

Public Schools & Funding Issues

An Executive Summary of *Assessing the Impact of Fiscal Constraints and Revenue Caps on Wisconsin Public Schools*, a study prepared by S. L. Percy, D. Haider-Markel, T. McDonald and P. Maier, Center for Urban Initiatives and Research, University of Wisconsin–Milwaukee

T H E I N S T I T U T E F O R W I S C O N S I N ' S F U T U R E

SPENDING CAPS

During the 1993 legislative session, the Wisconsin state legislature enacted Wisconsin Act 16 to increase state financial support of public schools and generate property tax relief for local taxpayers. One component of this law set revenue limits on public schools receiving state financial assistance starting with the 1993-94 school year. This was done in order to curtail the increase in school spending and the state share of educational costs. Revenue limits establish the maximum revenue a district may raise through general aid and property tax. This sets a school spending cap, an upper limit on the amount of money a district can raise and spend for its schools from local property tax and state aids. The school funding caps are based on the actual spending levels in 1992-93. Districts are allowed to increase spending only \$211 per pupil over this base amount each year.

Faced with a "fixed income" while educational costs continue to rise, schools and school districts have been forced to take a variety of actions to keep budgets balanced. These actions have focused on reducing costs through such measures as cutting back or eliminating academic programs; delaying or foregoing the purchase of technology, equipment, textbooks, and supplies; holding back on school maintenance and construction projects; and levying increased user fees on students and their families.

THE STUDY

Between May 1 and June 30, 1997 the Center for Urban Initiatives and Research at the University of Wisconsin-Milwaukee conducted a mail survey of all Wisconsin public school principals for the Institute for Wisconsin's Future. The survey asked questions concerning budget problems, sources of those problems, and their impact on school programs and staff. Principals were asked how they responded to budgetary limitations, and about using alternative revenue sources such as student fees and fundraisers.

The survey was mailed to the 2,033 public school principals who work in Wisconsin's 426 school districts. As a result of these two mailings, 763 surveys (or 38%) were completed and returned. The research base for this study, therefore, consists of 395 elementary schools, 106 middle or junior high schools, 199 high schools and 63 schools with mixed grade levels.


THE INSTITUTE FOR
WISCONSIN'S FUTURE
1717 S. 12th Street #203
Milwaukee, WI 53204

Voice: 414/384-9094
FAX: 414/384-9098
Email: iwf@execpc.com
Web: www.execpc.com/~iwf

FINDINGS FROM THE SCHOOLS SURVEYED:

Almost nine out of ten school principals indicated that state revenue caps were causing budgetary problems. More than 55% of the schools have increased fundraising activities and 47% have increased fees for extracurricular activities.

ACADEMIC PROGRAMS

- 42% of schools reduced or eliminated summer school.
- Over one half of the schools postponed the purchase of textbooks; one quarter cancelled purchases altogether.
- Over 55% of the principals stated that funding shortages have made it more difficult to attract and keep teachers, especially in computer technology and remedial education.
- More than 1 in 3 schools have reduced or eliminated extracurricular programs like speech and debate.
- 27% of the schools surveyed have reduced programming for the gifted and talented. Over one in three principals view these programs as inadequate to meet student needs.
- One in three schools has reduced or eliminated programs for at-risk students and now view them as inadequate.

ATHLETIC PROGRAMS

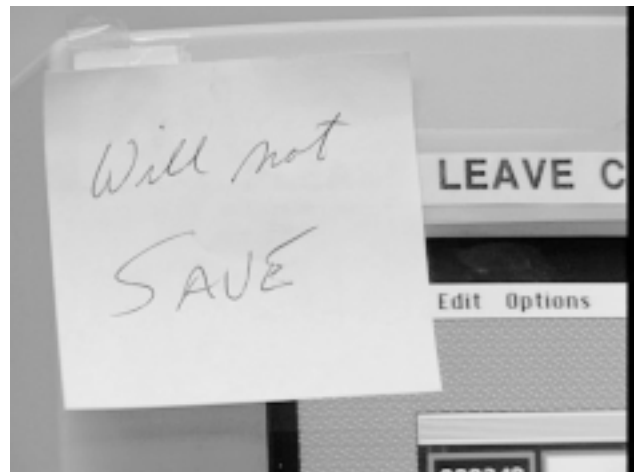
- In 65% of schools, budget problems hurt athletic programs.
- Over 35% of the schools reduced or eliminated athletics from after-school programs.
- 43% of schools have not done repairs needed to comply with handicapped accessibility requirements.

Key Program Cuts: A Closer Look ...

TECHNOLOGY

Computers are crucial in today's employment market. How do fiscal shortages affect computer education in schools?

Computer Resources for Students	50%	Deferred purchase of needed computing equipment
	43%	Prevented purchase of needed computing equipment
	33%	Unable to provide adequate specialized teachers/instructors
	28%	Unable to provide up-to-date computer software
	25%	Unable to install sufficient electrical capacity for computers
	27%	Unable to provide sufficient space for computing resources/facilities



STUDENT SERVICES

The number of students with special needs in the public schools has increased dramatically. How do budget shortfalls impact school capacity to respond to these needs?

- ◆ Over 50% of principals reported that programs for at-risk students were significantly impacted. One in three schools reduced or eliminated these programs.
- ◆ One-quarter of schools have delayed necessary repairs for compliance with the Americans with Disabilities Act.
- ◆ 46% of schools report a significant impact on counseling and social services.
- ◆ 28% of schools reduced at-risk student services programs.
- ◆ 20% of schools reduced counseling/social service programs.

BUILDING MAINTENANCE

Most Wisconsin schools are over 30 years old. The need to keep buildings in good repair affects both student well being and long-term maintenance costs. What have schools done in the area of building maintenance to cope with funding shortages?

- ◆ In 54% of schools, principals say financial problems negatively impacted their ability to maintain their school
- ◆ One-quarter of principals say they are unable to provide adequate maintenance of the school building
- ◆ 22% of those citing specific maintenance problems say they are unable to meet space needs
- ◆ 48% of schools could not complete needed construction projects

Building Maintenance Problems	14% Space heating 16% Plumbing 25% Roof leakage 22% Electrical deficiencies 40% Black top 37% Grounds maintenance
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FEES RISING; SERVICES FALLING

Data suggests students are paying more and receiving less from schools burdened by funding shortages and spending caps.

- ◆ 47% of the schools have been forced to add or increase fees for extracurricular programs in the past five years
- ◆ Schools increasing or adding fees were most likely to add or increase the athletic fee
- ◆ More than 55% of schools initiated or increased fundraising activities in the past five years

<i>Program, Facility</i>	<i>Percent of Principals Rating as Inadequate to Meet Student Needs</i>
Computer Resources for Students	36%
At-Risk Student Services/Programs	36%
Gifted/Talented Student Services/Programs	35%
Counseling/Social Services Programs	34%
Maintenance of School Building	25%



Urban, Suburban and Rural Differentials

Across almost all the educational categories examined — academic programs, student services and facilities — urban and rural schools experienced more negative impact from funding shortages than suburban schools. Urban schools were more likely than other schools to delay textbook purchases, eliminate programs such as summer-school, at-risk student programs, handicapped youth programs and reduce English as a Second Language. However, all schools, including suburban schools, experienced significant problems due to spending caps.

Message to Policy Makers

The findings of this study suggest that financial shortfalls in school budgets across the state were largely the result of spending caps and pose a significant threat to the quality of education in Wisconsin's public schools. The negative impact of spending caps on the capacity of schools to offer a quality educational program with up-to-date equipment in safe and adequate facilities is widespread. The scope and extent of these educational cutbacks indicate the need for the public and policymakers to reassess the public school funding structure. Given the higher performance standards set for the schools by the state, it is crucial that schools have the resource capacity to meet increased demands for student achievement.

The Institute for Wisconsin's Future

The Institute for Wisconsin's Future (IWF) is a state policy research and information center established in 1994 to increase community awareness of and involvement in public policy decision-making. Over the past four years, IWF has completed twelve research reports on a wide range of issues including corporate tax policy, wage levels, welfare reform, child welfare, housing discrimination, education policy and tax fairness. In addition, IWF has coordinated state conferences and local workshops on these issue areas, managed a monthly policy debate series and produced a wide range of informational materials including a statewide newsletter. Since 1996, IWF has focused on school finance and education policy. This effort has encompassed two major research reports, a video and workshops with over 2,000 state residents.

IWF is non-profit and non-partisan. Funding for IWF efforts comes primarily from foundations and organizational contributions.

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