



Legislative Fiscal Bureau

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2017

Joint Committee on Finance

Paper #502

Special Education Transition Incentive Grants (Public Instruction -- Categorical Aids)

[LFB 2017-19 Budget Summary: Page 349, #8]

CURRENT LAW

In 2016-17, school districts or independent "2r" charter schools are eligible to receive \$1,000 for each pupil who attended the district or school in 2014-15 or 2015-16, had an individualized education program (IEP) in place, and who meets one of the following criteria: (a) the individual enrolled in a higher education program within one year of leaving high school; (b) the individual is, or was, competitively employed within one year of leaving high school; or (c) the individual enrolled in another postsecondary education or training program within one year of leaving high school. Payments are prorated if funding is insufficient to meet the eligible district claims.

GOVERNOR

Provide \$2,600,000 GPR in 2017-18 and \$3,500,000 GPR in 2018-19 above base level funding of \$100,000 GPR for special education transitions incentive grants to school districts or independent "2r" charter schools.

DISCUSSION POINTS

1. Under 2015 Act 55, a one-year pilot program was created to provide funding for school districts and independent "2r" charter schools based on the number of pupils with disabilities who graduate from high school and, within one year of leaving high school, are enrolled in higher education, competitively employed, or enrolled in another postsecondary education or training program. For a district or independent "2r" charter school to qualify for funding, a pupil must meet one of the following criteria within one year of high school graduation: (a) be enrolled in a four-year

program at a college or university, a two-year program at a college or community college, or a two-year program at a technical college; (b) be enrolled in a high school completion or equivalency program, a vocational school, an apprenticeship or short-term training program, an on-the-job training program, an adult education program, or a program, other than a two-year program, at a vocational or technical school; or (c) be employed for 90 or more consecutive or cumulative days in work paying minimum wage or greater for an average of at least 20 hours per week in a setting with others who are not disabled.

2. Under the federal Individuals with Disabilities Education Act (IDEA), states are required to use data to measure and report progress on 20 indicators related to pupils with disabilities, including graduation and dropout rates, assessment results, and suspension and expulsion rates. As part of this requirement, all school districts and independent charter schools enrolling high school pupils in Wisconsin must conduct the Wisconsin Post-School Outcomes (WiPSO) survey to measure progress on Indicator 14, the percentage of pupils involved in postsecondary education or work one year after graduation. The survey consists of a phone interview conducted by trained district staff or by St. Norbert College Strategic Research Institute. The survey must be completed by each district or independent charter school at least once every five years, with the exception of Milwaukee Public Schools, which is required to conduct the survey annually. Other districts may conduct the survey more frequently if they choose to do so.

3. The number of pupils for which a school district or charter school is eligible for funding under the transitions grant program is determined based on outcomes data reported under the WiPSO survey. A school district or independent charter school cannot qualify for funding in a year in which they did not administer the survey. It could be the case that providing a financial incentive for pupils with disabilities who transition into work or further education will encourage school districts and independent charter schools to conduct the survey more frequently than once every five years as required under federal law. It could be argued that collecting additional data about post-graduation outcomes for pupils with disabilities would provide feedback that would help schools improve their transition programming and lead to an increase in the number of pupils with disabilities who are employed or pursuing postsecondary education after graduation.

4. Additionally, the grants provide resources that can be used to support special education programming, especially transition-related programming. Although grant funds are not required to be used for this purpose, the financial incentive provided by the grant could encourage school districts and independent "2r" charter schools to dedicate special education resources to transition support. Examples of transition services include transporting pupils to jobs, hiring job coaches or special education teachers to help students with transition planning, or offering resources for advanced placement (AP) or ACT preparation specifically for pupils with disabilities. Another provision of the bill would provide an additional \$1.5 million beginning in 2018-19 for a new grants program to support special education transition programming.

5. Under current law, districts or independent charter schools are eligible to receive payments of \$1,000 per pupil, with payment amounts prorated if funding is insufficient. In 2016-17, 172 school districts received payments equal to \$58 per pupil under the program. Approximately 1,700 graduates from those districts met the eligibility requirement for funding in that year.

6. DPI estimates that approximately 2,700 pupils will be eligible for funding under the grant program in 2017-18 and 3,600 will be eligible in 2018-19. These figures are based on the number of pupils with disabilities who are expected to graduate from high school, projected survey response rates, and an estimate that the rate of graduates engaged in qualifying work or education will equal approximately 65% in 2017-18 and 75% in 2018-19. Funding in the bill would provide the full \$1,000 per pupil payment based on these estimates.

7. A technical amendment is required to allow DPI to award funding under the program. Current law only allows DPI to award grants in the 2016-17 school year for pupils who were enrolled in the school in the 2014-15 or 2015-16 school years. Under the modification, statutory references to specific years would be removed, and instead, school districts could qualify for aid based on responses to WiPSO surveys conducted in the previous fiscal year, which would allow DPI to award grants in the 2017-18 school year and in future years.

8. Additionally, a modification would be required to allow DPI to award grants to independent charter schools authorized under s. 118.40(2x) of the statutes, which was created under 2015 Act 55. Under current law, grants can only be awarded to public school districts or independent charter schools authorized under s. 118.40(2r) of the statutes. No independent "2x" charter schools have been authorized, but such schools could open and be eligible for funding in future years.

9. The Committee could consider reducing the per pupil funding amount provided under the program. For example, a payment of \$500 per pupil, rather than \$1,000, would reduce the cost of the program while still providing a significant source of additional funding for school districts, particularly larger districts with a number of graduates each year who qualify for funding under the proposal. On the other hand, it could be argued that a smaller per pupil payment may not result in sufficient funding to impact a district's financial decisions, such as hiring an additional staff member to support special education transition programs. For example, in 2016-17, 133 out of 172 districts eligible for funding under the program had ten or fewer pupils meeting the eligibility requirement for funding, and of those, 92 had five pupils or fewer.

ALTERNATIVES

1. Approve the Governor's recommendation, with a technical correction to specify that school districts could qualify for aid based on responses to WiPSO surveys conducted in the previous fiscal year, which would allow DPI to award grants in the 2017-18 school year and later.

ALT 1	Change to	
	Base	Bill
GPR	\$6,100,000	\$0

2. Modify the Governor's recommendation with one or both of the following changes, in addition to the technical correction allowing DPI to award grants in the 2017-18 school year and later.

a. Specify that independent "2x" charter schools could qualify for grants under the program.

ALT 2a	Change to	
	Base	Bill
GPR	\$6,100,000	\$0

b. Reduce funding by \$1,350,000 in 2017-18 and \$1,800,000 in 2018-19 by decreasing payments under the program to \$500 per pupil.

ALT 2b	Change to	
	Base	Bill
GPR	\$2,950,000	-\$3,150,000

3. Delete provision and eliminate the current appropriation with \$100,000 of annual funding and related statutory language. Under this alternative, the pilot program and related funding would be eliminated.

ALT 3	Change to	
	Base	Bill
GPR	-\$200,000	-\$6,300,000

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