



## Legislative Fiscal Bureau

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February 14, 2006

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 937: Changes to the Evaluation of the Student Achievement Guarantee in Education Program

Assembly Bill 937 was introduced January 24, 2006, and referred to the Assembly Committee on Education, which recommended the bill for passage on a vote of 6 to 3 on February 7, 2006. The bill was referred to the Joint Committee on Finance.

### **CURRENT LAW**

Under current law, the student achievement guarantee in education (SAGE) program provides five-year grants to eligible school districts for the purposes of: (a) lowering class sizes to 15 pupils to one teacher in grades kindergarten through third; (b) keeping the school open every day for extended hours and collaborating with community organizations to make educational and recreational opportunities, and community and social services, available in the school to all district residents; (c) providing a rigorous academic curriculum designed to improve academic achievement; and (d) creating staff development and accountability programs that provide training for new staff members, encourage employee collaboration, and require professional development plans and performance evaluations.

Since its creation, three rounds of five-year contracts have been authorized. Under 2001 Act 16 (the 2001-03 budget), the Department of Public Instruction (DPI) was authorized to enter into renewal contracts for additional five-year terms for any currently participating SAGE school. As a condition of receiving payments under a renewal of a SAGE contract, a school board is required to maintain the reduction in class size achieved under the original contract, in grades kindergarten through third.

DPI is required to fund contracts at \$2,000 per low-income pupil enrolled in the eligible grades. In the 2005-07 biennium, \$97,614,000 GPR in 2005-06 and \$98,588,000 GPR in 2006-07 is provided for the SAGE program. Additionally, DPI is required to arrange for an evaluation of the SAGE program and must allocate \$250,000 annually for this purpose out of the amounts appropriated. The Department has contracted with the University of Wisconsin-Madison for this evaluation.

## **SUMMARY OF BILL**

AB 937 would require that the person conducting the SAGE study randomly identify at least 500 pupils enrolled in grades kindergarten to third who are enrolled in schools covered by SAGE contracts, and at least 500 pupils enrolled in grades kindergarten to third who are not enrolled in such schools. Annually, the person would be required to collect data on the pupils that indicates their academic performance in grades three, four, eight and ten. AB 937 would require the person to use the scores on the standardized tests administered under the current law state pupil assessment system, but the bill would permit the person to use other data as well. The person would also be required to collect data on the pupils who leave the study, including whether the pupils have transferred to a different school or school district or are no longer attending school, and on the pupils who graduate from high school.

AB 937 would also require the person performing the SAGE evaluation to submit annual reports containing the most recent data collected relating to the 500 pupils to DPI and to the appropriate standing committees of the Legislature. The bill would also require that the report list any schools that terminated their SAGE contracts since the previous report and delineate the reasons for each termination.

In addition, the bill would reduce the allocation for the SAGE evaluation by half, to \$125,000 annually, and would correspondingly decrease the SAGE appropriation by \$125,000 for 2006-07. The bill would take effect upon publication, except that the changes to the SAGE evaluation statute would take effect on July 1, 2006.

## **FISCAL EFFECT**

The bill would reduce the amount that DPI is required to allocate for the SAGE evaluation and also reduce the SAGE appropriation by \$125,000 GPR in 2006-07. This would reduce the cost to the general fund by \$125,000 GPR in 2006-07. However, a technical amendment would be needed to accomplish the intent of the bill. Under current law, DPI is required to pay SAGE aid from the SAGE appropriation in the amount appropriated, less \$250,000, and this provision would need to be modified to be consistent with the proposed \$125,000 allocation.

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