

2023-25 GENERAL BUDGET OUTLOOK

- From 2002- 2020 per-pupil funding in Wisconsin has dropped from 11th highest; 11% above the national average to 25th; 5.6% below the national average (U.S. Census Bureau).
- School districts need a state budget with significant, predictable, spendable revenue that includes a long-term policy approach for sustainability by allowing districts to raise revenue limits to mitigate the inflationary increases. ([LFB Memo](#))
- In three of the last four budgets, revenue limits for districts have been frozen. Unable to keep pace with inflation and rising costs has forced some districts to utilize one-time federal dollars for ongoing expenses. This will result in a fiscal cliff for those districts and uncertainty around the programming they can offer students.
- Just like the private sector, our districts face enormous challenges related to workforce shortages and rising inflation in staff compensation, utilities, transportation, insurance, and a host of other operational areas.
- There is a clear increasing trend statewide in utilizing operation referendums as a local strategy to address the lack of state funding. The historic successful passage rate shows the local recognition of our schools needs and a willingness to fund them.

District specific information / Potential questions:

- Provide a budget outlook for your district does not receive significant increases.
- Share information about the population of students you serve.
- Have you had to or do you plan to go to referendum?

SPECIAL EDUCATION:

- A meaningful investment beyond the current reimbursement rate of 31.7% is needed.
- Investing in these required special education services allows money to be freed up within a school budget to fund educational opportunities for all students.
- Wisconsin's primary special education aid had been frozen for more than a decade until recently. In fiscal year 2022 additional funding was provided to increase reimbursement to 28.2% and an estimated 30% for fiscal year 2023. ([LFB Memo](#))
- Collectively school districts transfer over \$1 billion from their general fund to provide for the legally required special education services.

District specific information / Potential questions:

- How much do you transfer to fill the gap in funding?
- Will increasing the reimbursement rate lead to the over identification of students?

CHILDREN'S MENTAL HEALTH

- A stronger, long-term commitment from the state is required to meet the mental health needs of our students.
- 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.
- SAA members increasingly, and strongly, express support for moving away from grants to address school mental health challenges.

WORKFORCE:

- The lack of general state spending authority or other state policy initiatives to address critical shortages of teachers, substitute teachers, bus drivers and support staff is of concern to every district in the state.
- Labor shortages are increasingly forcing school districts to compete with private employers to hire and retain staff.
- Some private employers have boosted employee compensation to recruit and retain employees in this tight labor market more effectively. School leaders need the permanent resources to address these critical workforce shortages as well.

District specific information / Potential questions:

- What positions are particularly hard to fill and what is your current number of vacancies?
- What barriers do you face in attracting and retaining staff?

ESSER FUNDS:

- With historic inflation and frozen revenue limits, many districts have been forced to use pandemic aid to cope with ongoing operating costs. As the ESSER funds expire there will be a large budget gap and fiscal cliff for those recurring operating expenses.
- ESSER III expires Sept 2024 - midway through next state budget.
- Due to the distribution method, not every district received the same amount of funding per student.

District specific information / Potential questions:

- What was the total allocation of ESSER funds your district received?
- Have you allocated all your ESSER funds in your budget?
- Were one-time federal dollars used solely for COVID mitigation or were they needed to balance your budget due to not receiving a revenue increase from the state budget?

READING:

- On March 3, 2023, a joint hearing of the Senate and Assembly Education Committees heard testimony from invited speakers on the topic of reading.
- The debate continues regarding the utilization of queuing techniques such as those developed by Lucy Calkins, Fountas and Pinnell, among others and the more research-based techniques based on the science of reading.
- Additional topics discussed by the committee included: high quality instructional materials, reading coaches and interventionists, moving to a universal reading screener.
- The need for sustainable professional development and in-service for educators to build skills in research based instructional methods was addressed by several speakers.

District specific information / Potential questions:

- What curriculum has your district selected?
- Provide details about the challenges of implementing a new curriculum successfully, including the investment of time and resources it takes.
- What additional supports do you currently offer and what barriers do you face to offering additional supports to struggling readers?
- Do you have a success story you can share or lessons you have learned?