

PUBLIC INSTRUCTION

Omnibus K-12 Funding Motion

Motion:

Move to make the following changes to the bill:

General School Aids and Revenue Limits

1. *General School Aids Funding (Paper #490)*. Provide an additional \$102,254,000 GPR in 2017-18 and \$422,902,000 GPR in 2018-19 for general school aids.
2. *School Levy Tax Credit (Paper #570)*. Eliminate the school levy tax credit in 2018-19 (\$940 million in 2018-19 under the bill) and the first dollar tax credit (\$150 million in 2018-19 under the bill) and, instead, distribute the same amount of funding (\$1,090 million) through the general school aids formula. Also, increase the current law \$75 million delayed payment of general school aid in the following July to \$1,165 million. Because the two credits are paid on a delayed basis in July under current law, there would be no increase in general fund expenditures in the 2017-19 biennium under this item.
3. *High Poverty Aid*. Eliminate high poverty aid and reallocate base funding of \$16,830,000 GPR to the general school aids appropriation beginning in 2018-19.
4. *Low-Income Pupil Weighting*. Specify that each pupil eligible for federal free- or reduced-price lunch would be weighted by an additional 20% (be counted as 1.2 pupil rather than 1.0 pupil) for purposes of the membership count used in calculating equalized value per member under the general school aids formula. In 2015-16, there were approximately 335,000 pupils eligible for free- or reduced-price lunch.
5. *Special Adjustment Aid*. Specify that special adjustment aid would be calculated based on 90% of a district's prior year general aid payment, rather than 85% as under current law.
6. *Minimum Aid*. Specify that every district would receive minimum aid of at least \$3,000 per member under the general aid formula.
7. *Secondary Cost Ceiling*. Set the secondary cost ceiling at 100% of the prior year statewide shared cost per member, rather than 90% as under current law.
8. *Hold Harmless Aid*. Create a sum sufficient appropriation with \$6,000,000 GPR in 2018-19 for hold harmless aid. For eligible districts, aid would be paid in the amount needed to

provide the district with the same amount of funding from the sum of general aid, the school levy credit, and high poverty aid under the various formula changes in 2018-19 as they would have received from those three sources under current law.

9. *Revenue Limit Per Pupil Adjustment (Paper #490)*. Set the per pupil adjustment at \$200 in 2017-18 and \$204 in 2018-19 and restore the prior law inflationary adjustment beginning in 2019-20.

10. *Low Revenue Adjustment (Paper #490)*. Set the low revenue adjustment under revenue limits at \$9,500 per pupil in 2017-18 and \$9,900 per pupil in 2018-19. Under current law, the low revenue adjustment is set at \$9,100 per pupil.

11. *Per Pupil Aid (Papers #490 and #491)*. Adopt Alternative B1 of Paper #490 to retain \$200/\$204 per pupil aid increases in the bill. Reestimate the cost of this item by -\$672,300 GPR in 2017-18 and -\$2,767,700 GPR in 2018-19. Adopt Alternatives A4 and B6 of Paper #491 to delete the school district certifications required under the bill in order to receive this aid.

12. *Summer School Enrollment*. Include 100% of summer school enrollments in the calculation of revenue limits, beginning with the enrollments from the summer of 2018 that are included in 2018-19 revenue limit enrollment. Under current law, districts can include in their revenue limit enrollments 40% of the full-time equivalent (FTE) summer enrollment in academic summer classes or laboratory periods that are for necessary academic purposes. Under this item, the increase in the summer school enrollment multiplier would be fully implemented over the three years of the rolling average enrollments used to calculate revenue limits. In 2018-19, current year revenue limit enrollments would include 40% of the 2016-17 and 2017-18 summer FTE and 100% of the 2018-19 summer FTE. In 2019-20, enrollments would include 40% of the 2017-18 summer FTE and 100% of the 2018-19 and 2019-20 summer FTE. In 2020-21, enrollments would include 100% of the 2018-19, 2019-20, and 2020-21 summer FTE.

13. *Energy Efficiency Exemption (Paper #492)*. Adopt Alternative 2 to delete the bill provisions that would eliminate the current revenue limit exemption for certain energy efficiency projects.

14. *School Safety Plan Revenue Limit Exemption*. Provide a revenue limit exemption for certain school safety expenditures in 2018-19 made under a school safety plan equal to the greater of \$40,000 or \$100 times the number of pupils in the school district. It is estimated that districts would utilize \$60 million in revenue limit authority related to this item.

Categorical Aids

15. *Sparsity Aid (Paper #500)*. Increase funding in the bill by \$13,293,700 GPR in 2017-18 and \$13,135,300 GPR in 2018-19 to provide \$400 of aid per pupil to districts with a membership of less than 1,000 pupils and pupil population density of less than 10 pupils per square mile, and \$100 of aid per pupil to districts with a membership of between 1,000 and 2,700 pupils and pupil population density of less than 7 pupils per square mile. Additionally, modify the appropriation for sparsity aid to be sum sufficient.

16. *High Cost Pupil Transportation Aid (Paper #501)*. Adopt Alternative 1, which would approve the Governor's recommendation to provide \$5,200,000 GPR annually above base level funding of \$7,500,000 and create a stop-gap measure (district would receive 50% of prior-year aid in the year a district first loses eligibility) requested in the errata materials submitted to the Committee. It is estimated that this funding level would provide full funding for the program.

17. *Mental Health Programs and Bullying Prevention Program (Paper #506)*. Modify the mental health categorical aid program to specify that schools would be eligible for reimbursement for expenditures for any pupil services personnel, rather than only for school social workers.

Adopt Alternative B1, which would approve the Governor's recommendation to provide \$2,500,000 beginning in 2018-19 for mental health collaborative grants for school districts and independent charter schools. Additionally, adopt Alternative C1, which would approve the Governor's recommendation to provide \$491,300 in 2017-18 and \$514,100 in 2018-19 to fund training for school districts and independent charter schools in providing mental health screening and intervention services to pupils and 1.0 FTE position to administer the mental health programs.

Adopt Alternative D1, which would approve the Governor's recommendation to provide \$150,000 annually for grants to a nonprofit organization to provide training and an online bullying prevention curriculum. Additionally, provide \$75,000 GPR annually for Special Olympics bullying prevention.

Additionally, provide \$110,000 GPR annually for the Center for Suicide Awareness.

18. *Milwaukee Performance Funding (Paper # 504)*. Specify that the funds provided for the grants, equal to \$5,645,200 GPR in 2018-19, would be provided to eligible schools placed in a performance category of "fails to meet expectations" on the school accountability report published by DPI for the preceding school year.

Specify that an eligible school must meet the following requirements: (a) the school is a public school, charter school, or private choice school located in the City of Milwaukee; and (b) the school's percentage of pupils who meet the eligibility requirements for a free or reduced-price lunch is equal to or greater than 70%.

Provide that each school would receive a per pupil payment calculated by dividing the total amount of funding by the total number of pupils enrolled in each school eligible to receive an award.

19. *Alcohol and Other Drug Abuse Program*. Provide \$8,700,000 GPR annually for alcohol and other drug abuse program grants for school districts.

20. *Special Education Aid*. Provide \$28,660,900 GPR in 2017-18 and \$59,760,900 GPR in 2018-19 above base level funding of \$368,939,100 GPR. It is estimated that this funding would reimburse 28% of special education costs in 2017-18 and 30% in 2018-19.

21. *School Breakfast Program*. Provide an increase of \$880,000 GPR annually in the

appropriation for school breakfast aids. It is estimated that this funding level would be sufficient to reimburse \$0.10 per breakfast served in 2017-18 and 2018-19. (DPI estimates that the current funding level would provide approximately \$0.07 per breakfast in 2017-18 and 2018-19.)

Choice, Charter, and Open Enrollment

22. *Private School Choice Programs -- Per Pupil Payments.* Set per pupil payments for the choice programs equal to \$7,323 for a K-8 pupil and \$7,969 for a 9-12 pupil (the 2016-17 payment amounts). Delete current law specifying that the payment amount increases each year by the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive.

23. *State Aid Reductions for Statewide and Racine Choice Programs.* Provide that state aid would be reduced as under current law for incoming pupils in the statewide and Racine choice program in a school district only if local voters approve such an aid reduction through a referendum.

24. *Private School Choice Programs -- Reestimates (Paper #515).* As a result of updated enrollment estimates and the provisions of items #22 and #23, reestimate the cost of the private school choice programs as follows. For the statewide and Racine choice programs, increase total GPR by \$4,572,500 in 2017-18 and \$5,675,800 GPR in 2018-19. Decrease the aid reduction by \$37,031,200 in 2017-18 and \$47,054,000 in 2018-19. As a result, the net GPR cost of the program would increase by \$41,603,700 in 2017-18 and \$52,729,800 in 2018-19. For the Milwaukee program, decrease total GPR by \$6,006,600 in 2017-18 and \$12,217,100 in 2018-19 relative to the bill. The aid reduction would decrease by \$1,345,500 in 2017-18 and \$2,345,700 in 2018-19. As a result, net GPR would decrease by \$4,661,100 in 2017-18 and \$9,871,400 in 2018-19.

25. *Statewide Private School Choice Program -- Participation Limit.* Specify that the total number of pupils residing in a district who can participate in the statewide choice program would be limited to no more than 2% of the district's prior year membership in 2017-18 and thereafter.

26. *Private School Choice Programs -- Teacher Licensure.* Require that all instructional staff of private schools participating in a choice program hold a license or permit issued by DPI. Define instructional staff as all professional employees who have as part of their responsibility direct contact with pupils or with the private school's instructional program.

27. *Private School Choice Programs -- Background Checks.* Require each private school participating in a private school choice program to conduct a background check of each teacher and administrator employed by the private school on the effective date of the bill. Require private schools to conduct a background check before extending an offer of employment to a new teacher or administrator in the school. Additionally, require the private school to annually conduct a background check of each teacher or administrator employed by the school.

Prohibit a participating private school from employing a teacher or administrator who would not be eligible for employment in a public school as a result of the background check. Authorize the State Superintendent to immediately terminate a private school's participation in a parental choice program if the owner of the private school would not be eligible for employment in a public school as

a result of a background check, if the private school employs a teacher or administrator without conducting a background check, or if any of the school's teachers or administrators would be ineligible for licensure as a result of the background check.

28. *Private School Choice Programs -- Assessment of Reading Readiness.* Require private schools participating in a choice program to administer an assessment of reading readiness to each pupil in four-year-old kindergarten through 2nd grade attending the school under a choice program. Authorize the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if it violates this requirement.

29. *Private School Choice Programs -- Criteria For High School Graduation.* Require private schools to develop a policy specifying criteria for granting a high school diploma to choice pupils that includes the requirements applicable to public school pupils under state law, including earning a specified minimum number of credits in certain subjects and being enrolled in a class or activity during each class period of each school day. Authorize the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if the school fails to include these new requirements in its high school graduation policy.

30. *Private School Choice Programs -- Expulsion Policy.* Direct DPI to promulgate rules establishing a procedure for the expulsion of pupils attending a private school under a choice program. Require that the rules adhere as closely as feasible to the statutory provisions governing the expulsion of pupils from public schools. Authorize the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if the school fails to comply with these provisions.

31. *Private School Choice Programs -- Corporal Punishment.* Prohibit a private school participating in a choice program from subjecting a pupil to corporal punishment, defined as the intentional infliction of physical pain which is used as a means of discipline. Require private choice schools to establish a policy to outline the circumstances in which a school employee may use reasonable and necessary force.

Permit the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if the school fails to comply with these provisions.

32. *Private School Choice Programs -- Building Inspections.* Require private schools located in a municipality that does not issue certificates of occupancy to annually obtain a building inspection of the school building prior to participation in a choice program.

33. *Private School Choice Programs -- Miscellaneous Provisions.* Require a private school participating in a choice program to permit public inspection and copying of any record of the private school that relates to pupils attending the private school under the program to the same extent as required of, and subject to the same terms and enforcement provisions that apply to, a school board. Permit the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if the school violates this requirement.

Require that a private school be located in this state to participate in a choice program.

Provide that a private school may participate in a parental choice program only if it has been in operation for the attendance of pupils for at least two school years.

Require a private school participating in a choice program to hold at least one meeting each month at which members of the school's governing board will be present and at which pupils and prospective pupils and their parents may meet and communicate with the members of the governing board. Require that the meetings be open to the public and that the private school provide public notice of the meetings in the same manner as notice of meetings of governmental bodies is required to be provided. Authorize the State Superintendent to issue an order barring a private school from participating in a choice program in the current year if the school violates these requirements.

34. *Private School Choice Programs -- Enrollment Limit.* Provide that no more than 49 percent of a private school's enrollment may consist of pupils attending the private school under a private school choice program.

Administrative and Other Funding

35. *Rural School Teacher Loan Forgiveness.* Provide \$728,000 GPR in 2017-18 and \$2,184,000 GPR in 2018-19 for a rural teacher grant program under the Higher Education Aids Board (HEAB) to encourage eligible teachers to teach in districts that meet the following criteria:

(a) membership of less than 1,000 pupils; and (b) a pupil population density of fewer than 10 pupils per square mile. Eligible teachers would be nominated by their school districts for participation in the program and would submit claims for financial assistance.

An eligible teacher could receive the following amounts for each year in which the teacher participates in the program, for no more than five years: (a) \$1,000 for the first year; (b) \$2,000 for the second, third, and fourth years; and (c) \$3,000 for the fifth year. Funds could be used only for repaying student loans incurred to defray the cost of tuition, fees, and expenses for programs of study relating to the teaching profession. Allow HEAB to provide prorated grants to an eligible teacher who is employed less than full time.

Define an "eligible teacher" as one who meets the following criteria: (a) teaches in a school with fewer than 1,000 members and a population density of fewer than 10 pupils per square mile; and (b) does not appear on the statewide child support lien docket, unless the teacher provides to HEAB a payment agreement that has been approved by a county child support agency and is consistent with rules promulgated by the Department of Children and Families.

Provide that an eligible school district could nominate an eligible teacher for participation in the grant program by submitting an application to HEAB in a form prescribed by HEAB. No more than four eligible teachers employed by a given eligible school district could participate in the grant program in a given school year. Require the nomination to include such information as HEAB may require to establish that the school district employing the teacher is an eligible school district and that the teacher is an eligible teacher, as well as any other information HEAB may require by rule.

Allow an eligible teacher who has been accepted for the grant program to submit a claim for

financial assistance to HEAB after each year in which the teacher teaches in a school located in an eligible district. Require the claim to include the following: (a) the signature of the eligible teacher and of a representative of the school district certifying that the district was eligible and the teacher taught in that school during the period for which financial assistance is claimed; (b) a commitment by the eligible teacher that he or she will use the financial assistance to repay student loans incurred to defray the cost of tuition, fees, and expenses for programs of study relating to the teaching profession; and (c) other information required by HEAB by rule.

Require HEAB to disburse grants to eligible claimants, subject to the amount available in the appropriation. If the amount of financial assistance claimed in a fiscal year exceeds the appropriated amounts, specify that grants could be prorated.

Allow HEAB to promulgate rules to implement and administer the program, including rules specifying the information a school district must include in a nomination for participation in the grant program, and the information a teacher must include in a claim for financial assistance.

36. *Expiration Dates for Teacher and Administrator Licenses (Paper # 530)*. Delete the Governor's recommendation to eliminate expiration dates for educator and administrator licenses and to require school boards to conduct background investigations of educators and administrators, rather than DPI. Restore \$753,200 PR and 10.0 PR positions in 2017-18 and \$1,004,100 PR in 2018-19 in the appropriation for teacher licensing.

Note:

**Summary of State Fiscal Effect and
Estimated Change to School Levy**

| | 2017-18 | | | 2018-19 | | | | |
|--|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| | <u>GPR</u> | <u>Aid Reduction</u> | <u>Net GPR</u> | <u>GPR</u> | <u>Aid Reduction</u> | <u>Net GPR</u> | | |
| GPR Funding Changes | | | | | | | | |
| 1 | General School Aids | \$102,254,000 | \$0 | \$102,254,000 | \$422,902,000 | \$0 | \$422,902,000 | |
| 3 | High Poverty Aid | 0 | 0 | 0 | -16,830,000 | 0 | -16,830,000 | |
| 8 | Hold Harmless Aid | 0 | 0 | 0 | 6,000,000 | 0 | 6,000,000 | |
| 9 | \$200/\$204 Revenue Limit Adj. | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10 | \$9,500/\$9,900 Low Rev. Adj. | 0 | 0 | 0 | 0 | 0 | 0 | |
| 11 | Retain \$200/\$204 Per Pupil Aid | -672,300 | 0 | -672,300 | -2,767,700 | 0 | -2,767,700 | |
| 12 | Summer School Enrollment -- 100% | 0 | 0 | 0 | 0 | 0 | 0 | |
| 13 | Restore Energy Efficiency | 0 | 0 | 0 | 0 | 0 | 0 | |
| 14 | School Safety Plan Revenue Lim. | 0 | 0 | 0 | 0 | 0 | 0 | |
| 15 | Sparsity Aid | 13,293,700 | 0 | 13,293,700 | 13,135,300 | 0 | 13,135,300 | |
| 17 | Mental Health and Bullying | 185,000 | 0 | 185,000 | 185,000 | 0 | 185,000 | |
| 19 | AODA Program | 8,700,000 | 0 | 8,700,000 | 8,700,000 | 0 | 8,700,000 | |
| 20 | Special Education Aid at 28/30% | 28,660,900 | 0 | 28,660,900 | 59,760,900 | 0 | 59,760,900 | |
| 21 | School Breakfast Program | 880,000 | 0 | 880,000 | 880,000 | 0 | 880,000 | |
| 24 | Private School Choice Reestimates (State/Rac.) | 4,572,500 | -37,031,200 | 41,603,700 | 5,675,800 | -47,054,000 | 52,729,800 | |
| 24 | Private School Choice Reestimates (Milw.) | -6,006,600 | -1,345,500 | -4,661,100 | -12,217,100 | -2,345,700 | -9,871,400 | |
| 35 | Rural Teacher Loan Forgiveness | <u>728,000</u> | <u>0</u> | <u>728,000</u> | <u>2,184,000</u> | <u>0</u> | <u>2,184,000</u> | |
| | GPR Total | \$152,595,200 | -\$38,376,700 | \$190,971,900 | \$487,608,200 | -\$49,399,700 | \$537,007,900 | |
| PR Funding and Position Changes | | | | | | | | |
| | | | | <u>PR</u> | <u>Positions</u> | | <u>PR</u> | <u>Positions</u> |
| 36 | Elim. Expiration Dates for Teaching & Admin. Lic. | | | \$753,200 | 10.00 | | \$1,004,100 | 10.00 |

| Change to Net School Property Tax Levy | | <u>Levy</u> | <u>Levy</u> |
|---|---|-------------------|-------------------|
| 1 | General School Aids | -\$102,254,000 | -\$422,902,000 |
| 3 | High Poverty Aid | 0 | 16,830,000 |
| 8 | Hold Harmless Aid | 0 | -6,000,000 |
| 9 | \$200/\$204 Revenue Limit Adj. * | 130,700,000 | 366,300,000 |
| 13 | Restore Energy Efficiency | 0 | 20,000,000 |
| 14 | School Safety Plan Revenue Lim. | 0 | 60,000,000 |
| 24 | Private School Choice | | |
| | Reestimates (State/Rac.) | -37,031,200 | -47,054,000 |
| 24 | Private School Choice Reestimates (Milw.) | <u>-1,345,500</u> | <u>-2,345,700</u> |
| | | -\$9,930,700** | -\$15,171,700** |

* The estimated change to the net school levy shown in this line includes the effects of Items 9, 10, and 12.

** As a result of the estimated reductions in the net school levy, it is estimated that the property tax bill on a median valued home would be reduced by \$3 in 2017-18 and \$5 in 2018-19 compared to the most recent projections of those numbers under the Governor's bill.