

April 21, 2021

Thank you for the opportunity to provide feedback and comment on the 2021-2023 biennial budget. The Governor's budget demonstrates that K-12 education is a priority for the state of Wisconsin. We will speak to the following items in our testimony today: revenue limit impact, special education funding, private school vouchers and finally, the declining enrollment exemption.

Revenue Limit Impact

The Eau Claire Area School District is the eighth largest school district in the state, and we currently spend below the state average. When revenue limits were implemented in 1993, Eau Claire was a low-spending district and continues to experience negative effects of being fiscally responsible at that time.

From 2019 data, our revenue limit per member is ranked 258 out of 421 Wisconsin school districts. Our revenue limit per pupil is \$ 243 per member less than the state average. If our revenue limit were at the state average, we would add \$2.7 million to benefit all students. In a district the size of Eau Claire, this is a tremendous opportunity for our students.

We were appreciative of the previous biennium budget that included a per member change of \$175 in 2019-20 and \$179 in 2020-21 per student. This provided almost \$2 million of additional revenue for educating our students each year. We request the joint finance committee support the \$200 per pupil general revenue increase, as proposed by Governor Evers.

Special Education Funding

While we appreciate plans to increase special education categorical aid, this method alone does not impact our ability to grow the revenue limit to keep up with costs of running a school district. Categorical aid is usually tied to costs incurred and not tied to the number of students we have, and therefore does not have the same impact as growing the revenue limit. The increase in categorical aid fluctuates as the costs do.

As specific costs increase, categorical aid assists in offsetting some of the burden on local taxpayers, but increased costs impact the taxpayer more directly. For example, as special education costs increase, additional categorical aid is helpful. However, the taxpayer is responsible for more of the increase since ECASD only receives a small percentage of the total cost increase as part of the aid reimbursement.

Special education categorical aid is estimated at 28% of total special education costs in fiscal year 2021; in contrast, the state funds the Special Needs Scholarship Program in private schools at a minimum of 90%. If public schools' special education costs were funded at the same level as the Special Needs Scholarship Program, ECASD would have almost \$16M more to provide additional opportunities for all students.

If special education costs for public schools were funded at only 50% as proposed in Governor Evers' budget, that would provide the flexibility of an additional \$3.5M for ECASD. This proposal would allow previously designated special education funds to be utilized for programs outside special education, benefiting all students.

Private School Vouchers

In the current school year, ECASD levied over one million dollars for private school vouchers. This is in addition to other funds that we provide to the private schools. For example, we provide Title 1 services, transportation and other special education services. Combining all these costs, ECASD spends nearly \$2 million of taxpayer money to fund private education, including religious instruction. This amount grows annually.

This is an ongoing concern where public tax dollars are used to pay for others' personal, private decisions, negatively impacting the funding and support for our own public-school students. These private schools certainly do not have the same level of accountability as public schools.

Declining Enrollment Exemption

This year most school districts lost students because of COVID-19, and ECASD was no exception. Our district did not have a choice to provide 5-day in person learning, due to compliance with county health orders and CDC guidelines. This significantly impacted our FTE and "open-enrollment out" numbers. This year, we lost 446 students compared to last year.

Using the three-year average, our district lost 64 students, qualifying the district for the declining enrollment exemption. This allowed ECASD to levy \$653,052 to keep our revenue limit the same as it was based upon the previous three-year average. If that were not an option, the board would have adopted a budget deficit that was \$653,052 more than planned.

Prior to this year, ECASD had been a growing district which had seen an increase in students for the past several years. We must be given relief for the loss of students due to this situation which was out of the district's control. This is another example of how students could face unintentional consequences due to the pandemic.

Our students are the future of our community and our economy. It is critical that the items proposed in the budget are supported to provide the high-quality education our communities expect, and our students and families deserve. Thank you for your support and dedication to the children of the Eau Claire Area School District.

Sincerely,

Mike Johnson
Superintendent