

**STATE FISCAL STABILIZATION FUND APPLICATION**

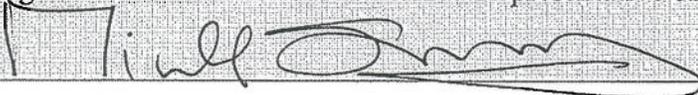
**PART 1: APPLICATION COVER SHEET AMENDED #2**  
**(CFDA Nos. 84.394 and 84.397)**

Legal Name of Applicant (Office of the Governor):  Office of the Governor	Applicant's Mailing Address:  115 East, State Capitol P.O. Box 7863 Madison, WI 53707-7863
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State Contact for the Education Stabilization Fund (CFDA No. 84.394)  Name: Chris Patton  Position and Office: Director, Office of Recovery and Reinvestment  Contact's Mailing Address:  115 East, State Capitol P.O. Box 7863 Madison, WI 53707-7863  Telephone: (608) 266-2093 Fax: (608) 267-8983 E-mail address: christopher.patton@wisconsin.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i>  Name: Same  Position and Office:  Contact's Mailing Address:  Telephone: Fax: E-mail address:
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To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Michael L. Morgan	Telephone: (608) 266-1741
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Signature of Governor or Authorized Representative of the Governor: 	Date: 8-25-09
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Recommended Statement of Support from the Chief State School Officer *(Optional)*:

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name):	Telephone:
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Signature of the Chief State School Officer:	Date:
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**PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA**

**SPECIAL NOTES:**

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. See Appendix C – Instructions for Part 4: Maintenance of Effort.

**1. Levels of State support for elementary and secondary education (the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):**

FY 2006	\$ <u>5,638,866,100</u>
FY 2009*	\$ <u>5,744,013,400</u>
FY 2010*	\$ <u>5,982,794,200</u>
FY 2011*	\$ <u>6,234,200,300</u>

(\* Provide data to the extent that data are currently available.)

**2. Levels of State support for public institutions of higher education (enter amounts for each year):**

FY 2006	\$ <u>920,230,987</u>
FY 2009*	\$ <u>1,067,701,521</u>
FY 2010*	\$ <u>1,039,142,521</u>
FY 2011*	\$ <u>1,058,910,121</u>

(\* Provide data to the extent that data are currently available.)

**3. Additional Submission Requirements:** In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

**PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND**

**SPECIAL NOTES:**

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

**1. Levels of State Support for Elementary, Secondary, and Postsecondary Education**

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae \$ 4,722,745,900
- (b) Level of State support for public IHEs in FY 2008 \$ 1,235,329,200
- (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae \$ 4,799,501,900 (prior-enacted)  
\$ 4,247,223,900 (revised)
- (d) Level of State support for public IHEs in FY 2009 \$ 1,282,651,000
- (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae \$ 4,415,778,000
- (f) Level of State support for public IHEs in FY 2010 \$ 1,284,831,400

**Additional Information:** Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?\*

Yes                       No

\* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

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**2. State's Primary Education Funding Formulae**

**Additional Submission Requirement:** In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

**3. Data on State Support for Postsecondary Education**

**Additional Submission Requirement:** In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

**4. Restoration Amounts**

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

**SPECIAL NOTES:**

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 \$ 552,278,000
- (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 \$ 0

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- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$ 165,058,999
- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$ 0
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$ 0

**5. Process for Awarding Funds to Public IHEs**

**Additional Submission Requirement:** In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

Under Wisconsin's final 2009-11 biennial budget, enacted June 29, 2009, funding for public institutions of higher education in FY 2010 and FY 2011 will remain above the higher of the FY 2008 or FY 2009 levels. As a result, it is estimated that the state's public institutions of higher education will not receive any funding from the State Fiscal Stabilization Fund.

**PART 5, SECTION B: STATE USES OF THE  
GOVERNMENT SERVICES FUND**

**SPECIAL NOTES:**

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

**Uses of the Government Services Fund**

Category	Estimated Percentage of Funds to Be Used
Public Safety	55.1%
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	44.9%
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined	
<b>TOTAL</b>	<b>100%</b>

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## PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

**Additional Submission Requirements:** In an attachment to the application –

a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education

The level of state support for elementary and secondary education was determined by using the sum of state funding for: (1) general equalization aid through the state's primary elementary and secondary education funding formula (unrestricted grants-in-aid), (2) categorical aids that partially fund specific school program costs such as special education, class size reduction, pupil transportation, and bilingual education (restricted grants-in-aid), (3) funding for the state's two public residential schools, the Wisconsin School for the Deaf and the Wisconsin Center for the Blind and Visually Impaired, and (4) school levy credits that provide state funding to offset school property taxes. The inclusion of these four categories of funding is consistent with the method the state uses in calculating the state share of funding for K-12 education.

For FY 2006, the amounts appropriated in state statute for these four categories of school aid were used to determine state support for elementary and secondary education and the maintenance of effort requirement. The amended FY 2009 level of state support was reduced from what was reported in the initial application to reflect cuts to general equalization aid under 2009 Wisconsin Acts 11 and 23, budget adjustment legislation. The amended FY 2010 and FY 2011 levels of state support were changed to reflect amounts appropriated for the four categories of school funding in Wisconsin's final 2009-11 biennial budget, enacted June 29, 2009.

b) Identify and describe the data sources used in determining the levels of State support for public IHEs

For FY 2006, amounts appropriated in state statute for the University of Wisconsin System and the Wisconsin Technical College System were used to determine state support public IHEs and the maintenance of effort requirement. Totals for fiscal years 2010 and 2011 were calculated using amounts allocated by the biennial budget act, 2009 Wisconsin Act 28, on June 29, 2009. General Purpose Revenue (GPR) and Segregated Revenue (SEG) amounts were included in all totals.

## PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

### State's Primary Education Funding Formulae

**Additional Submission Requirement:** In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

Wisconsin has one primary elementary and secondary education funding formula, the general equalization aid formula, which is used to distribute approximately 78% of all state support for

the state's 426 school districts. The formula provides unrestricted aid to school districts and funds a broad range of school district operational expenditures and academic programs.

The equalization aid formula is a power equalization aid formula operating under the principle of requiring an equal school district property tax rate for equal per pupil expenditures. The rate at which school costs are aided through the formula is determined by comparing a school district's per pupil tax base (property value per pupil) to the state's guaranteed tax base. Equalization aid is provided in three tiers to make up the difference between the amount of revenue generated by each district's actual per pupil property tax base and the state's guaranteed tax base. Expenditures of districts with low per pupil property values are aided more highly through the equalization aid formula than expenditures of districts with high per pupil property values.

State support for elementary and secondary education in FY 2008 was determined using the amount appropriated under state statute for general equalization aid. State support for elementary and secondary education in FY 2009 and FY 2010 was determined using the amounts appropriated for general equalization aid under 2009 Wisconsin Acts 11 and 23, budget adjustment legislation and the 2009-11 biennial budget, which was signed by the Governor on June 29, 2009.

#### **Data on State Support for Postsecondary Education**

**Additional Submission Requirement:** In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

The level of state support for public institutions was determined by totaling state appropriations allocated to the University of Wisconsin System and the Wisconsin Technical College System under biennial budget legislation in fiscal years 2008 and 2009. Totals for fiscal years 2010 and 2011 were calculated using amounts allocated by the biennial budget act, 2009 Wisconsin Act 28, on June 29, 2009. General Purpose Revenue (GPR) and Segregated Revenue (SEG) were included in all totals. Program Revenue Service (PR-S) revenue was excluded pursuant to our conversations about the nature of the funding sources that comprise PR-S in Wisconsin's IHE budgets.

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## Calculation of Maintenance of Effort for SFSF Education Fund- Initial Application

### K-12 Education

(\$ millions)	<u>2005-06</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
General Equalization Aid	\$4,613.9	\$4,508.5	\$4,530.2	\$4,609.9
Categorical Aids	545.2	662.9	661.2	661.2
School Levy Credits	469.3	822.4	822.4	822.4
State Residential Schools	10.4	11.5	12.1	12.1
Total	5,638.9	6,005.3	6,025.9	6,105.6
Funding over 2005-06		\$366.4	\$387.0	\$466.7

### Institutions of Higher Education

(\$ millions)	<u>2005-06</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
UW System	\$779.5	\$924.5	\$913.2	\$957.6
WI Technical Colleges	140.7	143.2	141.3	141.3
Total	920.2	1,067.7	1,054.6	1,098.9
Funding over 2005-06		\$147.5	\$134.3	\$178.6

## Calculation of Maintenance of Effort for SFSF Education Fund- Amended Application

*Amended to reflect 2009 Wisconsin Act 28, the final 2009-11 biennial budget*

### K-12 Education

(\$ millions)	<u>2005-06</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
General Equalization Aid	\$4,613.9	\$4,247.2	\$4,415.8	\$4,652.5
Categorical Aids	545.2	662.9	662.9	672.5
School Levy Credits	469.3	822.4	892.4	897.4
State Residential Schools	10.4	11.5	11.8	11.8
Total	5,638.9	5,744.0	5,982.8	6,234.2
Funding over 2005-06		\$105.1	\$343.9	\$595.3

### Institutions of Higher Education

(\$ millions)	<u>2005-06</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
UW System	\$779.5	\$924.5	\$895.6	\$915.3
WI Technical Colleges	140.7	143.2	143.6	143.6
Total	920.2	1,067.7	1,039.1	1,058.9
Funding over 2005-06		\$147.5	\$118.9	\$138.7

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**Calculation of Restoration Amounts for SFSF Education Fund- Initial Application**

<b>K-12 Education</b>					
(\$ millions)					
General Equalization Aid	<u>2007-08</u>	2007 WI Act 20*	Revised	<u>2009-10</u>	<u>2010-11</u>
	\$4,722.7	<u>2008-09</u>	<u>2008-09</u>	\$4,530.2	\$4,609.9
		\$4,799.5	\$4,508.5		
Restoration Amount			<b>\$291.0</b>	<b>\$269.3</b>	<b>\$157.0</b>
<b>Institutions of Higher Education</b>					
(\$ millions)					
UW System	<u>2007-08</u>	2007 WI Act 20*	Revised	<u>2009-10</u>	<u>2010-11</u>
WI Technical Colleges	\$1,093.2	<u>2008-09</u>	<u>2008-09</u>	\$1,158.9	\$1,207.2
	142.2	\$1,139.5	\$1,139.5	141.3	141.3
Total	1,235.3	1,282.7	1,282.7	1,300.2	1,348.5
Restoration Amount			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Calculation of Restoration Amounts for SFSF Education Fund- Amended Application**

*Amended to reflect 2009 Wisconsin Act 28, the final 2009-11 biennial budget*

<b>K-12 Education</b>					
(\$ millions)					
General Equalization Aid	<u>2007-08</u>	2007 WI Act 20*	Revised	<u>2009-10</u>	<u>2010-11</u>
	\$4,722.7	<u>2008-09</u>	<u>2008-09</u>	\$4,415.8	\$4,652.5
		\$4,799.5	\$4,247.2		
Restoration Amount			<b>\$552.3</b>	<b>\$165.1</b>	<b>\$0.0</b>
<b>Institutions of Higher Education</b>					
(\$ millions)					
UW System	<u>2007-08</u>	2007 WI Act 20*	Revised	<u>2009-10</u>	<u>2010-11</u>
WI Technical Colleges	\$1,093.2	<u>2008-09</u>	<u>2008-09</u>	\$1,141.2	\$1,164.9
	142.2	\$1,139.5	\$1,139.5	143.6	143.6
Total	1,235.3	1,282.7	1,282.7	1,284.8	1,308.5
Restoration Amount			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Wisconsin's 2007-09 biennial budget

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