



# School Administrators Alliance

Representing the interests of Wisconsin school children

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## 2005-07 State Budget Priorities March 2005

The SAA strongly supports the governor's proposals to restore two-thirds state funding of K-12 public education costs, increase categorical aid funding, maintain current law on revenue caps, and provide revenue cap relief for low spending and declining enrollment school districts. The SAA opposes the governor's proposal to repeal the qualified economic offer (QEO).

### **Two-Thirds Funding**

The SAA commends Governor Doyle for proposing a state budget that clearly establishes Wisconsin school children as the priority and restores two-thirds state funding of K-12 public education costs. The \$700 million increase in state equalization aid and the \$150 million expansion of the school levy credit invests in our children's futures and provides substantial relief for Wisconsin property taxpayers.

### **Revenue Limits**

The SAA supports the revenue limit increase allowed under current law. Given the cumulative effect of a decade of belt-tightening under revenue caps, local school districts need the current law adjustments to support quality educational programming for Wisconsin school children. Under current revenue caps, it is already difficult to meet the needs of all children. School districts across the state have been cutting programs, laying off staff and delaying maintenance for years in order to balance budgets.

### **Transportation Aid**

The SAA supports the governor's proposal to increase school transportation aid and to concentrate greater aid increases on school districts with longer travel distances. The state has not increased transportation categorical aid since 1990-91. And in this environment of rising transportation costs, the current state appropriation represents less than 10 percent of school district transportation costs statewide.

The current aid and reimbursement levels have a disproportionately negative impact on rural school districts (geographically large, sparsely populated). Rural districts may spend more than \$1,000 per student in annual transportation costs, while some urban and suburban districts spend less than \$100 per student. For years, rural districts have had to reduce their instructional budgets in order to pay for the transportation services required by state law.

Furthermore, we believe that supporting school transportation costs from the state segregated transportation fund is an entirely legitimate practice. Wisconsin school districts pay the state gas tax and other local mass transit programs are subsidized from the transportation fund.

### **Special Education Aid**

The SAA supports the governor's proposals to increase funding for the special education categorical aid program and to create a new grant program to help offset the costs of educating students with high-cost special needs. The percentage of state reimbursement of special education costs will likely drop below 30 percent in 2004-05, requiring school districts to allocate a greater portion of their general funds to meet the needs of students with disabilities.

### **Bilingual-Bicultural Aid**

The SAA supports the governor's proposal to increase bilingual-bicultural education aid to districts required to offer programming for limited English proficient (LEP) students. We also support efforts to extend aid to districts that currently devote significant resources to educating LEP students but do not qualify for aid because their LEP population is not large enough. Currently, bilingual-bicultural aid covers only 12 percent of costs eligible for reimbursement.

### **Revenue Cap Relief**

The SAA supports the governor's revenue cap relief proposals, which include:

- Allowing districts to set revenue limits at the greater amount determined by using either a 3-year or 5-year rolling average of pupil enrollment.
- Increasing the low revenue ceiling to \$8,100 in 2005-06 and to \$8,400 in 2006-07.
- Allowing districts to carry forward 100 percent of their unused revenue limit authority from the previous year.

### **Qualified Economic Offer**

The SAA opposes the governor's proposal to repeal the qualified economic offer (QEO). Repealing the QEO presupposes that school districts will provide greater salary and benefit increases for teachers, yet still operate under existing revenue limits – a prescription for dramatic cuts in staff and instructional programming. This proposal will severely diminish the ability of administrators and school boards to balance appropriate compensation for teachers with the provision of quality educational opportunities for students.

Thank you for your consideration. If you should have any questions or require additional information regarding our positions, please call John Forester, SAA Director of Government Relations, at 608-242-1370.