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Wisconsin School Principals Point to State Revenue Caps as Major Cause of School Budget Problems

Financial Difficulties Caused by Revenue Limits Undermine Quality of Public School Education Statewide, New Survey Reveals

MILWAUKEE, Wis.—A survey released today by the Institute for Wisconsin's Future (IWF), reveals that 87 percent of the Wisconsin school principals surveyed in the state said that revenue caps are having a negative impact on school finances; 50 percent of the respondents believe the impact to be severe.

The survey reports that as a result of financial shortfalls, a majority of schools responding have been forced to cut or eliminate important programs. Textbook and equipment purchases have been delayed. Many summer school, computer and athletic programs have been cut or eliminated. Building maintenance and construction projects have been delayed or canceled. Staffing has become more difficult and fundraising efforts to help reduce some of the budget shortfalls are on the rise.

IWF, a Milwaukee-based public policy research center, conducted the study entitled, ***Assessing the Impact of Fiscal Constraints and Revenue Caps on Wisconsin Schools***, in collaboration with Stephen L. Percy, Donald P. Haider-Markel, Theodore W. McDonald and Peter Maier at the Center for Urban Initiatives and Research at the University of Wisconsin-Milwaukee.

The mail survey was sent to all 2,033 Wisconsin public school principals.

Thirty-eight percent (763) were completed and returned. The research base for the study consisted of 395 elementary schools, 106 middle or junior high schools, 199 high schools, and 63 schools with mixed grade levels.

The survey findings confirm earlier studies on the impact of spending caps on Wisconsin school districts. Previous studies have found that spending caps have had a negative effect on computer instruction and resources, building maintenance, staffing and textbook acquisition. The IWF survey expands on previous research by examining in detail the effect of fiscal limits on curriculum, activities and facilities of Wisconsin K-12 schools. The report reflects the concrete experiences of individual schools in a wide range of communities.

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In 1993, the state imposed limits on how much revenue school districts can take in as a way to ease the burden on property taxpayers. This froze school spending at 1992 levels. Presently, the law allows school revenue to grow no faster than \$211 per pupil each year. Since revenue caps were instituted, there have been financial shortfalls in many public schools.

School principals reported that these financial difficulties have affected their schools' ability to maintain educational and extracurricular quality. As a result, schools have been forced to institute a variety of budget-cutting measures, including:

- Forty-two percent of the schools with summer school programs were forced to reduce or eliminate them completely.
- Forty-three percent were not able to buy needed computer equipment;
- Fifty-three percent of the schools surveyed postponed buying current textbooks, 25 percent had to cancel planned purchases altogether;
- Fifty-five percent of the principals surveyed said they were having difficulty attracting and keeping high quality teachers as a result of budget constraints;
- Sixty-two percent of the schools with physical education programs reported a negative impact on athletics because of budget shortfalls; 35 percent reduced or eliminated after-school athletics.
- Fifty-one percent of the schools surveyed experienced a negative impact on programs for at-risk students;
- Fifty-four percent of the schools have had difficulty maintaining buildings,
- 25 percent reported their roofs leaked and another 25 percent had electrical problems.

One example of a Wisconsin school negatively affected by revenue caps is Seymour Middle School, which has been nationally recognized for educational programs that have increased attendance, reduced discipline problems and generated higher achievement levels. However, according to Principal Robert Battisti, spending caps may jeopardize this progress.

Says Battisti, "It is tragic that our school has been forced to eliminate staff and compromise key educational components because of state expenditure caps. We now have larger class sizes and less capacity to plan quality curriculum, intervene to meet children's needs and involve parents."

The findings of the IWF study suggest that the negative impact of spending caps on the capacity of schools to offer quality educational programs with up-to-date equipment in safe and adequate facilities is widespread. The scope and extent of these educational cutbacks indicates the need for the public and policymakers to reassess the public school funding structure.

Senator Cal Potter (D-Kohler), chairman of the Senate Education Committee, said the survey results demonstrate that school districts need flexibility. "Given the higher performance standards set for schools in the state, it is crucial that schools have the resources to meet the increased demands for student achievement," Potter said.

The Institute for Wisconsin's Future (IWF) is a statewide policy research and community education center. IWF was established in 1994 by a broad coalition of concerned academics, community and religious leaders, labor organizations and business professionals to produce and disseminate analyses of key public policy issues to help citizens make informed choices in policy debates.

To receive a copy of the full report, please call IWF at (414) 384-9094.

A summary version (PDF or HTML) of the report can be obtained online at www.wisconsinsfuture.org.

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