Speaker: Stephen Seyfer
District Administrator
Gibraltar Area Schools
Fish Creek, WI 54212
sseyfer@gibraltar.k12.wi.us

Good morning Senator Lehman and members of the committee. I am Stephen Seyfer, district administrator of the Gibraltar Area Schools in Fish Creek.

In the past, I have spoken in this state house about the effects of one size fits all financing policies upon small, rural schools with declining enrollment, sparse population, and seasonal economies. As politely as those words have been heard, they have had no effect. While there continue to be real differences between metropolitan and northern tier school districts, they grow more alike than different – they all are losing their financial sustainability.

Instead of reciting a litany of facts today, I will present a brief allegory.

Captain Edward J. Smith
Chief Officer Henry T. Wilde
First Officer William Murdoch
Second Officer Charles H. Lightoller
Third Officer Herbert Pitman
Fourth Officer Joseph Boxhall
Fifth Officer Harold Lowe

Governor James Doyle
Senator Fred Risser
Senator Russ Decker
Senator Scott Fitzgerald
Assemblyman Michael Huebsch
Assemblyman Jeff Fitzgerald
Assemblyman James Kreuser

Each of these names is responsible for the safety and welfare of the souls aboard the great ships they were or have been assigned to sail. One ship was the RMS Titanic and the other is the Good Ship Wisconsin Public Education.

In April, 1912, the Titanic set sail into a field of icebergs and delivered more to 1,000 souls to their deaths in the north Atlantic. Captain Smith could have changed course. He could have gone slower. He could have followed several different courses of action. In fact, he did not.

In 1993, Governor Thompson and a legislative majority issued orders that sent the Good Ship Public Education on a course straight into a similar field of icebergs. This course is sending several hundred thousand souls into educational disaster. Governors Thompson, McCallum and Doyle and many legislators each could have changed course. In fact, they have had many opportunities to do so, but the economics of their politics consistently got in the way and our ship continues to sail among icebergs that it cannot avoid. In fact, they have not.

There are some who do not believe that there is any similarity between the RMS Titanic and the Good Ship Public Education. However, when the architect of the Titanic evaluated the rip in her side and announced that "it is a mathematical certainty that Titanic will founder," he said what so many educational professionals are saying about the worthiness of the Good Ship Public Education. "It is a mathematical certainty that she will founder."

For the RMS Titanic, it was a matter of buoyancy. For the Good Ship Public Education, it is a matter of solvency. The number of districts with declining enrollments is now greater than 60% and includes 12 of the largest 20 districts, 16 of the state's 25 most wealthy districts, and almost all districts in the northern tier and lake effect counties. It is clear that when their mandated and required expenses are greater than their limited revenues, each of these parts of the Good Ship will founder. It is only a matter of time. Expenses are the water and revenues are the bulkheads and when expenses annually are greater than revenues – these school districts will founder and in their aggregate they will sink the Good Ship.

As the Titanic collided with its iceberg, a fatal gash was inflicted and water flooded its lower decks. Screams filled the air. As our Good Ship is buffeted by its icebergs, it will be the collective effect of multiple damages that will inflict fatal wounds. This will not happen without warning. In fact, we know what is happening as it happens. It sounds like this.

> Music programs have been eliminated due to a lack of funding.
>
> The school district is pitting art programs against athletic programs, because it can only afford one but not both.
>
> Roofs are leaking in classrooms, because the Board cannot afford to fund its academic programs and maintenance.
>
> All first and second year teachers have been laid off as a cost reduction due to the rising cost of health insurance that was bargained in the last contract. The Board tried to change carriers to find a less expensive plan, but bargaining rules did not allow for a change.
>
> The school district did not meet its AYP goals and will need to reserve 10% of its budget next year for an intervention plan. The problem is that the district has to cut seven teaching positions in order to set aside the funds for the required interventions.

Our leaders know what is going on. Recently, a ship's steward named Olson told passengers that it may be necessary to change course sometime soon, but not now. Even though the hull keeps getting dinged, there has not been a critical mass of damage, yet. When enough decks are suffering, a change may be in order.

Our deck officer named Lasee told us that if we really wanted to improve our plight, we need to win a referendum to pay for a change of berths. In that way, if the majority said no, it was what the majority wanted, really. Next fall, the Gibraltar School will begin a second decade of surviving on revenue limit overrides. We will be on the ballot again in November.

These are just several of the sounds. There are many more.

We are not strangers to our dangers. The bergs in the ice flow have names. We call them out as they bang against our ship. Some bergs circle around in the wake so often that they have become part of the hostile environment surrounding us everyday. These well-known bergs are called:

> Revenue limits
>
> Qualified Economic Offer
>
> Unfunded mandates
>
> NCLB
>
> Minimum aid or special adjustment aid only
>
> Failed referendum

Ironically, the Good Ship may look like she is sailing in good health, but the water line rises every day. 673 districts have yelled for help through revenue limit override referenda. 383 have failed and the water is rising in the lower decks. Six referenda failed last week and each school district will be looking for more programs to abandon in order to stay afloat.

These days, when I talk with school leaders about the state of our ship, I constantly hear the voices of the spectators on the docks of Liverpool. "The greatest ship of all time. This ship is unsinkable." It sounds like, "Great Schools. The best college prep scores in the nation."

Is it that the Good Ship is actually a Ship of Fools? Are educators the last of the eternal optimists believing that state leaders will not let them drown? Maybe they are fools. To date, there is no evidence to the contrary. Are the officers on deck just obtuse? Maybe they are. There is no evidence to the contrary on that either.

It may be that course changes taken soon can yet save the ship. But, it will take courage to approve Senate Joint Resolution 27 and demand legislative action to reform financing of Wisconsin's public education.

We wait to see if our ship's officers have such courage or if they, as with the officers of Titanic, will believe their self-serving publicity about unsinkability and Great Schools.

The great thing about an allegory or a metaphor or an allusion is that it provides an image for understanding what we want to communicate. Wonderfully, meaning can be exponentially enhanced through this property of association. More than 270 school districts can quickly see themselves as sinking or about to drown in a sea of legislative indifference. And, the great thing about allegories in a technological age is that with a key stroke an allusion can be read by every concerned citizen in the state.

Ah, I hear the band on deck. Can you hear them? They've just started playing "nearer my God to thee."

God Bless all souls aboard our fine ship.

Thank you for this opportunity to speak on such an important issue.

November 15, 2007

To The Members of the Senate Education Committee:

My name is Kelly McMahon, and I teach K5 for Milwaukee Public Schools. I am writing to ask you all to vote in support of Senate Joint Resolution 27, which calls for the Legislature to fix the current School Funding Formula by July 2009.

This fall, I saw first hand how the current school funding formula isn't working for my school, Milwaukee Public Schools, or other school districts with declining enrollment. This year, for the very first time, my school did not reach our third Friday enrollment numbers that is used to determine the amount of school aid we would receive for the school year. What resulted in our failure to reach our goal number should never happen to the students in Milwaukee, or anywhere across the state.

Due to our failure to reach our targeted student population number, my school was forced to cut two teachers and our Library/Media Specialist. This may not sound like big deal, but it had a negative impact on too many students. At a time in the school year, where children have finally learned the rules, expectations, routines and feel comfortable in there new classroom and teacher, over forty students at Lancaster Elementary had their lives at school shuffled around because we had to cut two teacher positions. These students either had to learn new rules, routines, and expectations for a new teacher, or they had to get use to having both a new teacher and a new classroom. This abrupt transition took place after nearly an entire month of school had passed.

The fact that this situation plays out all across Milwaukee Public Schools every year is unfair to the state's students with the most needs. MPS lost roughly 3,000 students this year alone. With the loss of students, my district has had to make tough choices about what to cut each year. Unfortunately for the students attending MPS schools, these cuts have slashed or completely eliminated educational and extracurricular programs that allow students to excel in outside of the regular educational classroom.

The problem of declining enrollment is only one example of how the current school funding formula is destroying Milwaukee Public Schools. Another serious problem with the current school funding formula is how the state figures out how much money the state will fund per pupil under the state equalization formula.

Currently, roughly 80% of the students attending MPS qualify for free or reduced lunch. Yet, because the 18,000 students who are attending a voucher school are not counted in the school equalization formula, MPS students appear to be wealthier in the eyes of the state than what they really are. A recent study showed that Milwaukee has the 8th highest percentage of citizens living at or below the line of poverty. The level of poverty in Milwaukee is increasing at the same time the value of property is increasing. Due to our declining enrollment, the increase of property value, and the omission of the voucher students in the school equalization aid count, Milwaukee is losing state aid at a drastic rate, and Milwaukee tax payers are being forced to pay the bill. It was only a couple of

weeks ago that the MPS School Board wanted to raise the school tax levy by 16.4%, which was the maximum allowed under the current school funding formula.
The reality of the financial situation in Milwaukee forced the school board to increase the school tax levy by only nine percent. This decision has detrimental consequences regarding MPS' funds for years to come. By choosing not to raise the taxpayer's share of funding our schools by 16.4%, MPS will be punished for not taxing to the maximum under the current school funding formula. This will result in MPS Administration and School Board facing the possibility of having to increase the school tax levy by double-digit figures for years to come.

The current school funding formula is severely broken, and unfair to the students and taxpaying citizens of Milwaukee. As a result, it is the children who attend MPS that face the consequences of our failed funding formula every day they enter our schools. Too many of our students have been shuffled around due to staff cuts after third Friday because of declining enrollment. Too many of our students, especially at the elementary level, have lots access to educational programs such as the arts, music, physical education, foreign languages and library/computer under the current school funding formula. Also, our students who desperately need early reading and math intervention programs have lost access to these programs due to staff cuts under the current school funding formula. Too many of our students in grades 4th-12th are in classrooms that exceed 30-35 plus students, and only one teacher. One science teacher at Custer High School has over 50 students in one of her science labs.

The students of Milwaukee have suffered long enough under the current school funding formula. It is necessary for the Legislature to take on the difficult task of adopting a new school funding formula that does not punish school districts with declining enrollments and increasing property values. It is time that our school funding formula provides true equality in the way we fund our schools, so every child attending a Wisconsin Public School has access to and receive an excellent education.

In conclusion, I ask that you please vote in support of SJR27, because the students of Milwaukee Public Schools, and those attending districts with declining enrollment and decreasing state aid are in desperate need of the Legislature taking actions. The students of Wisconsin's public schools have been punished for too long, and it is time for our state to invest in our future.

Thank you for your time.

Sincerely,

Kelly McMahon
7926 N. 107th St. #11
Milwaukee, WI 53224

TESTIMONY IN SUPPORT OF
SJR 27
by
Jeffrey Spitzer-Resnick
Managing Attorney

As many of you know, I am a Managing Attorney at Disability Rights Wisconsin (DRW), Wisconsin's designated protection and advocacy agency for people with disabilities. In addition, I am the chairperson of the Quality Education Coalition (QEC), Wisconsin's only statewide coalition of parents, educators and advocates, who work to improve Wisconsin's system of special education. I am also here today in my role as chairperson of the Board for People with Developmental Disabilities Governmental Affairs Committee. In addition, I am privileged to testify on behalf of the Survival Coalition of Wisconsin Disability Organizations. Finally, these organizations also support the Wisconsin Alliance of Excellent Schools (WAES) mission to reform Wisconsin's system of financing its public schools so that all of Wisconsin's children can obtain an excellent education.

We are here to remind the legislature that fundamental flaws in Wisconsin's school finance system remain and will continue to worsen if that system is not fundamentally altered. As you know, that system is premised on a three legged stool: revenue caps, caps on teachers' salaries, and 2/3 support of school funding by the state. While the state continues to insist that local school districts and teachers cap revenues and salaries, the legislature has once again failed to support the third leg of that stool with the promised 2/3 funding. In addition, the source of funds for our states' schools is still reliant on an antiquated, inequitable source–property taxes. Here are just a few of the results of this broken system which are a national embarrassment:

- Wisconsin has the lowest reading scores for African-American children in the country;
- Wisconsin has the widest gap between African-American and Caucasian children's reading scores in the country;
- Wisconsin has one of the worst graduation rates for African American children in the country;
- The Milwaukee Public School (MPS) district and the Wisconsin Department of Public Instruction (DPI) recently lost a special education class action brought by our agency in federal court, where the court found that MPS uses suspension instead of evaluating children for possible disabilities, and DPI fails to ensure that state and federal special education laws are enforced within MPS.

Lest you think that these problems stay confined within our schools, Wisconsin also has one of the highest incarceration rates of African-Americans in the country, and our prisons are bursting at the seams despite the major expansion of our prison system under former Governor Thompson. It is well known that being suspended from school, failing to learn how to read, and failing to have

MADISON OFFICE
131 W. Wilson St.
Suite 700
Madison, WI 53703

608 267-0214
888 758-6049 TTY
608 267-0368 FAX
800 928-8778 consumers & family
disabilityrightswi.org

one's disabilities addressed at an early age greatly enhances the chances of incarceration for such children. The time for flushing our neediest children down the toilet in Wisconsin must come to an end!

Others will provide further tales of woe regarding our system of education. Focusing on special education in particular, it becomes painfully obvious that our current system of school funding is broken and needs a major overhaul. After passage of the recent biennial budget, Wisconsin continues to fund school districts special education costs at a miserly rate of approximately 30%. Combined with federal reimbursement of approximately 16%, this means that local school districts continue to pay well over half of the costs of special education. They are forced to do this while they have their revenue constrained by state imposed revenue caps.

As you are probably aware, Wisconsin's reimbursement rate for special education categorical aids has plummeted since the advent of revenue caps. According to a recent Legislative Fiscal Bureau memo, during the 1993-94 school year, Wisconsin reimbursed local school districts over 44% of their special education costs. As that memo states, on a statewide and district by district basis, if the state had maintained that level, in 2005-06, Wisconsin would have paid over $166 million in additional funding to local school districts in that year alone! Due to revenue caps, the only way to make up that gap is to reduce support for regular education programming.

Thus, the unfortunate reality is that some school districts are forced to reduce regular education funding in order to meet their state and federal obligations to provide a free appropriate public education (FAPE) to children with disabilities. Other school districts are forced to deny those rights to children with disabilities because the funding simply is not available to them. This sets up a constant strain within local communities where regular education parents and teachers battle special education parents and teachers for insufficient funds–clearly an unhealthy environment for building positive school communities.

So much for the bad news. The good news is that for the first time, this legislature is seriously considering reform of this system. SJR 278 represents a good first step. We support this measure because if it is passed, and if the next legislature follows its dictates, we will have a system of school finance that:

- Funds schools based on the actual costs of providing a sound education to all of Wisconsin's children;
- Provides sufficient state funding to meet all state and federal mandates, including special education;
- Provides additional resources for other children with special circumstances, such as those who do not speak English, those in poverty, and those in rural environments who must be transported long distances to school.
- Ends the reliance on the antiquated and unfair property tax system.

As I have stated, passage of SJR 27 is just a first step. The real test will come during the next biennial budget. However, passage of SJR 27 will send a clear message to that legislature, that it must be prepared to roll up its sleeves and get the important work of providing a fair and adequate school finance system so Wisconsin's children can see a brighter day in the years to come.

test-SJR27

Good afternoon, I am Brian Dasher, Administrator of Finance for the West Bend Joint School District #1 in West Bend Wisconsin. The West Bend School District serves residents in the City of West Bend, the Town of West Bend, and parts of the towns of Addison, Barton, Jackson, Polk, Trenton and the villages of Jackson and Newburg. We are the 16th lowest spending district in the state and are the lowest spending district educating more than 2,000 students.

I am here today as a representative of the district to express our support for Senate Joint Resolution 27 calling for new school finance system. Much has been said about Wisconsin's property tax burden and how that burden compares to residents in other states. It is time that this state take a hard look at how it funds education and other governmental services. Our ability as a state to compete and survive in the global economy depends on our ability to develop a workforce that can compete for 21st century jobs, and maintain and develop our transportation, education, energy and governmental infrastructures. Currently, our state is in a precarious position. According to statistics compiled by The Wisconsin Way, we are slightly below the national average for the number of people aged 25-64 with Associate Degrees or higher. When looking at Bachelor's degrees and higher we fall even further below the national average. In 2005 our Wisconsin's per capita income was 11% lower than Minnesota's. Also, according to The Wisconsin Way, Wisconsin finished the fiscal year ended June 2007 with a $2.5 billion dollar deficit, has the largest GAAP deficit in the country and has one of the worst bond ratings in the nation.

An educated workforce is vital to addressing these problems and positioning Wisconsin to successfully deal with the challenges of the future and public schools are vital to producing this educated workforce. Therefore, it is vital that the legislature cut through the partisan polarization that has characterized the last few years of business here in Madison and address the issue of school funding.

Our current funding system, based on the property tax, is regressive, relying upon a centuries old notion that property value is a reliable indicator of wealth and ability to pay. Two people living in homes valued equally can and often do have very different abilities to bear their tax burdens. The current system requires citizens to choose between property tax relief and the continuation of vital services, which they need to maintain the quality of the communities and economy in which they live. For schools specifically, this translates into reducing funding for educational programs and services needed to position our future workforce to keep Wisconsin competitive in the global economy by draconian measures like revenue limits, TABOR, TPA and other variations of property tax limits.

In public education we are facing many critical issues that we were not facing in 1993, the year revenue limits were enacted. The infrastructure in which we operate is in critical need of repair and updating. No Child Left Behind, the Individuals with Disabilities Act, and other statutory mandates increase pressure on schools to provide additional services to pupils, which can be expensive, exceeding average per pupil expenditures by tens of thousands of dollars. Health care and retirement costs are escalating at unsustainable rates. Collective bargaining agreements and statutes require us to negotiate changes to

these benefits with our employee groups. Reaching agreements through this process is a painstakingly slow process, too slow for us to keep ahead of the escalating costs, and imposing a QEO prohibits any changes to the benefits side of teacher's total compensation package. When revenue limits were imposed on school districts back in 1993, these were not critical issues facing districts. At that time health insurance premiums were far lower, No Child Left Behind did not exist and district's infrastructure was old but not critical.

As you begin this process of reexamining school funding I would like to urge you to be patient and prudent in your deliberations. Please do not rush into a solution without taking the time to consider the ramifications of the changes you propose. Please be careful when setting deadlines for changes. I am referring to the deadline of July 1, 2009 stated in the resolution. We are concerned that this deadline is too soon to allow adequate debate and consideration of potential solutions. We ask that you set a deadline that is realistic, that gives the legislature time to adequately study the issue, seeking input from experts in public taxing policy and school finance. It was discomforting to hear how many legislatures were taken by surprise at the results of shifting the additional equalization aid monies to the School Levy Tax Credit and how many admitted that it was a mistake made as a result of not taking the time to thoroughly think the issue through. That must not happen again in this process.

The time for reexamining our funding system and updating to address current economic realties is long past due. If nothing is done, and this legislature continues its polarized, partisan posturing, our current system of school funding will negatively impact local communities and the state economy. The current atmosphere among legislators is not healthy for the long-term future of this state. We are the generation responsible for changing this path; we will either do it together or abdicate our responsibility and push it off to another generation. Thank you.

Senate Education Committee
November 15, 2007
Testimony in favor of SJR 27

Presenter: Doug Mering concerned citizen from Baraboo, Senate District 14 and local member of the Community Education Council
Phone: 1-608-434-7968
Email: mering@centurytel.net

The people of Wisconsin expect their elected officials will work on the issues that concern them.

A recent poll, conducted by our local newspaper, "The Baraboo News Republic", showed that 89% of the respondents feel that the school funding formula needs to be fixed. This is not just a Democrat or Republican issue but one that most people in this state do care about!

The people of Wisconsin want their full time legislators to work together, in a collaborative bipartisan fashion, to shore up our educational infrastructure, which has been crumbling steadily since 1993 when the current formula was enacted. Many of effects, which have corroded our educational base, may not be visible to much of the public. Just as they were not apparent on Minneapolis's bridge before it collapsed. But our future success, of our economy and our society, rests on taking a proactive approach today on both adequately funding education and how we fund it! It is time that the Legislators of this state leave their party affiliations and special interests at the door and work together on our state's educational bridges infrastructure.

The people of Wisconsin want all relevant people working together on this issue not only the Senate but also the Assembly and Governor Jim Doyle needs to part of that team. Without all parties involved then this becomes another pointless exercise of political posturing for future elections of 2008, 2010 and beyond. Work on this together and we insure that the best interests of the state not the political special interests are represented. The key word is **WORK.**

The people of Wisconsin understand that work is an action word.
During the 2006 Special Legislative Committee on Review of State School Aid Formula, the Chairman of that body, Senator Luther Olsen stated that the approach that they need to take is to "Do No Harm." After hearing many of our states brightest speak during that committee's sessions who presented solutions and proposals placing our educational system down a path Wisconsin needs to take if it is to be competitive in world and national markets. A choice of maintaining the status quo will continue to do harm, as it has in the past, present, and hopefully not in our future. Now is time to do the heavy lifting, which the citizens of this state, expect on this issue. Now is the time to **WORK.**

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November 15, 2007
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Phone: 1-608-434-7968
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November 15, 2007

Hello and thank you for allowing me to speak today. My name is Julie Underwood. I am Dean of the School of Education at the University of Wisconsin, Madison. However, today I have the honor and privilege of representing a special group.

The School Finance Network (SFN) is a coalition comprised of ten state-wide education concerned organizations

> American Federation of Teachers-Wisconsin; Association for Equity in Funding; Fair Aid Coalition; School Administrators Alliance; Southeastern Wisconsin Schools Alliance; Wisconsin Alliance for Excellent Schools; Wisconsin Association of School Boards; Wisconsin Association of School District Administrators; Wisconsin Education Association Council; Wisconsin PTA

The SFN's goal is to improve the funding system for Wisconsin's K-12 public schools -- to speak with one voice and offer to policy makers our view of current concerns and possible solutions.

The members of the SFN are currently working to develop a consensus proposal to reform Wisconsin's school funding system. This is a complex process and work remains to be done, but the fact that all these groups are banding together to work on a plan indicates the magnitude of our concerns.

We have grave concerns regarding the current methods of funding Wisconsin's public schools. We believe that:

- it is critical for Wisconsin to have a system of public education that has the resources to deliver high quality teaching and learning for all children.
- the current amount of funding is inadequate to ensure student success.
- the current financing methods are flawed.
- while public education is a fundamental state obligation, local control and governance is essential to meet the needs of all students, their communities, and greater Wisconsin.
- it is in the state's interests to deliver high quality education for all students regardless of need or location.
- to succeed we must design a school finance reform action plan with the goal of a long-term, comprehensive solution and monitor our short-term actions in light of that long-term solution.

- advocates who share these principles are more likely to succeed working together on this issue rather than doing so separately.

- these issues must be addressed with urgency.

We believe that the current level of funding does not provide the resources necessary to enable all students to meet Wisconsin's instructional standards. Yes, we need additional resources to address the increasingly difficult tasks of educating all of Wisconsin's children

SFN members believe greater investment in the state's public school system will improve educational quality, which is critical for Wisconsin's economic growth.

The gap between allowed revenues and actual costs is evident across the state. The increasing costs of textbooks, heating, health insurance, and transportation (to name some) regularly outstrip our revenues. These are real world costs over which school districts often have little or no control. It is increasingly difficult for many districts to maintain their programs and services. Evidence suggests general class sizes are increasing, course offerings are shrinking, and the achievement gap is staggering. We must address these concerns.

With nearly 15 years of state imposed revenue controls on local school districts it is apparent to us that educational opportunity is eroding in the state of Wisconsin.

Revenue controls were intended to control property taxes, in that they are successful. Revenue controls were not intended to address improvements in educational quality needed to keep pace with the changes and challenges Wisconsin schools face in an increasingly global economy.

During the past 15 years we as a state have asked for educational improvements. Wisconsin has raised educational standards, required performance testing in most academic areas, and increased our teacher certification standards.

The catch is that our school finding system is not really aligned with our educational policy. The SFN's proposals will focus on core educational activities - to align our state and local resources with our state and local educational goals.

High educational outcomes are important for individuals and for our state. We need all of Wisconsin's children to become engaged citizens in our democratic society - to be able to make good informed decisions at the ballot box and be able to run for public office and serve the state and its communities—and to fully participate in our civic and cultural life. From an economic standpoint we know that education failure rather than success, comes at a great cost to our state. On the average, every dropout costs the state over one half million dollars in lost tax revenues, and additional costs of health and welfare programs.

Our state's economic competitiveness will increasingly depend on the educational level of our population. Over the next seven years alone, job openings requiring expertise in science, technology, engineering and mathematics will increase nearly twice as fast as openings for all other occupations. More than two-thirds of these technology-related jobs will require an associate's or bachelor's degree

For a multitude of reasons -- from workforce development to increased individual earnings, to the need for informed citizens in an active democracy, a strong education system plays a vital role in our future.

The SFN urges Wisconsin policy makers to consider our needs for the future. We believe that current levels of school funding are inadequate to ensure student success for all children, that the revenue controls and funding formula are flawed and that the state must adopt a comprehensive set of reforms to bolster our K-12 education system and invest in our state's economic future. We urge the legislature to undertake serious reform.

E.L.L. – Bilingual-Bicultural Education and Revenue Limits

(millions of dollars)

	TOTAL	E.L.L. – BILINGUAL-BICULTURAL EDUCATION COSTS			NOT AIDED OR ALLOWED
		Less: Categorical Aid	Unaided Costs	Assumed to* be Allowable	Unaided and Unrecognized
1993-94	$25.0	$8.3	$16.7	$16.7	-0-
1994-95	$27.5	$8.3	$19.2	$17.1	$2.1
1995-96	$29.6	$8.3	$21.3	$17.6	$3.7
1996-97	$32.7	$8.3	$24.4	$18.1	$6.3
1997-98	$36.0	$8.3	$27.7	$18.1	$9.6
1998-99	$39.0	$8.3	$30.7	$18.4	$12.3
1999-00	$41.7	$8.3	$33.4	$18.7	$14.7
2000-01	$44.8	$8.3	$36.5	$19.4	$17.1
2001-02	$48.2	$8.3	$39.9	$19.9	$20.0
2002-03	$58.4	$8.3	$50.1	$20.2	$29.9
2003-04	$63.1	$8.3	$54.8	$20.8	$34.0
2004-05	$70.5	$8.3	$62.2	$21.2	$41.0
2005-06	$75.8	$9.1	$66.7	$21.8	$44.9
2006-07	$82.5 [a]	$9.9	$72.6	$22.6	$50.0
INCREASE	$57.5	$1.6	$55.9	$5.9	$50.0
% INCREASE	230%	19.3%	334.7%	35.2%	

*Unaided costs in 1993-94 increased by CPI.
Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

Special Education Costs and Revenue Limits
(millions of dollars)

	TOTAL	COSTS AIDED & ALLOWED			NOT AIDED OR ALLOWED
	Special Education Costs	Categorical Aid	Costs not Covered By Aid	Costs Assumed to* be Allowable Under Revenue Limits	Costs Not Aided and Not Recognized Under Revenue Limits
1993-94	$585.9	$261.3	$324.5	$324.5	-0-
1994-95	$625.1	$275.5	$349.6	$332.0	$17.5
1995-96	$661.0	$275.5	$385.5	$341.6	$43.8
1996-97	$698.2	$275.5	$422.6	$351.9	$70.7
1997-98	$747.3	$275.5	$471.8	$351.9	$119.9
1998-99	$799.6	$275.5	$524.0	$356.8	$167.2
1999-00	$839.9	$288.0	$551.9	$362.9	$189.0
2000-01	$880.9	$315.7	$565.2	$376.3	$188.9
2001-02	$936.8	$315.7	$621.1	$387.2	$233.9
2002-03	$994.5	$315.7	$678.8	$393.0	$285.8
2003-04	$1,037.6	$316.5	$721.1	$404.8	$316.3
2004-05	$1,069.5	$320.8	$748.7	$411.7	$337.0
2005-06	$1,110.8	$320.8	$790.0	$424.5	$365.5
2006-07	$1,162.8 [b]	$332.8	$829.4	$438.9	$390.5
INCREASE	$576.9	$71.5	$504.9	$114.4	$390.5
% INCREASE	98.5%	27.4%	155.6%	35.2%	

*Unaided costs in 1993-94 increased by CPI.
Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

4/6/07
T_Special_Edicatopm_Costs_and_Revenue_Limits_ii

November 15, 2007

Hello and thank you for allowing me to speak today. My name is Julie Underwood. I am Dean of the School of Education at the University of Wisconsin, Madison. However, today I have the honor and privilege of representing a special group.

The School Finance Network (SFN) is a coalition comprised of ten state-wide education concerned organizations

> American Federation of Teachers-Wisconsin; Association for Equity in Funding; Fair Aid Coalition; School Administrators Alliance; Southeastern Wisconsin Schools Alliance; Wisconsin Alliance for Excellent Schools; Wisconsin Association of School Boards; Wisconsin Association of School District Administrators; Wisconsin Education Association Council; Wisconsin PTA

The SFN's goal is to improve the funding system for Wisconsin's K-12 public schools -- to speak with one voice and offer to policy makers our view of current concerns and possible solutions.

The members of the SFN are currently working to develop a consensus proposal to reform Wisconsin's school funding system. This is a complex process and work remains to be done, but the fact that all these groups are banding together to work on a plan indicates the magnitude of our concerns.

We have grave concerns regarding the current methods of funding Wisconsin's public schools. We believe that:

- it is critical for Wisconsin to have a system of public education that has the resources to deliver high quality teaching and learning for all children.
- the current amount of funding is inadequate to ensure student success.
- the current financing methods are flawed.
- while public education is a fundamental state obligation, local control and governance is essential to meet the needs of all students, their communities, and greater Wisconsin.
- it is in the state's interests to deliver high quality education for all students regardless of need or location.
- to succeed we must design a school finance reform action plan with the goal of a long-term, comprehensive solution and monitor our short-term actions in light of that long-term solution.

- advocates who share these principles are more likely to succeed working together on this issue rather than doing so separately.

- these issues must be addressed with urgency.

We believe that the current level of funding does not provide the resources necessary to enable all students to meet Wisconsin's instructional standards. Yes, we need additional resources to address the increasingly difficult tasks of educating all of Wisconsin's children

SFN members believe greater investment in the state's public school system will improve educational quality, which is critical for Wisconsin's economic growth.

The gap between allowed revenues and actual costs is evident across the state. The increasing costs of textbooks, heating, health insurance, and transportation (to name some) regularly outstrip our revenues. These are real world costs over which school districts often have little or no control. It is increasingly difficult for many districts to maintain their programs and services. Evidence suggests general class sizes are increasing, course offerings are shrinking, and the achievement gap is staggering. We must address these concerns.

With nearly 15 years of state imposed revenue controls on local school districts it is apparent to us that educational opportunity is eroding in the state of Wisconsin.

Revenue controls were intended to control property taxes, in that they are successful. Revenue controls were not intended to address improvements in educational quality needed to keep pace with the changes and challenges Wisconsin schools face in an increasingly global economy.

During the past 15 years we as a state have asked for educational improvements. Wisconsin has raised educational standards, required performance testing in most academic areas, and increased our teacher certification standards.

The catch is that our school finding system is not really aligned with our educational policy. The SFN's proposals will focus on core educational activities - to align our state and local resources with our state and local educational goals.

High educational outcomes are important for individuals and for our state. We need all of Wisconsin's children to become engaged citizens in our democratic society - to be able to make good informed decisions at the ballot box and be able to run for public office and serve the state and its communities—and to fully participate in our civic and cultural life. From an economic standpoint we know that education failure rather than success, comes at a great cost to our state. On the average, every dropout costs the state over one half million dollars in lost tax revenues, and additional costs of health and welfare programs.

Our state's economic competitiveness will increasingly depend on the educational level of our population. Over the next seven years alone, job openings requiring expertise in science, technology, engineering and mathematics will increase nearly twice as fast as openings for all other occupations. More than two-thirds of these technology-related jobs will require an associate's or bachelor's degree

For a multitude of reasons -- from workforce development to increased individual earnings, to the need for informed citizens in an active democracy, a strong education system plays a vital role in our future.

The SFN urges Wisconsin policy makers to consider our needs for the future. We believe that current levels of school funding are inadequate to ensure student success for all children, that the revenue controls and funding formula are flawed and that the state must adopt a comprehensive set of reforms to bolster our K-12 education system and invest in our state's economic future. We urge the legislature to undertake serious reform.

E.L.L. – Bilingual-Bicultural Education and Revenue Limits

(millions of dollars)

	TOTAL	E.L.L. – BILINGUAL-BICULTURAL EDUCATION COSTS			NOT AIDED OR ALLOWED
		Less: Categorical Aid	Unaided Costs	Assumed to* be Allowable	Unaided and Unrecognized
1993-94	$25.0	$8.3	$16.7	$16.7	-0-
1994-95	$27.5	$8.3	$19.2	$17.1	$2.1
1995-96	$29.6	$8.3	$21.3	$17.6	$3.7
1996-97	$32.7	$8.3	$24.4	$18.1	$6.3
1997-98	$36.0	$8.3	$27.7	$18.1	$9.6
1998-99	$39.0	$8.3	$30.7	$18.4	$12.3
1999-00	$41.7	$8.3	$33.4	$18.7	$14.7
2000-01	$44.8	$8.3	$36.5	$19.4	$17.1
2001-02	$48.2	$8.3	$39.9	$19.9	$20.0
2002-03	$58.4	$8.3	$50.1	$20.2	$29.9
2003-04	$63.1	$8.3	$54.8	$20.8	$34.0
2004-05	$70.5	$8.3	$62.2	$21.2	$41.0
2005-06	$75.8	$9.1	$66.7	$21.8	$44.9
2006-07	$82.5 [a]	$9.9	$72.6	$22.6	$50.0
INCREASE	$57.5	$1.6	$55.9	$5.9	$50.0
% INCREASE	230%	19.3%	334.7%	35.2%	

*Unaided costs in 1993-94 increased by CPI.
Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

Special Education Costs and Revenue Limits
(millions of dollars)

	TOTAL	COSTS AIDED & ALLOWED			NOT AIDED OR ALLOWED
	Special Education Costs	Categorical Aid	Costs not Covered By Aid	Costs Assumed to* be Allowable Under Revenue Limits	Costs Not Aided and Not Recognized Under Revenue Limits
1993-94	$585.9	$261.3	$324.5	$324.5	-0-
1994-95	$625.1	$275.5	$349.6	$332.0	$17.5
1995-96	$661.0	$275.5	$385.5	$341.6	$43.8
1996-97	$698.2	$275.5	$422.6	$351.9	$70.7
1997-98	$747.3	$275.5	$471.8	$351.9	$119.9
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INCREASE	$576.9	$71.5	$504.9	$114.4	$390.5
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Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

4/6/07
T_Special_Edicatopm_Costs_and_Revenue_Limits_ii

Mallory Massey
Pecatonica High School

I attend Pecatonica High School located about 40 miles southwest of Madison. There are 42 kids in my senior class and around 150 kids in the high school. I love the small school experience, knowing everyone in the high school and being able to build relationships with my teachers. However, Pecatonica faces declining enrollment and a limited budget.

Since I started school in 1995, Pecatonica has had to make countless budget cuts. We have lost numerous programs and experiences that benefited me, but no longer benefits students today. I was able to attend an advanced reading group separate from the classroom reading class in third and fourth grade where a few other students and I read more challenging books at a faster rate. I remember being so bored with in-class reading that I hated it because I found it so easy. Kids at Pecatonica today do not have this opportunity. In high school, our Forensics program was directed by an excellent coach for many years. Last fall she stepped down from her position because she was burned-out and was tired of the lack of compensation. Since that time, the team has gone through a series of coaches, most of them interns or non-school employees with little prior experience in coaching. The program has since seen a decrease in participation, and many kids are missing out on building life skills such as public speaking and organizing thoughts for a presentation.

Students in my school are not offered much beyond basic core classes. The money our school has is enough to teach us the basics, but not much more than that. Our course handbook is only sixteen pages long. There are no home economic classes, computer technology courses, or gifted and talented programs. Students gifted with skills in singing, dancing, photography, journalism or technology have no outlet for their talents, while other students have no opportunities to try out any of these things. In rural communities, students depend solely on their school to provide them with opportunities to explore their talents therefore, their lives and their communities are centered around the school. There are no alternatives to the school classes for rural kids as there are for students in larger cities. There has been one instance during my time in high school when a student actually opted to go to a high school other than Pecatonica through open enrollment just because that student was not satisfied with the variety of classes available at Pecatonica.

Kids who graduate from high school today are expected to know exactly where they want to go to college and what they want to study. But I am struggling with this because I have hardly been exposed to the career options available. When choosing a college, the first thing a prospective student should look for is what majors are offered there. But without a firm grasp of the options, many rural students enter college undecided and unprepared for the course load of their first semester.

Pecatonica has educated its students as well as it could within its means, but in reality, it is not the best education we could have received if our school had been properly funded. We have a dedicated track team, but no track to run on. We have talented singers and actors, but no stage. We have brilliant minds but no outlet for their creativity. As a student of Pecatonica, I have missed out on too many opportunities to learn and too much information that could have influenced my future to call it a quality education.

Good morning. I am Jill Gaskell. I am here today as a member of Wisconsin Alliance for Excellent Schools and as a parent of 3 children in the Pecatonica Area School District.

The Pecatonica School District is located in the beautiful rolling hills of southwestern Wisconsin. While it is a wonderful place to live, the economy is shrinking and people are moving to more urban centers. Our school enrollment this year is 456 students. Ten years ago, it was 561. We have lost over 100 students in 10 years, almost a 20% decrease. That loss of students comes when even a steady enrollment means there is not enough funding to make ends meet. The loss of 20% of our students increases that loss of funding to the point that our school is a skeleton of an education system.

In 1995, we lost a wonderful Technical Education program, and a Family and Consumer Education program. So we are a rural school district with no programs that teach skills that would be useful to businesses in our own community. The kids graduate and leave.

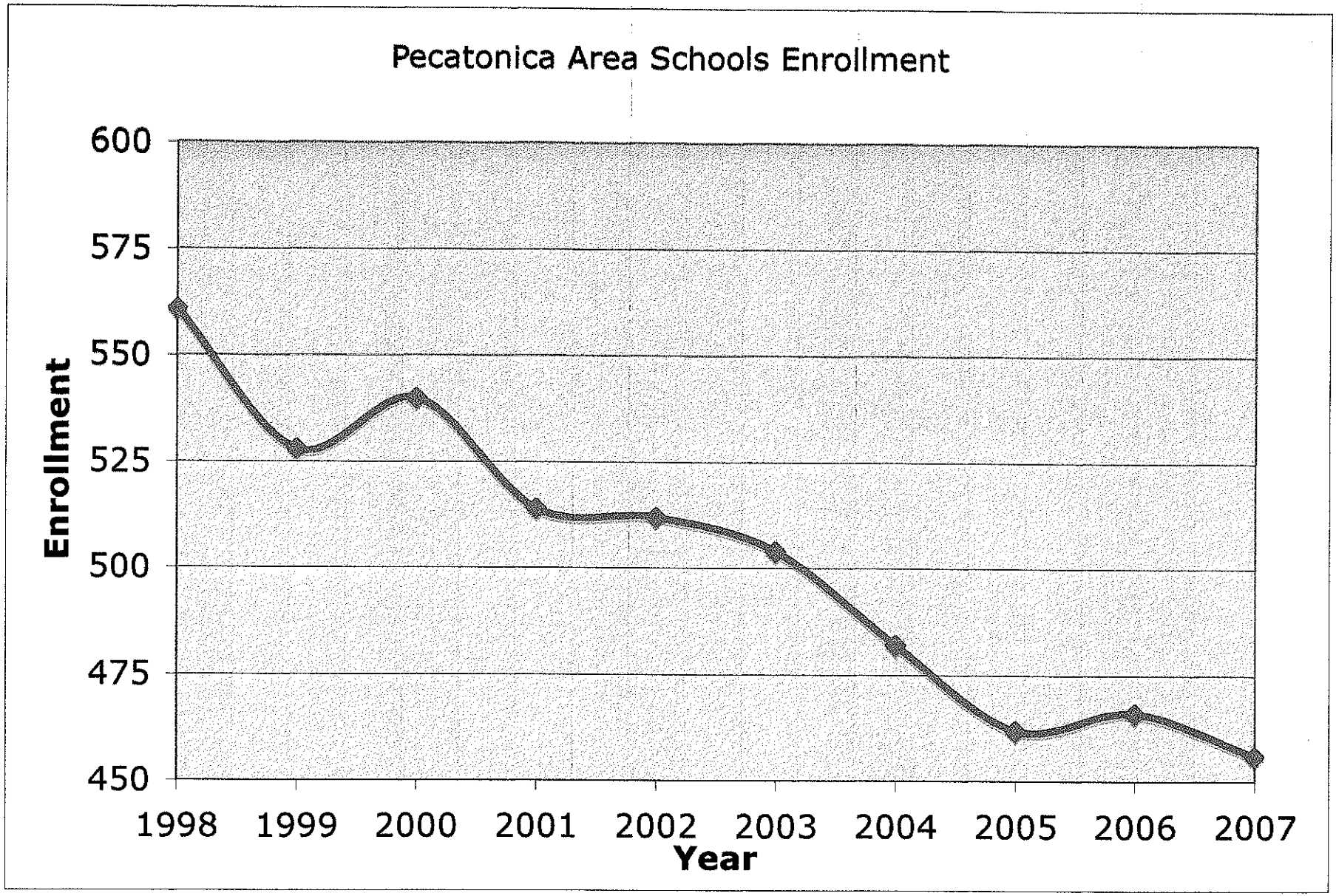
Today, our school offers one art class that you can take four times. We offer one language, Spanish, one band class, no orchestra, strings or woodwind ensembles, no chorus. One of our students open enrolled to Verona. He wanted a broader curriculum and was musically talented. Verona offers 16 music courses and an AP music class! But he had to drive 50 miles every school day for the additional courses.

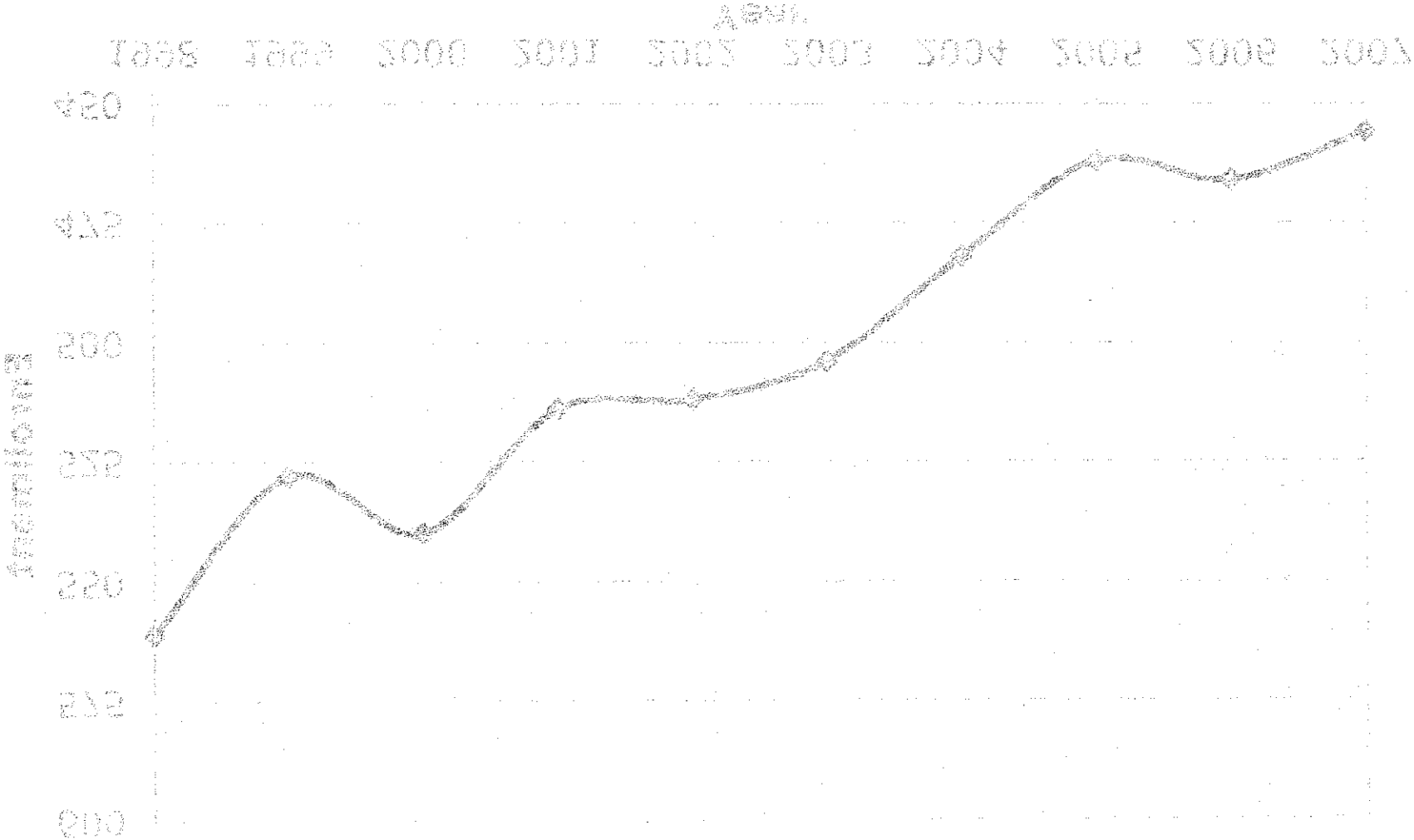
We have one semester of Information Technology. We have 4 offerings in English; and for students planning careers in science, engineering or math, we have 3 math classes. Recently, we added 2 in-house AP classes.

Our school board has looked at our curriculum and knows that it is very minimal. Where do we cut next? We have 2 school buildings in different towns. We have tried eliminating one principal in the past, but that didn't work, so the position was added back. We have considered a part time superintendent, but the superintendent also serves as business administrator and there seems to be plenty of work. Do we cut sports next? Sports is often considered expendable. We have a minimal sports program and cooperate with a neighboring school. Sports is the incentive that keeps some kids in school. It also makes well-rounded students in body, mind and spirit. And, it is the only social activity for youth in our community. If we cut it, how many students will open enroll somewhere else?

We are at a crisis point at Pecatonica. We are not a wealthy district and we were low-spending in 1993. It is morally reprehensible to ask people to choose between educating children or paying the bills. But our students are not getting the education they have been promised by the Wisconsin Constitution. The Wisconsin Supreme Court has interpreted the state Constitution to say that "Wisconsin students have a fundamental right to an equal opportunity for a sound basic education. An equal opportunity for a sound basic education is one that will equip students for their roles as citizens and enable them to succeed economically and personally."

I, and many others in this room, do not believe we are fulfilling that fundamental right.


Pecatonica Area Schools Enrollment
600
575
550
525
500
475
450
Enrollment
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
Year



WISCONSIN HEIGHTS
"Every Child... Every Class... Every Day"
www.wisheights.k12.wi.us

Wisconsin Heights School District
Robert Avery, Director of Business
10173 US Highway 14
Mazomanie, WI 53560
(608) 767-2595
(608) 767-3579 FAX
bavery@wisheights.k12.wi.us

11.15.07

SENATE EDUCATION COMMITTEE
PUBLIC HEARING RE: SJR 27
SUPPLEMENT TO TESTIMONY

Thank you for this hearing. It is my professional opinion that state-wide school funding needs to be revamped to ensure quality education throughout the State.

The recent changes in the school funding formula designed to provide relief to school districts with rapidly declining enrollment, such as Wisconsin Heights, did help. But...

- These changes did not go far enough:
  - They lowered the projected deficit for Wisconsin Heights by 58% for 2007-2008
  - They lowered the projected cumulative deficits for Wisconsin Heights by 45% during the period 2008-2009 through 2011-2012.
- They led to a dramatic increase in the District's property tax levy for 2008 – up more than 16% over the previous year.
  - The change in the District's allowable revenue limit did not result in a change in the District's state aids. The result is that the increase is almost completely in the form of higher property taxes.
  - The local share of revenues in the District's revenue limit (re: property taxes) has been increasing over the last several years. State aids have declined because the District is now a "negative tertiary aid" district.

Therefore, a change in the funding formula is needed to not only address the school funding in the State, but it must be constructed in such a way as to not shift the burden back to local property tax payers. We anticipate a political backlash at the increase in the District's tax levy this winter. Such a backlash will significantly impact our ability to convince citizens of the District of the need and advisability of passing a referendum to exceed the District's revenue limits. As our data shows, such a referendum is needed to properly fund our schools in Black Earth and Mazomanie.

Finally, a note about our projections: They include planned staffing reductions over the next three years that are a result of our declining enrollments as well as a cut in administrative staffing planned for next year. We are actively looking at reducing our costs without negatively impacting our programs and services to students.

Thank you for the opportunity to share our story with you today.

Wisconsin Heights High School
Vince Breunig, Principal
10173 US Highway 14
Mazomanie, WI 53560
(608) 767-2586

Wisconsin Heights Middle School
Patti Larson, Principal
10173 US Highway 14
Mazomanie, WI 53560
(608) 767-2596

Mazomanie Elementary
Dale Green, Principal
314 Anne Street
Mazomanie, WI 53560
(608) 767-2737

Black Earth Elementary
Dale Green, Principal
1133 Center Street
Black Earth, WI 53515
(608) 767-2251

Wisconsin Badger Rural Schools
Robert Avery, Superintendent
1073 US Highway 51
Mazomanie, WI 53560
(608) 767-2556
(608) 767-2559 FAX
www.wisconsinbadgerrural.com

SENATE EDUCATION COMMITTEE
PUBLIC HEARING ON SB 27
SUPPLEMENT TO TESTIMONY

Thank you for this hearing. It is my professional opinion that state-wide school funding needs to be restructured to ensure equity of education throughout the State.

The recent changes in the school funding formula designed to provide relief to school districts with rapidly declining enrollment, such as Wisconsin Badger, did help. But

- Those changes did not go far enough:
  - They lowered the projected deficit for Wisconsin Badger by 20% for 2007-2008.
  - They lowered the projected cumulative deficits for Wisconsin Badger by 63% during the period 2008-2009 through 2011-2012.
- Also, but to a dramatic increase in the District's property tax levy for 2008 – up more than 16% over the previous year.
  - The change in the District's allowable revenue limit did not result in a change in the District's state aids. The result is that the increase is almost completely in the form of higher property taxes.
  - The total share of revenues in the District's revenue limit for property taxes has been increasing over the last several years. State aids have declined because the District is now a "negative tenday aid" district.

Therefore, a change in the funding formula is needed to not only reduce the school funding in the state, but it must be constructed in such a way as to not shift the burden back to local property tax payers. We anticipate a political backlash at the increase in the District's tax levy this winter. Such a backlash will significantly impact our ability to consider options of the District of the need and advisability of passing a referendum to exceed the District's revenue limits. As our data shows, such a referendum is needed to properly fund our schools in Black Earth and Mazomanie.

It is my role, along our people there. They include planned meeting conferences over the next three years that are a result of our declining enrollments as well as our administrative meeting planned for next year. We are actively looking at reducing our costs without negatively impacting our programs and services to students.

Thank you for the opportunity to share our story with you today.

Wisconsin Badger Rural Schools
Mazomanie Elementary
1073 US Highway 51
Mazomanie, WI 53560
(608) 767-2556

Wisconsin Badger Rural Schools
Black Earth Elementary
1000 Cross Road
Black Earth, WI 53515
(608) 767-2556

Wisconsin Badger Rural Schools
Mazomanie Middle School
1073 US Highway 51
Mazomanie, WI 53560
(608) 767-2556

Wisconsin Badger Rural Schools
Mazomanie High School
1073 US Highway 51
Mazomanie, WI 53560
(608) 767-2556

Testimony at Hearing on
Senate Joint Resolution 27

By Larry Black, District Administrator
Wisconsin Heights School District
November 15, 2007

Good (morning/afternoon). My name is Larry Black. I serve as the superintendent of the Wisconsin Heights School District, a district of 900 students in western Dane County.

With me today are Bob Avery, our director of business services; Mrs. Sue Beil, a board of education member; and Sue's husband, Mr. Marty Beil. The Beils are parents of two Wisconsin Heights graduates and a current senior.

I want to thank you for the opportunity to testify and to tell the Wisconsin Heights story.

Due to declining enrollments and a shrinking revenue cap, austerity has been the rule at Wisconsin Heights for many years. We face a cumulative deficit of 3.3 million dollars over the next five years, just to maintain existing programs and services. Our enrollment has dropped 26% in the last decade, and we project continued decline of another 25% over the next seven years.

Reductions in administrators, teachers, support staff, class offerings, student programs, school-based budgets and the district fund balance have been normal operating procedures in the district for the past several years.

This year alone, we implemented $870,000 of budget cuts in a 10 million dollar budget, and spent monies from our fund balance for the third year in a row.

In the face of these challenges, last year our Board of Education authorized an operating referendum – the first ever in the history of our district.

We devoted countless hours to educating our community about the fiscal crisis we faced, and the need for a referendum to provide temporary relief. Throughout the process, we detailed the long list of program cuts and staff layoffs that the district had implemented over the past several years.

Yet time and again, as we made our presentations at community forums, concerned citizens stood up and demanded of us a long term solution. And time and again, after we reviewed all the measures we had taken at the local level, we repeated the same refrain: the solution to the problems in local school funding MUST come from a change in the state funding formula.

Our referendum failed by a slim margin. As a result, even more program cuts were implemented this year. And due in large part to community concern over the ability of our district to offer a quality education in the face of declining revenues, we experienced the highest number of open enrollment applications in our district's history.

The referendum split our community in half, not only at the ballot box, but in a very real emotional way as well. It polarized our community, and pitted neighbor against neighbor, especially those with school-age children against those struggling to afford higher property taxes. Nasty and vicious personal, verbal and written attacks were made on people - good people – who had only the best interest of children at heart.

Those things make me leery about recommending to our board that we hold another referendum. However, that is what we must do, as our children deserve nothing less. But regardless of how a future referendum might turn out, unless the legislature of this state enacts meaningful and significant changes in how schools are funded, the Wisconsin Heights School District faces a continued decline and a diminished future that none of us want to see.

As part of my duties, I meet with the superintendents of the other Dane County school districts. At a meeting last spring, I made some notes about what was happening in these districts. For example….

- Waunakee offers foreign language beginning in first grade.
- Monona Grove is starting an International Baccalaureate program.
- Sun Prairie releases veteran teachers to serve as mentors for new teachers.
- Cambridge is extending on-line learning options through a charter school initiative.

When I hear about exciting new initiatives in surrounding districts, it's hard not to contrast them with the program cuts and erosion of opportunities that are standard operating procedures at Wisconsin Heights, and in districts just like Heights all across the state.

Erosion can happen slowly, or it can happen overnight. But when erosion occurs, you have to take action, or accept the inevitable consequences of being washed away.

That's what we face in Wisconsin Heights. Our referendum was an effort to fill sandbags and to place them in the breech of funding, so that programs for children were not washed away. While that first surge of erosion has occurred, it is not too late to return to the levees, but we need more and larger sandbags than ever before, and we need those sandbags to come through changes in our state statutes.

And so, I challenge this committee and the state legislature to approach their duties with this question in mind:

Do we accept erosion or do we insist on excellence?

Your collective answer as a state legislature will determine the quality of education across the state for years and decades to come.

While we wait for an answer to emerge at the state level, our dedicated staff members in Wisconsin Heights will continue to work diligently for the best interests of our children, because that's what we do. We meet the needs of children to the best of our abilities, and more sandbags or no sandbags, that is not about to stop.

This concludes my testimony. You will note that the written copies of this testimony include relevant supporting data regarding the fiscal crisis in the Wisconsin Heights School District.

Thank you for holding this hearing, and thank you for listening.

* * * * * * * * * * * * * *

Note: this testimony and supporting documents will be posted on the Wisconsin Heights School District website on November 16, 2007 at http://www.wisheights.k12.wi.us/

WISCONSIN HEIGHTS SCHOOL DISTRICT

Enrollment, Revenue Limit and Budget Data

History and Projections

11/14/2007

CURRENT BUDGET PROJECTIONS (Includes new state funding formula change made in the State's 07-09 Biennial Budget)

Year	K-12 Enrollment		Revenue Limit		Expenditures		Surplus/(Deficit)		Fund Balance	
	Number	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2002-03	1114		$9,589,804		$9,952,335		($86,100)		$2,296,834	
2003-04	1049	-5.83%	$9,671,880	0.86%	$10,034,968	0.83%	$333,285	-487.09%	$2,600,304	13.21%
2004-05	1001	-4.58%	$9,601,324	-0.73%	$9,850,577	-1.84%	$273,630	-17.90%	$2,873,934	10.52%
2005-06	960	-4.10%	$9,439,828	-1.68%	$9,985,071	1.37%	($93,107)	-134.03%	$2,780,827	-3.24%
2006-07	903	-5.94%	$9,289,309	-1.59%	$10,723,710	7.40%	($964,106)	935.48%	$1,816,721	-34.67%
2007-08*	833	-7.75%	$9,363,577	0.80%	$9,946,384	-7.25%	($155,139)	-83.91%	$1,661,582	-8.54%
2008-09	789	-5.28%	$9,389,653	0.28%	$10,145,132	2.00%	($308,233)	98.68%	$1,353,349	-18.55%
2009-10	737	-6.59%	$9,357,496	-0.34%	$10,402,081	2.53%	($590,156)	91.46%	$763,193	-43.61%
2010-11	708	-3.93%	$9,341,545	-0.17%	$10,708,815	2.95%	($905,510)	53.44%	($142,317)	-118.65%
2011-12	686	-3.11%	$9,356,070	0.16%	$11,115,807	3.80%	($1,290,494)	42.52%	($1,432,811)	906.77%
Net Change (02-03 to 11-12)		-38.42%		-2.44%		11.69%		1398.83%		-162.38%
Average Annual Change		-5.23%		-0.27%		1.31%		55.41%		78.14%

PROJECTIONS UNDER THE OLD SCHOOL FUNDING FORMULA (Before changes included in State's 07-09 Biennial Budget)

Year	K-12 Enrollment		Revenue Limit		Expenditures		Surplus/(Deficit)		Fund Balance	
	Number	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2002-03	1114		$9,589,804		$9,952,335		($86,100)		$2,296,834	
2003-04	1049	-5.83%	$9,671,880	0.86%	$10,034,968	0.83%	$333,285	-487.09%	$2,600,304	13.21%
2004-05	1001	-4.58%	$9,601,324	-0.73%	$9,850,577	-1.84%	$273,630	-17.90%	$2,873,934	10.52%
2005-06	960	-4.10%	$9,439,828	-1.68%	$9,985,071	1.37%	($93,107)	-134.03%	$2,780,827	-3.24%
2006-07	903	-5.94%	$9,289,309	-1.59%	$10,723,710	7.40%	($964,106)	935.48%	$1,816,721	-34.67%
2007-08*	833	-7.75%	*$9,149,650*	-1.50%	$9,946,384	-7.25%	*($369,064)*	-61.72%	*$1,447,657*	-20.31%
2008-09	789	-5.28%	*$9,013,123*	-1.49%	$10,145,132	2.00%	*($684,763)*	85.54%	*$762,894*	-47.30%
2009-10	737	-6.59%	*$8,841,079*	-1.91%	$10,402,081	2.53%	*($1,106,573)*	61.60%	*($343,679)*	-145.05%
2010-11	708	-3.93%	*$8,691,990*	-1.69%	$10,708,815	2.95%	*($1,555,065)*	40.53%	*($1,898,744)*	452.48%
2011-12	686	-3.11%	*$8,578,996*	-1.30%	$11,115,807	3.80%	*($2,067,568)*	32.96%	*($3,966,312)*	108.89%
Net Change (02-03 to 11-12)		-38.42%		-10.54%		11.69%		2301.36%		-272.69%
Average Annual Change		-5.23%		-1.23%		1.31%		50.60%		37.17%

*NOTE: Beginning in 2007-08, the WHSD has added a Pre-K program. Enrollment for this is not included in the projections above, but has 56 students this year and we are projecting 55 students in all future years.

Dwayne Olsen, 5118 Kinzie Avenue, Racine, WI 53406
Professor Emeritus of Teacher Education, University of Wisconsin-Parkside
Former member of the Racine Unified School Board (1989-1994)

If you want to make Wisconsin urban schools better, I have an offer and a challenge for you today. Beginning eighteen years ago, in terms of financing Wisconsin public schools, you experimented with Milwaukee with a voucher/choice system. While last week's report on MPS indicated that many mistakes have been made and that that system is not successful for a variety of reasons, the state of Wisconsin recognized the challenge that MPS presented and stepped forward.

If you don't want to have a second Milwaukee, I'm here today to offer Racine and Racine Unified as a site for you and for the citizens of the state of Wisconsin to focus their attention. Yesterday, the president of the Racine Unified School Board told a community group that the entire community is needed if we are to solve the challenges facing the district. I will go one further and suggest that the resources and expertise of the state are needed if Racine is to avoid being Milwaukee II. And if you establish a successful program for Racine, you will have provided a model for other school districts in Wisconsin to follow.

In terms of support for its schools, the Racine Unified School District needs:

- Reduced class size—class size of over 30 is absolutely unconscionable;
- More space—all of our schools are overcrowded;
- Up-to-date technology/computers integrated at every grade level;
- Buildings repaired and made more attractive as well as safe;
- In addition to high-quality academic programs, we need programs, including advanced programs, perhaps in cooperation with Gateway Technical College, that prepare students with job entry skills (this kind of education is more expensive, but it <u>must</u> be available to hold kids in school as well as prepare them for the job market);
- To move away from a traditional model of educating its students to taking the risks that are needed to find new ways that will attract and hold kids in school; and,
- To provide teachers the resources needed to educate students as well as a high-quality support system for inducting new teachers.

Anything the state legislature can do to facilitate Racine Unified would be an investment in the future.

In addition, the community needs:

- Family-supporting jobs—this may require WPA-type jobs to get many people started in the job market along with mentoring systems to help these families; most children aren't going to do better in school until their parents can provide stable family lives including decent housing, food/nutrition, clothing, and health care;
- To put forth the tax effort required to support its schools;

Anything the state legislature can do to facilitate the greater Racine community would be an investment in the future.

Also, this is a good time for the state of Wisconsin to facilitate Racine and Racine Unified in these endeavors as we are:

- Currently seeking a new superintendent of schools—but what quality person will want to risk her/his career if the community and state aren't supportive of its public schools;
- The teachers' union and the school district are working more cooperatively today than they have for some thirty years—let's take advantage of that; and,
- While we have a long way to go, the community is beginning to get the idea that, if its public schools aren't successful, it won't be successful.

Unless you want a second Milwaukee, anything the state legislature can do to facilitate Racine Unified and the greater Racine community in the immediate future will be an investment in all Wisconsin public schools as well as in all Wisconsin communities. Thank you.

lehmanb.doc

School Funding Reform Legislation SJR27/AJR35

Senate Hearing

My name is Lisa Atherton; I am a taxpayer and parent in the Waukesha School District. I am very concerned that the current state funding law for education is preventing schools from delivering adequate education for our children.

Every year over three million dollars must be cut from our local schools, resulting in increased class sizes and cuts in programs. The quality of education suffers desperately.

I am attending this hearing to indicate my support for comprehensive funding reform. I encourage you to support the goals of this resolution and work to develop a new funding plan. Wisconsin needs a plan whose primary purpose is to educate children. Investing in education is the best, most effective use of state funds to ensure a thriving economy and an great future for the state of Wisconsin.

Lisa Atherton Email: lammaj@msn.com

2715 Burton Drive

Waukesha, WI 53188

KATHLEEN VINEHOUT
STATE SENATOR

Thursday, November 15, 2007

Thank you Sen. Lehman and members of the Senate Education Committee for the opportunity to testify in favor of Senate Joint Resolution 27 which requires reform of the school aid formula to be enacted by July 2009.

It is time to get the job of reforming school funding done.

The Legislature has not completed its homework. We have studied the issue but we have not turned in our final assignment.

While the legislature has not completed its work, more and more school districts are running into severe financial difficulties. Ninety percent of the school superintendents across the state say the school funding system has to be significantly changed and I have spoken with many of them. Parents and taxpayers are frustrated by the inequities in the formula and the inadequacy of resources. An increasing number of schools, like those in my district, are running into severe financial difficulties forcing teacher layoffs, larger class sizes and reduced course offerings.

Let me tell you about one of my school districts.

Alma Center is facing serious budget cuts. This school district has already consolidated and last April lost a critically needed referendum to simply maintain current services. The school district administrator, the school board and the community are dealing with significant cuts on top of previous years cutbacks to programs and services. To address their budget crisis, the district sent layoff or hour reduction notices to 15 teachers. They also considered the following:

- Outsourcing the custodial services and letting go of the custodial staff
- Eliminating band and chorus for all grades
- Eliminating the gifted-talented program
- Eliminating foreign language courses
- Eliminating all extracurricular activities including sports, drama, forensics and other groups
- Cancelling all shop, tech education, mechanics and agriculture classes
- Charging fees for textbooks.

Such cuts threaten education equality and the ability of rural students to achieve.

State Capitol • P.O. Box 7882 • Madison, WI 53707-7882 • Office: (608) 266-8546 • Fax: (608) 267-2871
Toll Free: (877) 763-6636 • Sen.Vinehout@legis.wisconsin.gov

Last year's annual survey of school district superintendents' reports: 70% of our 425 districts increased class size; 65% increased student fees; over 60% offered fewer courses and reduced programs for gifted and talented students; over 65% laid off teachers and support staff; and over half of the school districts reduced extracurricular programs and programs for at-risk students.

Educational opportunities are being limited at the same time schools are trying to meet increasing accountability of student achievement.

There are three major problems with the school funding system that have to be fixed:

1) There is a fundamental disconnect between what drives school district revenues and what drives school district costs. When three students leave from a class of 20, district revenues are automatically cut 15 percent – but the cost of teaching a class of 17 is almost the same as teaching a class of 20.

2) The school funding formula assumes that every student costs the same to educate regardless of background, capability, or language skills.

3) The school formula assumes every school district has the same cost structure regardless of whether it has 300 or 3000 students, and regardless of whether it covers 15 square miles or 150 square miles.

These three things work together to create severe financial problems particularly for smaller, rural districts with declining enrollments and increasing property values. Most of the schools in the 31st Senate District are affected.

My own school district of Alma leads the state in the declining enrollment. They are losing dollars faster than they can cut fixed costs. The district has worked very hard to avoid cutting programs. Alma shares staff and programs such as music, consumer education and psychologist arrangements with Pepin and Plum City school districts. The school district administrator said this was their secret to survival.

Pepin school district suffers disproportionately from a system that penalizes districts with higher than average equalized property values. Forty percent of students come from low-income families and more than 50% of the community is low-income. Under the current formula, Pepin is considered a wealthy community, and yet the majority of residents teeter at or below the poverty line.

Rural school districts are losing ground and face two choices: They must either spend more out of local resources to provide a basic educational program or be satisfied with more limited educational offerings. The reality is many of these districts are poor so the first option is not available to them. Sacrificing educational equity is NOT a choice.

If Wisconsin is going to uphold the right of all children to receive a high quality education, the state has to meet its commitment to funding two-thirds of the cost of schools. This level of state support will help reduce the budget crunch for schools and the burden on property taxpayers. But it does not address the long term inequities in the school funding formula.

School funding reform has to be a priority. We need to put aside partisan differences and work together to put forth a plan for real reform.

For the fundamental problems in school funding to be fixed, reform must accomplish these four things:

- Reduce our reliance on the property tax.
- Recognize that some students cost more to educate than others.
- Recognize that school districts in different situations face different costs.
- Be based on an adequacy study of real costs in specific circumstances.

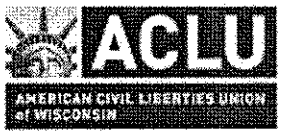
This is not impossible. There have been a number of proposals made by different groups over a number of years. The information is there. What is missing is the commitment to finish the assignment. We need to make that commitment.

We cannot afford to let our schools go down:

Good schools prepare our children for productive lives.
Good schools make vibrant communities.
Good schools support a healthy economy.

We can do a better job funding schools and our goal must be to change the present funding system.

Thank you.



November 15, 2007

Wisconsin Senate Education Committee
Madison, WI

HAND DELIVERED

RE: ***Senate Joint Resolution 27***

Dear Chairman Lehman and Education Committee Members:

I am here on behalf of the American Civil Liberties Union of Wisconsin, which works to defend the rights and liberties guaranteed to all people in this country by the Constitution and laws of the United States and the state of Wisconsin. Among its other actions, the ACLU of Wisconsin works to extend rights to those segments of our population that traditionally have been denied their rights, including children; people of color; people with disabilities; and the poor.

Our concerns include ensuring that our state provides a meaningful opportunity for a sound basic education to all children in Wisconsin, regardless of race, income, ethnicity, or disability. In 2000, the Wisconsin Supreme Court defined the contours of that constitutional right.

> Wisconsin students have a fundamental right to an equal opportunity for a sound basic education. An equal opportunity for a sound basic education is one that will equip students for their roles as citizens and enable them to succeed economically and personally. The legislature has articulated a standard for equal opportunity for a sound basic education . . . as the opportunity for students to be proficient in mathematics, science, reading and writing, geography, and history, and for them to receive instruction in the arts and music, vocational training, social sciences, health, physical education and foreign language, in accordance with their age and aptitude. An equal opportunity for a sound basic education acknowledges that students and districts are not fungible and takes into account districts with disproportionate numbers of disabled students, economically disadvantaged students, and students with limited English language skills . . .

Vincent v. Voight, 614 N.W.2d 388, 396-7 (Wis. 2000).

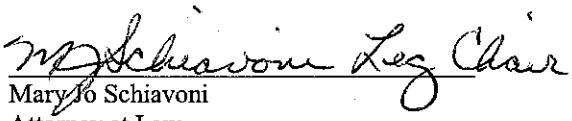
The Wisconsin constitution guarantees those rights and opportunities to each student in this state. Throughout Wisconsin, there are many, many dedicated teachers and administrators, and pupils eager to learn. Yet we also know that not all Wisconsin students have the meaningful opportunity for a sound basic education which our constitution requires. Not all students have access to all the course offerings - both academic and non-academic - required by law. Programs to aid low income students and other vulnerable populations are insufficient to meet the needs of all students who qualify for them, and too often ignore the needs of students who do not fall into a narrowly defined classification for a categorical eligibility problem. We see that already, too often, there is a lack of necessary resources to assist all students in meeting proficiency standards.

We understand that there is a budget crisis which has been building for years. Nevertheless,

it is the constitutional obligation of the state of Wisconsin to ascertain what programs, services and facilities are needed to help all students succeed; to ensure that adequate resources exist; and to distribute those resources in a manner that will guarantee a sound basic education for all students.

Rather than continue to drain resources from our classrooms, the Wisconsin legislature must take all possible steps to ensure that every child in Wisconsin has a full and meaningful opportunity for a sound basic education. We urge you to redouble your efforts to ensure a fair and adequate funding system statewide.

Respectfully submitted,



Mary Jo Schiavoni
Attorney at Law

On Behalf of:
American Civil Liberties Union of Wisconsin
207 E. Buffalo St., Ste. 325
Milwaukee, WI 53202

SONDY POPE-ROBERTS

STATE REPRESENTATIVE

Senate Committee on Education
Testimony in favor of SJR 27/AJR35
November 15, 2007

Thank you Chairman Lehman and Education Committee members for this opportunity to testify today on Senate Joint Resolution 27. As you may know, I am the author of this Resolution in the Assembly, AJR 35.

I was aware that Wisconsin's current system of funding public schools to provide "an equal opportunity for a sound basic education" for every child as laid out in the state Constitution was failing long before I was elected to serve in the State Assembly.

To quickly touch on a few of the main problems in the formula we only need to look at the mathematical conundrum this system creates. Between the Revenue Caps which dictate how much a district can spend each year (which is set at about 2-2.5%) and inflationary costs that go up by about 4%, we have managed to put nearly every school district in the state into a financial vice. In order to find financial relief they are forced to go to referendum in order to get "permission" from the community to make up the cost difference we created with our formula.

Referenda can be very expensive and can cause great discord in communities. They pit families with children against elderly on fixed incomes trying to meet their property tax payments. Grandma shouldn't have to choose between staying in her home and adequately educating her grandchildren.

Families with special needs children end up feeling guilty for the increased costs to educate their children. Families of children with exceptional talents end up getting short changed on opportunities for lack of funds. This clearly is an irresponsible way to fund public education.

The current system of funding public education was really designed to provide property tax relief. It is even questionable in its success to do that. I believe we need a system that is first and foremost designed to adequately educate our children.

In this resolution there are several considerations that must be addressed in order to meet state and federal law as well as our state Constitution.

1. Our funding levels need to be based on the actual cost of the education we require districts to provide their students, not some arbitrary per pupil spending level from 1993.

2. School districts must meet the many state and federal mandates handed down to them. Often they come without sufficient, and sometimes without any, resources. We need to provide those resources so our children leave public education ready for citizenship, post-secondary education, employment or service to our country.

Capitol Office: P.O. Box 8953, Madison, WI 53708-8953 ▪ 608-266-3520 ▪ Fax: 608-282-3679 ▪ **E-Mail:** Rep.Pope-Roberts@legis.wi.gov
District: 4793 Delmara Road, Middleton, WI 53562 ▪ 608-829-2750 ▪ **Toll-free:** 888-534-0079

3. The State needs to recognize the many special circumstances that children bring to school –

    - non-English language learners,
    - children of poverty,
    - those in very large geographic districts with heavy transportation burdens,
    - those in declining enrollment districts,
    - children with exceptional education needs, and
    - those in what are now called, "small but necessary districts".

4. We need to shift the focus from the heavily burdened property tax payers toward a more equitable funding source. Local property wealth and income is not a fair measure of a district's ability to adequately educate its students. A student's quality of education should not be decided by their home address.

In the recent past there have been many new funding plans introduced, examined, presented, debated and then forgotten. Each of them has been relegated to some dusty shelf while our school districts continue to languish in the financial restraints that have been created by the current system. This resolution is intended to focus the light on those who **can** change the current formula and are, indeed, directed to do so by the State Constitution. This is the legislature's problem to solve.

This resolution is not intended to lay out a new funding formula. This is not a new funding plan. It is a call to action to legislators. It is a measure of our good faith to do our jobs. It is taking responsibility for both the problem and the solution.
It is a statement of intent by legislators to meet our obligation by the next budgetary session. It is upholding the state Constitution as each of us has sworn to do.

Because I believe that this is a job that needs to be done by combining the collective wisdom of both parties, the many organizations and stakeholders involved in education, with input from the taxpaying public, I will again ask that a group be convened to put together the best school funding system possible.

This should not be about political gain and partisan upsmanship. It is about doing the right thing for our children. The lack of political will to address this crucial problem should be sufficient reason to suggest that those who continue to duck and hide be voted out of office and replaced by those who see the education of our children as an investment in Wisconsin's future instead of some line item that needs to be cut.

Earlier this month the four chairs and ranking members of the two legislative education committees heard a presentation from The School Finance Network, which is a group made up of: American Federation of Teachers – Wisconsin; Association for Equity in Funding; Fair Aid Coalition; School Administrators Alliance; Southeastern Wisconsin Schools Alliance; Wisconsin Alliance for Excellent Schools; Wisconsin Association of School Boards; Wisconsin Association of School Districts ; Wisconsin Education Association Council; and the Wisconsin PTA

This group has been laboring for months to create the best plan possible. I think that would be a great place to begin our work. And, to be sure, there are other plans being drafted, plans being formulated, and finished plans

waiting for introduction. One way or the other, there will be a school-funding reform bill introduced in the Wisconsin Legislature by the Spring of 2008 or earlier. Much of the work has already been done.

With a Democratic Senate and a Republican Assembly we have the opportunity right now to craft a truly bipartisan system. This may change in 2008. With the help of experts in the field we have the opportunity to "get it right", something we failed to do in 1993.

You will, no doubt, be hearing about the serious consequences of this flawed system from those who will testify after me. Please listen carefully to what they have to say. They are on the front lines and being held accountable for student success. We make it very difficult, if not nearly impossible, for them to do their jobs.

The bottom line is that this resolution brings into focus the fact that the current system is broken and needs to be replaced. Further tweaking, adjusting, and supplemental funding only serves to put band aids on a gapping wound.

Without the political will to enact and implement a new and better funding formula everything we do is but continued lip service.

It is time to stop praising the problem of school funding and craft a solution.