

School-funding update for week of Nov. 30, 2009

- **It's time to stand up for schools ... sign petition for "A Penny for Kids"**
- **Latest state budget continues to complicate school-funding impact**
- **Future for school funding not getting any brighter**
- **WAES needs renewals, new members to continue work**
- **Three northern districts try co-op sports team to save money**
- **Sens. Olsen and Schultz deliver pessimistic news to Baraboo residents**
- **Ashland co-op designates patronage refunds for school activities**
- **As poverty increases, schools struggle to provide programs, services**
- ***The Capital Times* has a good read on school-funding reform**
- **IWF's Jack Norman now in the blogosphere**
- **Wisconsin's school-funding system runs afoul of the Constitution**
- **Help WAES correct e-mail update glitch**
- **School-funding reform calendar**

The Wisconsin Alliance for Excellent Schools (WAES) is a statewide, independent, membership-based organization of educators, school board members, students, parents, community leaders, researchers, citizens, and community activists whose lone goal is the comprehensive reform of Wisconsin's school-funding system. If you would like more information about the organization -- or on becoming part of WAES -- contact Tom Beebe at 920-650-0525 or tbeebe@excellentschools.org.

It's time to stand up for schools ... sign petition for "A Penny for Kids"

For over a decade, the state's proportion of the cost of quality education in Wisconsin has declined leading to staff lay-offs, larger class sizes, cuts in programs and services, and rising property taxes. As part of the last biennial budget, things actually got worse when, in an unprecedented move, state aid was cut.

Our school-funding system is in crisis, and that crisis is leading to less education in our schools and higher property taxes on our homes. It is time to say, "Enough is enough." We need to reinvest in our public schools as soon as possible to stop the loss of revenue and then follow through on our promise of comprehensive change in the funding system.

The **Wisconsin Alliance for Excellent Schools (WAES)** is asking State Government to raise Wisconsin's sales tax by one penny. "*A Penny for Kids*" will put about \$850 million a year toward saving programs and services in our schools and holding the line on property tax increases. It only makes sense.

You can be involved in this important effort by going to the "A Penny for Kids" website at <http://www.apennyforkids.org> and signing the petition to tell your elected officials you want them to do the right thing. **Once you have signed, make sure you share this e-mail with as many organizations and groups as possible because the more people who sign, the more power we have to make sure lawmakers do the right thing for our children and our communities. Or, if your organization has its**



[own website, Facebook page, or other networking site, make sure to include a link to http://www.apennyforkids.org.](http://www.apennyforkids.org)

Latest state budget continues to complicate school-funding impact

Continuing cuts to school programs and services and increasing property taxes -- the effects of an economy yet to rebound, a state budget that actually cut aid to public schools, and a school-funding system that no longer works for kids and communities -- is a complicated and growing concern across the state.

The deteriorating state of affairs was the subject of a two-hour forum in late October sponsored by the League of Women Voters of Manitowoc County (<http://www.htrnews.com/apps/pbcs.dll/article?AID=2009910230409>). Although the forum was supposed to be far-reaching, it focused on area districts' struggles as a result of the funding system. Jim Carlson, a teachers' union bargainer in the Kettle Moraine area, summed up the feelings of most when he said Wisconsin's method of funding public schools is "truly broken."

Because the state's percentage of the cost of public education continues to decline -- and because state aid to schools was actually cut in the last state budget -- property tax levies statewide will rise an average of 7.16 percent according to an article in the *Milwaukee Journal Sentinel* (<http://www.jsonline.com/news/education/70337992.html>). The story points out that levies could have been higher except that the state ratcheted down the per-pupil revenue increases and many local districts chose not to levy the maximum allowable under law. That only means that in addition to tax increases on property owners, schools continued to get declining revenue and many were forced to continue cuts to programs and services that have been going on for years.

Now, another unintended consequence is becoming apparent. School districts, by not levying to the maximum allowable, left about \$61.8 million on the table, the largest amount of uncollected school property taxes for at least the last seven or eight years (<http://www.jsonline.com/news/watch/70531077.html>), according to the Department of Public Instruction (<http://www.dpi.state.wi.us>). Reasons for the under-levy are undoubtedly local, but it is a safe bet that school districts are trying to decrease the burden on local property taxpayers during uncertain economic times. It is also a safe bet that legislators will point to the phenomenon as a reason not to increase the state share of school aid (even though their actions in the 2009-11 budget precipitated the crisis) and move back toward two-thirds funding.

Future for school funding not getting any brighter

As bad as things are in the funding of public schools in Wisconsin and across the country, it could -- and probably will -- get worse.

According to CNNMoney.com, 10 states face financial peril because of dropping tax revenue, rising unemployment, and yawning budget gaps ... all of which could lead to even further decreases in state aid (http://money.cnn.com/2009/11/11/news/economy/states_economies/index.htm) You guessed it, Wisconsin is on the list. According to the Center on Budget and Policy Priorities (<http://www.cbpp.org/>), these state will probably have to make steep cuts in the fiscal 2011 budgets. Too bad the Badger State didn't clean up its school-funding mess when it was in better shape.

And, if that wasn't bad enough, amid a still-shaky economy, a troubling reality is starting to set in for states

and school districts across Wisconsin and the country: The budget situation may get worse when the federal economic-stimulus spigot runs dry

(http://www.edweek.org/ew/articles/2009/10/30/10cliff_ep.h29.html?tkn=OTSF2ow4e12V1U%2BBpvzSdcNKomPzCm%2BLnT5t). As helpful as the stimulus funds have been, they are "once only" money to deal with current shortfalls. According to the article in *Education Week*, "it creates some awfully big holes to fill when the money begins to run out late next year in what's widely known as the 'funding cliff.'"

Reading these tea leaves, some Wisconsin legislators are urging school boards to batten down the hatches. Republican Sen. Luther Olsen

(<http://www.legis.wisconsin.gov/w3asp/contact/legislatorpages.aspx?house=Senate&district=14>) told the *Milwaukee Journal Sentinel*, "If I was a superintendent or school board member, I'd be better served

figuring out what are the worst-case scenarios coming down the road and get my hose in order

(<http://www.jsonline.com/news/education/70120162.html>)." An opposing voice came from Julie

Underwood, dean of the UW-Madison School of Education and a spokesperson for the School Finance Network. "We've been taking those cuts across the state for a number of years ...," she said, noting that

perhaps its time to talk about changing the funding system and having "a statewide conversation on the importance of all children learning." WAES thinks it makes "[A Penny for Kids](#)" sound very, very attractive.

WAES needs renewals, new members to continue work

WAES is doing good work. It is part of an ever-growing statewide effort to change the way we fund public schools, and it is the leader of "A Penny for Kids (<http://www.apennyforkids.org>)," an effort to stop the fiscal and educational crisis created by the last state budget. Without your help, however, this work won't get done.

Not only does WAES need you as an individual or your organization to join the coalition

(<http://www.excellentschools.org/about/partners.htm>), but we need your financial support. WAES is a non-profit organization that is funded by its members. Your dues are tax deductible. School districts or teachers groups should contact Tom Beebe (920-650-0525 or beebe@excellentschools.org) for more information and for the dues structure. Other groups and individuals can go to

<http://www.excellentschools.org/about/join.htm> to join, including paying your dues via PayPal.

Since the last update, the Hartford AAUW has joined WAES as a new member. Renewals have been received from the Elcho School District (<http://www.elcho.k12.wi.us/>), the James Madison PTA (Appleton at <http://www.aasd.k12.wi.us/Parents/pta.html>), and Glorie Salas of Milwaukee.

Three northern districts try co-op sports team to save money

One of the keys to problems with Wisconsin's school-funding formula is declining enrollment: Because aid goes to districts on a per-pupil basis, fewer pupils means less revenue (and programs and services that can't be cut as fast revenue disappears) and about 60 percent of districts face declining enrollment.

Three school districts in the north central part of the state have found a unique way to deal with the challenge. Greenwood (<http://www.greenwood.k12.wi.us/>), Granton (<http://www.granton.k12.wi.us/>), and Loyal (<http://www.loyalschools.org/>) are in the early stages of creating co-op programs in order to keep some sports programs within their schools, especially those in desperate need of more students (<http://www.marshfieldnewsherald.com/apps/pbcs.dll/article?AID=/200911040357/MNH0101/911040396>)

. Although there are many complexities to such a move (including coaching, uniforms, bands and

cheerleaders, team names, and transportation), the three districts are looking at any and all combinations except basketball and volleyball.

For 15 years, the state's public schools have been laying off staff, increasing class sizes, cutting programs and services, dipping into fund balances, and going to referenda to try and struggle along under Wisconsin's school-funding system. Also, they have been instituting many unique cost-saving efficiency measures -- like co-op sports teams -- that they are rarely given credit for. To read more about what districts are doing, go to http://www.weac.org/News_and_Publications/At_the_Capitol/archives/2007-2008/survey08.aspx.

Sens. Olsen and Schultz deliver pessimistic news to Baraboo residents

Although lack of legislative activity over the years has left in place a school-funding system that has limited children's education throughout the state -- and although legislative action in the last budget (a budget that saw a decrease in state aid to schools) has caused tax increases for property owners and more cuts in programs and services for children -- neither Republican or Democratic legislators are talking much about fixing the problem.

Earlier this month, two veteran state Senators -- Luther Olsen from Berlin (<http://www.legis.wisconsin.gov/w3asp/contact/legislatorpages.aspx?house=Senate&district=14>) and Dale Schultz from Richland Center (<http://www.legis.wisconsin.gov/w3asp/contact/legislatorpages.aspx?house=Senate&district=17>) -- delivered bad news to the Baraboo School District (<http://www.wiscnews.com/bnr/news/index.php?ntid=466950>). Sen. Olsen was the most succinct, saying, "If I were a school board member, I would be worried. No matter how much we value education, when the economy is the way it is in the state of Wisconsin, we could see some cuts," he said. "There's no money and no one's come up with a good answer to fix what the problem is."

Editor's note: Sen. Olsen is apparently not acknowledging the work of WAES, the School Finance Network (<http://www.sfnwisconsin.org>), and others who have worked for years to put reform proposals in the lap of the Legislature. In addition, he apparently doesn't see a one-penny increase in the sales tax to lower property taxes and raise revenue for kids as viable as those who have signed the petition at <http://www.apennyforkids.org>.

Ashland co-op designates patronage refunds for school activities

So far, many communities around the state have been able to step up to the plate as the state continues to drop the school-funding ball. Some pass referenda to exceed revenue limits and others -- like the folks in Ashland -- have gone well outside the box to do what they can. It can't go on forever, and, sooner or later, the state will have to do what the Constitution obligates it to do. For now, however, it seems to be working.

While school officials in Ashland (<http://www.ashland.k12.wi.us/>) in the far northwestern part of the state have done their best to insure students a well-rounded selection of co-curricular and extra-curricular programs, sometimes there just isn't enough money to go around for all the things they would like to have available to their kids (<http://www.ashlandwi.com/articles/2009/11/20/news/doc4b06b5394e250615897683.txt>). It stepped the public to help provide some extra funding for some important programs.

According to Superintendent Peggy Smith, the district and Midland Services Inc., the Ashland-based

cooperative, are teaming up to allow folks in Ashland, whether they are co-op members or not, to donate their patronage refund -- money they get back for purchasing through the co-op -- to the school district. Last year, all patronage refunds amounted to over \$1 million. Under the arrangement, all of the rebates that are "given" to the district by the public will be paid in cash to benefit the youth programs.

As poverty increases, schools struggle to provide programs, services

Wisconsin's Constitution and law say that every child in the state -- including those who come from families in poverty -- are entitled to access to the opportunity for a quality education. In practice, we know this is true when additional resources are devoted to those children, a concept that has been supported by the state Supreme Court.

As the economy has turned south and the Legislature and Governor have devoted fewer resources to public schools (as a percent of the cost of quality education), this has gotten more difficult. One school district struggling with this new reality is Manitowoc (<http://www.mpsd.k12.wi.us/>). The school board heard earlier this month, that the number of students receiving free and reduced-priced lunches -- the measure of poverty -- has increased again. According to the new data, 41 percent of the districts enrollment (2,100 students) qualified as of Oct. 31. That is up over last year's 36 percent (<http://www.htrnews.com/article/20091116/MAN0101/911160442/1984/MSD-lunch-assistance-enrollment-reaches-41->).

One way districts try to offset poverty is through the federally-subsidized meal program (in addition to educational programming). Schools are reimbursed 25 cents per fully paid meal, \$2.28 per reduced-price meal, and \$2.68 per free meal according to the Department of Public Instruction (<http://www.dpi.state.wi.us>).

***The Capital Times* has a good read on school-funding reform**

If you're looking for some good holiday reading that sheds some light on Wisconsin's complicated school-funding crisis, a recent article by *The Capital Times* Susan Troller (http://host.madison.com/ct/news/local/education/local_schools/article_419c64fc-3fcd-5186-82ff-0c73b140b03d.html) is a good choice. It does a good job of pointing out the problems, checking off the available solutions, and putting a happy ending, if there is to be one, squarely at the feet of legislators -- where it belongs.

Although Troller's article centers on Madison, the adverse affects on school districts statewide are apparent. She points out that "frustration over school funding is nothing new," but that "when it comes to changing the law, little of substance has happened. Troller mentions political difficulties "of bridging deep divisions between what various school districts and communities want," while legislators talked about "Wisconsin's current dismal economy."

The article does mention some glimmer of hope. Professor Andrew Reschovsky, a University of Wisconsin economist and expert on school funding, said "if there's a silver lining in this, and if you were a real optimist, you could say that this current crisis may, finally, lead to system reform." Also mentioned is the work of the School Finance Network (<http://www.sfnwisconsin.org>), WAES, and "A Penny for Kids" (<http://www.apennyforkids.org>).

IWF's Jack Norman now in the blogosphere

Jack Norman, research director for the Institute for Wisconsin's Future (IWF at <http://www.wisconsinsfuture.org>), is now in the blogosphere at <http://badgertaxreview.com/> where he provides a resource for progressive taxation in Wisconsin and elsewhere. Much of the research used by WAES, including the Wisconsin Adequacy Plan and "[A Penny for Kids](#)," is Jack's work.

Jack himself said the purpose of the blog is to help "create a more progressive tax system at all levels of government" and is based on the concept described by Justice Oliver Wendell Holmes Jr. as "taxes are the price we pay for a civilized society."

Much of Norman's work -- and other work on fair and progressive taxation -- can be found at the IWF website. You can keep track of what's going on by subscribing to "Fair and Adequate," the group's e-mail newsletter. To subscribe, go to http://www.wisconsinsfuture.org/mailling_list.html.

Wisconsin's school-funding system runs afoul of the Constitution

For 15 years, Wisconsin's school-funding system has nibbled away at the quality and quantity of our public schools. We've fought the system on its unfairness and its inadequacy. We've criticized its complexity and pointed out its inability to address the needs of children and taxpayers. One angle we sometimes forget is how it has run afoul of the state Constitution, according to WAES executive director Tom Beebe.

According to Article X, Section 3, the Legislature is responsible for establishing public school districts. Moreover, statutes were passed to provide financial assistance to districts to reduce the reliance on local property taxes and guarantee basic educational opportunity regardless of local fiscal capacity. It seems to be a pretty good bet state government has failed on both counts.

To read more about Beebe's take on Wisconsin's school-funding system and the Constitution, go to <http://www.excellentschools.org/events/Editorials/constitution.htm>.

Help WAES correct e-mail update glitch

Some of you receiving this e-mail update are frustrated by the way it arrives -- endlessly long lines that are patience-trying to read. Hopefully we can help each other out.

As of now, only a handful of subscribers are suffering with this glitch. If you receive these endless lines, let me know and I will send you a text version that seems to take care of the problem.

Also, if you know how to fix it, let me know at tbeebe@excellentschools.org. Thanks.

School-funding reform calendar

- Jan. 7, 2010 -- School-funding reform discussion at the German Immersion School (http://www2.milwaukee.k12.wi.us/german_imm/), 3778 North 82nd Street, Milwaukee, 6:30 p.m., sponsored by the German Immersion School PTA
- May 10 -- School-funding reform discussion with the Stevens Point Area Retired Teachers Association (<http://www.wrea.net/>), 12:30 p.m., at the Sky Club (<http://skyclubdining.com/>) in Plover