
Wisconsin Legislative Council

MINUTES



STUDY COMMITTEE ON SHARED SCHOOL DISTRICT SERVICES

Room 300 Northeast, State Capitol
Madison, WI
October 26, 2022
10:00 a.m. – 3:40 p.m.

CALL TO ORDER AND ROLL CALL

Chair Brooks called the meeting to order and determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Robert Brooks, Chair; Rep. Dave Considine; and Public Members Lance Bagstad, Jeffrey Dellutri, Bobbie Guyette, Ted Neitzke, Ben Niehaus, and Tara Villalobos.

COMMITTEE MEMBERS ABSENT: Sen. Daniel Feyen, Vice Chair; and Sen. Janet Bewley.

COUNCIL STAFF PRESENT: Rachel Letzing, Deputy Director; and Emily Hicks and Raine Black, Staff Attorneys.

APPROVAL OF THE MINUTES FROM THE AUGUST 22, 2022 MEETING

Chair Brooks moved, seconded by Public Member Neitzke, to approve the minutes from the August 22, 2022 meeting of the committee. The motion was approved by unanimous consent.

DESCRIPTION OF DISTRIBUTED MATERIALS

Raine Black and Emily Hicks, Staff Attorneys, provided an overview of information provided in Legislative Council Memo No. 2, [Committee Options for Potential Legislation](#) (October 18, 2022). Ms. Hicks introduced the memo, and noted it will guide discussion during the meeting. She also noted other distributed materials: a memorandum from the Legislative Reference Bureau summarizing the history of Cooperative Educational Service Agencies (CESAs), and a memorandum from Committee Member Ben Niehaus regarding suggested changes to 2019 Assembly Bill 441.

DISCUSSION OF COMMITTEE ASSIGNMENT

Legislative Council staff explained that the committee will address each legislative option included in Memo No. 2, with the goal of determining which options to request be prepared in the form of a bill draft for committee review at the next meeting. Chair Brooks and Legislative Council staff facilitated a discussion on the memo's options.

Options Related to Shared Services

Ms. Hicks introduced the first option for legislation: creating a categorical aid for two or more school districts sharing select positions. The committee discussed whether to use 2019 Assembly Bill 441 as a template for legislation; in that bill, employees for which districts could receive aid include information technology director, district administrator, or other administrative positions. Mr. Niehaus discussed his suggested changes to the bill, as provided in his memorandum to the committee. He suggested adding career counselors to the list of shared positions, and argued there is a need to support smaller rural areas. Mr. Niehaus then suggested generally higher appropriations for each position. He cited Bureau of Labor Statistics data to support his selection of needed positions, specifically career counselors. Chair Brooks commented that the amounts need to be high enough to actually incentivize schools to share services.

Representative Considine questioned why prior similar bills were passed unanimously in their committees but were not voted on by the full Legislature. Chair Brooks acknowledged that he did not know why similar bills were not passed, but suggested it was due to timing and the COVID-19 pandemic.

Upon a suggestion from Chair Brooks, committee members agreed they would like to expand or change the positions for which aid could be received. During the course of committee discussion, Legislative Council staff suggested the committee could either enumerate specific positions or use categories in the bill draft. Members then discussed using categories of employees, such as administrative, instructional, and student services, then breaking those down to positions (i.e., superintendent certified and uncertified). After a robust discussion, the committee agreed to create categories instead of specific positions in the bill draft. Chair Brooks then led a discussion regarding an appropriation amount, and the committee agreed on \$2.5 million.

Regarding the aid amount for each category, Chair Brooks initially suggested an amount equal to 50 percent of the median salary for each position or category in a geographical area. Committee members then discussed what level of salary incentive was feasible, and some members argued that a percentage is a more flexible way to legislate incentives than a flat amount. Upon a suggestion from Chair Brooks, the committee agreed that 35 percent of the median regional salary for each category would be feasible. Chair Brooks asked Legislative Council staff to work with the Department of Public Instruction (DPI) to get actual salary numbers for the bill draft.

After discussing whether the categorical aid should apply retroactively for schools already sharing services, the committee agreed that retroactive application is difficult to draft and pass. Chair Brooks noted that there can always be amendments during legislative process in the event school districts have issues with the incentive not being retroactive. Legislative Council staff noted that 2019 Assembly Bill 441 applied only to new agreements, and passed unanimously through both houses' committees.

Ultimately, the committee agreed to a bill draft using 2019 Assembly Bill 441 as a template. School districts would enter into a s. 66.0301 agreement, apply for aid from DPI, and split the amounts. Each category would receive an amount equal to 35 percent of the median salary statewide for that category. The aid would continue for five years, tapering in the fourth and fifth year. The committee agreed that unlike 2019 Assembly Bill 441, school districts would not be required to demonstrate net savings. The committee agreed upon a \$2.5 million appropriation as a placeholder.

Next, the committee discussed legislative options related to grant writing. The first grant writing option was to create full-time grant writing positions within DPI. Legislative Council staff indicated that DPI expressed that this proposal could create a conflict of interest because DPI also administers grants, and

the committee agreed to not pursue this option. Ms. Black introduced the other two options: requiring DPI to provide a prorated or need-based subsidy to CESAs to cover the cost of employing a grant writer, or providing an incentive directly to school districts to write grants. Chair Brooks questioned how to address federal grants. Legislative Council staff explained that interactions with federal grants and federal law may make legislation more complicated. The committee agreed to focus on legislation that avoided directly interacting with federal grants.

After discussion, the committee agreed on a bill draft that provides funding for an end of year reimbursement to school districts and CESAs applying for state and federal grants. The bill draft would allow DPI to prorate reimbursements if the total appropriation is not enough for all eligible schools and CESAs. The committee requested that Legislative Council staff determine what federal grants are available to schools to help determine what percentage reimbursement should be available in the draft. The committee did not decide whether the bill draft would include a full reimbursement or a percentage. Chair Brooks suggested that school districts do not have to work together on grants to be eligible; reimbursement should be available to any single school district. Committee members also noted that some grants require or reward consortium participation.

The next option discussed was creating a statewide job posting dashboard that would enable school districts to advertise and share their part-time positions. Committee members suggested that CESAs could do this individually, as CESAs are already doing something similar. Legislative Council staff suggested that DPI could host a potential website. Members then explained that there is a similar system already, WECAN, but it is not statewide and requires subscription fees. Mr. Neitzke noted that CESAs can already meet this need without legislation. The committee agreed to not pursue this option.

Legislative Council staff described the next option: creating a financial incentive for school districts offering virtual classes or programs with other interested districts in order to provide students with more educational opportunities. After Chair Brooks expressed he does want to award schools for not teaching in person, the committee agreed the scope of the potential legislation needs to be narrowed just to in-person distance learning. After discussion, committee members agreed that districts sharing staff that teach distance learning classes and sharing counseling positions would be eligible for aid under the proposed shared services bill draft discussed at the beginning of the meeting. The committee then agreed not to draft separate legislation for this option.

Committee members then discussed the next option: creating a categorical aid for school districts transporting students between schools or institutions. Members discussed situations where this takes place, such as between school districts in a cooperative agreement, and from schools to regional learning centers or post-secondary institutions. Legislative Council staff clarified that the original recommendation was to fund voluntary transportation. The committee expressed that the main issue with transportation and shared services is that this form of transportation does not count as “transportation” under the current funding formula. The committee agreed to a bill draft that adds this form of transportation to the current transportation funding formula.

Legislative Council staff then provided background information regarding the two options suggested for school district purchasing improvements. The first option was a statewide textbook purchasing model. Chair Brooks expressed hesitation about controlling what kinds of textbooks schools may purchase statewide. Public Member Guyette did not believe that legislation was necessary for purchasing food from DPI or the Department of Administration (DOA). The committee elected not to draft either of these options.

Options Related to School District Consolidation

After a lunch break, the committee discussed the second part of Memo No. 2 regarding incentives and potential legislation for school district consolidation. Chair Brooks expressed interest in discussing non-fiscal options first and then moving to fiscal options. The committee agreed, so Legislative Council staff proceeded to describe potential options in that order.

The first option discussed was allowing newly consolidated school districts to reduce their school board members by more than one member per year. The committee agreed to a bill draft that would allow these districts to reduce their school boards to the next lowest odd number annually. After discussion of how long a school should be considered “newly consolidated,” the committee agreed on seven years (a term equal to the length of time the district receives consolidation aid).

Legislative Council staff described the next option: creating a disclaimer on school district accountability report cards for newly consolidated districts. Currently, school district report cards show an “N/A” after a school district is newly consolidated. After discussion, the committee agreed to a bill draft that would direct DPI to use a disclaimer for the first three years of a consolidated district’s report card that specifies that due to recent consolidation, updated data is not available; notes when the report card for the new district is expected; and each parent school district’s prior year rating.

The next option discussed would allow consolidated schools to retain their operational referendum post-consolidation. Currently, state statute does not allow consolidated schools to exceed their revenue limit, even if they have passed operational referenda prior to consolidation. Under state law, the operational referendum expires at consolidation. The committee agreed to a bill draft that would repeal the law that nullifies operational referendum post-consolidation.

Legislative Council staff described the next option, which would allow electors to petition school districts to continue the consolidation process. The committee considered allowing 10 percent of voters to petition their school district to either consolidate or continue the consolidation process. Some members suggested creating a new petition process to require a consolidation referendum. Other members suggested the bill draft should increase the voter requirement to 25 percent, believing 10 percent was too low. After committee discussion of the implications of allowing electors to force schools to consolidate or consider consolidation, the committee agreed not to draft this option.

Next, the committee discussed the fiscal consolidation options in Memo No. 2. The first option would provide funding for consolidation feasibility studies. The committee expressed that feasibility studies are expensive. Prior legislation, 2019 Assembly Bill 456, created a grant program to provide up to \$10,000 for districts to use toward feasibility studies. The committee suggested increasing the amount to \$15,000 and including population studies. Chair Brooks asked Legislative Council staff to work with DPI to determine how much a population and/or feasibility study actually costs. The committee agreed to a bill draft establishing a feasibility study grant program for school districts. After discussion, the committee agreed that school districts should be required to vote on consolidation within 12 to 18 months of receiving the grant. The committee agreed to a grant amount of up to \$25,000 and an initial appropriation of \$100,000 in each year of the biennium. The committee agreed that the grant criteria in 2019 Assembly Bill 456 will be included in the draft. Finally, the committee agreed that the grant should extend to schools considering a feasibility study for whole-grade sharing.

The committee then discussed the last fiscal option regarding consolidation in Memo No. 2, which would increase the per-pupil consolidation aid. Some committee members argued the current per-pupil consolidation aid is too low, and suggested increasing the aid to \$500-\$700 per pupil. The current structure for consolidation aid lasts seven years, with tapering in the final two years. Chair Brooks

suggested a percentage instead of a flat amount to accommodate a variety of schools. Representative Considine expressed concern that providing incentives to consolidate through direct aid payments may appear as though the state is encouraging school districts to consolidate.

After discussion, committee members agreed that aid should be calculated by a percentage of the average total cost per pupil. Members noted that under the prior law aid formula, consolidated school districts were receiving at least \$900 per pupil, whereas current aid is \$150 per pupil. Members then discussed whether the aid should compound, but ultimately decided against it.

After continued discussion, committee members agreed on a bill draft that provides consolidation aid to each district in an amount equal to nine percent of the average cost per pupil statewide. Certain committee members estimated this is about \$900 per pupil. The committee suggested a sum certain appropriation of \$2.5 million. The committee agreed to use the same aid structure as in current law, which tapers the aid amounts in the last two years. Chair Brooks suggested that this could be drafted as a pilot program.

At the suggestion of Public Member Dellutri, the committee returned to discussion of referenda, specifically whether to allow a simultaneous capital referendum and consolidation referendum. After discussion, the committee agreed to a bill draft that would potentially address this issue.

Other Suggestions

Legislative Council staff explained the final legislative option in Memo No. 2, which would create regional student information systems. In prior meetings, committee members and presenters suggested the use of different student information systems by school districts was inefficient and a barrier to shared services and consolidation. Chair Brooks noted that mandating a statewide data system would be difficult both logistically and politically. Some committee members argued that other legislative options discussed would better incentivize sharing services. At Chair Brooks' suggestion, the committee agreed to a bill draft creating a pilot program administered by DPI to provide grants for two or more districts that share services to create student information systems across districts. The grants would be intended to cover the cost of a district moving data from its current system to the system of its partner district and to train staff on how to use the "new" system.

PLANS FOR NOVEMBER 30, 2022 MEETING

Chair Brooks reminded members that the committee's next meeting will be held on Wednesday, November 30, 2022, in 300 Northeast, at the State Capitol in Madison. Future meetings are to be determined.

ADJOURNMENT

The committee adjourned at 3:40 p.m.

RB:jal