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Date: July 23, 2014
To: Members of the Legislative Council Study Committee on the Student
Achievement Guarantee in Education (SAGE) Programs
Re: Administrative concerns with the current SAGE flexibility rule

Thank you for allowing me to speak to you today regarding the Merrill Area Public Schools (MAPS) participation in the SAGE program. I would like to identify our concern with the current flexibility option and present two (2) alternatives to this option. Our experience is one of success and challenge that I am certain is not unique to Merrill or declining enrollment districts. Our success is student centered and our challenge is the impact a single student can have on the student to teacher ratio.

MAPS Experience Participating in the SAGE Program

MAPS currently operates four (4) elementary schools that are eligible for the SAGE program. MAPS entered the SAGE program during the 2000-01 school year when three (3) of the elementaries became eligible and in the 2010-11 school year MAPS added one (1) additional elementary. The 2014-15 school year is the final year of the current contract for all four (4) schools. MAPS intends to renew the contract during the 2015-16 school year.

Throughout 14 years of participation MAPS has met all four (4) criteria of the SAGE program. MAPS has maintained class sizes of no more than 15:1 up through the 2009-10 school year and 18:1 beginning with the 2010-11 school year in grades K-3. MAPS has developed a "Lighted School House" program to increase collaboration between schools and the Merrill community. MAPS has also participated in annual curriculum review and development to ensure that instruction meets state standards and local expectations. All teachers participate in professional learning communities and participate in annual data retreats to develop site plans that focus on student achievement and staff development. The site plans guide teachers in the development of student and school wide learning objectives which will also be monitored through the staff evaluation process.

The SAGE program has benefited our students by maintaining staffing levels at the elementary schools which allow the District to continue with professional learning communities centered on student learning. Our current curriculum development and staff development is focused on how to better motivate and engage students in their learning by implementing teaching and learning practices that empower students to be self-directed learners. Larger class sizes in the middle school and high school have made it challenging to provide the same level of collaborative time that is possible in our SAGE schools. This has resulted in the process taking more time and resources in our District.

Concern with the Current Flexibility Option

While the SAGE program requires class sizes of 18:1 or 30:2, increased collaboration between schools and communities, implementation of a rigorous curriculum, and, improved professional development and staff evaluations processes; class size holds the greatest weight. This posed the most evident challenge during the 2013-14 school year when a single student moved into the District during the summer of 2013, resulting in a single second grade class size of 19:1 if the District took no action to hire an additional teacher.

MAPS operates the SAGE program as efficiently as possible with enrollment in many of the SAGE grade levels at the 18:1 class size. Current flexibility allows districts to choose not to comply with the requirement to reduce class size in grades 2 or 3, or both, in one or more schools in the district. No flexibility is allowed in Kindergarten and grade 1. The decision to not comply with the class size requirement in grades 2 or 3, results in all students in the grade level at the affected school not being eligible for SAGE funding.

If a single student enrolls in grades K or 1 and the class size results in even a single class within either grade of 19:1, the district loses all SAGE funding for the affected school and is in violation of the SAGE contract. This may result in the school being ineligible for the program in the following year. Table 1 illustrates the SAGE revenue each MAPS elementary school receives. Depending on which school this circumstance occurs, MAPS would lose \$56,763.12 - \$241,243.24 in SAGE funds, along with potentially losing SAGE funding in subsequent years. The alternative is to hire an additional teacher at an average cost of \$74,000 in salary and benefits. The cost-benefit decision results in the district weighing the impact of either a decrease in revenue of at least \$56,763.12 or an increase in expenditures of approximately \$74,000. In most cases the decision with the least impact on the budget is to hire an additional teacher.

If a single student enrolls in grades 2 or 3 resulting in a student to teacher ratio in even a single class, the district may either chose the flexibility waiver, resulting in a loss of all SAGE funding for the affected grade and school, or hire an additional teacher at an average cost of \$74,000. Table 2 illustrates average SAGE revenue per grade. If MAPS would chose flexibility, the district would lose \$14,190.75 - \$60,310.69 in SAGE funds for the year flexibility is requested. The cost-benefit decision in grades 2 or 3 is not as significant; but still results in weighing the outcomes of reducing revenue up to \$60,310.69 or increasing expenditures by approximately \$74,000.

It is also important to identify that the MAPS per pupil revenue limit is \$9,200 for each resident student enrolled in MAPS and open enrollment revenue is \$6,635 per pupil. Student enrollment is a key factor in overall district revenue and like the majority of districts in the state, MAPS has an interest to increase enrollment. The financial impact of a single student impacting the class size of a single SAGE classroom can be substantial. MAPS believes the revenue consequences of SAGE flexibility is punitive and results in either a revenue reduction or an expenditure increase that far exceeds the per pupil revenue of a single student.

Table 1 MAPS 2013-14 SAGE Allocation (LIS Count = low income student count)

LEA Number	District Name	School Number	School Name	Enrollment Count	LIS Count	Allocation
3500	Merrill Area	0060	Jefferson Elementary	186	99	\$200,698.16
3500	Merrill Area	0190	Kate Goodrich Elementary	219	119	\$241,243.24
3500	Merrill Area	0110	Maple Grove Elementary	64	28	\$56,763.12
3500	Merrill Area	0220	Washington Elementary	200	107	\$216,916.19

Table 2 Average SAGE Revenue Per Grade Level (Average is factored at 25% of school allocation)

LEA Number	District Name	School Number	School Name	LIS Count	Average Cost Per Grade	Allocation
3500	Merrill Area	0060	Jefferson Elementary	99	\$50,174.44	\$200,698.16
3500	Merrill Area	0190	Kate Goodrich Elementary	119	\$60,310.69	\$241,243.24
3500	Merrill Area	0110	Maple Grove Elementary	28	\$14,190.75	\$56,763.12
3500	Merrill Area	0220	Washington Elementary	107	\$37,135.98	\$216,916.19

Alternatives to the Current Flexibility Option

1. Create additional flexibility for grades K-3 to address minimal impacts to class sizes. Specifically, when the addition of a single student increases a single SAGE classroom to 19:1. While there is a large body of research that validates the positive impact small class sizes has on student academic success and social-behavioral development, there is no empirical evidence regarding the impact of a single student on the academic success or the social-behavioral development of a class of students. As stated above, MAPS' local experience with the current flexibility allowed for grades 2 and 3 results in a substantial decrease in SAGE funding that is not equitable with the per pupil revenue provided to the district in the revenue limit formula. In this alternative we would request the committee to apply the cost-benefit test to the current flexibility rule.
2. Establish weighted criteria on all four conditions of the SAGE program that would allow for a SAGE equivalency model to support student academic success in the context of literacy. It is widely accepted that literacy skills are critical for a student's overall academic success. Governor Walker stressed the importance of early focus on literacy when he stated, "By fourth grade, children are no longer learning to read, but reading to learn." In research cited by the University of Wisconsin; "When size matters: A hybrid theory of early literacy content and sociocultural contexts", Hasset and Hatch state:

“In sum, smaller classes provide opportunities for teachers to engage in practices that improve student achievement, but it is what teachers choose to do in and with smaller classes that matters, not simply size. Teachers capitalize on the advantages of a smaller class size when both early literacy content and sociocultural contexts are taken into account. When the foundations of early literacy success (in content and method) are combined with sociocultural theories of language and literacy (in context and pedagogy), then size matters.”

Districts could apply for a SAGE equivalency model by implementing research or evidence-based programs that support early literacy such as Reading Recovery or Literacy Coaches. By establishing an equivalency model, districts would be allowed to have class sizes no greater than 20:1. The equivalency model would be monitored, and if by the 3rd year student literacy goals are not met, the district would have to reduce class sizes to 18:1. The equivalency model would be eligible even if other funds are provided to the district specifically for early literacy programs. An example of this would be the Read to Lead Grant. The rationale is that the research supports implementing literacy instruction and small class sizes. The concept of an equivalency model has been put into practice with Educator Effectiveness. The details of an equivalency model should be determined by a committee whose members would include DPI and other experts in the field of literacy and rules development.

In closing I would like to again thank you for this opportunity and your dedication to do what is best for public education in Wisconsin.

Respectfully,

Wally Leipart