



Wisconsin Alliance
for Excellent Schools

School-funding update

Week of February 20, 2008

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

Fire puts IWF and WAES out of their home but not out of business

No one knew it, but January 25, 2008 was the last day for WAES and IWF at the groups' Milwaukee headquarters. Late in the day, a serious fire put both groups out on the street (<http://www.excellentschools.org/>).

There was extensive fire, smoke, and water damage to all four floors of the building (WAES and IWF occupied only the second floor). No one was hurt, however, and we did manage to save our computers and most other important information. IWF is presently looking for a new home. Karen, Jack, Gina, and Joe can be reached by leaving a voicemail message at 414-384-9094, the old number, or via e-mail.

WAES will be working out of the new Milwaukee office, wherever that might be, and its new headquarters at 315 Maples Street, Fort Atkinson, 53538. You can reach Tom via e-mail at tbeebe@wisconsinsfuture.org or his cell phone at 920-650-0525.

School-funding crises intensifying around the state

The region of the state no longer matters -- Wisconsin's school-funding system is causing crises everywhere.

Voters in the Washburn school district will be voting this spring on a \$900,000 recurring referendum in order to "stay solvent and not hurt education"

(<http://www.ashlandwi.com/articles/2008/02/08/news/20080208-archive.txt>). According to the *Ashland Daily Press*, the district must pass the referendum or find cuts in programming soon or face dissolution in 2010. Predicted budget deficits are \$231,000 in the 2008-09 school year; \$628,000 in 2009-10; \$8=974,000 in 2010-11; and \$1.33 million by the 2011-12 school year.

Also in northern Wisconsin, the school districts of Glidden and Park Falls are again looking for a someone to consolidate with -- this time Mellen (<http://www.ashlandwi.com/articles/2008/02/07/news/20080207-archive3.txt>). The two had earlier pursued an unsuccessful pitch to Butternut. According to a consultant, " ... consolidation wouldn't be a panacea for the struggling districts, but rather a way to temporarily stave off deepening economic distress." The audience at a recent annual meeting laid their dilemma at the feet of the state's flawed funding system. The consultant agreed: "I wish I could say in 2012 the lights would come on (for legislators) and they'll do something, but I don't know." He suggested that, through the funding formula, the state is "putting a defacto consolidation order in place."

Cuts and consolidation may not be enough for the Weston School District (http://www.wiscnews.com/rtp/archives/index.php?archAction=arch_read&a_from=search&a_file=/rtp/2008/01/09/266344.php&var_search=Search&keyword_field=weston&pub_code_field=&from_date_field=01/01/2008&to_date_field=02/17/2008&var_start_pos=0&var_articles_per_page=10). There will be an operating referendum on April 1 for \$1.88 million. If the district cannot solve "its financial crisis," according to the *Reedsburg Times-Press*, it could be forced to disband, sending Weston's students to one of the neighboring school districts.

WAES needs your support now more than ever

WAES is now an independent, non-profit organization. Other than its tax status and its dues-paying membership base, nothing has changed -- WAES is still a leaders in the school-funding reform effort.

WAES needs your support to make sure reform becomes a reality as soon as possible. As more and more school districts move to the brink of fiscal and educational crisis, the coalition's work is more important than ever.

You can help by joining WAES today. Go to http://www.excellentschools.org/resources/membership_statement.pdf to join as an individual member. Send your membership statement and dues to Tom Beebe, Wisconsin Alliance for Excellent Schools, 315 Maple Street, Fort Atkinson, WI 53538. To get the dues structure for organizations -- or for more information -- contact Tom at 920-650-0525 or tbeebe@wisconsinfuture.org.

Funding problems limiting superintendent candidate pool

Virtually everyone knows that Wisconsin's school-funding system has been chipping away at the state's quality and quantity of education. More recently, we've found that the number of folks running for school board has diminished because fewer people want any part in dismantling programs and services in order to stay within revenue limits.

Now, it looks like the adverse affects of the system are limiting the number of candidates for leadership positions in some of the state's largest school districts (<http://www.madison.com/archives/read.php?ref=/wsj/2008/02/04/0802040137.php>).

Miles Turner, executive director of the Wisconsin Association of School District Administrators (WASDA), told the *Wisconsin State Journal* that state districts may be at a disadvantage in recruiting from outside of the state because of program cuts in school systems and the possibility of state-imposed revenue caps on budgets.

Bill would shine the light of day of corporate profits and taxes

Wisconsin's school-funding system falls well short of providing the resources needed to guarantee all children the opportunity to achieve the state's high academic standards. In other words, reform means, in part, that our schools need more resources. We need to begin a discussion on where those resources will come from.

A bill to shine the light of day on the earnings and taxes paid by publicly-held corporations -- a start toward that discussion -- has been introduced. The Corporate Tax Accountability Act (Senate Bill 367) was authored by Sen. Dave Hansen (<http://www.excellentschools.org>). The bill affects less than one percent of the state's companies. It requires corporations to report their earnings and taxes paid to Wisconsin -- something not now done. The information will then be made public. The bill is based on the work of the Institute for Wisconsin's Future (IWF at <http://www.wisconsinsfuture.org>), published in a study called *Wisconsin's Revenue Gap: An analysis of corporate tax avoidance* (http://www.excellentschools.org/events/Corporate%20Accountability/WI_Revenue_Gap_12_2007.pdf).

The bill -- in the form of a resolution offered by the Board of Directors of Milwaukee Public Schools -- came before the Delegate Assembly of the Wisconsin Association of School Boards (WASB at <http://www.wasb.org>) in late January of 2008. Following lengthy discussion and what some characterized as organized opposition, the resolution was defeated (Resolution 08-5, Tax Disclosure ... <http://www.wasb.org/cms/images/stories/PDFs/legislative/Final%20Report%20to%20membership%202008%20resolutions.pdf>). A similar resolution was approved by the Milwaukee County Board, 14-4, urging the Wisconsin State Legislature and Governor to implement The Corporate Tax Accountability Act as soon as possible (<http://www.thewheelerreport.com/releases/Feb08/feb7/00207broderickcorptax.pdf>).

If you want to join the effort for tax transparency and fairness ... or to sign up for a monthly tax fairness newsletter published by IWF ... e-mail Karen Royster at kroyster@wisconsinsfuture.org.

State budget deficit ... what does it mean to public schools

Wisconsin's Legislative Fiscal Bureau projects that our state will be hip deep in a \$652 million deficit when the 2007-09 biennial budget ends next year. It is likely the result of a perfect storm blending falling revenue, rising costs, and an overall sluggish economy.

Whatever the reason, will it affect public-school funding? The answer is, apparently, yes and no. To date, everyone is saying the right thing ... that school revenues won't be touched. For example, Assembly Speaker Rep. Michael Huebsch said, "My belief is that any reduction we have will not be in the school-funding aid formula; it's unlikely to occur." He didn't however, say anything about possible cuts to categorical aid or to other state, county, and local programs that impact children and families.

As it often does, the looming crisis prompts talks of reforming the school-funding system. During a visit with the Holmen School Board, Feb. 11 (<http://www.holmencourier.com/articles/2008/02/20/news/02huebsch.txt>), Rep. Huebsch was asked if there was a better way to fund public schools. He said the short answer was the system we have is bad but "it's just better than anything we've come up with." He then went on to say, "As soon as we get brighter minds that get together, maybe we'll have some changes. I don't see changes on the horizon,

politically or policy-wise." Rep. Huebsch

(<http://www.legis.wisconsin.gov/w3asp/contact/legislatorpages.aspx?house=Assembly&district=94>) can be reached at 888-534-0094 or rep.huebsch@legis.wisconsin.gov.

Legislation to pay attention to coming down the pike

Three pieces of legislation -- none of them new -- are coming down the pike and could have a dramatic impact on public schools.

Rep. Frank Lasee

(<http://www.legis.wisconsin.gov/w3asp/contact/legislatorpages.aspx?house=Assembly&district=2>) is resurrecting an old standby, the Taxpayer Bill of Rights or TABOR. Legislative Reference Bureau 3050/1 ... sort of a pre-bill draft being circulated for sponsors ... was made public on Jan. 16. According to Rep. Lasee, the bill would put "more power in the hands of the people who have to pay the taxes." According to Legislative Fiscal Bureau, it would limit school district revenue to what was collected in the previous year, increased by some measure of the cost of living.

Also put on the table was a call to immediately "stop funding for new 4-year-old kindergarten programs," offered by Sen. Glenn Grothman

(<http://www.legis.state.wi.us/w3asp/contact/legislatorpages.aspx?house=Senate&district=20>). He says districts add the programs "not for academic purposes but for financial purposes." Additionally, Sen. Grothman cites studies by organizations like the Goldwater Institute and the Reason Foundation that say funding should be directed at older children because "early childhood is not where the United States is falling behind."

Finally, Rep. Robin Voss

(<http://www.legis.state.wi.us/w3asp/contact/legislatorpages.aspx?house=Assembly&district=63>) has brought back the so-called 70%-Solution. It mandates that all school districts in the state spend at least 70 percent of their operating revenue on direct classroom expenditures. In the past, opponents of this type of scheme have noted that such "solutions" don't cover expenses for school nurses, transportation, and other programs and services necessary for educating children. If approved, the 70%-Solution would also override programs and services of local communities already designed to improve educational quality.

Help us better serve you by letting us know when you change e-mail addresses. In that way we can stop sending the update to the old one and switch over to the new one as soon as possible.

School-funding reform calendar

- March 26 -- Tax-fairness and school-funding reform presentation at the accounting seminar of the Wisconsin Association of School Business Officials (<http://www.wasbo.com/>), noon at Chula Vista (<http://www.chulavistaresort.com/>) in Wisconsin Dells
- April 18 -- School-funding reform presentation as part of the finance class of the education leadership course offered through Edgewood College (<http://www.edgewood.edu/>), 9:30 a.m. in 306 Predolin Hall, 1000 Edgewood College Drive, Madison
- May 7 -- School-funding reform presentation as part of a community meeting, at 7 p.m., in the Benton School District