

To: Members, Joint Committee on Finance  
From: Terri Phillips, Executive Director for the Southeastern Wisconsin Schools Alliance (SWSA)  
Date: April 28, 2021  
Re: Testimony for the Joint Finance Committee Virtual Hearing

Members of the Joint Finance Committee, thank you for taking the time to engage in critical conversations focused on financing education in the State of Wisconsin.

My name is Terri Phillips and I am the Executive Director for the Southeastern Wisconsin Schools Alliance, also known as the SWSA. I represent 31 public school districts in Southeastern Wisconsin who educate roughly 25% of the public school students in Wisconsin.

Our school districts have been working tirelessly to continue to provide students with a high quality education while ensuring that kids and staff stay safe during a global pandemic.

The SWSA would like to highlight areas of the budget that we ask you to consider. These issues are not only part of Governor Evers' budget, but also key recommendations from the legislature's Joint Blue Ribbon Commission Task Force on School Funding.

**Key Issue: We support an increase in the Special Education Reimbursement rate to 60%.**

### Background

- Our districts are committed to providing a first rate education for all students; and in the context of special education, we devote significant amounts of our revenue to support special education students.
- Every student who receives special education services is covered by the Individuals with Disabilities Act (IDEA). **Public school districts are mandated by federal law (IDEA) to provide special education services to students with disabilities.**
- The current reimbursement rate from the State of Wisconsin is well below the level necessary to cover the required special education costs to meet the programs and services required in our special education student's IEP.
- We thank you for the increase to 30% in the last biennial budget; however, in reality, we are only receiving a 28% reimbursement rate at this time. **The reimbursement rate is inadequate and covers barely 28% of eligible expenses.**
- During the 2019-2020 school year, school districts across the state had to cover over \$1.2 Billion in expenses for special education children.
  - Of that \$1.2 Billion, SWSA districts reported \$465M in special education expenses that are considered "aidable". Of the \$465M, the state reimbursed our districts only \$130M. **Let me say that one more time, \$465M in costs, reimbursed \$130M.**
  - Our districts must transfer millions of dollars to cover the expenses that are not reimbursed. The hard reality is that this results in redacted opportunities for regular education students in order to pay for services to support our most vulnerable kids. We shouldn't have to be making those choices, **we should be reimbursed for the expenses for these special education children.**
  - I've heard some of the Joint Finance Committee members and other legislators say the state can't possibly afford to increase the reimbursement rate to 60%. My question to you today is, who do you think is paying for the costs to educate these students with disabilities right now?

- The fact remains; local school districts are currently paying these costs with their general education funds and having to make enormous programming changes for the rest of the children in order to do so.

**The result of increasing the special education reimbursement rate**

- Increasing the Special Education reimbursement rate means districts do not have to cover the remaining costs from their general funds and this will provide ALL kids with more opportunities.
- The suggested programming ideas that members of our JFC suggested to the State Superintendents such as gifted and talented programming, AP classes, and other opportunities for kids could become a reality. Each school district and community could determine their own needs.

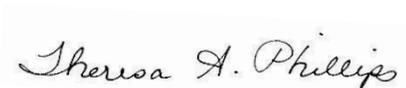
**Finally, SWSA urges the Joint Finance Committee to also consider other areas of support including:**

1. An increase in general revenues to provide the necessary predictable, spendable, and equitable resources that invest in enhancing and expanding opportunities for children. These increases should at least match inflationary increases in school costs.
  - a. I urge you not to assume that **one-time** federal stimulus dollars can be used to support operation expenses in a school district.
  - b. The federal stimulus dollars are targeted to support Covid mitigation expenses and provide learning disruption support to children.
  - c. They are not meant to be factored into daily operational expenditures.
2. Allow districts to use their 2019-2020 pupil counts or their actual 2020-2021 (whichever is larger) in determining general aid and revenue limits (mitigating the Covid-19 impact).
3. An increase in resources to support school-based mental health services and continue to provide resources for community partnerships to support mental health services for children.

You may ask which one of these priorities we would rather have? My answer is that we would request you consider them all. Wisconsin should support students with disabilities as well as all general education students. Quite frankly, our children, who are the future Wisconsin workforce, deserve it.

We greatly appreciate you taking the time to meet with us and the opportunity to share our requests. The members of the SWSA are always happy to discuss policy decisions and how they impact our kids and future workforce.

Sincerely,



Terri Phillips, SWSA Executive Director