

Testimony to the Schools Funding Study Committee

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Thank you for the opportunity to address the issues extent in the school funding debate. John F. Kennedy coined the phrase "A Rising Tide Raises All Boats". This proposal to uses this concept to address the school funding issue. It allows us to bypass the argument that any change in the formula will have winners and losers. Instead, in this proposal all schools and school children would be net winners.

In the late 70s, I was a special education director in Stevens Point. At that time, approved special education costs were reimbursed at a 70% level, in the following year. Soon after, a political deal was struck that allowed that 70% to drop to 68% then to 63%. Today that reimbursement is only 28.6% of approved costs. For high cost students there are some additional federal funds, but even together, these allocations do not even come close to paying for the state portion of the costs of this mandated program.

To address this issue, I am proposing that this legislative council recommend raising the reimbursement from 28.6% to 40% in the next biennium and in the following two year budget to 50%.

The present annual cost of reimbursement in 2006-07 (based on DPI numbers) is \$332,771,600. Increasing the reimbursement to 40% in the coming biennium would cost about \$ 286,562,477 and the remaining 10% increase would cost \$270,341,960 in 2009-11.

So, you ask, where would we find the money to fund this proposal? I suspect that there are a large number of present sales tax exemptions that if eliminated, could give the legislature significant funds to address this shortfall. A recent estimate developed by the Legislative Fiscal Bureau estimates about \$600,000,000 a year would be available without taxing food, medicine and other basic needs.

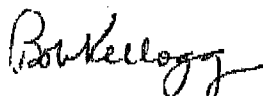
What would this infusion of added money do for local budgets? For starters, we would stop the cannibalization of the regular classroom budget. Presently, because special education is a mandate, there is needed funding for programs, it comes from

the portion of the school budget not subjected to mandates. This makes for winners and losers, locally. It might even provide property tax relief.

In addition, the change would be easily implemented because the system presently in place and working well would just be given more aid to distribute. The costs for the change would also be minimal. Finally, the state would have increased funding for all children without the need for costly negotiations over how, what and who any change in the formula would require. It is simple and easy to implement and it helps all of us address some critical issues in school funding.

If the committee would like, I would be happy to appear at a future session to respond to questions and to support this proposal, further.

Respectfully Submitted



Dr. Bob Kellogg