



Legislative Fiscal Bureau

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May, 2019

Joint Committee on Finance

Paper #579

Delete School Performance Improvement Grants (DPI -- Categorical Aids)

[LFB 2019-21 Budget Summary: Page 331, #25]

CURRENT LAW

Under the school performance improvement grants program, grants are awarded to any school, including a public school, independent charter school, or private choice school, located in a school district that received an overall rating of "fails to meet expectations," in addition to schools located in the boundaries of Milwaukee Public Schools. In order to qualify for a grant, a school must meet the following criteria: (a) develops a written school improvement plan to improve pupil performance in math and reading; and (b) if the school received funds under this program in the previous year, the school's overall accountability score improved from its score two years prior to the previous year. Grant amounts are determined by dividing the total amount of available funding by the number of pupils enrolled in schools eligible for a grant in each year.

GOVERNOR

Delete \$3,690,600 GPR in 2020-21 and repeal the school performance improvement grants program that was created in 2017 Act 59, effective July 1, 2020. In addition, for grants distributed in 2019-20, modify the pupil count that would be used in calculating the grant for each school district from the pupil count used in calculating per pupil aid to instead be the number of pupils enrolled in the district.

DISCUSSION POINTS

1. The school performance improvement grant program was created under 2017 Act 59, which provided \$3,690,600 GPR beginning in 2018-19 for the program. Under the act, grants could be awarded to any school, including a public school, independent charter school, or private choice

school, located in Milwaukee Public Schools (MPS) or any school district that received an overall rating of "Fails to Meet Expectations" in the previous school year. To be eligible for a grant, a school must develop a written school improvement plan to improve pupil performance in math and reading, and if the school received funds under the program in the previous year, the school's overall accountability score must have improved from its score two years prior to the previous year.

2. Each school that is eligible for funding under the program receives a per pupil payment calculated by dividing the total amount of funding by the number of pupils enrolled in each school eligible to receive an award. For private choice schools, only pupils attending the private school under a private school choice program may be counted for the purpose of calculating and distributing funding under the program. School boards must distribute performance funds to the administrator of the school that earned the award.

3. School district ratings are based on accountability reports that provide data on multiple indicators in four areas: (a) pupil achievement, which includes performance on the statewide reading and mathematics assessments compared to state and national standards; (b) pupil growth, or improvement over time on the statewide reading and mathematics assessments; (c) the progress of pupil subgroups in closing gaps in reading and mathematics performance and graduation rates; and (d) performance on indicators of college or career readiness. The indicators are used to determine the school or school district's overall accountability score, which places the school or district into one of five performance categories.

4. The following table shows the number of school districts in each accountability rating category based on the report cards published for the 2017-18 school year. No school districts were placed in the category of "fails to meet expectations", so MPS is the only school district in which schools will be eligible for performance grants in 2018-19.

Number of Districts in Accountability Performance Categories, 2017-18

| <u>Accountability Rating Category</u> | <u>Districts</u> |
|---------------------------------------|------------------|
| Significantly Exceeds Expectations | 49 |
| Exceeds Expectations | 206 |
| Meets Expectations | 152 |
| Meets Few Expectations | 14 |
| Fails to Meet Expectations | 0 |
| Alternate Accountability | 1 |

5. The number of schools that will receive funding and the per pupil payment amount in the 2018-19 school year is not yet known. DPI indicates that the application deadline under the program was in late April. Eligibility and per pupil funding amounts will be determined in May or early June.

6. The Department of Administration indicates that the program would be eliminated under the bill so that the funding can be redirected to other priorities, particularly closing achievement gaps.

The bill provides \$9,850,000 GPR in 2020-21 (a total of \$14,700,000 GPR over the biennium) for programs for urban school districts to address achievement gaps. On the other hand, the amount of funding for performance improvement grants is small relative to the overall increase in funding under the bill. Over the biennium, the bill provides an increase of \$1.4 billion in GPR school aids compared to the base year doubled. It could be argued that the cost savings from eliminating this program would not be significant in the context of the overall DPI budget.

7. Some would argue that schools located in districts rated "fails to meet expectations" have the need for additional resources if they are to make meaningful improvements in areas such as professional development, instructional materials, school climate, student services, or to address other needs which could improve performance. In addition, the school performance improvement grant program first applied in 2018-19, and it may be desirable to review its effects over a longer period of time, before considering its repeal. Therefore, the Committee may wish to maintain the existing grant program as a source of additional funds for schools in low-performing districts.

8. The Governor would also modify the pupil count used in calculating the grant for schools from the pupil count used in calculating per pupil aid (a district's current three-year rolling pupil count under revenue limits) to instead be the number of pupils enrolled in the district in the current year. This modification was also included in DPI's agency request. The per pupil aid count is intended to provide a district-level count with a smoothing effect if the district experiences enrollment increases or decreases, and is based on prior year counts. If the goal of the program is to provide school buildings with additional aid based on the number of pupils being educated in that building in the current school year, enrollment would be a more accurate number to use, and would be more consistent with the count used for independent charter schools and private choice schools.

ALTERNATIVES

1. Repeal School Performance Improvement Grants

a. Approve the Governor's recommendation to delete \$3,690,600 in 2020-21 and repeal the school performance improvement grants program.

| ALT 1a | Change to | |
|--------|---------------|------|
| | Base | Bill |
| GPR | - \$3,690,600 | \$0 |

b. Take no action.

| ALT 1b | Change to | |
|--------|-----------|-------------|
| | Base | Bill |
| GPR | \$0 | \$3,690,600 |

2. Pupil Count Used for Aid Calculation

- a. Approve the Governor's recommendation to modify the pupil count that would be used in calculating the grant for each school district from the pupil count used in calculating per pupil aid to instead be the number of pupils enrolled in the district.
- b. Take no action.

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