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Details: Public Hearing – November 15, 2007

(FORM UPDATED: 07/12/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Education (SC-Ed)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

MB



Nanci Schiman
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nanci@schiman.com

SJR 27
11-15-2007

**STRONG COMMUNITIES
NEED
STRONG SCHOOLS**



The Alliance for Strong Mequon-Thiensville Schools started from the realization that the quality of education in our district, and districts throughout our state, is increasingly at risk due to outdated and incompatible legislation. **Our lawmakers must make education a top priority by developing a public school funding system that works for ALL districts.**

OUR MISSION

Advocate for the continued excellence of our children's public school education.

STATEMENT OF OPERATING PRINCIPLES

- ASMTS operates on the premise that providing a high quality public education for the residents of Mequon-Thiensville is a communal priority.
- ASMTS operates on the premise that it is the responsibility of state and local elected officials to make public education a priority and to take actions reflective of and consistent with that responsibility.
- ASMTS operates on the premise that the ability of state and local elected officials to fulfill their responsibilities is enhanced when their constituencies are knowledgeable and active in the legislative process as it relates to educational issues.



Did you know that the current public school funding legislation...

- Has been in existence since 1993 and largely ignores the issues that confront schools today. The current formula creates a harmful tension between schools and the communities they serve.
- Forces districts to reduce services to meet a mandated financial limit.
- Forces districts with level or declining enrollments to reduce services disproportionately. Over half of the districts in Wisconsin suffer this accelerated loss of services.

Why do other states seem to find a way to avoid these educational problems and continue to grow their schools, their economic engines of the future, in ways Wisconsin once did?

**STRONG COMMUNITIES
NEED
STRONG SCHOOLS**

For more detailed information or to join ASMTS visit

www.mtalliance.org

We encourage you to contact your legislators and urge them to restructure the School Funding formula so that our district, and districts across the state, can maintain a strong education system.



**ALLIANCE FOR STRONG
MEQUON-THIENSVILLE SCHOOLS**
P.O. Box 312 • Mequon • Wisconsin • 53092

November 15, 2007

To the Members of the Senate Committee on Education:

The Alliance for Strong Mequon-Thiensville Schools (ASMTS) represents nearly 300 members and is committed to preserving the excellence of public school education in the Mequon-Thiensville community. Attached are three documents illustrating the negative impact of the current school funding formula on the Mequon-Thiensville School District.

1. 3 year projected estimate of the state revenue limit:
 - +.81% in 2008-09
 - +.04% in 2009-10
 - -(.06)% in 2010-11
2. 3 year budget forecast with deficits of:
 - \$991,940
 - \$1,432,060
 - 1,524,164
3. Budget adjustments necessitated by repeated structural deficits for years 2001-07 as well as forecasted reductions for 2007-08.

We agree that the state public school funding formula needs to be changed to coincide with the current economic and educational environment. We would like to see a proposal that affords districts a level of local control congruous with their individual circumstances. This would include a formula that accurately correlates funding with changes in expenditures due to periods of declining, increasing or stable enrollment.

Creating a legislative environment that protects and strengthens the education system in Wisconsin is an investment that will ultimately have a positive impact on economic growth in our state. We are encouraged by the efforts of SJR 27 as an important step towards meaningful funding reform. We sincerely hope that as this process moves forward efforts will be made to maintain educational excellence rather than force districts into a state of mediocrity.

Sincerely,



Nanci Schiman
Chairperson



Mary Sullivan
Legislative Chairperson



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MEQUON-THIENSVILLE SCHOOL DISTRICT
REVENUE LIMIT ESTIMATES
CURRENT LAW

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-11</u>
	-105 STUDENTS	-102 STUDENTS	-91 STUDENTS	-71 STUDENTS
Base Revenue	\$38,689,711	\$39,125,043	\$39,159,548	\$39,113,487
Base Membership	3,836	3,778	3,685	3,587
Base Revenue Per Student	10,085.95	10,356.02	10,626.74	10,904.23
Per Student Increase*	264.12	270.72	277.49	284.43
New Base Per Student	10,350.07	10,626.74	10,904.23	11,188.66
Membership Multiplier	3,778	3,685	3,587	3,500
Revenue Limit	\$39,102,571	\$39,159,548	\$39,113,487	\$39,160,318
Adjustments (Transfer of Service)	22,472	0	0	0
Revenue Limit	\$39,125,043	\$39,159,548	\$39,113,487	\$39,160,318
Declining Enrollment Exemption	455,403	741,215	801,461	730,060
Revenue Limit with Exemptions	\$39,580,446	\$39,900,763	\$39,914,948	\$39,890,378
Revenue Increase	--	\$320,317	\$14,186	-\$24,570
% Increase	--	0.81%	0.04%	-0.06%

*Assumes 2.5% Annual Increase

MEQUON-THIENSVILLE SCHOOL DISTRICT

Budget Forecast: 2008-09 to 2010-11

BUDGET PLANNING

	<u>Budget 2007-08</u>	<u>Projected 2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>
GENERAL OPERATING FUND REVENUES (10 & 27)	\$43,495,639	\$43,815,956	\$43,830,141	\$43,805,571
GENERAL OPERATING FUND EXPENDITURES (10 & 27)	\$43,579,632	\$44,807,896	\$46,254,141	\$47,753,735
CUMULATIVE SURPLUS (DEFICIT)	-\$83,993	-\$991,940	-\$2,424,000	-\$3,948,163
Total Annual Deficit		-\$991,940	-\$1,432,060	-\$1,524,164

The following is a summary of budget adjustments that have been made since 2001 and proposed recommendations for 2007-08:

2001-2002

Maintenance Projects
Technology Items
Utilities – Phone
School Site Budgets
Summer School
Pupil Services Budget
Curriculum Development Budget
TOTAL REDUCTIONS = \$480,000

2002-03

Administrative Staff Positions
Educational Support Positions
Elimination of Drivers Education
Increased Parking Fee (\$150)
Increased Athletic Fee (\$35/\$70 Max)
Athletics/Activities
Instructional Technology
Administrative/School Board Conferences
Standardized Testing
Teacher Recognition Program
High School Field Trip Transportation
TOTAL REDUCTIONS = \$800,000

2003-04

Instructional Staff Positions
Educational Support Staff Positions
Athletics/Activities
Librarian (1.0)
Instructional Technology
Curriculum
Maintenance
TOTAL REDUCTIONS = \$630,000

2004-05

Increased Athletic Fee (\$75 No Max)
Increased Parking Fee (\$200)
Instructional Staff Positions (K-8 5.0)
Librarian (.6)
Guidance Counselor (1.0)
TOTAL REDUCTIONS = \$390,000

2005-06

Closed Range Line Elementary School
Administrative Staff Position (1.0)
Instructional/Support Staff Positions (13.8)
Curriculum Reductions
Educational Support Positions (3.0)
School Site Budgets Reduced (15%-20%)
Transportation
Maintenance
TOTAL REDUCTIONS = \$1,100,000

2006-07

Instructional Staff Reductions (11.7)
Educational Support Personnel Reductions (5.25)
Custodial Staff Reductions (2.0)
Special Education Case Manager Reduced (0.50)
Reading Aides Reduced (1.30)
ATOD Coordinator Eliminated (.50)
Curriculum Reductions
Transportation Route Reductions – High School/Noon Shuttles
Increased Rental Revenue (Range Line School Leased)
Instituted Facility Charge for Recreation Department Programs
Increased Student Resource Fee (K-8-\$55; 9-12-\$60)
Increased High School Athletic Fee (\$100)
Increased Student Parking Fee (\$250)
Increased/Added Extra-Curricular Fees

TOTAL REDUCTIONS = \$1,200,000

2007-08

Instructional Staff Reductions (13.8)
Educational Support Personnel Reductions (4.5)
Transportation Route Reductions/Changes in
Parent Contracts (\$100,000)
Technology Hardware Budget Reduced
Increased Student Fees (K-8-\$65; 9-12-\$80)
Increased High School Athletic Fee (\$125)
Increased Student Parking Fee (\$300)
Reduced Building Budgets K-8

TOTAL RECOMMENDATIONS = \$1,400,000

TOTAL PROPOSED REDUCTIONS 2001-08 = \$6,000,000





SJR 27?

Wisconsin Heights School District
Robert Avery, Director of Business
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**SENATE EDUCATION COMMITTEE
PUBLIC HEARING RE: SJR 27
SUPPLEMENT TO TESTIMONY**

11.15.07

Thank you for this hearing. It is my professional opinion that state-wide school funding needs to be revamped to ensure quality education throughout the State.

The recent changes in the school funding formula designed to provide relief to school districts with rapidly declining enrollment, such as Wisconsin Heights, did help. But...

- These changes did not go far enough:
 - They lowered the projected deficit for Wisconsin Heights by 58% for 2007-2008
 - They lowered the projected cumulative deficits for Wisconsin Heights by 45% during the period 2008-2009 through 2011-2012.
- They led to a dramatic increase in the District's property tax levy for 2008 – up more than 16% over the previous year.
 - The change in the District's allowable revenue limit did not result in a change in the District's state aids. The result is that the increase is almost completely in the form of higher property taxes.
 - The local share of revenues in the District's revenue limit (re: property taxes) has been increasing over the last several years. State aids have declined because the District is now a "negative tertiary aid" district.

Therefore, a change in the funding formula is needed to not only address the school funding in the State, but it must be constructed in such a way as to not shift the burden back to local property tax payers. We anticipate a political backlash at the increase in the District's tax levy this winter. Such a backlash will significantly impact our ability to convince citizens of the District of the need and advisability of passing a referendum to exceed the District's revenue limits. As our data shows, such a referendum is needed to properly fund our schools in Black Earth and Mazomanie.

Finally, a note about our projections: They include planned staffing reductions over the next three years that are a result of our declining enrollments as well as a cut in administrative staffing planned for next year. We are actively looking at reducing our costs without negatively impacting our programs and services to students.

Thank you for the opportunity to share our story with you today.

Wisconsin Heights High School
Vince Breunig, Principal
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Mazomanie, WI 53560
(608) 767-2586

Wisconsin Heights Middle School
Patti Larson, Principal
10173 US Highway 14
Mazomanie, WI 53560
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Mazomanie Elementary
Dale Green, Principal
314 Anne Street
Mazomanie, WI 53560
(608) 767-2737

Black Earth Elementary
Dale Green, Principal
1133 Center Street
Black Earth, WI 53515
(608) 767-2251



SJR 27

November 15, 2007

To The Members of the Senate Education Committee:

My name is Kelly McMahon, and I teach K5 for Milwaukee Public Schools. I am writing to ask you all to vote in support of Senate Joint Resolution 27, which calls for the Legislature to fix the current School Funding Formula by July 2009.

This fall, I saw first hand how the current school funding formula isn't working for my school, Milwaukee Public Schools, or other school districts with declining enrollment. This year, for the very first time, my school did not reach our third Friday enrollment numbers that is used to determine the amount of school aid we would receive for the school year. What resulted in our failure to reach our goal number should never happen to the students in Milwaukee, or anywhere across the state.

Due to our failure to reach our targeted student population number, my school was forced to cut two teachers and our Library/Media Specialist. This may not sound like big deal, but it had a negative impact on too many students. At a time in the school year, where children have finally learned the rules, expectations, routines and feel comfortable in there new classroom and teacher, over forty students at Lancaster Elementary had their lives at school shuffled around because we had to cut two teacher positions. These students either had to learn new rules, routines, and expectations for a new teacher, or they had to get use to having both a new teacher and a new classroom. This abrupt transition took place after nearly an entire month of school had passed.

The fact that this situation plays out all across Milwaukee Public Schools every year is unfair to the state's students with the most needs. MPS lost roughly 3,000 students this year alone. With the loss of students, my district has had to make tough choices about what to cut each year. Unfortunately for the students attending MPS schools, these cuts have slashed or completely eliminated educational and extracurricular programs that allow students to excel in outside of the regular educational classroom.

The problem of declining enrollment is only one example of how the current school funding formula is destroying Milwaukee Public Schools. Another serious problem with the current school funding formula is how the state figures out how much money the state will fund per pupil under the state equalization formula.

Currently, roughly 80% of the students attending MPS qualify for free or reduced lunch. Yet, because the 18,000 students who are attending a voucher school are not counted in the school equalization formula, MPS students appear to be wealthier in the eyes of the state than what they really are. A recent study showed that Milwaukee has the 8th highest percentage of citizens living at or below the line of poverty. The level of poverty in Milwaukee is increasing at the same time the value of property is increasing. Due to our declining enrollment, the increase of property value, and the omission of the voucher students in the school equalization aid count, Milwaukee is losing state aid at a drastic rate, and Milwaukee tax payers are being forced to pay the bill. It was only a couple of

weeks ago that the MPS School Board wanted to raise the school tax levy by 16.4%, which was the maximum allowed under the current school funding formula. The reality of the financial situation in Milwaukee forced the school board to increase the school tax levy by only nine percent. This decision has detrimental consequences regarding MPS' funds for years to come. By choosing not to raise the taxpayer's share of funding our schools by 16.4%, MPS will be punished for not taxing to the maximum under the current school funding formula. This will result in MPS Administration and School Board facing the possibility of having to increase the school tax levy by double-digit figures for years to come.

The current school funding formula is severely broken, and unfair to the students and taxpaying citizens of Milwaukee. As a result, it is the children who attend MPS that face the consequences of our failed funding formula every day they enter our schools. Too many of our students have been shuffled around due to staff cuts after third Friday because of declining enrollment. Too many of our students, especially at the elementary level, have lots access to educational programs such as the arts, music, physical education, foreign languages and library/computer under the current school funding formula. Also, our students who desperately need early reading and math intervention programs have lost access to these programs due to staff cuts under the current school funding formula. Too many of our students in grades 4th-12th are in classrooms that exceed 30-35 plus students, and only one teacher. One science teacher at Custer High School has over 50 students in one of her science labs.

The students of Milwaukee have suffered long enough under the current school funding formula. It is necessary for the Legislature to take on the difficult task of adopting a new school funding formula that does not punish school districts with declining enrollments and increasing property values. It is time that our school funding formula provides true equality in the way we fund our schools, so every child attending a Wisconsin Public School has access to and receive an excellent education.

In conclusion, I ask that you please vote in support of SJR27, because the students of Milwaukee Public Schools, and those attending districts with declining enrollment and decreasing state aid are in desperate need of the Legislature taking actions. The students of Wisconsin's public schools have been punished for too long, and it is time for our state to invest in our future.

Thank you for your time.

Sincerely,

Kelly McMahan
7926 N. 107th St. #11
Milwaukee, WI 53224



SJR 15 ?

November 15, 2007

Hello and thank you for allowing me to speak today. My name is Julie Underwood. I am Dean of the School of Education at the University of Wisconsin, Madison. However, today I have the honor and privilege of representing a special group.

The School Finance Network (SFN) is a coalition comprised of ten state-wide education concerned organizations

American Federation of Teachers-Wisconsin; Association for Equity in Funding; Fair Aid Coalition; School Administrators Alliance; Southeastern Wisconsin Schools Alliance; Wisconsin Alliance for Excellent Schools; Wisconsin Association of School Boards; Wisconsin Association of School District Administrators; Wisconsin Education Association Council; Wisconsin PTA

The SFN's goal is to improve the funding system for Wisconsin's K-12 public schools -- to speak with one voice and offer to policy makers our view of current concerns and possible solutions.

The members of the SFN are currently working to develop a consensus proposal to reform Wisconsin's school funding system. This is a complex process and work remains to be done, but the fact that all these groups are banding together to work on a plan indicates the magnitude of our concerns.

We have grave concerns regarding the current methods of funding Wisconsin's public schools. We believe that:

- it is critical for Wisconsin to have a system of public education that has the resources to deliver high quality teaching and learning for all children.
- the current amount of funding is inadequate to ensure student success.
- the current financing methods are flawed.
- while public education is a fundamental state obligation, local control and governance is essential to meet the needs of all students, their communities, and greater Wisconsin.
- it is in the state's interests to deliver high quality education for all students regardless of need or location.
- to succeed we must design a school finance reform action plan with the goal of a long-term, comprehensive solution and monitor our short-term actions in light of that long-term solution.

- advocates who share these principles are more likely to succeed working together on this issue rather than doing so separately.
- these issues must be addressed with urgency.

We believe that the current level of funding does not provide the resources necessary to enable all students to meet Wisconsin's instructional standards. Yes, we need additional resources to address the increasingly difficult tasks of educating all of Wisconsin's children

SFN members believe greater investment in the state's public school system will improve educational quality, which is critical for Wisconsin's economic growth.

The gap between allowed revenues and actual costs is evident across the state. The increasing costs of textbooks, heating, health insurance, and transportation (to name some) regularly outstrip our revenues. These are real world costs over which school districts often have little or no control. It is increasingly difficult for many districts to maintain their programs and services. Evidence suggests general class sizes are increasing, course offerings are shrinking, and the achievement gap is staggering. We must address these concerns.

With nearly 15 years of state imposed revenue controls on local school districts it is apparent to us that educational opportunity is eroding in the state of Wisconsin.

Revenue controls were intended to control property taxes, in that they are successful. Revenue controls were not intended to address improvements in educational quality needed to keep pace with the changes and challenges Wisconsin schools face in an increasingly global economy.

During the past 15 years we as a state have asked for educational improvements. Wisconsin has raised educational standards, required performance testing in most academic areas, and increased our teacher certification standards.

The catch is that our school funding system is not really aligned with our educational policy. The SFN's proposals will focus on core educational activities - to align our state and local resources with our state and local educational goals.

High educational outcomes are important for individuals and for our state. We need all of Wisconsin's children to become engaged citizens in our democratic society - to be able to make good informed decisions at the ballot box and be able to run for public office and serve the state and its communities—and to fully participate in our civic and cultural life. From an economic standpoint we know that education failure rather than success, comes at a great cost to our state. On the average, every dropout costs the state over one half million dollars in lost tax revenues, and additional costs of health and welfare programs.

Our state's economic competitiveness will increasingly depend on the educational level of our population. Over the next seven years alone, job openings requiring expertise in science, technology, engineering and mathematics will increase nearly twice as fast as openings for all other occupations. More than two-thirds of these technology-related jobs will require an associate's or bachelor's degree

For a multitude of reasons -- from workforce development to increased individual earnings, to the need for informed citizens in an active democracy, a strong education system plays a vital role in our future.

The SFN urges Wisconsin policy makers to consider our needs for the future. We believe that current levels of school funding are inadequate to ensure student success for all children, that the revenue controls and funding formula are flawed and that the state must adopt a comprehensive set of reforms to bolster our K-12 education system and invest in our state's economic future. We urge the legislature to undertake serious reform.

**E.L.L. – Bilingual-Bicultural Education
and Revenue Limits**
(millions of dollars)

	TOTAL	E.L.L. – BILINGUAL-BICULTURAL EDUCATION COSTS			NOT AIDED OR ALLOWED
		Less: Categorical Aid	Unaided Costs	Assumed to* be Allowable	Unaided and Unrecognized
1993-94	\$25.0	\$8.3	\$16.7	\$16.7	-0-
1994-95	\$27.5	\$8.3	\$19.2	\$17.1	\$2.1
1995-96	\$29.6	\$8.3	\$21.3	\$17.6	\$3.7
1996-97	\$32.7	\$8.3	\$24.4	\$18.1	\$6.3
1997-98	\$36.0	\$8.3	\$27.7	\$18.1	\$9.6
1998-99	\$39.0	\$8.3	\$30.7	\$18.4	\$12.3
1999-00	\$41.7	\$8.3	\$33.4	\$18.7	\$14.7
2000-01	\$44.8	\$8.3	\$36.5	\$19.4	\$17.1
2001-02	\$48.2	\$8.3	\$39.9	\$19.9	\$20.0
2002-03	\$58.4	\$8.3	\$50.1	\$20.2	\$29.9
2003-04	\$63.1	\$8.3	\$54.8	\$20.8	\$34.0
2004-05	\$70.5	\$8.3	\$62.2	\$21.2	\$41.0
2005-06	\$75.8	\$9.1	\$66.7	\$21.8	\$44.9
2006-07	\$82.5 ^a	\$9.9	\$72.6	\$22.6	\$50.0
INCREASE	\$57.5	\$1.6	\$55.9	\$5.9	\$50.0
% INCREASE	230%	19.3%	334.7%	35.2%	

*Unaided costs in 1993-94 increased by CPI.
Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

4/9/07

E.L.L. – Bilingual-Bicultural Education and Revenue Limits

**Special Education Costs
and Revenue Limits**
(millions of dollars)

	TOTAL	COSTS AIDED & ALLOWED			NOT AIDED OR ALLOWED
	Special Education Costs	Categorical Aid	Costs not Covered By Aid	Costs Assumed to* be Allowable Under Revenue Limits	Costs Not Aided and Not Recognized Under Revenue Limits
1993-94	\$585.9	\$261.3	\$324.5	\$324.5	-0-
1994-95	\$625.1	\$275.5	\$349.6	\$332.0	\$17.5
1995-96	\$661.0	\$275.5	\$385.5	\$341.6	\$43.8
1996-97	\$698.2	\$275.5	\$422.6	\$351.9	\$70.7
1997-98	\$747.3	\$275.5	\$471.8	\$351.9	\$119.9
1998-99	\$799.6	\$275.5	\$524.0	\$356.8	\$167.2
1999-00	\$839.9	\$288.0	\$551.9	\$362.9	\$189.0
2000-01	\$880.9	\$315.7	\$565.2	\$376.3	\$188.9
2001-02	\$936.8	\$315.7	\$621.1	\$387.2	\$233.9
2002-03	\$994.5	\$315.7	\$678.8	\$393.0	\$285.8
2003-04	\$1,037.6	\$316.5	\$721.1	\$404.8	\$316.3
2004-05	\$1,069.5	\$320.8	\$748.7	\$411.7	\$337.0
2005-06	\$1,110.8	\$320.8	\$790.0	\$424.5	\$365.5
2006-07	\$1,162.8 ^b	\$332.8	\$829.4	\$438.9	\$390.5
INCREASE	\$576.9	\$71.5	\$504.9	\$114.4	\$390.5
% INCREASE	98.5%	27.4%	155.6%	35.2%	

*Unaided costs in 1993-94 increased by CPI.
Assumes unaided costs to be in revenue limit base.
Revenue limit growth is based on CPI.

4/6/07

T_Special_Edicatopm_Costs_and_Revenue_Limits_ii



Senate Education Committee
November 15, 2007
Testimony in favor of SJR 27

Presenter: Doug Mering concerned citizen from Baraboo, Senate District 14 and local member of the Community Education Council
Phone: 1-608-434-7968
Email: mering@centurytel.net

The people of Wisconsin expect their elected officials will work on the issues that concern them.

A recent poll, conducted by our local newspaper, "The Baraboo News Republic", showed that 89% of the respondents feel that the school funding formula needs to be fixed. This is not just a Democrat or Republican issue but one that most people in this state do care about!

The people of Wisconsin want their full time legislators to work together, in a collaborative bipartisan fashion, to shore up our educational infrastructure, which has been crumbling steadily since 1993 when the current formula was enacted. Many of effects, which have corroded our educational base, may not be visible to much of the public. Just as they were not apparent on Minneapolis's bridge before it collapsed. But our future success, of our economy and our society, rests on taking a proactive approach today on both adequately funding education and how we fund it! It is time that the Legislators of this state leave their party affiliations and special interests at the door and work together on our state's educational bridges infrastructure.

The people of Wisconsin want all relevant people working together on this issue not only the Senate but also the Assembly and Governor Jim Doyle needs to part of that team. Without all parties involved then this becomes another pointless exercise of political posturing for future elections of 2008, 2010 and beyond. Work on this together and we insure that the best interests of the state not the political special interests are represented. The key word is **WORK**.

The people of Wisconsin understand that work is an action word. During the 2006 Special Legislative Committee on Review of State School Aid Formula, the Chairman of that body, Senator Luther Olsen stated that the approach that they need to take is to "Do No Harm." After hearing many of our states brightest speak during that committee's sessions who presented solutions and proposals placing our educational system down a path Wisconsin needs to take if it is to be competitive in world and national markets. A choice of maintaining the status quo will continue to do harm, as it has in the past, present, and hopefully not in our future. Now is time to do the heavy lifting, which the citizens of this state, expect on this issue. Now is the time to **WORK**.



November 15, 2007

State Senate Public Hearing
Committee on Education – **Senate Joint Resolution 27**
RE: Public School Funding Formula

Dear Chairperson Lehman and Committee members,

My name is Daniel Pryzbyla. I reside in Milwaukee, WI (my address is listed below). I was a former Milwaukee Public Schools (MPS) teacher, and now am retired. I am in support of Milwaukee Public School (MPS) administrators and school board representatives who strive to achieve the best learning environments for students, teachers and their staffs; and fair wages and benefits employees deserve.

MPS is but one of six (6) taxing bodies for Milwaukee homeowners and other taxpayers; and is rated 2nd highest tax benefactor behind the City of Milwaukee.

MPS is the largest public school district in the state and thus, the largest budget. However, there are other school entities within the city and outside the district that have financial and student population impact on the annual MPS budgets from year to year. These include the private and religious Milwaukee Parental Choice Program (MPCP), statewide charter schools, Wisconsin 2B charter schools within the district authorized by the City of Milwaukee and UW-Milwaukee, and both instrumentality and non-instrumentality charter schools authorized by MPS.

Unlike these other schools, MPS is required by both state and federal laws to provide special needs services to students who are eligible. Of all these education options, MPS is the only one required to accept, finance and provide instruction to the broad category of special needs students. Due in part to socioeconomic conditions, these students keep increasing exponentially every year. Contrary to belief, the federal government has not, does not allot its required funding for their federally mandated programs, including special needs students. Fewer special education teachers are available to provide these increasing mandated services.

At present, the largest component of MPS financial distress continues to be the MPCP program, financed by 55% of the general revenue fund and 45% state tax funds allotted to MPS. Throughout the years, the legislature has supported increased student enrollment in the program. As of January 2007 there are 121 private and religious schools in the MPCP program with 17,410 students. The program is estimated to cost almost \$110.5 million, almost half of this amount coming from the MPS budget.

Expanding private, religious and charter schools at the expense of MPS tax dollars is unconscionable. Unlike MPS, the vast majority are not required to meet state and federal No Child Left Behind Title 1 public education high-stakes testing and other educational demands.

After all the numbers are crunched, MPS still receives the least state tax funding per student than MPCP and the other mentioned school programs in the city. Yes, in state data sheets, they mention that “MPS can replace the reduction in state aid with an increase in its property tax.” It tried. A recent public hearing on this very issue expressed complete disdain for the tax increase proposed. Afterward, it was amended. Still, letters to editors reflected a negative response for the “increase in its property tax.” Like many political edicts, it’s easier said, than done.

There is another major flaw in the allotment of tax dollars I assume the committee is aware. All school districts – not only MPS – are forced to spend their state budget allotments in the school year. School districts that try to hold to a budget – and even save some dollars for those “rainy days” that we all are aware might happen – are punished instead. A following year’s budget will be based on total spent the previous year. Thus, if a district has \$40,000 left over at the end of the year, it doesn’t get a reward. Just the opposite. Next year’s budget base will be reduced by that sum prior to any possible increase. If there is no state tax funding increase, the district budget begins the new school year with \$40,000 less.

“Hey, mom, look! I still have \$5 left over from my \$10 allowance.” The son or daughter would be seen as a thrifty spender. Not by the state. It would reply, “Wonderful! Next week I’ll only have to give you \$5!”

Expanding education programs’ spending within the city continues to drain funding each year from the MPS budget. This isn’t fair for its students, teachers, staff or administrators. MPS is already closing schools, gutting arts programs, sports, extra-curricular activities and eliminating teachers and staff in the process. Parent(s) that can least afford it find themselves continuing to have to fund more and more activities for their children and teens to participate. Likewise, other public school district parents are facing similar taxing and extra-curricular financial demands.

Enough is enough. The current public education funding formulas are subverting MPS and other districts’ education goals too. They must be amended to reflect more fairness.

Sincerely,



Daniel Pryzbyla
1527 N. 37th Street
Milwaukee, WI 53208





Tom Barrett
Mayor, City of Milwaukee

November 15, 2007

Members, Senate Committee on Education
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senators,

Every child in Wisconsin deserves a quality education. Wisconsin's Constitution established that it's the State's role to provide this equal education for all our children no matter where they reside and regardless of economic conditions. As a former legislator, I appreciate the difficult deliberations and prioritizations you undertake to support schools at a 2/3 funding level. As Mayor of Milwaukee, I also recognize the unique challenges you face when considering the special needs of our school district where the number of children is roughly equivalent to the residents of two state Assembly districts and the largest minority-majority enrollment in the state.

As you know, Milwaukee Public Schools (MPS) is the largest public school district in Wisconsin. MPS and city officials continuously grapple with resources and funding issues. Since the district is contiguous with the city limits, its finances greatly impact the fiscal health of the city, its residents and taxpayers.

I am greatly concerned that the distribution of state funding to MPS is headed in the wrong direction. Senate Joint Resolution 27 takes a big step by acknowledging that this needs to change. I encourage you to adopt the July 1, 2009 timeline and stick to it.

My first concern relates to the two ways in which Milwaukee taxpayers are being punished as a result of children shifting from MPS to the Milwaukee Parental Choice Program (MPCP). First, students in MPCP are not included in the number used to calculate the equalized property value per student. By failing to include these children in the calculation, the equalized property value is overstated resulting in less aid from general school aids than MPS would receive under a correct calculation. Our district is treated as if it has substantially more property value than it really does, resulting in a loss of more than \$30 million in equalization aid this year.

-more-

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Second, because the state/local funding split is different for MPCP and MPS, this school year Milwaukee taxpayers will still pay \$338 more for each student in a MPCP school than they do for students in MPS. After applying the \$7.4 million in Aid to High Poverty Districts, Milwaukee property taxpayers pay \$2,185 for each MPS student and \$2,523 for each MPCP student because the state pays a higher percentage of MPS costs than it does for MPCP students. Our estimate is this flaw cost Milwaukee property taxpayers \$6.3 million in 2008.

The net result of these two flaws is that the City of Milwaukee residents pay significantly more for each MPCP student than they do for each MPS student. Regardless of your position on the merits of this program, this overcharge to our taxpayers is simply unfair.

Another concern of mine is the state property tax credit problem that was a result of the recently adopted state budget. A last minute change moved increased aid to schools into property tax credits rather than direct payments to school districts. The change shifted aid away from poorer districts and into wealthier districts. This change alone cost Milwaukee property taxpayers \$1.6 million.

Lastly, it just doesn't make sense to punish a school district in future years for spending less than the maximum amount allowed in the current year. I was appalled last month when MPS introduced a budget with a 16.4% property tax levy increase. However, I also understand their quandary – if they didn't do it, they would lose equalization aid in the future. This mechanism in the school aid formula is totally counterintuitive and needs to be changed.

I appreciate the opportunity to provide you with my comments on how Wisconsin's school funding needs an overhaul. It is refreshing to see that so many of you agree and are committed to fixing this problem in the coming year.

Sincerely,



Tom Barrett
Mayor, City of Milwaukee

CC: Milwaukee Delegation
James Doyle, Governor
Elizabeth Burmaster, Superintendent of Public Instruction

MTB/jg





SONDY POPE-ROBERTS

STATE REPRESENTATIVE

Senate Committee on Education
Testimony in favor of SJR 27/AJR35
November 15, 2007

Thank you Chairman Lehman and Education Committee members for this opportunity to testify today on Senate Joint Resolution 27. As you may know, I am the author of this Resolution in the Assembly, AJR 35.

I was aware that Wisconsin's current system of funding public schools to provide "an equal opportunity for a sound basic education" for every child as laid out in the state Constitution was failing long before I was elected to serve in the State Assembly.

To quickly touch on a few of the main problems in the formula we only need to look at the mathematical conundrum this system creates. Between the Revenue Caps which dictate how much a district can spend each year (which is set at about 2-2.5%) and inflationary costs that go up by about 4%, we have managed to put nearly every school district in the state into a financial vice. In order to find financial relief they are forced to go to referendum in order to get "permission" from the community to make up the cost difference we created with our formula.

Referenda can be very expensive and can cause great discord in communities. They pit families with children against elderly on fixed incomes trying to meet their property tax payments. Grandma shouldn't have to choose between staying in her home and adequately educating her grandchildren.

Families with special needs children end up feeling guilty for the increased costs to educate their children. Families of children with exceptional talents end up getting short changed on opportunities for lack of funds. This clearly is an irresponsible way to fund public education.

The current system of funding public education was really designed to provide property tax relief. It is even questionable in its success to do that. I believe we need a system that is first and foremost designed to adequately educate our children.

In this resolution there are several considerations that must be addressed in order to meet state and federal law as well as our state Constitution.

1. Our funding levels need to be based on the actual cost of the education we require districts to provide their students, not some arbitrary per pupil spending level from 1993.
2. School districts must meet the many state and federal mandates handed down to them. Often they come without sufficient, and sometimes without any, resources. We need to provide those resources so our children leave public education ready for citizenship, post-secondary education, employment or service to our country.

3. The State needs to recognize the many special circumstances that children bring to school –

- non-English language learners,
- children of poverty,
- those in very large geographic districts with heavy transportation burdens,
- those in declining enrollment districts,
- children with exceptional education needs, and
- those in what are now called, “small but necessary districts”.

4. We need to shift the focus from the heavily burdened property tax payers toward a more equitable funding source. Local property wealth and income is not a fair measure of a district’s ability to adequately educate its students. A student’s quality of education should not be decided by their home address.

In the recent past there have been many new funding plans introduced, examined, presented, debated and then forgotten. Each of them has been relegated to some dusty shelf while our school districts continue to languish in the financial restraints that have been created by the current system. This resolution is intended to focus the light on those who can change the current formula and are, indeed, directed to do so by the State Constitution. This is the legislature’s problem to solve.

This resolution is not intended to lay out a new funding formula. This is not a new funding plan. It is a call to action to legislators. It is a measure of our good faith to do our jobs. It is taking responsibility for both the problem and the solution.

It is a statement of intent by legislators to meet our obligation by the next budgetary session. It is upholding the state Constitution as each of us has sworn to do.

Because I believe that this is a job that needs to be done by combining the collective wisdom of both parties, the many organizations and stakeholders involved in education, with input from the taxpaying public, I will again ask that a group be convened to put together the best school funding system possible.

This should not be about political gain and partisan upsmananship. It is about doing the right thing for our children. The lack of political will to address this crucial problem should be sufficient reason to suggest that those who continue to duck and hide be voted out of office and replaced by those who see the education of our children as an investment in Wisconsin’s future instead of some line item that needs to be cut.

Earlier this month the four chairs and ranking members of the two legislative education committees heard a presentation from The School Finance Network, which is a group made up of: American Federation of Teachers – Wisconsin; Association for Equity in Funding; Fair Aid Coalition; School Administrators Alliance; Southeastern Wisconsin Schools Alliance; Wisconsin Alliance for Excellent Schools; Wisconsin Association of School Boards; Wisconsin Association of School Districts ; Wisconsin Education Association Council; and the Wisconsin PTA

This group has been laboring for months to create the best plan possible. I think that would be a great place to begin our work. And, to be sure, there are other plans being drafted, plans being formulated, and finished plans

waiting for introduction. One way or the other, there will be a school-funding reform bill introduced in the Wisconsin Legislature by the Spring of 2008 or earlier. Much of the work has already been done.

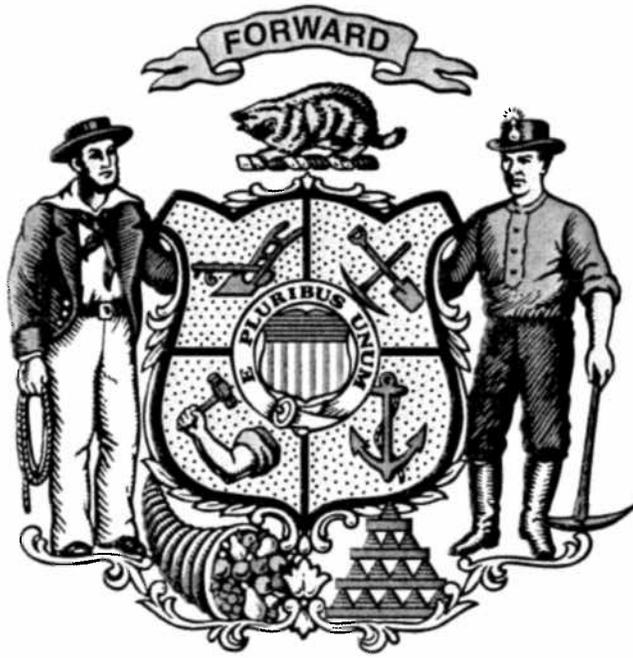
With a Democratic Senate and a Republican Assembly we have the opportunity right now to craft a truly bipartisan system. This may change in 2008. With the help of experts in the field we have the opportunity to "get it right", something we failed to do in 1993.

You will, no doubt, be hearing about the serious consequences of this flawed system from those who will testify after me. Please listen carefully to what they have to say. They are on the front lines and being held accountable for student success. We make it very difficult, if not nearly impossible, for them to do their jobs.

The bottom line is that this resolution brings into focus the fact that the current system is broken and needs to be replaced. Further tweaking, adjusting, and supplemental funding only serves to put band aids on a gapping wound.

Without the political will to enact and implement a new and better funding formula everything we do is but continued lip service.

It is time to stop praising the problem of school funding and craft a solution.





Challenge ★ Inspire ★ Support

November 15, 2007

My name is Ellen Lindgren, and I am here to testify in favor of Joint Resolution 27. Thanks to all of you for holding this hearing, to give voice to supporters and cheerleaders of public education in this great state of Wisconsin.

I am in my fifth term as a school board member and am currently serving as president of the Middleton-Cross Plains Area School District. For those of you unfamiliar with the district, it is blessed by having a great tax base, well-educated parents who take an active interest in their children's education, high expectations matched by high achievement, and fantastic staff. The school district was recently cited by Money Magazine as a reason that they chose Middleton as the #1 small city this year.

But even our outstanding district has had years where our student population hasn't grown. With our current school funding formula, that sets in motion a decrease in our ability to keep pace with inflation and our contractual obligations to our staff, and has resulted in the district making cuts in our budget of \$350,000 to a million dollars a year. First, we cut programs, found efficiencies, and raised fees. But the reality is, our district is a people intensive organization. Over 85% of our budget goes to staff. So now we cut staff and increase class sizes. The current school finance system isn't working well.

As a district noted for its successful special education programming, our population of those students has steadily increased. An example of this is the number of autistic students in our district. In the past 6 years our population has increased by 400%. Our English Language Learner population has had the same increase, and we currently have 35 different languages spoken in our schools.

As public schools, we educate all students who come in our doors, regardless of ability. But these special needs children need more attention, and highly trained staff, to equip them to meet the challenges of the 21st century, the mandates of our state, and the No Child Left Behind requirements. The state and federal funding for these special education programs has decreased steadily, which pits mandated special education services against regular education classes, setting up difficult choices for school boards. The state will benefit by educating all our students, and investing in effective, intensive remediation. The state will save money by having graduates who can go on to higher education and jobs that will add to the economy of the state in the long run.

During my entire time on school board, we have lived under the fiscal constraints of revenue limits, the QEO, and the promise of 2/3 funding for public K-12 education. Our school district, as required by law, has gone to our voters six times to ask permission to build schools, add classrooms to existing schools, and raise the revenue limit to staff the new schools. Some referenda have been successful, and all have required a huge amount of time and resources to get information out to our citizens.

But now the system is falling further and further behind. The difficulty with negotiations increases every contract cycle because we don't have the money to pay our

teachers fairly. Much of the salary increases are taken up by skyrocketing health insurance costs, even in our district, which has some of the lowest costs in the state for health insurance. Our hands and pocket books are bound by the revenue limits, the QEO doesn't keep pace with inflation and increasing health insurance costs, and we can't count on the legislature to keep up their end of the 2/3 funding commitment.

Another area of great concern is our taxes. Our citizens continue to pay a higher percentage of their paychecks to property taxes. Our citizens have said in polls that they think their taxes are wisely spent on our great schools, but that they have less and less money at the end of the month. They want property tax relief. And yet the tax system has given tax breaks to large corporations, estimated to be \$1.3 billion a year, with the result that despite public school revenue controls, corporations are paying proportionately less in taxes, and property owners are paying proportionately more. Tax transparency needs to occur for this matter to be changed—indeed, the Wisconsin Legislative Audit Bureau has recommended this.

I ask the legislature to put aside their accusations of partisanship in this issue. Children are not a partisan issue. I ask you to be bold, and champion a system of school funding that actually reflects what it costs to educate our children—whether in Milwaukee or Florence, Altoona or Middleton. You have multiple studies that give you this information, most recently the one led by Professor Allen Odden. This group gives extensive information about why Wisconsin needs to double student performance using an evidence-based approach to curriculum, instructional strategies, and school structure; how these recommendations translate into staff to meet the needs of all students, taking into account disability, poverty, English language learners, and other specific needs; and what it will cost to support this system. Please consider this as you make your decisions.

This resolution you are considering has been criticized as an empty gesture, a “memo to self,” not anything that will hold your feet to the fire on the issue of school finance reform. But it is a first step, or perhaps a leap for some of you, to support this resolution. It puts the legislature on record as being committed to a better future for all students in Wisconsin. It is the first step towards improving the future of our state by having an approach that ensures all students of a rigorous, challenging education to meet the needs of our work force. It is a first step that will hopefully utilize the information in all the previous studies done on school finance reform.

I ask you to work together to make the goals stated in Joint Resolution 27 a reality, to strengthen and secure Wisconsin's future by having a school finance system in place by July of 2009.

Thank you for your time today. We welcome a visit from you in our district. Anytime you are discouraged, it helps you take heart if you spend time with children.

Ellen Lindgren
President, Middleton-Cross Plains Area Board of Education
6621 Maywood Avenue
Middleton, WI 53562



Stromme, Denise

From: Mike Birkely [mbirkley@wptonline.org]
Sent: Thursday, February 14, 2008 10:26 AM
To: Sen.Olsen; Sen.Lehman; Sen.Lazich; Sen.Kreitlow; Sen.Hansen; Sen.Grothman;
Sen.Erpenbach
Subject: SJR-27
Attachments: Testimony 111507.doc



Testimony
111507.doc (64 KB)

For the reasons discussed in our November testimony, attached, we urge you to
exec on and send SJR-27 to the floor as soon as possible.

Thank-you,
Michael M. Birkley
Legislative Director
Wisconsin Property Taxpayers, Inc.

Wisconsin Property Taxpayers, Inc.

P.O. Box 1493 Madison, WI 53701

608 255-7473 / 800 994-9784



Testimony before the Senate Committee on Education In support of 2007 Senate Joint Resolution 27

Good morning Senators. I am Michael Birkley, Legislative Director for Wisconsin Property Taxpayers, Inc., a non-partisan lobbying organization representing the interests of more than 15,500 agricultural, commercial and residential property taxpayers throughout the state – taxpayers who, along with the *Vincent* court, believe that:

The state has a responsibility to guarantee equal opportunity for a sound basic education to all of our children regardless of the income or property wealth of the district in which they are schooled.

For more than twenty years, we have advocated for changes in educational financing to increase the state's share and reduce the property taxpayers' share of basic school costs, and to revise the funding formula to provide equal educational opportunity for all with equal tax effort from all. In 1987, we supported the Barry Commission's recommendation to give every child the same basic level of funding -adjusted for their special needs - for the same tax rate regardless of their districts' property value.

In 1988, we developed and asked the Legislature to adopt a proposal that would have removed 2/3 of the statewide school costs from the property tax and revised the school funding formula to provide equal basic educational opportunity to all for equal tax effort from all.

More recently, we urged the Governor's panel for educational excellence to recommend adoption of the Ellis plan; a plan that would have guaranteed the same basic educational opportunity to every child in the state for the same minimum statewide school property tax rate; a plan similar to Michigan's in which districts that are willing and able to invest more to provide more than the basics may levy more than the statewide minimum by referendum.

Except for removing 2/3 of the school costs from the property tax, none of these recommendations have been enacted in the past twenty years, and nothing else has changed.

Today, as twenty years ago, children in low value districts receive less, while children in high value districts receive more than the statewide average support for their schooling. Today, as twenty years ago, property taxpayers in low value districts pay more than the statewide average tax rate to provide their children with less than the statewide average while taxpayers in high value districts pay less to provide their children with more than the statewide average.

In 2005, children in low income/low value districts received only \$869 worth of education per taxpayer dollar, while children in low income/high value districts received almost double that - \$1,533 worth of education per taxpayer dollar.

Article X of our Constitution, adopted 159 years ago, promised to provide every child with free and equal access to a uniform, basic level of education funded by two-thirds from the state school fund and one-third from local property tax revenues. SJR-27 challenges the Legislature to renew that promise.

The fact that others have tried and failed before does not relieve this Legislature of the obligation to try again to restore pupil and taxpayer equity to our school financing system. We encourage you to adopt this resolution. We look forward to working with you to achieve its objectives.

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