



WASB Action Alert

Governor's 2007-09 Budget Proposal

- ISSUE:** The Governor's budget proposal is the foundation of the state budget. During the legislative process, it is very difficult to add items to the state budget that were not part of the governor's initial budget proposal. Historically, 90+ percent of the budget will be unchanged when the governor signs it into law. So, the best chance for us to win on our priorities is to have the governor include them in his budget proposal.
- STRATEGY:** Persuade Gov. Doyle to include our four priorities in his budget.
- ACTION:** Contact the governor's education policy staffer and tell him you would like the governor to support our four education funding priorities. A phone call is preferred, but you can also email. **Please, make sure to notify Sheri Krause or Dan Rossmiller of your phone call or email at skrause@wasb.org or drossmiller@wasb.org so we can track how well our action campaign is proceeding.**
- PRIORITIES:**
1. Maintain, at least, the annual inflationary revenue limit increase;
 2. Maintain two-thirds state funding of schools;
 3. Increase special education, transportation and bilingual-bicultural categorical aids; and
 4. Improve declining enrollment adjustments.
- TARGET:** Education Policy Advisor
Office of Gov. Jim Doyle
115 East, State Capitol
Madison, WI 53702
Phone: (608) 266-1212
Fax: (608) 261-6804
wisgov@gov.state.wi.us
- TIMELINE:**
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| December – January: | WASB members contact the governor |
| January 17-19: | WASB State Education Convention |
| Early February: | Gov. Doyle releases his budget |
| February: | WASB state budget campaign kickoff |
| March 14: | WASB Day at the Capitol |
| April: | Joint Finance Committee (JFC) Hearings |
| May: | JFC votes on the budget |
| June: | Assembly and Senate vote |
| June or July: | Governor exercises his veto authority |
| | Legislature attempts veto override |
| | Governor signs state budget into law |

PRIORITIES & TALKING POINTS

Revenue Limits:

- At minimum, support the annual inflationary increase in revenue limits.
 - Efforts have been repeatedly made in recent years to further hold down revenue limits in order to provide greater property tax relief without spending additional state dollars.
 - However, revenue limit increases are already tied to inflation and are not keeping pace with the rising costs of school expenditures.
 - Further reducing the allowable revenue limit increases will force even greater cuts in school district services.

Two-Thirds State Funding:

- Support an increase in general equalization aids and categorical aids to provide schools with two-thirds state funding.
 - Providing schools with two-thirds state funding while maintaining revenue limits will not ensure that more dollars are appropriated to schools, but it will alleviate the burden on local property taxpayers. Many school districts will continue to struggle, especially those with declining enrollments, and further tighten their budgets – delaying maintenance, laying-off staff and cutting programs.
 - The DPI budget proposal calls for an additional \$662 million spending on K-12 schools in the 2007-09 biennium. The request includes \$422 million for equalization aids and \$164 million for categorical aids in addition to the current appropriation of \$5.9 billion to keep two-thirds state funding of schools.
 - Under the DPI proposal, general equalization aids would increase by 3.2 percent in 2007-08 (\$150 million) and 2.5 percent in 2008-09 (\$272 million).

Categorical Aids:

- **Support an increase in special education categorical aids:**
 - Federal and state categorical aids for special education have not increased at the same rate as costs.
 - Maintaining the same level of categorical aid, while special education costs continue to rise, shifts the excess cost for special education programs to general aids and property taxes. Since general aids and property taxes are restricted by revenue limits, rising special education costs essentially reduce the spending authority of school districts for regular education.
 - The proposed DPI budget would increase special education categorical aid by \$75 million over the 2007-09 biennium.

- **Support an increase in transportation categorical aids:**
 - Transportation costs have increased significantly over the past 20+ years, particularly hurting large, rural districts. Individual district transportation costs vary widely from \$50 to over \$1,000 per pupil each year.
 - The current state appropriation represents less than 10 percent of the total statewide school district transportation costs, which is approximately \$220 million.
 - Reimbursing a greater portion of school busing costs with categorical aid would provide important flexibility for school districts operating under the current revenue limits. This could provide crucial relief in a difficult budget year.
 - The DPI 2007-09 budget proposal would increase the reimbursement rate for pupils transported over 12 miles and allow school districts to claim refunds of the motor vehicle fuel tax.

- **Support an increase in bilingual-bicultural aids:**
 - School districts are required to provide special classes to students with limited-English proficiency (LEP). These classes are mandated at schools that enroll 10 or more LEP students in K-3 and 20 or more LEP students in 4-12.
 - State aid for bilingual-bicultural education has not kept pace with costs. The reimbursement rate was originally 70 percent on aidable costs. The DPI estimates that only 9.9 percent of costs will be reimbursed by 2008-09.
 - The number of districts offering LEP services has increased from seven in 1977 to 50 in 2006-07.
 - The state's failure to keep pace with skyrocketing bilingual-bicultural costs has effectively shifted the cost burden to general aids and property taxes.