



# Evers Releases Budget Request

*GOP increases majorities in Senate and Assembly*

Now that the 2016 elections have come and gone, the pace of activity in Madison is picking up.

Although the results in one state Senate race are still being determined in a recount as of this writing, state Senate Republicans will enjoy a 20-13 advantage over Democrats in the upper House when the 2017-18 legislative session begins in January. That's up one seat from the current 19-14 advantage they hold. State Assembly Republicans' majority in January will increase from 63 seats to 64 seats in the 99-member lower House.

To date, legislative leadership is unchanged. Republicans will return Sen. Scott Fitzgerald of Juneau as Senate Majority Leader, and Rep. Robin Vos of Rochester as Assembly Speaker. Kenosha Rep. Peter Barca returns to lead Assembly Democrats as Minority Leader. The only unknown is with Senate Democrats as current Senate Minority Leader Sen. Jennifer Shilling of La Crosse must prevail in her recount to return to Madison. Senate Democrats have postponed their leadership elections pending the outcome.

Sen. Alberta Darling (R-River Hills) and Rep. John Nygren (R-Marinette) will once again co-chair the budget-writing Joint Finance Committee.

## ■ DPI Budget Request Focuses on "Fair Funding" Plan

Speaking of the budget, the focus in Madison will turn increasingly to

consideration of the state's two-year (or biennial) budget. On Nov. 15, State Superintendent Tony Evers revealed the 2017-19 biennial budget request the Department of Public Instruction (DPI) submitted to Gov. Scott Walker.

As has been the case with each of his three previous budget requests, the centerpiece of Supt. Evers' proposal is an updated version of the "Fair Funding" plan, described in greater detail below. The elements of the DPI's request related to implementing the Fair Funding plan would take effect in the second year of the biennium (2018-19).

Supt. Evers emphasized that his budget proposal, "is about the state partnering with schools to prepare students for college and career." The budget request would also significantly increase special education funding, expand supports for English language learners, provide resources to assist school districts in facilitating the delivery of mental health services at school sites, and target more resources for rural, declining enrollment and negatively aided districts.

The DPI budget request calls for the following general changes to school funding.

### REVENUE LIMITS:

- *Adjust revenue limits upward by \$200 per pupil in 2017-18 and \$204 per pupil in 2018-19. (This would represent a 2 percent annual increase in revenues for the average school district over the biennium).*

During the first 18 years that revenue limits were in place, from the 1993-94 school year through the 2010-11 school year, the state provided all school districts with the opportunity to increase their per-pupil revenue limit authority by no less than \$190. Since the 2010-11 school year, however, the maximum annual allowable per-pupil adjustment has been \$75 in both 2013-14 and 2014-15. No per-pupil adjustment was allowed in either 2015-16 or 2016-17 and current state law provides for no increase in the per-pupil adjustment going forward.

- *Increase the current summer school membership calculation for revenue limit purposes from 40 percent to 100 percent in 2017-18 and thereafter.*

Under current law, 100 percent of the full-time equivalent (FTE) enrollment of summer school students can be counted for general aid purposes. However, for revenue limit purposes, districts can only include in their membership counts 40 percent of the full-time equivalent (FTE) summer enrollment.

- *Increase the low-revenue ceiling from \$9,100 per pupil to \$9,500 in 2017-18 and \$9,900 in 2018-19, allowing 80-120 districts to narrow the gap in resources with higher spending districts.*

The low-revenue ceiling allows

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school boards in districts with per-pupil revenues below the ceiling amount to increase their per-pupil revenues to the ceiling without having to go to a referendum. No school board is required to raise its per-pupil revenues up to the dollar amount of the low-revenue ceiling; rather, it is an option that gives the lowest-spending districts an opportunity — if they choose to use it — to narrow their revenue disparity with the highest-spending districts.

- *Weight the per-pupil categorical aid to account for students in poverty, students learning English, and students in foster care.*

Each student in one of these categories would be counted as 1.2 students and thus capture additional funding for their school districts.

## ■ Increasing General Aid

At the core of the Fair Funding Plan is a proposal to funnel more state assistance to school districts by increasing general aid, including guaranteeing each district a minimum level of \$3,000 of state funding for every student. This would provide state resources directly to the roughly 60 school districts that currently receive little or no state general aid. The proposal would also incorporate a poverty factor in the general aid formula with 20 percent extra weighting given to students eligible for free and reduced-price lunch.

The increase in general aid is funded by transferring the dollars currently allocated to School Levy/First Dollar Tax Credits and High Poverty Aid into the general aid formula. According to the DPI, this would enable every district to receive more state school aid, which would

reduce their gross property tax rates and levies. The DPI indicates 94 percent of districts would receive more state support under this plan compared to current law. A \$6 million hold-harmless provision would ensure all districts receive the same amount of state support under Fair Funding as they would otherwise receive under current law. A separate provision would ensure that, going forward, no district could lose more than 10 percent of its state aid in any year.

Overall, the request asks for \$707 million over the biennium and would increase general school aids by \$514 million over the biennium — increases of 2.2 percent in 2017-18 and an additional 6.6 percent in 2018-19 — to implement the Fair Funding Plan and provide property tax relief.

Provisions targeting assistance to rural schools include the following requests:

- **Sparsity Aid:** Fully fund the existing program to provide payments of \$300 per pupil to the 140+ districts that currently qualify and create a second-tier to provide payments of \$100 per pupil to districts meeting sparsity criteria with enrollments up to 1,000 students.
- **Rural Teacher Grants:** Create a \$5.5 million grant program to provide \$750 per teacher in districts eligible for sparsity aid payments to help them recruit and retain teachers.
- **Transportation Aid:** Increase the “over-12-mile” reimbursement rate by \$65 per pupil (20 percent increase) and increase summer school transportation rates significantly.
- **High Cost Transportation Aid:** Fully fund this aid in both years.

Requests to provide additional special education resources include the following:

- **Special Education Categorical Aid:** \$88.4 million to increase state reimbursement for children with disabilities from 26 percent to 28 percent in 2017-18 and 30 percent in 2018-19.
  - **High-Cost Special Education Aid:** \$4.2 million to increase state reimbursements for children with high-cost disabilities from 70 percent to full reimbursement in both years (\$1.75 million would come from repurposing Special Education Supplemental Aid).
  - **Special Education Transition Readiness Grants:** \$6.1 million to meet increased demand for incentive payments to improve post-secondary outcomes for students with disabilities.
- Provisions to assist districts that wish to partner with social service agencies to provide mental health services in school facilities include requests (in 2018-19) for:
- **Mental Health Categorical Aid:** \$3 million to support school districts in the provision and expansion of mental health services.
  - **Mental Health Collaboration Grants:** \$2.5 million to create a competitive grant program to support school districts in connecting youth to needed mental health services.
  - **Mental Health Training Support:** \$420,000 for training to boost school districts’ capacity to provide mental health screening and intervention services to pupils. ■

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