



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #616

Grants Funded from Tribal Gaming Revenues (DPI -- Categorical Aids, Administrative and Other Funding)

[LFB 2005-07 Budget Summary: Page 406, #18, Page 407, #19, and Page 415, #21]

CURRENT LAW

Any school district or alternative school enrolling American Indian pupils may establish on a voluntary basis an American Indian language and culture program. The program should be designed to: (a) make the school curriculum more relevant to the needs, interests and cultural heritage of American Indian pupils; (b) provide reinforcement of the positive self-image of American Indian pupils; and (c) develop intercultural awareness among pupils, parents, and staff. An alternative school is any nonsectarian private or tribally controlled school that complies with federal law and that enrolls at least 75% American Indian pupils.

GOVERNOR

Alternative Schools. Provide \$260,000 annually and create an appropriation for alternative school American Indian language and culture education programs. Require DPI to pay each alternative school operating an American Indian language and culture education program an amount equal to \$200 for each pupil who has completed the fall semester in the program. Funding for this item would come from tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the Indian gaming receipts appropriation.

Provide that no alternative school could receive aid unless the State Superintendent determines that the school has adequate management and accounting capacity and that the school agrees that its accounts related to the program may be audited. In addition, no school would receive aid unless the State Superintendent certifies that it meets current law program requirements for American Indian language and culture education programs, including

developing an instructional plan and appointing a parent advisory committee, and that the school has submitted a report that includes a description of all expenditures made in the prior year in connection with the program, a budget for the current year for the program, and the number of pupils who have completed the fall semester of the program. Require DPI to pay state aid in April of each year, and prohibit state aid from supplanting federal aid received and utilized for American Indian language and culture programs in the prior year. Require DPI to prorate payments if funding is insufficient in any year.

Grant to Beloit College. Provide \$50,000 annually for a grant to Beloit College to educate children and adults in southern Wisconsin about Native American cultures. Funding for this item would be drawn from tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the Indian gaming receipts appropriation.

Diversity Education. Provide \$80,600 and 1.0 position in 2005-06 and \$263,800 in 2006-07 and create an appropriation to support the American Indian language and culture education program. Provide \$150,000 in 2006-07 and create a second appropriation for a categorical aid program that would award grants to support diversity education initiatives. Funding for this item would be drawn from tribal gaming revenues. Specify that any unencumbered balance in these appropriations on June 30 of each year would revert to the Indian gaming receipts appropriation.

Provide that a person could apply to DPI for annual grants to do any of the following: (a) impart to pupils an appreciation and understanding of different value systems and cultures; (b) promote pupils' understanding of human relations, particularly with regard to American Indians; and (c) assist pupils, schools, and communities in appreciating racial and cultural diversity. Specify that grants could not exceed \$30,000. Require DPI to promulgate rules to implement this section.

DISCUSSION POINTS

1. A program similar to the Governor's proposal for grants to alternative schools existed prior to 2003-04. Created under Chapter 346, Laws of 1979, grants to alternative schools for American Indians were awarded from 1980-81 through 2002-03. Aid was provided to alternative schools operating American Indian language and culture education programs that met certain planning, parental involvement, record keeping, and reporting requirements. Under the prior program, a school received \$200 for each pupil who completed the fall semester in the program. Funds could not be used to supplant federal aid, and if the appropriated amount was insufficient, aid was prorated. Beginning in 1999-00, the source of funds was shifted from GPR to program revenue derived from the state's Indian gaming compacts. In the last year of the program, 2002-03, \$220,000 was appropriated, and five alternative schools participated (Indian Community School in Milwaukee, Lac Courte Oreilles Ojibwa School, Mashkiisiibii Tribal School, Oneida Tribal School, and Menominee Tribal School). The grant program was eliminated under 2003 Act 33.

2. The Governor's proposal for a grant to Beloit College would restore a 2001-03 program that was created under 2001 Act 16 and deleted under 2003 Act 33. Under that former

program, Beloit College was awarded \$50,000 annually from tribal gaming revenues for a grant to educate children and adults in southern Wisconsin about Native American cultures.

3. The Governor's proposal to create an appropriation for a categorical aid program that would award grants to support racial and cultural diversity education would constitute a new program and use of tribal gaming revenues. Eligibility for the program would be open to anyone interested in assisting pupils, schools, and communities in understanding human relations and different cultures. DPI would be required to promulgate rules to implement the program.

4. In its 2005-07 agency budget request, DPI requested 1.0 position and \$80,600 in 2005-06 and \$263,800 in 2006-07 in order to support an expanded American Indian studies program at the Department, which provides technical assistance and materials to districts to improve instruction. The 1.0 position with \$45,600 in 2005-06 and \$86,700 in 2006-07 would assist with the implementation of curricular requirements in the areas of American Indian history, culture, and tribal sovereignty. The bill would also provide \$150,000 in 2006-07 to fund a competitive grant program for collaborative programs for students, schools and communities that would promote an appreciation of Native American culture and educational equity.

5. Based on the DPI agency budget request, of the total funding in AB 100, \$35,000 annually would support meetings of the American Indian Student Achievement Network, comprised of staff representing school districts that enroll significant numbers of American Indian pupils. The purpose of the group would be for staff to collaborate and share research in order to improve American Indian pupil achievement. In 2006-07, \$21,700 would be provided for the expenses of one person per district to attend the American Indian studies summer institute, and \$41,800 would provide funding for three people per district to attend the Wisconsin Indian Education Association Conference. Also in 2006-07, an additional \$43,800 would fund the establishment of an American Indian action research network, which would provide training for teachers to develop research and curriculum relevant for tribes located in the state. Additionally, \$25,000 in 2006-07 would provide funding for professional services contracts with two people to provide ongoing mentoring to classroom teachers who conduct research and develop curriculum in their local school districts. Finally, \$9,800 in the second year would provide professional development in curriculum development and instructional methodology for teachers who hold or are earning American Indian language and culture education licenses.

6. Under current law, state payments from the tribes are credited to: (a) a Department of Administration (DOA) appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs; (b) the Department of Justice Indian gaming law enforcement appropriation; and (c) the DOA general program operations appropriation relating to Indian gaming regulation under the compacts. These appropriations constitute a "first-draw" on tribal payments, and Indian gaming receipts not otherwise credited to these appropriation accounts are deposited in the general fund. Therefore, increasing tribal gaming allocations to agencies has the effect of decreasing revenue deposited in the general fund, and, conversely, decreasing or eliminating tribal gaming allocations to agencies has the effect of increasing general fund revenue.

ALTERNATIVES

A. Alternative Schools for American Indians

1. Approve the Governor's recommendation to provide \$260,000 annually and create an appropriation for alternative school American Indian language and culture education programs.
2. Delete the provision.

<u>Alternative A2</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$520,000	
2005-07 FUNDING (Change to Bill)		- \$520,000

B. Grant to Beloit College

1. Approve the Governor's recommendation to provide \$50,000 annually for a grant to Beloit College to educate children and adults in southern Wisconsin about Native American cultures.
2. Delete the provision.

<u>Alternative B2</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$100,000	
2005-07 FUNDING (Change to Bill)		- \$100,000

C. American Indian Culture and Diversity Education

1. Approve the Governor's recommendation to: (a) provide \$80,600 and 1.0 position in 2005-06 and \$263,800 in 2006-07 and create an appropriation to support the American Indian language and culture education program; and (b) provide \$150,000 in 2006-07 and create a second appropriation for a categorical aid program that would award grants to support diversity education initiatives.
2. Delete the provision.

<u>Alternative C2</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$494,400	
2005-07 FUNDING (Change to Bill)		- \$494,400
2006-07 POSITIONS (Change to Bill)		- 1.00

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