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# Budget Briefs

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## STUDENT ACHIEVEMENT GUARANTEE IN EDUCATION (SAGE)

The biennial state budget act (1999 Wisconsin Act 9), passed by the legislature and signed by Governor Tommy Thompson on October 27, 1999, significantly expands the Student Achievement Guarantee in Education (SAGE) program by increasing state support by an additional \$46.2 million over the next biennium and allowing all school districts to apply for grants, regardless of their percentage of low-income students.

### BACKGROUND

SAGE is administered through a program of 5-year grants, designed to lower class sizes in elementary schools and promote academic achievement. It was created by 1995 Wisconsin Act 27, based on recommendations from the 1994 Urban Initiative Task Force which was organized by the Department of Public Instruction (DPI). Each succeeding state budget has created another round of contracts (1997 Wisconsin Act 27 and 1999 Wisconsin Act 9).

Schools contracting with the SAGE program are required to: 1) reduce class size to 15 pupils, 2) keep the school open every day for extended hours and collaborate with the community in educational, recreational, and social service activities, 3) provide a rigorous academic curriculum designed to improve academic achievement, and 4) create professional development programs and require performance evaluations.

To be eligible for the program prior to Act 9, a school district had to have at least one school with an enrollment of at least 50% low-income pupils in the previous year. The district could enter into a contract with DPI on behalf of any of its schools that had a poverty rate of at least 30%. If the district had more than one eligible school, it had to select the one with the largest number of low-income pupils in kindergarten and first grade. Milwaukee Public Schools (MPS) were entitled to contract for up to 10 schools in the program; other eligible districts were limited to one school each. Under the law, all districts could apply to enroll additional schools if funding was available.

SAGE implementation is phased in starting with kindergarten and grade one in the first year of the contract, with second and third grades added in the two following years. The program started in 1996-97 with 30 schools in 21 participating districts. In the 1997-98 school year, 1997 Act 27 authorized a second round of grants, which added 50 new schools from 25 districts, bringing the total to 80 schools in 46 districts. Under the program, part-time kindergarten pupils are prorated on a full-time equivalent (FTE) basis, and enrollment has grown from 3,614 FTE students in 1996-97 to an estimated 9,097 FTE in 1999-2000.

In the first three years, state funding for the SAGE program tripled: \$4.2 million in 1996-97, \$6.9 million in 1997-98, and slightly over \$15 million in 1998-99. The size of a specific SAGE grant is based on a statewide per pupil amount, which is calculated by dividing the annual state appropriation by the number of low-income SAGE pupils enrolled in eligible grades across the state. The statewide per pupil amount is then multiplied by the number of low-income SAGE pupils enrolled at the particular school to determine the award. School districts can receive no more than \$2000 annually for each low-income SAGE student enrolled, and in past years that has generally been the amount awarded per pupil.

1995 Act 27 mandated that the SAGE program be evaluated annually. Subsequent laws have continued that requirement, and DPI contracts with the School of Education at UW-Milwaukee to conduct the evaluations. Results from the first two evaluations indicate that the program had a positive effect on student achievement, as shown by higher academic achievement in all core subjects over a comparison group of 16 non-SAGE schools. The results have been particularly promising for minority students. The evaluation report is available on the Internet at <http://www.uwm.edu/SOE/centers&projects/sage>.

In addition to the program evaluation, school districts must pass an annual review to continue their SAGE funding. A committee composed of the State Superintendent, the respective chairpersons of the senate and the assembly education committees, and the head of the UW-M evaluation team must review each school's progress and may recommend that DPI terminate the contract for violations or insufficient progress.

### **CHANGES MADE BY ACT 9**

Act 9 extends SAGE by creating a third round of 5-year grants. Starting in the 2000-01 school year every school district that provides instruction in grades K-3 may enter into a SAGE contract on behalf of one or more of its schools if: a) the district is not receiving a grant under the P-5 program, which is designed to serve disadvantaged children in those elementary grades, and b) the school board participated in the first (1996-97) or second (1998-99) round of contracts but the particular school for which the board seeks a third round contract did not participate.

Funding is provided to reduce class size to 15 students in grades K-1 starting in 2000-01, with Grade 2 added in 2001-02 and Grade 3 in 2002-03. This round of SAGE grants will sunset on June 30, 2005. In apportioning the SAGE appropriations for 2000-01, DPI must first pay \$2,000 per pupil on continuing first- and second-round contracts and, to the extent possible, \$2,000 per pupil under the third-round contracts. In making third-round payments, DPI must give priority to schools with the highest percentage of low-income pupils. Starting in 2001-02, DPI must pay \$2,000 per pupil for second and third round contracts.

Act 9 also creates a new \$2 million categorical aid program to reimburse school districts, except MPS, for 20% of debt service costs associated with SAGE building projects. School boards are required to pass a referendum and obtain DPI approval prior to June 30, 2001, to be eligible for funding. The referendum must specify the amount of bonding attributable to increased classroom space needs as a result of participation in the SAGE program.

### **FOR MORE INFORMATION**

For copies of relevant sections of Act 9, as well as Section 118.43, Wisconsin Statutes, pertaining to SAGE contracts, contact the Legislative Reference Bureau at (608) 266-0342. Acts also can be downloaded from the legislative Website at <http://www.legis.state.wi.us>. For more detailed information about this program, contact the Department of Public Instruction, Division for Learning Support: Instructional Services at (608) 266-2489 or Fax: (608) 266-5188.