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Contact: Tom Beebe, 920-650-0525 or tbeebe@excellentschools.org



Wisconsin Alliance
for Excellent Schools

Governor's plan short of needed school-funding reform

Governor Jim Doyle has introduced a plan to exempt from revenue limits school districts that meet specific criteria. The plan does recognize the need for change in the funding system, but it fails to address the crisis our schools find themselves in and doesn't start the fundamental restructuring of our school finance laws that is so badly needed.

"While we appreciate the governor's efforts to address the problems, the plan just doesn't get the job done and continues the trend of shifting the responsibility for funding schools onto local property taxpayers," said Kim Suhr, co-founder of GrassRoots of Waukesha County and a member of the board of directors of the Wisconsin Alliance for Excellent Schools (WAES).

"The fact is that the way we fund schools is broken. Wholesale reform of school funding is needed now—reform that benefits both children and their communities."

First, however, Wisconsin needs to quickly reverse the trend of declining public school aid started in the 2009-11 state budget. In total, 336 school districts lost over \$175 million in general aid, a cut of over 15 percent for many communities and 10 percent or more for 181 districts.

"After 15 years of cuts to programs and services under the present funding system, that is unacceptable," Suhr said. "The best way out of our current economic downturn is to graduate the best trained and educated young people possible from our schools. Decreasing that investment in public education is heading in the wrong direction."

As a matter of fact, in his announcement today, the Governor had many good arguments for a longer school year, longer school days, and many other suggestions for better educating children. We need to have discussions about the educational merits of those proposals, but in many cases such changes will require additional funding.

To address the crisis by getting needed revenue back into schools as soon as possible, WAES has proposed "Pennies for Kids," a plan to increase Wisconsin's sales tax—one of the lowest in the country—by one-cent. Suhr said that will raise about \$850 million a year that could be used to educate children and lower property taxes in every community in the state (2009 Wisconsin Act 28, 2009-11 State Budget; Summary Tables and Charts, July 22, 2009).

The plan released today does nothing to address this crisis and is a recipe for even more cuts in schools and more property tax increases. For example, Salem School District will increase its tax levy by nine percent, despite cuts that eliminated art, music, and all extra-curricular activities.

Revenue limits, sometimes known as *revenue caps*, are state-imposed controls on the amount of money a Wisconsin school district can receive through state aid and local property taxes. Allowing a school district to be exempt from these limits, as the Governor proposes, does not mean it will receive more funds from the state to educate children; it simply shifts the responsibility for funding schools to local property taxpayers.

This plan will not only cause further resentment among property taxpayers, it will also lead to inequalities between districts, as some will be able to increase taxes while others will not.

Revenue limits are part of a funding system that includes a state commitment to funding two-thirds of the costs education. Over the years, that support has decreased and the cost of schools has been increasingly paid by local property taxpayers.

“The state continues to pass the school funding buck,” said John Smart, former member of the Park Falls School Board and current WAES board director. “The plan we heard today speeds up that process and puts local school boards in the worst situation possible, having to not only cut programs and services but also to raise property taxes.”

Additionally, very few districts will be able to take advantage of the offer. With the recent shift in education investments from state aid to local property taxes, more and more communities are already unable to reach their revenue limits. This situation has become so pronounced that Assembly Bill 461 has been introduced to make sure that districts that go under the limit are not punished with lower limits in future years.

Instead of piecemeal reform and the continued burdening of taxpayers, WAES continues to work for a comprehensive change in funding. Instead of a system based on enrollment, property values, and last year’s spending, the coalition calls for an “adequacy approach” to funding that links sufficient school revenue to what we expect students to know and do. It also takes into account their needs, such as disabilities, poverty, and limited English language skills. The WAES plan also recognizes the unique funding needs of large, urban districts and the smallest, rural communities.

WAES is a coalition of 150 school districts, teachers’ groups, students, professional organizations, parent groups, and individuals. It is a partner in the School Finance Network (SFN), another group suggesting that structural reform of school financing should be made now. For more information about WAES and its plan for reform, visit <http://www.excellentschools.org>.

In addition to understanding that funding for specific categories of students has diminished over the years, SFN has identified other flaws in the current system and determined that overall annual increases in allowable revenues fail to keep pace with real world costs over which school districts have little to no control, such as utilities and transportation. By crafting proposals to fix these flaws, the SFN proposal will allow school districts around the state to maintain coursework in art, music, foreign language, business, and vocational training, all of which are now being cut, providing children with high quality education for which this state has a proud tradition.

For more information about the School Finance Network and its plan for reform, visit <http://www.SFNWisconsin.org>.