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## WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

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Memo No. 1

TO: MEMBERS OF THE STUDY COMMITTEE ON STUDENT ACHIEVEMENT  
GUARANTEE IN EDUCATION (SAGE) PROGRAMS

FROM: Katie Bender-Olson and Jessica Ozalp, Staff Attorneys

RE: Options Raised by the SAGE Study Committee at Initial Meeting

DATE: August 6, 2014

This Memo summarizes the options for further consideration by the SAGE Study Committee raised by speakers and by members at the first committee meeting on July 23, 2014. The Memo is intended to assist the committee by serving as a starting point for discussion. Committee members may have additional issues that they want to be considered by the committee that are not described in this Memo.

In general, the recommendations submitted by a study committee to the Joint Legislative Council are options for proposed legislation. However, the committee may also make recommendations in an alternative manner, such as through a letter to appropriate individuals or through a report that highlights issues that should be addressed in the future.

### **NEW ROUND OF SAGE CONTRACTS**

#### **Background**

A school may only enter the SAGE program when the Legislature authorizes a round of SAGE contracts, though a school currently participating in the program may renew its existing SAGE contract. The most recent large-scale authorization of new SAGE contracts was for contracts beginning in the 2010-11 school year. Schools that are not currently participating in SAGE cannot enter the program unless state law is changed to authorize additional SAGE contracts.

Committee discussion noted that certain school districts or schools with high concentrations of low-income students, which appear to be prime candidates for the SAGE

program, are not currently participating in the program or participated in the past and have subsequently dropped out.

**Option: Authorize a New Round of SAGE Contracts**

The committee could consider authorizing a round of new SAGE contracts beginning in the 2015-16 school year and could allow any eligible school to enter the program. Alternatively, the committee could consider authorizing a more limited round of new SAGE contracts and make only those schools which participated in the past, but are not currently participating, eligible to enter the program by signing SAGE contracts.

**INCLUSION OF 4K IN SAGE PROGRAM**

**Background**

Existing SAGE contracts do not cover 4-year-old kindergarten (4K) and school districts cannot receive SAGE funding for 4K students. Under current law, only low-income students enrolled in Kindergarten to grade 3 are eligible for SAGE funding. Because the SAGE program does not presently include 4K, student-to-teacher ratios of the program do not apply to these classrooms.

Group child care centers licensed by the State of Wisconsin are currently subject to staff-to-child ratios of 13:1 for four-year-old children. [s. DCF 251.05 (4) (b) and Table 251.05-D, Wis. Adm. Code.] The committee heard discussion about exclusion of 4K from the SAGE program and noted that small class sizes for four year olds seem appropriate, given that the state enforces staff-to-child ratios for this age group in child care settings.

**Option: Expand SAGE to Include 4K**

The committee could consider making 4K eligible for participation in the SAGE program and for SAGE funding. The committee could make 4K participation by a SAGE school required before a school can participate in the program (as it currently is for K-1). Alternatively, the committee could make 4K participation optional for a school (as it is for grades 2-3).

**MINIMUM THRESHOLD OF LOW-INCOME STUDENTS**

**Background**

Under current law, an individual school must have an enrollment of at least 30% low-income students before the school district may initially enter into a SAGE contract on behalf of that school. DPI reports that most schools in the state currently meet the minimum 30% low-income enrollment threshold.

The minimum threshold applies when a school first enters into SAGE, but the school is not required to maintain this percentage when it later renews a SAGE contract. In addition, the minimum 30% low-income threshold applies to enrollment at the school as a whole, and not to individual grade levels participating in SAGE. [s. 118.43 (2) (bt) 1., Stats.]

The number of schools eligible to participate in SAGE has increased over time. Initially, only school districts with at least one school serving 50% or more children living in poverty were eligible and only one school from the district was allowed to participate in the program (except that Milwaukee Public Schools was allowed 10 schools). The participating school was required to have a minimum enrollment of 30% low-income students. [s. 118.43 (2) (a), (b) 1. and (c), 1997-98 Stats.]

The committee heard discussion about targeting eligibility for the SAGE program to those schools and districts with high concentrations of low-income students. Members noted that the number of schools eligible to participate in SAGE has increased over time, and that the more students participate, the less prorated SAGE funding schools receive for each individual student.

### **Option: Implement a Different Minimum Low-Income Threshold**

The committee could consider increasing the minimum low-income threshold above 30% for a school or for individual grade levels. The committee could also consider requiring schools to meet a minimum low-income threshold (either 30% or another percentage) before being eligible to renew SAGE contracts, rather than only when initially signing a SAGE contract.

## **ENCOURAGING YEAR-ROUND SCHOOLING**

### **Background**

School districts receive SAGE funding based on each district's enrollment of eligible, low-income students participating in the SAGE program. School districts that participate in SAGE do not receive any increased funding or other incentives based on offering year-round schooling. Instead, funding is strictly based on the number of enrolled students. The committee engaged in discussion regarding the positive effects of a year-round school calendar on the student population SAGE is intended to benefit.

### **Option: Expand SAGE to Provide Funds for Year-Round Schooling**

The committee could consider ways to expand or focus SAGE funding to encourage year-round schooling for low-income students, such as providing increased funding for schools that maintain a 12-month calendar.

## **ENCOURAGING SUMMER PROGRAMMING**

### **Background**

School districts receive SAGE funding based on each district's enrollment of eligible, low-income students participating in the SAGE program. The SAGE aid payments a district receives are based upon the enrollment count on the third Friday in September. School districts do not receive any additional SAGE funds for students attending summer programming.

The committee heard discussion about the effect of learning loss over the summer months, referred to by members as "summer slippage." Discussion suggested that low-income

students experience this learning loss more acutely than other students, meaning that relative gains by low-income SAGE students may be lost over the summer.

**Option: Expand SAGE to Provide Funds for Summer Programming**

The committee could consider ways to expand or focus SAGE funding to encourage districts to offer summer programming for low-income students.

**CALCULATING “PUSH IN” OR “PULL OUT” SERVICES INTO CLASSROOM RATIOS**

**Background**

Schools must meet eligibility and contractual requirements to receive SAGE funding, but they have some discretion in how resulting SAGE funds are spent. Many schools use these funds to offset the cost of additional teaching staff to achieve the required 18:1 or 30:2 ratios. Current law requires a class to have an 18:1 or 30:2 ratio of students to “regular classroom teachers.” [s. 118.43 (1) (a), (3) (at), and (3m) (a) 2., Stats.]

The committee heard discussion regarding use of SAGE funds to hire teachers to provide “push in” or “pull out” services to specific students. Currently, DPI does not include additional staff (i.e., special education teachers) when determining the student-to-teacher ratio of a SAGE classroom.

**Option: Allow Teachers Providing “Push-In” or “Pull-Out” Services to be Counted Towards Required Classroom Ratios**

The committee could consider allowing staff, or staff with particular licenses, to be calculated into a classroom ratio if the staff member worked with one or more students in that classroom for a minimum number of hours per day.

**FLEXIBILITY IN COUNTING STUDENTS WHO SPEND TIME OUTSIDE THE REGULAR CLASSROOM PURSUANT TO AN INDIVIDUALIZED EDUCATION PLAN (IEP)**

**Background**

Students with disabilities must be included in counts for SAGE classroom ratio requirements if they attend any courses taught by a regular classroom teacher, including reading or language arts, mathematics, social studies, or science. The committee heard testimony noting that certain special needs students have an IEP that dictates they receive 80-90% of their instruction in special education outside the classroom, yet these students must still be counted as part of the regular classroom for purposes of SAGE classroom ratios.

**Option: Allow SAGE Schools to Omit Students Absent From Classroom for Majority of Day From Classroom Count for Purposes of Required Classroom Ratio**

The committee could consider ways to allow schools to omit students whose IEP provides for instruction out of the regular classroom for the majority of the day from the SAGE classroom ratio calculations. This would allow more classrooms to meet the ratio requirements.

## **FLEXIBILITY TO COUNT TITLE I TEACHERS IN CLASSROOM RATIOS**

### **Background**

Title I teachers in schools designated under federal law as Targeted Assistance schools provide supplementary instruction to identified students. Under federal rules, Title I funds cannot be used for staffing a Targeted Assistance school's core instructional program in reading and mathematics. The use of Title I funding to reduce class size for basic reading and mathematics instruction in a Targeted Assistance school would be considered to be supplanting of state funds. By contrast, if a school has school-wide Title I services, the teachers providing these services can be counted towards meeting the 18:1 classroom ratio required for SAGE. Thus, how Title I teachers are currently counted for SAGE purposes varies depending on whether or not the school is a Targeted Assistance school.

The committee heard the suggestion to allow schools to count Title I teachers toward meeting classroom ratios in Targeted Assistance schools. Testimony indicated that Title I teachers often provide "push-in" services and co-teaching in regular classrooms, providing instruction for many students in language arts and mathematics.

### **Option: Allow SAGE Schools to Count Title I Teachers for Classroom Ratio Requirements When They Provide "Push-In" Services**

The committee could consider ways to allow schools to count Title I teachers for SAGE purposes, which would mean that more classrooms could potentially meet the ratio requirements without hiring new full-time teaching staff.

## **ALLOWING PARTICIPATION BY SCHOOLS EXPERIENCING SMALL FLUCTUATIONS IN CLASSROOM RATIOS**

### **Background**

The committee discussed the planning difficulties faced by schools struggling to meet the classroom ratio requirements for SAGE. The committee heard testimony that this is a particularly thorny challenge in rural school districts where small, overfull schools experience a threat of sudden loss of eligibility for SAGE if new students move into the district near the September count date, causing classrooms to exceed ratios.

To maintain SAGE funding, school districts must maintain the 18:1 or 30:2 ratios in every Kindergarten and 1<sup>st</sup> grade classroom. Wisconsin law prohibits waiver in these grade levels. Thus, receiving extra students may lead to loss of a school's SAGE contract. In grades 2 and 3, a school may request flexibility for that grade level when needed to absorb new arriving students, and lose funding only for the affected grade level. The committee discussed several options related to this topic.

**Option: Allow Schools to Maintain Eligibility for SAGE Participation in Compliant Grade Levels Even if Not All Grade Levels Meet Eligibility Criteria**

The committee could consider ways to allow schools flexibility to exclude any individual grade (including K-1) as needed, while keeping eligibility and funding for other compliant grade levels. This would alleviate the problem of entire schools losing SAGE funding because one grade level exceeds the classroom ratio requirements.

**Option: Allow Schools to Maintain Eligibility for SAGE Participation in Individual Classrooms, Even if not all Classrooms Meet Eligibility Criteria**

The committee could consider ways to allow schools to maintain SAGE eligibility and funding for individual classrooms that comply with the 18:1 ratio requirements, even if other classrooms in the school fail to comply. This flexibility would alleviate the problem of an entire school losing its SAGE funding because one classroom exceeds 18 students in a situation where all classrooms are at the maximum allowed ratio and a new student moves into the district.

**Option: Use Three-Year Rolling Average to Determine Whether a School Meets 18:1 Requirement**

One option raised to the committee was to use a three-year rolling average instead of a yearly count to allow schools more flexibility in meeting the classroom ratio requirement. The committee could consider ways to implement an average ratio to replace the yearly count requirements.

**DEVELOPING A SAGE EQUIVALENCY MODEL**

**Background**

Currently, if a school receives even one additional student that takes a classroom over the required classroom ratios, the school may face loss of its SAGE contract and the associated funding. The committee heard testimony noting that the SAGE funding a school receives may not be sufficient to cover the expense of hiring a new teacher to meet the classroom ratios. School administrators indicated they have insufficient control over these circumstances, and that the cost-benefit considerations make this a difficult budgetary problem. When a school loses SAGE funding due to failure to meet ratio requirements, this can create a sudden large increase in class sizes.

The committee heard discussion about creation of an equivalency model that would permit a school to apply to DPI to allow a 20:1 classroom ratio if the school implements alternatives that support early literacy (i.e., Reading Recovery or Literacy Coaches). Testimony pointed out that under the current rules, flexibility in classroom ratios would help districts the most because schools that cannot meet ratios in every classroom are excluded whether or not they meet the other SAGE criteria.

**Option: Create an “Equivalency” Model by Weighting All Four SAGE Criteria**

The committee could develop an equivalency model to allow a school to have more flexibility in classroom ratios by providing effective literacy support. Testimony suggested that under such a model, a school receiving flexibility on ratios would have to monitor literacy. If the school failed to meet specified goals by the third year of flexibility, for example, the 18:1 classroom ratio requirement would again apply. The committee could designate or create an appropriate body to evaluate and approve flexibility requests.

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