



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #645

Driver Education Aid for Low-Income Pupils in MPS (DPI -- Categorical Aids)

Bill Agency

[LFB 2007-09 Budget Summary: Page 469, #13]

CURRENT LAW

No provision.

GOVERNOR

Provide \$100,000 SEG in 2008-09 for a new categorical aid program to provide \$150 per pupil to Milwaukee Public Schools (MPS) for certain pupils enrolling in, and successfully completing, a driver education program offered by MPS and approved by the Department of Public Instruction (DPI). Specify that pupils eligible for free or reduced-price lunch would qualify for the aid, and require MPS to reduce each such pupil's driver education fee by \$150 beginning in 2007-08. Beginning in 2008-09, DPI would pay MPS \$150 per eligible pupil qualifying in the prior year, up to the amount of the appropriation. The segregated revenue would be from the transportation fund. Sunset the appropriation on June 30, 2011.

DISCUSSION POINTS

1. Wisconsin requires successful completion of a state-approved driver education course for drivers between ages 16 and 18 years. The state provided a driver education grant to school districts in the past to promote a uniformly effective program for high school pupils. The state grant provided \$100 per high school pupil who successfully completed the classroom and behind-the-wheel phases of a driver education course. The program was discontinued after the 2003-04 school year, in part due to declining claims by school districts and large annual lapses from

the appropriation.

2. In its 2007-09 agency budget request, DPI cited anecdotal evidence suggesting growth in the number of young drivers without licenses in Milwaukee County. In June, 2005, a report on the driver license status of the state's voting age population was released by the Employment and Training Institute at the University of Wisconsin-Milwaukee (UW-M). The report found that residents of Milwaukee County overall were less likely to have drivers licenses than other state residents. Outside Milwaukee, approximately 12% of all adults in the state did not have drivers licenses while, within Milwaukee County, 30% of all adults did not have licenses.

3. Disaggregating the data by race, age, and zip code, the UW-M report highlighted larger disparities among specific subgroups. Young adults (between the ages of 18 and 24) and minorities were significantly less likely to have drivers licenses than other state residents, a gap that widened within Milwaukee. For example, among young adults between 18 and 24, 43% of African-American women in Milwaukee County had drivers licenses, compared to 59% in the balance of the state. Meanwhile, 52% of young Hispanic men living in Milwaukee had licenses, compared to 67% in the balance of the state. Rates of adults with drivers licenses varied by zip code within the county as well, ranging from 92% in some suburbs to less than 20% in some areas of the city.

4. In addition, according to data from the Department of Transportation, there were 5,234 convictions in Milwaukee for operating without a license (OWL) in 2006. There were 25,284 OWL convictions statewide, meaning that Milwaukee accounted for 20.7% of the total. However, Milwaukee County accounted for only 16.5% of the state's population in 2006, according to U.S. Census Bureau estimates (915,100 out of 5,556,500).

5. In 2003-04, the last year of state aid, MPS provided driver education to approximately 946 pupils, and charged pupils \$175 for the course. After the state program was discontinued, MPS still offered driver education courses, but at a per pupil fee of \$275. MPS enrolled only 381 students in driver education in 2005-06. The district reported to DPI that the program is revenue-neutral. Information is not available on the number of pupils who took driver education courses through private vendors.

6. Under the proposal, MPS would be paid \$150 per low-income pupil who successfully completed a driver education course, and MPS would be required to reduce that pupil's course fee by \$150. Had the program applied in 2006-07, eligible pupils would have been required to pay the remaining \$125 for the course, and funding would have been adequate for 666 pupils' participation, which would equal 285 more pupils than participated in 2005-06.

7. Under the bill, MPS would be required to reduce their fees regardless of the district's reimbursement under the program. It is possible that more pupils would choose to enroll in driver education if the fee would be reduced to \$125. However, if the number of low-income pupils who qualify for a reduced fee would exceed the number to be aided by the state, the district would be forced to subsidize the program from other sources of funds. To avoid imposing this cost on MPS, the Committee could consider requiring that MPS reduce course fees for as many pupils as would be aided by the state, based on budgeted funding. On the other hand, according to DPI, only three

MPS high schools currently offer driver education. The limited availability of courses could serve to restrict the number of pupils who would qualify for the reduced fee.

8. In order to be eligible for the reduced fee under the proposal, a pupil must be eligible for free or reduced-price lunch under the National School Lunch Program. To be eligible for free lunch, a pupil's family income cannot exceed 130% of the federal poverty level, and for reduced-price lunch, family income cannot exceed 185% of the federal poverty level. In 2006-07, these percentages are equal to annual income of \$26,000 for a family of four to qualify for free lunch, or \$37,000 for a family of four to qualify for reduced-price lunch.

9. The Committee could consider providing full reimbursement for eligible pupils who wish to participate. Given the very low family income thresholds to qualify for the driver education aid, one could argue that even a reduced fee of \$125 could be too expensive for many families who would otherwise participate. Providing free driver education courses to low-income pupils might be desirable, if the goal would be to maximize pupil participation in driver education and to minimize the number of young unlicensed drivers in Milwaukee. In order to provide full reimbursement at \$275 for 666 pupils, which is the same number of pupils as are funded under the bill, an additional \$83,200 would be necessary compared to the bill.

10. However, MPS enrolls approximately 17,000 pupils in grades 10, 11, and 12, with approximately 67% of high school pupils qualifying for free and reduced-price lunch. One could argue that the proposal would serve a small proportion of high school students enrolled in MPS and would likely have a limited impact on the number of licensed drivers in Milwaukee.

11. On the other hand, low-income pupils and unlicensed drivers are found throughout the state, and all 16- to 18-year-olds are required to complete driver education. Further, the prior law driver education categorical aid was available to all school districts, and it could be argued that such a program should not be limited to only one district. The Committee might wish to focus limited state resources on programs that address school districts' core responsibilities and that serve larger numbers of pupils.

12. SB 40 would sunset the appropriation on June 30, 2011. This would provide three years of reimbursements to MPS, after which MPS would have to forego the lost revenue from the required reduction in its fee. To maintain revenues for MPS to cover its costs, the Committee could delete the proposed sunset provision.

13. The funding source for MPS driver education will be addressed in a separate Legislative Fiscal Bureau paper under transportation finance.

ALTERNATIVES TO BILL

A. Funding and Reimbursement Amount

1. Approve the Governor's recommendation to provide \$100,000 in 2008-09 for a new

program to provide \$150 per low-income pupil successfully completing a driver education course offered by MPS.

ALT A1	Change to Bill Funding	Change to Base Funding
SEG	\$0	\$100,000

2. Modify the Governor's recommendation to increase funding by \$83,200 in 2008-09 and provide \$275 per low-income pupil who successfully completes an MPS driver education course. This alternative would provide total funding of \$183,200 in 2008-09.

ALT A2	Change to Bill Funding	Change to Base Funding
SEG	\$83,200	\$183,200

3. Delete provision.

ALT A3	Change to Bill Funding	Change to Base Funding
SEG	-\$100,000	\$0

B. Number of Pupils with Reduced Fees

1. Approve the Governor's recommendation to require MPS to reduce each low-income pupil's driver education course fee.

2. Modify the Governor's recommendation to require MPS to reduce each low-income pupil's driver education course fee, up to the number of students the state's appropriation amount could fully reimburse.

3. Delete provision.

C. Appropriation Sunset

1. Approve the Governor's recommendation to sunset the appropriation on June 30, 2011.

2. Delete the sunset provision.

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