



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #743

Bilingual-Bicultural Educational Aids (DPI -- Categorical Aids)

[LFB 2001-03 Budget Summary: Page 539, #8]

CURRENT LAW

In certain cases, school districts are required by state law to provide special classes to pupils of limited-English proficiency (LEP). These classes are required at schools which enroll 10 or more LEP pupils in a language group in grades K-3, or 20 or more in grades 4-8 or 9-12. These school districts are eligible for categorical aid. Annual base funding of \$8,291,400 GPR is currently appropriated for bilingual-bicultural educational aids. Costs not reimbursed under the categorical appropriation are aided as shared costs under the equalization aid formula.

State aid payments are generally based on the ratio of the categorical aid appropriation to the total aidable costs of the eligible districts in the prior year. Aidable costs are defined as the districts' prior year costs for salaries, special books, equipment and other expenses approved by DPI which are attributable only to programs for LEP pupils. Under 1999 Act 9, DPI is required to provide \$250,000 as a first draw from the bilingual-bicultural education aids appropriation, to be divided proportionately based on reported costs, among school districts whose enrollment in the previous school year were at least 15% LEP pupils.

GOVERNOR

Provide an additional \$500,000 GPR in 2001-02 and \$1,000,000 GPR in 2002-03 for bilingual-bicultural educational aids.

DISCUSSION POINTS

1. The most recent decision by the State Supreme Court on the constitutionality of the

school aid formula was issued in July, 2000, in the case of Vincent v. Voight. In that decision, the Court concluded that the current state school finance system did not violate either the uniformity clause or the equal protection clause of the Wisconsin Constitution. The Court also held that the current school aid system more effectively equalizes the tax base among districts than the system upheld as constitutional in the last school finance decision of the Court in 1989 (Kukor v. Grover).

2. In the Vincent decision, the Court also held that Wisconsin students have the right to an equal opportunity for a sound basic education that "will equip them for their roles as citizens and enable them to succeed economically and personally." The decision also noted that this standard must take into account districts with disproportionate numbers of disabled students, economically-disadvantaged students and students with limited-English proficiency.

3. In the three most recent school funding decisions, the Court recognized that the Legislature is entitled to deference in fiscal and educational policy decisions. While the Court did not specify a particular funding level that would provide an equal opportunity for a sound basic education for LEP students, the Court did hold in Vincent that "so long as the Legislature is providing sufficient resources so that school districts offer students the equal opportunity for the sound basic education as required by the Constitution, the state school finance system will pass constitutional muster."

4. The appropriation for bilingual-bicultural educational aids has been funded at \$8,291,400 since 1991-92. The following table provides information on the level of aidable bilingual-bicultural costs and state reimbursement under the categorical appropriation since 1991-92.

Bilingual-Bicultural Program Aidable Costs and State Reimbursement

<u>Fiscal Year</u>	<u>Aidable Costs (\$ in Millions)</u>		
	<u>Amount</u>	<u>Change</u>	<u>Proration</u>
1991-92	\$17.0		48.9%
1992-93	19.5	14.7%	42.6
1993-94	25.0	28.2	33.2
1994-95	27.5	10.0	30.2
1995-96	29.6	7.6	28.0
1996-97	32.7	10.5	25.3
1997-98	36.0	10.1	23.0
1998-99	39.0	8.3	21.3
1999-00	41.7	6.9	19.9
2000-01*	45.6	9.4	18.2

*Estimated.

5. Between 1993-94 and 1999-00, aidable bilingual-bicultural costs increased by an average of 8.9% annually. Assuming that rate of growth continues from the 2000-01 cost estimate,

projected aidable costs would be approximately \$49.6 million in 2001-02 and \$54.0 million in 2002-03.

6. It could be argued that general school aids, funded at \$3.9 billion in 2000-01, are more important than the bilingual-bicultural categorical aid appropriation in the overall context of the state's efforts to equalize the tax base between school districts and provide an equal opportunity for a sound basic education under the state school finance system. In addition, the proration of bilingual-bicultural aid declined in every year between the Kukor decision in 1989 and the Vincent decision in 2000, yet the Court still found the overall system constitutional in Vincent. Accordingly, the Committee could choose to maintain bilingual-bicultural education aid at base funding. Under this alternative, the estimated proration would decrease from 18.2% in 2000-01 to 16.7% in 2001-02 to 15.3% in 2002-03.

7. Given that the Court has specifically highlighted the needs of school districts with relatively high numbers of LEP students, it could be argued that the state should provide additional resources for bilingual-bicultural education aid and thus provide more resources to school districts with relatively high numbers of LEP students. The Governor's recommendation would provide additional funding for these districts. Based on projected aidable costs, the Governor's recommendation would provide an estimated proration of 17.7% in 2001-02 and 17.2% in 2002-03.

8. Another alternative would be to maintain the current reimbursement rate from the bilingual-bicultural aids appropriation. To maintain the estimated 18.2% proration rate in the 2001-03 biennium, the bilingual-bicultural aids appropriation would need to be funded at \$9,028,400 in 2001-02 and \$9,831,900 in 2002-03. This would represent an increase in categorical funding of \$737,000 in 2001-02 and \$1,540,500 in 2002-03 over base level funding.

9. Under the two-thirds funding calculation, if funding for categorical aids such as bilingual-bicultural aids are increased, there is a reduction in general school aids equal to one-third of the increase. This reduction is made so that total state aid does not exceed the two-thirds funding goal. Similarly, if categorical aids are decreased, there is an increase in general school aids equal to one-third of the decrease in categorical aid in order to maintain two-thirds funding of partial school revenues.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$500,000 in 2001-02 and \$1,000,000 in 2002-03 for bilingual-bicultural educational aids. Delete \$166,700 in 2001-02 and \$333,300 in 2002-03 for general school aids to adjust two-thirds funding.

Alternative 1	GPR
2001-03 FUNDING (Change to Base)	\$1,000,000
<i>[Change to Bill]</i>	<i>\$0</i>

2. Provide \$737,000 in 2001-02 and \$1,540,500 in 2002-03 for bilingual-bicultural educational aids, in order to maintain the estimated proration factor in the 2001-03 biennium at the 2000-01 level of 18.2%. Delete \$245,700 in 2001-02 and \$513,500 in 2002-03 from general school aids to adjust two-thirds funding.

Alternative 2	GPR
2001-03 FUNDING (Change to Base)	\$1,518,300
<i>[Change to Bill]</i>	<i>\$518,300]</i>

3. Take no action. To maintain two-thirds funding, general school aids would increase by \$166,700 in 2001-02 and \$333,300 in 2002-03 compared to the bill.

Alternative 3	GPR
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>- \$1,000,000]</i>

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