



Key Budget Provisions for Schools

Here are brief highlights of the K-12 education budget signed into law by the governor:

- **Increases per pupil categorical aid by \$200 in 2017-18 and an additional \$204 in 2018-19.**

Districts will receive a total of \$654 per pupil in 2018-19. (These amounts are the increases the governor proposed and are in line with the WASB's Legislative Agenda.)

Lawmakers dropped the proposed requirement that each school district certify to DPI on an ongoing basis that employees of the school district will be required to pay at least 12 percent of all costs and payments associated with employee health care coverage plans in each school year or that each district distribute this aid equally to each district school based on its enrollment. Funding for this aid increase is not conditioned on the state converting its health care coverage for state employees to a self-insurance model as had been proposed by the governor. However, due to concerns about the sustainability of this increase, lawmakers decided \$24 of this per pupil increase would be one-time funding in 2018-19 and that per pupil aid payments would be set at \$630 per pupil in 2019-20 and annually thereafter.

- **Fully funds the sparsity aid program under current eligibility criteria and adds a "backstop" feature.** (Under current law, districts qualify for \$300 per pupil if, in the prior school year, they had an enrollment of less than 745 pupils and a population density of less than 10 pupils per square mile.) Under the new backstop feature, any district that qualified for sparsity aid in one year but did not qualify the following year would receive 50% of its prior year award in the year in which it became ineligible for sparsity aid.

No expansion of sparsity aid was provided in the 2017-19 budget. (The governor had proposed providing an additional \$100 per pupil to currently eligible districts and creating a new \$100 per pupil payment to "sparse" districts with an enrollment of less than 1,000 students; however, lawmakers did not adopt this proposal.)

- **Increases funding for the high-cost pupil transportation aid program by \$5.2 million per year, expands eligibility and adds a "backstop" feature.** (Currently, districts qualify for this aid if their pupil transportation costs per member exceed 150% of the statewide average in the prior year; and they have a pupil population density of 50 pupils per square mile or less. In 2015-16, 128 districts qualified for this aid.)

Under the budget act, the program will now apply to costs above 145% of the statewide average, rather than 150% as under current law. Under the new backstop feature, beginning in 2017-18, if a district qualified for high cost transportation aid in the immediately preceding school year but is ineligible for aid in the current school year because its transportation costs did not exceed the eligibility threshold, the district would receive an amount equal to 50% of its prior year award in the year in which it became ineligible under the program. (The governor had proposed increasing this aid. Seeking an increase in high-cost pupil transportation aid was an item in the WASB's Legislative Agenda.)

- **Increases the open enrollment aid transfer amount (\$6,738 per pupil for a non-special education pupil in 2016-17) by an additional \$100 per year each year from 2017-18 through 2020-21 above any increase provided under the current law indexing mechanism.** (Under indexing, the aid transfer amount per pupil in the previous year is increased by the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive.) (The governor had proposed no change in the open enrollment transfer amount.)
- **Provides \$6.25 million in 2018-19 for voluntary school mental health initiatives.** \$3 million will be provided through a new categorical aid to reimburse schools for their expenditures for school social workers and another \$3.25 million will be provided annually for community and mental health collaboration grants awarded through a competitive grant program established under DPI rules. These grants are for the purpose of collaborating with community mental health providers to provide mental health services to pupils. (The governor had proposed slightly smaller increases.)
(Supporting coordinated efforts to secure state grant funding to support school site-based mental health programs, supports and services in districts that wish to allow third-party providers to provide such services on-site was a part of the WASB Legislative Agenda.)
- **Allows schools to notify parents or guardians of their child's ordinary truancy by electronic communication.** (WASB Resolution 3.83 (a), adopted at the 2016 Delegate Assembly, calls for making this change.)

Key Vetoes:

- **As passed by the Legislature, the budget would have raised the low revenue ceiling (from the current \$9,100) to \$9,300 in 2017-18 and by \$100 each year thereafter until 2022-23.** Districts with per pupil revenue authority below the low revenue ceiling amount in any given school year could have increased their local property tax levy up to that amount without going to referendum. **However, the governor, who had proposed no increase on the low-revenue ceiling, vetoed this legislatively-added proposal citing property tax impact and the ability for districts to raise revenue locally by getting referendum approval.** (Seeking an increase in the low revenue ceiling was included in the WASB's Legislative Agenda.)
- **As passed by the Legislature the budget bill limits when school district referenda to exceed revenue limits or issue bonds can be held to only on regularly-scheduled election days (spring primary or election or partisan primary or general election) or on the second Tuesday of November in odd-numbered years; however, the odd-year November option was vetoed by the governor.** Under the provisions signed into law, school districts would be restricted to holding referenda on two dates per year. These scheduling restrictions apply to board resolutions adopted after January 1, 2018. Exceptions to the scheduling restrictions are provided in cases of natural disaster, including a fire, that causes the district to have to increase expenditures. (One of the promises secured by the three GOP holdout senators in exchange for their "yes" vote on the budget bill was a pledge by the governor to use his partial veto to eliminate the special election option in November of odd-numbered years, which he indeed did. and the governor did veto this option. These new restrictions on scheduling referenda only apply to board resolutions adopted after January 1, 2018.)

- **As passed by the Legislature, the budget bill would have preserved the revenue limit adjustment for energy efficiency projects, which the governor had proposed to eliminate, and provided instead for a one-year moratorium in calendar 2018 on new energy efficiency projects.** The moratorium would have prohibited districts from adopting a resolution to utilize the adjustment between January 1, 2018 and December 31, 2018. (Three GOP senators who had held out on supporting the budget changed their minds after securing promises from Gov. Scott Walker to use his partial veto authority to, among other things, eliminate the revenue limit adjustment for energy efficiency projects. **The Governor partially vetoed the moratorium provision in such a way that will prevent school districts that haven't already adopted such a resolution from being able to do so--and thus utilize this adjustment--for 1,000 years.**)

Some Budget Provisions the WASB Opposed

There were also numerous items in the budget act that the WASB opposed and asked the governor to veto. (Ultimately he did not veto these provisions). A brief summary of a few of those items follows. The budget bill as passed by the Legislature:

- **Increases the family income eligibility limits for entry into the statewide voucher program from 185 percent of the federal poverty level to 220 percent of the federal poverty level.** This increase in the income cap will allow an additional 550 incoming pupils to participate in the program in 2018-19 alone, with corresponding aid reductions to the resident public school districts. Thousands more pupils will qualify to participate in the statewide voucher program in years thereafter. No evidence was presented that these pupils cannot access enrollment options outside their neighborhood school or resident school district. The WASB opposes this change.
- **Dramatically expands payments to private and parochial schools that participate in the special needs voucher program that allows students with disabilities to receive a voucher to attend such schools.** The biggest and most objectionable change would startlingly increase the amount of state dollars that can flow to these private schools, funded by corresponding aid reductions to the public school districts where these pupils reside. This change creates what is essentially a “blank check” from the state to these schools with limited accountability in a program with no limits on family income eligibility. Other changes include eliminating the requirements that to enter this program a pupil with special needs must have been enrolled in a public school in the prior year (in order to receive an IEP) and must have applied for open enrollment to another public school district and have been turned down. The WASB opposes these changes.
- **Allows the Office of Educational Opportunity in the UW System and any UW Chancellor and any technical college district board to contract with a person to operate a charter school anywhere in the state.** These provisions create de facto statewide independent charter authorizers. Schools authorized under this provision would be funded by corresponding aid reductions to the public school districts in which pupils enrolled in these schools reside. The WASB opposes these changes.
- **Allows village boards within the Racine Unified School District to trigger the creation of a new school district with no opportunity for the RUSD Board to object or for RUSD residents to vote.** Per our resolutions the WASB opposes school district takeover proposals that remove district oversight from the local school board and also opposes creating school districts without the approval of the school board of the affected school district.

Editor's Note: You can keep up to date on budget happenings and everything else that is going on in Madison that affects K-12 education by following the WASB Legislative Update Blog and by reading the weekly WASB Legislative Newsletter.