

PUBLIC INSTRUCTION

Budget Summary							
Fund	2016-17 Base Year Doubled	2017-19 Governor	2017-19 Jt. Finance	2017-19 Legislature	2017-19 Act 59	Act 59 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$11,822,173,000	\$12,240,457,100	\$12,257,425,200	\$12,257,425,200	\$12,254,675,200	\$432,502,200	3.7%
FED	1,756,228,600	1,758,688,900	1,758,688,900	1,758,688,900	1,758,688,900	2,460,300	0.1
PR	87,497,600	92,265,100	93,235,400	93,235,400	93,235,400	5,737,800	6.6
SEG	<u>116,165,000</u>	<u>112,227,500</u>	<u>113,727,500</u>	<u>113,727,500</u>	<u>113,727,500</u>	<u>- 2,437,500</u>	- 2.1
TOTAL	\$13,782,064,200	\$14,203,638,600	\$14,223,077,000	\$14,223,077,000	\$14,220,327,000	\$438,262,800	3.2%

FTE Position Summary						
Fund	2016-17 Base	2018-19 Governor	2018-19 Jt. Finance	2018-19 Legislature	2018-19 Act 59	Act 59 Change Over 2016-17 Base
GPR	250.47	251.47	252.47	252.47	252.47	2.00
FED	314.84	312.84	312.84	312.84	312.84	- 2.00
PR	<u>81.69</u>	<u>71.69</u>	<u>76.69</u>	<u>76.69</u>	<u>76.69</u>	<u>- 5.00</u>
TOTAL	647.00	636.00	642.00	642.00	642.00	- 5.00

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 490]

Governor: Provide \$5,641,629,100 in 2017-18 and \$5,895,686,700 in 2018-19 for general and categorical school aids. Compared to the 2016-17 base level funding of \$5,444,553,300, school aids would increase by \$197,075,800 (3.6%) in 2017-18 and \$451,133,400 (8.3%) in 2018-19. These proposed funding levels would represent annual changes to the prior year of 3.6% in 2017-18 and 4.5% in 2018-19.

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 increase state support from the base amount of \$6,458,791,200 in 2016-17 to \$6,742,548,000 in 2017-18 and \$6,996,605,600 in 2018-19. These proposed funding levels would represent annual changes to the prior year of 4.4% in 2017-18 and 3.8% in 2018-19.

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 63.7% in 2016-17 to approximately 64.0% in 2017-18 and 64.8% in 2018-19. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance/Legislature: Provide \$5,630,407,500 in 2017-18 and \$5,896,221,100 in 2018-19 for general and categorical school aids. Compared to the Governor's recommendations, school aids would be reduced by \$11,221,600 in 2017-18 and increased \$534,400 in 2018-19. Compared to the 2016-17 base year, school aids would increase by \$185,854,200 (3.4%) in 2017-18 and \$451,667,800 (8.3%) in 2018-19. These proposed funding levels would represent annual changes to the prior year of 3.4% in 2017-18 and 4.7% in 2018-19.

Using the traditional definition of state support of K-12 education, total funding would increase from \$6,458,791,200 in 2016-17 to \$6,731,326,400 in 2017-18 and \$6,997,140,000 in 2018-19. These funding levels would represent annual changes to the prior year of 4.2% in 2017-18 and 3.9% in 2018-19. With the changes to K-12 school finance adopted by Joint Finance, it is estimated that state support of partial school revenues would be 64.8% in 2017-18 and 65.7% in 2018-19.

Veto by Governor [B-33, B-35, and B-36]: By vetoing the appropriations for shared services aid and whole grade sharing aid, the Governor's vetoes reduce the amount of funding for categorical school aids by \$2,750,000 GPR in 2018-19. By vetoing the increase in the low revenue adjustment, the Governor's veto reduces revenue limit authority by an estimated \$5.1 million in 2017-18 and \$18.1 million in 2018-19. As a result of these vetoes, compared to the Legislature, state support under Act 59 would remain at 64.8% in 2017-18 and would increase slightly to 65.8% in 2018-19.

A summary of the funding amounts for state support under the recommendations of the Governor, under Joint Finance and the Legislature, and under Act 59 is presented in Table 1.

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 59 funding levels for each general and categorical school aid program as compared to the 2016-17 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

TABLE 1

State Support for K-12 Education

<u>State Funding</u>	<u>2016-17 Base Year</u>	<u>Governor</u>		<u>Joint Finance/Legislature</u>		<u>Act 59</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>
General School Aids	\$4,600,928,000	\$4,600,928,000	\$4,673,678,000	\$4,600,928,000	\$4,673,678,000	\$4,600,928,000	\$4,673,678,000
Categorical Aids	843,625,300	1,040,701,100	1,222,008,700	1,029,479,500	1,222,543,100	1,029,479,500	1,219,793,100
School Levy Tax Credit	853,000,000	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>11,237,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>
Total	\$6,458,791,200	\$6,742,548,000	\$6,996,605,600	\$6,731,326,400	\$6,997,140,000	\$6,731,326,400	\$6,994,390,000
Change to Prior Year:							
	Amount	\$283,756,800	\$254,057,600	\$272,535,200	\$265,813,600	272,535,200	263,063,600
	Percent	4.4%	3.8%	4.2%	3.9%	4.2%	3.9%
Change to Base:							
	Amount	\$283,756,800	\$537,814,400	\$272,535,200	\$538,348,800	272,535,200	535,598,800
	Percent	4.4%	8.3%	4.2%	8.3%	4.2%	8.3%

TABLE 2

State Support for K-12 Education by Fund Source

	<u>2016-17 Base Year</u>	<u>Governor</u>		<u>Joint Finance/Legislature</u>		<u>Act 59</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>
GPR							
General School Aids	\$4,600,928,000	\$4,600,928,000	\$4,673,678,000	\$4,600,928,000	\$4,673,678,000	\$4,600,928,000	\$4,673,678,000
Categorical Aids	794,012,700	980,709,400	1,167,517,000	970,987,800	1,168,051,400	970,987,800	1,165,301,400
School Levy Tax Credit	853,000,000	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>11,237,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>	<u>10,918,900</u>
GPR Subtotal	\$6,409,178,600	\$6,682,556,300	\$6,942,113,900	\$6,672,834,700	\$6,942,648,300	\$6,672,834,700	\$6,939,898,300
PR							
Categorical Aids	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500
SEG							
Categorical Aids	<u>\$48,105,100</u>	<u>\$58,484,200</u>	<u>\$52,984,200</u>	<u>\$56,984,200</u>	<u>\$52,984,200</u>	<u>\$56,984,200</u>	<u>\$52,984,200</u>
Total State Support - All Funds	\$6,458,791,200	\$6,742,548,000	\$6,996,605,600	\$6,731,326,400	\$6,997,140,000	\$6,731,326,400	\$6,994,390,000

TABLE 3

General and Categorical School Aid by Funding Source

Agency	Type and Purpose of Aid	2016-17	Act 59		2017-19 Change to	
		Base Year	2017-18	2018-19	Base Year Doubled	Percent
General Aid						
DPI	General School Aids	\$4,584,098,000	\$4,584,098,000	\$4,656,848,000	\$72,750,000	0.8%
	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	\$4,600,928,000	\$4,600,928,000	\$4,673,678,000	\$72,750,000	0.8%
Categorical Aid--GPR Funded						
DPI	Special Education	\$368,939,100	\$368,939,100	\$368,939,100	\$0	0.0%
	High-Cost Special Education Aid	8,500,000	9,239,000	9,353,800	1,592,800	9.4
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	0	0.0
	Spec. Ed. Transitions Incentive Grants	100,000	2,700,000	3,600,000	6,100,000	3,050.0
	Transition Readiness Investment Grant	0	0	1,500,000	1,500,000	N.A.
	Per Pupil Aid	210,992,800*	378,180,000	549,098,400	505,292,800	119.7
	Achievement Gap Reduction	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	23,954,000	24,000,000	24,000,000	92,000	0.2
	High Cost Transportation	7,500,000	12,700,000	12,700,000	10,400,000	69.3
	Sparsity Aid	17,674,000	18,496,200	18,759,300	1,907,500	5.4
	Personal Electronic Computing Device Grants	0	0	9,187,500	9,187,500	N.A.
	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
	Performance Improvement Grants	0	0	3,690,600	3,690,600	N.A.
	Mental Health Collaboration Grant	0	0	3,250,000	3,250,000	N.A.
	Aid for School Mental Health Programs	0	0	3,000,000	3,000,000	N.A.
	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
	MPS Summer School Grant Program	0	0	1,400,000	1,400,000	N.A.
	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
	Rural School Teacher Talent Pilot Program	0	500,000	500,000	1,000,000	N.A.
	Aid for Transportation--Open Enroll./Early College	434,200	454,200	454,200	40,000	4.6
	Robotics League Participation Grants	250,000	250,000	250,000	0	0.0
	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	0	0	-34,800	-100.0
DOA	Debt Service -- Tech. Infrastructure Bonding	<u>1,033,300</u>	<u>911,400</u>	<u>1,000,600</u>	<u>-154,600</u>	-7.5
	Total Categorical Aid--GPR Funded	\$794,012,700	\$970,987,800	\$1,165,301,400	\$548,263,800	34.5%
Categorical Aid--PR Funded						
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%
Categorical Aid--SEG Funded						
DPI	School Library Aids	38,000,000	35,000,000	37,000,000	-4,000,000	-5.3%
DOA	Educ. Telecommunications Access Support**	<u>10,105,100</u>	<u>21,984,200</u>	<u>15,984,200</u>	<u>17,758,200</u>	87.9
	Total Categorical Aid--SEG Funded	\$48,105,100	\$56,984,200	\$52,984,200	\$13,758,200	14.3
	Total Categorical Aid--All Funds	\$843,625,300	\$1,029,479,500	\$1,219,793,100	\$562,022,000	33.3%
	Total School Aid--All Funds	\$5,444,553,300	\$5,630,407,500	\$5,893,471,100	\$634,772,000	5.8%

* Reflects base funding after removal of one-time funding for 2015-16 enrollments paid in 2016-17

** Not all of the funding shown in 2017-18 and 2018-19 may go to school districts.

2. GENERAL SCHOOL AIDS [LFB Paper 490]

GPR	\$72,750,000
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Governor/Legislature: Provide \$72,750,000 in 2018-19 for general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. General school aids funding would remain at base level funding of \$4,584,098,000 in 2017-18 and increase to \$4,656,848,000 in 2018-19. This would represent an increase of 1.6% in 2018-19 compared to the prior year.

3. REVENUE LIMIT ADJUSTMENT FOR ENERGY EFFICIENCY MEASURES [LFB Paper 492]

Governor: Specify that school districts would not be able to adopt a school board resolution to utilize the energy efficient adjustment under revenue limits after the effective date of the bill. Under this provision, school districts could still fund this type of project within their revenue limit, or seek voter approval through a referendum to exceed revenue limits.

The 2009-11 budget act created a nonrecurring adjustment for energy efficiency measures. Under the adjustment, a school district's revenue limit is increased by the amount spent by the district in that year on a project to implement energy efficiency measures or to purchase energy efficient products. The project must result in the avoidance of, or reduction in, energy costs or operational costs, and be governed by a performance contract entered into under statutory municipal law provisions. A school board must adopt a resolution to use this adjustment.

The adjustment may be used for the payment of debt service on bonds and notes issued or state trust fund loans obtained to finance the project. Such bonds or notes may not be issued or loans be obtained for a period exceeding 20 years, and the resolution adopted by a school board is valid for each year in which the board pays debt service on the bond, note, or state trust fund loan.

In 2016-17, 120 school districts were eligible for energy efficiency adjustments totaling \$79.8 million.

Joint Finance/Legislature: Modify the Governor's recommendation by prohibiting districts from adopting a resolution to utilize the adjustment between January 1, 2018 and December 31, 2018.

Veto by Governor [B-32]: Strike the "1" in the number 31, the comma between 31 and 2018, and the "2" in 2018. As a result, the language specifies that that the adjustment applies only to resolutions adopted after "December 3018," effectively ending the adjustment.

[Act 59 Section: 1641m]

[Act 59 Vetoed Section: 1641m]

4. SCHOOL LEVY TAX CREDIT

Governor/Legislature: Increase the school levy tax credit distribution beginning in the

2017(18) property tax year by \$87.0 million, above base level funding of \$853.0 million. [See "Shared Revenue and Tax Relief -- Property Tax Credits" for more information on this item.]

5. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 490]

Governor/Legislature: 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.

6. LOW REVENUE ADJUSTMENT [LFB Paper 490]

Joint Finance/Legislature: Increase the low revenue adjustment under revenue limits from the current law \$9,100 per pupil to \$9,300 per pupil in 2017-18, \$9,400 per pupil in 2018-19, \$9,500 per pupil in 2019-20, \$9,600 per pupil in 2020-21, \$9,700 per pupil in 2021-22, and \$9,800 per pupil in 2022-23 and each year thereafter. It is estimated that statewide revenue limit authority would increase by \$5.1 million in 2017-18 and \$18.1 million in 2018-19.

Under the low revenue adjustment, if the base revenue per pupil for a district is below a statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2016-17 is \$9,100 per pupil. Under current law, that amount will remain at \$9,100 per pupil in subsequent years.

Veto by Governor [B-33]: Delete provision. As a result, the low revenue adjustment will remain at \$9,100.

[Act 59 Vetoed Section: 1640g]

7. SCHEDULING OF SCHOOL DISTRICT REFERENDA

Joint Finance/Legislature: Limit school district referenda to exceed revenue limits or issue bonds to being held only on regularly-scheduled election days (spring primary or election or partisan primary or general election) or on the second Tuesday of November in odd-numbered years. Specify that districts would be restricted to holding referenda on two dates per year. Specify that, for a school district that has experienced a natural disaster, including a fire, that causes the school district's costs to increase, a district could call a special referendum to be held within the six-month period immediately following the natural disaster, provided the special referendum would be held not sooner than 70 days after the adoption of the initial resolution. Specify that a referendum held after a natural disaster would not count towards the two-date limit or be limited to the dates specified above. Specify that these provisions would apply to school board resolutions to exceed revenue limits or issue bonds that are adopted after January 1, 2018.

Veto by Governor [B-34]: Delete the reference to a special election in November of odd-number years, so that all referenda subject to these limits can only be held on regularly scheduled election days.

[Act 59 Sections: 1c, 1d, 996pm thru 996t, 1640i, 1640m, 1640r, 9335(1f)&(1g), and

[Act 59 Vetoed Sections: 996pr, 1640i, 1640p, 9335(1g), and 9435(1w)]

Categorical Aids

1. REMOVAL OF DELAYED PER PUPIL AID FUNDING FROM BASE GPR - \$253,191,200

Governor/Legislature: Delete \$126,595,600 annually in per pupil aid to reflect removal of funding for the one-time delayed payment of this aid.

Under the 2015-17 budget act, per pupil aid for 2015-16 enrollments was paid on a one-time delayed basis in the 2016-17 fiscal year. As a result, no funding was appropriated for per pupil aid in 2015-16, but \$337,588,400 was appropriated in 2016-17 for both the delayed \$150 per pupil payment for 2015-16 enrollments and the \$250 per pupil payment paid on a current year basis for 2016-17 enrollments. After removal of \$126,595,600 annually related to 2015-16 payments, there would remain \$210,992,800 in annual base funding, which would fund the ongoing \$250 per pupil payment.

2. PER PUPIL AID FUNDING INCREASE [LFB Papers 490 and 491]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$508,732,800	- \$3,440,000	\$505,292,800

Governor: Provide \$167,859,500 in 2017-18 and \$340,873,300 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to up to \$450 per pupil in 2017-18 and up to \$654 per pupil in 2018-19. Base level funding associated with the current \$250 per pupil amount is \$210,992,800.

A district would be eligible for an additional \$188 per pupil in 2017-18 and \$380 per pupil in 2018-19 and each year thereafter under the bill if it meets the following conditions:

a. The school board annually submits a statement to DPI certifying that the school board will distribute this portion of aid to the school administrator of a school in the district, based on the number of pupils enrolled in the school. This requirement would be ongoing.

b. The school district certifies to DPI in each of the 2017-18 and 2018-19 school years that employees of the school district will be required to pay at least 12 percent of all costs and payments associated with employee health care coverage plans in that school year. This requirement would not be ongoing.

Under the bill, a district would be eligible for an additional \$12 per pupil in 2017-18 and \$24 per pupil in 2018-19 in per pupil aid, subject to the two certifications above, if the Secretary of the Department of Administration lapses funding from state compensation reserves related to the state contracting to provide self-insured group health plans for state employees. [See "Budget Management and Compensation Reserves" for more information on this item.] This provision would not be ongoing.

Under the bill, all districts would remain eligible for the \$250 per pupil payment under current law.

Joint Finance/Legislature: Approve the Governor's funding recommendation, as reestimated based on statewide enrollment projections by -\$672,300 GPR in 2017-18 and by -\$2,767,700 GPR in 2018-19, to provide \$167,187,200 GPR in 2017-18 and \$338,105,600 GPR in 2018-19 in per pupil aid. Provide that the payment would increase from \$250 per pupil in 2016-17 to \$450 per pupil in 2017-18 and \$654 per pupil in 2018-19. Specify that the payment would be \$630 per pupil in 2019-20 and annually thereafter. (As under the Governor's recommendation, \$24 per pupil would be one-time funding in 2018-19.)

Delete the provisions relating to school district certifications on the distribution of per pupil aid to schools in the district as well as employees paying at least 12% of employee health care coverage plan costs. Instead, require districts to report annually to DOA regarding employee health care, including health care plan design, premium contributions, self-insurance contributions, deductibles, copayments, coinsurance, and other methods by which employees contribute to health care costs. Require DOA to report this information annually to the Joint Finance Committee and the appropriate standing committees of the Legislature.

Delete the provision making a portion of per pupil aid contingent on funding lapsing from state compensation reserves related to state employee self-insurance.

[Act 59 Sections: 74m, 1481m, 1623g, and 1623r]

3. SPARSITY AID [LFB Paper 500]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,080,600	- \$18,173,100	\$1,907,500

Governor: Provide \$9,961,100 in 2017-18 and \$10,119,500 in 2018-19 above base level funding of \$17,674,000 for sparsity aid for small, rural districts.

Increase payments for districts that meet current law eligibility requirements by \$100 to a total of \$400 per pupil. Additionally, provide that school districts meeting the following criteria would qualify for aid under the program equal to \$100 per pupil: (a) an enrollment of between 745 and 1,000 pupils; and (b) a population density of less than 10 pupils per square mile of district attendance area.

Delete current law allowing DPI to use any funds remaining in the appropriation after paying the full amount to eligible districts to provide \$300 per pupil to any district that received aid under the program in the previous year but had an enrollment of greater than 745 pupils in the current year.

Under current law, districts qualify for \$300 per pupil if, in the prior school year, they had an enrollment of less than 745 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. In 2016-17, 141 school districts qualified for aid, and aid was prorated at 97%, or \$291 per pupil. An additional 40 districts would have qualified for aid under the proposal based on enrollment of between 745 and 1,000 pupils and population density of less than 10 pupils per square mile.

Joint Finance/Legislature: Delete the Governor's proposal to increase the per pupil payment from \$300 to \$400 and provide \$100 per pupil for districts with between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile. This change would result in a reduction in funding under the bill by \$9,288,900 in 2017-18 and \$9,184,200 in 2018-19.

Additionally, specify that beginning in the 2017-18 school year, any district that qualified for sparsity aid in one year but did not qualify the following year would receive 50% of its prior year award in the year in which it became ineligible for sparsity aid. (In 2016-17, two districts -- Erin and Spring Valley -- would have qualified for \$146,300 in additional aid under this provision.) Provide an additional \$150,000 annually to fund this change.

Delete current law requiring that if an unencumbered balance remains in the sparsity aid appropriation after the full payment amount has been distributed to eligible school districts, DPI must pay each district that received sparsity aid in the previous school year but did not qualify in the current year due to an increase in its membership an amount equal to \$300 multiplied by the district's membership used to calculate sparsity aid in the previous school year.

As a result of these changes, total funding would be reduced by \$9,138,900 in 2017-18 and \$9,034,200 in 2018-19 relative to the bill.

[Act 59 Sections: 1477d, 1480r, 1481g, and 1481i]

4. HIGH COST TRANSPORTATION AID [LFB Paper 501]

GPR	\$10,400,000
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Governor: Provide \$5,200,000 annually above base level funding of \$7,500,000 for high-cost transportation aid.

Under current law, districts qualify for aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 150% of the state average in the prior year; and (b) 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. In 2015-16, 128 districts qualified for aid, and aid was prorated at 60.4%. It is estimated that the funding in this item would provide full funding for the program.

Joint Finance/Legislature: Create a stop-gap measure requested in errata materials submitted to the Committee that would provide aid to any district that qualified for high cost transportation aid in the immediately preceding school year but is ineligible for aid in the current school year because its transportation costs did not exceed the aid threshold. Beginning in 2017-18, provide that such a district would receive an amount equal to 50% of its prior year award in the year in which it became ineligible for aid under the program. Specify that the sum of all payments under the stop-gap measure could not exceed \$200,000 in any fiscal year, and require the State Superintendent to prorate payments to districts that qualify for aid under this provision if total payments would exceed \$200,000.

In addition, expand the program so that it would apply to transportation costs above 145% of the statewide average, rather than 150% as under current law. As a result, based on 2016-17 data, it is estimated that the proration rate would equal approximately 78%.

[Act 59 Sections: 1640b and 1640c]

5. PUPIL TRANSPORTATION AID -- REIMBURSEMENT RATES

GPR	\$92,000
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Governor/Legislature: Provide \$46,000 annually above base funding of \$23,954,000 for pupil transportation aid.

Increase the reimbursement rate for pupils transported over 12 miles between home and school from \$300 to \$365 per pupil beginning with the 2017-18 school year. Additionally, increase the summer school reimbursement rate from \$4 to \$10 for a pupil transported between 2-5 miles, and from \$6 to \$20 for a pupil transported for more than five miles.

It is estimated that the additional funding would be sufficient to fully fund payments at the higher rates. The current law and proposed reimbursement rates are shown in the following table.

<u>Mileage</u>	<u>Full Year</u>		<u>Summer School</u>	
	<u>Current Law</u>	<u>Bill</u>	<u>Current Law</u>	<u>Bill</u>
0-2 (hazardous area)	\$15	\$15	--	--
2-5	35	35	\$4	\$10
5-8	55	55	6	20
8-12	110	110	6	20
Over 12 miles	300	365	6	20

[Act 59 Sections: 1638, 1640, and 9335(1)]

6. PUPIL TRANSPORTATION -- PUPIL TRANSPORTED FOR PARTIAL YEAR

Governor/Legislature: Delete current law requiring DPI to proportionately reduce transportation aid payments to school districts for pupils transported for less than a full year because they are no longer enrolled in the district. Specify that this change would first apply in

the 2017-18 school year.

[Act 59 Sections: 1639 and 9335(1)]

7. EARLY COLLEGE CREDIT PROGRAM -- AID FOR TRANSPORTATION

GPR	\$5,200
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Governor/Legislature: Delete the appropriation for aid for transportation for youth options, equal to \$17,400 GPR annually. Provide \$20,000 annually above base level funding of \$434,200 in the appropriation for aid for transportation for open enrollment and the early college credit program.

[Act 59 Sections: 209 and 210]

8. SPECIAL EDUCATION TRANSITIONS INCENTIVE GRANT [LFB Paper 502]

GPR	\$6,100,000
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Governor: Provide \$2,600,000 in 2017-18 and \$3,500,000 in 2018-19 above base level funding of \$100,000 for special education transitions incentive grants to school districts or independent "2r" charter schools. A corrective amendment would be required to allow DPI to award grants in 2017-18 or future years.

Under current law, school districts or certain independent charter schools are eligible for up to \$1,000 in 2016-17 for each pupil who meets the following criteria: (a) attended school in the district or charter school in 2014-15 or 2015-16; (b) had an individualized education program (IEP) in place; and (c) has been enrolled in a higher education program, another postsecondary education or training program, or competitively employed for at least 90 days. Aid is prorated if the appropriation is insufficient to meet the eligible district claims, and DPI estimates that \$60 per pupil will be paid in 2016-17. It is estimated that the funding in the bill would fully fund payments of \$1,000 per pupil eligible under the program.

Joint Finance/Legislature: Modify statutory language to allow DPI to award grants in the 2017-18 school year and later. Specify that DPI would be required to award grants annually. Specify that grants could be awarded to a school district or independent charter school on behalf of pupils who meet the following criteria during the school year prior to the school year preceding the school year in which the school district or charter school applies to receive a grant: (a) the pupil was enrolled in a high school in the district or a high school grade in the charter school; (b) the pupil exited the high school in the district or the charter school; and (c) an individualized education program was in place for the pupil. Grants would be awarded for pupils who enrolled in a higher education program or other postsecondary education or training program or were competitively employed within one year of exiting high school. Require DPI to prorate the amount of the grants if funding is insufficient to pay the full amount of payments in any fiscal year.

Additionally, allow independent charter schools authorized by the UW System's office of Educational Opportunity to qualify for funding under the program.

[Act 59 Sections: 1504d thru 1504i]

9. SPECIAL EDUCATION TRANSITION READINESS GRANT

GPR	\$1,500,000
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[LFB Paper 503]

Governor: Provide \$1,500,000 in 2018-19 for a new program for special education transition readiness investment grants. A corrective amendment would be required to accomplish the intent of the bill.

Joint Finance/Legislature: Approve a corrective amendment requested by DOA that would create statutory language defining the program. Under the program, DPI would be required to award grants of not less than \$25,000 nor more than \$100,000 to school districts and independent charter schools. Provide that these grants would fund special education workforce transition support services, including pupil transportation, professional development for school personnel, and employing adequate school personnel. Require DPI to develop rules to implement and administer the program.

[Act 59 Sections: 208n and 1504j]

10. REIMBURSEMENT OF SPECIAL EDUCATION COSTS

Governor/Legislature: Specify that an independent charter school or a noninstrumentality charter school would be allowed to employ personnel for a special education program or contract with private or public agencies for services for special education pupils on the basis of demonstrated need. As under current law for school district charter schools and independent charter schools, require DPI to certify to the Department of Administration (DOA) the amount expended by each noninstrumentality charter school for salaries of personnel and services provided for special education pupils and other expenses approved by the State Superintendent as costs eligible for reimbursement from the appropriation for special education aid. Require the school board to pay special education aid received on behalf of each noninstrumentality charter school to the operator of the school within 30 days of its receipt.

Require a school board, board of control of a cooperative educational service agency (CESA), operator of an independent charter school, or a county children with disabilities education board (CCDEB) upon authorization of the county board to provide special or additional transportation for pupils with disabilities as required in the pupil's individualized education program. Require the operator of a noninstrumentality charter school to provide special or additional transportation for a pupil with a disability only if the contract between the operator and the school board requires the operator to provide special or additional transportation.

Specify that if the State Superintendent is satisfied that a school board, board of control, charter school operator, or CCDEB has provided special or additional transportation during the

previous school year, the State Superintendent would be required to certify to DOA an amount equal to the cost of the special or additional transportation as costs eligible for reimbursement from the appropriation for special education aid. For noninstrumentality charter schools, require the school board to pay the amount of special education aid received for transportation on behalf of the school to the operator of the school within 30 days of its receipt. Delete a current law restriction that pupils for whom this aid is received are not also eligible for pupil transportation aid.

Allow the State Superintendent to audit costs related to special education transportation and services and adjust the amounts eligible for reimbursement to cover only actual, eligible costs.

Delete the requirement that the certification of aidable special education expenditures be made only after the receipt of a plan required under current law providing assurances that all conditions required under federal special education law have been met.

[Act 59 Sections: 1494 thru 1504]

11. HIGH COST SPECIAL EDUCATION AID PROGRAM

GPR	\$1,592,800
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Joint Finance/Legislature: Provide \$739,000 in 2017-18 and \$853,800 in 2018-19 in the appropriation for high cost special education aid. Specify that under the program, school districts could qualify for reimbursement of 90% of eligible prior year costs above \$30,000, rather than 70% as under current law. Specify that this change would first apply to aid paid in the 2017-18 school year. It is estimated that the additional funding would be sufficient to fully fund the modified program.

[Act 59 Sections: 1504c and 9335(2c)]

12. SPECIAL EDUCATION -- PRIVATE SCHOOL FISCAL AGENT

Governor: Require the ombudsman designated by DPI under current law to ensure that private school pupils have equal access to special education services, to identify a fiscal agent to receive federal funding for providing special education services and other benefits to private school pupils, teachers, and other educational personnel. Require the fiscal agent to distribute federal funds in accordance with federal law. Specify that a private school could direct the fiscal agent to distribute any federal funding for which the private school is eligible to the school board of the school district in which the private school is geographically located.

Specify that the provision above would apply only if any of the following occurs: (a) federal law does not require federal special education funding to be received and administered by a public entity; (b) a waiver is granted by the federal Department of Education (DOE) that allows federal special education funds to be received by a private entity; or (c) DOE creates a nationwide bypass under which DOE directly provides equitable services to pupils, teachers, and other educational personnel through a private entity.

Under current federal law, only public education agencies, including public school districts, are eligible to receive federal education funds. Districts are required to provide equitable services to private school pupils with disabilities, and are required to spend a proportionate share of federal special education funds on such private school pupils. Federal law requires state education agencies to identify an ombudsman to monitor and enforce requirements related to equity for private school pupils. In general, private schools are not subject to the same requirements as public schools under state and federal law related to services for pupils with disabilities, such as requirements to identify pupils with disabilities and develop and implement individualized educational plans for pupils with disabilities.

Joint Finance/Legislature: Delete provision.

13. MILWAUKEE PERFORMANCE FUNDING [LFB Paper 504]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,645,200	- \$1,954,600	\$3,690,600

Governor: Provide \$5,645,200 in 2018-19 for performance funding for Milwaukee public schools, school district charter schools, independent charter schools, and private schools participating in the Milwaukee private school choice program. Eligible schools must be located within the City of Milwaukee.

Of the total, allocate \$1,954,600 for distribution among eligible schools placed in a performance category of "significantly exceeds expectations" or "exceeds expectations" on the school accountability report published by DPI in the immediately preceding school year. Specify that each school would receive a per pupil payment calculated by dividing the total amount of funding by the total number of pupils enrolled in each school eligible to receive an award.

The remaining \$3,690,600 would be allocated to eligible schools that increase by at least three points their numeric accountability score used to determine the school's performance category on the school accountability report published by DPI in the prior school year compared to two years prior. Each school would receive a per pupil payment calculated by dividing the total amount of funding by the total number of pupils enrolled in each school eligible to receive an award.

Prohibit DPI from awarding funds before the Department of Administration approves the per pupil amounts calculated as described above. Require the Board of Directors of the Milwaukee Public Schools to distribute performance funds to the school administrator of the school that earned the award.

Joint Finance/Legislature: Delete \$1,954,600 in 2018-19 for eligible schools placed in a performance category of "significantly exceeds expectations" or "exceeds expectations" on the school accountability report published by DPI.

Allow school performance improvement grants funded from the remaining \$3,690,600 in 2018-19 to be awarded to any school, including a public school, independent charter school, or private choice school, located in a school district that received an overall rating of "Fails to Meet Expectations," in addition to schools located within the boundaries of Milwaukee Public Schools. Specify that to qualify for a grant, a school would be required to meet the following criteria: (a) develops a written school improvement plan to improve pupil performance in math and reading; and (b) if the school received funds under this program in the previous year, the school's overall accountability score improved from its score two years prior to the previous year.

Additionally, specify that for private choice schools eligible for funding under the program, only pupils attending the private school under a private school choice program would be counted for the purpose of calculating and distributing funding under the program.

As under the Governor, grant amounts would be determined by dividing the total amount of available funding by the number of pupils enrolled in schools eligible for a grant in each year. DPI would be prohibited from awarding funds before DOA approves the calculation of the per pupil amount. Require a school board to distribute performance funds to the administrator of the school that earned the award.

[Act 59 Sections: 214 and 1473k]

14. MILWAUKEE PUBLIC SCHOOLS SUMMER SCHOOL GRANT PROGRAM
[LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,800,000	- \$1,400,000	\$1,400,000

Governor: Provide \$1,400,000 annually for summer school grants to public schools in the Milwaukee Public Schools (MPS).

Require the MPS Board to develop a program to annually award grants to develop, redesign, or implement a summer school program to increase pupil attendance, improve academic achievement, or expose pupils to innovative learning activities. Specify that grants could be awarded to public schools located in the city of Milwaukee, except independent charter schools.

Require the State Superintendent to distribute to the Board the total amount requested by the Board to pay grants to schools under the program. Specify that the Board could not request more than the amount in the appropriation in any school year.

Joint Finance/Legislature: Delete \$1,400,000 for summer school grants in 2017-18, so that grants would be available in 2018-19 and future years.

Delete the Governor's provisions and instead, specify that grants could be awarded to: (a)

Milwaukee Public Schools; or (b) any school district that was placed in the lowest performance category of "fails to meet expectations" on the school accountability report published by DPI in the previous year.

Require DPI to award grants on a competitive basis. Grants could be used by eligible school districts to do any of the following to increase pupil attendance, improve low-performing schools, improve academic achievement, or expose pupils to innovative learning activities: (a) develop a summer school program; (b) redesign a summer school program; and (c) implement a summer school program. Require DPI to promulgate rules to implement this grant program.

Veto by Governor [B-37]: Delete the provision specifying that grants could be awarded to any school district that was received a "fails to meet expectations" rating on the school accountability report published by DPI in the previous year. As a result, Milwaukee Public Schools would be the only district that could receive funding under the program. Additionally, the veto deletes the requirement to award grants on a competitive basis, and that grants be used to increase pupil attendance, improve low-performing schools, improve academic achievement, or expose pupils to innovative learning activities.

[Act 59 Sections: 215 and 1482j]

[Act 59 Vetoed Section: 1482j]

15. SCHOOL MENTAL HEALTH AID

GPR	\$3,000,000
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Governor: Provide \$3,000,000 beginning in 2018-19 to create a categorical aid program to reimburse school districts and independent charter schools for increases in their general fund expenditures for school social workers.

Specify that school districts and independent charter schools would be eligible for aid if they increased the amount expended in the prior school year over the amount expended two years prior to employ, hire, or retain social workers. School districts and independent charter schools would be eligible for reimbursement of up to 50% of the amount by which the school district or independent charter school increased its expenditures to employ, hire, or retain social workers in the prior year compared to two years prior. Payments could be prorated if funding were insufficient.

Specify that any funds remaining in the appropriation would be used to reimburse eligible school districts and independent charter schools for total general fund expenditures for school social workers, less the amount of increased expenditures already reimbursed. Payments could be prorated if funding were insufficient.

Require DPI to promulgate rules to implement and administer the program.

Joint Finance/Legislature: Specify that funds could be awarded to eligible private schools, in addition to public school districts and independent charter schools. Define an "eligible private school" as a private school participating in a private school choice program that increased the amount it expended in the preceding school year to employ, hire, or retain social

workers over the amount expended two years prior.

[Act 59 Sections: 211, 1470, and 1599]

16. COMMUNITY AND SCHOOL MENTAL HEALTH COLLABORATION GRANTS
[LFB Paper 506]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,500,000	\$750,000	\$3,250,000

Governor: Provide \$2,500,000 beginning in 2018-19 for community and mental health collaboration grants.

Require DPI to develop, implement, and administer the program to award grants to school districts and independent charter schools for the purpose of collaborating with community mental health providers to provide mental health services to pupils. Require DPI to promulgate rules to implement and administer the grant program.

Joint Finance/Legislature: Increase funding by \$750,000 beginning in 2018-19 and modify the appropriation to be a continuing appropriation rather than an annual appropriation.

Additionally, delete language under the bill requiring DPI to develop, implement, and administer the mental health collaborative grants.

Instead, require DPI to establish and administer a competitive program to award grants to school boards and independent charter school operators for the purpose of collaborating with community mental health agencies to provide mental health services to pupils. Specify that school boards and independent charter school operators could apply for a grant individually or as a consortium of school boards, charter schools, or both. Specify that a cooperative educational service agency (CESA) would be considered a consortium of school boards.

Require DPI to establish by rule the criteria that will be used to award grants, including the following: (a) that the applicant require providers and contractors who participate in its school-based mental health services program to bill the Medical Assistance program and health insurance, as applicable, for any goods and services provided under the program; (b) that the applicant has sought or will seek out community funding or foundation grants to cover at least some of the expenses of the program that are not paid by the Medical Assistance program or health insurance; and (c) additional application criteria, which may include that the proposed school mental health services program includes collaboration with counties, providers, or community groups, considers the needs of pupils and families, and includes a referral or intake process, a continuum of therapeutic services, consultation with school staff, and access to services regardless of income.

Require the State Superintendent to establish an advisory committee to make recommendations to DPI about the criteria used to award grants under administrative rule. Require that the committee include the following: (a) a current or retired school administrator; (b) an

individual who holds a teaching or pupil services license issued by DPI; (c) a provider of mental health services or a representative of an association that represents mental health service providers; (d) a family member of a pupil who is receiving or who may receive mental health services; and (e) a representative of a school board or independent charter school. Specify that the advisory committee would terminate upon the publication of the permanent rules, unless the State Superintendent elects to maintain the committee after the permanent rules are published.

Require DPI to award at least \$3,250,000 in grants each school year, beginning in the 2018-19 school year. Require DPI to promulgate rules to implement and administer the program. Permit DPI to promulgate emergency rules, including establishing criteria to award grants. Specify that DPI would not be required to prepare a statement of scope for such rules. Such emergency rules would remain in effect until July 1, 2019, or the date on which permanent rules take effect, whichever is sooner. DPI would not be required to provide evidence that promulgating a rule as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for such a rule.

Veto by Governor [B-39]: Delete the required criteria for distributing grants and the requirement to establish an advisory council to be used to establish additional criteria. As vetoed, DPI is required to establish criteria by rule.

[Act 59 Sections: 215k, 1470g, 1599, and 9135(4f)]

[Act 59 Vetoed Section: 1470g and 9135(4f)]

17. BULLYING PREVENTION GRANTS [LFB Paper 506]

GPR	\$300,000
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Governor/Legislature: Provide \$150,000 annually for grants to a nonprofit organization to provide training and an online bullying prevention curriculum for pupils in grades kindergarten through eight.

[Act 59 Sections: 217 and 1464]

18. SCHOOL LIBRARY AIDS REESTIMATE

SEG	-\$4,000,000
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Governor/Legislature: Reestimate school library aids by -\$3,000,000 in 2017-18 and -\$1,000,000 in 2018-19. Base level funding is \$38,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

19. TRIBAL LANGUAGE REVITALIZATION GRANTS

Governor/Legislature: Modify current law to allow an agency determined by the State Superintendent to be eligible under federal law for designation as a Head Start agency to apply for a tribal language revitalization grant in conjunction with a tribal education authority.

Tribal language revitalization grants are provided for the purpose of supporting instruction in one or more American Indian languages. Under current law, school districts and CESAs are eligible to apply for funding in conjunction with a tribal education authority. Base level funding of \$222,800 PR annually is provided from tribal gaming program revenue transferred from DOA.

[Act 59 Sections: 216 and 1483]

20. GIFTED AND TALENTED GRANTS

Governor/Legislature: Modify current law to allow school districts to apply for grants for the purpose of providing gifted and talented pupils with services and activities not ordinarily provided in a regular school program.

Under current law, grants may be awarded to nonprofit organizations, CESAs, institutions within the University of Wisconsin System, and Milwaukee Public Schools. Base level funding is \$237,200 GPR annually for this program.

[Act 59 Section: 1529]

21. PERSONAL ELECTRONIC COMPUTING DEVICE GRANTS	GPR	\$9,187,500
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Joint Finance/Legislature: Provide \$9,187,500 beginning in 2018-19 in a new appropriation for grants for personal electronic computing devices.

Specify that the following entities would be eligible for grants under the program: (a) a school board; (b) an operator of an independent charter school; (c) the governing body of a private school; and (d) a tribal school. Specify that grants would be equal to \$125 per ninth grade pupil, defined as the number of ninth grade pupils included in the school district's membership in the prior school year for a public school and as the number of ninth grade pupils attending the school in the current year for an independent charter, private, or tribal school. Require applicants to demonstrate to the satisfaction of DPI that they would provide equal matching funds as a condition of receiving a grant. If funding in any year is insufficient, require DPI to prorate grant payments among the eligible applicants.

Specify that grants awarded under the program could be used only for the following purposes: (a) to purchase personal electronic computing devices; (b) to purchase software for personal electronic devices; (c) to purchase curriculum, including any related educational content or materials, a portion or all of which includes content that may be accessed on a personal electronic computing device; or (d) to train professional staff on how to effectively incorporate personal electronic devices into a classroom and into a high school curriculum. Define "personal electronic computing device" as an electronic computing device that meets all of the following criteria: (a) is mobile; (b) is assignable to an individual pupil to be used solely by that pupil; and (c) may be used to access the Internet.

Specify that grants could be awarded beginning in the 2018-19 school year and ending in the 2022-23 school year. No funds could be encumbered from the appropriation after June 30, 2023.

[Act 59 Sections: 208e and 1482f]

22. SHARED SERVICES AID PROGRAM

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Joint Finance/Legislature: Provide \$2,000,000 of one-time funding in 2018-19 in a new continuing appropriation for a pilot program that would provide categorical aid funding for districts that share the services of certain administrative positions. Specify that two or more school districts could qualify for aid based on the following amounts for each position shared, with no limit to the number of positions that could be shared: (a) for a district administrator, \$40,000; (b) for a human resources director, information technology coordinator, or business manager, \$22,500; (c) for any other non-faculty administrative position, excluding principals and assistant principals, \$17,500.

Aid would be paid in full for the first three school years of the plan, with a 50% payment in year four, and no payment in the fifth year. Provide that if, before the beginning of the fourth year of a shared services plan, each school district that is participating enters into a whole grade sharing agreement under another bill provision, then each district would receive 100% of the aid payments for the fourth and fifth years of the plan. Require DPI to make its first payments under this provision by January 1, 2019.

Require each applicant school board to pass a resolution approving participation in this program and to jointly submit a shared services plan to DPI by July 1, 2018. Specify that the plan include all of the following: (a) the position or positions that districts intend to share; (b) the position or positions that will be eliminated in each district; (c) the salary and fringe benefit costs of the positions under (a) and (b); and (d) information demonstrating that the plan will result in a net reduction in filled administrative positions. Provide that a school district could enter into an agreement with a unit of government other than a school district under this provision, but the unit of government could not receive aid under this provision.

Require DPI to review and approve applications in the order in which applications are received and approve applications until all moneys appropriated under the appropriation for this program are encumbered. Specify that if a school district participating in a plan hires an additional individual to staff a position covered under the plan without eliminating the current incumbent, DPI would be required to withdraw all of the school districts party to the plan from the program and withdrawn school districts could not receive any additional aid under the program. Provide that if a school district employee holds more than one position in each district covered by a plan, each district could receive aid for only one of the positions, but that the aid would be based on the highest aid amount that applies to any of those positions.

Require DPI by February 1, 2019, to report to the Joint Committee on Finance all of the following: (a) the number of school boards that jointly applied for this aid and submitted a plan to participate; (b) the number of shared services plans approved by DPI and the name of each school district participating in each plan; (c) the number of administrative personnel positions to be shared under a plan; and (d) the amount of funding encumbered to date; and (e) the total anticipated reduction in salary and fringe benefit costs by each participating school district and by all such districts.

Veto by Governor [B-36]: Delete provision.

[Act 59 Vetoed Sections: 183 (as it relates to s. 20.255(2)(bt)), 208t and 1475p]

23. WHOLE GRADE SHARING AID PROGRAM

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	\$750,000	-\$750,000	\$0

Joint Finance/Legislature: Provide \$750,000 beginning in 2018-19 for districts that participate in a whole grade sharing agreement. Under current law, two or more school districts can enter into a whole grade sharing agreement to consolidate pupils in a particular grade level by offering that grade in only one of the participating districts. Under the new aid program, provide aid equal to \$150 per pupil enrolled in a grade included in a whole grade sharing agreement in the first four years of the agreement and 50% of the first year's aid in the fifth year. No moneys would be received under the program beginning in the six year of the agreement.

Specify that for purposes of determining the number of years an agreement has been in effect, the aid payment schedule described above applies to an original whole grade sharing agreement. Provide that if an agreement is extended or renewed, the additional school years would be considered to be part of the original whole grade sharing agreement. Require DPI to consider a whole grade sharing agreement between school boards that contains substantially similar terms to an expired agreement, including that the same grades are subject to both agreements, to be an extension of the expired agreement. Provide that if before the fifth school year of a whole grade sharing agreement, two or more school boards participating in the agreement adopt resolutions starting the current law school district consolidation process, then the districts would receive a fifth and sixth year of full aid under this provision. Specify that aid payments would be prorated if the appropriation is insufficient to pay the aid entitlement in full.

Require DPI by February 1, 2019, to report to the Joint Committee on Finance all of the following: (a) the number of school boards that applied for this aid for the 2018-19 school year; (b) the number of school boards that are approved to receive this aid in 2018-19; (c) for each school board approved to receive aid, the name of the board, the number of grades and specific grades subject to the agreement; and (d) as of January 1, 2019, how much of the aid entitlement for 2018-19 has been encumbered and how much has been expended.

Veto by Governor [B-35]: Delete provision.

[Act 59 Sections: 183 (as it relates to s. 20.255(2)(bp)), 208p, 1534p, and 9135(4p)]

24. CONSOLIDATION AID PROGRAM

Joint Finance/Legislature: Create a new sum sufficient appropriation that would provide categorical aid funding for two or more school districts that consolidate into one district, effective July 1, 2019.

For school district consolidations that take effect on or after July 1, 2019, require DPI to pay aid to the consolidated district equal to \$150 per pupil attending school in the consolidated district in the school year in which a school district consolidation takes place and each of the subsequent four school years. In the sixth year following the year in which the consolidation takes effect, the consolidated district would receive 50% of the amount received in the fifth year after the consolidation. In the seventh year following the year in which the consolidation takes effect, the district would qualify for 25% of the amount received in the fifth year after the consolidation. Specify that a district's current three-year rolling average pupil count under revenue limits would be used to calculate the aid payment, as for per pupil aid under current law.

Additionally, specify that in the school year in which a school district consolidation takes place and each of the subsequent four school years, the consolidated district would receive sparsity aid equal to not less than 50% of the aggregate amount of sparsity aid received by the consolidating school districts in the school year prior to the year in which the consolidation takes effect.

Specify that current law consolidation aid adjustments relating to the calculation of equalization aid would only apply to consolidations that take effect before July 1, 2019. Under current law, for five years after consolidation the primary and secondary cost ceiling amounts, as well as the primary, secondary and tertiary guarantees are multiplied by 1.15. Any additional aid generated by these provisions is outside of revenue limits. In the sixth year, the consolidated district receives a recurring revenue limit adjustment equal to 75% of any additional aid received in year five. Retain current law specifying that in the first five years after the consolidation takes effect, the consolidated school district's state general school aids could not be less than the total aggregate state general school aids received by the consolidating school districts in the school year prior to the consolidation, with additional aid payments made from the general equalization aids appropriation.

[Act 59 Sections: 208r, 1480p, 1480r, 1504u, 1504v, 1635em, 1635f, 1640t, 1640v, and 9435(1f)]

25. RURAL SCHOOL TEACHER TALENT PILOT PROGRAM

GPR	\$1,000,000
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Joint Finance/Legislature: Provide \$500,000 annually for a rural school teacher talent program for grants to cooperative educational service agencies (CESAs) to coordinate with

universities and colleges to provide practicums, student-teacher placement, and internships for undergraduate college students in rural school districts. Specify that grant moneys may be used to expand an existing program or create a new program, but not to maintain an existing program. Provide that grant moneys may be used to cover the CESA's cost to coordinate the program and to provide mileage reimbursement and stipends to participating undergraduates.

[Act 59 Sections: 206m and 1475m]

26. ROBOTICS LEAGUE PARTICIPATION GRANTS

GPR	\$500,000
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Joint Finance/Legislature: Provide \$250,000 annually for robotics league participation grants, which would continue one-time funding provided in 2016-17. Require that DPI notify governing bodies of private schools that applications will be accepted, as well as the currently required notice to school boards, operators of independent charter schools, and administrators of home-based private educational program. Delete statutory language prohibiting DPI from encumbering funds from the appropriation after June 30, 2017.

[Act 59 Sections: 215g and 1482m]

Choice, Charter, and Open Enrollment

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

GPR	\$20,951,200
Aid Reductions	- 15,676,200
Net GPR	\$36,627,400

Governor: Provide \$5,584,800 in 2017-18 and \$15,366,400 in 2018-19 over the base year funding of \$207,057,800 for the Milwaukee private school choice program to reflect changes in pupil participation and per pupil payments under current law. This would reflect an increase in pupil participation from 27,150 pupils in 2016-17 to an estimated 27,680 pupils in 2017-18 and 28,150 pupils in 2018-19. Based on the increase in categorical aids provided in the bill, the per pupil payment under the program would increase from \$7,323 in 2016-17 to \$7,540 in 2017-18 and \$7,757 in 2018-19 for pupils in grades K-8, and from \$7,969 in 2016-17 to \$8,186 in 2017-18 and \$8,403 in 2018-19 for pupils in grades 9-12.

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 22.4% of the total cost of the program in 2017-18 and 19.2% of the total cost of the program in 2018-19. 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 \$5,374,800 in 2017-18 and \$10,301,400 in 2018-19 from the base choice reduction of \$53,006,800 as a result of this reestimate. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of \$10,959,600 in 2017-18 and \$25,667,800 in 2018-19.

Joint Finance/Legislature: As a result of changes in categorical aid funding, it is estimated that payments under the choice program would equal \$7,530 in 2017-18 and \$7,750 in 2018-19 for K-8 pupils and \$8,176 in 2017-18 and \$8,396 in 2018-19 for 9-12 pupils. (As a result of vetoes of two proposed categorical aid programs totaling \$2.75 million, the 2018-19 payment will be an estimated \$7,747 for K-8 pupils and \$8,393 for 9-12 pupils.) The GPR, aid reduction and net GPR effect of these payment changes are shown under Item #41.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- CURRENT LAW REESTIMATE [LFB Paper 515]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$21,245,200	\$15,693,400	\$36,938,600
Aid Reductions	<u>29,185,200</u>	<u>17,449,500</u>	<u>46,634,700</u>
Net GPR	- \$7,940,000	- \$1,756,100	- \$9,696,100

Governor: Provide \$5,563,900 in 2017-18 and \$15,681,300 in 2018-19 over the base year funding of \$44,951,500 for the Racine and statewide private school choice programs to reflect changes in pupil participation and per pupil payments under current law. This would reflect an increase in pupil participation from 5,500 pupils in 2016-17 to an estimated 6,600 pupils in 2017-18 and 7,700 pupils in 2018-19. Based on the increase in general school aids and categorical aids provided in the bill, the per pupil payment under the program would increase from \$7,323 in 2016-17 to \$7,540 in 2017-18 and \$7,757 in 2018-19 for pupils in grades K-8, and from \$7,969 in 2016-17 to \$8,186 in 2017-18 and \$8,403 in 2018-19 for pupils in grades 9-12.

Under current law, the cost of payments for continuing pupils (pupils who first participated in the programs in the 2014-15 school year or earlier) are fully funded through GPR. Payments for incoming pupils (those who first participated in the 2015-16 school year or later) are fully funded through an aid reduction in the general school aids that would otherwise be paid to those pupils school districts of residence. School districts receive a revenue limit adjustment equal to the aid reduction.

Under the bill, the aid reduction for the programs would total \$37,031,200 in 2017-18 and \$47,054,000 in 2018-19 from the base choice aid reduction of \$27,450,000 as a result of this reestimate. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of \$4,017,300 in 2017-18 and \$3,922,700 in 2018-19.

Joint Finance/Legislature: Further increase the appropriation by \$6,170,200 GPR in 2017-18 and \$9,523,200 GPR in 2018-19 compared to the bill to reflect updated enrollment estimates for the statewide program, and increase the associated aid reductions by \$5,976,400 in

2017-18 and \$11,473,100 in 2018-19.

As a result of changes in categorical aid funding, it is estimated that payments under the choice program would equal \$7,530 in 2017-18 and \$7,750 in 2018-19 for K-8 pupils and \$8,176 in 2017-18 and \$8,396 in 2018-19 for 9-12 pupils. (As a result of vetoes of two proposed categorical aid programs totaling \$2.75 million, the 2018-19 payment will be an estimated \$7,747 for K-8 pupils and \$8,393 for 9-12 pupils.) The GPR, aid reduction and net GPR effect of these payment changes are shown under Item #41.

3. PRIVATE SCHOOL CHOICE PROGRAMS -- ANNUAL HOURS OF INSTRUCTION

Governor: Delete the requirement that a private school participating in a choice program annually provide at least 1,050 hours of direct pupil instruction in grades 1 to 6 and at least 1,137 hours of direct pupil instruction in grades 7 to 12. Under current law, this requirement includes recess and time for pupils to transfer between classes but does not include lunch periods.

Under the bill, requirements for annual hours of instruction would also be deleted for public school districts. Current law requiring all private schools to offer at least 875 hours of instruction each school year, including private choice schools, would not be changed.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

4. PRIVATE SCHOOL CHOICE PROGRAMS -- BACKGROUND CHECK FOR TEACHERS AND ADMINISTRATORS

Governor: Require private choice schools to conduct a background investigation of an individual before extending an offer to teach or serve as an administrator at the private school, beginning on the effective date of the bill. Specify that the investigation be conducted with the assistance of the Department of Justice (DOJ).

Require private choice schools to conduct a background investigation of all individuals employed by the private school on the effective date of the bill with the assistance of DOJ.

At least once every five years after a teacher or administrator's initial background investigation, require private choice schools to conduct an additional background investigation on the teacher or administrator with the assistance of DOJ if the teacher or administrator remains employed by the school.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

5. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- PRIOR YEAR ATTENDANCE REQUIREMENT

Governor: Specify that a pupil could participate in the statewide private school choice

program if he or she attended a school in another state in the previous school year.

Under current law, prior year attendance requirements apply to pupils in the statewide choice program. To be eligible for the program, a pupil must meet one of the following requirements: (a) was enrolled in a public school in his or her district of residence in the previous school year; (b) was 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. Similar prior year attendance requirements apply to the Racine choice program, but the bill would only modify the requirements for the statewide program.

Joint Finance/Legislature: Delete provision. This modification was included in 2017 Act 36.

6. PRIVATE SCHOOL CHOICE PROGRAMS -- ALLOW PARENT OR GUARDIAN TO SUBMIT INCOME INFORMATION

Governor: Allow a pupil's parent or guardian, in addition to a private school, to submit to DPI information used to determine the pupil's eligibility to participate in a private school choice program, including names, addresses, social security numbers, state and federal tax identification numbers, and household information. Specify that if the Department of Revenue (DOR) is unable to verify the pupil's family income or eligibility, DOR would be required to notify the private school and the pupil's parent or guardian, in addition to DPI as under current law.

Under current law, income information for private choice pupils must be submitted to DPI by private schools rather than by pupils' parents or guardians.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

7. PRIVATE SCHOOL CHOICE PROGRAMS -- MISREPRESENTATION OF INFORMATION TO DPI

Governor: Provide that a school may be barred from participating in a private school choice program in the current school year and the following school year if it misrepresents information required under the statutes or administrative rules.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

8. PRIVATE SCHOOL CHOICE PROGRAMS -- INFORMATION PROVIDED TO DPI

Governor: Delete requirement for private choice schools to annually provide the following information to DPI: (a) the name, address, and telephone number of the private school and the name of one or more contact persons at the school; (b) the names of the members of the private school's governing body and of the private school's shareholders, if any; (c) a notice

stating whether the school is operated for profit or not for profit, and a copy of the school's 501 (c) (3) certificate if it is a nonprofit organization; (d) a copy of the appeals process used if the private school rejects an applicant; (e) copy of the school's policy for awarding a high school diploma; (f) a copy of the school's non-harassment policy and the procedures for reporting and obtaining relief from harassment; (g) a copy of the school's suspension and expulsion policies and procedures for appealing a suspension or expulsion; (h) a copy of the policy used by the private school for accepting or denying the transfer of credits earned at another school; and (i) a copy of the school's visitor policy.

Instead, require a private school to submit the above information by January 10 prior to the first year of participation if it is participating in the Racine or statewide choice programs, did not participate in the Racine or statewide programs in the previous school year, and is not a new private school. Require a private school to submit the above information by January 10 prior to the first year of participation if it is participating in the Milwaukee choice program, did not participate in the Milwaukee program in the previous school year, and is not a new private school. Additionally, require private schools to provide a copy of any policy included in the above list upon the request of the Department.

Specify that a private school could be barred from participation in the current school year if it did not provide the required information to DPI.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

9. PRIVATE SCHOOL CHOICE PROGRAMS -- SIGNED STATEMENT FROM MEMBERS OF GOVERNING BODY

Governor: Require a private school participating in the Racine or statewide choice programs that did not participate in the programs in the previous school year and is not a new private school to submit a signed statement from each individual who is a member of the school's governing body verifying that the individual is a member of the governing body. Require a private school participating in the Milwaukee program that did not participate in the program in the previous school year and is not a new private school to submit a signed statement from each individual who is a member of the school's governing body verifying that the individual is a member of the governing body.

Require an individual who joins the governing body of a school participating in a private school choice program to provide a signed statement to DPI verifying that the individual is a member of the governing body.

Specify that a private school could be barred from participation in the current school year if it did not provide the required information to DPI.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

10. PRIVATE SCHOOL CHOICE PROGRAMS -- CERTIFICATION THAT SCHOOL MEETS CERTAIN STANDARDS

Governor: Delete current law requiring private choice schools to meet at least one of the following standards: (a) at least 70 percent of the pupils in the program advance one grade level each year; (b) the private school's average attendance rate for the pupils in the program is at least 90 percent; (c) at least 80 percent of the pupils in the program demonstrate significant academic progress; (d) at least 70 percent of the families of pupils in the program meet parent involvement criteria established by the private school.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

11. PRIVATE SCHOOL CHOICE PROGRAMS -- OPERATING BUDGET

Governor: Prohibit DPI from requiring a private choice school that is not a new private school and that is in good standing with DPI to submit the school's annual operating budget as evidence of its fiscal and internal control practices or financial viability.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

12. PRIVATE SCHOOL CHOICE PROGRAMS -- SUMMER DAILY ATTENDANCE REPORT

Governor: Require a private school participating in a choice program to submit to DPI a report stating its summer daily attendance for each day of summer school annually by September 15. Under current law, the report is due on October 1.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

13. PRIVATE SCHOOL CHOICE PROGRAMS -- DELETE PROCESS TO IDENTIFY ELIGIBLE SCHOOL DISTRICT

Governor/Legislature: Delete statutory references to a process used in 2011 to identify school districts eligible to develop a new private school choice program, which was used to create the Racine private school choice program. Under current law, no new district can qualify as an eligible school district under the process after April 20, 2012.

[Act 59 Sections: 1577 thru 1579 and 1582]

14. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- ADDITIONAL PRIOR YEAR ATTENDANCE CRITERION

GPR	\$794,500
Aid Reduction	-794,500
Net GPR	\$0

Joint Finance/Legislature: Create an additional prior year attendance criterion that would allow a pupil who resides in a school district other than Racine or Milwaukee and was placed on a waiting list in any previous school year because the pupil's

school district of residence exceeded its pupil participation limit to enter the statewide choice program regardless of grade level at the time of entry.

(Under current law, prior year attendance requirements apply to pupils in the statewide choice program. To be eligible for the program, a pupil must meet one of the following requirements: (a) was enrolled in a public school in his or her district of residence in the previous school year; (b) was 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. Another provision of the bill would also allow a pupil to enter the program if he or she attended school in another state in the previous school year.)

As a result of this provision, it is estimated that an additional 100 pupils could participate in the program in 2018-19 relative to the estimates in the bill. Therefore, increase the appropriation for the Racine and statewide choice programs by \$794,500 GPR in that year. This amount would be fully offset by an aid reduction and a corresponding revenue limit increase to those pupils' school districts of residence.

[Act 59 Section: 1580p]

15. STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM -- EXPAND INCOME ELIGIBILITY

GPR	\$4,400,000
Aid Reduction	<u>4,400,000</u>
Net GPR	\$0

Joint Finance/Legislature: Specify that a pupil could participate in the statewide choice program with a family income of less than 220% of the federal poverty level, rather than 185% as under current law, beginning in the 2018-19 school year. In 2017-18, DPI indicates that the current 185% limit is \$44,955 for a family of four, and is \$51,955 if the pupil's parents are married. In the same year, 220% of the federal poverty level is equal to \$53,460 for a family of four, or \$60,460 if the pupil's parents are married.

As a result of this provision, it is estimated that an additional 550 incoming pupils could participate in the program in 2018-19 relative to the estimates in the bill. As a result, increase the appropriation for the statewide and Racine choice programs by \$4,400,000 GPR in 2018-19. This amount would be fully offset by an aid reduction and a corresponding revenue limit increase to those pupils' school districts of residence.

[Act 59 Sections: 1598at and 9335(4d)]

16. PRIVATE SCHOOL CHOICE PROGRAMS -- INCOME VERIFICATION

GPR	\$794,500
Aid Reduction	<u>794,500</u>
Net GPR	\$0

Joint Finance/Legislature: Specify that if a pupil attended a private school under the Milwaukee, Racine, or statewide choice programs in the prior school year and applies to attend a private school under another choice program in the immediately following school year, the pupil's family income would not need to be verified. This would have the effect

of allowing a pupil participating in the Milwaukee or Racine choice program with a family income of greater than 220% of the federal poverty level to participate in the statewide program if the pupil's family moved to another district. Provide that this provision would first apply in 2018-19.

Increase the appropriation for the statewide choice program by an estimated \$794,500 GPR in 2018-19, which would be fully offset by an aid reduction and corresponding revenue limit increase to those pupils' school districts of residence.

[Act 59 Sections: 1580g, 1598at, 1602d, and 9335(4d)]

17. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS -- ELIMINATE PRIOR YEAR ATTENDANCE CRITERIA FOR SCHOOLS WITH COMBINED GOVERNING BODY

GPR	\$6,356,000
Aid Reduction	<u>6,356,000</u>
Net GPR	\$0

Joint Finance/Legislature: For the Racine and statewide private school choice programs, specify that if a private school that does not participate in a private school choice program enters into an agreement to be subject to the same governing body as a private school that participated in the Racine or statewide private school choice program in the previous school year, the prior year attendance criteria would not apply to the new school in the first school year in which the schools are governed by the same governing body under a governing body agreement and the following school year.

It is estimated that expenditures under the statewide choice program would increase by \$6,356,000 GPR in 2018-19, which would be fully offset by an aid reduction and corresponding revenue limit increase to those pupils' school districts of residence.

[Act 59 Sections: 1580k and 1598b]

18. PRIVATE SCHOOL CHOICE PROGRAMS -- PRORATE SUMMER SCHOOL PAYMENT

Joint Finance/Legislature: Delete current law requiring that a pupil must attend at least 15 days of summer instruction to be eligible for a summer school payment. Specify that if a pupil attending a private school under a private school choice program attends summer school for at least 15 days, the summer school payment would be equal to 5% of the per pupil payment made for the child in the previous school year, as under current law. If the pupil attended summer school for less than 15 days, the payment would be equal to 5% of the per pupil payment in the previous school year multiplied by the number of days the pupil received summer instruction divided by 15. Specify that this provision would first apply to payments for pupils who attend summer school during the summer of 2018.

[Act 59 Sections: 1598c, 1598d, 1598e, 1619m, 1619n, 1619s, and 9335(3p)]

19. PRIVATE SCHOOL CHOICE PROGRAMS -- POSITION AUTHORITY

Joint Finance/Legislature: Provide \$60,400 and 1.0 position in 2017-18 and \$79,600 in 2018-19 to fund an education specialist in DPI to administer the Milwaukee, Racine, and statewide private school programs and the independent charter school program.

	Funding	Positions
GPR	\$140,000	1.00

20. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- CURRENT LAW REESTIMATE

GPR	\$10,493,000
Aid Reduction	- 10,493,000
Net GPR	\$0

Governor: Provide \$4,276,000 in 2017-18 and \$6,217,000 in 2018-19 for the special needs scholarship program to reflect changes in pupil participation and per pupil payments under current law. It is estimated that 350 pupils will participate in the program in 2017-18 and 500 pupils will participate in 2016-17. Based on the increase in categorical aids provided in the bill, the per pupil payment under the program would increase from \$12,000 in 2016-17 to \$12,217 in 2017-18 and \$12,434 in 2018-19.

Under current law, the cost of payments for pupils attending a private school under the special needs scholarship program are fully offset through an aid reduction in the general school aids that would otherwise be paid to those pupils' school districts of residence and a corresponding revenue limit increase.

Joint Finance/Legislature: As a result of changes in categorical aid funding, it is estimated that payments under the program would equal \$12,207 in 2017-18 and \$12,427 in 2018-19. (As a result of vetoes of two proposed categorical aid programs totaling \$2.75 million, the 2018-19 payment will be an estimated \$12,424.) The GPR, aid reduction, and net GPR effect of these payment changes are shown under Item #41.

21. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- VERIFICATION OF INDIVIDUALIZED EDUCATION PLAN

Governor: Require that the governing body of a private school determine whether an application satisfies the requirements of the program upon receiving an application for the program, including requesting verification that a pupil has an individualized education plan (IEP) or services plan in place from the local education agency that developed the plan. Require the local education agency to provide the IEP or services plan to the private school within five business days of receiving the request.

Require that the governing body of the private school notify DPI when it verifies that a pupil has an IEP or services plan in effect and accepts the child's application to attend the private school under the program. Additionally, require the governing body to notify the child's resident school board that the child will be awarded a scholarship under the program if the pupil meets the program requirements.

Under current law, DPI is required to make the verification that a pupil applying to attend a private school under the program has an IEP or services plan in place and notify the pupil's

resident school board that the pupil will participate in the program.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

22. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- INDIVIDUALIZED EDUCATION PROGRAM TEAM IN NONRESIDENT DISTRICT

Governor: Allow a pupil who is attending a private school in a nonresident district to be reevaluated by an individualized education program (IEP) team appointed by the nonresident district if the pupil's parent or guardian provides written consent.

Under current law, a pupil participating in the special needs scholarship program may be reevaluated only by an IEP team appointed by the pupil's resident school district. A reevaluation can be conducted no more than once every three years, upon the request of the pupil's resident school board.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

23. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- MISREPRESENTATION OF INFORMATION TO DPI

Governor: Provide that a school may be barred from participating in the special needs scholarship program by DPI if the private school misrepresents information required under the statutes or administrative rules governing the program. Under current law, this provision applies to misrepresentations involving the statutory duties prescribed for participating private schools.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

24. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- TECHNICAL CHANGES

Governor: Renumber current law related to the document prepared by DPI informing pupils of their rights when attending a public school compared to attending a private school under the special needs program.

Joint Finance/Legislature: Delete provision. This modification was included in 2017 Act 36.

25. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- ELIMINATE PRIOR YEAR OPEN ENROLLMENT REQUIREMENT

GPR	\$621,700
Aid Reduction	<u>621,700</u>
Net GPR	\$0

Joint Finance/Legislature: Delete current law requiring that for a pupil to be eligible to participate in the special needs scholarship program, the pupil must have applied to attend a non-resident school district under the open enrollment program for the same school year in which he or she is applying for the special needs scholarship program and was denied. Specify that this change

would first apply to applications to participate in the program in 2018-19.

It is estimated that the change could increase the number of pupils participating in the program by 50 pupils in 2018-19. As a result, it is estimated that payments under the program would increase by \$621,700 GPR in 2018-19, which would be offset by a corresponding aid reduction to those pupils' school districts of residence and a revenue limit adjustment equal to the aid reduction.

[Act 59 Sections: 1486c and 9335(5d)]

**26. SPECIAL NEEDS SCHOLARSHIP PROGRAM --
ELIMINATE PRIOR YEAR PUBLIC SCHOOL
ENROLLMENT REQUIREMENT**

GPR	\$2,486,800
Aid Reduction	<u>2,486,800</u>
Net GPR	\$0

Joint Finance/Legislature: Delete current law requiring that for a pupil to be eligible to participate in the special needs scholarship program, the pupil must have been enrolled in a public school in Wisconsin for the entire school year immediately preceding the school year for which the pupil is applying for the program. Specify that this change would first apply to applications to participate in the program in 2018-19.

It is estimated that the change could increase the number of pupils participating in the program by 200 pupils in 2018-19. As a result, it is estimated that payments under the program would increase by \$2,486,800 GPR, which would be offset by a corresponding aid reduction to those pupils' school districts of residence and a revenue limit adjustment equal to the aid reduction.

[Act 59 Sections: 1486em and 9335(5d)]

**27. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- SUMMER SCHOOL
PAYMENTS**

Joint Finance/Legislature: Require DPI to provide summer school payments to a private school participating in the special needs scholarship program for a child who attends summer school and who participated in the scholarship program in the immediately preceding school term. Specify that if the pupil attended summer school for at least 15 days, the payment would be equal to 5% of the per pupil payment made for the child in the previous school year. If the pupil attended summer school for less than 15 days, the payment would be equal to 5% of the scholarship amount in the previous school year multiplied by the number of days the pupil received summer instruction divided by 15. Provide that a participating private school could receive summer school payments only if: (a) the private school offers no fewer than 19 days of instruction during the summer; and (b) each summer day of instruction has no fewer than 270 minutes of instruction.

Require DPI to include the entire summer school payment in a separate check included within the payment made to the private school in November. Require each participating school to file a summer daily attendance report annually on or before September 15.

This provision would first apply to payments for pupils who attend summer school in the

summer of 2018.

[Act 59 Sections: 208m, 1492g, 1492h, 1492L thru 1493r, and 9335(3q)]

28. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PER PUPIL PAYMENT

Joint Finance/Legislature: Modify the amount of and method for determining the amount of the per pupil payment made on behalf of a pupil participating in the special needs scholarship program.

In the first year of a pupil's participation in the program, the payment amount would be equal to the payment amount under current law. (Under the bill as vetoed, it is estimated that this payment will equal \$12,207 in 2017-18 and \$12,424 in 2018-19.)

Beginning in the second year of a pupil's participation in the program, specify that the per pupil payment amount could be determined based on the private school's actual costs incurred to implement the child's most recent IEP or services plan, as modified by agreement between the private school and the child's parent, and related services agreed to by the private school and the child's parent that are not included in the child's IEP or services plan. Specify that at the end of a school year in which an eligible school receives a scholarship on behalf of a pupil with a disability, the school could submit to DPI a financial statement showing the actual costs incurred to implement the child's most recent IEP or services plan or provide related services during that school year, and documentation of those expenses. Require DPI to provide the financial statement to the pupil's resident school board.

Specify that if an eligible school submitted a financial statement for a child with a disability, the per pupil payment in the following school year would be the amount shown on the financial statement for that pupil. Payments up to 150% of the per pupil payment amount for that year under current law would be fully funded through a reduction in the general aid that is otherwise paid to each pupil's school district of residence, offset for the district with an equal revenue limit adjustment. If the costs incurred by the school in the previous school year exceeded 150% of the per pupil payment, the school would be reimbursed for 90% of the remaining costs, but no corresponding aid reduction would occur. (As a result, payments made for costs incurred above 150% of the per pupil payment would be funded with state GPR.)

If a private school did not submit a financial statement on behalf of a pupil attending the school under the special needs scholarship program, the per pupil payment in the following year would be equal to the payment amount for that year under current law.

Specify that private schools could first submit a financial statement on behalf of a special needs pupil at the end of the 2018-19 school year. Payments calculated based on the financial statement could be made beginning in the 2019-20 school year.

[Act 59 Sections: 208m, 1486ap, 1486b, 1486d, 1486e, 1487g thru 1492f, 1492i, 1492j, 1492k, and 1492n]

29. INDEPENDENT CHARTER SCHOOL PROGRAM REESTIMATE [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$14,269,600	-\$6,810,800	-\$21,080,400
Aid Reduction	<u>- 14,269,600</u>	<u>- 6,810,800</u>	<u>- 21,080,400</u>
Net GPR	\$0	\$0	\$0

Governor: Delete \$9,727,200 in 2017-18 and \$4,542,400 in 2018-19 as a reestimate of sum sufficient funding for the independent charter school program. Total funding would decrease from base level funding of \$76,967,200 in 2016-17 to \$67,240,000 in 2017-18 and \$72,424,800 in 2018-19. The reestimate assumes that 8,000 pupils in 2017-18 and 8,400 pupils in 2018-19 will participate in the program and that, based on the revenue limit and categorical aid provisions in the bill, the per pupil payment under the program would increase from \$8,188 in 2016-17 to \$8,405 in 2017-18 and \$8,622 in 2018-19.

(Base level funding for the independent charter school program was set at \$76,967,200 as part of the sum sufficient reestimates done in January of 2016. Using more recent enrollment estimates, under the October 15, 2016, general school aids distribution prepared by DPI, independent charter school program expenditures were estimated to be \$62,222,800 in 2016-17.)

Under this program, the City of Milwaukee, UW-Milwaukee, and UW-Parkside currently operate or contract to operate charter schools, and DPI pays the operators of these charter schools a statutorily-determined per pupil amount each year. The per pupil payment under the program in a given year is equal to the sum of the prior year's payment 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 per pupil payment would increase by \$217 in both 2017-18 and in 2018-19.

By law, DPI is required to proportionally reduce the general aid for which each school district is eligible by an amount totaling the estimated payments for the current authorizers. In 2016-17, each district's general aid entitlement was reduced by 1.4% under this provision. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions.

Joint Finance/Legislature: Based on reestimated enrollment, decrease the GPR appropriation for the independent charter school program, as well as the associated aid reductions, by \$3,362,000 in 2017-18 and \$3,448,800 in 2018-19 compared to the bill, resulting in no change in net GPR expenditures.

As a result of changes in categorical aid funding, it is estimated that payments under the charter program would equal \$8,395 per pupil in 2017-18 and \$8,615 per pupil in 2018-19. (Due to vetoes of two proposed categorical aid programs totaling \$2.75 million, the 2018-19 payment will be an estimated \$8,612.) The GPR, aid reduction, and net GPR effect of these payment changes are shown under Item #41.

30. VIRTUAL CHARTER SCHOOL ATTENDANCE REQUIREMENT

Governor: Prohibit the governing body of a virtual charter school from allowing a pupil to begin attending the school during a semester in which the pupil has been absent from a school without an acceptable excuse under the statutory provisions for compulsory school attendance for part or all of four or more days on which the school was held during the school semester.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

31. INDEPENDENT CHARTER SCHOOL PROGRAM -- SUMMER SCHOOL FUNDING

Joint Finance/Legislature: Specify that independent charter school operators would receive payment for summer school pupils in a manner similar to schools in the private school choice programs, beginning with pupils attending summer school in the summer of 2018. Specify that a school would be eligible to receive a summer school payment for a pupil if the school offers a minimum of 19 summer days of instruction and each day of summer instruction is comprised of at least 270 minutes of instruction. Require each independent charter school, by September 15, to file a report with DPI stating its summer daily attendance for each day of summer school. Specify that schools offering summer school would receive an amount equal to 5% of the per pupil payment from the immediately preceding school term if the pupil attends at least 15 days of summer instruction. Specify that the payment would be prorated based on the number of days attended if the pupil attends fewer than 15 days. Require DPI to include the entire summer school payment with the December payment installment, but specify that the summer payment would be made in a separate check.

[Act 59 Sections: 215n, 215p, 1532d thru 1532g, 1532j thru 1532p, 1532r thru 1532u, and 9335(3f)]

32. UNION HIGH SCHOOL CHARTER PREFERENCE

Joint Finance/Legislature: Specify that a charter school established under contract with a union high school (UHS) district may give preference in enrollment to pupils who were enrolled during the previous year in a charter school operating under a cooperative agreement with the charter school established under contract with the union high school district. (This provision would apply to students attending a charter school authorized by an underlying K-8 school district as they transition to a charter school authorized by the UHS district.)

Under current law, if the capacity of a charter school is insufficient to accept all pupils who apply, the charter school must accept pupils at random. A charter school must, however, give preference 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. Charter schools are allowed by law to give preference in enrollment to the children of the charter school's founders, governing board members, and full-time employees, but the total number of such children given preference can be

no more than 10% of the charter school's total enrollment.

[Act 59 Sections: 1532v and 1532vg]

33. INDEPENDENT CHARTER SCHOOL AUTHORIZERS

Joint Finance/Legislature: Specify that any UW Chancellor (in addition to the UW-Milwaukee and UW-Parkside Chancellors under current law) and any technical college district board (in addition to the Milwaukee and Gateway Boards under current law) could contract with a person to operate an independent charter school.

Delete the current law provision restricting the districts in which the Director of the Office of Educational Opportunity (OEO) in the UW System may authorize a charter school. Under current law, the Director of the OEO may contract for the establishment of charter schools located only in school districts with membership over 25,000 pupils (currently Milwaukee and Madison).

Delete the current law provisions restricting the location of schools authorized by the Gateway Technical College District Board, the districts in which pupils must reside to attend a school authorized by Gateway, and the programming that must be provided by a school authorized by Gateway. Under current law, Gateway may authorize charter schools located only in the district. Only pupils who reside within the boundaries of the district or in a county adjacent to the district may attend these charter schools. The Board may authorize charter schools only if the school operates high school grades only and provides a curriculum focused on science, technology, engineering, and mathematics, or occupational education and training.

Provide that the current law funding mechanism for the charter schools previously established by the Chancellors of UW-Milwaukee or UW-Parkside would remain unchanged. (Under this funding mechanism, the district of residence does not count the charter pupils for revenue limits or general aid, and general aid payments for all districts in the state are reduced proportionately in an amount equaling total charter school payments.) Specify that this funding mechanism would also apply to any new charter schools established by the Chancellors of UW-Milwaukee and UW-Parkside. (As under current law, this funding mechanism would continue to apply to schools authorized by the Milwaukee Area Technical College District Board, should it choose to do so.)

Provide that the current law funding mechanism for charter schools established by the Director of the OEO and the Gateway Board would also apply to any charter school established by any other Chancellor or any technical college district board other than Milwaukee. (Under this funding mechanism, the district of residence counts the charter pupils for revenue limits and general aid, and general aid for that district is reduced in an amount equal to charter school payments for resident pupils).

Delete the provisions under which the Board of Regents may not exercise control over a private gift or grant received by the OEO Director and under which the OEO Director may use a

gift or grant at his or her sole discretion in the absence of any specific direction as to its use. Delete the provision under which the OEO Director may invest a gift or grant of moneys.

[Act 59 Sections: 623p, 623q, 1531g thru 1531n, 1532h, 1532q, 1532qm, 1532w, and 1635e]

34. CHARTER SCHOOL AUTHORIZER DUTIES -- NACSA STANDARDS

Joint Finance/Legislature: Specify that a charter school authorizer must consider (rather than adhere to, under current law) the principles and standards for quality charter schools established by the National Association of Charter School Authorizers (NACSA) when contracting for the establishment of a charter school.

[Act 59 Section: 1532vr]

35. RESTORE THE PART-TIME OPEN ENROLLMENT PROGRAM [LFB Paper 518]

Governor: Delete the current law provisions related to the course options program and generally restore the prior law provisions related to the part-time open enrollment program.

Prior to the 2013-15 biennial budget act, under the part-time open enrollment program, a pupil enrolled in a public school in grades 9 to 12 could attend public school in nonresident districts to take up to two courses offered by the nonresident districts. The 2013-15 budget act modified the part-time open enrollment program to become the course options program, under which any pupil enrolled in a public school could enroll in up to two courses at any time at various educational institutions. The bill would generally restore the part-time open enrollment program under prior law with the modifications made to the course options program in the 2015-17 budget act related to whole grade sharing agreements and the required notice of educational options also applying to the part-time open enrollment program.

The following sections describe the part-time open enrollment program as it would be recreated under the bill.

A pupil enrolled in a public school in grades 9 to 12 would be able to attend public school in a nonresident school district to take a course offered by the nonresident school district. A pupil could attend no more than two courses at any time in nonresident school districts.

Application Procedures. The pupil's parent would be required to submit an application, on a form provided by DPI, to the nonresident school district no later than six weeks prior to the date the course is scheduled to commence. The application would have to include the course or courses that the pupil wishes to attend and could specify the school or schools at which the pupil wishes to attend the course. The nonresident school board would have to send a copy of the application to the pupil's resident school board. (If the pupil attending a different district under a whole grade sharing agreement, the pupil's district of attendance would generally be treated as the resident district for the purposes of the program.) The nonresident board would be required, no later than one week prior to the date on which the course is scheduled to commence, to notify

the applicant and the resident board, in writing, whether the application has been accepted and the school at which the pupil can attend the course. The acceptance would apply only for the following semester, school year, or other session in which the course is offered. If accepted, the parent would be required to notify the resident and nonresident boards, prior to the date on which the course is scheduled to commence, of the pupil's intent to attend the course in the nonresident district.

If the number of applications received for a particular course exceeds the amount of space available, the district would be required to select pupils on a random basis.

Nonresident School District Acceptance Criteria. The school district's acceptance criteria would have to be the same as the criteria for entry into the course applicable to pupils who reside in the school district, except that a school board could give preference to residents of the district. Each school board was required to adopt a resolution establishing these criteria by February 1, 1998, under the prior program, and this requirement is retained in the bill. If a board wishes to revise the criteria, it would be required do so by resolution.

Transfer Prohibited by District of Residence. A resident school board could prohibit a pupil from attending a course in a nonresident district if the cost of the course would impose an undue financial burden upon the resident district. A resident school board would be required to prohibit a child with disabilities from attending a course in a nonresident district if the course conflicts with the child's IEP.

The district of residence would be required to, no later than one week prior to the commencement of the course, do the following: (a) notify the applicant, in writing, if it determines that the course does not satisfy the high school graduation requirements; and (b) notify the applicant and the nonresident board, in writing, if the application is denied and the reason for the denial.

Appeal of Rejection. If an application would be rejected by the resident or nonresident school district, the pupil's parent could appeal the decision to DPI within 30 days of the decision. DPI's decision on the appeal would be final and not subject to judicial review under Chapter 227 of the statutes. DPI would be required to affirm the school board's decision unless it finds that the decision was arbitrary or unreasonable.

Transportation. Parents would be responsible for transporting pupils to and from courses. The parent of a pupil could apply to DPI for reimbursement of the costs of the pupil's transportation if the pupils and parent are unable to pay the cost of such transportation. DPI would determine the amount of the reimbursement, which would be made from the same appropriation for reimbursement of transportation costs for the full-time open enrollment program. DPI would be required to give preference in making reimbursements to pupils who are eligible for a federal free or reduced-price lunch.

Rights of Pupils. A pupil attending courses in a school outside his or her district of residence under part-time open enrollment would have all the rights and privileges of resident pupils and would be subject to the same rules and regulations as resident pupils.

Records Relating to Suspension or Expulsion. A resident district would be required to provide a school district to which a pupil has applied under part-time open enrollment records related to expulsion or disciplinary proceedings involving the pupil.

Tuition Payments. The resident district would pay the nonresident district an amount equal to the cost of providing the course or courses to the pupil, calculated in a manner determined by DPI.

Report. School districts would be required to report to DPI in their annual school performance report on the number and percentage of resident pupils attending a course in a nonresident district, the number of nonresident pupils attending a course in the district, and the courses taken by those pupils. The part-time open enrollment program would be required to be included in the notice of educational options that DPI, public schools, independent charter schools, and choice schools are required to provide.

Joint Finance/Legislature: Specify that these changes would go into effect beginning in the 2018-19 school year.

[Act 59 Sections: 1465, 1471, 1473, 1536 thru 1553, 1576, and 9435(1p)]

36. OPEN ENROLLMENT AID TRANSFER AMOUNT -- REGULAR EDUCATION

Joint Finance/Legislature: Specify that the aid transfer amount for a non-special education pupil would be increased by an additional \$100 per year each year from 2017-18 through 2020-21 above any increase provided under the current law indexing mechanism.

Under current law, the aid transfer amount for a non-special education pupil under open enrollment in a given year is equal to the sum of the aid transfer 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. The aid transfer amount for a regular education pupil in 2016-17 was \$6,748.

[Act 59 Sections: 1535ig and 1535im]

37. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION

Joint Finance/Legislature: Create a process under which the open enrollment aid transfer amount for certain special education pupils who participate in the open enrollment program could be adjusted.

For these pupils, specify that, in the first year of the pupil's participation in the program, the aid transfer amount would be equal to the amount under current law.

Beginning in the 2018-19 school year, at the end of a school year in which a special education pupil participates in open enrollment, specify that the nonresident district may submit to DPI a financial statement that shows the actual costs the nonresident district incurred to

provide a free appropriate public education, as defined in statute, to the pupil during that year. Require DPI to provide the resident district with a copy of any financial statement it receives.

Beginning in the 2019-20 school year, specify that the open enrollment transfer amount for a pupil for whom the nonresident district does not submit a financial statement would equal the amount under current law. Specify that the transfer amount for a pupil for whom the nonresident district submits a financial statement would be the amount shown on the financial statement for that child for the previous school year, up to a maximum of \$30,000.

Under current law, the aid transfer amount for a special education pupil under open enrollment in a given year is equal to the sum of the aid transfer 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. The aid transfer amount for a special education pupil in 2016-17 was \$12,000.

[Act 59 Sections: 208v, 1483m, 1485m, 1534s thru 1535h, 1535j thru 1535v, 1640cm, and 1641p]

38. OPEN ENROLLMENT PROGRAM -- IEP TEAM

Governor: Delete the current law requirement that for a pupil with a disability who is attending a public school in a nonresident district under the open enrollment program, at least one person designated by the school board of the pupil's district of residence who has knowledge or special expertise about the child be appointed to the pupil's individualized education program (IEP) team.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

39. OPEN ENROLLMENT PROGRAM -- SPACE DETERMINATION

Governor: Require school boards to determine the number of regular and special education spaces available within the district under the open enrollment program no later than the first Monday in February, rather than in the January meeting of the school board as required under current law. Availability of space is a permissible criteria for a district in accepting and rejecting applications from nonresident pupils under the program.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

40. OPEN ENROLLMENT PROGRAM -- VIRTUAL CHARTER FUNDING STUDY

Joint Finance/Legislature: Require DPI to prepare a report comparing the amount paid by the state for pupils attending a virtual charter school through the open enrollment program to the actual educational costs of pupils attending those schools. Require DPI to submit the report to the Joint Finance Committee and the appropriate standing committees of the Legislature no later than January 1, 2019.

Veto by Governor [B-38]: Delete provision.

[Act 59 Vetoed Section: 9135(1t)]

**41. CHOICE, CHARTER, AND OPEN ENROLLMENT
PAYMENT INDEXING MECHANISM [LFB Paper 517]**

GPR	- \$761,000
Aid Reduction	- 359,000
Net GPR	- \$402,000

Governor: Specify that the following appropriations would be excluded from the calculation of statewide categorical aid for the purpose of indexing the payments for the choice, charter, and open enrollment programs: (a) the current law appropriation for payments under the special needs scholarship program; (b) the appropriation created under the bill for performance funding for schools in the City of Milwaukee; (c) the appropriation created under the bill for performance improvement funding for schools in the City of Milwaukee; and (d) the appropriation created under the bill for the summer school grant program for the Milwaukee Public Schools.

Specify that the amount included in statewide categorical aid from the DOA appropriation for telecommunications access for educational agencies would be the amount determined by the DOA Secretary to be allocated for payments to telecommunications providers under contracts with school districts and cooperative educational service agencies, for grants to school district consortia, and for educational technology teacher training grants. 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. [See "Administration -- Information Technology" for more information.]

In addition, specify that if the Secretary of the Department of Administration does not lapse funding from state compensation reserves related to the state contracting to provide self-insured group health plans for state employees, DPI must subtract the associated change in the per pupil aid payment (a \$12 per pupil change to the prior year payment in each year) from the indexing calculation each year. [See "Public Instruction -- Categorical Aids" and "Budget Management and Compensation Reserves" for more information.]

Under current law, the various per pupil payment amounts under the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program equal the sum of the payment amount for the program 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, it is estimated that the various payments would increase by \$217 per pupil in both 2017-18 and 2018-19.

Joint Finance/Legislature: Modify the Governor's recommendation by also excluding the appropriations for personal electronic computing devices and for independent charter schools authorized by the Director of the Office of Educational Opportunity in the UW System from the calculation of statewide categorical aid for the purpose of indexing payments. (Under this provision, if the OEO charters any schools, payments would still increase based on the amount resulting from the indexing mechanism, but the OEO appropriation would not be included for the

purpose of determining that amount.)

Also, delete the provision making a portion of the payment increase contingent on funding lapsing from state compensation reserves related to state employee self-insurance.

As a result of these provisions and the categorical aid changes under Joint Finance, reestimate the payment increase for the various programs to be \$207 per pupil in 2017-18 and \$220 per pupil in 2018-19. (As a result of vetoes of two proposed categorical aid programs totaling \$2.75 million, the second year increase will be an estimated \$217, rather than \$220.) The following table summarizes the GPR, aid reduction, and net GPR effect for the various programs in each year as a result of the payment reestimates. (The fiscal effect of programmatic changes affecting enrollment in the various programs are shown in separate entries.)

	2017-18			2018-19		
	GPR	Aid Reductions	Net GPR	GPR	Aid Reductions	Net GPR
Milwaukee Choice	-\$276,800	-\$62,000	-\$214,800	-\$197,100	-\$37,800	-\$159,300
Racine/Statewide Choice	-73,500	-55,900	-17,600	-72,900	-62,600	-10,300
Special Needs Scholarship	-3,500	-3,500	0	-5,200	-5,200	0
Independent Charter	<u>-76,000</u>	<u>-76,000</u>	<u>0</u>	<u>-56,000</u>	<u>-56,000</u>	<u>0</u>
Total	-\$429,800	-\$197,400	-\$232,400	-\$331,200	-\$161,600	-\$169,600

[Act 59 Section: 1532]

42. EARLY COLLEGE CREDIT PROGRAM

Governor: Modify the youth options program to create the early college credit program.

Under the early college credit program, any public high school pupil could enroll in an institution of higher education for the purpose of taking one or more nonsectarian courses, including during a summer semester or session. An institution of higher education would be defined as: (a) an institution within the University of Wisconsin (UW) System; (b) a technical college within the technical college system; (c) a tribally-controlled college; or (d) a private, nonprofit institution of higher education located in Wisconsin. Specify that a tribally-controlled college or a private institution of higher education would only be part of the program if they notify the State Superintendent of their intent to participate by September 1 of the previous school year.

Application Procedures. Require a pupil enrolling in a course under the program to submit an application to the institution of higher education in the previous school semester, indicating whether he or she will take the course for high school credit, postsecondary credit, or both. Require that the pupil specify on the application that if he or she is admitted, the institution of higher education may disclose the pupil's courses, grades, and attendance record to his or her public school. Provide that if the pupil intends to take a course for postsecondary credit at an

institution within the UW System, the Board of Regents would have to notify the pupil whether credits earned for the course are transferable between and within institutions within the system.

Require an institution of higher education to admit a pupil if the following apply: (a) there is space available in the course; and (b) the pupil meets the requirements and prerequisites of the course.

Require a pupil to: (a) notify an institution of higher education by March 1 prior to the fall semester and by October 1 for the spring semester of their intention to enroll; (b) specify the course titles and credits; and (c) indicate whether the course would be taken for high school or postsecondary credit. Provide that if a pupil takes a course for high school credit, the school board would determine: (a) whether the course is comparable to a course offered in the district; (b) whether it satisfies any graduation requirements; and (c) the number of credits to award for the course. Require DPI to develop guidelines for school districts to use. Provide that a pupil would have 30 days to appeal a school board's decision to the State Superintendent, whose decision would be final and not subject to judicial review under Chapter 227 of the state statutes.

Tuition and Payment. Specify that tuition charged for each credit assigned to the course could not exceed the following: (a) for a UW institution, a technical college, or a tribally-controlled college, one-third of the amount that would be charged per credit to a Wisconsin resident who is enrolled in the course as an undergraduate student; or (b) for a private nonprofit institution, no more than 33% of the amount charged per credit by a UW institution for a resident Wisconsin undergraduate.

Require the school board of the district in which the pupil is enrolled to pay the institution the determined tuition amount within 30 days after the end of the semester and submit to DPI an itemized report of the amount paid. Require the Department of Workforce Development (DWD) to pay to DPI a portion of the costs of tuition for a pupil attending an institution of higher education under this program on behalf of the school board, with the reimbursement percentage determined based on the type of course credit received by the pupil, as described below. Require DPI to reimburse each school board the amount received from DWD. If the appropriation under DWD is insufficient to reimburse all school districts the full amount of reimbursable tuition, the Secretary of DWD would be required to notify the State Superintendent, who would then be required to prorate the amount of the payments among eligible school districts. (Funding for the program equal to \$1,150,300 GPR in 2017-18 and \$1,753,500 GPR in 2018-19 would be provided in a new appropriation created under DWD. The fiscal effect is shown under "Workforce Development.")

Costs Of A Course Taken for High School Credit. Require that if the pupil is taking a course for high school credit, regardless of whether the pupil will also receive postsecondary credit, and if the course is not comparable to a course offered in the school district, the school board of the district in which the pupil is enrolled would be responsible for 75% of the actual cost of tuition. Provide that if the pupil takes such a course at a high school in a school district, the school board would also be responsible for the costs of books and other necessary materials.

Require DWD to reimburse the school district for the remaining 25% of the cost of tuition, as described above.

Costs Of A Course Taken for Postsecondary Credit. Require that if the pupil is taking a course for postsecondary credit and if the course is not comparable to a course offered in the school district, the school board of the district in which the pupil is enrolled would be responsible for 25% of the actual cost of tuition.

Require DWD to reimburse the school district for 50% of the cost of tuition, as described above.

Specify that a pupil who is taking a course only for postsecondary credit would be responsible for the remaining 25% of the actual cost of tuition as determined under the program. Require the school board of the district in which the pupil is enrolled to establish a written policy governing the timing and method for recovering the pupil's share of tuition from the pupil or his or her parent or guardian. Require the school board to waive the pupil's responsibility for costs if DPI determines that the cost of the course would pose an undue financial burden on the pupil's family.

Provide that if a pupil receives a failing grade or fails to complete a course, the school board could request reimbursement of any moneys it paid. If reimbursement is not made, the pupil would be ineligible for further participation in the program.

Additional School Board Duties. Require school boards to provide information about the early college credit program to all pupils enrolled in the district in 8th through 11th grades no later than October 1 of each year, and include the program in the notification of educational options posted on the district's Internet site.

Allow a school board to establish a written policy limiting the number of credits for which the school board will pay to the equivalent of 18 postsecondary credits per pupil. Allow a school board to enter into an agreement with an institution of higher education to facilitate the early college credit program.

Transportation Aid. Specify that pupils attending a course under the early college credit program at an institution of higher education and receiving credit for the course could apply for aid under the appropriation for aid for transportation for open enrollment and the early college credit program.

Under current law, the youth options program allows high school juniors and seniors to take postsecondary level courses at any UW 2-year or 4-year institution, any of the 16 colleges within the Wisconsin Technical College System, or in participating private, nonprofit and tribal colleges and universities. Under the program, the school district pays for a college course if the district determines the course qualifies for both high school and college credit and is not comparable to a course already offered in the district. If approved by the district, the student can receive both high school and college credit upon successful completion of the course.

Joint Finance/Legislature: Specify that a pupil could attend a two-year or four-year UW institution, a tribally controlled college, or a private, nonprofit institution of higher education located in Wisconsin under the early college credit program. Specify that current law describing the youth options program would continue to apply to the Wisconsin Technical College System.

Specify that for a UW College institution, tuition would be equal to one-half of the amount that would be charged for each credit assigned to the course to an individual who is a resident of this state and who is enrolled in the college campus as an undergraduate student. For a pupil who is attending a private institution of higher education, specify that tuition would be equal to one-third of the amount that would be charged for each credit assigned to a similar course offered by UW-Madison to a resident undergraduate.

Specify that a pupil attending a private school could participate in the program. Specify that the same requirements that apply to a public school board would apply to the governing body of a private school attended by a pupil who has applied to take or is taking a course under the program. Define "governing body" as a board elected or appointed to govern a private school or, if no board is appointed or elected to govern the school, any other person having direct charge of the private school. Such requirements would include the following: (a) determining whether a course is comparable to a course offered by the private school, whether the course satisfies any requirements necessary for high school graduation, and the number of high school credits to award the pupil for the course, if any; (b) allowing a pupil to appeal a decision regarding course credits within 30 days after the decision; (c) paying a portion of the cost of the course, equal to 75% of the cost plus the cost of books and other necessary materials if the course is taken for high school credit, and 25% if the course is taken for college credit only; (d) paying the specified tuition amount to the institution of higher education within 30 days after the end of the semester, and submitting an itemized report to DPI specifying the amounts paid; (e) establishing a policy governing the timing and method for recovering the pupil's share of tuition, equal to 25% of the actual tuition for the course if the course is taken for college credit only; and (f) waiving the pupil's responsibility for costs if DPI determines that the cost of the course would pose an undue financial burden on the pupil's family.

Require a private school pupil who intends to enroll in an institution of higher education under the program to notify the governing body of the private school he or she attends of that intention no later than March 1 for the fall semester or October 1 for the spring semester. Require the pupil to immediately inform the governing body if the pupil is not admitted to attend the specified course, but is admitted to attend a different course. Require an institution of higher education to notify the governing body within 30 days after the beginning of classes at the institution if it admits a pupil enrolled in the private school. Specify that a private school would receive reimbursement from DPI from the appropriation under the Department of Workforce Development. As for public schools, reimbursements would be prorated if funding were insufficient to fully fund claims. Prohibit the governing body from charging any additional costs or fees to a pupil to attend a course under the program. If a pupil receives a failing grade in a course, or fails to complete the course, require the pupil to reimburse the governing body the amount paid on the pupil's behalf upon the request of the governing body, and specify that such a pupil would be ineligible for further participation in the program. Specify that a pupil attending a private school would be eligible for transportation aid if he or she is taking a course for high school credit. Allow the governing body of a private school to establish a written policy limiting the number of credits for which the school will pay to the equivalent of 18 postsecondary semester credits per pupil. Allow a governing body to enter into an agreement with an institution of higher education to facilitate pupil participation in the program.

Delay implementation of the program until the 2018-19 school year. Require DPI to take

whatever steps are necessary to implement the program for the Fall, 2018, semester, including providing information to school boards, private schools, institutions of higher education, and pupils.

[Act 59 Sections: 400, 629, 630, 631, 633, 650i, 1396, 1465, 1473, 1554 thru 1576, 1635, 9135(1p), and 9435(1q)]

43. OPPORTUNITY SCHOOLS PARTNERSHIP PROGRAM

GPR	\$75,000
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Joint Finance/Legislature: Provide \$75,000 in 2017-18 in a biennial appropriation for a study of school district creation. Require DPI to contract with an entity to conduct a study of the effect of reorganizing a school district that meets the following criteria in the 2015-16 and 2016-17 school years: (a) is assigned to the lowest performance category on the annual accountability reports; and (b) received intradistrict transfer aid. The study would consider the effect of creating one or more new school districts that consist of one or more villages located within the eligible school district. Require DPI to issue a request for proposal for the study within 30 days after the effective date of the bill.

Specify that the contract must require the entity to evaluate at least all of the following: (a) the estimated general and categorical school aid that the existing school district and new district or districts would be eligible to receive following the reorganization; (b) the impact the reorganization would have on the amount of property taxes paid by residents of the existing school district and the new district or districts; (c) an inventory of school buildings located in the existing school district; and (d) the assets and liabilities of the existing school district. Require that the entity produce a report no later than 120 days after the contract is awarded. Require that the report would be submitted to DPI, and that DPI would distribute the report to the village board of each village located in the existing school district as well as the school board of the eligible school district.

Creation of an OSPP. By November 30, 2017, and each November 30 thereafter, require the State Superintendent to notify the clerk of each village located in an eligible unified district, as well as the school district administrator of the eligible unified district, that the district qualifies for the creation of an Opportunity Schools Partnership Program (OSPP). To qualify as an eligible unified school district, specify that a district must meet the criteria for the creation of an OSPP under current law, as well as the following criteria: (a) contains a city that has a population of more than 75,000; and (b) contains at least two villages. (To qualify for the creation of an OSPP under current law, a district must meet the following criteria: (a) was assigned to the lowest performance category on two school district accountability reports in the most recent consecutive years; (b) has a pupil membership of over 15,000; and (c) received intradistrict transfer aid in the two school years in which the district was assigned the lowest performance category on the school district accountability reports.) Racine Unified School District could qualify as an eligible unified district in Fall, 2017.

Specify that within 120 days after receiving notice that the district qualifies for the creation of an OSPP, an eligible unified school district could demonstrate to the Department of Administration (DOA) that the school board is not, directly or indirectly, delegating its authority to make decisions about providing benefits to its employees. If DOA certifies that the school board of the eligible

unified school district is not delegating its authority to make decisions about providing employee benefits, the county executive could not select a commissioner unless the eligible unified school district satisfies both of the following criteria: (a) was assigned to the lowest performance category on the accountability reports published in the three most recent school years; and (b) received intradistrict transfer aid in the three most recent school years. If DOA does not certify that the district is complying with the prohibition, require the county executive to proceed with the process of selecting a commissioner, as under current law.

School District Creation. Within 60 days after receiving notice that the school district qualifies as an eligible unified school district, specify that the village board of each village located within the district could consider a resolution to affirm or deny the village board's intent to create a new school district. If the board adopts a resolution affirming the village's intent to create a new district, require that the board include all of the following information in the resolution: (a) the territory of the new school district, which must correspond with village boundaries but may incorporate more than one village; (b) the name of the new school district; (c) the type of school district and the grades to be taught by the new school district; and (d) the proposed effective date of the school district creation, either July 1 of the following year or July 1 of the second following year.

Require a village board to adopt a resolution to provide for a referendum to create a new school district if the following criteria are met: (a) the village board did not adopt such a resolution in the previous school year; (b) DOA certified that the district is not delegating decisions about employee benefits, as described above; (c) the district was assigned to the lowest performance category on the accountability reports published in the three most recent school years; and (d) the district received intradistrict transfer aid in the three most recent school years. Require that the resolution would be adopted within 60 days after receiving notice that the school district qualifies as an eligible unified school district. Specify that the board must include the following information in the resolution: (a) the territory of the new school district, which must correspond with village boundaries but may incorporate more than one village; (b) the name of the new school district; (c) the type of school district and the grades to be taught by the new school district; and (d) the proposed effective date of the school district creation, either July 1 of the following year or July 1 of the second following year.

If a village board adopts a resolution affirming its intent to create a new school district or providing for a referendum, require the village board to submit the resolution to the School District Boundary Appeals Board (SDBAB). Upon receipt of the resolution, require SDBAB to hold a public hearing on the proposed reorganization. After the hearing and after consulting with the school board of the eligible unified school district and the village boards of the villages located within the proposed school district, require SDBAB to determine the apportionment of assets and liabilities between the eligible unified school district and the proposed school district according to criteria established in current law for the apportionment of assets and liabilities following the division of territory. Require SDBAB to issue an order by no later than 180 days after the board receives notice of the district's eligibility that includes the territory of the new school district, as described in the resolution adopted by the village board, and the apportionment of assets and liabilities.

Require a binding referendum to be held on a proposed reorganization in the territory of the school district proposed to be created by the reorganization. Require that the referendum be held on the first Tuesday after the first Monday in November following the order issued by SDBAB.

If a majority of the votes cast in the referendum is in favor of the creation of the proposed district, require the village boards of the villages included in the proposed school district to adopt a resolution to designate the following for the proposed district no later than 60 days after the referendum: (a) the number of school board members in the new district; (b) the terms of initial members of the school board; (c) the method of election of school board members. Require the village to submit the resolution to the eligible unified school district. After receiving the resolution, require the school board of the eligible district to make and file an order of reorganization designating that the first election of school board members must occur at the regularly scheduled spring election immediately following the date on which the order is filed with the board. Specify that the reorganization would take effect on the July 1 described in the resolution adopted by the village board.

Specify that the school district creation process under current law would not apply to a school district created under the process described above.

[Act 59 Sections: 207f, 207g, 996w, 1463f, 1463h, 1504k thru 1504r, 1504w, 1504x, 1504y, 9135(4w), and 9435(1x)]

School District Operations

1. ELIMINATE REQUIRED HOURS OF INSTRUCTION FOR PUBLIC SCHOOLS

Governor: Delete current law requiring school districts to schedule annual direct pupil instruction equal to at least 437 hours for pupils in kindergarten, 1,050 hours for pupils in grades 1 to 6, and 1,137 hours for pupils in grades 7 to 12. Under current law, the required hours of instruction can include recess, time to transfer between classes, Saturday hours, and up to 87.5 of the scheduled hours for outreach activities for pupils in a four-year-old kindergarten program, but cannot include lunch periods or interim sessions.

Additionally, delete a current law requirement that a virtual charter school ensure that its teachers are available to provide direct pupil instruction for at least 437 hours for kindergarten pupils, at least 1,050 hours for pupils in grades 1 to 6 and at least 1,137 hours for pupils in grades 7 to 12, not to include more than 10 hours in any 24 hour period.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

2. SCHOOL BOARD MEETING REQUIREMENTS

Governor: Delete the following requirements from current law related to school board meetings:

- a. hold a regular meeting of the board at least once per month; and
- b. for common school districts, hold an annual meeting on the fourth Monday in July at 8 p.m., and for union high school districts hold an annual meeting on the third Monday in July at 8 p.m., subject to modification by the electors at an annual meeting, with meetings instead to be held on a date and hour determined by the school board. Under current law, a vote of the electors at an annual meeting can modify the date of future annual meetings, but school boards are subject to the dates and times specified in the statutes if no modification is made.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

3. CONTRACT PROVISIONS

Governor: Delete current law requiring school districts to ensure that an employment contract does not exceed two years for a school district administrator, business manager, or school principal and assistants, as well as personnel administrators and supervisors, curriculum administrators, and assistants to administrative personnel who are employed to perform administrative duties only.

Additionally, delete current law requiring school districts to extend the contract of a school district administrator, business manager, or school principal and assistants by two years if written notice of renewal or refusal to renew the contract is not given at least four months prior to the contract's expiration.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

4. SHARED SERVICES FOR SCHOOL DISTRICTS

Governor: Allow a school board to contract with one or more school boards to perform any of the following functions required under state law: (a) establish a bilingual-bicultural education program; (b) offer instruction in cardiopulmonary resuscitation and cardiocerebral resuscitation, if the school board operates any grade from 7 to 12; (c) provide emergency nursing services; (d) designate an employee of one of the school boards to deal with matters relating to school attendance and truancy; (e) provide guidance and counseling services; (f) establish a technical preparation program in each public high school located in the district; and (g) ensure that gifted and talented pupils enrolled in the district have access to a program for gifted and talented pupils.

Delete current law specifying that a district can contract with other districts or cooperative educational service agencies (CESAs) to employ a certified reading specialist on a cooperative basis only at the discretion of the State Superintendent.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

5. COMPENSATION FOR STUDENT TEACHERS

Governor: Allow school boards to provide compensation to a student teacher for time spent in a classroom that involves direct interaction with pupils.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

6. STATEMENT OF INDEBTEDNESS

Governor: Delete current law requiring school districts to furnish a full and complete statement showing the bonded and all other indebtedness of the district, the purposes for which debt was incurred, and all accrued interest remaining unpaid, whenever required by the Secretary of State.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

7. RECYCLED MATERIALS AND LIFE CYCLE ESTIMATES

Governor: Exclude school districts from current law requiring local units of government to maximize the purchase of recycled materials, when possible, and specifying the minimum average recycled or covered content of all paper purchased by local units of government (currently equal to a minimum of at least 40%). Additionally, exempt school districts from current law requiring local units of government to award contracts for materials, supplies, or equipment on the basis of life cycle cost estimates when appropriate.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

8. OVERSIGHT OF CHILD CARE PROGRAMS RUN BY SCHOOL DISTRICTS

Governor/Legislature: Specify that the Department of Children and Families could visit and inspect the premises of, inspect the records of, and investigate and prosecute any alleged violations occurring at any child care program established or contracted for by a school board that receives funding under the Wisconsin Shares childcare subsidy.

[Act 59 Section: 1625]

9. WHOLE GRADE SHARING

Joint Finance/Legislature: Specify that a school board may not enter into, extend, or renew a whole grade sharing agreement after February 15 of the school year preceding the school year in which the agreement, extension, or renewal takes effect, rather than January 10 as under current law.

Additionally, require the school board to adopt a resolution stating its intention to enter into, extend, or renew a whole grade sharing agreement at least 60 days before doing so, rather than 150 days as under current law.

(As under current law, the school district clerk would be required to publish notice of the adoption of the resolution within 10 days of the school board's adoption of the resolution. A petition signed by at least 20 percent of the electors residing in the school district may be filed with the school board requesting a feasibility study of the agreement within 30 days after publication or posting. If a feasibility study is required, the school board must contract with an organization approved by DPI to conduct the feasibility study, and may not enter into, extend, or renew the whole grade sharing agreement until it receives the results of the study. Additionally, maintain the current law requirement that the school board hold a public hearing in the school district at which the proposed agreement is described and at which any school district elector may comment on the proposed agreement at least 30 days before entering into, extending, or renewing a whole grade sharing agreement.)

[Act 59 Sections: 1534f and 1534g]

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide adjustments to the base budget of -\$869,200 GPR, \$340,100 FED, and \$83,200 PR in 2017-18 and -\$821,600 GPR, \$273,000 FED, and \$83,200 PR in 2018-19 and a reduction of 1.00 FED position in 2017-18 and an additional 1.00 FED position in 2018-19 for: (a) turnover reduction (-\$427,900 GPR and -\$494,800 FED annually); (b) removal of noncontinuing items from the base (-\$76,200 FED and -1.00 FED position in 2017-18 and \$144,700 FED and an additional -1.00 FED position in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$823,500 GPR, \$843,700 FED, and \$69,200 PR annually); (d) overtime (\$274,500 GPR, \$50,200 FED, and \$13,800 PR annually); (e) night and weekend differential pay (\$55,500 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed move costs (\$52,200 GPR and \$16,800 FED in 2017-18 and \$99,800 GPR and \$18,200 FED in 2018-19).

	Funding	Positions
GPR	-\$1,690,800	0.00
FED	613,100	- 2.00
PR	<u>166,400</u>	<u>0.00</u>
Total	-\$911,300	- 2.00

2. MENTAL HEALTH TRAINING GRANTS

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,005,400	1.00	-\$400,000	0.00	\$605,400	1.00

Governor: Provide \$491,300 in 2017-18 and \$514,100 in 2018-19 to fund training for school districts and independent charter schools in providing mental health screening and intervention services to pupils.

Of the total, \$420,000 annually would establish a mental health training support program under which DPI would provide training on evidence-based strategies related to addressing mental health issues in schools to school district staff and instruction staff of independent charter schools. The State Superintendent would be required to ensure that at least all of the following evidence-based strategies are included in the training: (a) screening, brief intervention, and referral to treatment; (b) trauma sensitive schools training modules; and (c) youth mental health first aid.

The remaining \$71,300 in 2017-18 and \$94,100 in 2018-19 would fund 1.0 position to administer state mental health programs (\$41,000 salary, \$16,200 fringe benefits, and \$14,100 supplies and services in 2017-18 and \$54,700 salary, \$21,600 fringe benefits, and \$17,800 supplies and services in 2018-19).

Joint Finance/Legislature: Delete \$200,000 annually to reflect funding provided in 2017 Act 31. In addition, modify the provision so that it would amend Act 31 so that Act 31 would reference the three evidence-based strategies identified in the Governor's provision.

[Act 59 Sections: 1467d thru 1467t]

3. FUEL AND UTILITIES REESTIMATE

GPR	-\$176,900
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Governor/Legislature: Delete \$91,600 in 2017-18 and \$85,300 in 2018-19 to reflect estimated costs for fuel and utilities for the state residential schools. Annual base level funding is \$612,000.

4. CREATE A RENEWABLE ENERGY APPROPRIATION

Governor/Legislature: Create an appropriation for electric energy derived from renewable sources and provide \$14,500 GPR annually. Specify that these funds would be used for the premium cost incurred for the generation or purchase of electric energy derived from renewable sources as defined under current law. Reduce the appropriation for fuel and utilities for the state residential schools by \$14,500 GPR annually and prohibit DPI from using funds provided through that appropriation for the premium cost incurred for the generation or purchase

of electric energy derived from renewable resources.

[Act 59 Sections: 205 and 206]

5. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$11,400	\$15,400	\$4,000

Governor: Provide \$5,400 in 2017-18 and -\$16,800 in 2018-19 as a reestimate of debt service payments for the state residential schools. Annual base level funding is \$1,062,600.

Joint Finance/Legislature: Increase funding by \$9,900 in 2017-18 and \$5,500 in 2018-19 to reflect a reestimate of debt service costs.

6. VERY SPECIAL ARTS

GPR	\$23,400
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Governor/Legislature: Provide \$11,700 annually above base level funding of \$63,300 for the program for arts activities for children and adults with disabilities. The increase would restore the program to its 2008-09 funding level.

7. PROGRAM REVENUE REESTIMATES

PR	\$6,358,400
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Governor/Legislature: Reestimate program revenue by \$3,151,100 in 2017-18 and \$3,207,300 in 2018-19. The reestimate includes \$151,100 in 2017-18 and \$207,300 in 2018-19 in the appropriation for personnel licensure to reflect teacher license fee revenue. The remaining \$3,000,000 annually would be included in the appropriation for revenues from other state agencies to reflect funds transferred from the Department of Workforce Development (DWD) for the career and technical education incentive grants. Under the program, funds are transferred from DWD to DPI to make payments to school districts.

8. FEDERAL REVENUE REESTIMATES

FED	\$1,847,200
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Governor/Legislature: Reestimate federal revenues by \$923,600 annually in the appropriation for federal funds - individuals and organizations to reflect projected revenues and expenditures in federal fund sources.

9. ELIMINATE EXPIRATION DATES FOR TEACHING AND ADMINISTRATOR LICENSES [LFB Paper 530]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,757,300	- 10.00	\$970,300	5.00	-\$787,000	- 5.00

Governor: Delete \$753,200 and 10.0 positions in 2017-18 and \$1,004,100 in 2018-19 from base level funding of \$3,698,400 by eliminating expiration dates for teaching and administrator licenses issued by DPI. Specify that any initial teaching license, professional teaching license, master educator license, or administrator's license issued by DPI beginning on the effective date of the bill would have no expiration date. Any initial teaching license, professional teaching license, master educator license, or administrator's license issued by DPI that is valid and current on the effective date of the bill would have no expiration date, and DPI could not require an individual who holds such a license to renew the license. Expiration dates for charter school teaching or administrator licenses would also be eliminated.

Require school boards to conduct a background investigation of each individual who holds a teaching or administrator's license and who is employed by the school board at least once every five years after the initial background check conducted by DPI at the time of the individual's initial application for a license. The investigations would be conducted with the assistance of the Department of Justice beginning on the effective date of the bill. Allow a school board to contract with DPI to conduct the background investigation. (The bill does not specify that Milwaukee Public Schools would be subject to the background investigation requirement.)

Under current law, a license for an initial educator is valid for five years, after which an educator can apply for a professional teaching license, which is valid for five years and can be renewed. An administrator license is also valid for a period of five years. A master educator license is an optional 10-year license that may be issued to educators who successfully complete additional requirements. Charter school teaching licenses are valid for three years and renewable for three year periods, and charter school principal licenses are valid for five years and renewable for five year periods. In general, professional development requirements must be met prior to renewing a license. Additionally, DPI is required to conduct a background check when an individual renews a teaching or administrator license.

Joint Finance/Legislature: Modify the funding and position authority in the bill by 5.0 PR positions and \$359,700 PR in 2017-18 and \$610,600 PR in 2018-19 to reflect DPI estimates of workload reductions under the proposal.

Also modify the Governor's recommendation by continuing to require DPI to conduct background checks on behalf of school districts and independent charter schools, as under current law. Require DPI to conduct a background investigation of each applicant for issuance or renewal of a license or permit, including a license or permit issued to a pupil services professional. Additionally, require DPI to conduct a background investigation at least once every five years of each person who satisfies the following criteria: (a) the person holds a license

issued by the State Superintendent that has no expiration date, including a license issued to a pupil services professional; and (b) the person is employed by an educational agency or by an independent charter school.

Specify that a provisional three-year license would be granted for new educators, administrators, and pupil services professionals. Allow DPI to issue a lifetime license if the individual successfully completes six semesters of teaching, administrator, or pupil services experience. Provide that the school board of each school district in which an individual served as a teacher, administrator, or pupil services professional must certify to the Department that the semesters completed by that individual in that school district were completed successfully. Specify that an individual who does not complete six semesters of teaching, administering, or pupil services experience within the three-year term of a provisional license could apply to renew the provisional license. Specify that there would be no limit to the number of times an individual could renew a provisional license.

Require DPI to invalidate a lifetime license held by an individual who is not actively employed by a school district for five or more consecutive years. Specify that an individual whose lifetime license has been invalidated would be required to apply for and obtain a provisional license, and submit certification of the successful completion of six semesters of experience.

Specify that any individual holding a professional or master teaching license, administrator license, or pupil services license that is valid and current on the effective date of the bill would be a lifetime license with no expiration date. An individual who holds a valid and current initial teaching, administrator, or pupil services license on the effective date of the bill, or who applies for an initial license, would receive a provisional three-year license, as described above.

[Act 59 Sections: 1462, 1463, 1474, 1475, 1506n, 1509 thru 1511, 1512, 1512d thru 1519, and 1525]

10. TEACHER DEVELOPMENT PROGRAM

Governor: Create a teacher development grant program, under which a school district could apply to the Department of Workforce Development (DWD) for a grant to design and implement a teacher development program in partnership with a school of education in the University of Wisconsin (UW) System or the flexible option program in the UW System Extension.

Under the program, the district and the partnering entity would be required to design a program to prepare district employees who work closely with pupils and hold a bachelor's degree to successfully complete the requirements for obtaining a professional teaching permit or initial teaching license, including any required standardized examinations. Additionally, the school district would be required to allow employees who are enrolled in the program to satisfy student teaching requirements in a school in the school district, and the partnering entity would be required to prepare and provide intensive coursework for participating school district employees.

Require DWD to consult with DPI to confirm that a teacher development program awarded a grant by DWD meets the requirements described above. Allow DPI to issue an initial teaching license to an individual who completes a teacher development program under the grant program.

Joint Finance/Legislature: Modify the Governor's recommendation by specifying that a private school or independent charter school could apply for a grant under the program, rather than only a school district as under the bill. Additionally, specify that an eligible program could be developed in partnership with any educator preparation program approved by DPI and headquartered in Wisconsin. Delete the requirement that an individual hold a bachelor's degree to enter a program receiving a grant. Require the school board, governing body of a private school, or charter management organization to permit an individual who does not hold a bachelor's degree to enroll in a teacher development program developed and implemented under the grant program.

[Act 59 Sections: 1407 and 1524]

11. TEACHING LICENSE BASED ON RECIPROcity

Governor/Legislature: Delete current law requiring that an individual has received an offer of employment from a school in Wisconsin to be eligible for a teaching or administrator license based on reciprocity.

Under current law, an individual is eligible for a teaching or administrator license based on reciprocity if he or she meets the following requirements: (a) currently holds the equivalent license granted by the proper authority of another state and is in good standing with the proper authority of another state; (b) taught or worked as an administrator under the license granted by another state for at least one year; and (c) has received an offer of employment from a school located in Wisconsin.

[Act 59 Sections: 1520 thru 1523]

12. FACULTY TEACHING IN PUBLIC HIGH SCHOOLS

Governor: Allow a faculty member of an institution of higher education to teach in a public high school, including a charter school operating only high school grades, without a license or permit from DPI. Define "institution of higher education" as one of the following: (a) an institution or college campus within the University of Wisconsin System; (b) a technical college within the Wisconsin Technical College System; or (c) any private, nonprofit postsecondary institution that is a member of the Wisconsin Association of Independent Colleges and Universities. To be eligible, the faculty member must possess a bachelor's degree and be in good standing with the institution of higher education at which he or she is a member of the faculty.

Joint Finance/Legislature: Additionally, specify that the faculty member would be

required to complete a background check and that the results of the background check must show that the faculty member is eligible for a teaching license under current law.

[Act 59 Sections: 1507, 1508, and 1512p]

13. ALTERNATIVE TEACHER PREPARATION PROGRAM

Joint Finance/Legislature: Require DPI to grant an initial teaching license to an individual who meets the following requirements: (a) possesses a bachelor's degree; (b) has successfully completed an alternative teacher certification program operated by an alternative preparation program provider that is a non-profit organization under section 501(c)(3) of the internal revenue code, that operates in at least five states and has been in operation for at least ten years, and that requires the candidate to pass a subject area exam and the pedagogy exam known as the Professional Teaching Knowledge exam to receive a certificate under the program; and (c) successfully completes a background check. Specify that this license would authorize an individual to teach the subject and educational levels for which the individual successfully completed this program.

[Act 59 Sections: 1461p, 1511p, and 1524g]

14. SUBSTITUTE PERMIT FOR INDIVIDUAL WITH ASSOCIATE'S DEGREE

Joint Finance/Legislature: Require the State Superintendent to grant a substitute teacher permit to an individual who meets the following requirements: (a) successfully completes substitute teacher training; (b) has an associate's degree; and (c) successfully completes a background check.

[Act 59 Section: 1512c]

15. ONLINE TEACHER RECIPROCITY

Joint Finance/Legislature: Specify that an individual may teach an online course in a subject and level in a public school, including a charter school, without a license or permit from DPI if that individual holds a valid license or permit to teach the subject and level in the state from which the online course is provided. Specify that an individual who holds a license or permit to teach a subject and level in the state from which the online course is provided would be considered appropriately licensed to teach that subject and level in a virtual charter school.

Require each school board to ensure that an individual who provides instruction in a subject and level through an online course offered from another state to pupils enrolled in a school in the school district holds a valid license or permit to teach the subject and level in the state from which the online course is provided.

[Act 59 Sections: 1507, 1507m, 1532x, 1633g, and 1633i]

16. TEACHER LICENSURE RULEMAKING PROCESS

Joint Finance/Legislature: Require DPI to promulgate rules to revise Chapter 34 of the state administrative code, which contains provisions related to teacher licensure. In promulgating rules, require DPI to simplify the teacher licensure process, to the extent practicable, by doing at least all of the following: (a) simplify the grade levels licensees are authorized to teach; (b) create broad field subject licenses; (c) allow school districts to increase the number of teachers by offering internships and residency opportunities; (d) create a permit that authorizes an individual who is enrolled in a teacher preparatory program to teach in public schools as part of an internship, residency program, or other equivalent training program; (e) simplify licensure reciprocity for individuals who hold a license in another state; and (f) expand pathways for individuals who hold a license issued by DPI to obtain additional licenses to fill positions in geographic areas or subject areas that are in need of educational personnel. Specify that the rules must not decrease the quality standards for obtaining a license to teach from the Department. Require DPI to submit the rules in proposed form to the Legislative Council staff, as required under current law rulemaking procedures, no later than January 1, 2018.

[Act 59 Section: 9135(5p)]

17. JUNIOR RESERVE OFFICER'S TRAINING CORPS TEACHING LICENSE

Joint Finance/Legislature: Require DPI to grant a license to an individual to provide instruction to pupils enrolled in a Junior Reserve Officer Training Corps (JROTC) program offered in the high school grades if the individual satisfies the following criteria: (a) possesses a bachelor's degree; (b) successfully completed a JROTC instructor certification program; and (c) fulfills current law requirements related to criminal convictions and background checks for educators. Specify that the license under this provision would authorize the individual to teach the courses for which the individual successfully completed the JROTC instructor certification process.

[Act 59 Sections: 1461p, 1511p, and 1519m]

18. NEWSLINE FOR THE BLIND

SEG	\$52,200
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Governor/Legislature: Provide \$16,900 in 2017-18 and \$35,300 in 2018-19 for the program that provides access to newspapers for the blind. Base level funding is equal to \$111,500, and is included in the appropriation for BadgerLink (base level funding is \$2,902,200 annually). The segregated funding for the program is provided from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

19. LIBRARY SERVICE CONTRACTS

SEG	\$10,300
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Governor/Legislature: Provide \$3,200 in 2017-18 and \$7,100 in 2018-19 above base level funding of \$1,167,200 to fully fund the estimated costs of library service contracts.

Contracts are currently maintained with the Milwaukee Public Library, the University of Wisconsin-Madison, Cooperative Children's Book Center, and the Wisconsin Talking Book and Braille Library (formerly known as the Wisconsin Regional Library for the Blind and Physically Handicapped). The segregated funding for the program is provided from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

20. ACADEMIC AND CAREER PLANNING INSTRUCTION

Governor: Require the State Superintendent to work with the Department of Children and Families (DCF) to develop success sequence-related instruction and materials to be incorporated into academic and career planning services. Define "success sequence" as the idea that economic success is more likely if an individual follows three norms: (a) graduating from high school; (b) maintaining a full-time job or having a partner who does; and (c) having children while married and after age 21, if the decision is made to become parents.

Require that every school board incorporate the success sequence information in its academic and career planning services beginning in the 2019-20 school year. Require DCF to approve any instruction and materials related to the success sequence before they are provided to pupils. Under another provision of the bill, DCF would be provided with \$50,000 in 2017-18 for the development of academic and career planning materials.

Under current law, DPI is required to ensure that every school board provides academic and career planning services to pupils enrolled in grades six through 12 beginning in the 2017-18 school year.

Joint Finance/Legislature: Delete provision.

21. SCHOOL AND SCHOOL DISTRICT ACCOUNTABILITY REPORTS

Governor/Legislature: Require the school and school district accountability reports published annually by DPI to include the following information for school districts and for each high school in the district: (a) the number and percentage of pupils participating in the early college credit program; (b) the number and percentage of pupils participating in a youth apprenticeship; (c) the number of community service hours provided by pupils; (d) the number of advanced placement courses offered and the number of advanced placement credits earned by pupils; and (e) the number of pupils earning industry-recognized credentials through a technical education program established by a school board.

[Act 59 Section: 1472]

22. STUDY ON ABSENTEEISM AND PUBLIC ASSISTANCE

Governor/Legislature: Require DPI to collaborate with other agencies to prepare a report on the population overlap of families that receive public benefits and children who are absent

from school for 10 percent or more of the school year. The other agencies involved in the report would include the Departments of Children and Families, Health Services, and Workforce Development, and any other relevant programs or agencies the departments identify as appropriate. Require the report to be submitted on or before December 30, 2018, to the Governor and appropriate standing committees of the Legislature.

[Act 59 Section: 9152(1)]

23. WISCONSIN READING CORPS

GPR	\$1,000,000
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Joint Finance/Legislature: Provide \$300,000 in 2017-18 and \$700,000 in 2018-19 on a one-time basis for the Wisconsin Reading Corps to provide one-on-one tutoring. Require matching funds from the Wisconsin Reading Corps equal to \$250,000 in each year. Specify that no funds may be encumbered from the appropriation after June 30, 2019.

[Act 59 Sections: 217m and 1468m]

24. COLLEGE POSSIBLE, INC.

GPR	\$1,000,000
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Joint Finance/Legislature: Provide \$500,000 annually for College Possible, Inc. to work with college and high school pupils in Milwaukee. Require the State Superintendent to award a grant to the organization annually. Require that the grant amount be determined on a matching basis, under which College Possible, Inc. provides matching funds in an amount equal to 20% of the grant amount.

[Act 59 Sections: 217g and 1468g]

25. INFORMATION TECHNOLOGY EDUCATION

GPR	\$1,750,000
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Joint Finance/Legislature: Provide \$875,000 in 2017-18 and 2018-19 for a grant to an entity to provide information technology education opportunities to public school pupils in grades 6-12, technical college students, and patrons of public libraries.

Require that the funding be awarded through a competitive request-for-proposal process. Require that to be eligible for a grant, the provider demonstrate that it has successfully offered an information technology instructional program in schools in this state and will ensure that the instructional program will be operated in 225 sites, including 16 public libraries. Also, require the instructional program to include the following components: (a) a research-based curriculum emphasizing the development of information technology skills; (b) online access to the curriculum; (c) instructional software for use in the classroom and at a pupil's home; (d) a curriculum that aligns with the coding and other techniques included on the computer science Advanced Placement exam and grants a certificate upon successful completion and passage of the Advanced Placement exam; (e) certifications of skills and competencies in a broad range of information technology-related skill areas, including applications used most often in business; (f) professional development and co-teaching for teachers and administrators including teachers

providing instruction in the information technology program; (g) deployment and program support, including integration of the program with current curriculum standards; and (h) opportunities for pupils completing the program to earn college credit.

Require that DPI give preference to an entity that demonstrates that it has successfully provided high-quality information technology instructional programming and educational opportunities to pupils enrolled in or attending schools in Wisconsin.

Prohibit DWD from awarding a career and technical education grant to a school district if the industry-recognized certification program completed by the pupil as a condition of the grant was completed through the information technology grant program.

[Act 59 Sections: 215m, 1407g, 1407i, and 1482p]

26. LIFESAVING SKILLS INSTRUCTION IN VIRTUAL SCHOOLS

Joint Finance/Legislature: Specify that a virtual school would not be required to provide any statutorily-required lifesaving skills instruction in a manner that requires the pupils receiving the instruction and the instructional staff providing the instruction to be together in the same geographic location. Specify that a virtual school could provide all of the required lifesaving skill instruction through means of the internet.

Under current law, each school board, charter school operator, and private school governing body operating any grade from 7 to 12 is required to offer instruction in cardiopulmonary resuscitation (CPR) and cardiocerebral resuscitation (CCR) in any health education course offered to pupils enrolled in those grades. The instruction must incorporate the psychomotor skills necessary to perform CPR and CCR.

[Act 59 Sections: 1505f and 1505h]

27. PUBLIC LIBRARY SYSTEM AID [LFB Paper 531]

SEG	\$1,500,000
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Joint Finance/Legislature: Provide one-time funding equal to \$500,000 in 2017-18 and \$1,000,000 in 2018-19 as a result of a corresponding decrease in TEACH funding under the Department of Administration.

Additionally, delete current law requiring DPI to include in its biennial budget submission a request for public library system aid equal to 13% of the prior year operating expenditures from local and county sources.

[Act 59 Section: 727p]

28. CIVICS ASSESSMENT REQUIREMENT FOR HIGH SCHOOL GRADUATION

Joint Finance/Legislature: Increase the score that an individual must achieve on a civics assessment in order to graduate from high school to 65 points.

Under current law, a school board, independent charter school operator, and private choice school cannot grant a high school diploma and the State Superintendent cannot grant a declaration of equivalency of high school graduation to an individual unless he or she takes, during the high school grades, a civics assessment comprised of 100 questions that may be asked of an individual during the process of applying for U.S. citizenship by the United States Citizenship and Immigration Services and correctly answers at least 60 points out of 100 on the assessment.

[Act 59 Section: 1528m]

29. DELETE TEACH FOR AMERICA GRANT

GPR	- \$1,000,000
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Joint Finance/Legislature: Delete \$500,000 annually for grants to Teach for America.

Instead, provide \$500,000 annually for a new grant program under the Department of Workforce Development. Under the program, grants would be awarded to a non-profit organization that operates a program to recruit and prepare individuals to teach in public or private schools located in low-income or urban school districts in Wisconsin. (See entry under "Workforce Development.")

[Act 59 Sections: 216m, 1407m, and 1467b]

30. ELECTRONIC NOTIFICATION OF TRUANCY

Joint Finance/Legislature: Allow electronic communication to be used to give a truancy notice to a pupil's parent or guardian. Specify that unless the parent or guardian has refused to receive electronic communication, the school attendance officer must attempt to give notice by electronic communication, or personal contact or telephone call as under current law, prior to giving notice by first class mail.

Under current law, a school attendance officer is required to notify the parent or guardian of a child who has been truant using personal contact, telephone call, or first class mail. The officer must attempt to contact the parent or guardian using personal contact or a telephone call prior to using first class mail.

[Act 59 Section: 1506m]