



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #563

### **Student Information System (DPI -- Administrative and Other Funding)**

[LFB 2011-13 Budget Summary: Page 369, #5]

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#### **CURRENT LAW**

There is no requirement under current law for a state-provided student information system and no state funding is appropriated for this purpose.

#### **GOVERNOR**

Provide \$15,000,000 GPR in 2011-12 in a new biennial appropriation for a student information system. Require that the State Superintendent, working with the Office of the Governor, establish a student information system to collect and maintain information about pupils enrolled in public schools, including their academic performance and demographic information, aggregated by school district, school, and teacher. Annually by May 1, require the State Superintendent submit to the Governor a plan for the expenditure of moneys appropriated for this purpose in the succeeding fiscal year. Provide that the State Superintendent may not expend or encumber moneys appropriated for this purpose in any fiscal year unless the Governor approves the plan for that fiscal year. Require the State Superintendent to charge a fee, on a per pupil basis, to any school district that uses the new student information system. Permit the State Superintendent to charge a fee to any other person that uses the system. Provide that all fees be credited to the existing appropriation for professional services center charges under DPI. Require the State Superintendent to submit a plan to the Governor for the expenditure of moneys from the appropriation in the 2011-12 fiscal year by October 1, 2011.

## DISCUSSION POINTS

1. A student information system (SIS) is a software application that functions as the core operational system for a school district. Currently, every district and independent charter school in Wisconsin uses its own individual SIS to help manage and track pupil data. These vary in complexity from simple database systems to more comprehensive systems that track admissions, schedules, absence and discipline records, pupil health records, and records of assessments, grades, and academic progression. Districts also use the SIS to comply with federal and state reporting requirements while maintaining pupil confidentiality. Each district must pay separate software licensing fees, maintain servers to host their systems, and integrate with the SIS each year any supplemental data systems, such as for individual education plans or benchmark assessments, that the district maintains.

2. The Department of Public Instruction (DPI) conducted a preliminary survey of school districts to gather information about the potential costs and benefits of a statewide SIS. Based on the survey, DPI estimates that districts expend \$8 million annually to maintain SIS software licenses and \$30 million annually on required state and federal reporting. Proponents argue that a statewide system would provide all districts and charter schools access to a comprehensive system, that is more efficient to use, at a lower collective cost. It should be noted that four large school districts, Milwaukee, Kenosha, Waukesha, and Green Bay, each need to replace their existing SIS systems within the next two years, and are seeking new vendors. Milwaukee Public Schools issued a formal request for proposals (RFP) in April, 2011, with the stipulation that the state be allowed to 'piggyback' on that contract, should the state choose to do so, in the event that a statewide SIS is approved in the state budget.

3. Staff from DPI indicate that a statewide SIS would integrate the functions of several other state data collection systems, including the individual student enrollment system and the student number locator system, meaning those systems would no longer be necessary. An integrated system could save school districts time and effort, as currently they are required to upload information from their local SIS onto the state systems or otherwise manually update student records.

4. According to information supplied by staff from the Department of Administration (DOA), eight states have implemented a statewide SIS system (Kentucky, Maine, Montana, North Dakota, North Carolina, South Carolina, South Dakota, and West Virginia), and one state is in the process of developing a statewide system (Texas). In all but three of the states, participation in the statewide SIS is mandatory for school districts. In Maine, participation is voluntary, and 38 districts out of 190 have chosen to participate. In South Carolina, all 88 districts participate, and in Texas, participation information is not yet available but will be voluntary. North Carolina's system costs \$12.00 per pupil, Montana's SIS costs \$6.00 per pupil, while South Dakota's is \$5.40 per pupil and South Carolina's is \$4.40 per pupil. Cost information for the other states was not immediately available. It is assumed that Wisconsin's per pupil cost would depend on the number of districts and students using the system, and the cost of vendor implementation services, but is expected to be within the range of these other states' costs.

5. Based on other states, DPI and DOA preliminarily estimated that the cost to implement a statewide SIS would be \$15,000,000 including training, data migration, and configuration costs. Similarly, DPI and DOA estimated that the annual cost to license the system and provide support and training could be approximately \$8.0 million to \$10.0 million, although more information would be needed to determine precise budget figures. DPI would need to issue a request for information (RFI) from interested vendors in order to determine cost parameters for suitable software.

6. The Governor's budget recommendation would require each school district to pay a per pupil fee to use the system, in order to fund the ongoing licensing costs for software, as well as maintenance of a central server to host the system. The bill also specifies that any other person using the system would also pay a fee. Staff from DPI indicate that possibly researchers or other interested parties would use the system to gather data on the state's pupils and schools. It might be desirable to allow this user fee to be set by administrative rule promulgated by DPI, so that DPI would not be required to charge fees for minor requests for information, or for queries from state policymakers. For larger research projects conducted by institutions of higher education or others, which might require significant staff time or generate other costs, it might be appropriate to charge fees to recover the Department's costs.

7. Implementation for other states ranged from six months in Montana to a five to seven year planned timeline in Texas. States that purchased existing software systems had shorter implementation times than those that built custom state systems. The RFI for interested software vendors would provide more information on possible timelines for implementation of the statewide SIS. However, staff from DPI indicate that it might be possible to begin migrating school districts to the new SIS as soon as 2012-13. The system could be phased-in, beginning with the four large districts in need of new systems, and adding new districts as practicable in deploying the system around the state.

8. Under the budget bill, DPI is required annually to submit a plan to the Governor for expenditure of moneys appropriated for this purpose. However, the State Superintendent is an independent constitutional officer, and it is typically the role of the Legislature to appropriate state revenues. It might be desirable to instead provide funding for the SIS for the 2011-13 biennium in the Committee's reserve appropriation. After the request for information and request for proposals process is complete, DPI could then request that the Committee release the funding under s. 13.10 of the statutes. The Governor's budget bill did not require that all school districts use the statewide SIS once it is in place. However, an errata from staff at DOA indicates that the Governor's intent was to make participation mandatory for all districts and has requested that the bill be modified to reflect this intent.

9. On the other hand, all school districts and charter schools currently maintain and license their own student information systems, and it might not be desirable to all of them to change to a state system. For example, some districts may wish to track different data than would be provided under the state system, or may prefer their current systems. However, if participation were voluntary, the state's economies of scale in obtaining a statewide SIS might be reduced and the per pupil cost could rise. The Governor's budget recommendations for K-12 public schools significantly

reduce the amount of state support, based on the policy view that the state's general fund is no longer capable of supporting state programs at the funding levels currently authorized. It might be prudent, therefore, not to create a new state function that is already being performed by local school districts.

10. Finally, it is unknown at this time whether it is feasible to begin implementing a new statewide SIS by 2012-13. Because four large school districts are in need of new systems relatively soon, any significant delays in the state's acquisition or implementation of the new system might be problematic for operations within those school districts. It might be desirable to allow DPI to study the issue more thoroughly, gather information from vendors, and then propose a new statewide SIS in its agency budget request for the 2013-15 biennium. The Committee could then choose to delete the \$15,000,000 GPR in order to increase the balance in the general fund.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$15,000,000 in 2011-12 in a new biennial appropriation for a statewide student information system, and require the State Superintendent submit to the Governor a plan for the expenditure of these moneys in the succeeding fiscal year by May 1. For 2011-12, require the State Superintendent to submit his plan to the Governor by October 1, 2011. Require the State Superintendent to charge a per pupil fee to all school districts that use the system and require that all fees be credited to the appropriation for professional services center charges under DPI for the operation of the system.

2. Modify the Governor's recommendation to delete funding under DPI and instead provide \$15,000,000 in 2011-12 in the Committee's reserve appropriation [s. 20.865(4)(a)] for the purposes of planning and implementing a statewide student information system. Delete the requirement that DPI consult with the Governor in order to expend the funds. Provide that, after issuing a request for proposals and receiving bids from interested vendors, then the State Superintendent could submit a plan for expending these moneys to the Committee under s. 13.10 of the statutes. Provide that, should a statewide student information system be approved, then school districts would be required to migrate to the new system as soon as practicable, as determined by the State Superintendent. Delete the requirement that DPI charge all outside users for access to the system, but authorize the State Superintendent to promulgate administrative rules to set fees for such access. This alternative would, like the bill, require DPI to charge a per pupil fee to school districts to fund the ongoing costs of licensing and maintaining the new SIS.

3. Delete provision.

<b>ALT 3</b>	<b>Change to Bill Funding</b>
GPR	- \$15,000,000

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