

## PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2006-07	Request		2007-09 Change Over		2006-07	Request		2008-09	
	Adjusted Base	2007-08	2008-09	Base Year Doubled	Amount		%	2007-08	2008-09	Number
GPR	\$5,436,775,900	\$5,656,416,900	\$5,862,340,200	\$645,205,300	5.9%	251.47	252.47	253.47	2.00	0.8%
FED	607,490,700	645,748,500	647,867,400	78,634,500	6.5	289.10	289.10	289.10	0.00	0.0
PR	38,840,800	39,679,500	39,935,600	1,933,500	2.5	74.44	81.94	81.94	7.50	10.1
SEG	<u>35,254,300</u>	<u>41,849,400</u>	<u>46,900,700</u>	<u>18,241,500</u>	25.9	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$6,118,361,700	\$6,383,694,300	\$6,597,043,900	\$744,014,800	6.1%	615.01	623.51	624.51	9.50	1.5%

### Major Request Items

## General School Aids and Revenue Limits

### 1. GENERAL SCHOOL AIDS

GPR	\$422,057,400
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Request \$149,947,800 in 2007-08 and \$272,109,600 in 2008-09 for general school aids. General school aids include equalization, integration, and special adjustment aid. General school aids funding would increase from \$4,722,745,900 in 2006-07 to \$4,872,693,700 in 2007-08 and \$4,994,855,500 in 2008-09 under the Department's request. The Department estimates that this level of general school aids funding, when taken with the revenue limit per pupil adjustments (estimated by DPI to be \$265 in 2007-08 and \$273 in 2008-09), requested revenue limit modifications, and categorical aids funding also requested in the Department's budget, would maintain the 2006-07 estimated 66.2% level of state support of partial school revenues in the 2007-09 biennium.

### 2. LOW-REVENUE CEILING

Request statutory language to increase the low-revenue ceiling under revenue limits to \$8,700 per pupil in 2007-08 and \$9,000 per pupil in 2008-09. Under current law, any school district with base revenues per pupil under revenue limits of less than \$8,400 in 2006-07 and any subsequent year may increase its revenue up to the low-revenue ceiling of \$8,400 per pupil. The Department estimates that this request would increase statewide revenue limit authority by \$4 to \$5 million in 2007-08 and \$8 to \$10 million in 2008-09.

### **3. 100% DECLINING ENROLLMENT REVENUE LIMIT ADJUSTMENT**

Request statutory language to increase the declining enrollment adjustment under revenue limits from 75% to 100%. Under current law, if a school district's current year three-year rolling average pupil enrollment under revenue limits is less than the prior year three-year rolling average, the district receives a nonrecurring adjustment to its revenue limit in a dollar amount equal to 75% of what the decline in the three-year rolling average memberships would have generated. The Department estimates this request would increase statewide revenue limit authority by \$15 to \$18 million in each year of the biennium.

### **4. PRIOR YEAR BASE REVENUE FLOOR FOR SEVERE DECLINING ENROLLMENT**

Request statutory language to specify that, in certain cases, a school district's initial revenue limit for the current year would be set equal to the prior year's base revenue. This floor would apply if a school district's revenue limit in the current year, after consideration of the per pupil adjustment and low-revenue ceiling, but prior to any other adjustments, is less than the district's base revenue from the prior year. For some districts with relatively large declines in enrollment, the initial revenue limit for the current year can still be less than the district's prior year base revenue, even after the per pupil adjustment (\$256.93 in 2006-07) and low-revenue ceiling adjustment (\$8,400 per pupil in 2006-07) are calculated. The Department estimates that this request would increase statewide revenue limit authority by \$2 to \$3 million in each year of the biennium.

### **5. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP FOR COMMUNITY APPROACHES**

Request statutory language to allow school districts operating a four-year-old kindergarten (K4) program that utilizes "community approaches" to count each pupil in such a program as an additional 0.1 full-time equivalent (FTE) member for revenue limit and general school aids purpose beginning in 2008-09. Because the definition of membership also applies to schools in the Milwaukee parental choice program and Milwaukee and Racine charter school program, these schools would also be eligible for the additional 0.1 FTE under the Department's request for the purposes of determining payments under those programs. Under current law, a K4 pupil is counted as 0.5 member if pupils attend for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member.

Under the request, the Department would promulgate administrative rules in 2007-08 to operate the program beginning in 2008-09, including a definition of "community approaches." In its request, the Department indicates that community approaches to K4 involve school districts working cooperatively with Head Start and child care providers to enhance the overall quality of services to children and families. The Department estimates that, if this proposal had

been in place for the 2005-06 school year, statewide revenue limit authority would have increased by approximately \$3.7 million.

## 6. QUALIFIED ECONOMIC OFFER

Request statutory language to delete provisions related to the qualified economic offer (QEO). Under the Department's request, school district employers and their represented teaching employees would be covered under the statutory interest arbitration procedures currently applicable to all other represented, nonprotective municipal employees in the state.

# Categorical Aids

## 1. SPECIAL EDUCATION AIDS

GPR	\$75,000,000
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Request \$25,000,000 in 2007-08 and \$50,000,000 in 2008-09 for special education categorical aid. Annual base funding of \$332,771,600 is currently appropriated for this program, which DPI estimates will equal 28.6% of eligible costs in 2006-07. DPI estimates that the additional aid would allow for reimbursement of 29.4% of estimated special education costs in 2007-08 and 30.0% in 2008-09.

## 2. SPARSITY AID FOR SMALL RURAL DISTRICTS

GPR	\$26,462,400
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Request \$26,462,400 in 2008-09 in a new continuing appropriation for a categorical aid program to provide aid to districts that meet all of the following requirements, including having: (a) an enrollment under 2,000 pupils; (b) under 15 pupils per square mile of territory; and (c) enrollments of at least 20% low-income pupils, measured by eligibility for free and reduced price lunch. Aid for qualifying districts would equal \$150 per pupil, except that aid would equal \$300 per pupil for qualifying districts with low-income enrollments above 40%. Specify that eligible districts would be required to report to their local communities on the use of the funds each year at their annual meeting, if applicable, as well as to DPI. Provide that DPI would promulgate rules to administer the aid, and that if funds are insufficient, DPI could prorate payments. It is estimated that approximately 120 districts would qualify for payments of \$150 per pupil, and approximately 60 districts would qualify for payments of \$300 per pupil.

**3. STUDENT ACHIEVEMENT GUARANTEE IN EDUCATION (SAGE) PROGRAM**

GPR	\$20,733,800
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Request \$10,366,900 annually above annual base level funding of \$98,588,000 for SAGE. Funding would allow the per pupil payment amount to increase from \$2,000 per low-income pupil to \$2,250, the statutory payment amount established under 2005 Act 125.

Under the program, school districts must do all of the following in each SAGE school: (a) reduce each class size to 15 pupils in the applicable grades of K-3; (b) keep the school open every day for extended hours and collaborate with community organizations to make educational and recreational opportunities as well as community and social services available in the school to all district residents; (c) provide a rigorous academic curriculum designed to improve academic achievement; and (d) create staff development and accountability programs that provide training for new staff members, encourage employee collaboration and require professional development plans and performance evaluations.

**4. SAGE PROGRAM EXPANSION**

GPR	\$540,000
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Request that the SAGE program be opened to new schools in 2008-09. Provide \$540,000 in 2008-09 to fund approximately five new schools, although there would not be any statutory limit on the number of schools that could join the SAGE program. Require that, for contracts beginning in the 2008-09 school year, schools reduce class size to 15 in at least grades kindergarten and one in 2008-09; grades kindergarten to two in 2009-10; and grades kindergarten to three in 2010-11. Require that the Department give priority in accepting new schools into the program to the schools that have the highest percentage of low-income enrollment.

Under current law, DPI may renew contracts with currently participating SAGE schools, but the Department has not been permitted to enter into new SAGE contracts since 2000-01.

**5. SCHOOL LIBRARY AIDS REESTIMATE**

SEG	\$17,000,000
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Request \$6,000,000 in 2007-08 and \$11,000,000 in 2008-09 over annual base level funding of \$29,000,000, as a reestimate of school library aids. The segregated revenue is interest earned on loans and investments from the Common School Fund, and is distributed on a per-capita basis based on the number of four- to twenty-year-old children in each school district.

**6. EXPANDED BILINGUAL-BICULTURAL EDUCATION AID**

GPR	\$6,195,000
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Request \$6,195,000 in 2008-09 for a new categorical aid program to award \$350 per limited-English proficient (LEP) pupil for school districts not currently receiving bilingual

categorical aid. Newly-eligible districts would be those educating LEP pupils, but that have LEP populations below the statutory threshold required in order to qualify for the current law bilingual-bicultural categorical aid. Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are ten or more limited-English proficient (LEP) pupils in a language group in kindergarten to grade 3, or 20 or more LEP pupils in grades 4 to 8 or in grades 9 to 12. Provide that, if funds were insufficient, DPI could prorate payments, and that eligible school districts would be required to report to the Department in the same manner as schools eligible for the current law bilingual-bicultural aid program. Request that school districts not required to offer a bilingual-bicultural program be required to provide instruction in bilingual-bicultural education by a certified teacher of English as a second language or by a bilingual teacher if the district has 20 or more LEP pupils of various language groups in kindergarten to grade three, grades four to eight, or grades nine to 12.

In 2005-06, the average amount reimbursed per LEP pupil under the current law program was approximately \$350.

**7. BILINGUAL-BICULTURAL EDUCATION AIDS**

GPR	\$3,096,700
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Request \$1,055,800 in 2007-08 and \$2,040,900 in 2008-09 over annual base level funding of \$9,890,400 for bilingual-bicultural categorical aids. DPI estimates that this funding level would maintain a reimbursement rate of approximately 12% of prior year costs for school districts statutorily required to offer bilingual-bicultural programs.

Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are ten or more limited-English proficient (LEP) pupils in a language group in kindergarten to grade 3, or 20 or more LEP pupils in grades 4 to 8 or in grades 9 to 12.

**8. BEFORE AND AFTER SCHOOL LEARNING OPPORTUNITIES**

	Funding	Positions
GPR	\$5,000,000	1.00

Request \$4,750,000 in 2008-09 in a new appropriation for grants to school districts, community organizations, and local units of government to expand before and after school programs. Request \$250,000 in 2008-09 and 1.0 GPR position for state operations (including \$174,800 for supplies and services, and \$75,200 for salary and fringe) to administer the grant program and to provide technical assistance and training. Request that applicants be required to do all of the following: (a) collaborate with one or more schools and one or more community organizations; (b) provide 20% matching funds or in-kind contribution; (c) serve school-age children and youth during non-school hours; (d) provide specified activities and services; and (e) take part in a systematic statewide evaluation. Request that priority would

be given first to programs serving schools with at least 30% low-income enrollments, and next to programs that serve students with academic and behavioral needs.

**9. PUPIL TRANSPORTATION AID**

Request an increase in the reimbursement rate for pupils transported over 12 miles from \$180 to \$220 per pupil in 2007-08 and 2008-09. Aid rates for pupils transported less than 12 miles would remain the same, as listed below. No additional funding would be required; the Department indicates that base level funding of \$27,292,500 GPR is projected to be sufficient to fund the estimated additional annual cost of \$900,000 under the proposed increase.

**Pupil Transportation Aid Rates**

	Current Law (Full Year)	Proposed
0-2 miles (hazardous areas)	\$15	\$15
2-5 miles	35	35
5-8 miles	55	55
8-12 miles	110	110
Over 12 miles	180	220

**10. MOTOR VEHICLE FUEL TAX REFUND FOR SCHOOL DISTRICTS**

SEG-REV	-\$4,000,000
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Request statutory language to provide a motor vehicle fuel tax refund for schools and persons or companies that transport students to and from school activities, under a contract with a school district. DPI estimates that this provision would result in a loss of revenue to the transportation fund of approximately -\$2,000,000 annually. However, this estimate does not include motor fuel taxes paid by companies or bus services that are under contract with school districts, including the Madison and Milwaukee public school districts.

**11. SCHOOL BREAKFAST REIMBURSEMENT RATE**

GPR	\$2,687,900
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Request \$1,229,700 in 2007-08 and \$1,458,200 in 2008-09 over annual base funding of \$1,055,400 to increase the state school breakfast reimbursement rate from \$0.10 to \$0.15 per breakfast served. Under the federal school breakfast program, pupils from families with income less than 130% of the federal poverty level (\$26,000 yearly for a family of four in 2006-07) qualify for free meals, and schools are reimbursed \$1.27 per meal. Pupils from families with incomes between 130% and 185% of the federal poverty level (\$26,000 to \$37,000 yearly for a family of four) are charged a reduced price, no more than \$0.30, and schools are reimbursed

\$0.97 per meal. Pupils above 185% of poverty are charged a higher price, and schools are reimbursed \$0.23 per meal. Schools must operate meal services as non-profit programs.

## 12. REDUCED-PRICE SCHOOL BREAKFAST

GPR	\$2,200,000
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Request \$1,100,000 annually to create a categorical aid program to reimburse school districts \$0.30 per meal for reduced-price breakfasts and to allow those pupils to eat breakfast for free. Under the federal school breakfast program, pupils from families with income less than 130% of the federal poverty level (\$26,000 yearly for a family of four in 2006-07) qualify for free meals, and schools are reimbursed \$1.27 per meal. Pupils from families with incomes between 130% and 185% of the federal poverty level (\$26,000 to \$37,000 yearly for a family of four) are charged a reduced price, no more than \$0.30, and schools are reimbursed \$0.97 per meal. Pupils above 185% of poverty are charged a higher price, and schools are reimbursed \$0.23 per meal. Schools must operate meal services as non-profit programs. Under current law, the state school breakfast program reimburses schools \$0.10 per meal, regardless of pupil income.

Under this new program, school districts would be required to provide pupils with incomes between 130% and 185% of poverty with free breakfasts in order to receive the additional reimbursement. For the purposes of this request, it is assumed that the participation rate for pupils eligible for reduced-price breakfast would rise to the level of participation of pupils eligible for free breakfast. Request that if funding would be inadequate to pay \$0.30 per reduced-price breakfast, then the Department would be authorized to prorate payments.

## 13. SCHOOL MILK PROGRAM

GPR	\$735,600
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Request \$326,300 in 2007-08 and \$409,300 in 2008-09 over annual base level funding of \$710,600 for the school day milk program. Under the program, pupils enrolled in pre-kindergarten to fifth grade are eligible to receive a unit of free Wisconsin-produced milk, or juice, each school day if the child: (a) does not receive a beverage under the federal special milk program; (b) qualifies for free or reduced-price lunch; and (c) does not receive the beverage during the school's breakfast or lunch period. Each participating school is paid the full cost of beverages served. If funding is insufficient to pay the full amount of aid, payments must be prorated. Due to increases in the number of units served and fluctuating milk prices, payments were prorated in 2004-05 and 2005-06. The Department anticipates that payments will be prorated in 2006-07 and in the 2007-09 biennium at the current appropriation level.

## 14. SCHOOL HEALTH SERVICES PROGRAM

GPR	\$2,000,000
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Request \$925,000 annually in a new appropriation for grants to school districts to provide additional school nurses or nursing services. Specify that funds could not be used to supplant

existing services, and that schools be required to collect data to determine outcomes of increased nursing services. Request \$75,000 annually for general program operations at DPI to administer and evaluate the grant program and to provide professional development activities to new and currently practicing school nurses in school districts.

**15. EXTENDED SCHOOL YEAR PILOT GRANTS TO MPS**

GPR	\$1,500,000
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Request \$1,500,000 in 2008-09 in a new appropriation for grants to fund up to three extended school year pilot projects in Milwaukee Public Schools. DPI would solicit pilot applications from MPS schools in 2007-08 for grants to provide school years longer than the required minimum 180 days.

**16. MPS ELEMENTARY ARTS EDUCATION**

GPR	\$1,000,000
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Request \$1,000,000 in 2008-09 in a new appropriation for a competitive grant to support arts education in elementary schools in Milwaukee Public Schools (MPS). The grant would be awarded annually for two years to a non-profit grantee that would collaborate with and award subgrants to qualifying MPS elementary schools.

**17. WORLD LANGUAGES FOR ELEMENTARY SCHOOLS**

GPR	\$837,500
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Request \$837,500 in 2008-09 in a new appropriation for grants for elementary school world languages classes. Request funding for 25 grants for schools to increase foreign language instruction in elementary school, including: (a) \$750,000 to partially reimburse participating schools for one teacher's compensation package in the first year; (b) \$37,500 for two professional development workshops for 75 teachers (three teachers from each grantee); (c) \$25,000 for supervising teacher bonuses; and (d) \$25,000 for curriculum materials. The Department indicates that federal funding for professional development under Title II of the ESEA would augment state funding for the program, and participating school districts would be expected to pay remaining costs. DPI indicates that per award, the grant would pay for: (a) \$30,000 of one teacher's compensation for each of the first two years; (b) \$30,000 of each of two teachers' compensation for years three and four; and (c) \$15,000 of each of two teachers' salary packages for years five and six. DPI would add 25 new sites each year through the first four years of the program, including a balance of rural, suburban, and urban schools.

**18. PRESCHOOL TO GRADE 5 PROGRAM (P-5)**

GPR	\$735,400
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Request \$367,700 annually over base level funding of \$7,353,700 for the preschool to grade 5 program. Request that the increase would be distributed to the 38 schools in four districts (Beloit, Kenosha, Milwaukee, and Racine) that currently participate. Since 1986-87, grants have

supported programs to reduce class size and improve education in districts with high concentrations of poverty and low-achieving pupils. Funding for P-5 was last increased in 1999-00.

**19. OPEN ENROLLMENT TRANSPORTATION AID**

GPR	\$725,300
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Request \$323,500 in 2007-08 and \$401,800 in 2008-09 for open enrollment transportation aid. Under current law, parents of pupils who participate in the open enrollment program and are eligible for a free or reduced-price lunch may apply for reimbursement of transportation costs. The reimbursement may not exceed the parent's actual costs or three times the statewide average pupil transportation costs, whichever is less. Base funding of \$500,000 is currently appropriated for these aids. DPI estimates that this request would fully fund estimated claims in the 2007-09 biennium. In 2005-06, the funding appropriated provided reimbursement to parents for 72.8% of eligible costs.

**20. GIFTED AND TALENTED PROGRAM**

GPR	\$364,000
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Request \$182,000 annually over annual base level funding of \$182,000 for grants to cooperative educational service agencies and Milwaukee Public Schools to provide curricula and assessments for gifted and talented middle school pupils.

**21. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH EDUCATION**

GPR	\$315,000
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Request \$157,500 annually to promote education in science, technology, engineering, and math. Activities would include DPI personnel attending conferences, providing professional development, providing grants to school districts on a competitive basis to target under-represented and academically challenged students (\$61,500 annually), and creating a network to build community awareness of the importance of, and career opportunities in, science, technology, engineering, and math.

**22. DRIVER EDUCATION AID FOR LOW-INCOME PUPILS IN MPS**

GPR	\$200,000
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Request \$100,000 annually for a new categorical aid program to provide \$150 per pupil to Milwaukee Public Schools for pupils taking approved driver education courses. Pupils eligible for free or reduced-price lunch would qualify for the aid, and MPS would be required to reduce their driver education fee by \$150. This program would sunset on June 30, 2011.

## Choice and Charter

### 1. MILWAUKEE PARENTAL CHOICE PROGRAM REESTIMATE

GPR	\$26,864,000
MPS Aid	
Reduction	<u>12,088,800</u>
Net GPR	<u>\$14,775,200</u>

Request \$8,524,000 in 2007-08 and \$18,340,000 in 2008-09 to reestimate the amount of funding needed for the Milwaukee parental choice program. Total appropriated funding would increase from \$108,866,000 in 2006-07 to \$117,390,000 in 2007-08 and \$127,206,000 in 2008-09. The Department estimates that 17,500 pupils in 2007-08 and 18,500 pupils in 2008-09 will participate in the program and that, based on the increase in general school aids requested by the Department, the maximum per pupil payment under the program would increase from \$6,501 in 2006-07 to \$6,708 in 2007-08 and \$6,876 in 2008-09.

The estimated cost of the payments from the choice program appropriation is partially offset by a reduction from the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 45% of the estimated total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of aid lost due to this reduction. As a result, the general fund pays for 55% of the choice program appropriation and MPS for 45%. Under the Department's reestimate, the MPS choice reduction would increase by \$3,835,800 in 2007-08 and \$8,253,000 in 2008-09 over the base choice reduction amount. The net general fund effect of the Department's reestimate would be to increase expenditures by \$4,688,200 in 2007-08 and \$10,087,000 in 2008-09 over the 2006-07 base level.

### 2. MILWAUKEE PARENTAL CHOICE PROGRAM FUNDING SPLIT

GPR	\$0
MPS Aid	
Reduction	<u>- 48,919,200</u>
Net GPR	<u>\$48,919,200</u>

Request statutory language to change the funding split for the Milwaukee parental choice program from the current 55% state/45% MPS split to 75% state/25% MPS. Based on the Department's request for general school aids and estimate of participation in the choice program in the 2007-09 biennium, this statutory change would lower the MPS aid reduction and the MPS choice levy by \$23,478,000 in 2007-08 and \$25,441,200 in 2008-09. Net state general fund expenditures for the choice program would increase by those amounts in each year.

Under current law, the estimated cost of the payments from the choice program appropriation is partially offset by a reduction from the general school aids otherwise paid to MPS by an amount equal to 45% of the estimated total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of aid lost due to this

reduction. As a result, the general fund pays for 55% of the choice program appropriation and MPS for 45%.

**3. MILWAUKEE AND RACINE CHARTER SCHOOL PROGRAM**

GPR	\$15,353,000
Statewide	
Aid Reduction	<u>15,353,000</u>
Net GPR	\$0

Request \$5,153,500 in 2007-08 and \$10,199,500 in 2008-09 above annual base level funding of \$39,564,500 to provide sum sufficient funding for the Milwaukee and Racine 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 (RUSD). There are currently 15 charter schools participating in the program, including one in RUSD. A total of 5,000 students are attending these charter schools in 2006-07, and the aid per pupil is \$7,669.

Under current law, the per pupil payment for the Milwaukee and Racine charter schools program is increased by the amount of increase in the per pupil payment amount for private schools participating in the Milwaukee parental choice program. The parental choice payment is increased by the percentage increase in the general equalization aids appropriation. Based on DPI's 2007-09 budget request for general equalization aid, the choice and charter per pupil payments would increase by \$207 in 2007-08 and an additional \$168 in 2008-09.

This request assumes that 5,500 pupils will be enrolled in the program in 2007-08 and that the aid per pupil will be \$7,876. In 2008-09, it is assumed that 6,000 pupils will participate in the program at a per pupil cost of \$8,044. Based on these estimates, charter schools would receive \$43,318,000 in 2007-08 and \$48,264,000 in 2008-09.

In addition, under current law, RUSD will receive additional aid, outside of revenue limits, based on the amount of equalization aid it receives in the current year multiplied by the number of students attending the charter school who were previously enrolled in the RUSD. For 2006-07, it is estimated that RUSD will receive \$1,500,000 under this provision.

Under current law, payments to these charter schools and to RUSD are fully offset by a proportionate reduction in the general school aids of all school districts in the state. Under revenue limits, school districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions.

# Administrative and Other Funding

## 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget of \$2,194,000 GPR, \$3,630,200 FED, and \$977,800 PR for: (a) turnover reduction (-\$381,200 GPR and -\$371,200 FED annually); (b) full funding of continuing salaries and fringe benefits (\$1,137,700 GPR, \$2,133,900 FED, and \$474,500 PR annually); (c) overtime (\$283,300 GPR, \$52,000 FED, and \$14,200 PR annually); and (d) night and weekend differential (\$57,200 GPR, \$400 FED, and \$200 PR annually).

GPR	\$2,194,000
FED	3,630,200
PR	977,800
Total	\$6,802,000

## 2. PUBLIC LIBRARY SYSTEM AID

GPR	\$20,033,600
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Request \$9,639,400 GPR in 2007-08 and \$10,394,200 GPR in 2008-09 above base level funding of \$11,297,400 GPR and \$4,223,800 SEG to increase public library system aid to 13% of local and county operating expenditures for library services. The segregated funding is provided from the state universal service fund (USF), which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. Under current law, DPI is required to submit a request for aid to library systems equal to 13% of local and county expenditures in the calendar year immediately preceding the calendar year for which aid is paid.

## 3. LIBRARY DELIVERY SERVICES

GPR	\$783,000
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Request \$382,000 in 2007-08 and \$401,000 in 2008-09 for aid to public library systems to cover the costs of delivery of materials for statewide interlibrary loan service to provide all state residents with access to participating public, academic, and other libraries' collections.

## 4. LIBRARY SERVICE CONTRACTS

GPR	\$477,600
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Request \$257,300 in 2007-08 and \$220,300 in 2008-09 above base level funding of \$876,900 for contracts with four providers of specialized statewide library services and resources. Contracts are currently maintained with the Milwaukee Public Library, Wisconsin Library Services, Wisconsin Regional Library for the Blind and Physically Handicapped, and the Cooperative Children's Book Center.

**5. BADGERLINK**

SEG	\$1,027,500
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Request \$489,100 in 2007-08 and \$538,400 in 2008-09 over base level funding of \$2,030,500 for the online full-text database service for state residents. Of the total, \$46,200 in 2007-08 and \$95,500 in 2008-09 would maintain the current level of services. The remaining \$442,900 annually would add one or more online encyclopedias to the service. The segregated revenue is from the state universal service fund, which receives its revenue through assessments on annual gross operating revenues from intrastate telecommunications providers.

**6. KNOWLEDGE AND CONCEPTS EXAM**

GPR	\$2,800,000
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Request \$1,400,000 annually above annual base level funding \$3,110,700 for pupil assessments to continue to contract for and administer the Wisconsin knowledge and concepts examinations in grades three, four, eight and 10.

**7. STATEWIDE DATA SYSTEMS**

	Funding	Positions
GPR	\$574,400	0.00
PR	<u>680,100</u>	<u>5.00</u>
Total	\$1,254,500	5.00

Request \$295,100 PR in 2007-08 and 5.0 PR positions beginning in 2007-08 and \$385,000 PR in 2008-09 to support and maintain the Wisconsin student locator system, the individual student enrollment system, the school performance report, and the Wisconsin information network for school success. The PR positions would include 2.0 information systems development services specialists, who would replace contracted staff, and 2.0 information systems support technicians, who would replace 4.0 LTE staff. Also, 1.0 position would be a data security manager. The source of PR funding would be internal Department charge-backs to program budgets for information technology services. Request \$287,200 GPR annually to maintain these statewide applications, including technical support to districts, file preparation, business analysis, and quality assurance testing.

**8. PK-16 COUNCILS**

GPR	\$770,000
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Request \$385,000 annually for regional PK-16 councils, including \$325,000 annually for grants to regional PK-16 councils at four-year UW campuses, and \$60,000 annually for regional collaboration grants of up to \$15,000 each to study ways to increase efficiency, lower costs, and retain programming, especially in elementary and secondary schools. PK-16 councils are intended to improve coordination among elementary, secondary, and postsecondary institutions, with the goals of raising student achievement and increasing the number of high school graduates prepared for work and higher education.

**9. NATIONAL TEACHER CERTIFICATION REESTIMATE**

GPR	\$339,600
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Reestimate funding by \$75,600 in 2007-08 and \$264,000 in 2008-09 over annual base level funding of \$945,000 for grants to teachers who are certified by the National Board for Professional Teaching Standards. DPI provides initial grants in an amount equal to the costs of obtaining certification not supported through other funding sources, up to \$2,000. For nine consecutive years following the initial grant, DPI awards annual grants of \$2,500 to eligible teachers. DPI estimates there will be 70 newly-certified teachers in 2007-08 and 2008-09 with average first year grants of \$1,200. DPI estimates there will be 328 continuing teachers in 2007-08 and 398 in 2008-09. Finally, due to recent IRS findings, DPI must pay Medicare and Social Security taxes on behalf of continuing teachers under this program. These payments are estimated to total \$70,400 in 2007-08 and \$83,800 in 2008-09.

**10. GRANTS FOR MASTER EDUCATORS**

GPR	\$523,600
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Request \$194,500 in 2007-08 and \$329,100 in 2008-09 and authorize DPI to expand the national teacher certification program to provide grants to teachers receiving master educator licenses under Chapter PI34 of the Administrative Code. Grant amounts would be equal to those awarded under current law, up to \$2,000 in the first year and \$2,500 annually thereafter for nine years.

For the purposes of this request, it is assumed that 50 master educators would be newly certified in each year, receiving initial average grants of \$1,200 as reimbursement of the costs associated with obtaining the license (\$60,000 annually). In addition, it is assumed that 50 continuing master educators, certified in 2005-06 and 2006-07, would be retroactively eligible to receive \$2,500 grants in each year of the 2007-09 biennium (\$125,000 in 2007-08 and \$250,000 in 2008-09). The Department is required, due to recent IRS findings, to pay Medicare and Social Security taxes (\$9,500 in 2007-08 and \$19,100 in 2008-09) on behalf of continuing grant recipients under the current law program.

**11. GRANTS FOR TEACHERS IN HIGH-POVERTY SCHOOLS**

GPR	\$134,600
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Request \$62,500 annually in order to provide higher grant awards under the national teacher certification program and the proposed master educator program (see Grants for Master Educators), as well as an additional \$4,800 annually to pay for Medicare and Social Security. Request that continuing nationally certified or master educators in schools with at least 60% pupil eligibility for free and reduced-price lunch be awarded \$5,000 annually, rather than \$2,500, as under the current law national teacher certification program. For the purposes of this request, DPI estimates that five master educators and 20 nationally certified teachers would be eligible for the higher grant amounts in each year of the biennium.

## 12. EARLY LEARNING SUPPORT

Request \$272,200 GPR and \$70,500 PR in 2007-08 and \$194,900 GPR and \$92,100 PR in 2008-09 and 1.0 PR position beginning in 2007-08 for general program operations and teacher licensing and improvement for DPI activities related to school districts operating four-year-old kindergarten programs. Of the total, request: (a) \$50,000 GPR in 2007-08 and \$42,000 GPR in 2008-09 for materials and technical assistance for school districts implementing four-year-old kindergarten; (b) \$92,000 GPR annually to supplement federal funding for the Wisconsin Early Childhood Collaborating Partners, a regional early childhood education support network; (c) \$37,500 GPR in 2007-08 and \$30,500 GPR in 2008-09 to provide training in the Wisconsin Model Early Learning Standards; (d) \$17,000 GPR in 2007-08 and \$11,000 GPR in 2008-09 for curriculum alignment for teacher preparation programs at higher education institutions; (e) \$70,500 PR in 2007-08 and \$92,100 PR in 2008-09 and 1.0 PR position beginning in 2007-08 on the teacher education and licensing team within DPI to oversee early childhood education programs and licensing (program revenues funded from teacher licensing fees); and (f) \$75,700 GPR in 2007-08 for development of an early childhood data collection system and \$19,400 GPR in 2008-09 for annual maintenance of the system and preparation of an annual report on early learning programs.

	Funding	Positions
GPR	\$467,100	0.00
PR	<u>162,600</u>	<u>1.00</u>
Total	\$629,700	1.00

## 13. SERVICE LEARNING IN MPS

Request \$165,000 GPR annually for general program operations, and \$67,400 PR in 2007-08 and \$86,700 PR in 2008-09 for funds transferred from other state agencies, program operations, and 1.5 PR position beginning in 2007-08 to implement an engaging partners for student success/service learning program. The program would provide professional development training to MPS teachers on service learning as an instructional methodology. Ten VISTA (Volunteers in Service to America) members would provide training, with costs shared between VISTA and DPI (\$100,000 GPR annually), and implementation assistance would be provided through web-based support and video conferencing (\$50,000 GPR annually). Request 1.5 PR position (1.0 education specialist and 0.5 office associate), to be funded by federal monies from the Corporation for National and Community Service and transferred by DOA to coordinate the program. Finally, request \$15,000 GPR annually for training and travel to develop family-school-community partnerships.

	Funding	Positions
GPR	\$330,000	0.00
PR	<u>154,100</u>	<u>1.50</u>
Total	\$484,100	1.50

## 14. CAREER AND EMPLOYABILITY SKILLS

GPR	\$250,000
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Request \$125,000 annually for career counseling and employability skills assessment programs. Of the total, \$50,000 annually would fund career counseling professional development for high school guidance counselors. Six regional training programs, implemented through contracts with CESAs and technical colleges, would provide information on the opportunities

available to pupils who are career and technical education-oriented. The remaining \$75,000 annually would fund the development of a new web-based employability skills assessment, to be created by the Center on Education and Work at the University of Wisconsin.

**15. PRECOLLEGE SCHOLARSHIP PROGRAM**

GPR	\$217,800
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Request \$108,900 annually above annual base level funding of \$2,177,500 for the minority group pupil scholarship program. The program provides grants to low-income middle and high school pupils to support the costs of attending precollege programs that are intended to enhance the pupils' academic ability to pursue postsecondary education. Based on the average scholarship amount in 2004-05, it is estimated that the request would provide funds for approximately 218 additional scholarships annually. In 2004, DPI reached an agreement with the Office of Civil Rights in the US Department of Education to drop the term "minority" from the name of the program, and to award scholarships regardless of race. Therefore, request that statutory references to the program be changed to rename the program the "precollege scholarship program."

**16. PROGRAM REVENUE REESTIMATES**

PR	-\$6,100
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Reestimate PR expenditures by -\$75,700 in 2007-08 and \$69,600 in 2008-09, including: (a) personnel licensure, teacher supply, information and analysis and teacher improvement (-\$211,500 in 2007-08 and -\$158,000 in 2008-09); (b) publications (-\$316,700 annually); (c) school lunch handling charges (-\$30,200 annually); (d) gifts, grants and trust funds (\$400,000 annually); (e) general educational development and high school graduation equivalency (-\$30,100 in 2007-08 and -\$25,100 in 2008-09); (f) funds transferred from other state agencies -- program operations (\$155,200 in 2007-08 and \$141,700 in 2008-09); (g) program for the deaf and center for the blind -- pupil transportation (\$60,000 in 2007-08 and \$153,500 in 2008-09); (h) program for the deaf and center for the blind -- leasing of space (\$6,500 in 2007-08 and \$8,300 in 2008-09); (i) program for the deaf and center for the blind -- services (\$15,000 in 2007-08 and \$20,000 in 2008-09); and (j) funds transferred from other state agencies -- local aids (-\$123,900 annually).

**17. FEDERAL REVENUE REESTIMATES**

FED	\$75,004,300
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Reestimate federal revenues by \$36,442,700 in 2007-08 and \$38,561,600 in 2008-09, including: (a) federal aids -- program operations (-\$1,592,200 in 2007-08 and -\$1,781,100 in 2008-09); (b) federal aids -- local aid (\$37,341,800 in 2007-08 and \$39,649,600 in 2008-09); (c) federal aids -- local assistance (\$41,900 annually); and (d) federal funds -- individuals and organizations (\$651,200 annually). Federal funds, including pass-through entitlements, discretionary grants, and administration funding, are received by DPI under such programs as Title I of the No Child Left Behind Act, the Individuals with Disabilities Education Act, and the National School Lunch Program.

## 10% Budget Reduction Plan

	<u>Amount of Reduction</u>	
	<u>2007-08</u>	<u>2008-09</u>
<b>General Purpose Revenue (GPR)</b>		
<b>Reduce General Program Operations.</b> Delete \$1,098,300 GPR annually from DPI's largest general program operations appropriation.	\$1,098,300	\$1,098,300
<b>Program Revenue (PR)</b>		
<b>Reduce Teacher Certification Funding.</b> Reduce personnel certification, teacher supply, information and analysis, and teacher improvement funding.	\$325,700	\$325,700