

## PUBLIC INSTRUCTION

| Budget Summary |                   |                   |                   |                     |        | FTE Position Summary |             |             |             |        |
|----------------|-------------------|-------------------|-------------------|---------------------|--------|----------------------|-------------|-------------|-------------|--------|
| Fund           | 2014-15           | Governor          |                   | 2015-17 Change Over |        | 2014-15              | Governor    |             | 2016-17     |        |
|                | Adjusted Base     | 2015-16           | 2016-17           | Base Year Doubled   | Amount |                      | %           | 2015-16     | 2016-17     | Number |
| GPR            | \$5,532,551,000   | \$5,421,427,900   | \$5,687,677,300   | \$44,003,200        | 0.4%   | 253.43               | 250.47      | 250.47      | - 2.96      | - 1.2% |
| FED            | 774,466,600       | 877,714,800       | 877,715,600       | 206,497,200         | 13.3   | 309.19               | 306.89      | 301.89      | - 7.30      | - 2.4  |
| PR             | 42,964,100        | 43,912,400        | 43,912,400        | 1,896,600           | 2.2    | 84.64                | 82.69       | 81.69       | - 2.95      | - 3.5  |
| SEG            | <u>52,776,800</u> | <u>55,022,100</u> | <u>57,082,500</u> | <u>6,551,000</u>    | 6.2    | <u>0.00</u>          | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | N.A.   |
| TOTAL          | \$6,402,758,500   | \$6,398,077,200   | \$6,666,387,800   | \$258,948,000       | 2.0%   | 647.26               | 640.05      | 634.05      | - 13.21     | - 2.0% |

### Budget Change Items

### General School Aids and Revenue Limits

#### 1. STATE SUPPORT FOR K-12 EDUCATION

**Governor:** Provide \$5,125,577,200 in 2015-16 and \$5,377,050,000 in 2016-17 for general and categorical school aids. Compared to the 2014-15 base level funding of \$5,241,687,000, school aids would decrease by \$116,109,800 (-2.2%) in 2015-16 and increase by \$135,363,000 (2.6%) in 2016-17. These proposed funding levels would represent annual changes to the prior year of -2.2% in 2015-16 and 4.9% in 2016-17.

Under the traditional definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and the center for the blind), the bill would decrease state support from the base amount of \$6,149,875,000 in 2014-15 to \$6,139,815,100 in 2015-16 and increase it to \$6,391,287,900 in 2016-17. These proposed funding levels would represent annual changes to the prior year of -0.2% in 2015-16 and 4.1% in 2016-17.

Using the traditional definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), the administration estimates that state support of partial school revenues would increase from 62.3% in 2014-15 to approximately 62.5% in 2015-16 and 63.8% in 2016-17. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

**TABLE 1****State Support for K-12 Education**

| <u>State Funding</u>      | <u>2014-15<br/>Base Year</u> | <u>Governor</u>   |                   |
|---------------------------|------------------------------|-------------------|-------------------|
|                           |                              | <u>2015-16</u>    | <u>2016-17</u>    |
| General School Aids       | \$4,492,790,500              | \$4,492,790,500   | \$4,600,928,000   |
| Categorical Aids          | 748,896,500                  | 632,786,700       | 776,122,000       |
| School Levy Tax Credit    | 747,400,000                  | 853,000,000       | 853,000,000       |
| First Dollar Credit       | 150,000,000                  | 150,000,000       | 150,000,000       |
| State Residential Schools | <u>10,788,000</u>            | <u>11,237,900</u> | <u>11,237,900</u> |
| Total                     | \$6,149,875,000              | \$6,139,815,100   | \$6,391,287,900   |
| Change to Prior Year:     |                              |                   |                   |
| Amount                    |                              | -\$10,059,900     | \$251,472,800     |
| Percent                   |                              | -0.2%             | 4.1%              |
| Change to Base:           |                              |                   |                   |
| Amount                    |                              | -\$10,059,900     | \$241,412,900     |
| Percent                   |                              | -0.2%             | 3.9%              |

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Governor's funding recommendations for each general and categorical school aid program as compared to the 2014-15 base funding level. The Governor's recommendations relating to individual school aid programs are summarized in the items that follow.

**TABLE 2****State Support for K-12 Education by Fund Source**

|                                 | <u>2014-15<br/>Base Year</u> | <u>Governor</u>     |                     |
|---------------------------------|------------------------------|---------------------|---------------------|
|                                 |                              | <u>2015-16</u>      | <u>2016-17</u>      |
| <b>GPR</b>                      |                              |                     |                     |
| General School Aids             | \$4,492,790,500              | \$4,492,790,500     | \$4,600,928,000     |
| Categorical Aids                | 701,953,400                  | 578,095,000         | 719,630,300         |
| School Levy Tax Credit          | 747,400,000                  | 853,000,000         | 853,000,000         |
| First Dollar Credit             | 150,000,000                  | 150,000,000         | 150,000,000         |
| State Residential Schools       | <u>10,788,000</u>            | <u>11,237,900</u>   | <u>11,237,900</u>   |
| GPR Subtotal                    | \$6,102,931,900              | \$6,085,123,400     | \$6,334,796,200     |
| <b>PR</b>                       |                              |                     |                     |
| Categorical Aids                | \$1,507,500                  | \$1,507,500         | \$1,507,500         |
| <b>SEG</b>                      |                              |                     |                     |
| Categorical Aids                | <u>\$45,435,600</u>          | <u>\$53,184,200</u> | <u>\$54,984,200</u> |
| Total State Support - All Funds | \$6,149,875,000              | \$6,139,815,100     | \$6,391,287,900     |

**TABLE 3**

**General and Categorical School Aid by Funding Source  
2014-15 Base Year Compared to the Governor's Budget**

| Agency, Type and Purpose           | 2014-15<br>Base Year                           | Governor          |                   | Change to<br>Base Year Doubled |                   |        |
|------------------------------------|--|-------------------|-------------------|--------------------------------|-------------------|--------|
|                                    |  | 2015-16           | 2016-17           | Amount                         | Percent           |        |
| <b>General Aid</b>                 |  |                   |                   |                                |                   |        |
| DPI                                | General School Aids                            | \$4,475,960,500   | \$4,475,960,500   | \$4,584,098,000                | \$108,137,500     | 1.2%   |
|                                    | High Poverty Aid                               | <u>16,830,000</u> | <u>16,830,000</u> | <u>16,830,000</u>              | <u>0</u>          | 0.0    |
|                                    | Total General Aid                              | \$4,492,790,500   | \$4,492,790,500   | \$4,600,928,000                | \$108,137,500     | 1.2%   |
| <b>Categorical Aid--GPR Funded</b> |  |                   |                   |                                |                   |        |
| DPI                                | Special Education                              | \$368,939,100     | \$368,939,100     | \$368,939,100                  | \$0               | 0.0%   |
|                                    | High-Cost Special Education Aid                | 3,500,000         | 3,500,000         | 3,500,000                      | 0                 | 0.0    |
|                                    | Supplemental Special Education Aid             | 1,750,000         | 1,750,000         | 1,750,000                      | 0                 | 0.0    |
|                                    | Per Pupil Aid*                                 | 126,975,000       | 0                 | 141,907,800                    | -112,042,200      | -44.1  |
|                                    | SAGE   | 109,184,500       | 109,184,500       | 109,184,500                    | 0                 | 0.0    |
|                                    | SAGE -- Debt Service                           | 133,700           | 133,700           | 133,700                        | 0                 | 0.0    |
|                                    | Pupil Transportation                           | 23,703,600        | 23,954,000        | 23,954,000                     | 500,800           | 1.1    |
|                                    | High Cost Transportation                       | 5,000,000         | 7,500,000         | 7,500,000                      | 5,000,000         | 50.0   |
|                                    | Sparsity Aid                                   | 13,453,300        | 17,674,000        | 17,674,000                     | 8,441,400         | 31.4   |
|                                    | Bilingual-Bicultural Education                 | 8,589,800         | 8,589,800         | 8,589,800                      | 0                 | 0.0    |
|                                    | Tuition Payments                               | 8,242,900         | 8,242,900         | 8,242,900                      | 0                 | 0.0    |
|                                    | Head Start Supplement                          | 6,264,100         | 6,264,100         | 6,264,100                      | 0                 | 0.0    |
|                                    | Educator Effectiveness Grants                  | 5,746,000         | 5,746,000         | 5,746,000                      | 0                 | 0.0    |
|                                    | School Lunch                                   | 4,218,100         | 4,218,100         | 4,218,100                      | 0                 | 0.0    |
|                                    | County Children with Disabilities Educ. Boards | 4,067,300         | 4,067,300         | 4,067,300                      | 0                 | 0.0    |
|                                    | Career and Technical Education Grants**        | 3,000,000         | 0                 | 0                              | -6,000,000        | -100.0 |
|                                    | School Breakfast                               | 2,510,500         | 2,510,500         | 2,510,500                      | 0                 | 0.0    |
|                                    | Peer Review and Mentoring                      | 1,606,700         | 1,606,700         | 1,606,700                      | 0                 | 0.0    |
|                                    | Four-Year-Old Kindergarten Grants              | 1,350,000         | 1,350,000         | 1,350,000                      | 0                 | 0.0    |
|                                    | School Day Milk                                | 617,100           | 617,100           | 617,100                        | 0                 | 0.0    |
|                                    | Aid for Transportation--Open Enrollment        | 434,200           | 434,200           | 434,200                        | 0                 | 0.0    |
|                                    | Cooperative Educational Service Agencies       | 260,600           | 0                 | 0                              | -521,200          | -100.0 |
|                                    | Gifted and Talented                            | 237,200           | 237,200           | 237,200                        | 0                 | 0.0    |
|                                    | Supplemental Aid                               | 100,000           | 100,000           | 100,000                        | 0                 | 0.0    |
|                                    | Aid for Transportation--Youth Options          | 17,400            | 17,400            | 17,400                         | 0                 | 0.0    |
| DOA                                | Debt Service -- Tech. Infrastructure Bonds     | <u>2,052,300</u>  | <u>1,458,400</u>  | <u>1,085,900</u>               | <u>-1,560,300</u> | -38.0  |
|                                    | Total Categorical Aid--GPR Funded              | \$701,953,400     | \$578,095,000     | \$719,630,300                  | -\$106,181,500    | -7.6%  |
| <b>Categorical Aid--PR Funded</b>  |  |                   |                   |                                |                   |        |
| DPI                                | AODA   | \$1,284,700       | \$1,284,700       | \$1,284,700                    | \$0               | 0.0%   |
|                                    | Tribal Language Revitalization Grants          | <u>222,800</u>    | <u>222,800</u>    | <u>222,800</u>                 | <u>0</u>          | 0.0    |
|                                    | Total Categorical Aid -- PR Funded             | \$1,507,500       | \$1,507,500       | \$1,507,500                    | \$0               | 0.0%   |
| <b>Categorical Aid--SEG Funded</b> |  |                   |                   |                                |                   |        |
| DPI                                | School Library Aids                            | \$34,000,000      | \$36,000,000      | \$38,000,000                   | \$6,000,000       | 8.8%   |
| DOA                                | Educ. Telecommunications Access Support***     | 11,105,100        | 16,984,200        | 16,984,200                     | 11,758,200        | 52.9   |
| UW                                 | Environmental Education -- Forestry            | 200,000           | 200,000           | 0                              | -200,000          | -50.0  |
|                                    | Environ. Educ.--Environmental Assessments      | <u>130,500</u>    | <u>0</u>          | <u>0</u>                       | <u>-261,000</u>   | -100.0 |
|                                    | Total Categorical Aid -- SEG Funded            | \$45,435,600      | \$53,184,200      | \$54,984,200                   | \$17,297,200      | 19.0%  |
|                                    | Total Categorical Aid -- All Funds             | \$748,896,500     | \$632,786,700     | \$776,122,000                  | -\$88,884,300     | -5.9%  |
|                                    | Total School Aid--All Funds                    | \$5,241,687,000   | \$5,125,577,200   | \$5,377,050,000                | \$19,253,200      | 0.2%   |

\*Per pupil aid funding in 2016-17 would be provided on a one-time basis.

\*\*Funding for this purpose may be available to school districts from the Department of Workforce Development.

\*\*\*Not all of the funding shown in 2015-16 and 2016-17 may go to school districts.

## 2. GENERAL SCHOOL AIDS

|     |               |
|-----|---------------|
| GPR | \$108,137,500 |
|-----|---------------|

**Governor:** Provide \$108,137,500 in 2016-17 for general school aids. Under current law, the general school aids appropriation funds equalization, integration, and special adjustment aid. Under the bill, it would also fund payments for pupils who begin participating after 2014-15 under the Racine and statewide private school choice programs. General school aids funding would remain at base level funding of \$4,475,960,500 in 2015-16 and increase to \$4,584,098,000 in 2016-17. This would represent an increase of 2.4% in 2016-17 compared to the prior year.

## 3. INTEGRATION AID (CHAPTER 220)

**Governor:** Prohibit any pupils from participating in the Chapter 220 program unless those pupils were participating in the program in the 2014-15 school year.

Specifically, beginning on the effective date of the bill, prohibit a school board from entering into a written agreement with another school board under the interdistrict transfer program, except to enter into an annual written agreement with another board on behalf of a pupil that attended a public school under a written agreement in the 2014-15 school year. Prohibit a school board from allowing a pupil to attend a school under the intradistrict transfer program unless the pupil attended a school under the program in the 2014-15 school year. Specify that pupil transfers that qualify for aid under a plan implemented by a school board to reduce racial imbalance in a school district or attendance area and part-time pupil transfers would be permitted only for pupils attending under the plan in the 2014-15 school year. Specify that a school district would only receive integration aid for pupils who attended a public school in the school district under an eligible transfer agreement or plan in the 2014–15 school year.

Under the integration aid program (commonly called Chapter 220 after the 1975 session law), the state provides funds as an incentive for districts to voluntarily improve racial balance within and between school districts. To be eligible, a district must transfer pupils between attendance areas or districts with certain concentrations of minority or nonminority pupil populations.

Integration aid is calculated through two different formulas depending upon whether a pupil is transferred within a district (intradistrict) or from one district to another (interdistrict). Intradistrict aid is equal to the district's equalization aid per pupil multiplied by 25% of the number of eligible transfer pupils. In 2014-15, four districts (Milwaukee, Racine, Madison, and Wausau) are eligible for \$44.8 million in gross intradistrict aid. As part of the neighborhood schools initiative in 1999 Act 9, a hold harmless was established on the amount of intradistrict aid that would be received by the Milwaukee Public Schools, which is generally equal to the greater of: (a) the 1998-99 aid amount (\$32.9 million); or (b) the actual aid entitlement generated under the formula. This hold harmless would no longer apply in the year after the last principal and interests payments are made on the bonds issued pursuant to Act 9. The last debt service payment is scheduled to be made in 2023-24.

Under an interdistrict transfer agreement, the receiving district is paid an amount equal to

its average net cost per pupil for each transfer accepted. In 2014-15, Milwaukee and 21 suburban districts are eligible for \$20.5 million in gross interdistrict aid. The sending school district counts pupils transferred to another district as 0.75 pupil for revenue limit and general aid purposes.

Integration aid funding is provided as a first draw from the general school aids appropriation. Thus, to the extent that less integration aid would be distributed under the bill provisions, more aid would be distributed through the equalization formula. Under the bill, it is possible that a four-year-old kindergarten pupil participating in the program in the 2014-15 school year could continue in the program until 2027-28.

[Bill Sections: 3412 thru 3419]

#### 4. SCHOOL LEVY TAX CREDIT

**Governor:** Increase the school levy tax credit distribution beginning in the 2015(16) property tax year by \$105.6 million, above base level funding of \$747.4 million. Specify that the \$105.6 million increase for the 2015(16) property tax year would be paid on a delayed basis on the fourth Monday of July in the 2016-17 fiscal year, consistent with the payment of base funding under current law. Specify that, beginning with the 2016(17) property tax year, \$105.6 million in funding for the credit would be paid on a current year basis on the fourth Monday of June in the current fiscal year, rather than on a delayed basis in the following fiscal year. [See "Shared Revenue and Tax Relief -- Property Tax Credits" for more information on this item.]

#### 5. REVENUE LIMIT PER PUPIL ADJUSTMENT

**Governor:** Maintain current law as established in the 2013-15 biennial budget (2013 Act 20) under which there would be no per pupil adjustment under revenue limits in the 2015-16 school year and each year thereafter.

### Categorical Aids

#### 1. PER PUPIL AID

|     |                 |
|-----|-----------------|
| GPR | - \$112,042,200 |
|-----|-----------------|

**Governor:** Delete \$126,975,000 in 2015-16 and provide \$14,932,800 in 2016-17 relative to base level funding of \$126,975,000 for per pupil aid. Under the bill, no funding would be provided for this aid in 2015-16 and \$141,907,800 would be provided in 2016-17. Based on current enrollment, an estimated \$165 to \$170 per pupil aid payment would be made in 2016-17 under the bill provisions.

Change the per pupil aid appropriation from a sum sufficient to a sum certain

appropriation. Specify that aid per pupil in a given fiscal year would be calculated by dividing the appropriated amount by the total number of pupils enrolled in all school districts in that school year, and that each district's total payment would be determined by multiplying that per pupil amount by the number of pupils enrolled in the district in the current year. For the purpose of submitting its agency budget request for the 2017-19 biennial budget bill, require DPI to submit information concerning the per pupil aid appropriation as though the amount of that appropriation for 2016-17 was zero.

Under current law, per pupil aid is paid from a sum sufficient appropriation from which each district receives a \$150 per pupil payment in 2014-15 and each year thereafter, outside of revenue limits. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

[Bill Sections: 563, 3216 thru 3218, and 9134(5)]

## 2. SPARSITY AID

|     |             |
|-----|-------------|
| GPR | \$8,441,400 |
|-----|-------------|

**Governor:** Provide \$4,220,700 annually above base level funding of \$13,453,300 for sparsity aid for small, rural districts. Delete current law requirement that at least 20% of a school district's pupils must qualify for free or reduced-price lunch for the district to qualify for sparsity aid.

Under current law, districts qualify for \$300 per pupil if, in the prior school year, they met the free or reduced-price lunch criteria, had an enrollment of less than 725 pupils, and had a population density of less than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. Based on prior year data, in its agency budget request DPI estimated that in 2014-15, aid will be prorated at 79%, or \$236 per pupil, and 133 districts will be eligible for aid. DPI indicated that an additional five districts would have qualified for aid in 2014-15 had the free and reduced price lunch criteria not applied. The funding in this item would provide full funding for the program based on DPI estimates.

[Bill Section: 3215]

## 3. HIGH COST TRANSPORTATION AID

|     |             |
|-----|-------------|
| GPR | \$5,000,000 |
|-----|-------------|

**Governor:** Provide \$2,500,000 annually above base level funding of \$5,000,000 for high-cost transportation aid for districts with a transportation cost per member greater than 150% of the state average. Specify that only those districts with a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles, would be eligible to receive aid. In 2013-14, 128 districts qualified for aid. DPI indicates that four districts would lose their eligibility based on the pupil population density eligibility criterion.

[Bill Sections: 3407 thru 3410]

**4. PUPIL TRANSPORTATION -- INDEPENDENT "2R" CHARTER SCHOOLS** GPR \$500,800

**Governor:** Provide \$250,400 annually above base level funding of \$23,703,600 in the appropriation for pupil transportation aid.

Allow the operator of an independent "2r" charter school to provide transportation to pupils attending the charter school and claim state aid from the appropriation for pupil transportation aid. The additional funding provided would fund reimbursement of transportation costs for pupils attending independent "2r" charter schools.

Require that the operator of an independent "2r" charter school that provided pupil transportation submit an annual report to DPI that would include the number of pupils for whom transportation was provided and any other information related to pupil transportation required by DPI. The report would be due on a date selected by DPI, no earlier than the end of the school year and no later than September 1. Independent "2r" charter school operators would be subject to the same reimbursement rates and payment date as school districts and, like school districts, would be eligible for additional transportation funding if funding in the appropriation for pupil transportation aid exceeded the amount of approved claims.

Under current law, only public school districts are eligible for pupil transportation aid.

[Bill Sections: 3280, 3400 thru 3402, 3405, and 3406]

**5. PUPIL TRANSPORTATION -- REIMBURSEMENT RATES**

**Governor:** Provide that the reimbursement rate for pupils transported over 12 miles between home and school would be increased from \$275 to \$300 per pupil beginning with the 2015-16 school year. No funding is associated with this change, as it is estimated that base level funding would be sufficient to fund the higher rate. The current law reimbursement rates are shown in the following table.

| <u>Mileage</u>       | <u>Current Law<br/>(Full Year)</u> |
|----------------------|------------------------------------|
| 0-2 (hazardous area) | \$15                               |
| 2-5                  | 35                                 |
| 5-8                  | 55                                 |
| 8-12                 | 110                                |
| Over 12 miles        | 275                                |

[Bill Section: 3403]

**6. DELETE CAREER AND TECHNICAL EDUCATION INCENTIVE GRANT** GPR - \$6,000,000

**Governor:** Delete \$3,000,000 annually to eliminate base level funding for grants to

school districts for career and technical education. Under the program, school districts with an industry-recognized certification program approved by the State Superintendent are eligible for a payment of \$1,000 for each pupil who graduates from a high school in the district with an industry-recognized certificate in addition to a high school diploma or technical education diploma.

Delete current law requiring the State Superintendent to do the following: (a) annually identify industries and occupations with workforce shortages or shortages of adequately trained entry-level workers, with the input of the Department of Workforce Development and the Wisconsin Technical College System; (b) inform school districts of the identified industries and occupations; (c) publish the identified industries and occupations on DPI's Internet site; and (d) approve industry-recognized certification programs designed to mitigate workforce shortages in any of the identified industries or occupations.

Under the bill, additional funding would be provided in a workforce training grant appropriation under the Department of Workforce Development (DWD) and career and technical education incentive grants would be added as an allowable grant. See the summary entry under "Workforce Development" for more information.

[Bill Sections: 564 and 3193]

**7. REESTIMATE SCHOOL LIBRARY AIDS**

|     |             |
|-----|-------------|
| SEG | \$6,000,000 |
|-----|-------------|

**Governor:** Reestimate school library aids by \$2,000,000 in 2015-16 and \$4,000,000 in 2016-17. Base level funding is \$34,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

**8. DELETE STATE AID TO COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS)**

|     |             |
|-----|-------------|
| GPR | - \$521,200 |
|-----|-------------|

**Governor:** Delete \$260,600 annually to eliminate base level funding for state aid to the 12 CESAs. Even though no funding would be provided, the bill would modify the current appropriation to specify that state payments may not exceed \$25,000 annually to each CESA to match any federal funds received by the CESA for vocational education administration.

Delete current law specifying that state aid is provided for the maintenance and operation of the office of the Board of Control and CESA administrator and requiring each CESA to submit an annual report to the State Superintendent by August 1 including a detailed certified statement of its expenses for the prior year and showing that state aid was spent according to the statutory guidelines. Delete current law specifying that a CESA's state aid cannot exceed the CESA's actual expenditures in the prior year, as certified in the annual report.

Provide that beginning in 2015-16, each school board of a district participating in a CESA would pay its proportional share of the cost of the maintenance and operation of the office of the Board of Control and CESA administrator and would match any federal funds received by the CESA for vocational education administration. Require the Board of Control to determine each

district's proportional share of the cost of the office's maintenance and operation and federal match amount.

Delete current law establishing the state reimbursement for the cost of the CESA administrator's salary as equal to the lesser of the actual salary paid or the maximum of the salary range for a DPI supervisor under the State Superintendent.

Delete current law requiring each school board that participates in a CESA to pay that CESA's Board of Control an amount equal to the amount of state aid paid to the CESA in that year multiplied by the school district's proportion of the average daily pupil membership of the CESA.

[Bill Sections: 565, 3231 thru 3233, 3238, 3239, 3241, and 3242]

## **9. SCHOOL DISTRICT PARTICIPATION IN COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESAS)**

**Governor:** Allow any school district to withdraw from a CESA after adopting a resolution to do so and immediately notifying the CESA's Board of Control and the State Superintendent. As a result, specify that territory from a school district that withdrew from a CESA could be outside of a CESA area. Provide that a resolution adopted prior to January 15 would be effective on the following July 1, while a resolution adopted after January 15 would be effective on the second following July 1. If a school district adopted a resolution to withdraw from a CESA within 30 days of the effective date of the bill, the resolution would be effective on July 1, 2015.

Allow the school board of a school district that withdrew from a CESA and was not in any other CESA to contract with DPI for programs and services the district would be receiving if it were part of a CESA.

Provide that a school district that withdrew from a CESA could rejoin the CESA by adopting a resolution to do so and immediately notifying the Board of Control and the State Superintendent of the resolution to rejoin.

Provide that no cost could be assessed against a school district that had withdrawn from a CESA for expenses incurred while the district was not part of the CESA.

Under current law, only a school district in CESA 1, which includes districts in the southeastern part of the state including the Milwaukee area, can withdraw from a CESA.

[Bill Sections: 3230, 3232, 3234 thru 3237, 3240, and 9134(2)]

## **10. ALTERNATIVE DETERMINATION OF PUPIL ECONOMIC STATUS**

**Governor:** Allow the State Superintendent to use an alternative data collection method established by DPI to identify pupils who satisfy the federal income eligibility criteria for a free

or reduced-price lunch. Under current law, DPI uses applications for free or reduced price lunch to determine pupil eligibility for several state aid programs and for pupil demographic analysis. Pupils qualify for a free lunch with a family income equal to less than 130% of the federal poverty line, and for a reduced price lunch with a family income equal to between 130% and 185% of the federal poverty line. Under the federal community eligibility provision, beginning in the 2014-15 school year, eligible local education agencies and schools can provide free meals to all pupils in high poverty schools without collecting household applications to determine pupil eligibility for free and reduced price meals.

Modify current law to allow the alternative data collection method to be used to determine pupil, school, or district eligibility for the following programs: (a) the school day milk program, which provides milk to low-income pupils in preschool through fifth grade; (b) grants for teacher certification or master educator licensure, which provides larger grants to teachers in schools in which at least 60% of pupils are low-income; (c) pre-college scholarships for low-income pupils who enroll in classes or programs designed to improve academic skills necessary for success in postsecondary school; (d) the student achievement guarantee in education (SAGE) program, which provides school districts with up to \$2,250 for each low-income pupil in grades K-3 if the school reduces class sizes and meets other requirements; (e) aid to reimburse transportation costs incurred by the parent or guardian of a low-income open enrollment pupil; (f) aid to reimburse transportation costs incurred by the parent or guardian of a pupil enrolled in course options or youth options, giving priority to low-income pupils; (g) full-day five-year-old kindergarten programs in MPS enrolling only low-income pupils; (h) advanced placement examinations paid for by a pupil's school board; (i) transportation provided to low-income pupils who do not otherwise qualify for transportation; and (j) high poverty aid, distributed to districts at which at least 50% of pupils are low-income. Allow school districts to use the alternative data collection method to report the number of low-income pupils who transferred to the district under the Chapter 220 school integration program.

[Bill Sections: 3188, 3192, 3212, 3213, 3302, 3307, 3310, 3311, 3387, 3389, 3391, 3398, and 3420]

## Choice, Charter, and Open Enrollment

### 1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- CURRENT LAW REESTIMATE

|                |                     |
|----------------|---------------------|
| GPR            | \$21,507,400        |
| Aid Reductions | <u>- 12,553,900</u> |
| Net GPR        | \$34,061,300        |

**Governor:** Provide \$7,082,200 in 2015-16 and \$14,425,200 in 2016-17 over the base year funding of \$190,483,300 for the Milwaukee private school choice program to reflect changes in pupil participation under current law. This would reflect an increase in pupil participation from 25,905 pupils in 2014-15 to an estimated 26,905 pupils in 2015-16 and 27,905 pupils in 2016-17.

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 28.8% of the total cost of the program in 2015-16 and 25.6% of the total cost of the program in 2016-17. The aid reduction will decrease by 3.2 percentage points each year until it is phased out in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS).

Under the bill, the aid reduction for MPS would decrease by \$4,055,800 in 2015-16 and \$8,498,100 in 2016-17 from the base choice reduction of \$60,954,700 as a result of this reestimate. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of \$11,138,000 in 2015-16 and \$22,923,300 in 2016-17.

**2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- CURRENT LAW REESTIMATE**

|     |               |
|-----|---------------|
| GPR | - \$4,288,200 |
|-----|---------------|

**Governor:** Reduce funding for the Racine and statewide private school choice programs by \$2,144,100 annually from base year funding of \$21,978,800. This would reflect actual expenditures from 2014-15, and would assume that any payments for pupils who begin participating in the Racine or statewide choice programs in the 2015-16 school year or any year thereafter would be paid out of the appropriation for general school aids.

**3. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- PER PUPIL PAYMENTS**

**Governor:** Set the maximum per pupil payment for the Milwaukee private school choice program equal to \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. Set the maximum per pupil payment in 2017-18 and any year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

[Bill Sections: 3375 and 3376]

**4. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS FOR PUPILS PARTICIPATING BEFORE 2015-16**

**Governor:** Set the maximum per pupil payment for pupils in the Racine or statewide private school choice programs who participated in the program prior to the 2015-16 school year equal to \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12 in 2015-16 and 2016-17. For a pupil who participated in the Racine or statewide private school choice programs prior to the 2015-16 school year, set the maximum per pupil payment in 2017-18 and each year thereafter equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Under current law, the 2014-15 per pupil payment equals \$7,210 for a pupil in grades K-8 and \$7,856 for a pupil in grades 9-12, with annual increases beginning in 2015-16 equal to the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amounts would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

As under current law, these payments would be made from a separate GPR sum sufficient appropriation.

[Bill Sections: 566, 567, 3332, 3333, 3335, and 3336]

**5. PRIVATE SCHOOL CHOICE PROGRAMS -- DELETE EDUCATIONAL COSTS LIMIT ON PAYMENT**

**Governor:** Delete provisions of current law that require that per pupil payments to private schools participating in the choice programs equal the lesser of: (a) the private school's operating and debt service cost per pupil that is related to educational programming, as determined by DPI; or (b) the maximum per pupil payment set in statute. Under the bill, per pupil payments to all private choice schools would equal the statutory amount. In 2012-13, 15 schools had a cost per pupil less than the maximum payment in that year of \$6,442, out of 123 private schools participating in the Milwaukee and Racine private school choice programs in that year.

[Bill Sections: 3332 thru 3335, 3340, and 3375 thru 3379]

**6. DELETE PARTICIPATION LIMITS ON STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM**

**Governor:** Delete current law that limits participation in the statewide private school choice program to 1,000 pupils in each school year, and that limits participation in the statewide choice program in any school district to one percent of the district's total enrollment. Provide that a pupil who was awarded a slot in a participating private school in 2015-16 or was on a waitlist

in that year could not be required to reapply for a slot by the private school or by DPI. Delete current law governing the allocation of pupil slots under the statewide limit of 1,000 pupils. No additional funding is provided for these modifications because the bill would make changes to the Racine and statewide private school choice program funding mechanism to use moneys drawn from general school aids to fund new pupils in the programs.

Under the bill, schools would no longer be required to report to DPI the names and total number of pupils who had applied to attend the school under the private school choice program or the names and total number of those applicants whose siblings had also applied to attend the school under the choice program. DPI would no longer be required to establish or maintain a waiting list for pupils who were not accepted into the choice program as a result of the enrollment limit.

[Bill Sections: 3316, 3323, 3327 thru 3329, and 9134(3)]

## **7. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- INITIAL ELIGIBILITY REQUIREMENTS**

**Governor:** Specify that a pupil would be eligible to begin participating in the statewide private school choice program in the 2015-16 school year or any year thereafter if the pupil was: (a) enrolled in a public school in his or her district of residence in the previous school year; (b) not enrolled in school in the previous school year; (c) was enrolled in a private school under the Racine or statewide private school choice programs in the previous school year; or (d) is enrolling in kindergarten, first grade, or ninth grade in the current year. Under current law, these requirements apply only to the Racine private school choice program.

[Bill Section: 3319]

## **8. PRIVATE SCHOOL CHOICE PROGRAMS -- STUDENT PRIORITY**

**Governor:** Allow a private school participating in the Milwaukee, Racine, or statewide private school choice programs to give preference in accepting applications to the following, listed in order of preference, beginning in the 2016-17 school year: (a) pupils who attended the private school under the private school choice program during the previous school year; (b) siblings of pupils who attended the private school under the choice program during the previous school year; (c) pupils who attended a different private school under a private school choice program in the previous school year; (d) siblings of pupils who attended a private school under a private school choice program in the previous school year; and (e) siblings of pupils who have been randomly selected to attend a private school under the choice program but who did not attend a private school under a private school choice program in the previous school year.

Delete current law provisions defining pupils whose applications may be given priority. Under current law, private schools participating in the Milwaukee or Racine programs may give priority to any of the following: (a) pupils who attended the private school in the previous year; (b) siblings of pupils who attended the private school in the previous year; or (c) pupils who

attended another private school under a private school choice program in the previous year. Current law allows a private school in the statewide program to give priority to a pupil who was not enrolled in school in the previous year or who was enrolled in a public school in the previous year and is applying to attend a participating private school in grades two through eight or 10 through 12. However, private schools participating in the statewide program have not applied these priorities because pupils have been randomly selected by DPI to equal the limited statewide pupil count.

[Bill Sections: 3324 thru 3326, 3368 thru 3373, and 9334(2)]

## **9. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- PER PUPIL PAYMENTS FOR NEW PARTICIPANTS IN 2015-16 AND THEREAFTER**

**Governor:** Establish a procedure under which pupils in the Racine or statewide programs who begin participating in the programs in the 2015-16 school year or later would be funded from the general school aids appropriation [s. 20.255(2)(ac)]. Define an incoming choice pupil as a pupil who begins participating in these programs in 2015-16 or in any year thereafter. Specify that, for such an incoming choice pupil, DPI must pay to the private school in which the pupil is enrolled, on behalf of the pupil's parent or guardian, an amount from the general school aids appropriation determined as follows:

a. Calculate the equalization aid per pupil for each of the school districts in which an incoming choice pupil resides. (For the purposes of this calculation, a district's equalization aid payment would be the amount after the reduction for the independent "2r" charter school program, but before the reduction for the incoming choice pupils.)

b. Multiply each district's equalization aid per pupil by the number of incoming choice pupils residing in the district.

c. Add all of the amounts determined under "b."

d. Divide the statewide total amount under "c." by the statewide total number of incoming choice pupils.

Require DPI to calculate the per pupil payment amount for incoming choice pupils each year by October 15, using the most accurate data available. Specify that any adjustments to that calculation would be made by increasing or decreasing the payment to a choice school made in September of the following school year. Specify that if the private school is not participating in the choice program in September of the following school year, DPI would make any adjustments to the calculation by making a separate payment to the school, or, if the adjustment is a decrease, require the school to refund to DPI any overpayment it received. Provide that, for an incoming choice pupil in 2015-16, DPI would base the September payment on the amount DPI estimated would be paid in 2015-16 using the best data available.

Provide that for pupils who began participating in the choice program in the 2015-16 school year or later, the summer school payment would be determined by multiplying the per

pupil payment calculated based on equalization aid in the previous school year by 0.05. The summer school payment would be made out of the general school aids appropriation. Specify that payments for pupils who participated in the program prior to 2015-16 would be calculated by multiplying the per pupil payment applicable to those pupils by 0.05 and would be made out of the appropriation for the Racine and statewide choice programs.

Current law specifies that 25% of each per pupil payment is distributed to private choice schools in September, 25% in November, 25% in February, and 25% in May. Under the bill, for payments beginning in 2016-17, the September payment would be based on the per pupil payment in the previous school year. Any adjustment necessary to correct the amount paid to schools in September would be made by increasing or decreasing the amount paid in the following May.

Under current law, if a choice school closes after the third Friday in September in any school year, for each quarterly payment that was not paid to the private school in that school year, DPI pays the school district in which the pupil resides an amount equal to one-quarter of the amount determined by multiplying 0.616 times the per pupil payment. Specify that, for a pupil who began participating in the choice program in the 2015-16 school year or later, the per pupil payment used would be the amount determined based on equalization aid in the pupil's district of residence, the multiplier would be 0.667 rather than 0.616, and the payment would be made out of the appropriation for general school aids.

Require pupils or the parents or guardians of pupils participating in the Racine or statewide private school choice programs to notify DPI annually by the third Friday in September of the pupil's participation in the program using a form provided by DPI. Specify that the form would require the pupil or the pupil's parent or guardian to indicate the school year in which the pupil first participated in the choice program.

Require that private schools participating in the Racine or statewide choice programs annually provide to DPI the number of pupils attending the private school under the choice program who began participating in the program prior to the 2015-16 school year and the number who began participating in 2015-16 or later.

[Bill Sections: 562, 3330, 3337 thru 3339, 3341 thru 3352, 3358, and 9134(4)]

## **10. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- TREATMENT FOR EQUALIZATION AID**

**Governor:** Specify that, for the purpose of calculating equalization aid beginning in the 2016-17 aid year, a school district's pupil membership would include the number of incoming choice pupils residing in the district who are attending a school participating in the Racine and statewide choice programs in the current school year and who did not participate in those programs before the 2015-16 school year, as reported to the Department by those schools. (A district's enrollment for revenue limit purposes would not include these choice pupils.)

Specify that the amount of general aid that a school district is eligible to be paid would be

reduced by an amount equal to the district's general aid per pupil multiplied by the number of incoming choice pupils residing in the district, plus the total amount paid in the previous school year for incoming choice pupils who resided in the school district while attending summer school at a choice school during the summer of the previous year. Specify that districts would not be able to levy property taxes under revenue limits to offset this aid reduction.

[Bill Sections: 3392, 3395, 3396, and 3421]

## 11. PRIVATE SCHOOL CHOICE PROGRAMS -- ASSESSMENTS

**Governor:** Modify current law to require only private schools attended by at least 20 private school choice program pupils to administer assessments to pupils attending under a choice program. Specify that beginning in the 2015-16 school year, a private school participating in a private school choice program would not be required to administer assessments adopted or approved by the State Superintendent or required for public school pupils under federal law if the governing body of the private school elected to administer an alternative assessment approved by the UW-Madison Value Added Research Center (VARC). Require a private school that chose to use an alternative assessment to notify DPI of its intent to administer an alternative assessment. If the private school maintains an Internet site, require that the school annually publish information on its Internet site about the statewide or alternative assessment that would be administered by the school.

If a private school administered an alternative assessment and the cost of that assessment exceeded the cost of the assessment adopted or approved by the State Superintendent for that grade, specify that the private school would be responsible for paying the difference between the cost of the alternative assessment and the assessment adopted or approved by the State Superintendent. Provide that the scores on the alternative assessment could be used as one criterion for promoting a pupil from 4<sup>th</sup> grade to 5<sup>th</sup> grade and from 8<sup>th</sup> grade to 9<sup>th</sup> grade.

Require private schools participating in a private school choice program to annually report to DPI the scores of choice pupils on all standardized tests adopted or approved by the State Superintendent or required for public school pupils under federal law for each of the previous five school years. Require a private school that administers an alternative assessment to submit the assessment results of its pupils to VARC to be reviewed and statistically equated to the scores of the pupil assessment adopted or approved by the State Superintendent. VARC would be required to provide the statistically equated assessment data to the governing body of the private school and to DPI for use in the school's accountability report.

Require that a private school participating in a choice program excuse private choice program pupils from participating in the assessment adopted or approved by the State Superintendent or an alternative assessment at the request of the pupil's parent or guardian. Provide that when determining the percentage of pupils attending a private school under the Milwaukee private school choice program who performed at designated proficiency levels on the statewide or alternate assessment, DPI would include only pupils who participated in the exam

and would exclude pupils whose parent or guardian requested that they be excused from the test.

[Bill Sections: 3253, 3255, 3256, 3258, 3261 thru 3263, 3266, 3269, 3270, 3353, 3356, 3380, and 3383]

## **12. MILWAUKEE AND RACINE PRIVATE SCHOOL CHOICE PROGRAMS -- INCOME ELIGIBILITY VERIFICATION**

**Governor:** Provide that the family income of a pupil who applies to attend a private school under the Milwaukee or Racine private school choice programs would not need to be verified if the pupil attended a private school under the statewide private school choice program in the previous school year. Under current law, a pupil is eligible to participate in the statewide private school choice program with a family income that does not exceed 185% of the federal poverty level, while a pupil is eligible to participate in the Milwaukee or Racine private school choice programs with a family income that does not exceed 300% of the federal poverty level.

[Bill Sections: 3317, 3318, 3363, and 3364]

## **13. PRIVATE SCHOOL CHOICE PROGRAMS -- SUMMER SCHOOL MEMBERSHIP REPORT**

**Governor:** Modify summer school pupil count requirements to specify that private schools participating in a choice program would report their summer daily attendance for each day of summer school on or before October 1 of each year. Delete statutory membership definitions that would no longer apply.

Under current law, choice schools must report their summer average daily membership equivalent for choice pupils and for all pupils in the school by October 15 of each year.

[Bill Sections: 3313 thru 3315, 3331, 3360 thru 3362, and 3374]

## **14. PRIVATE SCHOOL CHOICE PROGRAMS -- INDEPENDENT FINANCIAL AUDITS**

**Governor:** Require the independent financial audit submitted by each private choice school to be prepared in accordance with generally accepted accounting principles, as modified by DPI. Require that the audit would include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs. Delete current law that specifies that the audit must be limited in scope to those records that are necessary for DPI to make payments to the school. These changes would first apply to audits of the 2015-16 school year.

[Bill Sections: 3355, 3382, and 9334(3)]

**15. PRIVATE SCHOOL CHOICE PROGRAMS -- SCHOOL NOTICE OF PARTICIPATION DATE**

**Governor:** Modify the date to be January 10 of the previous school year, rather than February 1, by which a private school must: (a) notify the State Superintendent of its intent to participate in a private school choice program; (b) specify the number of pupils for which it has space; and (c) pay the auditor's fee.

[Bill Sections: 3320 and 3365]

**16. PRIVATE SCHOOL CHOICE PROGRAMS -- TEACHER AND ADMINISTRATOR REQUIREMENTS**

**Governor:** Modify requirements for teachers and administrators in private schools participating in a private school choice program to allow teachers to qualify with a teaching license issued by DPI, as an alternative to the currently required bachelor's, master's, or doctorate degree from an accredited institution of higher education. Allow administrators to qualify with a teaching or administrator's license issued by DPI, as an alternative to the currently required bachelor's degree from an accredited institution of higher education.

[Bill Sections: 3321, 3322, 3366, and 3367]

**17. PRIVATE SCHOOL CHOICE PROGRAMS -- GRADE INFORMATION PROVIDED TO DPI**

**Governor:** Delete current law requiring private choice schools to annually, by August 1, provide DPI with the number of pupils in each of the previous five years who attended the private school as part of a private school choice program, or as private school pupils, who were in fourth, eighth, and 12<sup>th</sup> grades, and the number of those pupils who advanced from fourth to fifth grade, advanced from eighth to ninth grade, and graduated from 12<sup>th</sup> grade.

[Bill Sections: 3353, 3354, 3380, and 3381]

**18. PRIVATE SCHOOL CHOICE PROGRAMS -- ELIMINATE PUPIL ASSIGNMENT COUNCIL**

**Governor:** Delete provisions establishing a pupil assignment council consisting of one representative from each private school participating in the Milwaukee private school choice program and a second pupil assignment council consisting of one representative from each private school participating in the Racine and statewide private school choice programs. Under current law, these councils are required to submit recommendations by June 1 of each year to each private choice school on the achievement of a balanced representation of pupils participating in the private school choice programs.

[Bill Sections: 3357 and 3384]

**19. INDEPENDENT "2R" CHARTER SCHOOL REESTIMATE**

|               |                  |
|---------------|------------------|
| GPR           | \$8,882,500      |
| Aid Reduction | <u>8,882,500</u> |
| Net GPR       | \$0              |

**Governor:** Provide \$2,422,500 in 2015-16 and \$6,460,000 in 2016-17 over base level funding of \$70,252,500 in 2014-15 as a reestimate of sum sufficient funding for participation in the current law independent "2r" charter school program. The reestimate assumes that 9,000 pupils in 2015-16 and 9,500 pupils in 2016-17 will participate in the current program at the per pupil payment of \$8,075 in 2015-16 and 2016-17 under the bill.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. Pupils residing in Milwaukee County or in an adjacent county may attend any of these schools. Under current law, payments to these schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

**20. INDEPENDENT "2R" CHARTER SCHOOL PER PUPIL PAYMENT**

**Governor:** Specify that the per pupil payment for independent "2r" charter schools in the 2015-16 and 2016-17 school years would equal the payment amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

In 2014-15, the payment for independent charter schools is \$8,075 per pupil. Under current law, beginning in 2015-16, the payment amount is equal to the amount in the prior year plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the payment amount would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

[Bill Sections: 3281 and 3282]

**21. CHARTER SCHOOL OVERSIGHT BOARD**

|               |                  |
|---------------|------------------|
| GPR           | \$4,037,500      |
| Aid Reduction | <u>4,037,500</u> |
| Net GPR       | \$0              |

**Governor:** Create a Charter School Oversight Board that would have the authority to approve independent "2r" charter school authorizers that could establish such schools statewide. The administration estimates that an additional 500 pupils would be enrolled in charter schools authorized through the Charter School Oversight Board in 2016-17. In that year, total payments for these pupils would equal \$4,037,500 at the proposed payment of \$8,075 per pupil under the bill.

Provide that the Board would be attached to DPI for administrative purposes. Specify that the Board would consist of the State Superintendent, or his or her designee, and 10 other members that would be appointed for staggered, three-year terms and would consist of the

following: (a) two members appointed by the Governor, at least one of whom has served on the governing board of an independent charter school, has been employed by an independent charter school, or has served on the governing body of an entity authorized to contract to establish an independent charter school; (b) two members who are not legislators appointed by the Senate Majority Leader; (c) one member who is not a legislator appointed by the Senate Minority Leader; (d) two members who are not legislators appointed by the Speaker of the Assembly; (e) one member who is not a legislator appointed by the Assembly Minority Leader; (f) two members appointed by the State Superintendent who have served on the governing board of an independent charter school, have been employed by an independent charter school, or have served on the governing body of an entity authorized to contract to establish an independent charter school. Specify differing terms for initial appointments to the Board.

Provide that the chairperson of the Board would be designated by the Governor. Require that the authorities responsible for appointing the members of the Board ensure, to the extent feasible, that members are geographically diverse and have experience and expertise in governing public and nonprofit organizations; in management and finance; in public school leadership, assessment, and curriculum and instruction; and in education law; and understand and are committed to the use of charter schools to strengthen public education. Provide that no member of the Board could serve more than two consecutive terms. Prohibit the Board from promulgating rules and specify that, for the purposes of administrative rule-making, a standard or statement of policy adopted by the Charter School Oversight Board would not be considered an administrative rule.

Provide that any nonprofit, nonsectarian organization or consortium of such organizations approved by the Charter School Oversight Board could become an independent charter school authorizer. Require that such an organization, or consortium of such organizations, in order to become a charter authorizer, submit an application to the Charter School Oversight Board that includes the following information: (a) a strategic plan for contracting with charter school governing boards that submit high-quality proposals for charter schools that meet identified educational needs and promote a diversity of educational choices; (b) a performance framework for use in supervising and evaluating charter schools that addresses pupil academic proficiency, growth in pupil academic achievement, gaps in achievement between groups of pupils, pupil attendance, the readiness of pupils for postsecondary education, the financial proficiency and sustainability of charter schools, and charter school management; (c) an assurance that the organization or consortium will ensure accountability and transparency on the part of those charter school governing boards with which it contracts; (d) a plan, including corrective action strategies, designed to improve a charter school under contract with the organization or consortium, or to close such a charter school, based on contractual performance standards; (e) a description of the types of charter schools the organization or consortium is seeking to establish, and their potential attendance areas; (f) information on the organization's or consortium's finances and other resources necessary for the Charter School Oversight Board to determine the applicant's ability to perform its functions as an authorizer; (g) a plan for entering into additional contracts in order to replicate successful charter schools; and (h) any other information requested by the Charter School Oversight Board. Require the Charter School Oversight Board to approve or deny an application within 90 days of receiving it.

Provide that an organization or consortium approved by the Charter School Oversight Board to contract to establish an independent charter school would have to annually submit a report to the Charter School Oversight Board that includes the following information: (a) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (b) the academic and financial performance of each charter school operated under contract with it; (c) the operating costs that the authorizing entity incurred under the statutory requirements for authorizers, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (d) the services that the authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services.

Provide that a school board could prohibit a pupil who resides in the school district from attending an independent charter school, unless the district membership is at least 4,000 pupils and at least two public schools in the district were assigned one of the bottom two grade levels in the most recent school accountability report published by DPI. Provide that a pupil who wishes to attend an independent charter school, and who resides in a school district in which the school board could prohibit pupils from attending an independent charter school, would have to submit an application to the school board. Within 30 days of receiving such an application, require the school board to issue a decision allowing or prohibiting the pupil from attending the charter school. This provision would first apply on the effective date of the bill.

Delete current law provisions that restrict the location of independent charter schools based on the authorizer, and that require approval of the Board of Regents for charter schools to be established by UW-Milwaukee and UW-Parkside. Delete the current law restriction that the Chancellor of UW-Parkside may establish only one charter school, and that the school may enroll a maximum of 480 pupils. Provide that any independent charter school authorizer may contract for the operation of a charter school located anywhere in the state. Delete the current law residency restrictions that generally require a pupil to reside in Milwaukee County or an adjacent county in order to attend an independent charter school.

Specify that independent charter schools would be local educational agencies (LEA) for the purposes of the federal Elementary and Secondary Education Act (ESEA, also known as No Child Left Behind) and, as such, they would be eligible for funding as LEAs and must comply with all requirements of LEAs under the ESEA.

Provide that a contract with a school board or an independent charter school authorizing entity may provide for the establishment of more than one charter school, and a charter school governing board may enter into more than one contract with a school board or independent charter school authorizing entity.

Specify that, for the purposes of the open enrollment program, the definition of a charter school excludes independent charter schools.

Under current law, the City of Milwaukee, UW-Milwaukee, and UW-Parkside operate or contract to operate independent charter schools. UW-Milwaukee can establish schools in

Milwaukee County or in an adjacent county. Schools chartered by the City must be located in the City. UW-Parkside can establish one school, which is located in the Racine Unified School District. An estimated 8,500 pupils attend these schools in 2014-15, and the aid per pupil for that year is \$8,075. Under current law, payments to these charter schools are fully offset by a proportionate reduction in the general school aid eligibility of all school districts in the state. Under revenue limits, districts may levy property taxes to offset this aid reduction.

[Bill Sections: 107, 164, 3272, 3273, 3276 thru 3278, 3285, 3289, 3292, 3293, 3304, 3305, 3580, 9134(1), and 9334(1)]

## **22. CHARTER SCHOOL AUTHORIZING ENTITY DUTIES**

**Governor:** Require that a school board that has authorized a charter school, or an entity authorized to contract to establish independent "2r" charter schools, do all of the following: (a) solicit and evaluate charter school applications; (b) approve only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices; (c) in accordance with the terms of each charter school contract, monitor the performance and compliance with state charter school law of each charter school with which it contracts; and (d) annually submit a report to the State Superintendent and Legislature. Require that the annual report to the State Superintendent and Legislature would include the following information for each authorizer: (i) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (ii) the academic and financial performance of each charter school operated under contract with it; (iii) the operating costs of the school board or independent charter school authorizing entity incurred under its required duties, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (iv) the services that the school board or independent charter school authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services. For a contract for the establishment of a charter school that is entered into, renewed, or modified upon the effective date of the bill, require that an authorizing entity adhere to the principles and standards for quality charter schools established by the National Association of Charter School Authorizers.

Under current law, school boards and independent charter school authorizers are required to do the following: (a) when contracting for the establishment of a charter school, consider the principles and standards for quality charter schools established by the National Association of Charter School Authorizers; and (b) give preference in awarding contracts for the operation of charter schools to those charter schools that serve children at risk. The current law preference for charter schools that serve children at risk would continue to apply to these authorizing entities.

[Bill Sections: 3287, 3288, 3291, 3292, and 9334(1)]

## 23. CONTRACT REQUIREMENTS FOR INDEPENDENT "2R" CHARTER SCHOOLS

**Governor:** Require that, in addition to the contract requirements applicable for all charter schools, the contracts between the governing boards of independent "2r" charter schools and their authorizers include the following: (a) a requirement that a charter school governing board adhere to specified annual academic and operational performance standards developed in accordance with the performance framework of the entity with which it is contracting; (b) provisions detailing the corrective measures the charter school governing board will take if the charter school fails to meet performance standards; (c) a provision allowing the governing board of a charter school that is assigned one of the top two grade levels in the most recent school accountability report published by DPI to open one or more additional charter schools and, if the charter school governing board opens one or more additional charter schools, the existing contract applies to the new school or schools unless the parties agree to amend the existing contract or enter into a new contract; (d) the methodology that will be used by the charter school governing board to monitor and verify pupil enrollment, credit accrual, and course completion; (e) a requirement that the authorizing entity have direct access to pupil data; (f) a description of the administrative relationship between the parties to the contract; (g) a requirement that the charter school governing board hold parent-teacher conferences at least annually; (h) a requirement that if more than one charter school is operated under the contract, the charter school governing board report to the authorizing entity on each charter school separately; (i) a requirement that the charter school governing board provide the data needed by the authorizing entity for purposes of making a required annual report to the State Superintendent and Legislature; (j) a requirement that the charter school governing board participate in any training provided by the authorizing entity; and (k) a description of all fees the authorizing entity will charge the charter school governing board. Specify that these requirements would first apply to a contract for the establishment of a charter school that is entered into, renewed, or modified on the effective date of the bill.

Provide that, if an independent charter school is in operation on the effective date of the bill, and the charter school is assigned one of the top two grade levels in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. Specify that all other provisions of the contract, other than any provision that conflicts with this provision, apply to the new school or schools, unless the parties agree to amend the existing contract or enter into a new contract.

Provide that independent charter school authorizers would be required to contract with a person to operate a charter school, rather than operating the school directly, unless an authorizing entity was operating the school directly immediately prior to the effective date of the bill, in which case, it would be permitted to continue to do so.

Delete current law provisions relating specifically to a charter school authorized by the University of Wisconsin-Parkside. Current law requires that, if the Chancellor of the University of Wisconsin-Parkside contracts for the establishment of a charter school, the contract must also provide that the charter school must be operated by a governing board and that the Chancellor or

his or her designee must be a member of the governing board and requires that, if the instructional staff of the charter school are employees of the UW System Board of Regents, that the contract must include certain other provisions related to collective bargaining agreements and other matters related to employment administration.

[Bill Sections: 3143, 3152, 3156, 3176, 3182, 3271, 3273 thru 3275, 3286, 3778, and 9334(1)]

## **24. CHARTER SCHOOL GOVERNING BOARDS**

**Governor:** Effective September 1, 2015, require each charter school (both independent "2r" and school district charter schools) to be governed by a governing board that is a party to the contract with the authorizing entity. Require that no more than a minority of the governing board's members could be employees of the charter school or employees or officers of the school district in which the charter school is located.

Subject to the terms of its contract, provide that a charter school governing board has all the powers necessary to carry out the terms of its contract, including the following: (a) to receive and disburse funds for school purposes; (b) to secure appropriate insurance; (c) to enter into contracts, including contracts with a University of Wisconsin institution or college campus, technical college district board, or private college or university, for technical or financial assistance, academic support, curriculum review, or other services; (d) to incur debt in reasonable anticipation of the receipt of funds; (e) to pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit; (f) to solicit and accept gifts or grants for school purposes; (g) to acquire real property for its use; and (h) to sue and be sued in its own name. Provide that these powers would first apply to a contract for the establishment of a charter school that is entered into, renewed, or modified on the effective date of the bill.

[Bill Sections: 3294 thru 3300, 9334(1), and 9434(1)]

## **25. CHARTER SCHOOL ADMISSIONS**

**Governor:** Require that, with the following specified exceptions, a contract with a school board or independent "2r" charter school authorizing entity specify that if the capacity of the charter school is insufficient to accept all pupils who apply, the charter school would have to accept pupils at random. Require that a charter school give preference in enrollment to pupils who were enrolled in the charter school in the previous school year, and to siblings of pupils who are enrolled in the charter school. Permit a charter school to give preference in enrollment to the children of the charter school's founders, governing board members, and full-time employees, but limit the total number of such children given preference to no more than 10% of the charter school's total enrollment. Provide that these changes would first apply to a contract entered into, renewed, or modified on the effective date of the bill.

In addition, as under current law, provide that if a charter school replaces a public school in whole or in part, the school must give preference in admission to any pupil who resides within

the attendance area or former attendance area of that public school.

[Bill Sections: 3290, 3295, and 9334(1)]

## **26. OPEN ENROLLMENT TRANSFER AMOUNT**

**Governor:** Specify that the open enrollment transfer amount in the 2015-16 and 2016-17 school years would equal the transfer amount for 2014-15, and that the current law indexing mechanism would apply beginning in 2017-18.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence. The resident district counts the pupil in its pupil membership for revenue limits and general aids. A specified amount of state aid is then transferred from the resident district to the nonresident district for each open enrollment pupil. In 2014-15, the transfer amount is \$6,635 per pupil. Under current law, beginning in 2015-16, the transfer amount is equal to the amount in the prior year plus the revenue limit per pupil adjustment, if positive, for school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year. Under the current law indexing mechanism, the transfer amount would remain unchanged in 2015-16 and increase by an estimated \$170 per pupil in 2016-17 under the revenue limit and categorical aid provisions of the bill.

[Bill Sections: 3308 and 3309]

## **27. TREATMENT OF TELECOMMUNICATIONS ACCESS APPROPRIATION FOR PAYMENT INDEXING**

**Governor:** Specify that, for the purposes of indexing the per pupil payment amounts for the Milwaukee private school program and for pupils who attended the Racine or statewide programs in 2014-15, the independent "2r" charter school program, and the open enrollment programs, the amount that would be included in the categorical aid total from the DOA appropriation for telecommunications access for educational agencies would include only the amounts allocated for payments to telecommunication providers under contracts with school districts and cooperative educational service agencies and for grants to school district consortia, as determined by the DOA Secretary.

Under current law, beginning in 2015-16 and in each year thereafter, the per pupil payment amounts under the three programs equals the sum of the payment amount in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. Under the bill, the amounts for the three programs would be held constant at the 2014-15 amount for each year of the 2015-17 biennium, and the current law adjustment mechanism would apply starting in the 2017-18 school year.

Under current law, the DOA appropriation for telecommunications access for school

districts is included in the categorical aid total for the indexing calculation. Under the bill, the purposes of that appropriation would be broadened to include payments to other educational agencies, which are currently paid out of separate appropriations that would be deleted and consolidated into one appropriation.

[Bill Section: 3283]

## **District Operations and Standards**

### **1. EDUCATIONAL STANDARDS**

**Governor:** Prohibit the State Superintendent from giving any effect, or requiring a school board to give any effect, to any academic standard developed by the Common Core State Standards Initiative and adopted and implemented prior to the effective date of the bill. Prohibit the State Superintendent from taking any action to adopt or implement any academic standards developed by the Common Core State Standards Initiative or directing any school board to adopt or implement any academic standards developed by the Common Core State Standards Initiative after the effective date of the bill.

Require that school districts annually, prior to the start of the school term, notify the parents and guardians of pupils enrolled in the district of the academic standards adopted by the school board for that school year. Require that a notice identifying the academic standards adopted by the school board be included as an item on the agenda for the first school board meeting of the school year.

[Bill Sections: 3189 and 3388]

### **2. SCHOOL ACCOUNTABILITY REPORTS**

**Governor:** Modify the components required to be included by DPI in the school and school district accountability reports as follows: (a) categorize all measures by English language proficiency, disability, income level, and race or ethnicity; (b) calculate growth in pupil achievement in reading and mathematics using a value-added methodology; (c) delete the measures of college and career readiness for high school pupils and measures indicative of being on track for college and career readiness in the elementary grades; (d) indicate gap closure in pupil achievement in reading and mathematics in addition to graduation rates, when graduation rates are available; (e) include rates of attendance or of high school graduation; and (f) identify a school's level of performance and a school district's level of improvement using a letter grade. Specify that the letter grades would include "A" to indicate that a school or school district significantly exceeded expectations, "B" to indicate that a school or district exceeded expectations, "C" to indicate that a school or district met expectations, "D" to indicate that a school or district met few expectations, and "F" to indicate that a school or district failed to meet

expectations. Require that the accountability report include a qualitative definition for each of the five grade levels.

Require that DPI exclude data from the following when determining a school's performance or improvement: (a) a pupil who was enrolled in a private school under a private school choice program in the eighth grade and transferred to a public school, including a charter school, for the ninth grade; (b) a pupil who was enrolled in a public school, including a charter school, in the eighth grade and transferred to a private school under a private school choice program in the ninth grade; and (c) a pupil in a grade other than ninth grade who was enrolled in the school or school district for less than one year prior to taking the pupil assessment.

Require that if DPI used pupil assessment scores to determine a school or school district's accountability grade, a weighted formula would be used to account for the amount of time that a pupil was enrolled in the school or school district prior to taking the pupil assessment. Under the formula, scores would be weighted as follows: (a) multiply the pupil assessment score of a pupil who was enrolled in the school or school district for at least one year but less than two years by one; (b) multiply the score of a pupil who was enrolled in the school or school district for at least two years but less than three years by two; (c) multiply the score of a pupil who was enrolled in the school or school district for more than three years by three. Specify that the pupil assessment scores of ninth grade pupils could not be weighted.

Require that DPI use a formula to adjust the weight given to the measures of pupil achievement and pupil growth in reading and mathematics based on the number of economically disadvantaged pupils enrolled in the school or school district. Under the formula, scores would be weighted as follows: (a) weight pupil achievement at 90% and pupil growth at 10% if five percent or less of the school or school district membership is comprised of economically disadvantaged pupils; (b) weight pupil achievement at 10% and pupil growth at 90% if 65% or more of the school or school district membership is comprised of economically disadvantaged pupils; (c) if the percentage of economically disadvantaged pupils in the school or school district is greater than five percent but less than 65%, pupil achievement would be weighted by dividing 80 by 60, multiplying the quotient by the percentage of economically disadvantaged pupils in the school or district, and adding 3.35 to the result, and pupil growth would be weighted by subtracting the weight given to pupil achievement from 100. Define an economically disadvantaged pupil as one who satisfies either the federal income eligibility criteria for a free or reduced-price lunch or other criteria determined by DPI.

Require that accountability reports would be published for independent "2r" charter schools and private schools participating in a private school choice program beginning in the 2015-16 school year. Provide that the same criteria would be used to measure the performance of all schools included in the school accountability reports, including independent "2r" charter schools and private school choice program schools.

Require that DPI specify the percentage of pupils attending a private school under a private school choice program on the accountability report of the private school. If a private school submitted achievement data only for pupils attending the school under a private school choice program, require that DPI identify the resulting grade as the choice pupil grade. If a

private school submitted achievement data for pupils attending the school under a private school choice program in addition to all other pupils attending the private school, require that DPI include two grades for that school: (a) a choice pupil grade including data from choice pupils only; and (b) a private school grade derived from all pupils attending the school, including pupils attending under a private school choice program.

Require that each school provide a copy of the school's accountability report to the parent or guardian of all pupils enrolled in the school. Specify that this requirement would apply to all public schools, including charter schools, and all private schools participating in a private school choice program. Require that school boards include the most recent grade level assigned to each school within the school district boundaries, including independent "2r" charter schools and private schools participating in a private school choice program, in its annual notice and letter regarding educational options available in the school district.

Require that the appropriate standing committee of the Assembly and Senate conduct a review of school and school district accountability reports beginning in the 2017-18 school year and every two years thereafter.

Under current law, DPI is required to publish a school and school district accountability report by September of each year. The reports are required to include independent "2r" charter schools and private schools participating in a private school choice program beginning one year after the charter or private school begins using the state student information system. All independent "2r" charter schools and private schools participating in a private school choice program are required to begin using the student information system by the 2015-16 school year.

[Bill Sections: 3194 thru 3211 and 3312]

### **3. NOTICE OF EDUCATIONAL OPTIONS**

**Governor:** Require that DPI include a link on the home page of its Internet site to information about all of the educational options available to children at least three years old but not yet 18 years old, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program.

Require that each public school, independent "2r" charter school, and private school participating in a private school choice program annually provide the parent or guardian of each enrolled pupil with a list of the educational options available to children who reside in the pupil's resident school district, including public schools, private schools participating in a private school choice program, charter schools, virtual schools, full-time open enrollment, youth options, course options, and options for pupils enrolled in a home-based private educational program. Specify that the list would be provided simultaneously with a copy of the school accountability report.

Require that each school board annually, by January 31, publish as a class 1 notice and post on its Internet site a description of available educational options, including public schools, private schools participating in a private school choice program, charter schools, virtual schools,

full-time open enrollment, youth options, and course options. Require that the notice and any letter sent with the notice include the most recent school accountability grade assigned to each school within the school district's boundaries, including public schools, private "2r" charter schools, and private schools participating in a private school choice program. Specify that any letter sent by the school board would inform parents that the full school and school district accountability report would be available on the school board's Internet site.

[Bill Sections: 3185, 3210, and 3312]

#### **4. WHOLE GRADE SHARING**

**Governor:** Allow the school boards of two or more school districts to enter into a whole grade sharing agreement under which all or a substantial portion of the pupils enrolled in one or more grades in any of the school districts could attend school in one or more of the other districts for all or part of the school day. A district participating in a whole grade sharing agreement would not be required to operate classes at every grade level if the grade were offered at another district participating in the agreement. The proposal would allow two or more school districts to consolidate pupils in a particular grade level by offering that grade in only one of the participating districts.

Require that school boards include the following in a whole grade sharing agreement: (a) the term of the agreement and the date by which each school board would notify the other participating school boards of its intent to renew the agreement; (b) the grade levels in each district that would be subject to the agreement; (c) the annual payment that the school board of a pupil's school district of residence would provide to the district of attendance; (d) which school board would grant diplomas to pupils who would graduate high school from a district other than their district of residence; (e) which school board would be responsible for the pupil records of pupils who attended a non-resident district under the agreement; and (f) which school board would be responsible for transporting pupils to and from the school they would be attending under the agreement. The agreement could also specify which school board would provide transportation for pupils attending summer school under the agreement. If a school board would not provide transportation for all pupils, require reasonable uniformity in the minimum and maximum distances pupils would be transported. Require that a school board establish attendance areas within the school district for determining the school districts of attendance for pupils, if a school board entered into a whole grade sharing agreement with more than one district.

Provide that a school board could not enter into, extend, or renew a whole grade sharing agreement after February 1 of the school year before the school year the agreement, extension, or renewal would take effect. Require that a school board adopt a resolution stating its intention to enter into, extend, or renew a whole grade agreement at least 90 days before doing so. Within 10 days after the adoption of the resolution, the school district clerk would be required to publish a class 1 notice of the adoption in a newspaper published in the school district or, if no newspaper were published in the school district, post three notices as an alternative to newspaper publication.

Provide that a feasibility study of the whole grade sharing agreement could be requested through a petition signed by at least 20% of the electors residing in the school district and filed with the school board within 30 days after the school board published or posted a resolution stating its intention to enter into, extend, or renew a whole grade agreement. Require that a school board contract with an approved organization to conduct the feasibility study upon receiving the petition and post the results of the study on its Internet site. Prohibit a school board from entering into, extending, or renewing a whole grade sharing agreement until it received the result of the feasibility study, if one were required. Require that the State Superintendent approve organizations to conduct feasibility studies.

Require a school board to hold a public hearing in the school district at least 30 days before entering into, extending, or renewing a whole grade sharing agreement at which the proposed agreement would be described and any school district elector could comment. Two or more school districts that would be part of the agreement could hold a joint public hearing in one of the districts.

Provide that in the school year in which a whole grade sharing agreement would take effect and each of the following four school years, DPI would pay additional aid to each district participating in the agreement to ensure that no district would receive less state aid than the amount for which the district was eligible in the school year prior to the school year in which the agreement took effect. In the fifth school year following the agreement, each school district would be entitled to a payment equal to 66% of the payment that the school district received in the prior year, and in the sixth school year following the agreement, the school district would be entitled to a payment equal to 33% of the payment that the district received in the fourth school year following the agreement. Specify that the additional aid would be paid out of the general school aids appropriation. Provide that the school district providing transportation to pupils under the agreement would be eligible for state transportation aid.

Require that each school district include in its annual school district report the number of pupils residing in the district but attending a public school in another district under a whole grade sharing agreement, so that these pupils would be counted by the district of residence for purposes of revenue limits and general school aids. If a school board provided transportation to summer school pupils under a whole grade sharing agreement, require that the school district clerk file a report with DPI including information about summer school transportation as required by DPI.

Provide that a pupil attending a public school in a nonresident school district under a whole grade sharing agreement would have all of the rights and privileges of a resident pupil in that district, and would be subject to the same rules and regulations as resident pupils. Specify that a whole grade sharing agreement between school boards would satisfy the requirement to provide access for pupils in grades nine through 12 to study English, social studies, mathematics, science, vocational education, foreign language, physical education, art, and music, as required under the state's 20 standards for school districts. A pupil attending a nonresident school under a whole grade sharing agreement would be considered a resident of the nonresident school district for the purposes of participating in the programs of a cooperative educational service agency (CESA) or county children with disabilities education board (CCDEB).

Provide that if a pupil with a disability attended a public school in a nonresident school

district under a whole grade sharing agreement, the school district that the pupil was attending would be considered the local education agency for the purposes of providing special education and related services required under current law, including identifying, locating, and evaluating the pupil, developing an individualized education program (IEP) and providing a free and appropriate public education, and informing the pupil's parents of changes to the pupil's identification, IEP, or educational placement. If a referral for special education services were made to the pupil's resident district by a physician, nurse, psychologist, social worker, administrator of a social agency, teacher, or other individual who believed the pupil had a disability, the resident district would be required to provide the school board of the pupil's district of attendance with the pupil's name and other related information. Require that at least one person designated by the school board of the pupil's district of residence who had knowledge or special expertise about the pupil would be included on the pupil's IEP team. Specify that the school district the pupil was attending would be responsible for providing an educational placement for the pupil and paying any tuition charges required by the placement. If a pupil with a disability was enrolled in a public special education program in another state and the State Superintendent concluded that the program fulfilled state requirements for special education pupils, the State Superintendent would certify to the Department of Administration to provide an amount equal to the amount spent by the pupil's district of attendance during the preceding year for additional costs associated with the child's special education program as costs eligible for reimbursement by special education aid. Provide that transportation for a pupil with a disability would be provided by the district required to provide transportation under the whole grade sharing agreement.

Specify that a pupil attending a nonresident district under a whole grade sharing agreement would not be considered an open enrollment pupil and that current law governing tuition payments for nonresident pupils would not apply.

Provide that a pupil attending a nonresident district under a whole grade sharing agreement could not file a complaint objecting to the use of a race-based nickname, logo, mascot, or team name by the school board of the nonresident district.

Specify that a whole grade sharing agreement would not be considered an order of school district reorganization. A school district participating in a whole grade sharing agreement that did not operate sufficient classes at each grade level for two or more successive years would not be subject to attachment to another school district as is required under current law.

Provide that, for the purposes of indebtedness, a school district that did not operate one or more grades as a result of entering into a whole grade sharing agreement would be considered to be operating those grades.

Provide that all school districts, including Milwaukee Public Schools, could participate in a whole grade sharing agreement.

[Bill Sections: 2009, 2010, 3186, 3220 thru 3229, 3243 thru 3246, 3303, 3306, 3359, 3393, 3394, 3397, 3402, 3404, and 3411]

## 5. RENEWAL OF CHILD CARE PROGRAM CONTRACT

**Governor:** Delete current law requiring a school board to refer a child care provider to the Department of Children and Families for a criminal history and child abuse record search when renewing a contract for the provision of a child care program. Under the bill, the referral to the Department of Children and Families would only be required for a new contract. Current law allows school boards to provide child care programs for children directly or through a contract with a child care provider.

[Bill Section: 3390]

### Administrative and Other Funding

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor:** Adjust the base budget by \$601,600 GPR, \$538,200 FED, and \$1,001,700 PR in 2015-16 and \$646,000 GPR, \$539,000 FED, and \$1,001,700 PR in 2016-17 and a reduction of 1.00 FED position in 2015-16 and 6.00 FED positions and 1.00 PR positions in 2016-17 for: (a) turnover reduction (-\$413,100 GPR and -\$479,200 FED annually); (b) removal of noncontinuing items from the base (-1.00 FED position beginning in 2015-16 and an additional -5.00 FED positions and -1.00 PR position beginning in 2016-17); (c) full funding of continuing salaries and fringe benefits (\$632,300 GPR, \$951,600 FED, and \$987,700 PR annually); (d) overtime (\$274,300 GPR, \$50,200 FED, and \$13,800 PR annually); (e) night and weekend differential pay (\$55,400 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed moves costs (\$52,700 GPR and \$15,200 FED in 2015-16 and \$97,100 GPR and \$16,000 FED in 2016-17).

|       | Funding          | Positions     |
|-------|------------------|---------------|
| GPR   | \$1,247,600      | 0.00          |
| FED   | 1,077,200        | - 6.00        |
| PR    | <u>2,003,400</u> | <u>- 1.00</u> |
| Total | \$4,328,200      | - 7.00        |

#### 2. ELIMINATE LONG-TERM VACANCIES

**Governor:** Delete positions that have been vacant for 12 months or longer in the following appropriations: (a) general program operations -- Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired (-2.96 GPR positions and -\$159,100 GPR annually); (b) federal aids -- program operations (-1.30 FED positions annually); (c) data processing (-1.70 PR positions annually); and (d) funds transferred from other state agencies -- program operations (-0.25 PR positions annually).

|       | Funding     | Positions     |
|-------|-------------|---------------|
| GPR   | - \$318,200 | - 2.96        |
| FED   | 0           | - 1.30        |
| PR    | <u>0</u>    | <u>- 1.95</u> |
| Total | - \$318,200 | - 6.21        |

### 3. LAPSE REQUIREMENT

**Governor:** Specify that the 2013 Act 145 requirement that the Department of Public Instruction lapse \$1,049,300 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. (See "Budget Management and Compensation Reserves.")

### 4. STATEWIDE PUPIL ASSESSMENT

|     |             |
|-----|-------------|
| GPR | \$8,135,300 |
|-----|-------------|

**Governor:** Provide funding of \$2,091,400 in 2015-16 and \$3,043,900 in 2016-17 above base year funding of \$14,588,500 in the appropriation for the state's pupil assessment program for the Dynamic Learning assessment administered to pupils with disabilities and the ACT assessment administered to pupils in grades nine through 11.

Prohibit the State Superintendent from participation in the Smarter Balanced Assessment Consortium, beginning on the effective date of the bill. Beginning in the 2015-16 school year, prohibit the State Superintendent from adopting or approving an assessment developed by the Smarter Balance Assessment Consortium. Provide an additional \$1,500,000 annually in the appropriation for the pupil assessment program to fund development costs associated with implementing a new statewide assessment.

Under current law, the State Superintendent must adopt or approve a statewide standardized pupil assessment. Wisconsin joined the Smarter Balanced Assessment Consortium, a group of states and territories collaborating to develop a new student assessment system aligned with the Common Core State Standards, in 2010. Funding of \$2,782,500 was included in the 2013-15 biennial budget to administer the Smarter Balanced assessments and alternative science and social studies assessments in 2014-15 for pupils in grades three through eight. The first full administration of the new assessments will take place in the spring of 2015. The bill would require the State Superintendent to adopt or approve a new statewide standardized assessment.

[Bill Sections: 3189 and 3248]

### 5. ALTERNATIVE ASSESSMENT

|     |             |
|-----|-------------|
| GPR | \$1,500,000 |
|-----|-------------|

**Governor:** Provide \$750,000 annually in a new annual appropriation to fund the identification of alternative assessments by the UW-Madison Value Added Research Center (VARC).

Require that DPI request from VARC a list of nationally recognized, norm-referenced alternative assessments determined by VARC to be acceptable for statistical comparison with the assessment adopted or approved by the State Superintendent within 30 days of the effective date of the bill. Require that VARC evaluate and approve at least three and no more than five alternative assessments and submit the list of approved assessments to DPI within 90 days of the effective date of the bill.

Require that the alternative assessments approved by VARC meet the following requirements: (a) align sufficiently with content standards established for the assessment adopted or approved by the State Superintendent; (b) use a variety of testing methodologies, including multiple choice and short answer, to assess a range of pupil skills; (c) include accommodations or alternative assessments for pupils enrolled in a special education program; (d) provide translations for pupils with limited English proficiency; (e) allow a variety of testing modes, including with paper and pencil, in an online format, in a fixed form format, and in an adaptive format; and (f) have internal consistency reliability coefficients of at least 0.8.

Provide that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program would not be required to administer an assessment adopted by the State Superintendent in any grade for which an assessment is required if the school or school district administered an alternative assessment approved by VARC in that grade, beginning in the 2015-16 school year. Require that a school board, an operator of an independent "2r" charter school, or a private school participating in a private school choice program notify DPI of its intent to administer an alternative assessment and annually publish information about the alternative assessment on its Internet site, if the school board, charter school operator, or private school maintains an Internet site and chooses to administer an alternative assessment.

Require that a school board, independent "2r" charter school operator, or private school participating in a private school choice program that chose to administer an alternative assessment approved by VARC submit the results of that assessment to VARC. VARC would review the assessment results and statistically equate them to results from the assessment adopted or approved by the State Superintendent. VARC would provide the assessment data, as statistically equated, to DPI and to the school board, independent "2r" charter school operator, or private choice school. DPI would use the statistically equated data to determine the school or school district's accountability grade.

Provide that if a school administers an alternative assessment in any grade, and the cost of the alternative assessment exceeds the cost of the assessment approved or adopted by the State Superintendent for that grade, the school board, independent "2r" charter school operator, or governing body of the private choice program school would be responsible for paying the difference between the two costs.

Specify that a school board or the operator of an independent "2r" charter school would not be required to administer the statewide assessment or an alternative assessment identified by VARC to pupils in fourth or eighth grade if all of the following occurred: (a) the school district or independent "2r" charter school administered its own fourth and eighth grade assessments; (b) the school district or independent "2r" charter school operator submitted the results to VARC to be statistically correlated with the results of the statewide assessment; (c) VARC provided the statistical correlations to the State Superintendent; and (d) the federal Department of Education approved.

Provide that alternative assessment scores could be used instead of statewide assessment scores for the following purposes: (a) identifying an eighth grade pupil at risk of not graduating

from high school; (b) promoting a pupil from the fourth to the fifth grade; or (c) promoting a pupil from the eighth to the ninth grade.

Require that a school board, the operator of an independent "2r" charter school, or a private school participating in a private school choice program excuse a pupil from taking an alternative assessment at the request of the pupil's parent or guardian. Provide that if a school board entered into an agreement with a federally recognized American Indian tribe or band in Wisconsin to establish a charter school, the school district would be required to administer the assessment adopted or approved by the State Superintendent or an alternative assessment identified by VARC, regardless of the location of the charter school.

[Bill Sections: 561, 3247, 3250, 3252, 3259, 3260, 3264, 3265, 3266 thru 3269, 3279, 3356, and 3383]

## 6. ELIMINATE STATEWIDE PUPIL ASSESSMENT IN FALL OF NINTH GRADE

**Governor:** Delete current law requiring public schools, independent "2r" charter schools, and private schools participating in a private school choice program to administer a ninth grade assessment in the fall of each year. Under current law, the ACT Aspire early high school assessment is administered to pupils in both the fall and the spring of their ninth grade year.

[Bill Sections: 3249, 3251, 3254, and 3257]

## 7. DEBT SERVICE REESTIMATE

|     |             |
|-----|-------------|
| GPR | - \$546,400 |
|-----|-------------|

**Governor:** Delete \$158,700 in 2015-16 and \$387,700 in 2016-17 as a reestimate of debt service payments for the state residential schools. Annual base level funding is \$1,394,100.

## 8. STATE DATA CENTER HOSTING

|     |           |
|-----|-----------|
| GPR | \$350,000 |
|-----|-----------|

**Governor:** Provide \$175,000 annually above base level funding of \$3,313,100 in the appropriation for the state's longitudinal data system. The additional funding would be used for technical support services provided by DOA's Division for Enterprise Technology, which houses a centralized hosting system for the Wisconsin Information Systems for Education (WISE) software programs. The data system hosts data for WISEdash, which provides multi-year education data about Wisconsin schools and districts; WISElearn, which will provide statewide access to digital learning materials; and other DPI programs. Funding would include \$150,000 annually to cover the current level of costs, as well as \$25,000 annually to allow for expected growth as more applications and services are shifted to the centralized system.

## 9. FUEL AND UTILITIES FUNDING

|     |            |
|-----|------------|
| GPR | - \$20,600 |
|-----|------------|

**Governor:** Delete \$19,400 in 2015-16 and \$1,200 in 2016-17 to reflect estimated costs for fuel and utilities for the state residential schools. Annual base level funding is \$613,200.

**10. FEDERAL REVENUE REESTIMATES**

|     |               |
|-----|---------------|
| FED | \$205,420,000 |
|-----|---------------|

**Governor:** Reestimate federal revenues by \$102,710,000 annually for the following: (a) federal aids -- program operations (\$1,700,000 annually); (b) federal aids -- local aid (\$95,710,000 annually); and (c) federal funds -- individuals and organizations (\$5,300,000 annually). DPI indicates that the reestimate does not reflect an anticipated increase in federal funding over base level funding, but rather reflects federal funding that exceeds the amounts currently shown in the appropriation schedule. DPI projects flat or slightly decreasing federal revenue over the upcoming biennium.

**11. PROGRAM REVENUE REESTIMATES**

|    |            |
|----|------------|
| PR | -\$146,800 |
|----|------------|

**Governor:** Reestimate PR expenditures by -\$73,400 annually for the following: (a) general educational development and high school graduation equivalency (\$16,600 annually); (b) services for drivers (-\$93,500 annually); (c) publications (\$45,000 annually); and (d) professional services center charges (-\$41,500 annually).

**12. BADGERLINK**

|     |           |
|-----|-----------|
| SEG | \$551,000 |
|-----|-----------|

**Governor:** Provide \$245,300 in 2015-16 and \$305,700 in 2016-17 above base level funding of \$2,596,500 for the service that provides online access to full text newspapers, magazines, reference books, literature, and other print publications for state residents. The additional funding would maintain current contracts with vendors, including the contract with the Wisconsin Newspaper Association, which is being re-bid in the second year of the biennium. The segregated funding for BadgerLink is provided from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

**13. ALTERNATIVE TEACHING LICENSE**

|    |          |
|----|----------|
| PR | \$40,000 |
|----|----------|

**Governor:** Require the State Superintendent to grant a teaching license to an individual who meets all of the following requirements: (a) has a bachelor's degree; (b) demonstrates proficiency in the subject area or areas that he or she intends to teach by passing a competency exam approved by DPI; and (c) has relevant experience in the subject area or areas that he or she intends to teach, as determined by DPI. Specify that a license granted to an individual meeting these requirements would authorize the individual to teach in grades six through 12 only in the subject area or areas in which he or she demonstrated proficiency and relevant experience. The license would be valid for three years, and would be renewable for three year periods. Provide \$20,000 annually above base level funding of \$3,417,000 to reflect the estimated increase in revenue associated with the alternative licensing process.

Under current law, the State Superintendent is required to establish rules and procedures for teacher licensing. Administrative rules established by DPI allow an individual with no teaching experience to qualify for a teaching license upon satisfying the following requirements:

(a) has a bachelor's degree with a major in the subject area he or she intends to teach; (b) seeks a teaching license in a shortage area, including mathematics, science, special education, English as a second language, bilingual/bicultural, world languages, technology education, or business education; and (c) completes an alternative route education program approved by DPI. An individual who meets these current law requirements qualifies for an initial educator license, which is valid for a period of five years. The initial educator license is non-renewable. An educator may apply for a professional educator license after completing a professional development plan and obtaining at least three years of experience.

[Bill Section: 3183]

#### **14. TRANSFER OF UNENCUMBERED BALANCES**

**Governor:** Require the transfer of any unencumbered balances remaining in the following SEG appropriations on June 30 of each year to the appropriation for broadband expansion grants under the Public Service Commission: (a) periodical and reference information services, including Newsline for the Blind; (b) aid to public library systems; and (c) library service contracts.

[Bill Sections: 514 and 570 thru 572]

#### **15. TRANSFER OF POSITION AUTHORITY**

**Governor:** Transfer 1.19 FTE GPR positions from the appropriation for WISElearn to the appropriation for general program operations.

#### **16. DELETE OBSOLETE APPROPRIATION**

**Governor:** Delete the DPI appropriation for a grant to the La Causa Charter School.

Under the 2007-09 biennial budget act (2007 Act 20), \$250,000 was provided in 2007-08 for the La Causa Charter School in the City of Milwaukee for library, science, and technology improvements. Funding for the grant was provided from the universal service fund. Under Act 20, no moneys could be encumbered from the appropriation after June 30, 2008.

[Bill Section: 569]