



FUNDING OUR FUTURE

An Adequacy Model for Wisconsin School Finance

The way Wisconsin currently funds its public schools is broken beyond repair. Adequacy is a new finance system, which links spending to the state's educational goals and students' real needs. Adequacy asks what resources are necessary for children to attain the high standards set by parents and taxpayers, and it ensures all schools can provide those resources. Adequacy recognizes that children face different challenges, and it meets those diverse needs. Adequacy is our best investment in Wisconsin's future.



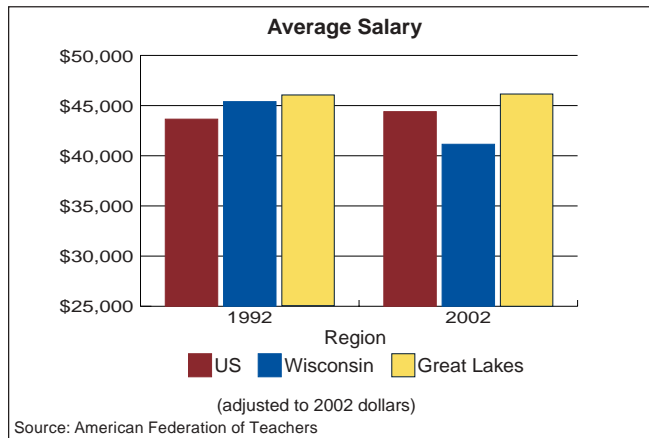
INSTITUTE FOR WISCONSIN'S FUTURE
policy research in the public interest



Wisconsin's Public Schools Face Financial Crisis

Under the current finance system, district revenues are being squeezed, school budgets are being cut, and children are being cheated. School boards have had to fire teachers and other staff. Arts, music, extra-curricular activities, summer school, programs for at-risk youth, maintenance, textbook purchases, libraries, and technology – all have been cut or postponed in districts throughout the state. Financial hardship has hit schools in every part of Wisconsin. “My time on the school board has been less making the best possible education for our students and more concerned with doing the least possible damage,” said Superior School Board President David Tunell.

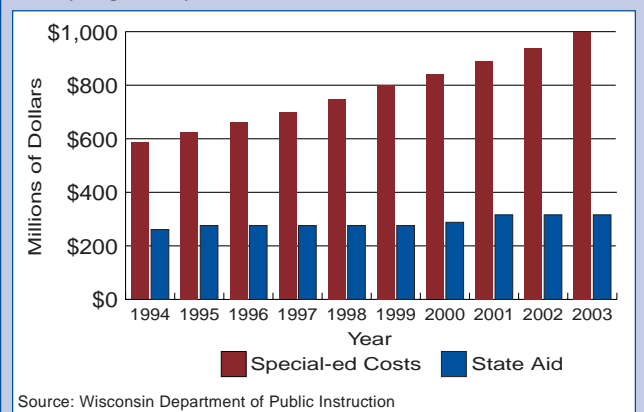
Wisconsin Teacher Salaries Plummet



To keep taxes lower, state law restricts raises for teachers. The result: Teacher wages in Wisconsin have fallen since the early 1990's (taking inflation into account). They're now below the national average and the average for neighboring states. It is more and more difficult to attract and keep teaching staff.

State Aid for Special Needs Lags

Schools must provide education for students with disabilities (special education) and students with limited English skills. But state and federal aid have stalled, while costs continue to soar. So, schools must use money intended for regular education. As a result, the government failure to properly fund these vital programs penalizes all students.



What Is Adequacy?

Adequacy Links Spending to Education Goals

Adequacy is a new approach to funding public schools. It has been used in a growing number of states during the past decade, but not yet in Wisconsin.

Most discussion of school finance in Wisconsin is motivated by politics and taxes, not the needs of students. Adequacy starts from the common-sense viewpoint that a public school funding system should be based on the state's educational goals.

Adequacy asks: What academic standards do we want our

children to achieve? What resources do schools need so all students have an equal chance of achieving success? What staff, what materials, what courses, what kind of management structures are needed?

An Adequacy system then determines how much money should be spent, based on the actual cost of those resources.

An Adequacy approach to school finance is designed from the ground up to create real links among educational goals, resource standards, and funding for schools.

What Adequacy Is Not

Adequacy is not equity. For many years, reformers tried to bring equity to school funding. Equity by itself does not improve schools. An equal amount of too little money is not enough.

Children don't all come to school equally ready to learn. Adequacy provides the right resources for each child.

Adequacy is not a limit on local control. Adequacy sets spending floors, not ceilings, leaving districts to raise more.

Adequacy calculates funding levels by using resource standards, but school districts can use the money as they choose.

Four Steps to Adequacy

1. Set academic goals, using 1998 state standards or local school board standards.
2. Determine what resources are needed for schools to meet those goals.
3. Price those resources, to determine the necessary level of spending.
4. If the required level of spending is too high to be affordable, then either go back to the original standards and lower them, or create a long-term plan to gradually obtain the funds.

How Adequacy Resource Standards Were Developed

The Institute for Wisconsin's Future began defining Adequacy in 1998, working with hundreds of state and national specialists. The goal was to translate the state's Model Academic Standards into school resource standards. The result was a recommendation for small learning environments, smaller class sizes, qualified staff, broad curriculum, updated technology, and additional resources for students with special needs. To finish the process, a national consultant helped estimate the cost of providing all Wisconsin children with the full range of recommended resources.

Adequately Funded Schools Won't Hike Property Taxes

The additional money needed to adequately fund public schools shouldn't come from the local property tax. On the contrary, one goal of school-finance reform is lowering property taxes. According to Wisconsin's Constitution, the state has a fundamental obligation to fund public education, and the state – rather than local governments such as school districts – should find the revenue needed both to lower property taxes and adequately fund schools.

What Is Needed for a Good School?



SMALL CLASSES

Kindergarten - Third Grade: 20 students at most, 15 in high-poverty schools
Fourth - Fifth Grades: 22 students at most
Sixth - Twelfth Grades: 25 students at most



QUALIFIED, WELL-PAID TEACHERS

Teacher Training: Average of one period daily per teacher for training; staff development coordinator in each school
Wages: 5% raise to bring teacher salaries above national average; bonuses for teachers in high-poverty and rural schools



SMALL SCHOOLS

Elementary Schools: 350 students at most
Middle Schools: 500 students at most
High Schools: 800 students at most



Parent outreach staff in each school



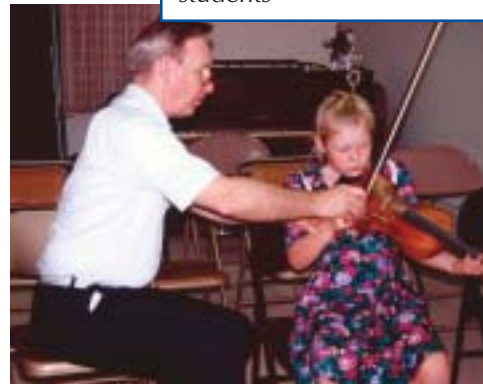
UP-TO-DATE TECHNOLOGY

All Schools: Five computers for every twenty students; technical staff to maintain and upgrade equipment and train staff and students



EXTRA AID FOR SPECIAL NEEDS

Students With Disabilities Or With Limited English: Full reimbursement to schools
Students In Poverty: Tutoring and enrichment programs, summer school, all-day four-year-old kindergarten



BROAD CURRICULUM

All Grades: Art, music, foreign languages
High Schools: Advanced courses in core subjects

Why Wisconsin Needs Adequacy

An Adequacy Funding System Is Fair, Clear, and Effective



The system now in use to fund public schools no longer works. Too many schools are short of funds, and too many children's needs are unmet. For a decade, school districts have operated under spending caps that have limited revenues. Schools can't keep up with rising costs. The state's failure to pay for special-needs students has made the situation worse.

In addition, the system is so complicated that trying to fix one problem can create new difficulties. Fine-tuning is impossible.

The biggest problem is that the current system bases spending for one year on what was spent the year before. And the budget

for the year before is based on the year before that. There is no meaningful connection in this system between how much money districts have, and what they actually need to be effective.

Wisconsin has a finance system without links to educational goals and practices. Wisconsin needs a finance system linked directly to the goals of education and the resources needed to achieve them – an Adequacy system.

Adequacy and the Wisconsin Supreme Court

Wisconsin's Supreme Court decided an important case, *Vincent v. Voight*, in 2000. The Court ruled the current system legal, in a lawsuit not based on Adequacy. But the Court said it would look to Adequacy in the future, and wrote a new standard for school finance...

...What the Court wrote:

"Courts have turned toward adequacy as an alternative way to analyze school finance because the previous decisions centered on equality have not lessened the disparity between school districts..."

"We further hold that Wisconsin students have a fundamental right to an equal opportunity for a sound basic education... that will equip students for their roles as citizens and enable them to succeed economically and personally..."

"So long as the legislature is providing sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the constitution, the state school system will pass constitutional muster."

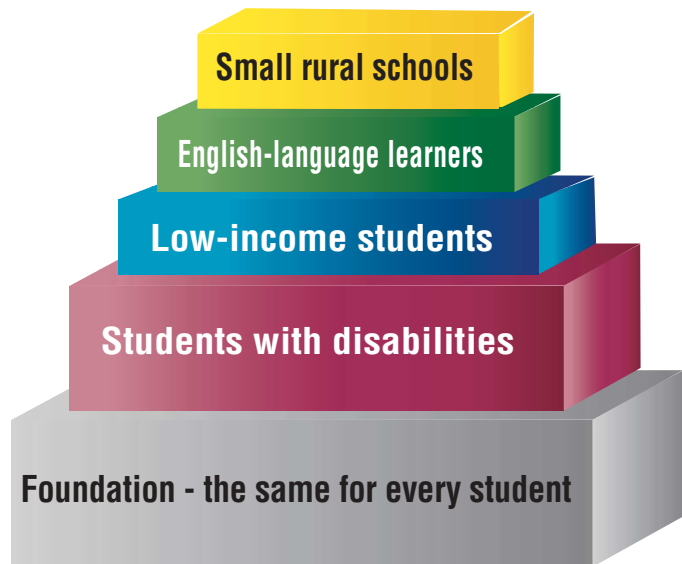
Adequacy Requires Increased State Investment

A Gradual Phase-In Is Best for Taxpayers and for Schools

How much does it cost for all Wisconsin schools to have the resources needed to give every student an equal opportunity for a sound basic education as required by the state Constitution?

Based on an Adequacy model—a model that takes into account the state's academic standards and the special circumstances of every child—it's more than we are investing in our children now. The increased investment buys smaller learning environments, smaller classes, improved teaching, programs for the arts, advanced courses, modern technology, and more resources for special needs students.

The promise of Adequacy is that every school gets the resources it needs to educate the children it has. Some students need more resources, especially students with disabilities, children with limited knowledge of the English language, students from poorer families, and children who attend school in small and rural districts. Schools would get the right amount of money unique to the needs of the students who come through the door.



Can We Afford Adequacy?

Can Wisconsin Afford *Not* to Have Adequacy?

“Unquestionably, the cost to fix the system is high. The cost of not fixing it will be much higher. Uneducated citizens will extract extremely high social costs in the future. As the mechanic on television says, ‘You can pay me now or pay me later.’ ”

*William A. Bablitch, Justice of the Wisconsin Supreme Court
Vincent v. Voight, 2000*

If Wisconsin wants a world-class economy in the 21st century, Wisconsin needs a world-class public school system for our future leaders, workers, and citizens.

Wisconsin has limited tax dollars to spend. It will be necessary to phase in an Adequacy program. That makes it more affordable, and gives schools time to make best use of new resources.

Over time, schools will be able to give every student an equal opportunity for success – a Wisconsin constitutional requirement.



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