

Clearinghouse Rule 00-014


CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF PUBLIC INSTRUCTION)

I, State Superintendent of the Department of Public Instruction and custodian of the official records of said Department, do hereby certify that the annexed rule relating to state aid for achievement guarantee contracts and aid for debt service was duly approved and adopted by this Department on the first day of the month following publication in the Wisconsin Administrative Register.

I further certify that said copy has been compared by me with the original on file in this Department and the same is a true copy thereof, and of the whole of such original.

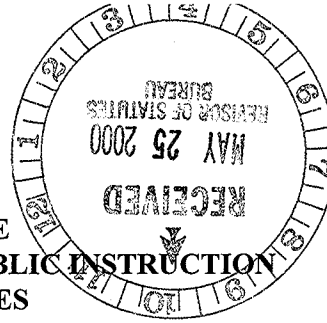
IN TESTIMONY WHEREOF, I hereunto set my hand and affixed the official seal of the Department at General Executive Facility (GEF) 3, 125 South Webster Street, P.O. Box 7841, in the city of Madison, this 25th day of May, 2000.



John T. Benson
State Superintendent
State Department of Public Instruction



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**ORDER OF THE
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
CREATING RULES**

The state superintendent of public instruction hereby creates Chapter PI 24, relating to state aid for achievement guarantee contracts and aid for debt service.

ANALYSIS BY THE DEPARTMENT OF PUBLIC INSTRUCTION

Statutory authority: ss. 118.43 (6m) and (8) (b) and 227.11 (2) (a), Stats.

Statute interpreted: s. 118.43, Stats.

1999 Wisconsin Act 9 requires the department to promulgate rules relating to 1) state aid for achievement guarantee contracts and 2) aid for debt service. The department promulgated these rules as emergency rules effective January 28, 2000.

State Aid for Achievement Guarantee Contracts:

Beginning in the 2000-01 school year, the school board of an eligible school district may enter into a 5-year achievement guarantee contract with the department on behalf of one or more schools excluding those that already have such contracts, that are participating in the preschool through grade 5 program under s. 115.45, Stats., or that are in districts that were eligible to participate in 1996-97 and 1998-99 but did not. In the 2000-01 school year, the department is required to calculate and pay aid to schools participating in the program under s. 118.43 (3) (a) and (am), Stats., before making payments to schools that have contracts under s. 118.43 (3) (ar), Stats. The aid amount must equal \$2,000 multiplied by the number of low-income pupils enrolled in the grades eligible for funding in each school. In making payments to districts on behalf of schools with contracts under s. 118.43 (3) (ar), Stats., the department is required to give priority to schools that have the highest percentage of low-income enrollment. The department is also required to ensure that it fully distributes the amount of aid appropriated. The rules set forth criteria and procedures for accepting and approving contracts, collecting data and paying aid.

Partial Debt Service Reimbursement:

Beginning in the 2000-01 school year, a school district is eligible to receive an amount equal to 20% of the annual debt service cost on bonds issued to fulfill a SAGE contract. The rules establish criteria and procedures for SAGE school districts to receive partial debt service reimbursement.

SECTION 1. Chapter PI 24 is created to read:

CHAPTER PI 24

STATE AID FOR ACHIEVEMENT GUARANTEE CONTRACTS AND

PARTIAL DEBT SERVICE REIMBURSEMENT

SUBCHAPTER I – GENERAL PROVISIONS

PI 24.01 Definitions. In this chapter:

- (1) "Department" means the Wisconsin department of public instruction.
- (2) "SAGE" means the student achievement guarantee in education program created under s. 118.43, Stats.

(3) "School" means an educational unit within a public school district that existed in the year prior to the effective date of the SAGE contract under s. 118.43 (3) (ar), Stats.

SUBCHAPTER II – AID PAYMENT

PI 24.02 Purpose. Under s. 118.43 (2) (br), Stats., beginning in the 2000-01 school year, the school board of an eligible school district may enter into a 5-year achievement guarantee contract with the department on behalf of one or more schools. In the 2000-01 school year, the department shall calculate and pay aid to schools participating in the program under s. 118.43 (3) (a) and (am), Stats., before making payments to schools that have contracts under s. 118.43 (3) (ar), Stats. The aid amount shall equal \$2,000 multiplied by the number of low-income pupils enrolled in the grades eligible for funding in each school. In making payments to districts on behalf of schools with contracts under s. 118.43 (3) (ar), Stats., the department shall give priority to schools that have the highest percentage of low-income enrollment. The department shall ensure that it fully distributes the amount of aid appropriated. This subchapter sets forth school district eligibility requirements and criteria and procedures for accepting and approving contracts, collecting data and paying aid, as required under s. 118.43 (6m), Stats.

PI 24.03 Eligible applicants, contract deadlines and calculation and payment of aid. (1) **ELIGIBLE APPLICANTS.** Except for school districts that were eligible to participate in the SAGE program in the 1996-97 and 1998-99 school years and did not participate in the program during either year, all school districts are eligible to apply for the SAGE program in the 2000-01 school year. The board of an eligible district may then enter into a contract with the department on behalf of one or more schools excluding those that already have contracts under s. 118.43 (3) (a) or (am), Stats., or that are participating in the preschool through grade 5 program under s. 115.45, Stats.

(2) **CONTRACT DEADLINES.** Applications for contracts beginning in the 2000-01 school year shall be submitted by April 1, 2000. Subsequent deadlines may be established by the department if additional funds are available after funding contracts for which an application was submitted by the initial April 1 deadline. The department's authority to enter into contracts ends June 30, 2001.

(3) **AID CALCULATION.** After the initial April 1 date for submission of contract materials has passed, the department shall estimate the amount of aid to be paid in the 2000-01 school year to each school that already has a contract under s. 118.43 (3) (a) or (am), Stats., and subtract those amounts from the total aid available. The department shall then estimate the aid for each school for which a contract has been submitted under s. 118.43 (3) (ar), Stats., as follows:

(a) If the amount of aid needed to fully fund all the contracts submitted under s. 118.43 (3) (ar), Stats., is more than the amount remaining in the appropriation after subtracting the estimated payments to schools with contracts under s. 118.43 (3) (a) or (am), Stats., the department shall rank the contracts submitted under s. 118.43 (3) (ar), Stats., based on the low-income enrollment of each school. The department shall enter into contracts on behalf of all schools that it estimates can be fully funded at the required rate from the amount of aid available, giving priority to the schools that have the highest percentage of low-income enrollment. The department shall determine the low-income enrollment for each school using subsidized lunch eligibility data collected by the department.

(b) If the amount of aid needed to fully fund all the contracts submitted under s. 118.43 (3) (ar), Stats., is less than the amount remaining in the appropriation after subtracting the estimated payments to schools with contracts under s. 118.43 (3) (a) or (am), Stats., the department shall enter into contracts with the districts on behalf of all schools for which contracts have been submitted by the established deadline dates.

(c) If unallocated funds remain in the appropriation after the actual amounts of aid to be paid to all participating schools with contracts under s. 118.43 (3) (a), (am) and (ar), Stats., have been calculated after the beginning of the 2000-01 school year, the department shall continue to solicit contracts throughout the 2000-01 school year and enter into contracts as they are submitted until the maximum possible amount of aid has been distributed.

(4) PAYMENT OF SAGE AID. The department shall pay aid 3 times during the school year at the end of October, January and June upon the school district meeting the reporting requirements specified under the contract.

NOTE: PI-SAGE, Student Achievement Guarantee in Education (SAGE) Five-Year Achievement Guarantee Contract, may be obtained at no charge from the Department of Public Instruction, P. O. Box 7841, Madison, WI 53707-7841.

SUBCHAPTER III – STATE AID FOR DEBT SERVICE

PI 24.05 Purpose. Under s. 118.43 (8), Stats., beginning in the 2000-01 school year, a school district under s. PI 24.06 is eligible for an aid payment equal to 20% of the district's annual debt service on bonds approved by referendum prior to June 30, 2001 where a portion of the bond proceeds is to be used to fulfill a contract under s. 118.43, Stats. This subchapter sets forth criteria and procedures for awarding state aid for SAGE related debt service.

PI 24.06 Eligible applicants and program requirements. (1) A school district other than a school district under ch. 119, Stats., shall meet all of the following requirements to receive an amount equal to 20% of the annual SAGE related debt service cost on bonds:

(a) On or after October 29, 1999, the school board shall adopt an initial resolution under s. 67.05 (6a), Stats., for issuance of bonds where the purpose for borrowing includes providing funds for classroom expansion necessary to fulfill a contract under s. 118.43, Stats. The school board shall submit a copy of the resolution to the department as required under s. 120.115 (1) (a), Stats. The resolution shall include all of the following:

1. The total amount to be borrowed.
2. The amount of borrowing proceeds that will be used for SAGE classroom expansion.

(b) A copy of the resolution submitted under par. (a) shall be accompanied by a statement signed by the school board president and school board clerk on a form provided by the department identifying the amount of the bond proceeds that are required for SAGE classroom expansion by construction or renovation and the related furnishing and equipping of the classroom. The department shall approve or disapprove the amount identified as being necessary to fulfill a contract under s. 118.43, Stats. Before making a decision regarding approval or disapproval of the amount, the department may require the district to furnish additional documentation from a 3rd party as to the reasonableness of the amount identified

for SAGE purposes. The department shall issue a decision in writing to the school district after receiving all requested information within 10 working days of receipt of the information.

NOTE: PI-7205 SAGE Classroom Expansion, Application for State Aid, may be obtained at no charge from the Department of Public Instruction, P. O. Box 7841, Madison, WI 53707-7841.

(c) Within 10 days after holding the referendum authorizing the school district to incur debt on the initial resolution, the school board shall notify the department of the approval or rejection of the referendum as required under s. 120.115(1)(b), Stats.

(d) Within 10 days after adopting or revising a schedule for the payment of debt service under this subchapter, the school board shall submit the schedule to the department.

(2) If an initial resolution was adopted on or after October 29, 1999 but did not meet the requirements under sub. (1), the school board may adopt a supplemental resolution prior to the referendum election to amend the initial resolution to fulfill the requirements of sub. (1) and of s. 67.05 (6a), Stats.

(3) A school board shall hold a referendum before June 30, 2001, in order to receive aid under this subchapter.

PI 24.07 Payment of debt aid. (1) The department shall make an aid payment on a current fiscal year basis to the district in an amount equal to 20% of the SAGE portion of the debt service payment, excluding any payments required on bond anticipation notes. The department shall develop a proration formula if adequate funds are not available by dividing the SAGE portion of the district's annual debt service payment by the sum total of the SAGE portion of all participating SAGE school district's annual debt service payments and multiplying the result by the appropriation under s. 20.255 (2) (cs), Stats.

(2) The department shall calculate the SAGE portion of debt payment as the percentage of the original amount approved for SAGE purposes under PI 24.06 (1) (a) 2. to the total amount borrowed under s. PI 24.06 (1) (a) 1., multiplied by the annual debt service payment.

(3) The department may not pay aid to school districts under this subchapter for SAGE related school district referenda held on or after June 30, 2001.

(4) The department may not pay aid to school districts under this subchapter if the school district does not comply with the requirements under this subchapter.

(5) The school district shall certify to the department annually, on a form provided by the department, all of the following:

(a) Debt service payments eligible for aid under this subchapter for the current fiscal year.

(b) The amount identified under s. PI 24.06 (1) (a) 2. was expended for SAGE classroom expansion purposes and no other purpose. No annual aid payment shall be made to the school district until the department receives this certification. The school board president and school board clerk shall sign this attestation.

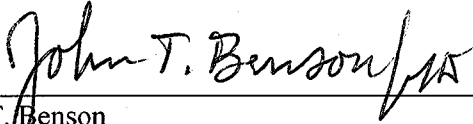
(c) The contract under Subchapter II has not been terminated for the building for which the debt service is being paid.

NOTE: PI-7206 SAGE Classroom Expansion, State Aid Claim, may be obtained at no charge from the Department of Public Instruction, P. O. Box 7841, Madison, WI 53707-7841.

(6) The school district under this subchapter shall record payments received as revenue in the district's general fund.

The rules contained in this order shall take effect on the first day of the month commencing after the date of publication in the Wisconsin Administrative Register, as provided in s. 227.22(2)(intro.), Stats.

Dated this 25th day of May, 2000

A handwritten signature in cursive script that reads "John T. Benson" followed by a stylized flourish.

John T. Benson
State Superintendent