

PUBLIC INSTRUCTION

Budget Summary							
Fund	2012-13 Base Year Doubled	2013-15 Governor	2013-15 Jt. Finance	2013-15 Legislature	2013-15 Act 20	Act 20 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$10,324,891,800	\$10,601,436,800	\$10,735,659,000	\$10,739,877,900	\$10,735,659,000	\$410,767,200	4.0%
FED	1,540,910,000	1,547,533,100	1,547,533,100	1,547,533,100	1,547,533,100	6,623,100	0.4
PR	79,732,800	92,508,300	85,720,200	85,720,200	85,720,200	5,987,400	7.5
SEG	<u>111,435,200</u>	<u>103,547,000</u>	<u>103,547,000</u>	<u>103,547,000</u>	<u>103,547,000</u>	<u>- 7,888,200</u>	- 7.1
TOTAL	\$12,056,969,800	\$12,345,025,200	\$12,472,459,300	\$12,476,678,200	\$12,472,459,300	\$415,489,500	3.4%

FTE Position Summary						
Fund	2012-13 Base	2014-15 Governor	2014-15 Jt. Finance	2014-15 Legislature	2014-15 Act 20	Act 20 Change Over 2012-13 Base
GPR	250.24	254.43	253.43	253.43	253.43	3.19
FED	305.19	291.39	291.39	291.39	291.39	- 13.80
PR	<u>80.14</u>	<u>84.14</u>	<u>81.14</u>	<u>81.14</u>	<u>81.14</u>	<u>1.00</u>
TOTAL	635.57	629.96	625.96	625.96	625.96	- 9.61

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 505]

Governor: Increase general and categorical school aids from \$4,964,390,300 in 2012-13 to \$4,965,447,100 in 2013-14 and \$5,074,712,000 in 2014-15. Compared to the 2012-13 base year, school aids would increase by \$1,056,800 (0.0%) in 2013-14 and \$110,321,700 (2.2%) in 2013-14. These proposed funding levels would represent annual changes to the prior year of 0.0% in 2013-14 and 2.2% in 2014-15.

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 \$5,873,000,600 in 2012-13 to \$5,873,635,100 in 2013-14 and \$5,982,900,000 in 2014-15. These proposed funding levels would represent annual changes to the prior year of 0.0% in 2013-14 and 1.9% in 2014-15.

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 change from 61.9% in 2012-13 to approximately 61.3% in 2013-14 and 61.7% in 2014-15. These estimates incorporate the state support funding in the bill, which is presented in Table 1. The projections of partial school revenues would reflect the revenue limit provisions established in the 2011-13 biennial budget (2011 Act 32), which specified that the revenue limit calculation for 2012-13 would continue in the 2013-14 school year and each year thereafter, with no per pupil adjustment. In addition, Act 32 set the low revenue ceiling at \$9,100 per pupil in 2013-14 and annually thereafter. Those provisions would not be changed in the Governor's 2013-15 budget recommendation.

Joint Finance/Legislature: Increase the total amount of funding appropriated for general and categorical school aids from \$4,964,390,300 in 2012-13 to \$5,039,184,600 in 2013-14 and \$5,178,687,000 in 2014-15. Compared to the Governor's recommendations, school aids would be increased by \$73,737,500 in 2013-14 and \$103,975,000 in 2014-15. Compared to the 2012-13 base year, school aids would increase by \$74,794,300 (1.5%) in 2013-14 and \$214,296,700 (4.3%) in 2014-15. These proposed funding levels would represent annual changes to the prior year of 1.5% in 2013-14 and 2.8% in 2014-15.

Using the traditional definition of state support of K-12 education, total funding would increase from \$5,873,000,600 in 2012-13 to \$5,947,372,600 in 2013-14 and \$6,086,875,000 in 2014-15. These funding levels would represent annual changes to the prior year of 1.3% in 2013-14 and 2.3% in 2014-15. With the changes to revenue limits and state support funding adopted by Joint Finance, it is estimated that state support of partial school revenues would be 61.6% in 2013-14 and 61.8% in 2014-15. A summary of the funding amounts for state support under the recommendations of the Governor and Joint Finance/Act 20 is presented in Table 1.

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

	2012-13 <u>Base Year</u>	Governor		Joint Finance/Act 20	
		<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
General School Aids	\$4,310,488,000	\$4,353,424,600	\$4,396,790,500	\$4,358,424,600	\$4,432,790,500
Categorical Aids	653,902,300	612,022,500	677,921,500	680,760,000	745,896,500
School Levy/First Dollar Credit	897,400,000	897,400,000	897,400,000	897,400,000	897,400,000
State Residential Schools	<u>11,210,300</u>	<u>10,788,000</u>	<u>10,788,000</u>	<u>10,788,000</u>	<u>10,788,000</u>
Total	\$5,873,000,600	\$5,873,635,100	\$5,982,900,000	\$5,947,372,600	\$6,086,875,000
Change to Prior Year:					
Amount		634,500	109,264,900	74,372,000	139,502,400
Percent		0.0%	1.9%	1.3%	2.3%
Change to Base:					
Amount		634,500	109,899,400	74,372,000	213,874,400
Percent		0.0%	1.9%	1.3%	3.6%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 20 funding level for each general and categorical school aid program as compared to the 2012-13 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

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

	2012-13 <u>Base Year</u>	Governor		Joint Finance/Act 20	
		<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
GPR					
General School Aids	\$4,310,488,000	\$4,353,424,600	\$4,396,790,500	\$4,358,424,600	\$4,432,790,500
Categorical Aids	603,959,200	567,079,400	630,978,400	635,816,900	698,953,400
School Levy/First Dollar Credit	897,400,000	897,400,000	897,400,000	897,400,000	897,400,000
State Residential School	<u>11,210,300</u>	<u>10,788,000</u>	<u>10,788,000</u>	<u>10,788,000</u>	<u>10,788,000</u>
GPR Subtotal	\$5,823,057,500	\$5,828,692,000	\$5,935,956,900	\$5,902,429,500	\$6,039,931,900
PR					
Categorical Aids	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500
SEG					
Categorical Aids	<u>\$48,435,600</u>	<u>\$43,435,600</u>	<u>\$45,435,600</u>	<u>\$43,435,600</u>	<u>\$45,435,600</u>
Total State Support - All Funds	\$5,873,000,600	\$5,873,635,100	\$5,982,900,000	\$5,947,372,600	\$6,086,875,000

TABLE 3

**General and Categorical School Aid by Funding Source
2012-13 Base Year Compared to Act 20**

Agency	Type and Purpose of Aid	2012-13 Base Year	Act 20		2013-15 Change Over 2012-13 Doubled	
			2013-14	2014-15	Amount	Percent
General Aid						
DPI	General School Aids	\$4,293,658,000	\$4,341,594,600	\$4,415,960,500	\$170,239,100	2.0%
	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	\$4,310,488,000	\$4,358,424,600	\$4,432,790,500	\$170,239,100	2.0%
Categorical Aid--GPR Funded						
DPI	Special Education	\$368,939,100	\$368,939,100	\$368,939,100	\$0	0.0%
	Additional Special Education Aid	3,500,000	3,500,000	3,500,000	0	0.0
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	0	0.0
	SAGE	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE--Debt Service	133,700	133,700	133,700	0	0.0
	Per Pupil Adjustment Aid	42,500,000	0	0	-85,000,000	-100.0
	Per Pupil Aid	0	63,487,500	126,975,000	190,462,500	N.A
	Pupil Transportation	23,703,600	23,703,600	23,703,600	0	0.0
	High Cost Transportation Aid	0	5,000,000	5,000,000	10,000,000	N.A
	Sparsity Aid	13,453,300	13,453,300	13,453,300	0	0.0
	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	0	5,746,000	5,746,000	11,492,000	N.A.
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Education Bds.	4,067,300	4,067,300	4,067,300	0	0.0
	School Breakfast	2,510,500	2,510,500	2,510,500	0	0.0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	0	0.0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	0	0.0
	School Day Milk	617,100	617,100	617,100	0	0.0
	Aid for Transportation--Open Enrollment	434,200	434,200	434,200	0	0.0
	Cooperative Educational Service Agencies	260,600	260,600	260,600	0	0.0
	STEM Grants	0	250,000	0	250,000	N.A.
	Gifted and Talented	237,200	237,200	237,200	0	0.0
	Supplemental Aid	100,000	100,000	100,000	0	0.0
	Aid for Transportation--Youth Options	17,400	17,400	17,400	0	0.0
DOA	Debt Service on Technology Infrastructure Bonding	<u>2,279,100</u>	<u>2,153,300</u>	<u>2,052,300</u>	<u>-352,600</u>	-7.7
	Total Categorical Aid--GPR Funded	\$603,959,200	\$635,816,900	\$698,953,400	\$126,851,900	10.5%
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	\$37,000,000	\$32,000,000	\$34,000,000	-\$8,000,000	-10.8%
DOA	Educational Telecommunications Access Support	\$11,105,100	\$11,105,100	\$11,105,100	\$0	0.0%
UW	Environmental Educ.--Forestry	\$200,000	\$200,000	\$200,000	\$0	0.0%
	Environmental Educ.--Environ. Assessments	<u>130,500</u>	<u>130,500</u>	<u>130,500</u>	<u>0</u>	0.0
	Total Categorical Aid--SEG Funded	\$48,435,600	\$43,435,600	\$45,435,600	-\$8,000,000	-8.3%
	Total Categorical Aid--All Funds	\$653,902,300	\$680,760,000	\$745,896,500	\$118,851,900	9.1%
	Total School Aid--All Funds	\$4,964,390,300	\$5,039,184,600	\$5,178,687,000	\$289,091,000	2.9%

2. GENERAL SCHOOL AIDS FUNDING LEVEL [LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$129,239,100	\$41,000,000	\$170,239,100

Governor: Provide \$42,936,600 in 2013-14 and \$86,302,500 in 2014-15 for general school aids. General school aids include equalization, integration, and special adjustment aid. General school aids funding would increase from \$4,293,658,000 in 2012-13 to \$4,336,594,600 in 2013-14 and \$4,379,960,500 in 2014-15. This would result in increases of 1.0% annually, compared to the prior year.

Joint Finance/Legislature: Provide an additional \$5,000,000 in 2013-14 and \$36,000,000 in 2014-15 for general school aids. Under Joint Finance, general aid funding would increase from \$4,293,658,000 in 2012-13 to \$4,341,594,600 in 2013-14 and \$4,415,960,500 in 2014-15. These funding levels would represent annual changes to the prior year of 1.1% in 2013-14 and 1.7% in 2014-15.

3. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 505]

Joint Finance/Legislature: Set the per pupil adjustment under revenue limits at \$75 per pupil in 2013-14 and another \$75 in 2014-15. These adjustments are estimated to increase statewide school district revenue limit authority by an estimated \$34,000,000 in 2013-14 and \$96,000,000 in 2014-15. Specify that there would be no per pupil adjustment beginning in 2015-16.

Under revenue limits, the amount of revenue a school district can raise from general school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the general aid, computer aid, and property tax revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine base revenues per pupil. The per pupil adjustment is added to the base revenue per pupil to determine the district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's current and prior two years enrollments to determine the district's initial revenue limit. Other adjustments (such as declining enrollment) are then made to the revenue limit.

[Act 20 Sections: 1893sb thru 1893st]

4. GENERAL AID CALCULATION FOR CONSOLIDATED SCHOOL DISTRICTS [LFB Paper 506]

Governor: Modify the calculation of general school aid for a consolidated school district by creating aid incentives in the sixth and seventh year after consolidation, in addition to the five years of incentives under current law. Specify that the equalization aid formula factors for a

consolidated district be increased by 10% in the sixth year after consolidation and by 5% in the seventh year after consolidation. Specify that the special adjustment aid guarantee for a consolidated district in the sixth year after consolidation be set at an amount equal to 66% of the general aid that the separate districts received in the year prior to consolidation, and that, in the seventh year after consolidation, the guarantee be set at 33% of the general aid that the separate districts received in the year prior to consolidation. Specify that these provisions would first apply to districts that are eligible to receive additional consolidation aid on the effective date of the bill.

Under current law, in calculating equalization aid for a consolidated district for the first five years after the consolidation, the cost ceilings and guaranteed valuations in the formula are increased by 15%, which has the effect of providing additional aid to consolidated districts. Consolidated districts are also eligible for special adjustment aid in each of the first five years after consolidation, under which the new district is guaranteed to receive at least as much general aid as the separate districts received in the year prior to consolidation. If the consolidated district's general aid eligibility in any of those five years is less than that amount, special adjustment aid is paid in the amount needed to make up the difference. To the extent that consolidated districts would be eligible for additional aid under the bill provisions, it would be provided from within the total general school aids appropriation.

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

[Act 20 Sections: 1883, 1884, 1888, and 9334(4)]

5. PUPIL COUNT DATE

Governor/Legislature: Provide that, if pupils enrolled in a school will not be in attendance at the school on a statutory pupil count date because of a regularly-scheduled holiday or for a reason approved by the school board, the State Superintendent would have to permit the membership count date to occur on the third weekday that follows the next school day on which school is in session.

Under current law, pupil enrollment counts for public school districts, as well as for schools in the Milwaukee and Racine parental choice programs and the Milwaukee and Racine charter school program, are taken on the third Friday of September and the second Friday of January. A third count is also taken by the Milwaukee Public Schools on the first Friday of May. If a school district is unable to hold school on any of those dates, the State Superintendent must designate alternative membership counting dates.

[Act 20 Sections: 1882, 1892, and 1893]

6. REVENUE LIMIT ADJUSTMENT FOR UNCOUNTED OPEN ENROLLMENT PUPILS [LFB Paper 507]

Joint Finance/Legislature: Modify the revenue limit adjustment for uncounted open enrollment pupils to specify that the adjustment is nonrecurring. Specify that this treatment would first apply to adjustments received by school districts in 2012-13.

Under the full-time open enrollment program, a pupil may attend a public school outside his or her school district of residence. Under 2011 Act 114, a procedure was created under which the parent of a pupil could apply to open enroll at any point in the school year, if the pupil meets certain criteria. Act 114 created a revenue limit adjustment related to certain pupils who open enroll under this procedure. This adjustment is equal to the amount of any aid transfer in the previous year for an open enrollment pupil who was not included in the district's revenue limit enrollment count on the third Friday of September in the previous school year. Under current law, this adjustment is recurring.

[Act 20 Sections: 1893w thru 1893y, and 9334(6c)]

7. REVENUE LIMIT ADJUSTMENT FOR ENERGY EFFICIENCY MEASURES

Joint Finance/Legislature: Modify the current law revenue limit adjustment for energy efficiency measures to specify that it would also apply to debt service on a state trust fund loan, rather than to only bonds and notes as under current law. Specify that, beginning in the school year beginning after the effective date of the bill, the adjustment would apply to the amount of debt service paid in the calendar year that begins on January 1 of the school year in which the school district's revenue limit is increased, rather than the debt service paid during that school year as under current law. Require that, if a district's utility costs are measurably reduced as a result of a project authorized by a school district resolution after the effective date of the bill, the district must use the savings to retire the bond or note issued or state trust fund loan obtained to finance the project.

Under the current law adjustment for energy efficiency measures, a school district's revenue limit is increased, on a nonrecurring basis, 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. The adjustment may be used for the payment of debt service on bonds and notes issued to finance the project.

[Act 20 Sections: 1893t thru 1893v, 1893z, and 9334(7i)]

8. COMMUNITY SERVICE LEVY (FUND 80)

Joint Finance: Modify current law governing the community service levy as follows:

- a. Prohibit a school district from levying more for community service activities in

2013-14 and 2014-15 than it did in 2012-13.

b. Require the board of a common school district using the community service levy in 2013-14 and 2014-15 to identify in the budget summary for its annual meeting the expenditures that will be funded from that levy and a statement of how they meet DPI's criteria for use of the community service fund. Require the board of a unified school district to specify that information in its written agenda for the meeting at which it will set the district's levy. Require the board of a first class city school district (MPS) to specify that information in its written agenda for the meeting at which it will set the amount to be communicated to the common council. Require a school district to post the 2013-14 information on its web site within 60 days of the effective date of the bill, if applicable.

c. Require a district to submit the information under (b) to DPI within 10 days of the annual meeting or the meeting at which it initially determines its levy, and require DPI to post this information on its web site within 10 days.

d. Specify, if a district subsequently modifies the amount levied for community service activities in the November setting of the levy, that the district publish any updated information under (b) in the minutes of the school board meeting at which the modification was adopted, and that the same timelines under (c) be followed for the reporting of that information.

e. Require DPI to submit a report to the Joint Committee on Finance by December 1, 2014 describing the school district levies for community service activities in 2013-14 and 2014-15.

Under current law, school districts can establish a separate fund for community service activities. The fund, sometimes referred to as "Fund 80," is used to account for activities that are not elementary and secondary educational programs, but have the primary function of serving the community (such as adult education, community recreation, and elderly food service programs). School districts are allowed to adopt a separate tax levy for this fund, which is outside of the revenue limit.

Assembly/Legislature: Modify provision to prohibit a district from levying more for community service activities in 2013-14 and 2014-15 than it did in the most recent year preceding 2013-14 in which the district levied for those activities. Provide that if a district wishes to exceed the limit on the community service levy, the school board must adopt a resolution to exceed the limit by a specified amount and submit the resolution to the electors of the district for approval. Specify that the limit otherwise applicable to the district would be increased by the amount approved by a majority of those voting on the question.

[Act 20 Section: 9134(4L)]

Categorical Aids

1. PER PUPIL AID

GPR	\$190,462,500
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Joint Finance/Legislature: Provide \$63,487,500 in 2013-14 and \$126,975,000 in 2014-15 to fund a \$75 per pupil aid payment in 2013-14 and a \$150 (\$75 more than in 2013-14) per pupil payment in 2014-15 and each year thereafter. Create a sum sufficient appropriation to make these payments, and provide that the current three-year rolling average pupil count under revenue limits would be used to calculate the aid payment. Specify that this aid would be paid on the fourth Monday in March.

[Act 20 Sections: 237m and 1751m]

2. DELETE PER PUPIL ADJUSTMENT AID APPROPRIATION

GPR	- \$85,000,000
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Governor/Legislature: Delete \$42,500,000 annually of funding that was provided in 2012-13 on a one-time basis and repeal the related appropriation for per pupil adjustment aid, effective on July 1, 2013.

A one-time categorical aid appropriation was created in 2011 Act 32, funded at \$42.5 million GPR in 2012-13, related to the \$50 per pupil adjustment provided under revenue limits in that year. A district was eligible if it levied the maximum amount allowed under revenue limits in 2012-13, excluding the carryover adjustment, in the November certification of the district's levy. An eligible district's aid payment was equal to \$50 per pupil multiplied by the district's current year three-year average enrollment under revenue limits. To the extent that a district underlevied by an amount up to an equivalent of \$50 per pupil, the aid payment was prorated accordingly. No moneys may be encumbered from the appropriation after June 30, 2013.

[Act 20 Sections: 237 and 9434(1)]

3. SCHOOL PERFORMANCE INCENTIVE GRANTS [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$64,000,000	- \$64,000,000	\$0

Governor: Provide \$24,000,000 in 2014-15 in a new annual appropriation for the school performance incentive program--grants to high performing schools; \$30,000,000 in 2014-15 in a new annual appropriation for the school performance incentive program--grants to schools that demonstrate improvement; and \$10,000,000 in 2014-15 in a new annual appropriation for the

school performance incentive program--grants to schools that fail to meet expectations. Grant recipients would be identified according to the performance categories assigned under the Department's annual accountability report for each school in the state.

Require DPI to award a grant, beginning in 2014-15, to the school board of any school that is placed in a performance category of "significantly exceeds expectations" or "exceeds expectations" on the accountability report published for the school at the end of the preceding school year. To determine the award amounts, require DPI to divide the amount appropriated for high performing schools by the sum of the number of pupils enrolled in each school eligible to receive a grant, and multiply the quotient by the number of pupils enrolled in the school.

Require DPI to award a grant, beginning in 2014-15, to the school board of any school that increases its accountability report numeric score for the immediately preceding school year by at least three points over the prior year's numeric score. The numeric scores are used as the basis for the performance category within which each school is placed on its annual accountability report. For each school eligible to receive an award for this category, require DPI to provide a grant award according to the following calculation: (a) multiply the number of pupils enrolled in the school by the number of points by which the most recent numeric score exceeded the prior year's score; (b) divide the amount appropriated for improved schools by the sum of the products under (a); and (c) multiply the quotient determined in (b) by the number of pupils enrolled in the school. A corrective amendment would be needed to accomplish the intent of the bill.

Require DPI to award a grant, beginning in 2014-15, to the school board of any school that was placed in a performance category of "fails to meet expectations" on the accountability report published for the school at the end of the preceding school year, if: (a) the school board includes with its notice of intent to participate in this program a written school improvement plan for each school eligible to receive an award; and (b) DPI determines that the school improvement plan includes and comprehensively addresses all of the following components: (i) a plan to achieve improvements in math and reading; (ii) a plan to collaborate with a high-performing school or a high-performing school district to obtain best practices; (iii) a plan to use the educator effectiveness system developed by DPI to achieve teacher and principal improvement; (iv) a plan to make administrative or staffing changes to achieve improvement; and (v) a plan to meet goals, set jointly by the school board and the department, that are based on measurable objectives, including those included on accountability reports for the school. The bill does not specify a method that DPI would use to allocate this funding among eligible schools.

Require a school board of a school eligible to receive a school performance incentive grant to submit an intent to participate within 60 days after the Department publishes the accountability report for the school. Require school boards, by September 1, 2014, to establish a policy for the distribution of funding awarded to a school located in the district and eligible for a grant. Provide that the school board could not, in the policy, prescribe the manner in which funds awarded to a school are to be used by the school, but may identify and prioritize goals and objectives toward which the funds may be applied. Require the administrator of a school eligible to receive an award to comply with the school board policy prepared for the distribution of funding to the school under school performance incentive grant program. Upon the school administrator's compliance with the school board policy, require the school board to distribute

the full amount of the award for which the school is eligible under the performance incentive grant program.

Joint Finance/Legislature: Delete provision.

4. EDUCATOR EFFECTIVENESS EVALUATION SYSTEM
[LFB Paper 511]

GPR	\$13,583,900
PR	<u>8,619,000</u>
Total	\$22,202,900

Governor/Legislature: Provide \$6,864,600 GPR in 2013-14 and \$6,719,300 GPR in 2014-15 to implement an educator effectiveness evaluation system. Of the total, provide \$1,118,600 GPR in 2013-14 and \$973,300 GPR in 2014-15 in a new annual appropriation for agency operations, to develop and implement the educator effectiveness evaluation system. Provide \$5,746,000 GPR annually in a new annual appropriation for grants to school districts and independent "2r" charter schools to implement an educator effectiveness evaluation system developed by DPI, or an equivalency process developed by administrative rule.

Provide expenditure authority of \$4,309,500 PR annually in a new all moneys received continuing appropriation to receive district fee payments, and permit DPI may charge a fee to school districts or independent charter schools for use of the educator effectiveness evaluation system.

Under 2011 Act 166, DPI is required to develop an educator effectiveness evaluation system and an equivalency process aligned with the Department's evaluation system for teachers and principals of public schools and independent charter schools. Beginning in 2014-15, each school board and governing body of each independent charter school must evaluate their teachers and principals. The evaluation system framework must base 50% of the total evaluation score for each teacher and principal on measures of student performance, including performance on state assessments, district-wide assessments, student learning objectives, school-wide reading at the elementary and middle school levels, and graduation rates at the high school level. The other 50% of the total evaluation score must be based upon one of the following: (a) for a teacher, the extent to which the teacher's practice meets the core teaching standards adopted by the 2011 Interstate Teacher Assessment and Support Consortium; (b) for a principal, the extent to which the principal's practice meets the 2008 Interstate School Leaders Licensure Consortium Educational Leadership Policy Standards. A teacher or principal so evaluated must be placed in one of multiple performance categories. DPI is also required to promulgate by rule an equivalency process, for use by school districts and independent charter schools that choose to use an alternative evaluation process. The process must be based on the same criteria as specified for the statutory system, and must evaluate teachers on planning and preparation, the classroom environment, instruction, and professional responsibilities and development.

[Act 20 Sections: 227, 231, 243, 1748, and 1749]

5. REESTIMATE SCHOOL LIBRARY AIDS

SEG	- \$8,000,000
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Governor/Legislature: Reestimate school library aids by -\$5,000,000 in 2013-14 and -\$3,000,000 in 2014-15. Base level funding is \$37,000,000 annually. Revenues are from interest earned on the segregated Common School Fund, administered by the Board of Commissioners of Public Lands.

6. PUPIL TRANSPORTATION PAYMENT AMOUNT

Governor/Legislature: Provide that the reimbursement rate for pupils transported over 12 miles between home and school be increased from \$220 to \$275 per pupil beginning with the 2013-14 school year. No funding is associated with this change, as it is estimated that base level funding would be sufficient to fund the higher rate. The current law reimbursement rates are shown in the following table.

<u>Mileage</u>	<u>Current Law (Full Year)</u>
0-2 miles (hazardous area)	\$15
2-5 miles	35
5-8 miles	55
8-12 miles	110
Over 12 miles	220

[Act 20 Section: 1891]

7. HIGH COST TRANSPORTATION AID

GPR	\$10,000,000
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Joint Finance/Legislature: Provide \$5,000,000 annually for a new high cost transportation categorical aid program to reimburse transportation costs that exceed 150% of the statewide average per member. Require DPI to pay each school district the amount determined as follows: (a) divide the statewide school district transportation costs in the previous year by the statewide membership in the previous year and multiply the quotient by 1.5; (b) divide the school district's transportation costs in the previous school year by the school district's membership in the previous year; (c) subtract the product under (a) from the quotient under (b); (d) if positive, multiply each positive remainder under (c) by that district's membership; (e) divide the district's result under (d) by the sum of the positive results under (d) for all other districts; and (f) multiply the quotient under (e) by the amount appropriated for this purpose.

[Act 20 Sections: 238g, 238r, and 1891m]

8. STEM GRANTS

GPR	\$250,000
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Joint Finance/Legislature: Provide \$250,000 in 2013-14 in a new biennial appropriation to award grants to school boards and independent "2r" charter schools for the enhancement of

science, technology, engineering, and mathematics courses. Specify that DPI could not award a grant unless the recipient provides matching funds equal to at least 25% of the amount of the grant.

[Act 20 Sections: 242m and 9134(5q)]

Choice, Charter, and Open Enrollment

1. MILWAUKEE AND RACINE PARENTAL CHOICE PROGRAMS -- CURRENT LAW REESTIMATE

GPR	\$41,550,900
Aid Reductions	<u>15,955,500</u>
Net GPR	\$25,595,400

Governor/Legislature: Provide \$15,138,700 in 2013-14 and \$26,412,200 in 2014-15 in funding for the Milwaukee and Racine parental choice programs to reflect increased pupil participation in the programs under current law.

For the Milwaukee parental choice program, \$13,528,200 in 2013-14 and \$23,191,200 in 2014-15 over the base year funding of \$150,742,800 would be provided in the appropriation for payments to schools in the program. This would reflect an increase in pupil participation under current law from 23,400 pupils in 2012-13 to an estimated 25,500 pupils in 2013-14 and 27,000 pupils in 2014-15.

For the Racine parental choice program, \$1,610,500 in 2013-14 and \$3,221,000 in 2014-15 over the base year funding of \$3,221,000 would be provided in the appropriation for parental choice programs in eligible districts. This would reflect an increase in pupil participation under current law from 500 pupils in 2012-13 to an estimated 750 pupils in 2013-14 and 1,000 pupils in 2014-15.

Under current law, the estimated cost of the payments from each choice program appropriation is partially offset by a net 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) and the Racine Unified School District (RUSD) by an amount equal to 38.4% of the total cost of each choice program. Under revenue limits, MPS and RUSD 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).

For the Milwaukee program, the MPS choice reduction would increase by \$5,194,800 in 2013-14 and \$8,905,400 in 2014-15 over the base choice reduction amount of \$57,885,200 as a result of this reestimate. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of \$8,333,400 in 2013-14 and \$14,285,800 in 2014-15.

For the Racine program, the RUSD choice reduction would increase by \$618,400 in 2013-14 and \$1,236,900 in 2014-15 over the base choice reduction amount of \$1,236,900 as a result of

this reestimate. The net general fund fiscal effect for the Racine program would be increased expenditures of \$992,100 in 2013-14 and \$1,984,100 in 2014-15.

2. MILWAUKEE AND RACINE PARENTAL CHOICE PROGRAMS -- PER PUPIL PAYMENTS [LFB Paper 515]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$21,085,000	\$3,673,600	\$24,758,600
Aid Reductions	<u>8,096,600</u>	<u>1,410,700</u>	<u>9,507,300</u>
Net GPR	\$12,988,400	\$2,262,900	\$15,251,300

Governor: Set the maximum per pupil payment for the Milwaukee and Racine parental choice programs at \$6,442 per pupil in 2013-14, regardless of the pupil's grade. Set the maximum per pupil payment in 2014-15 and each year thereafter at \$7,050 for a pupil enrolled in a grade from kindergarten to 8 and to \$7,856 for a pupil enrolled in a grade from 9 to 12. This would result in annual increases under the bill of 0.0% in 2013-14 and 9.4% for pupils in grades K-8 and 21.9% for pupils in grades 9-12 in 2014-15.

Delete the provision under which, beginning in 2013-14, the maximum per pupil payment in a given year be set equal to the maximum payment in the previous school year adjusted by the percentage change, if positive, in the general school aids appropriation from the previous school year to the current school year.

Provide \$21,085,000 in 2014-15 in funding as a result of increasing the maximum per pupil payment under the programs. Of that funding, \$20,332,000 in 2014-15 would be provided in the appropriation for payments for the Milwaukee program and \$753,000 in 2014-15 would be provided in the appropriation for parental choice programs in eligible districts for the Racine program. These amounts assume that 82% of choice students would be enrolled in grades K-8 and 18% would be enrolled in grades 9-12.

Under current law, the estimated cost of the payments from each choice program appropriation is partially offset by a net 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) and the Racine Unified School District (RUSD) by an amount equal to 38.4% of the total cost of each choice program. Under revenue limits, MPS and RUSD 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).

For the Milwaukee program, the MPS choice reduction would increase by \$7,807,500 in 2014-15, while the net general fund fiscal effect would be increased expenditures of \$12,524,500 in 2014-15. For the Racine program, the RUSD choice reduction would increase by \$289,100 in 2014-15, and the net general fund fiscal effect would be increased expenditures of \$463,900 in 2014-15.

Under the bill, total funding for the Milwaukee program would increase from \$150,742,800 in 2012-13 to \$164,271,000 in 2013-14 and \$194,266,000 in 2014-15 as a result of both the increased pupil participation summarized in the prior item and the per pupil payment increase. Total funding for the Racine program would increase from \$3,221,000 in 2012-13 to \$4,831,500 in 2013-14 and \$7,195,000 in 2014-15.

Joint Finance: Modify the Governor's proposal to set the maximum payment for a K-8 pupil in 2014-15 at \$7,210. Also, specify that, beginning in 2015-16, the maximum per pupil payments in a given year be set equal to the maximum payment in the previous school year plus the revenue limit per pupil adjustment, if positive, provided to school districts in the current year plus the change in total categorical aid funding per pupil, if positive, from the prior year to the current year.

Specify that DPI may not determine separate costs for pupils enrolled in grades K-8 and for pupils enrolled in grades 9-12. Specify that, beginning in 2014-15, if a private school enrolls pupils under the choice programs in any grade between K-8 and also in any grade between 9-12, the maximum payment per pupil for that school would be an amount determined by: (a) multiplying the number of choice pupils enrolled in the school in any grade between K-8 by the maximum payment amount for those grades; (b) multiplying the number of choice pupils enrolled in the school in any grade between 9-12 by the maximum payment amount for those grades; (c) adding those two amounts together; and (d) dividing that sum by the total number of choice pupils enrolled in the school.

As a result of the change to the K-8 payment in 2014-15, funding for the Milwaukee program would increase by \$3,542,400 in 2014-15, the MPS choice reduction would increase by \$1,360,300, and the net general fund fiscal effect would be increased expenditures of \$2,182,100. Funding for the Racine program in 2014-15 would increase by \$131,200, the RUSD choice reduction would increase by \$50,400, and the net general fund fiscal effect would be increased expenditures of \$80,800.

Under Act 20, total funding for the Milwaukee program would increase from \$150,742,800 in 2012-13 to \$164,271,000 in 2013-14 and \$197,808,400 in 2014-15 as a result of both the increased pupil participation summarized in the prior item and the per pupil payment increase. Total funding for the Racine program would increase from \$3,221,000 in 2012-13 to \$4,831,500 in 2013-14 and \$7,326,200 in 2014-15.

Assembly/Legislature: Clarify the calculation of the payments and of educational costs for purposes of the choice programs, to accommodate the differing payment amounts that would apply beginning in 2014-15 to pupils attending K-8 (\$7,210) and 9-12 (\$7,856). The Assembly provision would not have a substantive effect, but would modify the wording of the bill relating to the payments received by each participating school, to more clearly describe the calculations DPI must make to determine each school's payment.

[Act 20 Sections: 1849 thru 1852, 1853, 1856, 1857, 1864 thru 1867, 1868, 1869, 1873, and 1876]

3. MILWAUKEE AND RACINE PARENTAL CHOICE PROGRAMS -- SCHOOL DISTRICT AID REDUCTIONS

GPR	\$0
Aid Reductions	<u>- 22,585,000</u>
Net GPR	\$22,585,000

Joint Finance/Legislature: Beginning in 2013-14, reduce the Milwaukee Public Schools (MPS) aid reduction percentage for the Milwaukee program by 3.2 percentage points per year. This would establish a 12-year phase-out of the current MPS aid reduction, after which the program would be fully state funded. In the 2013-15 biennium, the percentage of the estimated cost of the Milwaukee program by which the aid that would otherwise be paid to MPS is reduced would be 35.2% in 2013-14 and 32.0% in 2014-15.

Also, delete the current law provision under which aid that would otherwise be paid to Racine Unified School District (RUSD) be reduced by 38.4% of the estimated cost of the Racine program.

Under current law, the estimated cost of the payments from each choice program appropriation is partially offset by a net reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy) in the general school aids otherwise paid to MPS and RUSD by an amount equal to 38.4% of the total cost of each choice program. Under revenue limits, MPS and RUSD 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).

As a result of this provision, and after consideration of the per pupil payment provision above, the MPS aid reductions would decrease by \$5,256,700 in 2013-14 and \$12,659,700 in 2014-15. The RUSD aid reduction would decrease by \$1,855,300 in 2013-14 and \$2,813,300 in 2014-15. The net general fund fiscal effect would be to increase expenditures by \$7,112,000 in 2013-14 and \$15,473,000 in 2014-15.

[Act 20 Sections: 1884p thru 1887g]

4. EXPANSION OF PARENTAL CHOICE PROGRAM FOR ELIGIBLE SCHOOL DISTRICTS [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Assembly/Leg. (Chg. to JFC)	Veto (Chg. to Leg.)	Net Change
GPR	\$10,416,000	\$131,200	\$4,218,900	- \$4,218,900	\$10,547,200
Aid Reductions	<u>3,999,800</u>	<u>- 3,999,800</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net GPR	\$6,416,200	\$4,131,000	\$4,218,900	- \$4,218,900	\$10,547,200

Governor: Modify the current law statutory language for the parental choice program for eligible school districts (under which the Racine parental choice program currently operates) to create a two-step process under which choice programs substantially similar to the Racine program could be created in additional school districts.

The first step would involve a district being identified as an eligible school district. Specify that a district would be identified as an eligible school district if it satisfies both of the

following criteria: (a) the number of pupils enrolled in the district, as counted on a full-time equivalency basis, is at least 4,000; and (b) two or more public schools in the district in the same school year were placed in a performance category of either "fails to meet expectations" or "meets few expectations," or the equivalent lowest performance categories, on an accountability report issued by the Department, under another provision of the bill. Based on membership data used in calculating general school aids in 2012-13 and DPI accountability data for 2011-12, nine districts would meet these criteria (Beloit, Fond du Lac, Green Bay, Kenosha, Madison, Sheboygan, Superior, Waukesha, and West Allis-West Milwaukee). If more recent membership or accountability data would become available later this year, the list of identified eligible school districts could differ.

Require the Department, within ten days after it publishes accountability reports, to publish a notice on its website that lists the districts that meet the two criteria to be identified as eligible school districts for a choice program for the immediately following school year. Require the Department to notify the school district clerk of an identified district, in writing, of this identification. Specify that pupils who reside in a district identified as an eligible school district may not attend a private school through a choice program until that district qualifies as an eligible school district.

The second step would involve a district qualifying as an eligible school district. Specify that a district qualifies as an eligible school district if, no later than August 15 immediately following the date on which the Department identified the district as an eligible school district, at least 20 pupils who reside in the district apply to attend a choice school under the program and simultaneously notify the Department that they have applied to attend a choice school. Specify that pupils applying to attend a choice school that is a first-time participant in the program and that has not obtained preaccreditation could not be counted towards the 20 pupils required for a district to qualify as an eligible school district.

Require the Department, no later than five days after receiving notice from private schools regarding acceptance of pupils in a first-year program, to determine whether an identified district qualifies as an eligible school district. Require the Department to publish on its website a list of qualifying eligible school districts. Specify that a district that qualifies as an eligible school district would remain qualified in subsequent school years.

If fewer than 20 pupils who reside in the district apply to attend a choice school under the program in a given year, a district would still remain identified as an eligible school district, even though a choice program would not be operating in the district. Specify that such a district would no longer be identified as an eligible school district if, at the time at which any subsequent accountability reports are published by the Department, fewer than two schools in the district are placed in a performance category of "fails to meet expectations" or "meets few expectations," or the equivalent lowest performance categories. Require the Department to remove such a district from the list of identified districts on its website within ten days after the Department publishes the subsequent accountability reports. Require the Department to notify the school district clerk in writing of the change in eligibility status. Specify that a change in eligibility status does not preclude a district from being identified as an eligible school district in a subsequent school year.

Specify that no more than a total of 500 pupils in 2013-14 and 1,000 pupils in 2014-15,

counted on a full-time equivalency basis, residing in school districts that qualify as eligible school districts may attend choice schools under the program. Under the bill, there would be no limit on the number of pupils who could participate in the expanded program beginning in 2015-16. Based on the maximum per pupil payments and the participation limits under the bill, provide \$3,221,000 in 2013-14 and \$7,195,000 in 2014-15 in the appropriation for payments under the parental choice program for eligible school districts. Under the net 38.4% general aid reduction that is currently made to the aid otherwise paid to eligible districts, the total aid reduction for eligible school districts would be \$1,236,900 in 2013-14 and \$2,762,900 in 2014-15. The net general fund fiscal effect would be \$1,984,100 in 2013-14 and \$4,432,100 in 2014-15. A corrective amendment would be needed to accomplish the intent of the aid lapse provision.

Require participating schools to give priority in the 2013-14 school year to pupils who were eligible for a free or reduced-price lunch in the federal school lunch program in the immediately preceding school year. Require participating schools to give priority in the 2014-15 school year to pupils who attended a school through the program in the prior school year. Require that, whenever the State Superintendent determines that the limit has been reached in either year, he or she issue an order prohibiting participating schools from accepting additional pupils under the program until he or she determines that the number of pupils attending participating schools under the program has fallen below the limit. If the number of pupils attending schools under the program falls below the limit, require the State Superintendent to issue an order notifying participating schools that they can begin accepting additional pupils. After an order had been issued, require that: (a) first priority for accepting new pupils be given to pupils attending participating schools under the program; (b) second priority be given to the siblings of choice pupils attending a choice school; and (c) third priority be given to pupils selected at random under a procedure established by DPI in administrative rule.

Require a participating school, or a school that is a first-time participant in the program that intends to participate in the program in the first school year in which a district is identified as an eligible school district, to notify the State Superintendent of its intent to participate in the program and pay the auditor fee by August 1 of the school year in which the school intends to participate. Require the notice to specify the number of pupils participating in the program for which the school has space.

Require a choice school that has notified the Department of its intent to participate in the program in the first school year in which a school district is identified as an eligible school district to notify each applicant, in writing, whether his or her application has been accepted within seven days after receiving the application. Require the school to simultaneously notify the Department whether the pupil has been accepted.

Specify that a school that is a first-time participant in the parental choice program for eligible school districts and that is not accredited by one of the statutorily-authorized accrediting agencies obtain preaccreditation by August 1 before the first term of participation (consistent with the Milwaukee program) or by August 15 before the first term of participation in the program that begins in the first school year that begins after a district is identified as an eligible school district.

Repeal the statutory language under which pupil participation in the Racine program was limited to 250 pupils in 2011-12 and 500 pupils in 2012-13. Under current law, there is no limit on the number of pupils who may participate in the Racine program beginning in 2013-14.

Joint Finance: Delete the Governor's provision. Instead, specify that no more than 500 pupils in 2013-14 and 1,000 pupils in 2014-15 and in each year thereafter, counted on a full-time equivalency basis, residing in school districts other than MPS and RUSD, would be able to attend a choice program substantially similar to the Racine parental choice program. Specify that, in any school year, no more than 1% of the pupil membership of a school district, other than MPS and RUSD, may attend a private school under the expanded choice program.

Specify that a pupil's total family income could not exceed 185% of the federal poverty level to be eligible for the expanded program. Provide that a pupil's income eligibility be verified as under the current law choice programs (including the provisions that family income includes the income of the pupil's parents or legal guardians and that family income be reduced by \$7,000 before the verification is made if the pupil's parents or guardians are married). Specify that the prior year attendance criteria for pupils in the Racine program would not apply to pupils in the expanded program.

Require a private school that intends to participate in the expanded program in the 2013–14 school year to notify the Department of its intent to participate in the program and to pay the auditor fee by July 26, 2013. Require the private school to include an electronic mail address on the notice of intent to participate and to specify the number of pupils for which the school has space. Require the Department to notify the private school that it has received the notice of intent to participate in writing and by electronic mail by July 31, 2013.

Specify that a school that has submitted a notice of intent to participate for the 2013-14 school year may begin accepting applications from pupils beginning on August 1, 2013. Require each school that has received applications to report to the Department, by August 9, 2013, the name of each pupil who has applied to attend the school through the choice program, the total number of pupils that have applied to attend the school through the choice program, the names of those applicants that have siblings who have also applied to attend the school through the choice program, and the number of such sibling applicants.

In the 2014–15 school year and each school year thereafter, specify that a private school that has submitted a notice of intent to participate by the current law February 1 deadline may accept applications between February 1 and April 20 from pupils under the expanded program for the following school year. Require each school that has received applications to report to the Department, by May 1, 2014, and by May 1 of each school year thereafter, the same information about applicants as described in the preceding paragraph.

Upon receipt of the application information each year, require the Department to determine the total number of applicants for the expanded program. Specify that, in determining the total, the Department must count a pupil who has applied to attend more than one school only once.

If the number of total applicants in any year is less than the pupil participation limit for that year, require the Department to immediately notify the private schools that all applicants

reported may be accepted into the private schools under the expanded program for that school year. Specify that a school that has been authorized to accept pupils may accept additional applications under the expanded program from pupils only during the periods that apply under the Racine program. Require a school that accepts additional applications to notify the Department each time it receives an application. If, upon receipt of such a notice, the Department determines that the total number of pupils who have applied to attend schools will exceed the pupil participation limit for that year, require the Department to establish and administer a waiting list.

If there are more than 500 total applicants in the 2013-14 school year, require the Department to notify the 25 schools that received the most applications that they may accept pupils under the expanded program. Upon the request of the school, require the Department to include in its count of 25 schools more than one unique campus location of a private school operating under one federal tax identification number if each such campus location otherwise qualifies to be included in the count. Require the Department to allocate 10 pupil slots to each of the 25 schools and to fill each slot by random drawing. Require that, if a pupil chosen by random drawing has a sibling that applied to the private school, then the next available slot shall be filled by the sibling. Require the Department to fill the remaining 250 spaces by random drawing from applications submitted to those 25 schools. Require that, if a pupil chosen by random drawing has a sibling that applied to the private school, then the next available slot shall be filled by the sibling.

If there are more than 1,000 total applicants in the 2014-15 school year or any school year thereafter, require the Department to allocate to those schools that participated in the program in the preceding school year the same number of slots held by pupils participating in the program in that school year. Require the Department to allocate the remaining slots to those private schools that received the most applications in the manner provided for in 2012-13.

If the number of total applicants in any year is greater than the pupil participation limit for that year, or if the limit is subsequently reached during the year, require the Department to establish and maintain a waiting list for those applicants who were not selected in a random drawing and to give preference to siblings. Require a private school that has accepted pupils under the expanded program to notify the Department whenever it determines that a pupil will not attend the school under this program. Require the Department to fill any such available slot with a pupil selected at random from the waiting list, except that preference must be given to a sibling of a pupil who is attending the school under the expanded program.

Provide that, in order for a school to participate in the expanded program in the 2013-14 and 2014-15 school years, it must have been operating as a private school on May 1, 2013. Provide that a school that satisfies all of the following would be exempt from the requirement to obtain preaccreditation: (a) the school is a first-time participant in the program in the 2013-14 or 2014-15 school years; (b) the school is not accredited by a statutorily-authorized accrediting agency; (c) the school accepts pupils under the expanded program; and (d) the school does not accept pupils under the Milwaukee or Racine programs. Specify that in future years, preaccreditation must be obtained by August 1 for schools new to the program.

In 2013-14, establish a September 1 deadline, rather than August 1 as in following years,

for the required certificate of occupancy, evidence of financial viability, and administrator participation in a DPI fiscal management training program. Specify that the current law provisions allowing a waiver from the bachelor's degree requirement for teachers would apply to teachers employed by a school in the expanded program on July 1, 2013, and that waivers would not be valid after July 31, 2018.

Delete obsolete statutory references to auditor fees in 2011-12 and pupil participation limits in Racine in 2011-12 and 2012-13.

Specify that there would be no school district aid reduction related to the expanded program. As a result of this provision, and after consideration of the per pupil payment provision summarized in a separate item, funding for the expanded program would increase by \$131,200 in 2014-15. District aid reductions would decrease by \$1,236,900 in 2013-14 and \$2,762,900 in 2014-15. The net general fund fiscal effect would be increased expenditures of \$1,236,900 in 2013-14 and \$2,894,100 in 2014-15.

Assembly/Legislature: Make the following modifications to the Joint Finance provisions related to the expanded choice program:

Specify that a school that participated in the Milwaukee or Racine choice program in the 2012–13 school year may not be selected as one of the 25 schools for the 2013-14 and 2014-15 school years if the pupil participation limit is reached in those years. Specify that those schools could accept students under the expanded program and that those pupils would not count against the pupil participation limit for the expanded program. Require the Department to notify these schools that all applicants under the expanded program may be accepted to the school for the 2013-14 and 2014-15 school years. Provide \$1,288,400 in 2013-14 and \$2,930,500 in 2014-15, based on an estimate of 200 additional pupils in 2013-14 and 400 additional pupils in 2014-15 participating in the expanded program.

Specify that a pupil attending a choice school whose family income increases could continue in the program.

Specify that a school in the expanded program would be required to give preference to a pupil who satisfies either of the following: (a) the pupil was enrolled in a public school in the school district in the previous year and is applying to attend the school in grades 2 through 8 or 10 through 12; or (b) the pupil was not enrolled in school in the previous school year.

Require the Department to refund the auditor fee to any private school that did not accept applications under the Milwaukee or Racine programs in the 2012–13 school year and that did not get included in the count of 25 private schools allowed to accept pupils under the expanded program in the 2013-14 school year if the pupil participation limit is reached.

Veto by Governor [C-6 and C-8]: Delete provisions specifying that schools that participated in the Milwaukee and Racine parental choice programs in 2012-13 could accept pupils under the expanded choice program, and that those pupils would not count against the pupil participation limit for the expanded program. Delete provision specifying that DPI notify these schools that all applicants under the expanded program may be accepted into the private

school in 2013-14 and 2014-15. As a result of this veto, reduce estimated funding for the expanded program by \$1,288,400 in 2013-14 and \$2,930,500 in 2014-15.

Under Act 20, funding for the expanded program would be \$3,221,000 in 2013-14 and \$7,326,200 in 2014-15.

[Act 20 Sections: 235, 244m, 245, 1829 thru 1840s, 1843 thru 1847, 1848b thru 1848t, 1852m, 1855, 1855m, 1856g, 1856m, 1859a, 1875t, and 9134(3c)]

[Act 20 Vetoed Sections: 1844e, 1848d, and 1848h]

5. PARENTAL CHOICE PROGRAMS -- STUDENT PRIORITY

Governor: Allow a private school participating in the Milwaukee parental choice program or the parental choice program for eligible school districts to give preference in accepting applications to any of the following: (a) pupils who attended the school during the school year prior to the school year for which the application is being made; (b) siblings of pupils who attended the school during the school year prior to the school year for which the application is being made and to siblings of pupils who have been accepted to the school for the school year for which the application is being made; and (c) pupils who attended another school under a parental choice program during the school year prior to the school year for which the application is being made.

Under current law, choice schools must select pupils on a random basis, except that they may give preference in accepting applications to siblings of pupils selected on a random basis.

Joint Finance/Legislature: Specify that the priority under (a) above would only be allowed for pupils attending the school under the choice program.

[Act 20 Sections: 1847, 1847m, 1862, and 1863]

6. PARENTAL CHOICE PROGRAMS -- SCHOOLS ELIGIBLE IN EITHER PROGRAM

Governor: Allow a private school that notifies the State Superintendent of its intent to participate in the Milwaukee parental choice program and pays the auditor fee (\$965 in 2012-13) to also participate in the parental choice program for eligible school districts, and vice versa. Specify that a school that has fulfilled the preaccreditation and accreditation requirements of the Milwaukee program is considered to have fulfilled them for the program for eligible school districts, and vice versa. Broaden the provisions under which the State Superintendent is required to annually inform families in Milwaukee of the schools participating in the Milwaukee program and to annually inform families in eligible districts of the schools participating in the program for eligible districts to instead require the State Superintendent to inform families in all districts in which a parental choice program operates of schools participating in both programs.

Under current law, two separate but substantially similar sections of the statutes govern the Milwaukee parental choice program [s. 119.23] and the parental choice program for eligible

school districts [s. 118.60] under which the Racine program currently operates and which is proposed to be expanded under the bill. The requirements outlined above are currently specific to each section.

Joint Finance/Legislature: In addition to the Governor's provision, specify that if a choice school accepts pupils under more than one choice program, it would only have to submit one comprehensive financial audit to the state.

[Act 20 Sections: 1840, 1843, 1855, 1856, 1859, 1860, 1861, 1871, and 1873]

7. PARENTAL CHOICE PROGRAMS -- CERTIFICATE OF OCCUPANCY

Joint Finance/Legislature: Modify the current law requirement for a private school participating in a parental choice program to submit a certificate of occupancy to DPI to also allow a school to submit a letter or form from the municipality within which the school is located that explains that the municipality does not issue certificates of occupancy.

Under current law, by August 1 before the first school year a new school participates in the program, the school must submit to DPI a copy of the school's current certificate of occupancy issued by the municipality within which the school is located. If the municipality within which the school is located does not issue certificates of occupancy, the school may submit a certificate issued by the local or regional governmental unit with the authority to issue certificates.

[Act 20 Sections: 1856r and 1873p]

8. PARENTAL CHOICE PROGRAMS -- BUILDING USAGE CHARGE

Joint Finance/Legislature: Modify the current law treatment of facilities costs for choice schools where the legal title to the building is held in the name of the parent organization or other related party to eliminate the requirement that there be no other mechanism to include the private school's facilities costs in its cost calculation before the school can include 10.5% of the fair market value of the school in its costs. Specify that if a school was not permitted to include the 10.5% amount in the 2012-13 school year, it can request the Department to include that amount.

Under current law, in determining a school's operating and debt service costs for educational programming, DPI is required to include an amount equal to 10.5% of the fair market value of the school and its premises if: (a) legal title to the school's buildings and premises is held in the name of the school's parent organization or other related party; (b) there is no other mechanism to include the school's facilities costs in the calculation of its operating and debt service cost; and (c) the school requests that the Department do so. Any request made by a school remains effective in subsequent school years and may not be withdrawn by the school. If, immediately prior to July 1, 2011 (the effective date of 2011 Act 32), a school's operating and debt service costs, as determined by DPI, included the amount described above, that amount would continue to be included in subsequent school years.

[Act 20 Sections: 1852d and 1867m]

9. PARENTAL CHOICE PROGRAMS -- SUMMER SCHOOL PAYMENT

Joint Finance/Legislature: Delete the current law calculation of the choice payment for summer school and, instead, provide that schools offering summer school would receive an amount equal to 5% of the maximum per pupil choice payment that could have been paid at the end of the immediately preceding school term for the grade in which the pupil is attending summer school. Specify that a school would receive a summer school payment if: (a) the school offers a minimum of 19 summer days of instruction; (b) each day of summer instruction is comprised of at least 270 minutes of instruction; and (c) the pupil attends at least 15 days of summer instruction. Specify that these provisions would first apply to summer school payments made in the 2014-15 school year.

Under current law, the choice summer school payment is calculated by: (a) determining the choice school's operating and debt service cost per pupil in summer school that is related to educational programming; (b) multiplying that amount by 40%; and (c) multiplying that amount by the summer choice FTE enrollment.

[Act 20 Sections: 1852, 1852j, 1867, 1867r, and 9334(4L)]

10. PARENTAL CHOICE PROGRAMS -- RESERVE FUNDS

Joint Finance/Legislature: Allow a choice school to accumulate up to 15% of its annual operating and debt service costs related to educational programming in a reserve account, and specify that any increase to that reserved amount be included in DPI's determination of the school's operating and debt service costs related to programming for that school year.

[Act 20 Sections: 1852g and 1867p]

11. PARENTAL CHOICE PROGRAMS -- EDUCATIONAL CREDENTIALS FOR STAFF

Joint Finance: Modify the current law requirement that a teacher's aide employed in a choice school have a high school diploma, declaration of equivalency of high school graduation, or general educational development certificate of high school equivalency to specify that a teacher's aide may, as an alternative, have obtained a degree or educational credential higher than a high school diploma, declaration of equivalency of high school graduation, or general educational development certificate of high school equivalency.

Assembly/Legislature: Modify the current law requirement that a teacher employed in a choice school have a bachelor's degree to specify that a teacher may, as an alternative, have a degree or educational credential higher than a bachelor's degree, including a masters or doctorate.

[Act 20 Sections: 1840m, 1856c, 1859m, and 1873m]

12. PARENTAL CHOICE PROGRAMS -- MAINTAINING SCHOOL ACCREDITATION

Joint Finance/Legislature: Require a private school in a parental choice program that has achieved accreditation to ensure that it continuously maintains accreditation from a statutorily-approved accreditation agency for as long as the school continues to participate in the program. (Generally, under current law, a choice school must achieve accreditation by December 31 of the third school year following the first school year in which it participates in the choice program.)

Require a choice school to immediately notify DPI if its accreditation status changes. Beginning in the 2013-14 school year, require a choice school to provide evidence demonstrating that the school remains accredited for the current year to DPI annually by January 15. Require the school to include as evidence of accreditation a letter prepared by one of the statutorily-approved accrediting agencies that confirms that the school is accredited by that agency as of the date of that letter. Specify that if the State Superintendent determines that a school has not complied with these requirements, he or she may issue an order barring a choice school from participating in the program in the subsequent school year (consistent with the accreditation penalty provisions under current law). Require DPI to notify a choice school of receipt and approval of accreditation status within 10 days after receiving the required information.

Require a private school that participated in the choice program in the 2012-13 school year that would have been required to have achieved accreditation to demonstrate that its accreditation status is current with the above-described letter within 30 days of the effective date of the bill. Require the State Superintendent to issue an order barring a school's participation in the program beginning in the 2013-14 school year if it does not comply with this requirement. Specify that this one-time requirement would not apply to: (a) a school that was a first-time participant in the program in the 2012-13 school year and that had not participated in the program prior to the 2012-13 school year; (b) a school that was approved for scholarship funding for the 2005-06 school year by Partners Advancing Values in Education (PAVE); or (c) a school that has obtained preaccreditation, but has not yet started the third school year that follows the first school year of participation in the program.

Provide that if the State Superintendent determines that a choice school has failed to continuously maintain accreditation, that a choice school has withdrawn from the accreditation process, or that a choice school's accreditation has been revoked or terminated by one of the statutorily-approved agencies, he or she must issue an order barring the school's participation in the program at the end of the current school year. Require the State Superintendent to immediately notify the parent or guardian of each pupil attending the school of the order. Provide that a school whose participation in the program has been barred under this provision may not participate in the program until the school demonstrates to the satisfaction of the Department that it has obtained accreditation from a statutorily-approved accrediting agency other than the agency with which the school failed to continuously maintain accreditation or, if the school's accreditation was revoked or terminated, other than the agency that revoked or terminated its accreditation.

Veto by Governor [C-7]: Delete the requirement that DPI approve a school's

accreditation status.

[Act 20 Sections: 1855r, 1856w, 1857db thru 1857e, 1872m, 1875d, 1876db thru 1876dL, and 9134(6q)]

[Act 20 Vetoed Sections: 1857e and 1876dL]

13. PARENTAL CHOICE PROGRAMS -- ADDITIONAL ACCREDITING AGENCY

Joint Finance/Legislature: Add the Wisconsin Association of Christian Schools to the list of statutorily-recognized accrediting agencies for the parental choice programs.

Under current law, the statutorily-recognized accrediting agencies are Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, the diocese or archdiocese within which the school is located, or any other organization recognized by the National Council for Private School Accreditation.

[Act 20 Sections: 1843, 1855r, 1856w, 1857df, 1859t, 1860, 1861m, 1872m, 1875d, 1876dg, and 9134(3c)&(6q)]

14. PARENTAL CHOICE PROGRAMS -- RELEASE OF INFORMATION

Assembly/Legislature: Require DPI, when publicly releasing data related to, but not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for, and other information related to pupils participating in or seeking to participate in parental choice programs, to release the data all at the same time, uniformly, and completely. Provide that DPI may selectively release portions of the information specified above only to the following: (a) a school district or individual school; and (b) an entity requesting the information for a specific participating private school or the school district within which a choice pupil resides, provided that the entity is authorized to obtain official data releases for that school or school district.

Veto by Governor [C-3]: Modify the language for uniform release of data to limit it to those topics specified in the bill language, by striking through the words "but not limited to" and "and other information related to." Delete the language regarding selective release of data by DPI.

[Act 20 Sections: 1857m and 1876dp]

[Act 20 Vetoed Sections: 1857m and 1876dp]

15. SPECIAL NEEDS SCHOLARSHIP PROGRAM [LFB Paper 517]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,849,500	- \$20,849,500	\$0
Aid Reduction	<u>20,849,500</u>	<u>- 20,849,500</u>	<u>0</u>
Net GPR	\$0	\$0	\$0

Governor: Create a special needs scholarship program, beginning in 2013-14, to allow a child with a disability to receive a scholarship to attend a participating public, private, or charter school of the child or the child's parent's choice. Provide \$6,946,000 in 2013-14 and \$13,903,500 in 2014-15 and create a new sum sufficient appropriation to pay the special needs scholarships.

Provide that, beginning in 2013-14, a child with a disability would receive a scholarship under the program to attend an eligible school, if the school district, charter school, or eligible private school has notified DPI of its intent to participate in the program, and the notice specifies the number of pupils who may participate in the program for whom the school has space. Permit the resident school district of a pupil receiving a scholarship to attend a public school in another school district or a private school to count the pupil for the purposes of general aid and revenue limits. Require that the amount of general aid that a school district is eligible to be paid in the current school year be reduced by the total amount of scholarships paid for pupils who reside in that district. Require the State Superintendent to ensure that the total amount of aid withheld from school districts be lapsed to the general fund, and that the amount of the aid reduction does not affect the amount determined to be received as state aid by the district for any other purpose.

To be eligible for a scholarship, require that a child have an individualized education plan (IEP) or services plan in place, and that the child attended a public school, charter school, a private school under the Milwaukee or Racine parental choice programs, or did not attend school in this state, for the entire school year immediately preceding the school year for which the child first receives a scholarship.

Under the new program, define an eligible school as: (a) a public school located in this state, but outside the pupil's school district of residence; (b) a charter school located in this state, including a charter school located in the pupil's school district of residence and a virtual charter school; or (c) a private school located in this state.

Require the child or the child's parent submit an application to the eligible school, on a form prepared by DPI, for a scholarship to attend the school. Allow an application to be made, and a child to begin attending an eligible school, at any time during the school year. Require the application include a copy of a document, to be prepared by DPI, about the child's rights, as described below. The child must be accepted by the school district in which the eligible public school is located, the eligible charter school, or the eligible private school, in order to receive the scholarship.

Limit the total number of scholarship recipients under the program, for any school year, to 5% of the total number of children with disabilities residing in this state in the previous school

year, as determined by DPI.

If an eligible school receives more applications than the number of pupils for whom the school has space, require the school to select pupils on a random basis, except that it may give preference to siblings of pupils who are already attending the school.

For a private school to be eligible for the program, require that the school be approved by the State Superintendent as a private school under state requirements, or the private school is accredited by the Wisconsin North Central Association, Wisconsin Religious and Independent Schools Accreditation, the Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, the diocese or archdiocese within which the private school is located, or any other organization recognized by the National Council for Private School Accreditation, as of the August 1 preceding the school term for which the scholarship is awarded.

Require DPI to develop a document and revise it as necessary, for inclusion with an application to an eligible school, comparing the rights of a child with a disability and of his or her parent under state law and the Individuals with Disabilities Education Act (IDEA, the federal special education law), with the rights of a child with a disability and of his or her parent under the scholarship program and IDEA. Provide that receipt of this document by an applicant, acknowledged in a format prescribed by DPI, would constitute notice that the applicant has been informed of his or her rights under state law and under IDEA. Subsequent acceptance of a scholarship would constitute the applicant's informed consent to the rights specified in the document.

Require the governing body of an eligible school to notify DPI when the school accepts a pupil under the program. Upon being notified, require that DPI notify the school board of the pupil's district of residence that the pupil has been awarded a scholarship. Require the school board, within three days of receiving notice, provide DPI and the governing body of the eligible school that accepted the pupil with a copy of the pupil's IEP.

Specify that a pupil attending a private school participating in a parental choice program, but who uses a special needs scholarship to attend, could not be counted as a pupil attending the school under the parental choice program.

Scholarship Calculation. Provide that the pupil's scholarship amount would equal the lesser of: (1) the sum of the statewide gross property tax levy for schools in the previous year plus the total amount of general school aid appropriated in the previous school year, divided by the total statewide membership in the previous school year, and add to that quotient the result obtained by dividing the amount provided in the primary special education categorical aid appropriation in the previous year by the total FTE number of children with disabilities enrolled in public schools in the previous school year [a corrective amendment is needed to accomplish the intent of the provision]; or (2) the cost to the school district of attendance, the eligible charter school, or the eligible private school of providing to the pupil regular instruction, instructional and pupil support services, special education and related services, supplementary aids and services, and operating and debt services costs per pupil, as described for private schools participating in the Racine parental choice program, less costs for board and lodging and hospitals and convalescent

homes. Require DPI to prorate the scholarship amount for a pupil attending an eligible school for less than a full school term, and require DPI to notify the parent of the scholarship amount and an explanation of how the amount was determined. Require DPI, on behalf of the child's parent, to pay the scholarship to the school district, charter school, or private school that the pupil attends, from the separate sum sufficient appropriation that would be established for this purpose. The scholarship would continue as long as the pupil attends an eligible school, until the pupil graduates from high school, or until the end of the school term in which the pupil attains the age of 21, whichever comes first. Specify that DPI could not pay a scholarship to a private school unless the pupil's parent has acknowledged receiving a profile of the private school's special education program as described below.

School Board Duties. Require each school board annually to notify the parents of each child with a disability enrolled in the school district of the scholarship program. Upon the request of a parent of a child receiving a scholarship, require the pupil's resident school district to administer the appropriate state standardized pupil assessment to the pupil, at no cost, if the school attended by the pupil does not administer them. If a child attends a private school under the program, require the district of residence to ensure that the child's IEP team reevaluates the child at least every three years, unless the parent and school district agree otherwise. If the IEP team determines that the child is no longer a child with a disability, then the child would become ineligible to receive a scholarship, beginning in the school term following the determination.

Whenever a pupil would receive a scholarship under this section, require DPI and the school board of the pupil's school district of residence to count the scholarship amount toward the district's required maintenance of effort, which is defined and prescribed under federal law.

For the purposes of assigning responsibility for the provision of special education services, specify that if a child with a disability is attending a public school in a nonresident school district under the special needs scholarship program, the school district the child is attending is the responsible local educational agency. The resident school district is not otherwise required to reimburse a parent of child with a disability who is parentally placed in a private school, if enrolled under the special needs scholarship program.

Private School Duties. Require each private school participating in the program to: (a) comply with all health and safety laws or codes that apply to private schools; (b) hold a valid certificate of occupancy, if required by the municipality in which the school is located or, if the municipality does not issue certificates of occupancy, obtain a certificate of occupancy issued by the local or regional governmental unit with authority to issue certificates of occupancy; (c) comply with federal law that prohibits discrimination on the basis of race, color, or national origin by any program or activity that receives federal financial assistance; and (d) conduct criminal background checks of its employees, and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others. Further, require private schools annually to submit to DPI a school financial information report, prepared by a certified public accountant, that complies with uniform financial accounting standards established by DPI by rule under the Racine parental choice program. The report would have to be accompanied by an auditor's statement that the report is free of material misstatements and fairly represents pupil

costs. Require the report to be limited in scope to those records that are necessary for DPI to make payments to the private school.

Require that, if a private school expects to receive at least \$50,000 in scholarships during a school year, then the school would have to do one of the following before the beginning of the school year: (a) file with DPI a surety bond payable to the state in an amount equal to 25% of the total amount of scholarships expected to be received by the private school during the school year; or (b) file with DPI financial information demonstrating that the private school has the ability to pay an amount equal to the total amount of scholarships expected to be received by the private school during the school year. Require the private school to provide each applicant under the scholarship program a profile of the private school's special education program, in a form prescribed by DPI, that includes the methods of instruction that will be used by the school to provide special education and related services to the child and the qualifications of the teachers and other persons who will be providing special education and related services to the child.

Require that the private school 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 IEP or services plan. Require the private school regularly report to the parent on the child's progress. Require the private school to provide a record of the implementation of the child's IEP or services plan, including an evaluation of the child's progress, to the school board of the school district in which the child resides, in a form and manner prescribed by DPI.

Transportation. Provide that, for a child attending a private school using a special needs scholarship, the current state law governing pupil transportation by school districts would apply, which, in general, requires school districts to provide transportation to public and private school pupils who reside more than two miles from the school they are entitled to attend, with school buses, city buses, or other means. Under current law, a child attending a private school is generally entitled to transportation by the district of residence, if the pupil resides within the private school's designated attendance area and the school is located within the school district or not more than five miles beyond the district's boundary, measured along the usually traveled route.

Provide that, for a child attending a public school using a special needs scholarship, then the transportation provisions for the public school open enrollment program would apply. In that case, the parent of a pupil attending public school in a nonresident school district is responsible for transporting the pupil to and from the school the pupil attends. However, if the child is a child with a disability, and transportation of the child is either required in the IEP, or a request for transportation is approved by the State Superintendent based on whether the child can walk to school in safety and comfort, then the nonresident district must provide such transportation for the child. Provide that if the parents of a child who is receiving a special needs scholarship, and who is eligible for free or reduced-price lunch, transport the child to school, then the parents may receive reimbursement for those costs in the same manner as the current law open enrollment transportation assistance program.

Penalties. Provide that DPI could bar a school district, charter school, or private school

from participating in the program if the Department determines that the district, charter school, or private school has done any of the following: (a) intentionally and substantially misrepresented information in required private school reports to the Department and parents; (b) routinely failed to comply with the standards for a private school annual financial information report or financial information demonstrating that the private school has the ability to repay an amount equal to the scholarships received for the school year; (c) used a pupil's scholarship for any purpose other than educational purposes, or rebated, refunded, or shared a pupil's scholarship with a parent or pupil; or (d) failed to refund to the state, in a timely manner, any scholarship overpayments.

If DPI would bar a school district, charter school, or private school from participating in the program, require that it notify all pupils eligible to participate in the program and their parents as quickly as possible. A pupil who is receiving a scholarship and attending a school district, charter school, or private school barred from the program could attend another participating school district, charter school, or private school under the scholarship.

Study. Require the Legislative Audit Bureau to contract for a study of the program, with one or more researchers who have experience evaluating school choice programs. Require the study evaluate the following: (a) the level of satisfaction with the program expressed by participating pupils and their parents; (b) the percentage of participating pupils who were victimized because of their special needs at their resident school district and the percentage of such pupils at their participating school; (c) the percentage of participating pupils who exhibited behavioral problems at their resident school district and the percentage of such pupils at their participating school; (d) the average class size at participating pupils' resident school district and at their participating school; and (e) the fiscal impact of the program on the state and on resident school districts. The contract would require the researchers who conduct the study to do all of the following: (a) apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study; (b) protect the identity of participating schools and pupils; and (c) require that the results of the study be reported to the appropriate standing committees of the Legislature by January 9, 2016.

Promulgate Rules. Require DPI to promulgate rules to implement and administer these provisions, including rules relating to all of the following: (a) the eligibility and participation of eligible schools, including timelines that maximize pupil and school participation; (b) the calculation and distribution of scholarships; (c) the application and approval procedures for pupils and eligible schools; and (d) in a manner consistent with federal law, requiring the school board of a school district participating in the program under this section to spend its federal equitable services funds on children with disabilities who are enrolled by their parents in private schools other than under the special needs scholarship program.

Joint Finance/Legislature: Delete provision.

16. INDEPENDENT "2r" CHARTER SCHOOL REESTIMATE UNDER CURRENT LAW [LFB Paper 518]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$17,160,000	- \$10,885,000	\$6,275,000
Aid Reduction	<u>17,160,000</u>	<u>- 10,885,000</u>	<u>6,275,000</u>
Net GPR	\$0	\$0	\$0

Governor: Provide \$4,692,500 in 2013-14 and \$12,467,500 in 2014-15 above base level funding of \$62,172,500 as a reestimate of sum sufficient funding for the current Milwaukee/Racine independent "2r" charter school program. Under current law the Common Council of the City of Milwaukee, the Chancellor of the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College are authorized to operate or contract to operate charter schools located within Milwaukee Public Schools. The Chancellor of the University of Wisconsin-Parkside is authorized to operate or contract to operate one charter school located within the Racine Unified School District. There are currently 21 charter schools participating, including one in Racine. An estimated 7,500 pupils attend these schools in 2012-13, and the aid per pupil is \$7,775. This reestimate assumes that 8,600 pupils will be enrolled in the current law program in 2013-14 and 9,600 will be enrolled in 2014-15, with the additional payments calculated using the current per pupil amount of \$7,775. Under current law, payments to these charter schools are fully offset by a proportionate reduction in the general school aids of all school districts in the state. 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: Reduce funding by -\$3,887,500 GPR in 2013-14 and -\$6,997,500 GPR in 2014-15 as a reestimate of enrollment under the current law program, based on projected enrollments of 8,100 pupils in 2013-14 and 8,700 pupils in 2014-15. Reduce the related proportional aid reduction by corresponding amounts.

17. INDEPENDENT "2r" CHARTER SCHOOL PER PUPIL PAYMENT AMOUNT [LFB Paper 519]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,159,800	\$1,665,200	\$3,825,000
Aid Reduction	<u>2,159,800</u>	<u>1,665,200</u>	<u>3,825,000</u>
Net GPR	\$0	\$0	\$0

Governor: Provide \$662,200 in 2013-14 and \$1,497,600 in 2014-15 and specify that the Milwaukee/Racine charter school per pupil payment amount would be \$7,852 in 2013-14 and \$7,931 in 2014-15 and thereafter. These amounts represent a 1% increase in each year above the current law \$7,775 per pupil payment amount. Approximately 7,500 students attend these schools in 2012-13, and the aid per pupil is \$7,775. This estimate assumes that 8,600 pupils will

be enrolled in the current law program in 2013-14 and 9,600 will be enrolled in 2014-15.

Delete provisions of current law that specify that, beginning in 2013-14, per pupil payments would equal the prior year's payment plus the per pupil adjustment allowed under revenue limits. (Under current law, the \$7,775 per pupil would remain unchanged in 2013-14 and 2014-15, because the Governor has recommended no increase from either year of the biennium in the per pupil adjustment under revenue limits.) Delete provisions under current law referencing a separate aid payment to Racine Unified School District related to the UW-Parkside charter school. Under current law, this payment sunsets at the end of 2012-13.

Joint Finance/Legislature: Delete the Governor's recommendation relating to the per pupil payment amount and, instead, increase the per pupil payment from \$7,775 in 2012-13 to \$7,925 in 2013-14 and \$8,075 in 2014-15, which would provide \$150 annual increases. Increase funding compared to the bill by \$552,800 in 2013-14 and \$1,112,400 in 2014-15. Increase the related aid reduction by corresponding amounts.

Also, provide that in 2015-16 and each year thereafter, the payment would equal the sum of the amount paid per pupil in the previous year, the amount of the per pupil revenue limit adjustment for the current year, if positive, and the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. Specify that the calculation of categorical aids per pupil would use a prior three-year rolling average pupil count in determining the amount per pupil.

[Act 20 Sections: 244, 1744, and 1782 thru 1786]

18. CHARTER SCHOOL OVERSIGHT BOARD [LFB Paper 520]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,965,500	-\$3,965,500	\$0
Aid Reduction	<u>3,965,500</u>	<u>- 3,965,500</u>	<u>0</u>
Net GPR	\$0	\$0	\$0

Governor: Create a new charter school oversight board, attached to DPI for administrative purposes, and consisting of the State Superintendent, or his or her designee, and 10 other members. The administration estimates that an additional 500 pupils would be enrolled statewide in charter schools authorized by the charter school oversight board in 2014-15. Total payments to charter schools for these pupils would equal \$3,965,500 at the proposed per pupil amount of \$7,931 in 2014-15.

Provide that the chairperson of the board would be designated by the Governor. Require that the authorities responsible for appointing the members of the board ensure, to the extent feasible, that members are geographically diverse and have experience and expertise in governing public and nonprofit organizations; in management and finance; in public school leadership, assessment, and curriculum and instruction; and in education law; and understand and

are committed to the use of charter schools to strengthen public education. Provide that no member of the board could serve more than two consecutive terms. Prohibit the board from promulgating rules and specify that, for the purposes of administrative rule-making, a standard or statement of policy adopted by the charter school oversight board is not considered an administrative rule.

In addition to the State Superintendent, the other 10 members of the board would be appointed for staggered, three-year terms and would consist of the following: (a) two members appointed by the Governor, at least one of whom has served on the governing board of an independent "2r" charter school, has been employed by an independent charter school, or has served on the governing body of an entity authorized to contract to establish an independent charter school; (b) two members who are not legislators appointed by the Senate majority leader; (c) one member who is not a legislator appointed by the Senate minority leader; (d) two members who are not legislators appointed by the Speaker of the Assembly; (e) one member who is not a legislator appointed by the Assembly minority leader; (f) two members appointed by the State Superintendent who have served on the governing board of an independent charter school, have been employed by an independent charter school, or have served on the governing body of an entity authorized to contract to establish an independent charter school. Specify differing terms for initial appointments to the board.

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

Provide that an organization or consortium approved by the charter school oversight board to contract to establish an independent charter school would have to annually submit a report to the charter school oversight board that includes the following information: (a) an identification

of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (b) the academic and financial performance of each charter school operated under contract with it; (c) the operating costs of the school board or independent charter school authorizing entity incurred under the statutory requirements for authorizers, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (d) the services that the school board or independent charter school authorizing entity has provided to the charter schools under contract with it and an itemized accounting of the costs of the services.

Delete current law provisions that restrict the location of independent charter schools to Milwaukee or Racine, and that require approval of the Board of Regents for charter schools to be established by UW-Milwaukee and UW-Parkside. Delete the current law restriction that the Chancellor of UW-Parkside may establish only one charter school, and that the school may enroll a maximum of 480 pupils. Provide that any independent charter school authorizer may contract for the operation of a charter school located anywhere in the state. Delete the current law restriction requiring a pupil must reside in the school district in which an independent charter school is located in order to attend the charter school. Also delete current law exceptions to the residency rule, applicable only to certain pupils attending Woodlands School.

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

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

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

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

Under current law the Common Council of the City of Milwaukee, the Chancellor of the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College are authorized

to operate or contract to operate independent "2r" charter schools located within Milwaukee Public Schools. The Chancellor of the University of Wisconsin-Parkside is authorized to operate or contract to operate one charter school located within the Racine Unified School District. There are currently 21 charter schools participating, including one in Racine. An estimated 7,500 pupils attend these schools in 2012-13, and the aid per pupil is \$7,775. Under current law, payments to these charter schools are fully offset by a proportionate reduction in the general school aids of all school districts in the state. 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: Delete provision.

19. CHARTER SCHOOL AUTHORIZING ENTITY DUTIES

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

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

Joint Finance/Legislature: Delete provision.

20. CONTRACT REQUIREMENTS FOR INDEPENDENT "2r" CHARTER SCHOOLS [LFB Paper 521]

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

Provide that, if an independent charter school is in operation on the effective date of the bill, and the charter school receives a rating of "exceeds expectations" or "significantly exceeds expectations" in the most recent school accountability report published by DPI, then the person operating the charter school may open one or more additional charter schools, regardless of the terms of the existing contract with its authorizing entity. Specify that all other provisions of the contract apply to the new school or schools, unless the parties agree to amend the existing contract or enter into a new contract.

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

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

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

Joint Finance/Legislature: Delete provision.

21. CHARTER SCHOOL GOVERNING BOARDS

Governor: Effective September 1, 2013, require each charter school (both independent "2r" and school district instrumentality charter schools) to be governed by a governing board that is a party to the contract with the authorizing entity. Require that no more than a minority of the governing board's members could be employees of the charter school or employees or officers of the school district in which the charter school is located.

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

Joint Finance/Legislature: Delete provision.

22. CHARTER SCHOOL ADMISSIONS

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

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

Joint Finance/Legislature: Delete provision.

23. CONTRACT REQUIREMENTS FOR SCHOOL DISTRICT SPONSORED CHARTER SCHOOLS [LFB Paper 522]

Governor: Provide that, for contracts between school boards and operators of their charter schools, the contract would have to: (a) specify the amount the school board will pay to the operator for each resident pupil attending the charter school, and provide an amount that is commensurate with the average per pupil cost for the school district; (b) grant the operator sole discretion over the charter school's budget, curriculum, and professional development, and over the hiring of personnel and personnel policies for the charter school, except where a decision in any of these areas affects the health or safety of pupils or staff, as determined by the school board; and (c) not impose on the operator any requirement in Chapters 115 to 121 of the statutes (the laws governing K-12 education) that does not otherwise explicitly apply to charter schools. Provide that these provisions would first apply to contracts entered into, modified, extended, or renewed on the effective date of the bill.

Under current law, a contract between a school board and an operator of a charter school: (a) includes provisions agreed to by the parties, including the amount to be paid to the charter school during each year of the contract; (b) must include provisions specified in the petition if the charter school is established by a petition of teachers in the district; and (c) may be for any term not exceeding five years, and may be renewed for one or more terms not exceeding five years. In addition, under current law, the contract must include the following elements: (a) the name of the person seeking to establish the school; (b) the name of the person to be in charge of the charter school, and the manner in which administrative services will be offered; (c) the educational program of the school; (d) the methods to be used to enable pupils to attain the broad educational goals required of all public schools in the state; (e) the method by which pupil progress in attaining educational goals will be measured; (f) the governance structure of the school, including how parental involvement will be ensured; (g) the qualifications that must be met by the individuals to be employed in the school; (h) the procedures the school will follow to ensure health and safety of pupils; (i) the means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the school district population; (j) requirements for admission to the school; (k) the manner in which annual audits of the financial and programmatic operations of the school will be performed; (L) the procedures for disciplining pupils; (m) the public school alternatives for school district pupils who do not wish to attend or are not admitted to the charter school; (n) a description of the school facilities and the types of liability insurance the school will carry; and (o) the effect of the establishment of the charter school on the liability of the school district.

Joint Finance/Legislature: Delete provision.

24. CONVERTING PUBLIC SCHOOLS TO CHARTER SCHOOLS

Governor: Provide that a school board may grant a petition, or may enter into a contract, that would result in the conversion of all public schools in the school district to charter schools. Provide that, unless all of the public schools in a school district have been converted to charter schools, no pupil may be required to attend a charter school without his or her approval, if the

pupil is an adult (18 years of age), or the approval of his or her parent or legal guardian, if the pupil is a minor.

Under current law, a school board may not grant a petition to convert all public schools in the district to charter schools unless the following apply: (a) at least 50% of the teachers employed by the school district sign the petition; and (b) the school board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. Finally, under current law, no pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parent or legal guardian, if the pupil is a minor.

Joint Finance/Legislature: Delete provision.

25. INCLUDE CHOICE AND CHARTER SCHOOLS IN STATEWIDE STUDENT INFORMATION SYSTEM

Governor/Legislature: Require that independent "2r" charter schools and private schools participating in a parental choice program report the same demographic and performance data for pupils and teachers that is currently required of school districts using the statewide student information system (SSIS). Require DPI to ensure that within five years of the establishment of the SSIS, every school district and charter school would have to use the system. Require that, within five years, every private school participating in a parental choice program would have to either use the SSIS or use a system that is interoperable with the SSIS.

[Act 20 Sections: 1732m thru 1734]

26. UW-MILWAUKEE CHARTER SCHOOL LOCATIONS

Joint Finance/Legislature: Provide that the Chancellor of the UW-Milwaukee could establish or contract to establish an independent "2r" charter school located anywhere in Milwaukee County or in an adjacent county. Specify that a pupil who resides in Milwaukee County or in an adjacent county could attend any independent "2r" charter school established in Milwaukee County or in an adjacent county. Under current law, the City of Milwaukee, Milwaukee Area Technical College, and UW-Milwaukee are permitted to establish "2r" charter schools located only in Milwaukee Public Schools, and, with certain limited exceptions applicable only to Woodlands School, only pupils residing in Milwaukee Public Schools are permitted to attend those "2r" charter schools.

[Act 20 Sections: 1778m, 1780m, 1780r, and 1807]

27. WORK BASED LEARNING PROGRAM SCHOOL

Joint Finance/Legislature: Provide that a school district, an independent "2r" charter school, or a private school could create a work based learning program for pupils in grades 9 to 12. A work based learning program would be required to comply with the following: (a) require

a pupil in the program to work at least 280 hours per school year for an employer participating in the program; (b) specify that hours of instruction could not be used to satisfy the work requirements under the program; (c) require a pupil to complete the required work hours by working no fewer than 40 and no more than 50 days per school year, by working no fewer than six and no more than eight hours per day, and by working no more than two days per week; (d) require that an employer who participates in the program do all of the following: (1) comply with specific state child labor laws and federal labor law requirements for age and immigration status; (2) provide each pupil with occupational training and work based learning experiences; (3) provide each pupil with at least 30 hours of training while employing the pupil; (4) provide each pupil with a mentor who supervises the pupil's work and provides the pupil with a year-end evaluation; and (5) provide an employer year-end evaluation to the pupil; (e) provide transportation to and from the workplace at no cost to the pupil or the pupil's family; (f) in determining eligibility for the program, allow the school board, charter school, or private school to require a pupil to demonstrate employability through an interview process, teacher recommendations, or previous work, internship, or volunteer experience; and (g) require that a pupil who wishes to participate in the program enter into a signed agreement with the participating school and the pupil's parent or guardian. Provide that, if a private school participating in the Milwaukee parental choice program operates a work based learning program, the pupil's earnings from the work based learning program would not be counted toward the pupil's family income for purposes of determining eligibility for the choice program.

Veto by Governor [C-4]: Delete the statutory cross-references to specific state child labor laws. More general language that requires a participating employer to "comply with state child labor laws" remains in place.

[Act 20 Sections: 1828g, 1858, and 1858p]

[Act 20 Vetoed Section: 1828g]

28. FULL-TIME OPEN ENROLLMENT TRANSFER AMOUNT

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

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence. The resident district counts a pupil transferring to another district under open enrollment in its pupil membership for revenue limits and general aids. A specified amount of state aid is then transferred from the resident district to the nonresident district for each open enrollment pupil. The per pupil transfer amount under current law is equal to the statewide average per pupil school district costs for regular instruction, co-curricular activities, instructional support services, and pupil support services for the prior school year. The 2012-13

per pupil transfer amount is \$6,335. A district's general aid is increased or decreased by an amount equal to the per pupil transfer amount multiplied by the district's net gain or loss of pupils under open enrollment.

State aid adjustments are not considered in determining a district's revenue limit. In other words, the positive aid transfer that a district with a net gain of pupils under open enrollment receives is outside of its revenue limit. A district with a net loss of pupils cannot increase its property tax levy to cover the negative aid transfer.

[Act 20 Section: 1810m]

29. EXPAND PART-TIME OPEN ENROLLMENT PROGRAM TO COURSE OPTIONS PROGRAM [LFB Paper 523]

Governor/Legislature: Expand the part-time open enrollment program to create a course options program. Specify that a pupil enrolled in a public school in any grade may attend an educational institution for the purpose of taking a course offered by the educational institution. As under current law, a pupil could attend no more than two courses at any time under this program. Define "educational institution" to include a public school in a nonresident school district, the University of Wisconsin System, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, and any nonprofit organization that has been approved by the Department.

Provide that the school board of a pupil's resident district may reject an application by a pupil to attend a course at an educational institution if the resident district determines that either of the following apply: (a) the course does not satisfy a high school graduation requirement; or (b) the course does not conform to or support the pupil's academic and career plan (as provided for under another provision of the bill). Delete the current law provision under which a resident school district may reject an application if the cost of the course would impose an undue financial burden on the district.

Specify that an educational institution may not charge to, or receive from, the pupil or the pupil's resident district any additional payment other than the tuition payment determined by DPI for a pupil attending a course at the educational institution.

Modify the statutory references to "nonresident school board" and "nonresident school district" under the current part-time open enrollment program to instead be "educational institution" under the course options program with respect to the other provisions governing the program.

Under current law, a pupil enrolled in a public school in grades 9 to 12 may attend public school in a nonresident district to take a course offered by the nonresident district. A pupil may attend no more than two courses at any time in nonresident districts. Parents are responsible for transporting pupils to and from courses. The resident district pays 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. Assuming that the funds used by the resident district to pay tuition are

derived from general school aid or property taxes, those amounts are subject to the resident district's revenue limit. Tuition payments received by the nonresident district are not subject to the nonresident district's revenue limit.

[Act 20 Sections: 239, 1745, and 1811 thru 1827]

30. PUPILS ENROLLED IN HOME-BASED PRIVATE EDUCATIONAL PROGRAMS
[LFB Paper 524]

Governor: Expand the part-time attendance option for pupils enrolled in a home-based private educational program to require a school board to allow a pupil in a such program who has met the standards for admission for a course to attend up to two courses at a public school in the district during each school semester, if the board determines that there is sufficient space in the classroom. Require boards to determine the minimum standards for admission to a course offered by the district at each grade. Specify that a pupil enrolled in a home-based private educational program and attending a public school may attend one course in each of two school districts, but may not attend more than two courses in any semester. Define "course" to mean study which has the fundamental purposes of developing the knowledge, concepts, and skills in a subject. Specify that a pupil attending public school under these provisions be counted as 0.25 pupil for the calculation of equalization aid, but not revenue limits, for each course the pupil attends at the public school during the school year. Specify that these provisions would be applicable to all school districts, including Milwaukee Public Schools.

Under current law, the school board of a district operating high school grades must allow a pupil enrolled in a home-based educational program, who has met the standards for admission to high school, to take up to two courses during each school semester if the pupil resides in the district in which the public school is located and if the board determines that there is sufficient space in the classroom. The pupils are currently counted on a full-time equivalency basis in a district's pupil membership for the calculation of equalization aid, but not revenue limits.

Joint Finance/Legislature: Specify that only pupils attending a nonresident district would be counted as 0.25 pupil for equalization aid purposes. (Pupils attending their resident district would still be counted on an FTE basis.)

[Act 20 Sections: 1756, 1828, 1858, 1878, 1881, 1889, and 1893]

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Recommend adjustments to the base budget of -\$721,300 GPR, \$1,137,500 FED, and -\$107,700 PR in 2013-14 and -\$686,000 GPR, \$848,600 FED, and -\$107,700 PR in 2014-15 and a reduction of 12.80 FED

	Funding	Positions
GPR	-\$1,407,300	0.00
FED	1,986,100	- 12.80
PR	<u>- 215,400</u>	<u>0.00</u>
Total	\$363,400	- 12.80

positions for: (a) turnover reduction (-\$412,800 GPR and -\$434,100 FED annually); (b) removal of noncontinuing elements from the base (-\$233,500 FED and -6.80 FED positions in 2013-14 and -\$523,000 FED and -12.80 FED positions in 2014-15); (c) full funding of continuing position salaries and fringe benefits (-\$705,600 GPR, \$1,765,000 FED, and -\$118,200 PR annually); (d) overtime (\$274,500 GPR, \$50,200 FED, and \$13,800 PR annually); (e) night and weekend differential (\$55,500 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed move costs (\$67,100 GPR, -\$10,500 FED, and -\$3,500 PR in 2013-14 and \$102,400 GPR, -\$9,900 FED, and -\$3,500 PR in 2014-15.

2. PERMANENT GPR REDUCTIONS

GPR	- \$435,400
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Governor/Legislature: Reduce funding by -\$217,700 annually to implement the lapse provisions of 2011 Act 32 relating to reductions in base funding.

3. STATEWIDE STUDENT INFORMATION SYSTEM

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$13,875,900	1.00	-\$13,875,900	- 1.00	\$0	0.00
PR	<u>4,545,700</u>	<u>3.00</u>	<u>- 4,545,700</u>	<u>- 3.00</u>	<u>0</u>	<u>0.00</u>
Total	\$18,421,600	4.00	-\$18,421,600	- 4.00	\$0	0.00

Governor: Provide \$13,875,900 GPR in 2013-14 and 1.0 GPR position, and \$1,590,500 PR in 2013-14 and \$2,955,200 PR in 2014-15 and 3.0 PR positions beginning in 2013-14 for the procurement, implementation, and ongoing support of a statewide student information system (SSIS). Modify the current law GPR appropriation for SSIS from a biennial to a continuing appropriation. The 1.0 GPR position would be a project manager to oversee implementation of the SSIS.

Of the total, provide \$1,449,800 PR in 2013-14 and \$2,771,700 PR in 2014-15 and 1.0 PR position in a new, continuing PR-S appropriation for the purposes of contracting with schools and districts to use the new system, collecting user fees as the SSIS is implemented, and using the revenue to pay vendor per pupil fees and operating costs of the SSIS. An additional \$140,700

PR in 2013-14 and \$183,500 PR in 2014-15 with 2.0 PR positions would provide dedicated technical assistance and help desk support for users of the SSIS.

Under 2011 Act 32, DPI is required to establish a student information system to collect and maintain information about pupils enrolled in public schools, including their academic performance and demographic information, aggregated by school district, school, and teacher. The State Superintendent is authorized to promulgate rules to authorize DPI to charge a fee to any person that uses the system. A total of \$15,000,000 GPR was appropriated in the 2011-13 biennium for the SSIS; of the total, \$5,000,000 GPR was released to DPI, and \$10,000,000 GPR was retained in the Joint Committee on Finance supplement appropriation. DPI expects to expend approximately \$1,124,100 by the end of 2012-13, leaving a total \$13,875,900 that will be returned to the general fund at the end of the 2011-13 biennium.

Joint Finance/Legislature: Delete \$13,875,900 GPR in 2013-14 and 1.0 GPR position, and \$1,590,500 PR in 2013-14 and \$2,955,200 PR in 2014-15 and 3.0 PR positions. Instead, provide \$7,100,000 GPR in 2013-14 in the Joint Committee on Finance's supplemental appropriation, for an open system for standardized student data collection, the fiscal effect of which is shown under Program Supplements. Repeal the current law requirement that the State Superintendent establish a student information system in conjunction with the office of the Governor. Instead, require the State Superintendent to develop a proposal for a multiple-vendor student information system for the standardized collection of pupil data. Require the proposal to allow schools and school districts to use their vendor of choice and include reporting requirements that can reasonably be met by multiple vendors. Provide that the State Superintendent may not establish a student information system, unless the proposal is approved by the Joint Committee on Finance.

Require the State Superintendent to submit the proposal to the Committee for its approval, disapproval, or modification. If the Committee approves the proposal, or modifies and approves the proposal, the Committee may release to the State Superintendent the \$7,100,000 GPR and the State Superintendent would be required to implement the proposal. The funding would be used to pay the costs incurred by schools and school districts to meet the proposal's reporting requirements. If the proposal would be approved, the State Superintendent would be required to ensure that information about pupils enrolled in independent charter schools and pupils enrolled in private schools participating in a parental choice program, in addition to school districts, including their academic performance and demographic information, aggregated by school district, school, and teacher, is collected and maintained in the student information system.

[Act 20 Sections: 226, 232, 236, 1732m, 1733, and 1734]

4. SMARTER BALANCED AND ACT ASSESSMENTS [LFB Paper 535]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$11,492,500	2.00	\$574,000	0.00	\$12,066,500	2.00

Governor: Provide \$1,872,800 in 2013-14 and \$9,619,700 in 2014-15 and 2.0 GPR positions for the state's standardized pupil assessments program. Base level funding for pupil assessments is \$4,578,300 annually.

Of the total, \$1,550,600 in 2013-14 and \$2,782,500 in 2014-15 would be used to: (a) fund the final year of the Wisconsin knowledge and concepts examinations (WKCE) in 2013-14; (b) administer the new Smarter Balanced and Dynamic Learning assessment systems in 2014-15; and (c) replace the science and social studies portions of the WKCE in 2014-15.

Of the total, \$322,200 in 2013-14 and \$6,837,200 in 2014-15 and 2.0 GPR positions would be used to implement the full ACT suite for high school pupils statewide, including Explore, Plan, ACT college entrance exam, and WorkKeys in 2014-15. Of the ACT total, \$140,700 in 2013-14 and \$183,500 in 2014-15 would fund 2.0 GPR positions. Provide \$181,500 in 2013-14 and \$362,900 in 2014-15 for costs related to certifying all high schools as ACT administration sites, and provide \$571,600 in 2014-15 for data integration with state systems, training materials, and WorkKeys certificates. Provide \$5,719,200 in 2014-15 to administer the ACT assessment suite to pupils enrolled in grades 9, 10, and 11 statewide.

Require the State Superintendent to adopt or approve examinations to measure pupil attainment of knowledge and concepts in grades 9 and 11, in addition to grades 4, 8, and 10 under current law. Also, beginning in 2014-15, require school districts, independent charter schools, and private schools participating in the Milwaukee and Racine parental choice programs to administer the exams in grades 9 and 11. As is the case under current law for grades 4, 8, and 10, upon the request of a pupil's parent or guardian, a school must excuse the pupil from taking the exams in grades 9 and 11.

Under current law, the State Superintendent is required to adopt examinations to measure pupil attainment of knowledge and concepts in grades 4, 8, and 10. School districts, charter schools, and private schools participating in the Milwaukee and Racine parental choice programs are required to administer the examinations.

The new Smarter Balanced assessment, aligned with the Common Core state standards adopted by Wisconsin in 2010, was developed with a consortium of states with a federal Race to the Top assessment grant and will also fulfill federal accountability requirements. Smarter Balanced will be field tested in 2013-14, and will be ready to replace the mathematics, reading, and language arts portions of the current WKCE in grades 3 through 8 beginning in 2014-15. The ACT would be used in lieu of administering Smarter Balanced in high school. Until Smarter Balanced is ready, DPI is required by state and federal law to continue administering the

federally approved WKCE.

Dynamic Learning is a new assessment, also being developed by a consortium of states, that will replace the current Wisconsin Alternate Assessments for Students with Disabilities (WAA-SwD). Similar to Smarter Balanced, Dynamic Learning will replace the mathematics, reading, and language arts portions of the WAA-SwD, but not the science portion. The social studies portion is currently a locally-administered assessment not currently paid for by the state.

Joint Finance/Legislature: Provide \$574,000 in 2014-15 and require that the ACT Explore test would be administered twice in the 9th grade, in the fall and the spring. Require the Plan and ACT test be administered in the spring terms of 10th and 11th grades, respectively, with the spring term test for 10th grade first effective in 2014-15.

[Act 20 Sections: 1759 thru 1769, 1874, and 9434(4L)]

5. COMMON CORE STANDARDS EVALUATION

Joint Finance/Legislature: Provide that the Department may take no further action to implement the common core standards, and prohibit the Department from directing school districts to implement further standards. Provide that any common core standard adopted and implemented by the State Superintendent prior to July 1, 2013, remains in effect until the Department adopts the standards required below. Define "common core standards" to mean those academic standards developed for kindergarten through grade 12 by the Common Core State Standards Initiative.

Request the Joint Legislative Council to establish a study committee to study issues related to the common core standards adopted by the State Superintendent on June 2, 2010, and other academic standards, including those standards currently in effect in Wisconsin. If the Council establishes such a study committee, require the committee to schedule and hold at least three public hearings by November 1, 2013, to consider and submit a final report to the Legislative Council, the Governor, and DPI. Require the report to contain the following: (a) a comparison of the State's academic standards and the common core standards adopted by the State Superintendent on June 2, 2010; (b) a consideration of best practices in developing and adopting college and career readiness standards, by seeking information from a broad range of sources, including subject area teachers from elementary and secondary schools in this state, subject area instructors and experts from post-secondary educational institutions, and information about any other standards the study committee considers to be superior to the common core standards; and (c) a comparative evaluation of the costs to the state of adopting and implementing the assessments developed by the Partnership for Assessment of Readiness for College and Careers, and of adopting and implementing assessments developed by the Smarter Balanced Consortium and aligned to the common core standards.

No later than September 1, 2013, require the Legislative Fiscal Bureau, in consultation with DPI, to estimate the fiscal impact to the state if DPI either: (a) fully implements the adoption of the common core standards; or (b) discontinues the implementation of the common core standards and adopts other college and career readiness standards.

No later than September 1, 2013, require that DPI submit an evaluation of the English and mathematics common core standards adopted by the State Superintendent to the Speaker of the Assembly and the President of the Senate, the Governor, and the legislative study committee established under this provision, if applicable.

No later than July 1, 2014, require DPI to adopt college and career readiness standards that: (a) meet national and international benchmarks for college and career readiness; (b) align with postsecondary educational expectations; and (c) fulfill the requirements of the state's federal flexibility waiver under the Elementary and Secondary Education Act. Provide that the standards adopted by DPI could exceed, supplement, or supplant the common core standards, provided the standards meet the requirements of the state's federal flexibility waiver. Specify that DPI could not adopt standards until all of the following are satisfied: (a) the State Superintendent reviews and considers the DPI evaluation of the common core standards, as required by this provision; (b) the State Superintendent reviews and considers the fiscal impact estimate prepared by the Legislative Fiscal Bureau, as required by this provision; (c) the State Superintendent reviews and considers, if applicable, the final report of the legislative study committee established in accordance with this provision; and (d) DPI conducts at least three public hearings regarding the adoption of college and career readiness standards, at which the information described in this provision is presented and public testimony is received.

[Act 20 Section: 9134(2q)]

6. WISEDASH [LFB Paper 536]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$6,626,200	0.00	\$0	0.00	\$6,626,200	0.00
FED	- 98,200	- 1.00	0	0.00	- 98,200	- 1.00
PR	<u>7,238,200</u>	<u>1.00</u>	<u>- 2,242,400</u>	<u>0.00</u>	<u>4,995,800</u>	<u>1.00</u>
Total	\$13,766,200	0.00	- \$2,242,400	0.00	\$11,523,800	0.00

Governor: Provide \$3,313,100 GPR annually in a new annual appropriation for the purpose of maintenance and development of the Department's longitudinal data system (LDS), WISEdash reporting system, and data warehouse. Provide expenditure authority of \$3,570,000 PR annually in an existing data processing appropriation, for contractor payments to maintain and develop the data warehouse and reporting systems, which would be funded by the requested GPR. Delete \$49,100 FED annually and 1.0 FED position, and provide \$49,100 PR annually and 1.0 PR position, to convert an existing permanent FED position to a PR position.

The state's longitudinal data system and WISEdash have been developed and maintained under a series of grants from US Education Department, ending June 30, 2013. The LDS tracks data on pupil growth over time, at both the pupil level and in the aggregate, and WISEdash provides secure access to, and analysis of, a variety of data sources on pupil enrollment, attendance, and performance data, including data imported from the data warehouse.

Joint Finance/Legislature: Delete \$1,121,200 PR annually, to align PR expenditure authority with the portion of GPR funding attributable to work on the system to be performed by contractors.

[Act 20 Section: 228]

7. READING ASSESSMENT [LFB Paper 537]

GPR	\$2,847,000
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Governor: Provide \$1,496,000 in 2013-14 and \$1,351,000 in 2014-15 for assessments of reading readiness for pupils in four-year-old kindergarten through grade 2. Base level funding is \$800,000 annually. The reading assessment was first required for five-year-old kindergarten pupils in 2012-13 under 2011 Act 166. Require that, beginning in 2014-15, school boards and independent charter schools also assess four-year-old kindergarten pupils, and grades 1 and 2 pupils, using the appropriate, valid, and reliable assessment of literacy fundamentals selected by the Department. A corrective amendment would be needed to accomplish the intent of this provision.

Joint Finance/Legislature: Modify the Governor's recommendation to clarify that school districts and independent charter schools must assess 4K, 5K, and 1st grade pupils for reading readiness beginning in 2013-14. Also specify that beginning in 2014-15, pupils in 4K through 2nd grade must be assessed for reading readiness. Finally, modify the Governor's recommendation to require DPI, in 2014-15, to pilot an oral vocabulary assessment for 2nd grade pupils.

[Act 20 Sections: 1755 and 9134(3i)]

8. DIGITAL LEARNING PORTAL [LFB Paper 538]

	Funding	Positions
GPR	\$1,450,000	1.19

Governor/Legislature: Provide \$1,450,000 in 2014-15 and 1.19 position in a new annual appropriation for WISElearn, a statewide digital learning portal, including \$91,000 for the positions and \$1,359,000 for supplies and services such as hardware, software licensing, web hosting, and content acquisition and management. Require DPI to develop and maintain an online resource to: (a) provide educational resources for parents, teachers, and pupils; (b) offer online learning opportunities; (c) provide regional technical support centers; (d) provide professional development for teachers; and (e) enable video conferencing.

[Act 20 Sections: 229 and 1735]

9. ACADEMIC AND CAREER PLANNING [LFB Paper 539]

GPR	\$1,100,000
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Governor/Legislature: Provide \$1,100,000 in 2014-15 in a new, continuing appropriation for implementing academic and career planning statewide. Require DPI to ensure that, beginning in 2017-18, every school board is providing academic and career planning services to pupils enrolled in grades 6 to 12 in the school district. Require DPI to procure, install, and maintain

information technology, including computer software, to be used statewide by school districts to provide academic and career planning services to pupils in grades 6 to 12. Require DPI to provide guidance, training, and technical assistance to school districts and school district staff, including teachers and counselors, on how to implement model academic and career plans, including training and technical assistance that is necessary to implement the information technology provided for this purpose. Require DPI promulgate rules to implement these provisions.

[Act 20 Sections: 230 and 1737]

10. TEACH FOR AMERICA [LFB Paper 540]

GPR	\$1,000,000
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Governor: Provide \$500,000 annually in a new, biennial appropriation to make payments to Teach for America, to recruit and prepare individuals to teach in low-income or urban school districts. Teach for America is a non-profit organization that places recent college graduates and other professionals to teach for at least two years in low-income communities.

Joint Finance/Legislature: Require that funding provided be used to recruit and prepare individuals to teach in low-income or urban school districts within the state of Wisconsin.

[Act 20 Sections: 248 and 1738]

11. MASTER EDUCATOR AND NATIONAL TEACHER CERTIFICATION REESTIMATE

GPR	\$691,900
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Governor/Legislature: Provide \$212,100 in 2013-14 and \$479,800 in 2014-15 as a reestimate payments to teachers who are certified by the National Board for Professional Teaching Standards or certified as a master educator under the state licensing process. Base level funding is \$2,440,600. DPI provides initial grants in an amount equal to the costs of obtaining certification, up to \$2,000. For nine consecutive years following the initial grant, DPI awards annual grants of \$2,500 to qualifying teachers. In addition, higher grant awards of \$5,000 are provided to continuing nationally certified or master educators working in schools with at least 60% pupil eligibility for free and reduced-price lunch.

It is estimated that: (a) 85 educators annually would be newly certified under the program, receiving initial average grants of \$1,800 (\$153,000 annually); (b) there will be 651 continuing educators in 2013-14 and 722 continuing educators in 2014-15 receiving standard grants (\$1,627,900 in 2013-14 and \$1,804,300 in 2014-15); and (c) 139 continuing educators in 2013-14 and 153 continuing educators in 2014-15 will receive high poverty grants (\$694,200 in 2013-14 and \$766,500 in 2014-15). Finally, the IRS requires DPI to pay Medicare and Social Security taxes on behalf of continuing educators under the program (\$177,600 in 2013-14 and \$196,600 in 2014-15).

12. REQUIREMENTS FOR MASTER EDUCATORS [LFB Paper 541]

Governor: Require that, for a person licensed by the Department as a master educator under PI 34, the person also receive a rating of "effective" or "highly effective" under the applicable educator effectiveness system in order to receive an initial grant as described below for the costs of having attained the highest level of licensure. Require the person to maintain that rating to receive the nine years of follow-on grants. Provide that this requirement would first apply to persons first receiving an initial grant in the 2014-15 school year.

Under current law, DPI provides initial grants in an amount equal to the costs of obtaining certification, up to \$2,000, to teachers who are certified by the National Board for Professional Teaching Standards or who are certified as a master educator under the state licensing process. For nine consecutive years following the initial grant, DPI awards annual grants of \$2,500 to qualifying teachers. In addition, higher grant awards of \$5,000 annually are provided to continuing nationally certified or master educators who are working in schools with at least 60% pupil eligibility for free and reduced-price lunch.

Joint Finance/Legislature: Specify that the Governor's recommendation would also apply to teachers who are certified by the National Board for Professional Teaching Standards. Specify that a grant recipient that fails to maintain at least an "effective" rating would be ineligible for a grant in that school year.

[Act 20 Sections: 1750, 1751e, and 9334(2)]

13. ADULT LITERACY GRANTS

GPR	\$41,600
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Joint Finance/Legislature: Provide \$20,800 annually to increase funding for adult literacy grants under DPI for nonprofit organizations to support programs that train community-based adult literacy staff and to establish new volunteer-based programs in areas of this state that have a demonstrated need for adult literacy services. Base level funding is \$62,400.

14. DEBT SERVICE REESTIMATE [LFB Paper 164]

GPR	\$317,700
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Governor/Legislature: Provide \$161,100 in 2013-14 and \$156,600 in 2014-15 as a reestimate of debt service payments for the state residential schools. Base level funding is \$995,800.

15. FUEL AND UTILITIES REESTIMATE

GPR	-\$38,200
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Governor/Legislature: Delete \$29,300 in 2013-14 and \$8,900 in 2014-15 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is \$622,100.

16. FEDERAL REVENUE REESTIMATES

FED	\$9,735,200
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Governor/Legislature: Reestimate federal revenues by \$7,367,600 in 2013-14 and \$2,367,600 in 2014-15 for the following: (a) federal aids -- program operations (\$2,266,900 annually); (b) federal aid -- economic stimulus funds (\$5,000,000 in 2013-14); and (c) federal funds -- local assistance (\$100,700 annually).

17. PROGRAM REVENUE REESTIMATES

PR	-\$7,412,000
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Governor/Legislature: Reestimate PR expenditures by -\$3,699,600 in 2013-14 and -\$3,712,400 in 2014-15 for the following: (a) student activity therapy (-\$700 annually); (b) personnel licensure, teacher supply, information and analysis, and teacher improvement (\$267,500 annually); (c) publications (-\$56,900 annually); (d) school lunch handling charges (-\$3,386,200 annually); (e) gifts, grants, and trust funds (-\$550,000 annually); (f) state agency library processing center (-\$7,500 annually); (g) general educational development and high school equivalency exams (\$19,300 annually); (h) data processing (\$1,046,700 in 2013-14 and \$1,003,900 in 2014-15); (i) program for the deaf and center for the blind -- pupil transportation (\$39,700 in 2013-14 and \$69,700 in 2014-15); (j) program for the deaf and center for the blind -- nonresident fees (-\$49,500 annually); (k) program for the deaf and center for the blind -- leasing of space (-\$6,100 annually); (L) program for the deaf and center for the blind -- services (-\$25,400 annually); (m) funds transferred from other state agencies -- local aids (-\$990,500 annually).

18. REPEAL OBSOLETE FEDERAL APPROPRIATIONS

FED	-\$5,000,000
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Governor/Legislature: Delete \$5,000,000 in the federal aid--economic stimulus funds appropriation for 2013-14. Repeal the appropriations for federal aid--economic stimulus funds and for federal aid--state allocations, which were created in order to receive and distribute funding under the American Recovery and Reinvestment Act. Provide that the repeal would take effect July 1, 2014.

[Act 20 Sections: 246, 247, and 9434(2)]

19. SPECIAL OLYMPICS

GPR	\$15,000
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Governor/Legislature: Provide \$7,500 annually to Special Olympics Wisconsin, above base level funding of \$67,500. Funding has been provided since 1979, to offset administrative costs for the organization.

20. BADGERLINK

SEG	\$66,000
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Governor/Legislature: Provide \$29,900 in 2013-14 and \$36,100 in 2014-15 above base level funding of \$2,448,900 to maintain the current level of services for full-text database access

for state residents and libraries. Segregated funding for the program is provided through the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

21. LIBRARY SERVICE CONTRACTS

SEG	\$45,400
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Governor/Legislature: Provide \$22,700 annually above base level funding of \$1,144,500 to maintain contracts with four providers of specialized statewide library services and resources. Contracts are currently maintained with the Milwaukee Public Library, Wisconsin Library Services, 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).

22. NEWSLINE FOR THE BLIND

SEG	\$400
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Governor/Legislature: Provide \$400 in 2014-15 for newslines for the blind. Base level funding is \$111,100. Segregated funding is from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

23. CHANGE TWO APPROPRIATIONS FROM ANNUAL TO CONTINUING

Governor/Legislature: Modify current program revenue appropriations for publications and for general educational development and high school graduation equivalency certificates, to convert them from annual appropriations to continuing, all moneys received appropriations. This change would allow the expenditure of all revenues credited to the appropriation, rather than only the sum certain amount of funding shown in the appropriation. The publications appropriation collects funds from the sales of DPI publications to cover the costs of producing those publications. The general educational development and high school graduation equivalency appropriation receives fee revenue for the service, which is used to cover the administrative costs of issuing the certificates.

[Act 20 Sections: 233 and 234]

24. CHARTER SCHOOL TEACHING LICENSE [LFB Paper 542]

Governor/Legislature: Require the State Superintendent to grant a charter school teaching license to any person who has a bachelor's degree and demonstrates, based upon criteria established by DPI, that the person is proficient in the subjects that he or she intends to teach. Provide that the license would authorize the person to teach those subjects in a charter school. Provide that the license would be valid for three years and would be renewable for three-year periods.

In general, under current law, an education degree is required in order to be issued a teaching license, licenses are issued for specific grade bands and academic subjects, and licenses are issued according to three license stages, for periods of either 5 or 10 years. Under Chapter PI34 of the Administrative Code, a charter school instructional staff license may be issued to an individual who holds a valid state teaching license to teach a subject outside his or her teaching license. An individual assigned to teach a core academic subject in a charter school is required to hold a valid state teaching license, and have done one of the following: (a) completed a major or minor in the assigned core academic subject; (b) successfully passed a content knowledge examination, prescribed by the State Superintendent, in the assigned core academic subject; and (c) demonstrated knowledge and competence in the assigned core academic subject based on an assessment process approved by the State Superintendent.

[Act 20 Section: 1731]

25. REQUIRING CLASSROOM PRESENCE OF TEACHERS

Governor/Legislature: Require DPI to promote the delivery of digital content and collaborative instruction among schools within a school district and between two or more school districts, including through online courses. Prohibit DPI from promulgating a rule or establishing a policy that requires a licensed teacher or instructional staff person to be physically present in a classroom in which the delivery of content or collaborative instruction is being provided in that classroom digitally or through an online course.

[Act 20 Section: 1736]

26. VIRTUAL SCHOOL TEACHER REQUIREMENTS [LFB Paper 542]

Governor/Legislature: Prohibit DPI from requiring professional development for an appropriately licensed person teaching in a virtual charter school that would not otherwise be required for a similarly licensed person teaching outside of a virtual charter school. Delete the current law requirement that a person teaching an online course in a public school, including a charter school, must complete at least 30 hours of professional development designed to prepare a teacher for online teaching.

[Act 20 Sections: 1757, 1808, and 1879]

27. TEACHING EXPERIENCE [LFB Paper 542]

Governor/Legislature: Require the Department to ensure that teaching experience gained while a person held an emergency permit, issued under chapter PI 34 of the administrative code, counts toward fulfillment of the teaching experience requirement for a license based on experience or for a license as a school administrator.

Under PI 34, DPI may issue an emergency permit to an applicant who has a bachelor's degree. An emergency permit authorizes the holder to be employed as a professional school

employee for one specific assignment and is valid for one year, with the possibility of renewal. An initial educator or professional educator license may be issued to an applicant who presents evidence of having completed an approved program in another state except student teaching if the applicant verifies three or more years of successful teaching experience in the subject or grade level of preparation and if the applicant meets all other applicable requirements. A school administrator license, in general, requires three years of experience as professional school staff.

[Act 20 Section: 1758]

28. SCHOOL REPORT CARDS

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

Joint Finance/Legislature: Modify the Governor's recommendation to require DPI to publish the report by September 30 each year, rather than by June 30.

Veto by Governor [C-5]: Delete the specific day (September 30) by which DPI must publish a school accountability report, so that instead DPI must publish the report annually by September.

[Act 20 Section: 1746]

[Act 20 Vetoed Section: 1746]

29. STUDENT DATA SYSTEM COLLABORATION

Governor/Legislature: Provide that the Department of Children and Families (DCF) and the Department of Workforce Development (DWD) be added to the current law agreement on cooperative research on education programs--statewide student data system, which is currently an agreement among DPI, the Wisconsin Technical College System (WTCS), the University of

Wisconsin System (UW-System), and the Wisconsin Association of Independent Colleges and Universities (WAICU). The agreement requires these agencies to collaborate to establish and maintain a longitudinal data system that collects student data from preschool programs through post-secondary education, to evaluate and study education programs in order to improve student academic achievement. Require that the system be interoperable with the work force data systems maintained by DWD. Require that, in addition to student data, work force data be exchanged among the agencies or submitted to the longitudinal data system, to the extent necessary to perform an evaluation or study of education programs operated or supervised by one or more of the participating agencies. Require that, annually by October 1, the agencies submit a joint report to the Secretary of Administration regarding their progress in establishing a longitudinal data system. Finally, require that, by the first day of the third month beginning after the effective date of the bill, the agencies (DCF, DWD, DPI, WTCS, UW-System, and WAICU) amend the agreement or enter into a new agreement so as to include DCF and DWD in the agreement.

[Act 20 Sections: 1739 thru 1743 and 9134(2)]

30. TEACHER LICENSING FORMS

Joint Finance/Legislature: Require the State Superintendent to promulgate a rule requiring an applicant for a license to provide his or her home address.

[Act 20 Sections: 1731m]

31. FOUNDATIONS OF READING TEST

Joint Finance/Legislature: Delay the effective date from January 1, 2014, to January 31, 2014, for the requirement that an applicant for an initial teaching license to teach in grades K-5, in special education, as a reading teacher, or as a reading specialist, must first pass the Foundations of Reading test.

[Act 20 Section: 2365r]

32. STUDY OF PUBLIC LIBRARY SYSTEMS

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

Veto by Governor [D-24]: Delete provision.

[Act 20 Vetoes Section: 9101(3L)]

33. RURAL SCHOOLS TASK FORCE

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

[Act 20 Section: 9127(1i)]

34. COUNTY LIBRARY LEVY EXEMPTION FOR JOINT LIBRARIES

Joint Finance/Legislature: Provide that notwithstanding current law, any city, village, town, or school district in a county levying a tax for public library service is exempt from the county levy if: (a) the municipality is included in a joint library; and (b) the municipality levies a tax for public library service, less the amount levied for public library capital expenditures, and appropriates and expends for a library fund during the year for which the county tax levy is made an amount that is not less than the average of the previous three years. Specify that this treatment first applies to property tax assessments as of January 1, 2014.

[Act 20 Sections: 761m and 9329(3L)]