



Wisconsin State Assembly

P.O. BOX 8952 MADISON, WI 53708

TO: SPEAKER ROBIN VOS

FROM: Members of the Assembly Speaker's Task Force on Rural Schools

RE: Final Report of the Speaker's Task Force on Rural Schools

DATE: May 5, 2014

This report contains the recommendations of the Speaker's Task Force on Rural Schools you established on September 12, 2013. The Task Force was charged with:

- Creating partnerships among school districts.
- Exploring new avenues to share innovations, efficiencies and best-practices.
- Addressing future transportation needs.
- Mapping out strategies for long-term financial stability.
- Developing tactics for handling declining enrollment.
- Maximizing opportunities to incorporate advanced technology.

The report contains a brief description of hearings and meetings held throughout the state by the Task Force and explains the recommendations that arose from testimony and discussion at these hearings. A list of Task Force members appears as Appendix 1 to the report.

TASK FORCE HEARINGS

The Task Force held six public hearings to receive testimony and tour rural school facilities, held one informational hearing in Madison to receive testimony and conduct Task Force member discussion, and held one committee meeting to confer with the State Superintendent's Advisory Council on Rural Schools, Libraries, and Communities. The hearings and meetings of the Task Force were held on the following dates and in the following locations:

- **October 23, 2013, Eagle River and Rhinelander.** The task force held a school tour at Northland Pines High School in Eagle River and held a school tour and public hearing at Rhinelander High School in Rhinelander.
- **November 6, 2013, Mauston and Elroy.** The task force held a school tour at Mauston High School in Mauston and held a school tour and public hearing at Royall High School in Elroy.
- **December 17, 2013, Madison.** The task force held an informational hearing and task force discussion at the Capitol in Madison.
- **January 8, 2014, Elcho and Antigo.** The task force held a school tour at Elcho High School in Elcho and held a school tour and public hearing at Antigo High School in Antigo.
- **January 23, 2014, Madison.** The task force held an informal meeting with the State Superintendent's Advisory Council on Rural Schools, Libraries, and Communities at the Capitol in Madison.
- **January 28, 2014, Alma and Pepin.** The task force held a school tour at the Alma School District building in Alma and held a school tour and public hearing at the Pepin School District building in Pepin.
- **February 26, 2014, Benton and Cuba City.** The task force held a school tour at the Benton School District building in Benton and a school tour and public hearing at the Cuba City High School.

TASK FORCE RECOMMENDATIONS

Whole Grade Sharing

Background

Wisconsin law generally requires school districts to offer classes for all grade levels. Specifically, the statutes require that all territory in the state be included in a school district operating elementary school grades and a school district operating high school grades. [s. 117.05 (5) (a), Stats.] It also provides that if a school district fails to operate sufficient classes at each grade level for two successive years, then the school board must attach the school district territory to a different school district that does offer such classes. [s. 117.30 (1) (a), Stats.]

The Task Force heard testimony recommending that the Legislature explicitly authorize school districts to share certain grade levels. Authorization for whole grade sharing would allow two school districts to, for example, maintain their own separate elementary schools but have a combined middle school located in one district and a combined high school located in

the other. Whole grade sharing would be optional and would be an alternative to consolidation that may help schools achieve efficiencies at the secondary level.

Recommendation: Allow School Districts to Share Certain Grades Without Consolidating

The chairman of the Task Force recommends that the Legislature authorize school districts to share grade levels as an alternative to consolidation. Such whole grade sharing should be governed by a contract between the two school districts that covers items such as sharing of costs, staffing, transportation, and related issues.

Broadband Internet Access

Background

The Task Force heard testimony that high-speed internet is not available at the homes of many rural students. This lack of access limits the ability of students to work on school-related assignments at home. The Task Force also received testimony urging the Legislature to create incentives to encourage Internet providers to extend service to rural areas of the state.

Recommendation: Encourage Internet Providers to Extend High-Speed Internet Access Throughout Wisconsin

The chairman of the Task Force recommends that the Legislature explore incentives to encourage Internet providers to extend service to rural areas that do not have current access to high-speed Internet. The Task Force recommends that the Legislature particularly focus on incentives to encourage public-private partnerships.

Flexibility in Teacher Licensure

Background

Wisconsin law requires that every teacher, administrator, and professional staff member in a school district must hold a certificate, license, or permit to teach issued by the Department of Public Instruction (DPI). [s. 121.02 (a), Stats.] Wisconsin law does provide alternative routes that enable individuals to obtain a license without completing a traditional education program recognized by DPI. For example, an individual with three years of teaching industry experience outside of Wisconsin may receive a license based on equivalency. The Task Force heard testimony suggesting the Legislature provide for additional flexibility in teacher licenses.

Recommendation: Allow Flexibility in Teacher Licensing

The chairman of the Task Force recommends that the Legislature pursue flexibility in teacher licensing to allow individuals who have extensive experience or competency in a subject area to receive a license without obtaining a traditional education degree. The Task

Force recommends that such flexibility be especially concentrated in areas of shortage, such as technical and other vocational or business education.

TEACH II Grant Program

Background

In 1997, the Legislature and Governor Thompson created a board called Technology for Education Achievement in Wisconsin (TEACH) to help schools expand and upgrade educational technology and to train teachers in the use of this technology. The board was an independent agency attached to the Department of Administration that provided block grants to schools for technology, wired schools for high-speed Internet connection and full-motion video networks, and provided technical assistance and professional development.

The TEACH Board primarily spent money on the following four aid programs: (1) the Educational Technology Grant Program, which provided grants to school districts for educational technology expenditures other than salaries; (2) the Educational Technology Infrastructure Financial Assistance Program, which provided grants and loans to school districts and libraries to upgrade wiring and install network cables; (3) the Educational Technology Training and Technical Assistance Grants Program, which funded technology-based professional development for teachers and librarians; and (4) the Educational Telecommunications Access Program, which provided high-speed Internet connections to schools, libraries, and other educational agencies and funded a statewide full-motion video network for distance education. The TEACH programs have largely ceased to exist. The only program that remains provides subsidized telecommunications access (e.g., data lines and video links) to schools, libraries, and educational institutions.

The Task Force heard testimony recommending creation of a “TEACH II” program modeled after the original program, with some components specifically directed to rural school districts.

Recommendation: Create a New Version of the TEACH Program (“TEACH II”)

The chairman of the Task Force recommends that the Legislature enact legislation that establishes a new TEACH II grant program that incorporates the following elements:

1. Statewide broadband access. This aspect of the program would increase affordable high speed Internet access to schools, communities, and homes through public/private partnerships. It would expand the existing TEACH program providing subsidized telecommunications access to provide broadband circuits to **all** school buildings in a district, rather than to just one building as under the current program.
2. Block grants to rural districts. Rural school districts would receive grants for technology-based purposes, such as upgrading networks, purchasing hardware and devices, operating distance education networks, and paying for access to online

course content. Grants would be given to rural districts based on enrollment, sparsity, and poverty.

3. State-led digital learning program. Provide state funding for a digital learning program of online and blended learning services for public, charter, and private schools. This type of state-led program would allow individual school districts to provide their students with access to digital courses (e.g., Advanced Placement courses and world languages) and would help rural districts share licensed teachers through virtual classrooms.
4. Professional development. Provide statewide professional development related to digital learning resources and classroom management to all districts through a statewide delivery model.

Revenue Limits -- Exempt One-Time Technology Costs

Background

Revenue limits cap the amount of funding a school district may raise per student from state aid and local property taxes. As a result, a district has limited funds from which to pay for facilities, materials, personnel, and other items that a school district is required to provide for its students. Most of a school district's expenses fall "within" the revenue limits, meaning that the district cannot raise extra money by increasing the property tax levy to pay for these expenses. However, a limited number of expenses are "outside" the revenue limits. When an expense falls "outside" the revenue limits, the school district can raise additional funds to pay for the expense by increasing the property tax levy without going to referendum.

The Task Force heard testimony recommending that the Legislature exempt certain costs for purchasing technology from revenue limits. Placing these expenses "outside" of revenue limits would mean that schools could raise additional funds for purchasing technology without having to obtain approval from voters in a referendum. School districts would also have more money to spend on facilities, materials, personnel, and other items that are still "within" the revenue limits.

Recommendation: Exempt One-Time Technology Costs From Revenue Limits

The chairman of the Task Force recommends that the Legislature consider exempting certain one-time technology costs from revenue limits. The exemption should be limited to one-time costs to purchase items like netbooks or software, and would not include ongoing costs for service or information technology staff.

Revenue Limits -- Change Enrollment Average to Highest of Last Five Years

Background

Revenue limits determine the amount of funding that a school district can raise per student from state aid and local property taxes. A school district's revenue limit is calculated

based on a three-year average of the district's student membership (enrollment), the district's revenue limit for the previous year, and any increase or decrease in per-student revenue enacted by the Legislature. [s. 121.91 (2m) (hm), Stats.] As noted, a school district's revenue limit depends upon its average student enrollment over the past three school years.

The Task Force heard testimony recommending that the Legislature change the funding formula to allow a school district to use its highest enrollment during any of the past five school years, rather than its average enrollment in the past three years. This change would allow certain school districts to use a higher enrollment number in calculating their revenue limits, particularly in districts with steadily declining student numbers.

Recommendation: Use the Highest Enrollment Within the Last Five Years in Determining Revenue Limits

The chairman of the Task Force recommends that the Legislature permit school districts to use the highest enrollment number during any of the previous five years in calculating revenue limits, rather than a three-year average.

Increase Funding for Transportation Aids

Background

Current law provides for two types of categorical aids for transportation: (1) transportation aid; and (2) high cost transportation aid. Transportation aid is available to any district with transportation costs and reimburses a district at varying rates, depending upon the distance each student is being transported. For example, a school district is reimbursed at a rate of \$35 per student for a student who is transported between two and five miles between home and school, and \$275 per student for those transported more than 12 miles. [s. 121.58 (2) (a), Stats.]

High cost transportation aid, in contrast, is only available to certain districts that have very high per student transportation costs. A school district is only eligible to receive high cost transportation aid if the district's per student transportation costs are more than 150% of the statewide average per student transportation cost. [s. 121.59 (2), Stats.] The high cost transportation aid comes from a sum certain appropriation, meaning that school districts may receive a prorated share of the amount they are eligible for if there are more claims than funds.

The Task Force heard testimony at numerous hearings urging the Legislature to increase funding for transportation. The speakers noted that funds dedicated to transportation cannot be used for educational purposes in the classroom. Thus, rural districts with significant geographic areas are at a competitive disadvantage because they are subject to revenue limits like all other districts, but must spend a larger portion of their budgets on transportation rather than direct instruction of students.

Recommendation: Increase Funding for Transportation Aid

The chairman of the Task Force recommends that the Legislature increase funding for transportation aids.

School Funding Formula

Background

Wisconsin school districts are currently funded through a combination of state aid, property tax revenue, and to a lesser extent, federal and other funds. The state aid that individual school districts receive largely depends upon computations under the state equalization aid formula. These computations involve five factors: (1) pupil membership, which is enrollment in the district; (2) shared cost, which is school district expenditures; (3) equalized property valuation, which is the market value of the taxable property in the school district; (4) the state's guaranteed valuations, which is the amount of property tax base support the state guarantees behind each pupil; and (5) funding available for distribution, which is the amount appropriated by the Legislature from the general fund. In the amount of aid that school districts are entitled to under the equalization aid formula varies widely.

The Task Force received testimony relating to the inequities of the current equalization aid formula and asking the Legislature to revisit or replace the existing system.

Recommendation: Reevaluate the Existing Equalization Aid Formula

The chairman of the Task Force recommends that the Legislature review the shortcomings of the equalization aid formula and consider action to address these shortcomings.

SAGE Equivalency Models

Background

Student Achievement Guarantee in Education (SAGE) is a categorical aid for certain school districts that is intended to lower teacher-to-student ratios in Kindergarten to third grade. To be eligible, schools must reduce class size to 18 students to one classroom teacher or 30 students to two classroom teachers. Schools sign a five-year contract with DPI and may receive a specified amount of funds per low-income student enrolled in eligible grades. However, if a school does not achieve the appropriate teacher-to-student ratio on the September count date, then the school does not receive SAGE funding for the year. [s. 118.43, Stats.]

The Task Force heard testimony recommending that the Legislature consider alternatives to the strict teacher-to-student ratios imposed by current law. Creating an equivalency model as an alternative to ratios would allow DPI to waive the class size requirement if a school develops and implements programs that are research-based and

focused on improving academic achievement of students in early grades in schools serving low-income children.

Recommendation: Permit School Districts to Adopt SAGE Equivalency Models

The chairman of the Task Force recommends that the Legislature explore SAGE equivalency models that would allow a school to propose alternatives to the existing teacher-to-student ratio while remaining eligible for the SAGE program.

Use of Fund 80 for Co-Curricular Activities

Background

Wisconsin law permits school boards to levy costs associated with community programs and services outside of the school district's revenue limits. [s. 120.13 (19), Stats.] The monies levied for these community purposes are commonly referred to as "Fund 80." The statutes prohibit these funds from being used for regular student curricular and co-curricular activities, but they may be used for community education, training, recreational, cultural, or athletic programs and services. This means that the Fund 80 levy may be used for qualifying programs such as evening swimming pool operations, community softball leagues, elderly food service programs, and day care services, but cannot be used to fund high school sports.

The Task Force heard testimony recommending that the Legislature allow Fund 80 to be used by school districts to fund school district co-curricular activities. Funding co-curricular activities from Fund 80 would allow high school sports and other activities to be funded outside of revenue limits, providing school districts with more funds within the revenue limits for instructional purposes. It was noted that this system would allow local communities to identify which programs are important to preserve and would not pose any cost to the state.

Recommendation: Allow School Districts to Fund Co-Curricular Activities Using Fund 80

The chairman of the Task Force recommends that the Legislature consider granting school districts the ability to fund co-curricular activities using Fund 80.

Weighted Enrollment Numbers for Small Districts

Background

Student enrollment is a primary factor in determining the amount of revenue a school district may raise. Because funding is provided on a per-student basis, an increase in enrollment numbers will generally result in an increase in resources to a school district.

The Task Force heard testimony urging the Legislature to incorporate a higher weighting factor for students in very small school districts to account for issues of "economies of scale" in such districts. The Legislature could, for example, apply a weighting factor of 1.3 for students in grades four to eight, and a weighting factor of 1.7 for students in grades nine to

12 in districts with total enrollments of less than 500. This would increase the student enrollment numbers for purposes of determining revenue limit authority or state aid and result in more funding for small school districts.

Recommendation: Provide a Weighting Factor for Student Enrollment in Small School Districts

The chairman of the Task Force recommends that the Legislature explore the weighting of student enrollment in very small school districts to provide additional funding to such districts.

Increase Categorical Aid for Bilingual Programs

Background

Current law provides a bilingual-bicultural education categorical aid for districts that have concentrations of students with limited English proficiency, often referred to as “English Language Learners” (ELL). School districts that have at least a minimum number of students from one language population, in one school, must establish a bilingual-bicultural education program and may be eligible for categorical aid. The state aid payments are based on the ratio of the categorical aid appropriation to the total costs for salaries, special books, and equipment attributable to eligible programs during the prior year. The categorical aid is prorated so districts generally are only reimbursed for a small amount of their ELL-related costs. [ss. 115.93 and 115.995, Stats.]

The Task Force heard testimony asking the Legislature to increase funding for categorical aids that reimburse costs related to ELL students. The testimony noted that a significant ELL population may create considerable expense for a small school district and may require additional interventions to be successful in the classroom or on standardized assessments.

Recommendation: Increase Funding for Bilingual-Bicultural Categorical Aid or Provide Additional Financial Support for ELL Students

The chairman of the Task Force recommends that the Legislature consider increased funding for bilingual-bicultural aids or other financial support to assist school districts with costs associated with ELL student populations.

Revise Sparsity Aid Criteria

Background

Sparsity aid is a categorical aid available to school districts who meet three specific criteria related to population and poverty. To receive sparsity aid, a school district must meet all of the following:

1. Low Student Numbers. A school district must have membership in the prior year of fewer than 725 pupils.
2. Low Population Density. A school district must have a population density of less than 10 pupils per square mile of the district's area.
3. Minimum Poverty Level. A school district must have at least 20% of its membership qualify for free or reduced price lunch under the National School Lunch Program.

The amount of sparsity aid qualifying school districts may receive is \$300 times the student membership (enrollment) in the prior school year. However, a school district only receives a prorated portion of the total amount for which it qualifies if the appropriated amount for the program is insufficient to meet the demand of all eligible school districts. [s. 115.436, Stats.]

The Task Force heard testimony recommending elimination of several of the existing criteria for receiving sparsity aid. The recommendation would require the Legislature to eliminate the requirement for a school district to have fewer than 725 students, or would require the Legislature to eliminate both this requirement and the requirement that a school district have a student population in which 20% of its students are eligible for free and reduced-price lunch. Testimony asserted that sparse population causes additional expenses for districts, regardless of total student population or poverty levels.

Recommendation: Eliminate Certain Criteria for Receiving Sparsity Aid

The chairman of the Task Force recommends that the Legislature revise the existing criteria for receiving sparsity aid. The Task Force further recommends that the Legislature explore revisions such as the following proposal.

Under the proposal, the existing criteria for eligibility would be revised and the appropriation would be changed from a sum certain to a sum sufficient appropriation. The proposal would eliminate the requirement for a school to have at least 20% of students eligible for free or reduced price lunch. In addition, the proposal would revise the current requirements for low student numbers and low population density by creating two categories of districts eligible for sparsity aid that would receive different levels of funding. The proposal would create the following categories of eligible school districts: (1) districts with 1,000 or fewer pupils and a population density of less than 10 students per square mile; and (2) districts with more than 1,000 pupils but no more than 2,700 pupils and a population density of less than seven pupils per square mile. The first category of school district would be eligible for \$300 per pupil in sparsity aid and the second category would be eligible for \$150 per pupil in sparsity aid.

Grants for Virtual Learning and Distance Education

Background

The Task Force heard testimony asserting that virtual learning allows school districts to increase course offerings and to collaborate with other schools and postsecondary institutions. Several of the school tours taken by the Task Force showcased rooms and technology used for distance learning. However, the testimony also noted that purchasing such technology and establishing a virtual program is very costly.

The Task Force heard testimony recommending that the Legislature provide funding to encourage school districts to pursue virtual learning options. The testimony asserted that rural schools cannot provide the same diversity of courses because they do not have the efficiencies of scale that larger and more affluent districts have. Virtual learning and school district collaboration allow rural students access to advanced or specialized courses their own high schools may be unable to offer, but initial equipment purchase and consortium start-up costs are often prohibitive.

Recommendation: Provide Grants or Other Funding to Encourage Virtual Options for Public Schools

The chairman of the Task Force recommends that the Legislature consider offering grants or other aids to provide assistance and incentives for school districts to implement virtual learning options.

Loan Forgiveness and Grants for Rural Teachers

Background

Loan forgiveness programs allow an individual to cancel a portion of his or her college or postsecondary loans if certain criteria are met. Wisconsin has several existing teacher loan forgiveness programs; however, they are only available to individuals who teach in a school district with a high percentage of minority students, teach in MPS, or teach visually impaired students. [ss. 39.40, 39.395, and 39.398, Stats.]

The Task Force discussed the creation of a loan forgiveness program for teachers who work in high-needs, rural areas as a way to attract and retain teachers. Testimony suggested that rural districts often hire new teachers and provide them with training and experience, only to have the teachers leave after several years to pursue teaching positions in more populated areas that offer higher salaries.

Recommendation: Create a Loan Forgiveness or Grant Program for Rural Teachers

The chairman of the Task Force recommends that the Legislature develop loan forgiveness or grant programs for teachers who commit to work in rural school districts. The Task Force recommends that the Legislature explore a service-based grant program patterned after 2013 Wisconsin Act 128, which created a grant program to encourage primary care

physicians and psychiatrists to practice in underserved areas in Wisconsin. In addition or in the alternative, the Task Force recommends that the Legislature consider creating a loan forgiveness program to allow rural school districts to award funds to teachers to alleviate a portion of student loan debt after the teacher serves a minimum number of years with the district.

Waiver of State Mandates

Background

State law imposes a large number of requirements upon school districts -- requirements that are often referred to as "state mandates." These requirements range from ensuring that every teacher has a license from DPI, to providing a minimum number of hours of instruction, to requiring that every high school teach CPR to students.

There is currently a waiver process under which a school district may request exemption from most requirements. After holding a public hearing, a school district may submit a request to DPI specifying the statutes or rules it wants waived and the reasons for the request. DPI may grant a waiver of up to four years for most requirements, provided that the waiver does not impede the district's progress towards achieving educational goals. The current process does not allow DPI to waive all requirements, however. Specifically, DPI **cannot** waive requirements relating to health or safety of pupils, discrimination, assessments, pupil records, data collection, financial accounting and audits, licensure or certification, the September 1 school start date, or SAGE requirements. [s. 118.38, Stats.]

The Task Force heard testimony and member discussion recommending that the Legislature create a process for school boards to exempt themselves from state mandates by a super-majority vote. Unlike the current waiver process that exists in state law, the proposal would not require the approval of DPI.

Recommendation: Allow School Boards to Exempt Themselves From Mandates by a Super-Majority Vote

The chairman of the Task Force recommends that the Legislature explore a waiver process for school boards that authorizes exemption from state mandates based upon a super-majority vote of the school board. However, the Task Force further recommends that the Legislature identify particular requirements that cannot be waived under this process, such as safety requirements and requirements that districts administer state examinations.

Funding for Youth Options

Background

Youth options is a program allowing public school students in grades 11 and 12 to attend college, technical school, or other postsecondary institutions in Wisconsin and to earn both college and high school credit. The school district must pay the tuition, course fees, and

book costs for a high school student to attend any postsecondary course, provided that the district does not already offer a comparable course. A school district cannot limit the number of students who participate in youth options.

School districts must bear the costs for high school students to attend postsecondary courses. No state funding currently exists for youth options and a school district must absorb the costs within its existing budget. A state categorical aid exists to reimburse parents for transporting their students to classes, but does not provide funding to school districts. [s. 118.55 (7g), Stats.]

The Task Force heard testimony requesting that state aid be provided to fund youth options-related expenses incurred by a school district. Testimony asserted that youth options can create considerable expense for school districts, particularly those that do not have robust high school course offering but are within driving distance of a college or technical school.

Recommendation: Provide State Aid for Youth Options

The chairman of the Task Force recommends that the Legislature consider creating a state categorical aid for school districts whose students participate in the youth options program.

RS:KBO:ty

Appendix

APPENDIX

MEMBERS OF THE SPEAKER'S TASK FORCE ON RURAL SCHOOLS

Representative Rob Swearingen, Chair

Representative Fred Clark, Vice-Chair

Representative Mary Czaja

Representative Warren Petryk

Representative Edward Brooks

Representative Mary Williams

Representative Jeffrey Mursau

Representative Michael Schraa

Representative Stephen Nass

Representative Chris Danou

Representative Soudy Pope

Representative Mandy Wright