July 1, 2019

The Honorable Tony Evers  
Governor of the State of Wisconsin  
Room 115 East, State Capitol  
Madison, Wisconsin

Dear Governor Evers,

I write you on behalf of the Wisconsin Association of School Boards (WASB), a statewide voluntary membership organization that represents all 421 locally elected public school boards in our state. Our association advocates in the best interests of our members, the local school districts they represent and the schoolchildren they serve.

We are concerned that the 2019-21 state budget bill, as passed by the Legislature, may not provide public school districts with an inflationary increase in spendable resources, particularly in the first year of the upcoming biennium (2019-20). This is due in part to the Legislature’s action to dramatically scale back the increases you proposed with respect to special education categorical aid.

To ameliorate this situation, I am writing to encourage you to use your partial veto authority to increase per pupil categorical aid payments to public school districts by $25 in 2019-20. This change to Section 1459 of the bill (described below) would help to ensure that public schools receive an increase in spendable resources that better keeps pace with inflation in both years of the 2019-21 biennium without any impact on property tax levies.

A one-year increase of $25 in per pupil aid payments above the level specified in the enrolled bill would provide an additional $17,459,200 to school districts in 2019-20 compared to the base funding level, according to estimates prepared by the non-partisan Legislative Fiscal Bureau. I note that per pupil categorical aid is funded from a sum sufficient appropriation (under s. 20.255 (2)(aq), Stats.) wherein the agency—in this case the Department of Public Instruction—may expend whatever funds are necessary to accomplish the particular statutorily-specified program purpose.

The partial veto to accomplish this is illustrated in the following paragraphs.

The current section in the enrolled Assembly Bill 56 reads as follows:

SECTION 1459. 115.437 (2) (a) of the statutes is amended to read: 115.437 (2) (a) Except as provided in par. (b), annually on the 4th Monday of March, the department shall pay to each school district an amount equal to the average of the number of pupils enrolled in the school district in the current and 2 preceding school years multiplied by $75 in the 2013–14 school year, by $150 in the 2014–15 and 2015–16 school years, by $250 in the 2016–17 school year, by $450 in the 2017–18 school year, by $654 in the 2018–19 school year, by $679 in the subsequent school year, and by $630 in each school year thereafter by $704. The department shall make the payments from the appropriation under s. 20.255 (2) (aq)
This section, as partially vetoed according to my suggestion, would read as follows:

**SECTION 1459.** 115.437 (2) (a) of the statutes is amended to read: 115.437 (2) (a) Except as provided in par. (b), annually on the 4th Monday of March, the department shall pay to each school district an amount equal to the average of the number of pupils enrolled in the school district in the current and 2 preceding school years multiplied by $75 in the 2013−14 school year, by $150 in the 2014−15 and 2015−16 school years, by $250 in the 2016−17 school year, by $450 in the 2017−18 school year, by $654 in the 2018−19 school year, by $679 in the subsequent school year, and by $630 in each school year thereafter by $704. The department shall make the payments from the appropriation under s. 20.255 (2) (aq).

The vetoed language is shown in red.

In addition, we also respectfully request that you consider using your partial veto authority to reduce (write down) the dollar amount of the transfer of federal e-rate funds in Section 9201 (1) of the enrolled budget bill to levels that are closer to those you recommended in the budget you proposed to lawmakers.

In the budget you presented to lawmakers, you recommended transferring $6.9 million in 2019-20 and $17.3 million in 2020-21 from DOA's federal e-rate aid appropriation to the state Universal Service Fund (USF) appropriation to be used for broadband expansion grants. The Legislature’s action increased the dollar amount of this transfer of funds to $22 million in each year of the biennium and allocated an identical amount of USF funded broadband expansion grants in each year.

Federal e-rate funds are provided to the state to reimburse eligible expenses and are utilized for: (a) administration of the educational telecommunications access program, known as TEACH; (b) principal, interest, and rebate reimbursements related to financing educational technology infrastructure assistance to schools and public library boards; (c) payments to telecommunications providers that provide services to educational agencies eligible for rate discounts; and (d) other payments to eligible educational agencies to cover the costs of data lines, video links, and bandwidth access.

It is our understanding that the reason this transfer was even possible is that the state has accumulated a surplus or “rainy day account” of e-rate funds in anticipation of a day when federal e-rate funds might be reduced. We fear that day may be upon us. The Federal Communications Commission (FCC) recently proposed an overall cap on federal USF revenues from which federal e-rate payments are provided as well as a specific sub-cap on USF allocations to the e-rate program. This proposed cap likely could reduce the amount of e-rate funds our state will receive in the future.

We believe that a prudent course would be to use a write-down veto to reduce the size of the transfer in Section 9201 (1) of the enrolled bill so that some additional e-rate funds can be stored in the DOA’s federal e-rate aid appropriation at least until the impact of the proposed federal cap on e-rate allocations to states can be determined.

Thank you in advance for your consideration of these requests. Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Dan Rossmiller
Government Relations Director
Wisconsin Association of School Boards