

Memorandum

December 9, 2003

To: Governor's Task Force on Educational Excellence

From: Joint Legislative Committee, School District of Janesville – Commissioner Virginia Wyss and JEA President David Parr, Co-chairs.

Re. Testimony re. PK-12 public education funding reform in Wisconsin

Having worked on the PK-12 public education funding issue since January 1998, we have a great deal of empathy for you as members of the Governor's Task Force on Educational Excellence.

While we have studied the entire spectrum of issues as you are doing, we have chosen to focus attention on the very critical issue of funding the IDEA – Special Education expenses for local school districts to provide a more reasonable fiscal situation for quality educational programming and budgeting in Wisconsin.

The bottom line of our testimony to you is:

- 1. Fully reimburse local school districts at 100% for IDEA – Special Education expenses with combined federal and state dollars.**
- 2. Prioritize the full (100%) reimbursement for HIGH COST, LOW INCIDENCE expenses under IDEA – Special Education mandates.**

The Joint Legislative Committee of our local school district was created in the Janesville Education Association (JEA) and District contract settlement in December 1997 and ratified by both the Board of Education and the JEA. Members were appointed representing the JEA, Board, Administration and community (e.g., UAW Local #95, Forward Janesville). Very soon after organization, the Committee added to the diversity of its membership, with approval of the Board and JEA, by including students and parents. The Committee worked deliberately to identify the key issues of PK-12 public education funding in Wisconsin and issued its report in September, 1998.

The Committee identified FOUR (4) crucial issues in the report:

1. The Revenue Cap does not allow local school districts to keep pace with basic underlying costs. In reality this means that sooner or later individual school districts will have inadequate money to fund even the basic needs of each district including educational programming, unfunded state and federal mandates and facility maintenance.
2. Unfunded mandates from state and federal governments continue and increase. Costs associated with these mandates require use of limited revenues forcing school districts to reduce or curtail local programs to meet local unmandated programs designed to meet local needs. This creates significant problems for a school district trying to maintain excellent educational programs and forces an increase in class size and a reduction of instructional materials.

3. An absence of funding based on the needs of students persists without recognition of the diversity of needs among local school districts. The Revenue Cap does not provide the additional resources necessary to fund the needs of Special Education Students (Exceptional Educational Needs as defined by the federal IDEA law). By having to fund the needs of EEN students as mandated by state and federal laws, the district is forced to reduce or curtail programs to meet special social or economic needs in a specific district or meet the needs of Talented & Gifted students in various enrichment programs (for example, Advanced Placement classes). A further consequence is that there is significantly less money to adequately provide for the education of the "average" student.

This shortage has to be covered within the Revenue Cap, taking funding away from other important, but unmandated programs.

4. Districts which fail to levy to the maximum are penalized because unlevied dollars cannot be fully recovered in future years. Presently there exists a disincentive for school districts. If a district does not levy up to the maximum amount that can be levied by law, that district is penalized. In other words, a school district has no reason to levy less than the maximum amount allowed by law or that district will be forever penalized in future years and can never fully regain that amount of money which was lost.

The Committee then identified three (3) actions which it recommended the State of Wisconsin needed to take as a start to resolve the critical issues the Committee had identified:

1. The State must fully fund commitments of reimbursement to local school districts.
2. The State must fully fund state educational mandates - review, repeal and revise unfunded mandates. Examples: Review/repeal: No social promotion law. Revise and FULLY fund: IDEA law and regulations.
3. The State must return local control to School Boards.

Since September 1998, the Committee has advocated these recommendations. The Committee has testified at legislative hearings and presented reports to various local community groups and organizations, including Forward Janesville (the local economic development organization) as well as state groups and organizations, including WASDA Political Seminar, WEAC Convention and the Wisconsin-PTA Convention. The three (3) ACTION recommendations are still valid from the perspective of the Committee.

We trust that the Task Force will strongly consider the four (4) critical issues identified by the Committee and consider the ACTION recommendations.

- more -

For the purpose of this testimony, we have chosen to focus on the critical issue and action recommendation which we believe is of HIGHEST PRIORITY to deal with the REAL EDUCATIONAL and FISCAL situation in WISCONSIN: FUNDING of the UNfunded portion of the IDEA – SPECIAL EDUCATION MANDATES – both federal and state.

To put the significance of this situation in focus, let us report to you that for the 2002-03 fiscal school year, our School District of Janesville had to fund \$4,501,546 from its general fund for IDEA – Special Education mandated services which were NOT reimbursed by either the federal or state government. To be sure that you understand that this is a HARD number, let us attest that ALL federal and state reimbursements for IDEA – Special Education costs have been subtracted from our GROSS costs. Additionally, we have calculated the Wisconsin Equalization Aid received to calculate the NET amount which we deducted from our general fund which pays for all of the educational programs and services for ALL students in the School District of Janesville. Our 2002-03 shared cost for equalization aid purposes was \$84,326,741 - this Unfunded mandate cost 5.3% of the shared cost amount. We are committed to serving ALL of the children and youth of the School District of Janesville. We are committed to providing appropriately and adequately for ALL students, including IDEA – Special Education students, TAG students, ELL! The failure of the federal government to meet its own pledge/commitment of 40% with only about 18% being reimbursed now is compounded by the dramatic change of Wisconsin's own pledge/commitment from 63% stated in state law to no pledge/commitment in state law and declining state aid for IDEA – Special Education costs year-by-year down to about 37% since the implementation of the state revenue limit AND compounded by the state revenue limit has made the reimbursement for IDEA – Special Education costs a very demanding cost in local school district budgets.

We urge the Task Force to focus on providing for full (100%) reimbursement for IDEA – Special Education expenses to local school districts from the federal and state governments.

This would include full reimbursement for students in the LOW INCIDENCE-HIGH COST group. For your information, we are attaching with this testimony a report on the LOW INCIDENCE-HIGH COST students in our School District of Janesville. This report has the latest numbers available at this date. We will, however, send updated numbers to you early in 2004 when the new numbers for the 2003-04 school year are finalized for the report to the Wisconsin Department of Public Instruction.

Looking at the IDEA – Special Education expense situation, if priorities must be set under the IDEA – Special Education reimbursement schedule, we would urge that reimbursement of LOW INCIDENCE-HIGH COST students be top priority with reimbursement of remaining IDEA – Special Education costs the next priority. The reason for this is that the LOW INCIDENCE-HIGH COST part of IDEA – Special Education expense has been soaring in recent years. It is important to underscore for you the reality that those soaring costs have not been due to local school district actions, but rather from outside developments. For example, the Waisman Center at University of Wisconsin Hospitals has become a center dealing with autism which has gained worldwide attention and draws patients from everywhere. That has led to very large increases in the number of students in the School District of Madison and surrounding districts with the impairment of autism, including our own School District of Janesville. Specifically for our School District of Janesville, our number soared from 2 students in the area of autism in 1993 to 28 students in 2003. That is a **1300%** increase. With the average expenses for students with the impairment of autism \$38,000, you readily recognize the fiscal impact and problem. Again, the School District of Janesville has made a strong commitment to providing adequate and appropriate educational programs for these students along with ALL students. We do NOT raise an issue as to provision fulfilling the IDEA – Special Education mandates of the federal and state governments. Our issue is

- more -

how these services are to be funded. We assert that it is not possible to adequately fund these services at the local level. We urge you, the Task Force, to include in your plan the funding of these services by the federal and state governments.

THANK YOU for reading and considering our testimony. If any member or staffer of the Task Force wishes additional information and/or has questions, please contact us through our Superintendent, Dr. Tom Evert – Phone: (608) 743-5050 or E-mail: tevert@janesville.k12.wi.us. We can assure you that we will be forthcoming with information and responses.

Respectfully and Earnestly!

Joint Legislative Committee, School District of Janesville

Virginia Wyss

David Parr

Co-chairs

Member, Board of Education

President, Janesville Education Association