School Administrators Alliance
Representing the Interests of Wisconsin School Children

2025–27 SAA Budget Priorities

Special Education

SAA appreciates the Governor advocating for a significant investment in Special Education Funding. SAA is seeking a **60% reimbursement** of aidable costs. This approach seeks to strike a balance by providing flexible, spendable revenue for all school districts, ensuring they have adequate resources to support students with special needs. Additionally, the SAA is requesting that special education funding be structured as "**sum sufficient**". This shift would allow school districts to be more responsive to the fluctuating demands and costs.

The history and context surrounding special education funding in Wisconsin highlights the ongoing challenges faced by school districts:

- **Frozen Funding (2009-2019)**: The special education categorical aid appropriation was stuck at $369 million for a decade before the 2019-21 increase.
- **2019-21 Budget Increase**: The state budget increased the appropriation from $369 million to $450 million, marking a notable rise after years of stagnation.
- **2022-2023 Budget Increase**: The legislature only provided incremental funding boosts—around $18 million in FY22 and $68 million in FY23—bringing the total to approximately $518 million.
- **2023-25 State Budget Challenges**: Although the budget aimed to bring the reimbursement rate to 33% for FY24 and FY25, current estimates suggest the reimbursement rate to be 32.4% due to rising reimbursement claims.
- **Funding Gap**: Wisconsin school districts are still collectively transferring over $1 billion annually from their general funds to cover the gap between mandated special education costs and state funding.
- **Recommendations and Requests for 60% Reimbursement**: The 2018 Blue Ribbon Commission recommended raising the reimbursement rate to 60%, as the Governor has.

These factors underscore the urgency behind the SAA's push for a 60% reimbursement rate and a sum sufficient funding model to ensure school districts can meet their special education obligations without straining general funds.

General Spending Authority

SAA members strongly support general revenue increases for school districts be adjusted to account for inflation, ensuring that the financial needs of students are adequately met. Flexible and spendable revenue is crucial for school districts, allowing them to effectively address diverse needs. To achieve this, the SAA suggests a combination of funding approaches, including both revenue limit/general aid and per pupil categorical aid, which would offer districts more versatility in managing resources. This balanced funding approach would help meet the needs of all school districts, regardless of their size or financial situation, ensuring they have the necessary resources to provide quality education.

The SAA has been advocating for inflationary increases in general revenue for school districts since the 2013-15 State Budget cycle. It is important to note that inflationary requests are calculated using the same formula that is used by WERC and Legislative Fiscal Bureau to make their estimates. The bipartisan Blue-Ribbon Commission also used the same calculation when making their recommendations.

This approach balances the varying financial realities and preferences of school districts while ensuring that funding increases are flexible. The state budget should prioritize predictable, flexible, and spendable revenue limit increases that are responsive to inflation. This approach should also include an increase to the per pupil categorical aid, which did not receive an increase in the last budget and remains at $742 per pupil.

SAA recommends an increase in general spending authority:

a. Revenue limit beyond $325 per pupil to $415 (+$90) and $430 (+$105)
b. $100 in each year for per pupil aid

Building a Strong School Workforce

Addressing the teacher shortage in Wisconsin will indeed require a multifaceted approach, and the State Budget can play a pivotal role in supporting districts by providing flexible revenue and funding initiatives that make the teaching profession more attractive and financially sustainable for both current and future educators. Investments in attracting and retaining outstanding educators should include supporting student and cooperating teachers, removing barriers on the pathway to the profession, replicating the privately funded UW Madison Wisconsin Pledge Program and growing the presence of Educators Rising in schools across the state to strengthen the future pipeline.

Closing the Revenue Limit Gap

The SAA supports raising the low revenue limit to help close the funding gap. Low-revenue districts often struggle to provide the same level of educational services as their neighboring districts in some cases. A steadily improving low revenue ceiling policy is an important part of ensuring equitable resources for all children no matter where they live.

Points to Consider:

- The low revenue ceiling, established in 1995-96, allows districts to increase their per pupil revenues up to a state-determined level per pupil without districts having to go to referendum.
- In the 2023-25 budget districts that were still below $11,000 after the application of the $325 per pupil adjustment were able to raise their revenue limit to $11,000 in FY24.
- The statewide average base revenue per pupil going into 2024-25 is $11,554. The minimum revenue limit is $10,347 and the maximum is $24,949.
- Many low-revenue districts have had to pass referendums to exceed revenue limits to maintain services or cover increasing costs. Raising the low revenue limit statewide can reduce the need for districts to go to voters for additional funding, providing more stability and predictability.