an MPCP school in the 2010-11 school year an MPCP school must still determine family income as it relates to the federal property level on an annual basis.
- Authorize an MPCP school to charge a pupil tuition and fees over and above the payment the private school receives for the pupil from the state if the pupil's family income exceeds 325 percent of the federal poverty level.
- Require an MPCP school to indicate in its letter of acceptance the amount of the state payment the parent or guardian of the pupil will receive.
- Provide that any private school located in Milwaukee County (as opposed to the city of Milwaukee under current law) may participate in the MPCP.
- Eliminate the 22,500 pupil cap on enrollment in the MPCP.
- Eliminate the requirement for MPCP schools to annually administer examinations (WKCE) approved by the state superintendent to pupils attending the school under the MPCP and enrolled in grades four, eight, and ten.
- Eliminate the requirement for MPCP schools to annually administer examinations in reading and mathematics required under the federal No Child Left Behind Act to pupils enrolled in grades three to eight and grade ten.
- Require that MPCP schools annually administer a nationally-normed standardized test in reading, mathematics, and science to pupils attending the school under the MPCP and enrolled in grades four, eight, and ten.
- Require DPI to notify each MPCP school, and the parents and guardians of pupils attending a private school under the MPCP, of any changes to the MPCP prior to the school year in which the change is to take effect.
- Incorporate into statutes the DPI administrative rule that establishes circumstances that would indicate that an MPCP school does not possess sound fiscal practices or the financial ability to continue educational programming operations.

JOINT FINANCE:

- Modify the Governor's provision and provide an increase of \$6,442,000 GPR in FY12 and \$12,884,000 GPR in FY13.
- Approve the Governor's provision maintaining the per pupil payment for the MPCP at the FY11 level of an amount equal to the private school's operating and debt service cost per pupil that is related to educational programming, as determined by the department, or \$6,442, whichever is less.

- Delete the Governor's provision eliminating the family income requirement for pupils wishing to attend an MPCP school beginning in the 2011-12 school year or subsequent school years if the pupil did not attend an MPCP school in the 2010-11 school year. Instead specify that a pupil would be eligible to participate in the choice program if their family income does not exceed 300 percent of the federal poverty level (approximately \$67,400 for a family of 4 in 2010). Specify that family income would include the income of the pupil's parents or legal guardian. Provide that family income for a married couple would be reduced by \$7,000 before applying the income eligibility tests.
- Provide that to determine income eligibility of the choice program, choice schools are required to submit names, addresses, social security numbers, and tax identification numbers obtained through the application process to the Department of Revenue (DOR). Specify that DOR determine whether a pupil is or is not eligible for the program. DPI would not be able to require additional income verification beyond the DOR determination. Specify that DPI establish a procedure for determining income eligibility for those pupils that do not provide a social security number or tax identification number. Provide that once a pupil is determined to be eligible to participate in the choice program, he or she remains eligible to participate in the program in future years.
- Delete the Governor's provision authorizing an MPCP school to charge a pupil tuition and fees over above the payment the private school receives for the pupil from the state if the pupil's family income exceeds 325 percent of the federal poverty level. Instead, provide that an MPCP school may charge tuition to a pupil in grades 9-12 whose family income exceeds 220 percent of the federal poverty level. Allow an MPCP school to charge those pupils tuition and fees in an amount determined by the school (in addition to the payment the school receives for the pupil from the state). Specify that an MPCP school is responsible for determining income with respect to whether tuition may be charged.
- Approve the Governor's provision eliminating the cap on enrollment in the MPCP.
- Delete the Governor's provision that any private school located in Milwaukee County (as opposed to the city of Milwaukee under current law) may participate in the MPCP. Instead specify that there would be no geographic requirement for schools participating in MPCP beginning in the 2011-12 school year. Current law requiring pupils to reside in the City of Milwaukee would still be in effect.
- Provide that a school outside the City of Milwaukee that intends to participate in the 2011-12 school year would be required to notify DPI of its intent to participate and pay the auditor fee by August 1, 2011. Provide that the state superintendent could issue an order barring a school from participating in the program in the current school year if it fails to do so. Require that the notice would be required to specify the number of choice pupils for which a school has space.
- Delete the Governor's provision eliminating the requirement for MPCP schools to annually administer examinations (WKCE) approved by the state superintendent to pupils attending the school under the MPCP and enrolled in grades four, eight, and ten.
- Delete the Governor's provision eliminating the requirement for MPCP schools to annually administer examinations in reading and mathematics required under the federal No Child Left Behind Act to pupils enrolled in grades three to eight and grade ten.
- Require that DPI calculate the percentage of choice pupils at each proficiency level using the number of pupils that actually completed the WKCE at each grade level in the school rather than the total number of pupils at each grade level.
- Delete the Governor's provision incorporating into statutes the DPI administrative rule that establishes circumstances that would indicate that an MPCP school does not possess sound fiscal practices or the financial ability to continue educational programming operations.
- Delete the Governor's provision requiring DPI to notify each MPCP school, and the parents and guardians of pupils attending a private school under the MPCP, of any changes to the MPCP prior to the school year in which the change is to take effect. Instead, require DPI to notify each MPCP school of any changes to the MPCP prior to the school year in which the change is to take effect.
- Eliminate provisions in current law requiring a choice school to ensure that an accrediting agency reviews and reports to DPI on the school's compliance with the requirements to: (a) issue high school diplomas to choice pupils who complete the necessary requirements; and (b) maintain progress records for each choice pupil while the pupil attends the school and for at least five years after the pupil ceases to attend the school.
- Provide that a new MPCP school may obtain pre-accreditation from any of the statutorily-recognized accrediting agencies as well as from the Institute of the Transformation of Learning (ITL) at Marquette University.

- Provide that DPI may make the quarterly payment directly to the private school participating in the MPCP, allowing DPI to combine payments for all MPCP pupils attending the private school into one check to the school. However, in school years 2011-12 and 2012-13 DPI must make the quarterly payment to the parent or guardian of the pupil. This appears to be a technical drafting error.
- Require DPI to make summer school payments to MPCP schools by a separate check.
- Provide that parents may complete one application for all children applying to the same private school participating in the MPCP.
- Provide that certain revenues are subtracted when determining a private school participating in the MPCP's per pupil operating and debt service cost for the purpose of determining the amount of the state's payment to the private schools. Also provides that the amount of each subtraction may not be more than the actual cost to the school of the service or material related to that revenue.
- Provide that a private school participating in MPCP is allowed to include in its cost an amount equal to 10.5 percent of fair market value of the school's buildings and premises if legal title to the buildings and premises is held in the name of the private school's parent organization or other related party and there is no other mechanism to include the school's facilities cost in the calculation of its operating cost and debt service (e.g. rent or depreciation).
- Provide that the annual financial audit of an MPCP school must be conducted by an independent certified public accountant. Provide that the audit must be conducted in accordance with the auditing standards established by the American Institute of Certified Public Accountants (AICPA) and prohibits DPI from requiring an auditor to comply with standards that exceed the scope of the standards established by the AICPA.
- Provide for the creation of a Racine Parental Choice Program (RPCP). Provide the program to include all the provisions of the MPCP, with exceptions specified below.
- Provide that income eligibility for the RPCP be 300 percent of the federal poverty level. Specify that if random selection is required that priority be given to pupils eligible for free or reduced price lunch in the 2010-11 school year attending a school in the program in 2011-12.
- Provide that no more than 250 full-time equivalent pupils may participate in the RPCP in the 2011-12 school year. Provide that no more than 500 full-time equivalent pupils may participate in the RPCP in the 2012-13 school year. Specify that current statutory language governing the pupil participation limit for the MPCP applies to the RPCP in the 2011-12 and 2012-13 school years, including what must be done when the limit has been reached or participation falls below the limit and the priority order in which pupils must be accepted. Provide that for the 2013-14 school year and subsequent school years there would be no limit to participation in the RPCP.
- Specify that a pupil must live in the Racine Unified School District to be eligible for the RPCP. Specify that a pupil be eligible to participate if he or she was: (a) enrolled in the RUSD in the prior year; (b) not enrolled in school in the prior year; (c) was enrolled in the Racine program in the prior year; or (d) is enrolling in kindergarten, first grade, or ninth grade in a school participating in the program in the current year.
- Create a sum sufficient appropriation from the general fund to make the payments to private schools under the Racine program. Provide \$1,610,400 GPR in FY12 and \$3,221,000 GPR in FY13 in the Racine program appropriation. Specify that the general aid lapse for RUSD be 38.4 percent of the appropriation, the same as for Milwaukee under the MPCP.
- Specify that the state superintendent shall extend any required deadlines for entry in the Racine program in 2011-12 by 31 days.
- Provide for the creation of a Green Bay parental choice program (GBPCP). Provide the program to include all the provisions of the MPCP, with exceptions specified below.
- Provide that the program would be created if a petition is signed by a sufficient number of electors in the Green Bay Area School District. Specify that the threshold be equal to 25 percent of the number of pupils enrolled in the Green Bay Area School District in the 2010-11 school year (5,143 electors). Specify that the petition must be initiated with the Government Accountability Board (GAB) on or after September 1, 2011. Specify that the petition must be circulated and returned within 60 days after the registration. Specify that if a sufficient number of signatures are obtained on the petition, the GAB must certify the result to DPI. Specify that DPI shall begin to administer the program in the first school year following the GAB certification.
- Provide that income eligibility for the GBPCP be 300 percent of the federal poverty level. Specify that if random selection is required that priority be given to pupils eligible for free or reduced price lunch in the 2010-11 school year attending a school in the program in 2011-12.

- Provide that no more than 250 full-time equivalent pupils may participate in the GBPCP in the first school year or operation. Provide that no more than 500 full-time equivalent pupils may participate in the GBPCP in the second school year of operation. Specify that current statutory language governing the pupil participation limit for the MPCP applies to the GBPCP in the first two school years of operation, including what must be done when the limit has been reached or participation falls below the limit and the priority order in which pupils must be accepted. Provide that for the third school year and subsequent school years there would be no limit to participation in the GBPCP.
- Specify that a pupil must live in the Green Bay Area School District to be eligible for the GBPCP. Specify that a pupil be eligible to participate if he or she was: (a) enrolled in the Green Bay Area School District in the prior year; (b) not enrolled in school in the prior year; (c) was enrolled in the Green Bay program in the prior year; or (d) is enrolling in kindergarten, first grade, or ninth grade in a school participating in the program in the current year.
- Create a sum sufficient appropriation from the general fund to make the payments to private schools under the Green Bay program. Specify that the general aid lapse for Green Bay Area School District be 38.4 percent of the appropriation, the same as for Milwaukee under the MPCP. However, no funding is appropriated as the GBPCP must first meet the petition requirements before starting.
- Provide that DPI may make the quarterly payment directly to the private school participating in the GBPCP, allowing DPI to combine payments for all GBPCP pupils attending the private school into one check to the school. Provide that the maximum per pupil payment amount to a private school participating in the GBPCP be equal to the maximum per pupil payment amount to a private school participating in the MPCP.

LEGISLATURE:

- Modify the Joint Finance provision creating a Racine parental choice program. Instead create a parental choice program that applies to eligible school districts other than the Milwaukee Public Schools. Provide the program to include all the provisions of the MPCP, with exceptions specified below.
- Provide that eligible school districts must meet four criteria (it is projected that only Racine will qualify for the 2011-12 school year):
 - In the most recent October 15 equalization run, the district's equalized value per member was no more than 80% of the statewide average.
 - In the most recent October 15 equalization run, the district's shared cost per member was no more than 91% of the statewide average.
 - The district was eligible for high poverty aid in the most recent determination of eligibility for that program (at least 50% of the district's enrollment is eligible for the free or reduced-price lunch program).
 - The district is located, in whole or in part, in a city of the second class.
- Provide that within 10 days of the effective date of this bill, DPI is required to make the determination described above using the October 15, equalization aid run for 2010-11 and the high poverty eligibility for 2010-11. Pupils residing in a district that meets all of the criteria would be eligible to participate in the choice program for other eligible districts beginning in 2011-12.
- Provide that on an ongoing basis, by November 15 of the second year of each fiscal biennium, DPI shall compile a list of school districts that meet all of the criteria. Specify that pupils in eligible districts would be eligible to participate in the choice program for other eligible districts beginning in the following school year.
- Provide that once a district has been determined to meet the above criteria, pupils in that district remain eligible in future years for participation in the choice program for other eligible districts.
- Provide that no more than 250 full-time equivalent pupils may participate in the choice program for other eligible districts in the first school year or operation. Provide that no more than 500 full-time equivalent pupils may participate in the choice program for other eligible districts in the second school year of operation. Specify that current statutory language governing the pupil participation limit for the MPCP applies to the choice program for other eligible districts in the first two school years of operation, including what must be done when the limit has been reached or participation falls below the limit and the priority order in which pupils must be accepted. Provide that for the third school year and subsequent school years there would be no limit to participation in the choice program for other eligible districts.
- Specify that a pupil must live in the eligible district to participate in the program. Specify that a pupil may participate in the program if he or she was:

- Enrolled in the eligible district in the prior year.
- Not enrolled in school in the prior year.
- Was enrolled in the choice program in the prior year.
- Is enrolling in kindergarten, first grade, or ninth grade in a school participating in the program in the current year.
- Delete the Joint Finance provision creating a Green Bay parental choice program.

VETO BY THE GOVERNOR:

- Delete the requirement that choice schools are required to submit names, addresses, social security numbers, and tax identification numbers obtained through the application process to the Department of Revenue (DOR). Instead, choice schools must submit this information to DPI. DPI becomes the one agency that choice schools must send income eligibility to, removing the requirement to send information to multiple places. DPI will collect the information and communicate it to DOR for determination of whether a pupil is or is not eligible for the program.
- Maintain other provisions related to income eligibility including:
 - DPI would not be able to require additional income verification beyond the DOR determination.
 - Specify that DPI establish a procedure for determining income eligibility for those pupils that do not provide a social security number or tax identification number.
 - Provide that once a pupil is determined to be eligible to participate in the choice program, he or she remains eligible to participate in the program in future years.

Milwaukee-Racine Charter School Program

AGENCY REQUEST:

- Request an increase of \$7,480,000 GPR in FY12 and \$14,078,600 GPR in FY13 to fully fund the Milwaukee/Racine Charter Schools Program (MRCSP) under s. 118.40 (2r), Wis. Stats.

GOVERNOR:

- Apply an increase of \$4,520,000 GPR in FY12 and \$13,850,000 GPR in FY13. The Governor’s estimates are based on 7,800 pupils in FY12 and 9,000 in FY13 and a per pupil payment of \$7,775 per FTE in both FY12 and FY13.
- Maintain the per pupil payment for independent (2r) charter schools at the FY11 level in FY12 and FY13 (\$7.775 per FTE).
- Repeal the requirement that funding for independent charter schools above the FY11 level be paid by a direct allocation of new GPR funding. Independent charter schools will continue to be paid as a first draw on the general equalization aid appropriation, as a direct reduction on each districts’ general aid payment.
- Eliminate the requirement that teachers in independent charter schools be licensed by the department so long as they have a bachelor’s degree.
- Authorize any University of Wisconsin four-year campus to establish an independent charter school.
- Allow independent charter schools to be created in any school district in Wisconsin.
- The Governor’s budget retains current law allowing only pupils who live in the school district in which an independent charter school is established may attend the school.
- Eliminate the restrictions on the University of Wisconsin-Parkside with respect to the number of charter schools, number of pupils, and grades allowed in charter schools.
- Eliminate the payment to the Racine Unified School District for pupils attending an independent charter school authorized by the University of Wisconsin-Parkside that previously attended Racine Unified.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s provision to repeal the requirement that funding for independent charter schools above the FY11 level be paid by a direct allocation of new GPR funding. Independent charter schools will continue to be

paid as a first draw on the general equalization aid appropriation, as a direct reduction on each districts' general aid payment.

- Modify the Governor's request and provide an increase of \$5,820,000 GPR in FY12 and \$10,485,000 GPR in FY13.
- Delete the Governor's provision authorizing any University of Wisconsin four-year campus to establish an independent charter school.
- Approve the Governor's provision maintaining the per pupil payment for independent (2r) charter schools at the FY11 level in FY12 and FY13 (\$7,775 per FTE).
- Remove as a non-fiscal policy item the Governor's provision eliminating the requirement that teachers in independent charter schools be licensed by the department so long as they have a bachelor's degree.
- Delete the Governor's provision allowing independent charter schools to be created in any school district in Wisconsin.
- Delete the Governor's provision eliminating the restrictions on the University of Wisconsin-Parkside with respect to the number of charter schools, number of pupils, and grades allowed in charter schools.
- Delete the Governor's provision eliminating the payment to the Racine Unified School District for pupils attending an independent charter school authorized by the University of Wisconsin-Parkside that previously attended Racine Unified. Instead, restore the current school district aid payment to the Racine Unified School District, but limit the payment to \$1,000,000 in 2011-12, \$750,000 in 2012-13, and eliminate the aid payment beginning in 2013-14.

ASSESSMENTS

WKCE and WaaSWD

AGENCY REQUEST:

- Request \$2,313,400 GPR in FY12 and \$2,313,400 GPR in FY13 to meet state testing requirements. This money, appropriated for this purpose to the Joint Committee on Finance in 2009-11, was requested to become part of the department's base assessment budget under s. 20.255 (1) (dw), Wis. Stats.

GOVERNOR:

- Apply a decrease of -\$310,700 GPR in both FY12 and FY13, a 10 percent cut, to the DPI assessment appropriation.
- Approve the department's request of \$2,313,400 GPR in FY12 and FY13 to meet state testing requirements. Previously these funds were allocated to the Joint Committee on Finance's GPR supplemental appropriation for release to the department upon request.
- The total effect is an increase of \$2,002,700 GPR in both FY12 and FY13.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's recommendation to reduce funding by \$2,313,400 GPR in FY12 and \$530,900 GPR in FY13. Total funding in the pupil assessment appropriation would equal \$2,795,800 GPR in FY12 and \$4,578,300 GPR in FY13. The department was directed to use federal carryover funds in order to cover the assessment shortfalls in the first year of the biennium, and a portion of the shortfalls in FY13.
- As additional costs arise related to the transition to the new SMARTER balanced assessment, the department can request additional funding through its biennial budget request for 2013-15.

WKCE Replacement

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Direct DPI to replace the WKCE with a new statewide assessment program by the 2014-15 school year. The WKCE may be replaced by a new assessment developed by the SMARTER balanced assessment consortium or through request for proposal.
- DPI is required to report to the Joint Committee on Finance on the progress of the transition from the WKCE to a new statewide assessment by January 1, 2012, and by January 1, 2013. The WKCE may continue to be administered in the fall of 2011, 2012, and 2013. A stand-alone field test of new test items must be conducted no later than Spring 2014. The new assessment will be administered by 2014-15, and each school year, benchmark assessments must be conducted prior to the summative test.
- The new assessment will be standards-based with items developed to measure mastery of the Common Core Standards. Require the new assessment program provide timely turnaround of results, no more than one week for multiple choice questions and six weeks for open-ended questions, as practicable. Require the new assessment program be designed in such a way as to begin the transition to online testing in the state of Wisconsin. Specify that these provisions would apply to schools participating in the Milwaukee Parental Choice Program.

College and Career Readiness Assessments

AGENCY REQUEST:

- Request \$3,237,400 GPR in FY13 to fund optional college and career readiness and adaptive assessments as part of the transition to SMARTER Balanced Assessment Consortium (SBAC) assessments in a new appropriation.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Governor's Literacy Initiative at the DOA

AGENCY REQUEST:

- None.

GOVERNOR:

- Create a task force charged with developing detailed recommendations for a program to assess and improve literacy in elementary school children.
- Approve \$600,000 GPR in both FY12 and FY13 for the Department of Administration to implement the task force's recommendations upon the Governor's approval (see Assessment).
- While not specifically stated in the bill language, the Governor's budget communication materials indicate the intent is to develop a reading assessment as part of an initiative to have all students reading at grade level by the time they complete third grade.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

LIBRARY SERVICES

Public Library System Aid

AGENCY REQUEST:

- Request an increase of \$11,878,400 SEG in FY12 and \$12,449,600 SEG in FY13 to fund public library system aid at a 13 percent index level.

GOVERNOR:

- Apply a decrease of -\$1,668,100 SEG in both FY12 and FY13, a 10 percent cut.
- Eliminate the requirement that municipalities, counties, and joint public libraries meet a maintenance of effort (MOE) requirement to maintain annual local expenditures for public libraries at the average of the prior three years as a condition for being a member of a public library system.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Library Service Contracts

AGENCY REQUEST:

- Request an increase of \$700 SEG in FY12 and \$33,600 SEG in FY13 to continue four library contracts to supplement services provided by the Division for Libraries, Technology and Community Learning.

GOVERNOR:

- Apply a decrease of -\$117,000 SEG in both FY12 and FY 13, a 10 percent cut.

JOINT FINANCE / LEGISLATURE:

- Provide \$91,700 SEG to restore the 10 percent reduction in funding for the Regional Library for the Blind and Physically Handicapped.

BadgerLink

AGENCY REQUEST:

- Request an increase of \$180,500 SEG in FY12 and \$194,800 SEG in FY13 to maintain the current level of services through BadgerLink.

GOVERNOR:

- Apply a decrease of -\$244,900 SEG in both FY12 and FY 13, a 10 percent cut.

JOINT FINANCE / LEGISLATURE:

- Delete the provision to reduce funding for BadgerLink and provide \$244,900 SEG annually.

Newsline for the Blind

AGENCY REQUEST:

- Request an increase of \$7,800 SEG in FY12 and \$12,400 SEG in FY13 to fully fund the Newsline for the Blind services.

GOVERNOR:

- Apply a decrease of -\$11,100 SEG in both FY12 and FY 13, a 10 percent cut.

JOINT FINANCE / LEGISLATURE:

- Delete the provision to reduce funding for Newsline for the Blind and provide \$11,100 SEG annually.

School Library Aids Reestimate

AGENCY REQUEST:

- Request -\$4,600,000 SEG in FY12 and -\$2,600,000 SEG in FY13 as a reestimate of projected school library aids from interest earnings from the common school fund.

GOVERNOR:

- Apply a decrease of -\$4,600,000 SEG in both FY12 and FY13.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

SCHOOL DISTRICT OPERATIONS

Open Enrollment Program

AGENCY REQUEST:

- None. (See the agency's request under the categorical aids subsection regarding open enrollment transportation aid.)

GOVERNOR:

- Extend the open enrollment application period to begin the first Monday in February and end the last weekday in April.
- Eliminate the statewide enrollment cap of 5,250 on the number of pupils that can attend virtual charter schools through open enrollment.
- Allow for an alternate enrollment during the school year for pupils who meet one of the following criteria:
 1. The pupil is the victim of a violent crime offense.
 2. The pupil is or has been homeless within the last year.
 3. The pupil has been the victim of repeated bullying or harassment.
 4. The residence of the pupil's parent or guardian has changed as a result of military orders.
 5. The pupil has moved into the state.
 6. The place of residence of the pupil has changed due to a court order or custody agreement.
 7. The parent of the pupil and the nonresident school board agree that attending school in the nonresident school district is in the best interests of the pupil.

JOINT FINANCE / LEGISLATURE:

- Delete the Governor's provision extending the open enrollment application period to begin the first Monday in February and end the last weekday in April.
- Approve the Governor's provision eliminating the statewide enrollment cap of 5,250 on the number of pupils that can attend virtual charter schools through open enrollment.
- Delete the Governor's provision allowing for an alternate enrollment during the school year for pupils who meet one of the following criteria:
 1. The pupil is the victim of a violent crime offense.
 2. The pupil is or has been homeless within the last year.
 3. The pupil has been the victim of repeated bullying or harassment.
 4. The residence of the pupil's parent or guardian has changed as a result of military orders.
 5. The pupil has moved into the state.
 6. The place of residence of the pupil has changed due to a court order or custody agreement.
 7. The parent of the pupil and the nonresident school board agree that attending school in the nonresident school district is in the best interests of the pupil.
- Provide that the Legislative Audit Bureau (LAB) prepare a report on the aid transfer amount under the open enrollment program. Specify that the report discuss:
 1. The history of the transfer amount.
 2. Alternatives for increasing the amount based on the costs to nonresident districts of education transfer pupils and the amount of funding the resident district retains for their fixed costs.
 3. Alternatives for transferring the resident district's revenue limit amount or state aid amount to the nonresident district.

Specify that the report discuss those issues and alternatives related to districts that either gain or lose a relatively large proportion of pupils under the program. Require LAB to submit the report to the Governor, the co-chairs of the Joint Committees on Finance and Audit, and the chairs of the appropriate standing committees of the Legislature before January 1, 2012.

Grants for Driver Education

AGENCY REQUEST:

- Request \$1,020,000 SEG beginning in FY13 to create a new categorical aid program to provide \$150 per low-income pupil that completes both department approved classroom and behind the wheel driver education (DE) instruction. This new aid program will be administered by the Department of Public Instruction (DPI) but will be funded through the transportation fund. To qualify for the aid, eligible pupils' families or guardians would need to be free and reduced-price lunch (FRL) income-eligible and the school district would reduce the DE fee charged to each FRL pupil by the amount awarded.
- 2009 Act 28, the 2009-11 biennial budget, directed the department to include a proposal for a DE grant program in its 2011-13 budget request, along with proposed administrative rules for the program.

GOVERNOR:

- Deny the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

School Mandate Relief

AGENCY REQUEST:

- None.

GOVERNOR:

- Eliminate the requirement that school districts schedule at least 180 school days annually. Maintain the requirement that school districts schedule a certain amount of school hours of direct pupil instruction. However, for school aid purposes, a school district may exempt hours that school is not held as a result of a strike by school district employees, inclement weather and parent-teacher conferences (not to exceed 35 hours during the school term), closure by order of a local health officer or the department of health services, or closure by order of the school district administrator because of a threat to the health or safety of pupils or school personnel.
- Eliminate the prohibition for MPS to schedule more than 200 school days annually.
- Eliminate the requirement that each school district employ a reading specialist to develop and coordinate a comprehensive reading curriculum.
- Remove the requirement that schools have to create plans for indoor environmental quality.
- Eliminate the requirement that school nurses have a bachelor's degree. Instead, they need to be registered nurses licensed by the state.
- Eliminate the requirement that DPI approve the training provided by school districts related to administering prescription and nonprescription drugs to pupils.
- Remove the authority for school district collective bargaining units to combine.

JOINT FINANCE / LEGISLATURE:

- Removed as non-fiscal policy items.

Teacher Residency Requirements

AGENCY REQUEST:

- None.

GOVERNOR:

- Prohibit a school board from requiring, as a condition of employment, that a teacher reside within the school district. (Currently only applies to MPS)

JOINT FINANCE / LEGISLATURE:

- Removed as a non-fiscal policy item.

WI Employee Relations Commission-Memoranda of Understanding Related to Current School District Collective Bargaining Agreements

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE:

- Permit school district employers and the collective bargaining representative of school district employees to enter into a single memorandum of understanding within 90 days of the effective date of the budget bill to modify compensation and fringe benefit requirements for the represented employees under a collective bargaining agreement that is in effect and was initially entered into prior to February 1, 2011. This shall not be considered a modification of the contract for purposes of 2011 Wisconsin Act 10, sections 9315(1) and (2) and 9332(1), or substantially similar provisions that may be enacted under separate legislation. Provide that the memorandum of understanding remains in force for the term of the contract and, if any item in the memorandum of understanding is not a prohibited subject of bargaining upon expiration of the contract, the item in the memorandum of understanding remains in force until the parties enter into a new agreement.

LEGISLATURE:

- Approve the provision. In addition, specify that the allowed modifications to the compensation or fringe benefit requirements in a collective bargaining agreement may only be to reduce costs of compensation or fringe benefits.

Race-Based Nickname, Logo, Mascot, or Team Name

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE:

- None.

LEGISLATURE:

- A school district that is subject to a decision and order issued by the State Superintendent to terminate the use of a race-based nickname, logo, mascot, or team name on or before the effective date of this bill (2011 Assembly Bill 40) would not be required to comply with the terms of that decision and order until January 15, 2013.

AGENCY ADMINISTRATION AND OTHER FUNDING

Budget Efficiencies

AGENCY REQUEST:

- None.

GOVERNOR:

- Reduce the following appropriations and programs by 10 percent, excluding salary and fringe benefits, to reflect budget efficiencies:

Program	FY12	FY13
101 General Operations	-233,600	-233,600
102 General Operations; Res Schools	-104,400	-104,400
103 Energy Costs-Res Schools	-71,600	-71,600
121 Student Activity Therapy	-100	-100
122 Teacher Licensing	-108,700	-108,700
123 MPCP Audits	-1,800	-1,800
124 Publications	-8,200	-8,200
125 School Lunch Handling	-1,462,400	-1,462,400
126 Professional Services Center	-16,400	-16,400
129 Library Processing Center	-1,200	-1,200
130 GED	-3,500	-3,500
131 Info Technology	-160,800	-160,800
134 Services for Drivers	-13,000	-13,000
135 Library Products & Services	-23,500	-23,500
136 Res Schools; Pupil Transportation	-159,700	-159,700
174 Res Schools; Services	-6,900	-6,900
301 Adult Literacy Grants	-6,900	-6,900
305 Elks & Easter Seals	-8,200	-8,200
308 Special Olympics	-7,500	-7,500
309 Very Special Arts	-7,000	-7,000
310 Precollege Scholarships	-214,600	-214,600
317 Milwaukee Public Museum	-4,700	-4,700
318 Interstate Compact-Military Children	-100	-100

- Note: other programs were also affected by this 10 percent budget efficiency reduction. Such programs are not mentioned here because they are found elsewhere throughout the document.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Increase Employee Contributions to Pension & Health Insurance

AGENCY REQUEST:

- None.

GOVERNOR:

- Reduce agency operations by \$2,781,800 (\$1,082,500 GPR, \$1,317,500 FED, and \$381,800 PR) to account for the savings realized by DPI employees paying more for their pension and health insurance.

JOINT FINANCE:

- Approve the Governor's recommendation.

LEGISLATURE:

- Approve the Joint Committee on Finance's position.
- Specify that the required employee retirement contributions would be made from the employee's pre-tax income for purposes of federal and state income taxes, but not for federal employment (FICA) taxes. This would reduce the employee's taxable income.
- Specify that the share of health insurance premiums paid by the state for part-time employees (other than university teaching and graduate assistants) who are appointed to work less than 1,044 hours per year will be determined annually by the OSER Director.

Wisconsin Retirement System (WRS) Eligibility & Vesting

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- To become a participant in the WRS, an individual must work for a covered employer at least two-thirds of what is considered full-time employment, as determined by the Department of Employee Trust Funds (ETF) by rule. Provide that the requirement first apply to individuals hired on or after the effective date of the bill. Under current law, to become covered under the WRS, an individual must work for a covered employer at least one-third of what is considered full-time employment, as determined by ETF by rule.
- Any employee of a WRS participating employer who is initially hired on or after the effective date of bill, must have five years of creditable service to be fully vested in a WRS retirement annuity as provided in current law. Provide that employees who terminate without having at least five years of creditable service would be vested proportionately in an annuity at retirement.

VETO BY THE GOVERNOR:

- Modify this provision to require employees to have five years of service prior to being eligible for either a formula or money purchase annuity benefit. The annuity amount for those with less than five years of creditable service would be zero. This provision, as modified, is similar to the vesting waiting period in 25 other states and the WRS vesting provisions that existed until 1998.

Positions Vacant for 12 Months or More

AGENCY REQUEST:

- None.

GOVERNOR:

- Eliminate 11.21 GPR FTE, 5.13 FED FTE, and 1.63 PR FTE and the related funding (-\$621,900 GPR, -\$241,900 FED, and -\$75,400 PR) in each fiscal year for positions that have been vacant longer than 12 months.

JOINT FINANCE / LEGISLATURE:

- Restore 0.13 PR position and 0.76 FED position. Staff from the Department of Administration identified errors in their FTE calculations of long-term vacancies and requested these corrections.

Environmental Education

AGENCY REQUEST:

- None.

GOVERNOR:

- Eliminate \$118,500 SEG-Normal School funding and 1.0 FTE SEG position authority in each fiscal year for an environmental education consultant position.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.
- See also University of Wisconsin System-UW-Stevens Point Environmental Program below on page 43.

Fiscal Changes

AGENCY REQUEST:

- None.

GOVERNOR:

- Lapse \$291,700 in 2011-13 and \$74,000 in 2013-15 in cash from general purpose revenue and program revenue appropriations. DOA officials have discussed that this lapse is due to the two percent increase that most represented staff persons received in the 2009-11 biennium. The 2009-11 budget removed the related funding for these salary increases; however, standard budget adjustments for the 2011-13 biennial budget would add the related funding back in to fully fund those salaries. Therefore, this action was taken to remove the funding in 2011-13 associated with these salary increases. Staff keep their salary increases, but the agency is required to fund them, not new funds. A breakdown of this lapse by appropriation is not available at this time.
- Lapse \$2,366,100 in cash from various PR appropriations in the 2011-13 biennium and again in the 2013-15 biennium. In the budget efficiencies item in this summary under the agency administration and other funding subsection, various appropriations were reduced by 10 percent. 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. (Note: Total cash to lapse for the employee benefit contributions and long-term vacancies items at the bottom of the chart were provided by DOA. It is unclear how they arrived at this actual cash lapse figure as the reduction in expenditure authority for the same PR appropriations is greater.)

	Appropriation Title	Cash Lapse
121	Student activity therapy	-100
122	Personnel licensure	-108,700
123	Milwaukee choice program financial audits	-1,800
124	Publications	-8,200
125	School lunch handling charges	-1,462,400
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
	Total Lapse	-1,966,200
	PR lapse related to Employee Benefit Contributions	-292,900
	PR lapse related to long-term vacancies	-107,000
	TOTAL LAPSE	-2,366,100

- Across all state agencies, lapse \$145,000,000 in the 2011–13 fiscal biennium and \$145,000,000 in the 2013–15 fiscal biennium from the unencumbered balances of GPR and PR appropriations. Before lapsing any moneys, the DOA secretary shall develop a plan for lapsing the moneys and submit the plan to the joint committee on finance under fourteen day passive review.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation to lapse \$291,700 in 2011-13 and \$74,000 in 2013-15 in cash from general purpose revenue and program revenue appropriations.
- Modify the cash lapse from various PR appropriations in the 2011-13 biennium and again in the 2013-15 biennium to \$2,359,200 PR. It is unclear which PR appropriation this modification will affect.
- Modify the required lapse across state agencies by \$29,300,000, for a total biennial lapse requirement of \$174,300,000.

Project Lead the Way

AGENCY REQUEST:

- None.

GOVERNOR:

- None. Therefore, Project Lead the Way will sunset June 30, 2011 as under current law. The bill retained the Project Lead the Way appropriation in Chapter 20 of the statutes with \$0 appropriated each year.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

Community Partnerships

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Require DPI to provide a plan to DOA for funding community-based nongovernmental organizations to establish partnerships with local school districts. Require the department of children and families to provide a plan to DOA

for funding community-based nongovernmental organizations to establish partnerships with residential foster care agencies. Specify these partnerships should center on the nongovernmental organizations providing advocacy for students, and liaisons between families and institutional staff, with all activities having the goal of improving educational outcomes and promoting and teaching greater self-sufficiency.

- DOA is required to submit these plans for approval by the Joint Committee on Finance under s. 13.10 of the statutes by January 10, 2012.

Grants for National Teacher Certification or Master Educator Licensure

AGENCY REQUEST:

- Request an increase of \$79,900 GPR in FY12 and \$341,000 GPR in FY13 as a reestimate of 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 department's request.
- Reduce funding by -\$210,000 GPR in both FY12 and FY13, a 10 percent cut to base.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Services for Drivers Position Authority

AGENCY REQUEST:

- Request 0.30 FTE classified position authority in PR-S appropriation s. 20.255 (1) (hm), Wis. Stats., Services for Drivers.

GOVERNOR:

- Approve the request to fully staff the Services for Drivers program (no new money, but position authority).

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Statewide Student Information System

AGENCY REQUEST:

- None.

GOVERNOR:

- Provide \$15,000,000 GPR in a biennial appropriation in the department for the creation of a statewide student information system (SIS). The funds may not be expended or encumbered without the approval of the governor.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's recommendation to delete the funding under DPI. Instead, provide \$15,000,000 GPR in FY12 in the Committee's reserve appropriation. Require the State Superintendent to submit to the Governor a plan

for the expenditure of those moneys, and by October 1, 2011, together forward a plan to the Committee for approval under s. 13.10 of the statutes.

- Allow a five-year phase-in for school district participation in the SIS. Specify that the State Superintendent would have to ensure that all districts would be participating in the statewide system within five years of its implementation.
- DPI may promulgate rules to charge a fee to any person (which includes districts) that use the SIS.

Repeal of Inactive Appropriations

AGENCY REQUEST:

- Request to repeal two inactive appropriations and the related statutory language that is currently in Chapter 20, Wis. Stats. (20.255 (1) (hf), Administrative Leadership Academy; 20.255 (1) (gh), Program for the Deaf and Center for the Blind, Hospitalization)

GOVERNOR:

- Approve the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Repeal of Certain Appropriations

AGENCY REQUEST:

- Request to repeal the appropriations and statutory language created in 2009 Wisconsin Act 28 regarding grants to Global Academy, distance learning and school districts. (20.255 (2) (er), Global Academy; 20.255 (2) (es), Distance Learning; 20.255 (2) (de), School District Grants)

GOVERNOR:

- Approve the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Program Revenue Reestimates

AGENCY REQUEST:

- Request changes in program revenue expenditure authority in Milwaukee parental choice program, financial audits (\$16,100 in FY12 and \$18,200 in FY13); Publications (-\$34,100 in each FY); State agency library processing center (-\$8,300 in each FY); General educational development and high school graduation equivalency (\$14,800 in FY12 and \$14,400 in FY13); Data processing (\$700,000 in FY12 and \$900,000 in FY13); Funds transferred from other state agencies (\$150,100 in each FY in operations; \$303,500 in each FY for local aids); Library products and services (-\$70,000 in each FY); WESPDHH and WCBVI pupil transportation (-\$297,200 in each FY); WESPDHH and WCBVI leasing of space (-\$10,000 in each FY); and WESPDHH and WCBVI services (-\$30,000 in each FY).

GOVERNOR:

- Approve the request.

- In addition, apply the reductions related to increased pension and health insurance contributions from employees and the 10 percent reduction in most GPR and PR appropriations, excluding salary and fringe, to create additional efficiencies and balance the budget. These reductions result in the following additional changes in the noted appropriations: Milwaukee parental choice program, financial audits (-\$5,400 in each FY for benefits, and -\$1,800 in each FY for efficiencies); Publications (add back \$2,700 in each FY from the reestimate, -\$11,300 in each FY for benefits and -\$8,200 in each FY for efficiencies); State agency library processing center (-\$1,500 in each FY for benefits, and -\$1,200 in each FY for efficiencies); General educational development and high school graduation equivalency (-\$4,200 in each FY for benefits and -\$3,500 in each FY for efficiencies); Data processing (-\$130,900 in each FY for benefits and -\$160,800 in each FY for efficiencies); Funds transferred from other state agencies (-\$68,800 in each FY in operations for benefits); Library products and services (-\$23,500 in each FY for efficiencies); WESPDHH and WCBVI pupil transportation (-\$159,700 in each FY for efficiencies); WESPDHH and WCBVI services (-\$6,900 in each FY for efficiencies), Teacher licensing (-\$119,200 in each FY for benefits and -\$108,700 in each FY for efficiencies); Services for drivers (-\$7,800 in each FY for benefits and -\$13,000 in each FY for efficiencies); School lunch handling charges (-\$12,600 in each FY for benefits and -\$1,462,400 in each FY for efficiencies); Alcohol and other drug abuse program (-\$20,100 in each FY for benefits); Professional services center charges (-\$16,400 in each FY for efficiencies); and Student activity therapy (-\$100 in each FY for efficiencies).

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

Federal Program Revenue Reestimates

AGENCY REQUEST:

- Request changes in federal revenue expenditure authority in Indirect cost reimbursements (\$180,500 in FY12 and \$312,000 in FY13); Federal aids (\$2,999,200 in FY12 and \$3,712,300 in FY13 for operations; \$49,926,900 in each year for local aids); Federal aid, economic stimulus funds (-\$174,000,000 in FY12 and -\$194,100,000 in FY13); Federal funds, local assistance (\$92,200 in each FY); and Federal aids to individuals and organizations (\$2,220,200 in each year).

GOVERNOR:

- Approve the request.
- In addition, apply the reductions related to increased pension and health insurance contributions from employees and the 10 percent reduction in most GPR and PR appropriations, excluding salary and fringe, to create additional efficiencies and balance the budget. These reductions result in the following additional changes in the noted appropriations: Indirect cost reimbursements (-\$150,200 in each FY for benefits); Federal aids (-\$1,167,300 in each FY for benefits).

JOINT FINANCE / LEGISLATURE:

- Approve the Governor’s recommendation.

Unclassified Position Authority

AGENCY REQUEST:

- Request an additional 0.20 FTE unclassified position authority in PR-S appropriation s. 20.255 (1) (hg), Wis. Stats., Personnel licensure; and PR-S appropriation s. 20.255 (1) (ks), Wis. Stats., Data processing. In return, the department would like to reduce 0.20 FTE unclassified position authority in PR-F appropriation s. 20.255 (1) (me), Wis. Stats., Federal aids; and 0.20 FTE unclassified position authority in PR-F appropriation s. 20.255 (1) (pz), Wis. Stats., Indirect cost reimbursements.

GOVERNOR:

- Approve the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Standard Budget Adjustments

AGENCY REQUEST:

- Request adjustments to the agency's base to reflect standard budget adjustments for:
 1. Turnover reduction (-\$811,200 in each year).
 2. Remove non-continuing items from the base (-\$267,600 in FY12 and -\$548,300 and -5.50 FTE in FY13).
 3. Full funding of continuing salaries and fringe (\$4,079,700 in each year).
 4. Overtime (\$352,100 in each year).
 5. Night and weekend differential (\$58,300 in each year).
 6. Full funding of lease and directed moves costs (\$35,100 in each year).
 7. Minor transfers within the same alpha appropriation.

GOVERNOR:

- Approve the request.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Base Budget Review

AGENCY REQUEST:

- None.

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Specify that the DOA Secretary would require all state agencies to submit a base budget review report every six years that contains the following: (a) a description of each programmatic activity of the state agency; (b) for each programmatic activity of the state agency, an accounting of all expenditures, arranged by revenue source and the categories in each of the prior three fiscal years; (c) for each programmatic activity of the state agency, an accounting of all expenditures, arranged by revenue source and the categories in the last two quarters in each of the prior three fiscal years. The DOA Secretary to specify which one-third of state agencies would be required to submit their base budget review report as follows: (a) no later than September 15, 2012, and every third fiscal biennium thereafter; (b) no later than September 15, 2014, and every third fiscal biennium thereafter; and (c) no later than September 15, 2016, and every third fiscal biennium thereafter.
- A similar base budget review report requirement was established under 2001 Act 109, and was later repealed effective July 1, 2009, under 2009 Act 28.

VETO BY THE GOVERNOR:

- Delete this provision. According to the Governor: The goals of increased transparency and accountability of state government through reporting will be met through reporting monthly expenditures by state agency, funding source and appropriation through a publicly accessible Web site.

Department of Justice-Penalty Surcharge Account

AGENCY REQUEST:

- None.

GOVERNOR:

- Adjust the distribution of revenue from the penalty surcharge program to reflect current projections. These adjustments include: (a) a 10 percent across-the-board reduction to penalty surcharge recipients; and (b) requiring all unencumbered balances in penalty surcharge appropriations to revert to the main collection appropriation at the end of each fiscal year.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation. DPI's AODA funding would be reduced by \$68,900 PR annually in alcohol and other drug abuse state operations and \$142,800 PR in alcohol and other drug abuse programs, which are supported from penalty assessment funding.

Walker Hall at the Wisconsin Educational Services Program for the Deaf and Hard of Hearing, Delavan

AGENCY REQUEST:

- Request enumeration of \$4,667,200 general fund services borrowing (GFSB) to construct a replacement facility for Walker Hall on the campus of the Wisconsin School for the Deaf (WSD) in Delavan.

BUILDING COMMISSION / GOVERNOR:

- Approve a revised amount of \$4,982,900 GFSB. The revised amount is the most recent estimate from the A/E firm that has been retained to design the project.

JOINT FINANCE / LEGISLATURE:

- Approve the Building Commission/Governor's recommendation.

OTHER AGENCIES

Department of Administration & Higher Education Aids Board-Wisconsin Covenant

GOVERNOR:

- Eliminate the Office of the Wisconsin Covenant Scholars Program in DOA and the promotional activities performed by the office and transfer to HEAB the administrative duties currently performed by the office. The bill also prohibits new students from enrolling in the program after September 30, 2011.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation with a reestimated decrease in funding.

Department of Administration-Website Information on State Expenditures, Contracts, and Grants

GOVERNOR:

- None.

JOINT FINANCE:

- Beginning on July 1, 2013, DOA must ensure that all state agency expenditures for state operations exceeding \$100, including salaries and fringe benefits paid to state agency employees, are available for inspection on a searchable internet website maintained by DOA. Require DOA to categorize the expenditure information on the website by agency, expenditure category, expenditure amount, and the person to whom the expenditure is made. Any person must be able to search on the website. Agencies must provide DOA with all the required expenditure information within 60 days of the expenditure.
- Beginning on July 1, 2013, DOA must ensure that all state agency grants and contracts are available for inspection on a searchable internet website. Agencies must submit information to DOA within 10 days of making a grant award or entering into a contract.

LEGISLATURE:

- Approve the Joint Committee on Finance provision but specify that if an agency is undergoing an upgrade of its computer operations that the agency may request an exemption of the requirements to provide Internet accessible expenditure, contract, and grant information. Specify that this exemption could be requested by the agency in writing and such an exception could be approved by the Joint Committee on Finance under a 14-day passive review process.

VETO BY THE GOVERNOR:

- Remove specific dates and deadlines because the department must have flexibility in meeting the goal of this requirement. DOA will work with other states to expand the expenditure information available to the public through a searchable Internet Web site.
- Remove the provision allowing agencies to request an exemption from the reporting requirement because it is important that the reporting is complete and consistent for all agencies.

Department of Administration-Procurement

GOVERNOR:

- Modify provisions relating to procurement of goods and services to: (a) increase the statutory threshold required for official sealed bids and official sealed proposals from \$25,000 to \$50,000; (b) eliminate the requirement to conduct uniform cost-benefit analyses for contractual service contracts.

JOINT FINANCE / LEGISLATURE:

- Removed as non-fiscal policy items. Maintain the language modifying the statutory threshold for official sealed bids and proposals from \$25,000 to \$50,000 for the University of Wisconsin System only.

VETO BY THE GOVERNOR:

- Remove the language specific to the University of Wisconsin System. The Governor's original budget recommendations included the change in the bid threshold for all agencies to have the flexibility for more efficient and cost-effective procurement of goods and services. This original recommendation regarding the threshold required is restored.

Department of Administration-Positions

GOVERNOR:

- Authorize the secretary of DOA to abolish any vacant full-time equivalent position in any executive branch agency if the secretary determines that filling the position is not required for the state agency to carry out its duties and exercise its powers.

JOINT FINANCE / LEGISLATURE:

- Delete the provision. Instead, provide that the secretary of DOA may recommend the abolition of any vacant full-time equivalent position in any agency in the executive branch of government, except the Building Commission, by notifying the Joint Committee on Finance in writing of his or her proposed action. If the co-chairpersons of the committee do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed action within 14 working days after the date of the secretary's notification, the position changes may be made as proposed by the secretary. If, within 14 working days after the date of the secretary's notification, the co-chairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed action, the position changes may be made only upon approval of the committee.

Department of Administration-Child care facility

GOVERNOR:

- Eliminate the statutory requirement that DOA contract with a child care facility in a downtown Madison location to provide child care services for state employees, effective September 1, 2011. Because state agencies currently subsidize a small portion of the contracted child care facility, it is assumed that agencies would no longer be required to do so.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation.

Department of Administration (OSER)-Compensation Plan

GOVERNOR:

- None.

JOINT FINANCE:

- None.

LEGISLATURE:

- Provide that the state's compensation plan may include other provisions relating to pay, benefits, and working conditions that would supersede the provisions of the civil service and other applicable statutes and rules promulgated by the Director of OSER and the Administrator of the Division of Merit Recruitment and Selection.
- Repeal a current law provision that allows the Director of OSER to include in any proposed changes to the compensation plan submitted to the Joint Committee on Employment Relations (JCOER) across the board pay adjustments for positions in the classified service.
- Delete a reference to positions in the classified service in a current law provision that the compensation plan approved by JCOER will, for the ensuing fiscal year or until a new or modified plan is adopted, constitute the state's compensation plan. Specify that the compensation plan applies to both the classified service and unclassified service.

Department of Administration-Energy Efficiency Upgrades at State Buildings

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Require DOA to conduct a study concerning the feasibility of installing energy-efficient heating, ventilating, and air conditioning systems in state-owned buildings to conserve energy and save money. Require DOA to submit the findings to the Joint Committee on Finance by December 1, 2011.

VETO BY THE GOVERNOR:

- Provision is unnecessary as the Division of State Facilities is already responsible for addressing energy efficiency in state buildings. DOA is working with the State Building Commission to continually improve energy efficiency throughout state-owned facilities.

Department of Justice-Background Check

GOVERNOR:

- Modify the fee structure for the Department of Justice's criminal history record check fee to \$7 per request, regardless of the entity requesting the record check.

JOINT FINANCE / LEGISLATURE:

- Approve the governor's request.

Department of Natural Resources - Aids in Lieu of Property Taxes

GOVERNOR:

- Eliminate aids in lieu of property tax payments on all DNR lands purchased after the effective date of the budget act. This could result in higher school property taxes in those districts where future Stewardship Land purchases occur if the land was previously under private ownership and paid property taxes.

JOINT FINANCE:

- Delete provision. Rather, for lands purchased after the effective date of the budget act, adjust the aids in lieu of property taxes formula by defining the estimated value of the property to mean the lower of the equalized value of the property in the year prior to purchase by the department or the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had been previously tax exempt, the calculation would be the lower of either: (a) the purchase price; or (b) the last recorded equalized value, or a payment of \$10 per acre, whichever amount was greater.
- As with the Governor's proposal, this could result in higher school property taxes in those districts where future Stewardship Land purchases occur if the land was previously under private ownership and paid property taxes.

Department of Revenue-General fund balance

GOVERNOR:

- Set the statutory minimum general fund balance at \$65 million in FY12 through FY15, and at 2 percent of general fund appropriations thereafter.

JOINT FINANCE:

- Approve the Governor's recommendation.

LEGISLATURE:

- In addition, require that no bill may be adopted by the Legislature if the bill would cause general fund expenditures to exceed general fund revenues (taxes and departmental revenues) in the second year of each biennium, rather than annually, as under current law.

Department of Revenue-Levy limits

GOVERNOR:

- Extend municipal and county levy limits by two years and allow these local government levies to be increased by the greater of 0 percent or the increase in equalized value due to net new construction. The bill does not allow local governments to carry forward unused levy capacity. In addition, the bill recommends adjusting payments under the state aid for tax exempt property program to reflect lower rates of levy increases due to levy controls implemented for counties, municipalities, school districts and technical college districts.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's recommendation, but with the several modifications.

University of Wisconsin System-UW-Madison

GOVERNOR:

- Create a separate public authority for the University of Wisconsin-Madison.

JOINT FINANCE / LEGISLATURE:

- Delete the Governor's recommendation.

University of Wisconsin System-UW-Milwaukee

GOVERNOR:

- Require the Board of Regents to submit a plan to DOA for the conversion of the University of Wisconsin-Milwaukee to an authority.

JOINT FINANCE / LEGISLATURE:

- Delete the Governor's recommendation.

University of Wisconsin System-Efficiencies

GOVERNOR:

- Reduce University of Wisconsin System funding to create additional operational efficiencies and balance the budget, which includes a 25 percent reduction to the administrative budget for system administration. The bill requires the Board of Regents to submit a plan, subject to the DOA secretary's approval, that specifies how the 25 percent reduction will be allocated within the system administration's general program operations.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's recommendations to require the Board of Regents to submit a plan to the Secretary of DOA and to the Joint Finance Committee by September 1, 2011, specifying its preferences for allocating the funding reduction to UW System Administration. The Joint Committee on Finance would approve or approve and modify the plan through a 14-day passive review process and require the Board of Regents to implement the plan as approved or modified and approved by Joint Finance.

University of Wisconsin System-Expenditure Authority and Related Potential Tuition Increase

GOVERNOR:

- Allow for a 5.5 percent tuition increase in each academic year at the UW System (excluding UW-Madison).

JOINT FINANCE / LEGISLATURE:

- Prohibit the Board of Regents from increasing resident undergraduate tuition in FY12 or FY13 by more than 5.5 percent annually. Only differential tuitions approved prior to June 1, 2011 would be exempt from this limit. Delete current law language limiting increases in resident undergraduate tuition.

University of Wisconsin System-WiscNet

GOVERNOR:

- None.

JOINT FINANCE:

- **Telecommunication Services:** Prohibit the Board of Regents, the UW System, any UW institution, or the UW-Extension, directly or indirectly, from doing any of the following: 1. Receiving funds from any award from the National Telecommunications and Information Administration (NTIA) under the U.S. Department of Commerce for the Building Community Capacity through Broadband (BCCB) project; 2. Disbursing, spending, loaning, granting, or in any other way distributing or committing to distribute any funds received with respect to, budgeted to, or allocated for the BCCB project; and 3. Participating in the planning, organization, funding, implementation or operation of the BCCB project. In addition, require the Board of Regents to reduce the amount expended on telecommunications services during the 2011-13 biennium by the total value of any funds, goods, or services that have been or will be distributed or committed to be distributed by or on behalf of the Board of Regents, the UW System, any UW institution, or the UW-Extension on or after May 1, 2011, to any participant, contractor, or supplier related to the BCCB project.
- Modify current law to specify that the Board of Regents shall not offer, resell, or provide telecommunications services, directly or indirectly, that are available from a private telecommunications carrier to the general public or to any other public or private entity. Define telecommunications services as including data and voice over Internet protocol services, Internet protocol services, broadband access and transport, information technology services, Internet access services, and unlit fiber.
- Prohibit the Board of Regents, the UW System, any UW institution, or the UW-Extension from becoming or remaining a member, shareholder, or partner in or with any company, corporation, non-profit association, joint venture, cooperative, partnership, consortium, or any other individual or entity that offers, resells or provides telecommunications services or information technology services to members of the general public, or to any private entity, or to any public entity other than the Board, the UW System, any UW institution, or the UW-Extension.
- Specify that WiscNet could no longer be a department or office within the UW-Madison Division of Information Technology beginning on July 1, 2012, and delete \$1,400,000 PR from the UW System related to WiscNet in 2012-13. Require the Legislative Audit Bureau to conduct a program audit and a financial audit of the Board of Regents' use of telecommunication services and relationship with WiscNet.

LEGISLATURE:

- Delete the Joint Finance provision prohibiting that Board of Regents, the UW System, any UW institution, or the UW-Extension from receiving or expending funds related to the Building Community Capacity through Broadband (BCCB) grant that was awarded to the UW-Extension. The Board of Regents, the UW System, any UW institution, or the UW-Extension would not be prohibited from participating in the BCCB project and would not be penalized for committing or distributing funds related to the project after May 1, 2011. Instead, specify that UW-Extension could not commit any funds to facilities under this project to which such funds were not committed prior to June 15, 2011, unless approved by the Joint Committee on Finance.
- Delete the phrase "directly or indirectly" added by the Joint Finance Committee to the language prohibiting the Board of Regents from offering, reselling, or providing telecommunications services that are available from a private telecommunications carrier to the general public or to any other public or private entity. The language added by the Joint Finance Committee defining telecommunications services would be retained. Provide that the Department of Administration could provide BadgerNet services to hospitals.
- Specify that language approved by Joint Finance prohibiting the Board of Regents, UW institutions, and the UW-Extension from becoming or remaining a member, shareholder, or partner in or with any company, corporation, nonprofit association, joint venture, cooperative, partnership, or consortium that offers, resells, or provides telecommunications services to the general public or to any public or private entity other than the system, an institution, a college campus, or the extension, would not take effect until July 1, 2013. Specify that the Joint Committee on Finance could act to further delay the effective date of those changes. In addition, create an

exemption allowing the Board of Regents, UW institutions, and the UW-Extension to become or remain a member, shareholder, or partner in or with such an entity if one of the following conditions is met: (a) the entity does not offer, resell, or provide telecommunications services that it did not offer, resell, or provide on June 15, 2011, and the entity does not offer, resell, or provide telecommunications services to a private entity, to the general public, or to a public entity, other than a university or university-affiliated research facility or a facility approved by Joint Finance, that the entity was not serving on June 15, 2011; or (b) the entity is comprised entirely of universities and university-affiliated research facilities.

- Delete the provision approved by Joint Finance that would have prohibited WiscNet from remaining an office or department within the UW-Madison Division of Information Technology beginning on July 1, 2012, and restore the related funding (\$1,400,000 PR in 2012-13). Modify the requirement that the Legislative Audit Bureau conduct a program audit and a financial audit of the Board of Regents' use of telecommunications services and relationship with WiscNet as follows: (a) require the Legislative Audit Bureau to prepare a financial and performance evaluation audit of the use of broadband services by the Board of Regents instead of requiring program and financial audits of the Board's use of telecommunications services as under Joint Finance; (b) specify that the audit would examine issues of statutory compliance, competition, cost shifting, financing, collaboration, and access when considering the current structure and possible recommendations going forward; and (c) require that the Legislative Audit Bureau file its report under this section by January 1, 2013.

VETO BY THE GOVERNOR:

- Remove the authority of the Joint Committee on Finance to postpone the effective date of said prohibitions beyond July 1, 2013. The bill does not prohibit the University of Wisconsin System from participating in a third-party comprised entirely of universities and university-affiliated research facilities.

University of Wisconsin System-UW-Stevens Point Environmental Program

GOVERNOR:

- None.

JOINT FINANCE / LEGISLATURE:

- Specify that all income and interest from the normal school fund (excluding allowable expenses deducted from gross receipts) be deposited in an appropriation to be distributed as follows: (1) to make need-based grants totaling \$100,000 annually to students who are members of underrepresented groups and who are enrolled in a program leading to a certificate or a bachelor's degree from the Nelson Institute for Environmental Studies at the UW-Madison; (2) to provide annual scholarships totaling \$100,000 to students enrolled in the sustainable management degree program through the UW-Extension; and (3) the remainder to the UW-Stevens Point for environmental programs.
- UW-Stevens Point, using the funding under (3) above, intends to establish an environmental education position to work with K-12 school districts; the position may be located at DPI.
- The reestimated income and interest from the normal school fund is \$300,000 annually.

Wisconsin Technical College System-Aid

GOVERNOR:

- Reduce state aid to the Wisconsin Technical College System by \$35,800,700 GPR in each fiscal year.

JOINT FINANCE / LEGISLATURE:

- Approve the Governor's request.

Wisconsin Technical College System-Levy

GOVERNOR:

- Implement a technical college district operational levy cap to freeze local property tax levies for technical colleges. The levy cap will prohibit technical college district boards' operational tax levies in 2011 and 2012 from exceeding the 2010 levy.

JOINT FINANCE / LEGISLATURE:

- Modify the Governor's provision to prohibit a technical college district board's tax levy in 2011 and 2012 from exceeding the greater of the following: (a) the district board's tax levy in 2010; or (b) the amount generated using the mill rate used for the tax levy in 2010. A district board's mill rate could not exceed 1.5 mills under this provision.
- In addition, provide that, for a district board to exceed the levy limit otherwise applicable to the district in 2011 or 2012, the board must adopt a resolution supporting including in the final district budget an amount equal to the proposed excess levy. A district board could not propose an excess levy amount for approval by referendum that would cause the district board's levy rate to exceed 1.5 mills.

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	FY12 Dollars	Positions	FY13 Dollars	Positions
Public Library System Aid	SEG-O	11,878,400	0.0	12,449,600	0.0
Library Service Contracts	SEG-O	700	0.0	33,600	0.0
BadgerLink	SEG-O	386,000	0.0	400,300	0.0
Newsline for the Blind	SEG-O	7,800	0.0	12,400	0.0
Grants for Driver Education	SEG-O	0	0.0	1,020,000	0.0
SAGE Restimates	GPR	2,285,500	0.0	4,509,500	0.0
Bilingual/Bicultural Aid	GPR	522,500	0.0	4,511,500	0.0
College/Career Assessments	GPR	0	0.0	3,237,400	0.0
Special Education Aid	GPR	16,049,700	0.0	32,797,600	0.0
High-Cost Special Education Aid	GPR	794,000	0.0	1,710,800	0.0
School Breakfast Reimbursement	GPR	327,800	0.0	608,100	0.0
Transportation Aid Rate Increase	GPR	0	0.0	0	0.0