

Senate Education Committee Testimony for SB 280
November 28, 2001
Debra Towns, School Finance Consultant
Department of Public Instruction

Thank you, Chairman Grobschmidt and members of the Senate Education Committee for the opportunity to testify in support of Senate Bill 280. As you know, this bill would allow an exemption to a school district's revenue limit equal to the difference between the handicapped education categorical aid it receives and the school district's handicapped education costs. My name is Debra Towns and I serve our public schools as a finance consultant at the Department of Public Instruction.

Currently, a school district is eligible to receive categorical state aid to offset handicapped education costs. In the 2001-2002 school year districts will receive handicapped aid that covers approximately 35% of prior year special education program costs. This percentage of aid is about one half of what it once was.

It is estimated that in 2002-2003, total eligible special education costs will exceed \$1 billion. WI Act 16, however, appropriates approximately \$315.7 million for special education categorical aid. Given the projected increase in costs, the reimbursement rate in the second year of the current biennium will be prorated at approximately 29 percent.

In 2002-2003, the difference between cost and reimbursement will be approximately \$737.9 million. Under SB 280, local school districts would be able to add this amount as a revenue cap exemption to local property taxes if the local board chose to exercise this exemption. In the following year, and assuming the continuation of two-thirds funding, and that all districts exercised the full exemption, the state would provide an additional \$492 million, or two-thirds of the previous year's local cost. One-third of this amount (\$246 million) would remain on the local tax levies.

The Department very much appreciates that the authors of this bill are aware of the disparity between special education expenses and the current level of funding. We support their efforts to provide school districts with the resources needed to educate handicapped children. Traditionally, the Department has supported efforts to allow for exemptions to the revenue limit calculation. We support this exemption as well.

We know that adequately funding the educational needs of students with disabilities is a daunting challenge. The truth of the matter is that almost any solution will involve an increased commitment of dollars. Implementation of SB280 will clearly have a fiscal impact on both the state and local taxpayer.

The Department sees firsthand and understands how districts struggle to meet the extraordinary costs of children with special needs. We appreciate the fact that the authors of this bill are trying to find ways to address the challenge. It is what we had in mind when, as a part of our most recent biennial budget request, we suggested the state assume a larger share of the costs of high cost, special needs children, and when we proposed raising the level of categorical aid. We believed then, and now, that either of these proposals, would significantly improve the funding conditions for special needs children. We believe SB 280 would also provide significant assistance. In view of the standard established in the most recent Wisconsin Supreme Court school finance decision (which speaks most directly about our responsibility to disabled and other disadvantaged students) we are especially mindful of the court's admonition to provide "sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the constitution." While we accept the court's opinion that our school finance system is constitutional, we are concerned that we have not kept faith with the needs of students with disabilities.

Again, thank you Chairman Grobschmidt and members of the committee for the opportunity to testify today. I would be happy to answer any questions you may have at this time.

WISCONSIN EDUCATION ASSOCIATION COUNCIL

Affiliated with the National Education Association

*Every kid
deserves a
Great School!*

Memorandum

TO: Senate Committee on Education
FROM: Wisconsin Education Association Council
DATE: November 28, 2001
RE: Support Senate Bill 280

The Wisconsin Education Association Council supports Senate Bill 280, which increases a school district's revenue limit by a portion of the school district's special education costs.

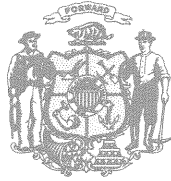
Even though both federal and state laws mandate schools to provide special education, the programs are severely under-funded. While the state and federal governments have not met their funding commitment for the past decade, the number of children in need of special education has increased dramatically.

This problem is made worse by revenue caps. Aids received for special education fall outside the revenue caps. When the state reduces these aids, it forces school districts to allocate dollars for special education programs from general education programs that fall under the revenue caps.

Senate Bill 280 will allow school districts to raise funds outside the revenue caps to pay their share of costs for special education and stop the current situation where school districts are forced to choose between special education and regular education programs.

The Wisconsin Education Association Council encourages you to support Senate Bill 280.

Stan Johnson, President
Michael A. Butera, Executive Director



KIMBERLY M. PLACHE

STATE SENATOR • TWENTY FIRST SENATE DISTRICT
November 28, 2001

TO: Senator Rick Grobschmidt and members of the Senate
Committee on Education

FR: Senator Kimberly Plache

RE: Senate Bill 280

The Problem

Federal and state mandates require local school districts to fund special education. While special education costs continue to increase, state and federal aids have not kept pace with these costs. Current law provides school districts with categorical state aid for special education. That aid is distributed according to a formula. When funds are insufficient to pay the full amount authorized, the aid is prorated. Then, everyone gets less funding, yet the mandates to fund special education remain. With revenue limits, this creates a situation which pits special education students, parents and teachers against general education students, parents and teachers.

The Solution

Local school boards of education need the flexibility to allow them to decide to fund the special education needs of their own district.

Senate Bill 280

This bill would allow local school boards of education to vote to exceed their revenue limit to cover the difference between the amount of funding the district is eligible to receive under the categorical aid formula and the amount the school district actually receives.

Bipartisan Support

Senate Bill 280 is cosponsored by both Republicans and Democrats.



WISCONSIN COALITION FOR ADVOCACY

THE PROTECTION AND ADVOCACY SYSTEM FOR PEOPLE WITH DISABILITIES

TESTIMONY IN FAVOR OF SB 280

by

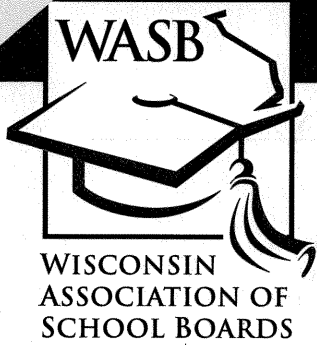
Jeffrey Spitzer-Resnick
Managing Attorney

As the legislature failed to increase appropriations to special education through categorical aids in the 2001-2003 biennial budget, passage of SB 280 would provide much needed relief to parents, students and school districts who face rising state and federally mandated special education costs, and revenue limits, under current law. Under current law, state support of special education costs will drop below 30% by 2003. Even with recently increased federal support for special education costs, local school districts must still bear over one-half the burden of state and federally mandated special education costs.

The current environment creates a number of untenable situations at the local level. For school districts which take state and federal mandates to provide a free appropriate public education (FAPE) for all students with disabilities seriously, those districts must, due to state imposed revenue limits, fund required special education programs by cutting regular education programs. Of course, this hurts all students, including those with disabilities, as all students have access to those regular education programs which are regularly put on the chopping block, such as, music, art and sports programs. Worse yet, this robbing Peter to pay Paul system created by the state legislature, engenders hostility between parents of regular and special education students, and between regular and special educators.

Of course, there are other school districts who choose another unfortunate strategy when faced with this funding crisis. Those districts which do not want to cut any regular education costs, but face increasing special education costs, simply fail to provide all their special education students with state and federally mandated FAPE. In addition to the obvious negative results for children with disabilities which this strategy engenders, it also increases the number of cases which are litigated as such a strategy violates children's rights under both state and federal law. Quite simply, the state legislature should be in the business of helping its citizens avoid litigation, rather than increasing its likelihood.

In sum, the Wisconsin Coalition for Advocacy (WCA), as Wisconsin's designated protection and advocacy agency which advocates on behalf of people with disabilities throughout our state, urges the Senate Education Committee to provide local districts with revenue limit relief by promptly passing SB 280, in order to redress the current funding crisis which has been created by the legislature. As always, please feel free to contact me regarding this bill or any other matter which impact upon special education in Wisconsin.



122 W. WASHINGTON AVENUE, MADISON, WI 53703
PHONE: 608-257-2622 • FAX: 608-257-8386

KEN COLE, EXECUTIVE DIRECTOR

To: Senate Committee on Education
Fr: Annette Talis, legislative services coordinator
Re: SB 280—Special Education
Dt: Nov. 28, 2001

The WASB supports Senate Bill 280 and commends Sen. Kim Plache for her leadership on this issue for the following reasons:

- Under the Individuals with Disabilities Education Act (IDEA), the federal government initially agreed to pay 40 percent of the excess costs incurred by school districts for the education of children with disabilities.
- In Wisconsin, the state initially committed to paying 70 percent of the remaining excess costs for children with disabilities.
- Nationwide, through special education grants to states, the federal government currently funds approximately 10 percent of the excess costs related to children with disabilities.
- Districts currently receive from the state less than 35 percent of the excess costs for children with disabilities. The amount eroded as a result of the 2001-03 biennial budget because special education did not receive an increase to the base. This is in contrast to the former statutory reimbursement rates 63 percent and 51 for various types of services.
- Wisconsin Act 27 (1995) established a School-Based Services Benefit, which allows school districts in Wisconsin to seek Medicaid coverage for certain services rendered to Medicaid eligible students in accordance with Part B of IDEA. Through this benefit, participating school districts receive about 36 cents for every dollar of eligible costs. This approximate reimbursement rate is the result of statutory provisions that allow the state to collect 40 percent of Medicaid benefits paid for school-based services. Personnel at the Wisconsin Department of Health and Family Services speculate that the School-Based Services Benefit is under-utilized. Some schools make no claims through this program. Likewise, few districts make claims for psychological or social work services. In addition, many do not make claims for transportation costs. One

reason school districts do not fully utilize the School-Based Services Medicaid benefit is the paperwork and documentation of services required to make claims under this program.

- Under revenue limits, the increasing costs to fund special education services are coming at the expense of other educational programs.
- Shifting state funds from the equalization aid appropriation into the categorical aid appropriation could be viewed by some school officials as having a disequalizing effect on the distribution of state aid to schools. But a revenue limit exemption as proposed by SB 280 balances that in a manner that preserves the equity of the school aid formula.
- The WASB also supports full state payment of the costs for students in the low incidence disabilities categories.

Special education programs are vital to the success of many students in public schools.

I would like to add that the WASB, representing local public policymakers, recognizes the financial shortfalls associated with special education, but also has been seeking a meaningful discussion of programmatic reform that will ensure that these dollars are serving the goal of raising student achievement. Moreover, the WASB recognizes that many current efforts to reform school funding will likely make changes to special education funding. These changes should not be made without considering the ramifications on disabled students and academic programs. In addition, while the WASB supports the principles of the IDEA because this act has achieved major goals in serving disabled children, many of whom had been excluded from public education, serious problems have been encountered with this law as it has been interpreted over time. It is time for both federal government and the state to review these laws and funding mechanisms. Neither discussion can occur in a vacuum. We are therefore seeking a bipartisan Legislative Council Study Committee on special education that includes a discussion of both funding and programming for these students.

Vote Record

Senate - Committee on Education

Date: 1-9-02
 Moved by: Jauch Seconded by: Robson
 AB: _____ SB: 2B0 Clearinghouse Rule: _____
 AJR: _____ SJR: _____ Appointment: _____
 AR: _____ SR: _____ Other: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
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- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection
 - Indefinite Postponement
 - Tabling
 - Concurrence
 - Nonconcurrence
 - Confirmation

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Sen. Richard Grobschmidt, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Robert Jauch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Kevin Shibilski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Jim Baumgart	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Judith Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carol Roessler	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Alberta Darling	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mary Lazich	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Sheila Harsdorf	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ted Kanavas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Moen, Lisa

From: Richards, Mike
Sent: Tuesday, January 08, 2002 4:48 PM
To: Moen, Lisa
Subject: FW: Senate Education

He is also in favor of the substitute amendment dealing with SB 300

-----Original Message-----

From: Richards, Mike
Sent: Tuesday, January 08, 2002 4:47 PM
To: Moen, Lisa
Subject: Senate Education

Lisa--

As you know my boss, Senator Ted Kanavas, will not be attending the meeting.....

He has informed me that he is:

In favor of the nomination of Mary Anne Moore-Church

Against SB 100

Against SB 314

In favor of AB 492

Against SB 280

IN favor of of SB 300

In favor of SB 302

Any questions let me know--are we going to have a quorum tomorrow?

Michael Richards
Aide to Senator Ted Kanavas