

WASBO Accounting Conference

Legislative Update

March 18, 2021

We Need to Focus on the Main Thing!!!

2021-23 State Budget

- Available revenue much better than anticipated even a few months ago.
- Anticipated robust economic growth could fuel increased available revenues.
- Evers K-12 education budget request – \$1.65 billion.
- Evers budget priorities need federal Medicaid expansion and revenue uppers.
- GOP will not support the Governor’s plan.
- JFC remains 12-4 GOP; Born/Marklein New Co-Chairs; many new faces.
- GOP will scrap Evers’ budget plan and work from the base. Practical implication?
- LFB released summary of Evers’ Executive Budget on 3/17.
- We hear JFC will hold agency briefings the week of 4/5; budget hearings following.
- GOP narrative – K-12 doesn’t need more money, and increasingly . . .
- . . . direct aid increases to those districts doing in-person instruction.
- Legislative action thus far suggests a very contentious budget session.
- SAA will issue State Budget Alert to members next week.

SAA Budget Priorities

- SAA objective – **Get the Most, For the Most, In the Most!!**
- Maximize Flexible, Spendable Revenues & Local Control
- Seek Funding Balance! Positive Outcome for All Districts!
- **It’s the Main Thing, Stupid!!**
- Focus on 1) Special Education; 2) General Revenues; and 3) Student Count Mitigation.
- SAA worked with key policy staff at DPI/Governor’s office on budget priorities.
- SAA priorities aligned with DPI budget request and Governor’s K-12 priorities.

Evers K-12 Budget Proposal (Major Items)

- **Special Education Aid**. Provide a \$709 million increase over the biennium that would allow for 45% reimbursement in 2021-22 and 50% reimbursement in 2022-23.
- **General Aid**. Provide \$612.8 million increase over the biennium.
- **Revenue Limits**. Increase per pupil adjustment \$200 in 2021-22 and \$204 in 2022-23.
- **Low Revenue Ceiling**. Set the low revenue adjustment at \$10,250 in 2021-22 and \$10,500 in 2022-23.
- **Per Pupil Aid**. Set the per pupil aid payment at \$750 per pupil in each year. Provide an additional \$75 per economically disadvantaged student.
- **Student Count Mitigation**. Allow school districts to use the greater of 2019-20 or 2020-21 pupil counts for revenue limits. Increase special adjustment aid from 85% to 90% of prior year general aid in each year. Governor’s plan does not include treating non-recurring declining enrollment exemption and base revenue hold harmless as recurring adjustments as in DPI plan. GOP unlikely to support. Hard to explain. Be prepared to pivot to other priorities after explaining impact of student count decline.

- **English Learners**. Provide \$28 million increase over biennium. In the 2nd year, direct aid to all districts that have EL students. Districts will be eligible for a) \$10,000 if they serve 1 to 20 English learners, or b) \$500 per pupil if they serve at least 21 English learners.
- **School Mental Health Categorical Aid**. Increase by \$46.5 million over the biennium. Expand program to reimburse 10% of pupil services staff expenditures each year.
- **School-Based Mental Health Collaboration Grants**. Increase grant funding by \$3.5 million annually.
- **Broadband**. Invest over \$200 million to expand broadband access in Wisconsin.
- **Sparsity Aid**. Provide nearly \$20 million increase over the biennium. Creates 2nd tier of aid at \$100 per pupil.
- **Early Learning**. Allow districts to count full-day 4K students as 1.0 FTE for general aid and revenue limit purposes.

Suggestions for Budget Advocacy

- Evers' education budget is clearly aligned with SAA priorities.
- This is the beginning of a long negotiation. Our opening position is the Governor's plan.
- Evers: Don't let them tell you we don't have resources to provide more for your kids.
- We need to be mindful of legislative attempts to undermine our position, and to distract.
- There is a long history of legislative attempts to divide school districts, K-12 advocates.
- Increasing evidence of fragmentation, division in the membership.
- What should we do? Tune out distractions and **Focus on The Main Thing!**
- Discuss your district's 2020-21 COVID spending.
- Support the Governor's proposed increase in special education aid. Explain how a significant special ed aid increase helps meet the needs of all students.
- Support the Governor's proposed increase in general school revenues. Explain the importance of this increase in fiscal and human terms.
- Support comprehensive student count mitigation. (But, be ready to pivot!).
- Support the Governor's budget proposals on student mental health, English learners, early learning and broadband expansion.
- **Discussion: What Are Your Concerns? What Do You Want SAA To Do?**

Working with the Governor's Office

- We're working hard to strengthen our collaborative relationship w/Governor's office.
- Critical to a more effective K-12 advocacy effort than we had last budget.
- Governor will be making some calls to selected school superintendents.
- Working with districts to host virtual school visits with Governor Evers!

Race for State Superintendent

- And then there were two – Underly and Kerr.
- SAA Board interviewed the two general election candidates on March 8th.
- SAA Board has chosen not to endorse at this time.
- April 6 general election.

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2021–23 Legislative Agenda

The SAA believes that comprehensive education reforms in Wisconsin should emulate the evidence-based best practices of the states and nations that have significantly raised academic performance and closed achievement gaps. In pursuit of this objective, the SAA offers the following legislative priorities:

Students with Disabilities

While we greatly appreciate the increase in special education categorical aid made in the 2019-21 State Budget, the SAA supports increasing the current level of special education aid to reimburse 50 percent of aidable costs by the end of the 2021-23 biennium.

Predictable, Sustainable School Funding

Index general school revenue growth to the consumer price index (CPI) to align allowable revenue growth with school cost increases and the investments necessary to meet student needs. The SAA recommends distributing general revenue increases in a balanced fashion using both revenue limit/general aid and per pupil categorical aid to better meet the needs of all school districts.

Pupil Count Mitigation

Actual student counts on the third Friday in September, the second Friday in January, and summer school have a significant impact in determining a school district's general aid distribution, revenue limit and per pupil categorical aid. Because of COVID-19, the actual September 2020 student counts for nearly 80 percent of Wisconsin school districts have declined, leaving these districts (because of the three-year rolling average of student enrollment) to face the fiscal consequences for 2020-21, 2021-22 and 2022-23. School districts, and the students they serve, should not suffer financially because of the uncertainties of a public health crisis. For the 2020-21 student count, the SAA supports:

- Allowing school districts to use the greater of the districts 2019-20 or 2020-21 pupil count for revenue limit calculations.
- Treating the non-recurring declining enrollment exemption and base revenue hold harmless as recurring adjustments for one year only.
- Increase special adjustment aid from 85 percent to 90 percent of prior year general aid in each year of the biennium.

Children's Mental Health

In Wisconsin, too many children have unmet mental health needs, with these unmet needs resulting in serious negative consequences for the individual, their families, our communities and the learning environment in our schools. While we greatly appreciate the school mental health investments made in the last two state budgets, we believe a stronger, long-term commitment from the state is required to meet this challenge. SAA members increasingly express support for moving

future investments toward a broad-based, flexible categorical aid to better meet the needs of more students in more school districts. As a next step, the SAA supports:

- Expand the School Mental Health Categorical Aid Program to provide financial support for services provided by school psychologists, nurses, counselors and social workers.
- The SAA supports increasing School Mental Health Services Collaboration Grant Program funding by \$3.5 million annually to support more school districts in connecting students to needed mental health services.

Early Learning Opportunities

Numerous studies have shown that improving early learning opportunities, especially for those in poverty, will help prepare children for their PK-12 experience and help reduce achievement gaps. The SAA supports:

- Counting full-day 4K students as 1.0 FTE for general aid and revenue limit purposes.
- Greater investments in high quality birth-to-three programming for those children who have a high probability of not being ready for school.

English Learners

The SAA supports dramatically increasing the current level of categorical aid support for English Learners (EL) and directing that support to all school districts with EL students.

Economically Disadvantaged Students

Wisconsin currently has no comprehensive program that targets additional resources to raise achievement among economically disadvantaged students. The SAA supports providing an additional \$150 in per pupil aid for each economically disadvantaged student.

Educator Recruitment & Retention

School districts will need continued flexibility in the hiring and licensure of teachers and administrators to manage anticipated high levels of turnover. The SAA supports the following recommendations to tackle troubling educator shortages in the short-term:

- Ease restrictions on hiring retired educators to fill key positions.
- Maximize district flexibility in utilizing the current pool of licensed educators.
- Expand and streamline licensing reciprocity to increase the pool of out-of-state educators available under PI 34.
- Maximize opportunities for pre-service teachers to serve in direct student instruction.
- Provide incentives for teachers to meet dual enrollment accreditation standards.

Private School Vouchers

The SAA supports the following proposals regarding private school vouchers:

- Moratorium on further expansion of private school voucher programs.
- Revise Wisconsin property tax bills to clearly identify the portion of the school tax levied to finance private school tuition.
- Change state law to remove the resident school district's responsibility for any per pupil Special Needs Scholarship Program costs above that of the statutory payment amount.
- Authorize a study of the Wisconsin private school voucher programs, with a focus on the fiscal impact these programs have on Wisconsin school districts and Wisconsin taxpayers.

- Require greater public accountability for voucher schools in areas such as the use of licensed teachers, state instructional requirements, student due process protections, uniform high school graduation requirements, and IDEA protections for students with disabilities.

Revenue Limit Equity

The SAA supports setting the low revenue ceiling (LRC) at 90 percent of the statewide average maximum revenue limit per student. The current LRC amount of \$10,000 is 87.3 percent of the current state average revenue limit of \$11,450. A steadily improving LRC policy is an important part of ensuring equitable resources for all children no matter where they live.

Declining Enrollment Relief

Whatever the mechanism, the SAA supports additional, effective relief for those school districts in declining enrollment.

Broadband Access

The SAA supports expanding affordable, reliable, quality broadband access throughout Wisconsin, and supports state funding to ensure broadband access and electronic devices for all students in their schools and communities.

Equalize School Transportation Cost Impact

The SAA supports increasing the current level of state categorical aid funding for high cost transportation toward the goal of 100 percent state support for eligible pupil transportation costs in excess of the statewide per-pupil average. Geographically large, sparsely populated rural school districts that transport students significant distances spend a decidedly greater share of their educational resources on transportation, which adversely impacts educational opportunities for district students.