



School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Joint Committee on Finance
FROM: John Forester, Director of Government Relations
DATE: May 4, 2015
RE: SAA State Budget Priorities

The SAA strongly opposes the governor's proposed state aid cuts to K-12 public education, as well as his proposed per pupil revenue limit freeze for public school districts. The SAA also opposes the governor's proposals to expand taxpayer-funded private school vouchers and independent charter schools, as well as the inclusion in the budget of clearly non-fiscal policy items, related to educational standards, school accountability, notice of educational options and alternative teacher licensure.

The SAA supports the governor's whole grade sharing proposal and the proposed additional categorical aid funding for rural schools. The SAA also supports increased funding for special education and bilingual bicultural programs as well as an increase in the low revenue ceiling.

It is unfortunate that the governor's education proposals in his budget plan are clearly based on ideology and political expediency, rather than evidence. If our objective is to improve student achievement for all Wisconsin children and close achievement gaps, research indicates that we should address the impact of poverty on student learning, invest in early learning opportunities for impoverished children and focus on the recruitment, retention and preparation of high-quality teachers and school leaders. Unfortunately, the governor's policy prescriptions – continued under-funding of public schools, dramatic voucher and charter expansion, dismantling Wisconsin's nationally recognized school accountability system and weakening standards for teacher preparation – simply will not move the needle for kids.

Revenue Limit Freeze & State Aid Cuts

The SAA opposes the revenue limit per pupil freeze proposed for both years of the 2015-17 state budget. Given the cumulative impact of more than 20 years under revenue caps coupled with the under-funding of public education in recent years, anything less than an inflationary increase in per pupil revenues will require reductions in educational opportunities for public school children across Wisconsin.

The SAA also opposes the \$150 (\$127 million statewide) cut in the per pupil categorical aid proposed in the first year of the governor's biennial budget plan. Even with the proposed addition to the per pupil categorical in the second year of the biennium, the net result is a cut of approximately \$130 per pupil over the biennium. In the second year of the budget, the governor also proposes spending \$211.2 million in increased school levy credits and \$108 million in increased general aid with no corresponding revenue limit increase. Therefore, this combined

\$319 million in “school funding in name only”, simply flows to taxpayers as property tax relief and school leaders cannot spend one dime of it on the educational needs of their students.

We urge Wisconsin lawmakers to support putting this “school funding in name only” into a form that school leaders can spend on the educational needs of children. Many legislators have already stated that they support putting more money into public education if May revenue estimates show that more revenue is available. The SAA believes that civic-minded Wisconsin citizens will support investing in the needs of children in tight fiscal times more than keeping their \$5 or \$10 in projected property tax relief.

Expansion of Vouchers and Independent Charter Schools

At the same time that the governor is proposing state aid cuts and revenue limit freezes for public school children, he also supports dramatic expansion in the use of private school vouchers and independent charter schools.

The proposed 2015-17 state budget calls for expanding the statewide voucher program by eliminating the 1,000 student enrollment cap, opening the door for dramatic expansion in the voucher program. For the first time, the budget plan proposes to pay for vouchers directly from state general aid. The voucher payments will come from a direct aid deduction from the new voucher student home school district, regardless of whether the new voucher student ever attended home district schools.

For many districts, voucher expansion could exacerbate declining enrollment and diminish economies of scale. This dramatic voucher expansion will create a massive statewide entitlement and furthers the process of creating two separate school systems in Wisconsin. Simply put, Wisconsin taxpayers cannot afford two systems of education.

Wisconsin currently spends an estimated \$212 million on its three private school voucher programs. Yet, numerous studies from across the country have shown that students attending private schools with vouchers do not perform any better in reading and math than students in public schools. For every dollar the state of Wisconsin spends on an ineffective educational program like vouchers, it loses the opportunity to invest that dollar on programs that are proven to be effective at improving student achievement for all students and closing achievement gaps.

The 2015-17 proposed state budget creates a state charter school authorizing board essentially designed to increase the number of independent charter schools in Wisconsin.

The per pupil payments to independent charter schools (currently \$8,075 per pupil) are funded as a draw on the general school aids that would otherwise be payable to all school districts receiving general aid in the state. Given the clear objective of this provision, it will result in a growing aid reduction to public schools. Currently, the reduction in general school aids attributable to independent charters is \$68 million, or about a 1.5 percent reduction statewide. For every additional 1,000 students enrolling in independent charter schools, \$8,075,000 will be taken from the general school aid appropriation. And because local school districts are allowed to levy property taxes to cover the reduction in state aid, this bill will likely result in increases in local property taxes.

The bottom line is the expansion of private school vouchers and independent charter schools will siphon resources away from public schools, diminishing educational opportunities for public school children throughout Wisconsin.

Special Education Funding

State categorical aids for special education have not kept pace with rising costs. The state's reimbursement rate has fallen from 44.6% in 1993-94 to about 27% this year. Likewise, the reimbursement rate for high-cost special education services is projected to fall below 41% in 2014-15. Special education categorical aids have not increased since 2008-09. Under revenue limits, school districts are being forced to transfer money from regular education to pay for special education. These students with the greatest educational needs in the state deserve an increase.

The SAA supports increasing state special education categorical aid funding to reimburse 30% of the prior year's aidable costs. The SAA also supports increasing high-cost special education categorical aids to reimburse 100% of the prior year's aidable costs.

Other Budget Items

The SAA supports:

- The provision authorizing school districts to enter into whole grade sharing agreements.
- The proposed additional categorical aid for rural schools in the areas of high-cost transportation, sparsity aid and school technology.
- An increase in the low revenue ceiling from the current \$9,100 to \$9,400 in 2015-16 and \$9,700 in 2016-17.
- Doubling the current \$8.59 million annual appropriation for bilingual-bicultural (BLBC) programs. The state reimbursement rate for these programs has fallen to about 8%. The SAA also supports creation of a new categorical aid program to award up to \$100 per Limited English Proficient (LEP) pupil to districts that do not qualify for BLBC aid but have LEP populations.

The SAA opposes:

- The inclusion in the budget of clearly non-fiscal policy items related to educational standards, school accountability reports, notice of educational options and alternative teacher licensure.

Thank you for your consideration. If you should have any questions or require additional information regarding our positions, please call me at (608) 242-1370.