



John Nygren

WISCONSIN STATE REPRESENTATIVE ★ 89TH ASSEMBLY DISTRICT

Co-Chair, Joint Committee on Finance

January 25, 2018

Testimony In Support of AB 835

Chairman Thiesfeldt and Members of the Committee,

Thank you for the opportunity to testify in favor of Assembly Bill 835, which will increase funding for the sparsity aid program and increase the low revenue ceiling adjustment. Specifically, the bill increases per pupil sparsity aid payments from \$300 per pupil to \$400 per pupil beginning in the 2018-19 school year and increases the low revenue adjustment from \$9,100 per pupil to \$9,400 per pupil in the 2018-19 school year and provides automatic increases of \$100 each school year until the low revenue ceiling hits \$9,800 per pupil.

These increases will provide over \$20 million in additional funding for public schools in the 2018-19 school year and, over the next six years, will provide over \$130 million in additional resources for our public schools. This is on top of the over \$600 million that was put into our public schools through the budget last summer.

This bill is about providing educational excellence for every student, regardless of their zip code.

The increase in funding for sparsity aid is critical to ensure our most rural school districts have the necessary resources to provide a top-notch education. The bill's co-author, Senator Marklein, will provide more information on this aspect of the bill.

I would like to focus my remarks on the increases to the low-revenue ceiling. 25 years ago, at a time when most of my staff was in the first grade, the Legislature was enacting revenue limits for school districts. Revenue limits were necessary to ensure school districts were responsive to taxpayers' desire to keep property taxes low. What the new law did not recognize at the time, however, is the great disparity in spending between school districts. Although the Legislature enacted a low-revenue ceiling as part of revenue limits, districts who were low spenders 25 years ago have continued to be low spenders while high spenders have continued to be high spenders.

Today, as you may know, there is wide disparity in spending between districts. My alma mater, the Marinette School District, has a revenue limit of \$9,199 per student - \$99 above the state minimum. Three hours south of Marinette, the school district of Greendale, which is similar in size, has a revenue limit of \$11,015 per student. That difference of over \$1,800 per student means nearly a \$4M difference in available resources.

When I traveled the state last summer to pitch our proposal I heard similar stories from all corners of the state. In some instances, neighboring school districts had revenue limits that varied by up to \$2,000 per student. Imagine trying to compete for teachers and provide top-notch education with several million dollars less than your neighboring school district.



John Nygren

WISCONSIN STATE REPRESENTATIVE ★ 89TH ASSEMBLY DISTRICT

Co-Chair, Joint Committee on Finance

Increasing the low revenue adjustment will help address these inequities.

As I mentioned earlier, the bill increases the low revenue adjustment from \$9,100 per pupil to \$9,800 per pupil by the 2022-23 school year. To put this in perspective, the average revenue limit is just over \$10,000 per pupil, while the median is about \$9,800 per pupil. This bill will get everyone to at least the middle of the pack. LFB estimates this adjustment may impact as many as 200 school districts over the next six years.

We are not simply providing more money to schools. Thanks to Governor Walker's leadership, we have ensured that money is spent effectively and efficiently and we are now making strategic investments to achieve educational excellence for all students. This is meaningful school finance reform.

While delivering additional resources to school districts, this bill also protects taxpayers. Responding to the Governor's veto message, this bill prohibits a school district that has had a failed operational referendum from using the low revenue adjustment for at least three years. This ensures that a school board must directly seek voter approval to raise additional funds if a referendum recently failed.

It should be noted that school districts will not be required to take advantage of the low revenue adjustment. Ultimately whether to use this tool will be up to the locally elected and locally accountable school boards. It is reasonable to assume that some school districts will opt to not fully utilize this tool.

This bill is not perfect and it will not fix all the challenges our schools face. I look forward to the findings of the Blue Ribbon Commission on School Funding to build upon this effort. It is, however, a significant step in the right direction. Fortunately, supporting this bill should be easy for those of you who voted for the budget last summer. The low revenue provisions in this bill are the same as the provisions that were included in the budget approved by the Legislature last summer.

With your support once again, we can take a significant step towards providing educational excellence for every student, regardless of their zip code.

Thank you for your time and I will answer any questions committee members might have.

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HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

January 25, 2018 Assembly Committee on Education Testimony on Assembly Bill 835

Good Morning!

Thank you Chairman Thiesfeldt and committee members for taking the time to hear testimony on Assembly Bill 835. This important bill would build on the historic \$11.5 billion investment in K-12 funding in the biennial budget by providing additional support for rural and low spending schools.

Considering Representative Nygren has explained the need for a revenue ceiling adjustment, I will focus my testimony on the sparsity aid portion of the bill. Assembly Bill 835 provides a \$100 per pupil increase to schools eligible for sparsity aid (from \$300 to \$400).

The sparsity aid increase will benefit 144 rural school districts across the state, which is over 1/3 of the districts in the state. Under the bill, these districts would receive an average increase of around \$45,000 for the 2018-19 school year. Overall, the fiscal impact to the state would be an estimated \$6.45 million of general purpose revenue in fiscal year 2019. \$6 million to impact 144 schools seems like a good investment in our rural schools.

“Sparse” rural districts have under 745 students and less than 10 members per square mile. These school districts and communities face unique challenges in educating their students.

During the budget process, I advocated to keep Governor Walker’s increase for sparsity aid and introduced other legislation to restore these changes in October. Thankfully, legislators in both houses were able to come together and continue to work on this important issue. AB 835 is the result of collaboration among legislators with differing districts to tackle two important aspects of school funding.

Later, you will also hear directly from District Administrators from the 17th Senate District on how this bill will help their students. This bill has also received support from: the Wisconsin Association of School Boards, the Association of Wisconsin School Administrators, the Wisconsin Rural School Alliance and the Wisconsin Farm Bureau Federation, among others.

Assembly Bill 835 provides rural schools with additional support that they desperately need and I would encourage you to support it. Thank you for your time. I would be happy to answer any questions about the bill.

Assembly Committee on Education
January 25, 2018

Wisconsin Department of Public Instruction
Testimony in Support of Assembly Bill 835

Good morning Chairman Thiesfeldt and members of the Education Committee. The Department of Public Instruction (Department) is pleased to testify in support of Assembly Bill 835 (AB 835) which increases the sparsity aid per pupil by \$100 and allows for an increase in the revenue limit ceiling for our state's lowest spending districts.

Policy Analysis

Sparsity Aid

Beginning in the 2018-19 school year, this bill increases the sparsity aid per pupil amount from \$300 to \$400. Under current law, a school district is eligible for sparsity aid if the school district's membership in the previous school year did not exceed 745 pupils and the school district's membership divided by the school district's area in square miles is less than ten. Current law also provides a reduced amount of sparsity aid to a school district that was eligible to receive sparsity aid in the previous school year but does not satisfy the criteria in the current school year.

Revenue Limit Ceiling

This bill increases the low revenue ceiling for school districts to \$9,400 in fiscal year (FY)19, above the current law low revenue ceiling of \$9,100 per member, and then increases the ceiling by \$100 each school year until the ceiling reaches \$9,800 in FY23. Under current law, if a school district's revenue limit calculation yields a per pupil revenue that is less than the low revenue limit ceiling (\$9,100 in FY18), the school district is allowed to increase the per pupil revenue up to the low revenue ceiling. The Department estimates that 107 school districts will have base revenues per member that are below the proposed new ceiling of \$9,400 per member in the 2018-19 school year.

The bill also provides that during the three school years following a school year in which an operating referendum fails in a school district, the school district's revenue limit ceiling is the revenue limit ceiling that applied in the school year during which the referendum was held. The Department has determined that failed referenda have occurred in nine of the 107 applicable school districts in the three immediately preceding school years prior to FY 19. There are nine additional school districts with referenda that are slated for this spring which were scheduled prior to the introduction of this legislation. The Department recommends eliminating the limitation in eligibility for the low revenue ceiling adjustment based on the outcome of a previously held operating referendum. This modification would ensure that school boards that would otherwise be eligible for the low revenue adjustment are not penalized for having passed referenda in the three prior years, and particularly for those districts that had scheduled a referendum for the upcoming February/April elections, at a time when the law did not condition use of the low revenue adjustment on the outcome of an operating referendum.

Background

Revenue Limit Ceiling

The 1993-95 state budget (1993 Act 16) imposed revenue limits on school districts for the five-year period 1993-94 through 1997-98. The revenue limits were modified and made permanent in the 1995-97 state budget (1995 Act 27). Under revenue limits, the amount of revenue a district can raise from general school aids, computer aid, and property taxes is restricted. Actual general school aids, computer aid, and property tax revenues received by a district in the prior school year are used to establish the base year amount in order to compute the district's allowable revenue for the current school year.

Statutes specify a number of adjustments that can be made to a school district's revenue limit (e.g., transfer of service, declining enrollment, referenda). As of the 1995-96 school year, the state established a per pupil "low-revenue" ceiling amount, which allows districts to increase their per pupil revenues up to a state-determined figure per pupil without having to go to referenda. Under this exemption, any school district with base revenue per pupil that is less than the low revenue ceiling in a given year is allowed to increase its per pupil revenues up to that amount. For the purpose of the low revenue adjustment, base revenue per pupil includes the per pupil adjustment. Use of the low-revenue ceiling is not required; rather, it is an option for school boards to increase their revenues if they so choose.

To the extent that it is utilized by school boards, the low revenue adjustment serves to reduce the disparity in revenue authority per pupil among school districts across the state. When revenue limits were first implemented in FY94, the difference in the per-pupil revenue amount generated under the calculation, between the highest and the lowest districts, was \$7,269; the highest district's amount being 276 percent of the lowest district's amount. When the low revenue ceiling was implemented in FY96, that gap was reduced, to \$6,642 (229 percent). Over time, the gap generally shrunk in terms of percentage, as the low revenue ceiling was adjusted annually (typically \$200 to \$300); the year in which the gap was lowest in percentage terms was FY06 (\$7,047, or 189 percent). But, when the low revenue ceiling hit a plateau, between FY09 and FY13 (at \$9,000), and then again between FY14 and FY18 (at \$9,100), the gap between the highest and lowest districts becomes more volatile. The year of the greatest gap, FY11, saw a difference of \$14,443 (254 percent); in FY18, the gap is \$11,406 (224 percent).

In its 2017-19 biennial budget request, the Department requested a statutory language change, as a part of its Fair Funding for Our Future school finance proposal, that would modify the current law low-revenue adjustment threshold of \$9,100 per pupil by phasing in an increase, to \$9,500 in the 2017-18 school year and then \$9,900 in the 2018-19 school year. The request was denied by Governor Walker but a proposal similar to this bill was introduced by the Joint Committee on Finance and was approved by both houses of the Legislature in its 2017-19 budget bill. Under the proposal, the low-revenue adjustment threshold would have increased from the current law \$9,100 per pupil to \$9,300 per pupil in 2017-18, \$9,400 per pupil in 2018-19, and then by \$100 each year until it reached \$9,800 per pupil in 2022-23 (where it would remain for each year thereafter, unless changed by subsequent legislation). Ultimately, the proposal was vetoed by the Governor, so as to maintain the low revenue ceiling at \$9,100 in 2017-18, 2018-19, and each school year thereafter.

Sparsity Aid

Sparsity aid, originally created under 2007 Wisconsin Act 20 (the 2007-09 budget) was a recommendation of the State Superintendent's Rural Schools Advisory Council as a means to alleviate the financial issues faced by many of the state's rural school districts, especially those experiencing

declining enrollment and those very sparsely populated districts with relatively large geographic boundaries. The program was created for school districts meeting the following criteria: (a) school district membership in the prior year of 725 or fewer members (FTE resident pupils); (b) population density of less than 10 members per square mile; and (c) at least 20 percent of school district membership qualifies for free or reduced-price lunch (FRL) under the National School Lunch Program. Aid is equal to \$300 per member (based on prior year membership). If funding is insufficient, payments are prorated.

2015 Wisconsin Act 55, the 2015-17 biennial budget, modified the eligibility criteria for school districts to qualify for sparsity aid by eliminating the FRL criteria, first effective for aid distributed in FY16.

2015 Assembly Bill 824 was signed by Governor Walker on March 29, 2016, and published on March 31, 2016, as 2015 Wisconsin Act 305. The Act allowed school districts that qualified for sparsity aid in the previous year, but no longer qualify because they exceeded the 725 student limit this year, to receive any sparsity aid funds that are left over after qualifying districts receive sparsity aid. The Act also increased the student enrollment cap for receiving sparsity aid from 725 students to 745 students.

In its 2017-19 biennial budget request, the Department requested a statutory language change that would modify the program by creating a second tier of eligibility for school districts with a membership between 746 and 1,000 pupils and a pupil density factor of ten pupils per square mile or less. The request was approved by Governor Walker and was introduced in his 2017-19 budget proposal but was deleted by the Joint Committee on Finance. Ultimately, 2017 Wisconsin Act 59, the 2017-19 biennial budget, modified the Sparsity Aid program by creating a stop-gap measure for school districts that qualified for aid in one year but did not qualify for aid in the following year due to exceeding the 745 membership criteria to receive aid in an amount equal to 50 percent of its prior year award in the year in which it became ineligible for aid (effectively eliminating the provision under Act 305 which allowed school districts to receive aid in the event the appropriation is underspent in any year).

Conclusion

The Department thanks the committee for engaging in this important discussion on AB 835. It commits greater resources to rural school districts under the expanded sparsity aid program, which allows schools to better address significant operational issues faced by sparse districts. The Department fully supports this provision of the bill.

The changes made to the low revenue ceiling will provide an opportunity for our state's lowest spending school districts with the opportunity to narrow the disparity with the highest spending districts, and raising the ceiling will ensure that low-spending districts will continue to receive increase revenues through the revenue limit ceiling exemption.

While the Department supports the changes proposed for the low revenue ceiling, it also recommends modifying the bill to eliminate the limitation in eligibility (based on failure to pass a referendum) for the low revenue ceiling adjustment.



"Leadership in Public School Governance"

JOHN H. ASHLEY, EXECUTIVE DIRECTOR

122 W. WASHINGTON AVENUE, MADISON, WI 53703
PHONE: 608-257-2622 FAX: 608-257-8386

TO: Members, Assembly Committee on Education
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: January 25, 2018
RE: SUPPORT for Assembly Bill 835, relating to sparsity aid and the revenue limit ceiling for school districts

The Wisconsin Association of School Boards (WASB) **strongly supports** Assembly Bill 835. We commend Governor Walker and the legislative authors of the bill, including Representatives Nygren and Mursau and Senators Marklein and Olsen, for working to bridge the differences that prevented similar provisions from being enacted through the state's 2017-19 biennial budget.

The increases in sparsity aid of \$100 per pupil the bill provides for small but necessary school districts are very welcome. The Governor had recognized the need for such an increase in his original budget proposal and deserves credit for championing increases in sparsity aid.

Equally welcome are the changes in the bill that raise the so-called "low-revenue ceiling" or "low revenue adjustment" from its current \$9,100 per pupil to \$9,400 per pupil in 2018-19, \$9,500 per pupil in 2019-20, \$9,600 per pupil in 2020-21, \$9,700 per pupil in 2021-22, and \$9,800 per pupil in 2022-23 and each year thereafter. Assembly Republicans, led by Representative Nygren and others, deserve credit for recognizing the lack of revenue limit equity as a critical unmet need and for including provisions in their version of the state budget bill that are nearly identical to those in this bill.

The bill before you today combines both an increase in sparsity aid and an increase in the low revenue adjustment and deserves your support.

Together, these two sets of provisions will address pressing financial needs in roughly half of Wisconsin's 422 public school districts by targeting assistance to many of the districts in the most dire need of additional resources. We are here today to express our deep appreciation for the flexibility these provisions will provide to local school boards and districts that qualify to benefit from them.

However, despite our strong support for Assembly Bill 835, we are troubled by provisions in the bill that would effectively freeze a district's low revenue adjustment for three years if it has either asked voters to for permission to increase the revenue limit and been turned down in the past three years or if it asks voters in the future to approve a revenue limit increase and is turned down.

A Legislative Fiscal Bureau (LFB) memo describes the provisions this way: "Under the bill, if an operating referendum was rejected by the voters in a district during the 2015-16, 2016-17, or 2017-18 school year, the low revenue adjustment would remain at \$9,100 per pupil in the three school years following the school year during which the referendum was held. If an operating referendum is held during the 2018-19 school year or any school year thereafter and is rejected by the voters, the low revenue adjustment for that district would remain at the amount for the school year during which the referendum is held for the three following school years."

While we appreciate and understand the political and policy compromise involved in bringing this bill forward, our first preference would be that you remove “freeze” or moratorium provisions from the bill altogether. Our second preference would be that you consider removing the language that “retroactively freezes” the low revenue adjustment at \$9,100 for districts where referendums were turned down during the 2015-16, 2016-17, or 2017-18 school year and allow the “freeze” or moratorium to apply prospectively only—in other words, to apply the “freeze” only to future referenda scheduled after the bill becomes law.

Our member school boards in districts that will be affected by retroactively applying this “freeze” feel they have been unfairly singled out compared to other low-revenue limit districts. They feel they and the students that they serve are, in effect, being “penalized” for doing what they believed was in the best educational interests of their districts and their students and using the only means legally available to them at the time to try to increase their revenues.

The LFB memo identifies nine of the low spending districts in this category. These nine districts will have their revenue limits frozen and will be unable to access the revenue relief provided under this bill for three years because of the retroactive feature of the bill.

Additionally, we’ve identified at least thirteen other low-revenue limit districts that have placed revenue limit referendums on the ballot this spring that were not noted by the LFB memo. Because a decision to go to referendum must be made at least ten weeks the date of the scheduled vote, these school boards made their decision before they could possibly have known about the existence of this bill and how it might affect them. For these thirteen districts, this bill greatly increases the risk of a failed referendum because it would subject them to a three-year “freeze” with no way out but to try another referendum and the risk of yet another three-year “freeze” should that referendum fail. These boards and districts believe the bill, as written, puts them in a “no-win” situation while it puts all other low-revenue districts in a “win-win” scenario.

In our view, it is one thing to change the rules going forward. When everybody knows and understands what the rules are and what the consequences are in advance, then everybody is treated the same. However, it is another thing to change the rules in the middle of the game, particularly when those changes have consequences that were not foreseeable.

The boards and districts affected by the retroactive “freeze” argue that if their voters had known at the time of those referendum that voting no would keep their district among the very lowest spending districts in the state for another three years, freezing and potentially cutting opportunities for their students, while other similar situated districts would be given revenue limit flexibility, perhaps they might have voted differently. We may never know the answer, but those boards and districts argue that they deserved to have the opportunity to inform their voters that such would be the case. We concur.

This bill is before you because you have visionary colleagues in this house who recognize that low-revenue districts face the significant difficulties in maintaining the quality of their programs, in competing to attract and retain high quality teachers, administrators and staff, and in offering the range of courses found in higher spending districts.

This is a very, very good bill. It could be a great bill with just a simple change.

We urge you to support the bill and to make that simple change.



School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Assembly Committee on Education
FROM: John Forester, Executive Director
DATE: January 25, 2018
RE: AB 835 – Sparsity Aid/Low Revenue Ceiling for School Districts

The School Administrators Alliance (SAA) supports Assembly Bill 835, relating to sparsity aid and the low revenue ceiling for school districts. However, we do have concerns about the provision of the bill that prevents a school district from utilizing the low revenue adjustment if, during the three prior school years, an operating referendum failed in the district.

First, I would like to thank the authors for bringing this legislation forward. I would especially like to thank Representative Nygren for his continued advocacy for low revenue districts in Wisconsin. Were it not for his efforts, this important issue may not have been a part of the 2017-19 State Budget discussion and this important legislation may not be before us today.

AB 835, if adopted, would:

- Provide additional sparsity aid funding of \$6,454,600 in 2018-19. Beginning in 2018-19, school districts that qualify for sparsity aid would receive \$400 per pupil, an increase of \$100 per pupil.
- Increase the low revenue ceiling from the current \$9,100 to \$9,400 per pupil in 2018-19 and increase an additional \$100 per pupil in each successive year until it reaches \$9,800 per pupil in 2022-23 and each year thereafter.
- Provide that a school district may not utilize the low revenue adjustment if, during the three prior school years, an operating referendum failed in the school district. After three years have passed, the district could then utilize the applicable low revenue ceiling amount for that year, if eligible.

Sparsity Aid

Under current law, sparsity aid is provided to school districts with school district membership in the prior year of less than 745 students and population density of less than 10 students per square mile. Currently, aid is equal to \$300 per pupil. This school year, 144 districts qualified for sparsity aid with aid prorated at 98.8%, or approximately \$297 per student.

The sparsity aid program was designed to address the significant operational challenges faced by small, rural districts in Wisconsin. These challenges include relatively large geographic size and distance from neighboring schools, the impact of declining enrollment and the resulting larger per pupil costs to maintain operations. Data suggests that districts with the lowest student population

density are among the districts with the lowest average income. These districts also tend to have high poverty rates and high pupil transportation costs.

Low Revenue Ceiling

School revenue limits were imposed by the state in 1993-94 and have been in place for 25 years. Frugal, low-spending districts were essentially “locked in” to low per pupil revenue limits at their inception. Some districts have passed referenda to increase their revenue limit authority, but many others have found it difficult to do so, resulting in a widening revenue limit gap among districts throughout the state.

The low revenue ceiling, established in 1995-96, allows districts to increase their per pupil revenues up to a state-determined level per pupil without districts having to go to referendum. It is the policy mechanism in Wisconsin for low spending districts to narrow the disparity with higher spending districts in the state. It is also important to note that utilization of the low revenue ceiling is not required. It is an option for districts to use after considering the needs of students, parents, taxpayers and the community.

I think it is fair to say that we all believe that the educational opportunities afforded to every child in Wisconsin should not be determined by their zip code. An improved low revenue ceiling policy in Wisconsin is an important part of ensuring equitable resources for all children no matter where they live. As evidence of the need for this bill, not a single school district qualified for a low revenue adjustment in this school year.

I have attached a table to my testimony that looks at the low revenue ceiling as a percentage of the state average revenue limit per pupil over the past 18 years. The current low revenue ceiling of \$9,100 per pupil has now fallen to 86.2% of the statewide average revenue limit per pupil. Quite frankly, that is too low for a state that considers its school funding system equitable for all children.

Failed Operating Referendum

As I mentioned earlier, we do have concerns about the provision of the bill that prevents a school district from utilizing the low revenue adjustment if, during the three prior school years, an operating referendum failed in the district. In fact, we ask you to support removal of this provision from the bill.

The “retroactive” portion of this provision is estimated to affect the following nine districts in 2018-19: Bonduel, Cameron, Chilton, Darlington Community, Freedom, Gillett, Howard-Suamico, Osceola, and Southern Door County. There are 13 additional school districts with referenda that are already slated for this spring (2018).

The low revenue ceiling was designed, at least in part, to provide a state-determined level of per pupil resources for those districts that have found it difficult to pass operating referenda. Once again, we believe the educational opportunities afforded to every child in Wisconsin should not be determined by their zip code. One could also argue that the voters in these districts did not have all the information about the high-stakes nature of their operating referendum at the time they cast their ballots.

At the very least, the effective date of this provision should be modified to remove the retroactivity and to accommodate referenda that are already in the pipeline for this spring. We need only look back to the 2017-19 State Budget for a precedent in support of this action. The Budget specified that provisions changing the allowable scheduling for school district referenda would apply to school board resolutions to exceed revenue limits or issue bonds that are adopted after January 1, 2018; thereby accommodating those referenda that were already in the pipeline for the fall of 2017.

Thank you for your consideration of our views. If you should have any questions on our position on AB 835, please call me at 608-242-1370.

Fiscal Year	Low Revenue Ceiling	State Average Maximum Revenue Limit Per Pupil	% Low Revenue Ceiling to State Average Max Revenue Limit Per Pupil
2000-01	\$ 6,500	\$ 7,419	87.60%
2001-02	\$ 6,700	\$ 7,667	87.40%
2002-03	\$ 6,900	\$ 7,931	87.00%
2003-04	\$ 7,400	\$ 8,216	90.10%
2004-05	\$ 7,800	\$ 8,511	91.60%
2005-06	\$ 8,100	\$ 8,815	91.90%
2006-07	\$ 8,400	\$ 9,150	91.80%
2007-08	\$ 8,700	\$ 9,499	91.60%
2008-09	\$ 9,000	\$ 9,822	91.60%
2009-10	\$ 9,000	\$ 10,104	89.10%
2010-11	\$ 9,000	\$ 10,316	87.20%
2011-12	\$ 9,000	\$ 9,809	91.80%
2012-13	\$ 9,100	\$ 9,884	92.10%
2013-14	\$ 9,100	\$ 10,036	90.70%
2014-15	\$ 9,100	\$ 10,188	89.30%
2015-16	\$ 9,100	\$ 10,307	88.30%
2016-17	\$ 9,100	\$ 10,439	87.20%
2017-18	\$ 9,100	\$ 10,555	86.20%

ASSEMBLY BILL 835

Testimony from Bryce Bird

District Administrator

Riverdale School District

January 25, 2018

Mr. Chairman, members of the committee, thank you for allowing me to testify on Assembly Bill 835. My name is Bryce Bird and I have been the District Administrator of the Riverdale School District for the past 12 years. Riverdale School District began in 1967 as a consolidation of the schools in Blue River, Muscoda and Avoca. The resulting district encompasses 240 square miles of rural peace and natural beauty nestled among the bluffs and valleys of the lower Wisconsin River in Southwestern Wisconsin. We serve 700 students in grades Pre K through 12. This school year we are celebrating our 50th year as a district.

A little more about our district:

High poverty 50% Free and Reduced Lunch

22% of our students are in special education with a growing number of mental health issues. Much of this increase is due to kids moving into our district. This year we transport 4 students to a special school 40 miles away because we can no longer meet their mental health needs. The cost for these students exceeds \$100,000 per year.

I am just trying to illustrate some of the challenges of our district. These students deserve to have their needs met. Public schools educate all children. We do not turn children away, but it comes with a cost.

We have only 3.5 students per square mile. We have 10 bus routes. We have tried to maintain the practice of purchasing a new bus every other year, but our budget does not allow it. We have some regular route busses that are over 20 years old. Could you image school busses with the blue colored collector license plate?

We have an innovative, resilient staff who decided to embrace the future and lead throughout all of the recent changes in public education as well as changes in financial support to schools and family dynamics. Our district, through the efforts of key staff members, secured grant and foundation funding to make Riverdale a regional leader of the use of technology to improve instruction, communication and efficiency. Now that we depend on this technology, some of it is aging and needs to be replaced. This creates a new line item on the budget that we do not have funding for.

Since our base revenue per pupil is currently \$9,200, we would benefit from this assembly bill by \$138,800 for the low revenue increase and \$72,124 of sparsity aid increase for a total of \$210,924 in the first year. It would also provide an additional \$72,000 each year for the next 4 years. That will move us closer to funding levels of other public schools and is long overdue.

Bottom Line: How will the passing of Assembly Bill 835 affect students in my district?

- Safety. We would be able to catch up and systematically replace our bus fleet.
- Technology. We could fund a yearly replacement cycle of the 500 plus tech devices that give our rural students the chance to compete with the rest of the world.
- Special programing for high needs student. With this proposed funding increase, we could hire and train the staff needed to develop a school with in our school to address the mental health and the behavioral and emotional needs of our students. We would no longer need to ship them out to a distant school and have them waste 3 hours a day riding in a van.

This money will directly benefit our students and the possibilities are endless.

I support this bill and I want to finish with one last point.

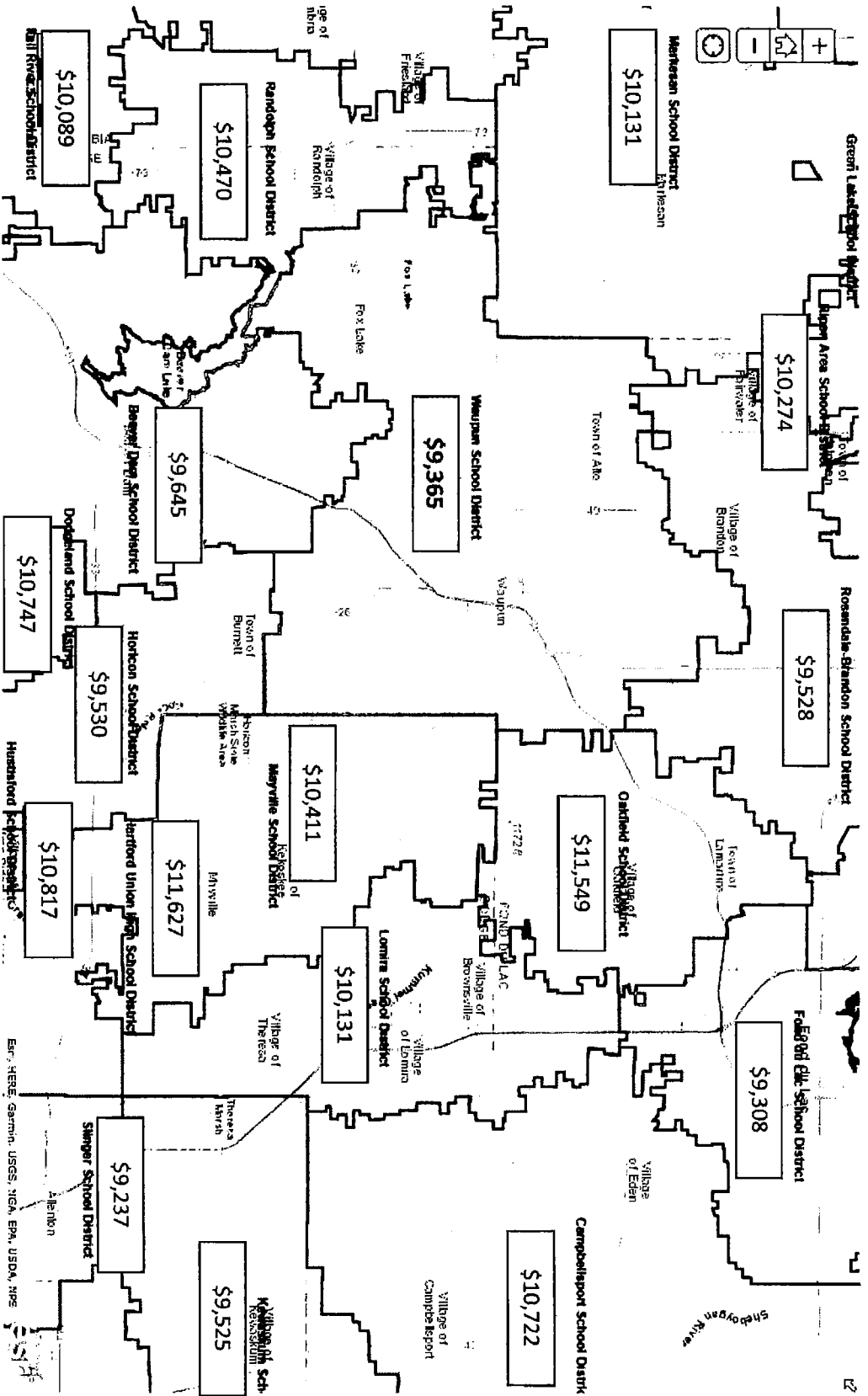
Public education in Wisconsin is nearing a crisis. Except for the recent funding increase, school funding on state federal levels have not kept up with the costs required for educating the needs of all children.

I can tell you that each year in my past 17 years of being a district administrator, I have had to cut some type of spending out of my budget in an attempt to balance it. 17 years in a row! Most cuts hurt kids because we cut programs, offered less opportunities, less choices and less specialized help. It is not just a current problem, it's been building for almost 2 decades. I hope you all would agree that the "fat" has been squeezed out of local school budgets. Our kids deserve better.

I am encouraged by recent funding increases and the drafting of this bill. I trust that you will make the right decision for our children and the future of Wisconsin.

I greatly appreciate the efforts of the authors of this bill. Thanks again for allowing me to testify today and I will try to answer any of your questions.

Area School Districts and Revenue per Student*



*Information from the Wisconsin Department of Public Instruction. Revenue Limit per member 3-year average.

Based on 421 School Districts: Highest \$19,882 Median/Average \$10,853 Lowest \$9,200

Waupun Area School District

<u>School Year</u>	<u>Per Pupil Base</u>			<u>Per Pupil Base</u>			<u>Total Revenue Limit</u>	
	<u>Waupun</u>	<u>Membership Avg</u>	<u>Base Revenue Limit</u>	<u>State AVG</u>	<u>Below State Average</u>	<u>Below State Average</u>		
2012/2013	\$9,117.37	2023	\$18,444,440	\$9,884.42	\$767.05	\$1,551,742.15		
2013/2014	\$9,192.37	2024	\$18,605,357	\$10,035.89	\$843.52	\$1,707,284.48		
2014/2015	\$9,280.89	1997	\$18,533,937	\$10,185.15	\$904.26	\$1,805,807.22		
2015/2016	\$9,280.89	1996	\$18,524,656	\$10,311.59	\$1,030.70	\$2,057,277.20		
2016/2017	\$9,280.09	2007	\$18,625,139	\$10,439.26	\$1,159.17	\$2,326,456.20		
2017/2018	\$9,292.68	2030	\$18,864,140	\$10,556.84	\$1,264.16	\$2,566,244.80		
					Total Under Funded:	\$12,014,812.05		
	<u>Staus Quo</u>	<u>New Low Ceiling</u>	<u>Proposal Increase</u>					
18/19	\$9,292.68	\$9,400.00	\$217,859.60					
19/20	\$9,292.68	\$9,500.00	\$420,859.60					
20/21	\$9,292.68	\$9,600.00	\$623,859.60					
21/22	\$9,292.68	\$9,700.00	\$826,859.60					
22/23	\$9,292.68	\$9,800.00	\$1,029,859.60					

If the base revenue per member had been increased to \$9,400 for the 17-18 school year our total revenue limit would have increased \$217,860. Waupun's mill rate would have increased from \$9.9032 to \$10.1225. Based on an average home value of \$115,000 in our area, a taxpayer would have paid \$25.22 more in taxes for the year.

Waupun is currently ranked 196 out of 422 in comparing district's mill rates high to low; about the middle of the pack. With the increase scenario above we would rank 179, meaning 178 districts would still be taxing at a higher mill rate than Waupun.

SCHOOL DISTRICT OF HARTFORD JOINT NO. 1

DEDICATED TO THE SUCCESS OF EACH STUDENT

CITY OF HARTFORD, TOWNS ADDISON, ERIN, HARTFORD – WASHINGTON COUNTY • TOWNS ASHIPUN, RUBICON – DODGE COUNTY
HARTFORD, WISCONSIN 53027

WRITTEN TESTIMONY 1-25-2018
WISCONSIN STATE ASSEMBLY – EDUCATION COMMITTEE

Mr. Chairman,

Thank you for this opportunity to testify today in support of Assembly Bill 835 which would provide additional resources to help Wisconsin Public Schools provide a great education for our students. I currently serve as the Chief Financial Officer of the School District of Hartford Jt1. Like many low spending school districts, we have been “locked in” to lower spending for 25 years since the adoption of revenue limits. My District and my community take pride in the fact that we are a low spending, high achieving district, but at the end of the day, while more money does not guarantee student success, falling too far behind financial leaves us vulnerable to losing the talented educators that are helping our district significantly exceed and exceed expectations at our schools.

While raising the low revenue ceiling from \$9,100 to \$9,800 over the next five years does not completely close the financial gap between low spending schools and the state average of \$10,556 per student, it makes significant progress in doing so. The “phase in” of the additional revenue limit authority allows each district to individually manage their local property tax impact in a responsible way. It also allows us greater flexibility in how we spend our general purpose dollars than an operational referendum or facility referendum might provide.

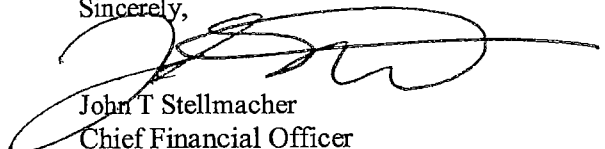
In Hartford, we frequently are “out bid” for specialists, paraprofessionals, and key professional staff to other districts or employers that can afford to provide full time jobs with full benefits. We have a dedicated staff, but with many younger/newer educators facing significant student loans, mortgages, and the expense of raising a family, they often move to Districts with more resources. With unemployment in Wisconsin at historic lows, it has also become increasingly difficult to recruit good/reliable/effective educators to fill vacancies.

While the increases in the low revenue ceiling will not impact Hartford Jt1 until 2022-23 (\$199,188 increase), I believe this legislation rewards those that have been fiscally responsible in making the tough choices and using the Act 10 tools and provides hope to not falling further financially behind districts and private sector employers with more resources. I believe it is also important to highlight the significant funding gap that continues to exist between Wisconsin School Districts. **In Hartford, if we would have received funding at the state average over the past 6 years, we would have had \$8.2 million in more resources for our kids.** In West Bend, that number over the past 6 years is \$44.8 million and in Slinger, \$16.6 million.

This legislation would have a very positive impact on the communities around us including West Bend \$13.7 million (over 5 years) and Slinger \$4.8 million (over 5 years), and would give Washington County an opportunity to showcase low spending districts that are presently delivering excellent results. I ask for your support of this legislation and what I hope will be a future effort to permanently index the low revenue ceiling to a certain percentage of the statewide average to help avoid a future scenario where the disparity between the “have’s” and “have not’s” continues to grow.

Thank again for the opportunity to testify to testify on behalf of this legislation.

Sincerely,



John T Stellmacher
Chief Financial Officer
School District of Hartford Jt1

LINCOLN SCHOOL
755 South Rural
Hartford, WI 53027
Phone: 262/673-2100
FAX: 262/673-0148

CENTRAL SCHOOL
1100 Cedar Street
Hartford, WI 53027
Phone: 262/673-8040
FAX: 262/673-7596

ROSSMAN SCHOOL
600 Highland Avenue
Hartford, WI 53027
Phone: 262/673-3300
FAX: 262/673-3543

DISTRICT OFFICE
402 W Sumner St Hartford, WI 53027
District Administrator 262/673-3155 FAX: 262/673-3548
Chief Financial Officer 262/673-9033 FAX: 262/673-3548
Pupil Services Dir. 262/673-8042 FAX: 262/673-8045

Impact of Spending Authority Below the State Average (2012-2018)

School District of Hartford Jt1

School Year	Hartford Jt1	Current Membership Avg	Rev Limit, No Exemptions	State AVG	Below State Average	Amount below State AVG
2012/2013	\$9,357.00	1882	\$17,609,874	\$9,884.42	\$527.42	\$992,604.44
2013/2014	\$9,412.00	1919	\$18,061,628	\$10,035.89	\$623.89	\$1,197,244.91
2014/2015	\$9,511.00	1949	\$18,536,939	\$10,185.15	\$674.15	\$1,313,918.35
2015/2016	\$9,609.00	1978	\$19,006,602	\$10,311.59	\$702.59	\$1,389,723.02
2016/2017	\$9,652.00	2004	\$19,342,608	\$10,439.26	\$787.26	\$1,577,669.04
2017/2018	\$9,701.00	2012	\$19,518,412	\$10,556.84	\$855.84	\$1,721,950.08

	Hartford	New Low Ceiling	Proposal Increase
18/19	\$9,701.00	\$9,400.00	\$0.00
19/20	\$9,701.00	\$9,500.00	\$0.00
20/21	\$9,701.00	\$9,600.00	\$0.00
21/22	\$9,701.00	\$9,700.00	\$0.00
22/23	\$9,701.00	\$9,800.00	\$199,188.00
			\$8,193,109.84

Education Committee Hearing on AB 835.

Chairman Thiesfeldt and members of the education committee, I would like to echo my thanks for the opportunity for us to speak in strong support of AB 835. My name is Mike Trimberger and I have the honor to be the superintendent in the School District of Random Lake. Much like you heard earlier from my colleagues in Sheboygan County, we support AB 835. As a representative of the School District of Random Lake, I would like to take a quick moment to speak more specifically about Sparsity Aid.

The School District of Random Lake is one of the many frugal district in Southeastern Wisconsin. With a \$9,200 per pupil allocation we know about tight budgets. As of second Friday, we have 793 student and 90 square miles giving us a sparsity density of 8.8 students per square mile. Of the 793 students, 85% of our population qualify for transportation.

As you can imagine, being a frugal district in a high transportation situation is not optimal for our students. After salaries and benefits, we have about \$1.5 million to pay for everything else. Of that \$1.5 million, nearly $\frac{1}{3}$ goes to pay for transportation giving our students far less money in the classroom when compared to district with more dense population.

Sparsity Aid as currently written will widen the gap between the haves and the have nots in the state. As a district with a \$9,200 per pupil allocation, there are districts in the state that have nearly twice our allocation and also get Sparsity Aide. I ask that you reconsider the current maximum of 745 students to qualify for sparsity aid. The definition of Sparsity is the "property of being scattered or an overall lack of denseness." In the state of Wisconsin we have defined Sparse in schools as 10 students or fewer per square mile. Random Lake fits in the definition of sparse and should not be disqualified by having 50 students too many.

I know that we do not have endless budgets. But I also know that one group of students **SHOULD NOT BE WORTH LESS THAN ANOTHER**. I ask that you lift the 745 student limit on the Sparsity Aid and go with the true definition of Sparse by funding districts with less than 10 students per square mile.

I appreciate Governor Walker's support of AB 835 and each of your time in this proposal. This is a great step in the right direction and wanted to offer another perspective on this proposal. I welcome the opportunity to answer questions and talk further regarding either the Per Pupil Allocations or Sparsity Aid as it relates to the School District of Random Lake.

Thank you for your time,

Mike Trimberger
Superintendent
School District of Random Lake
mtrimberger@randomlake.k12.wi.us
(920)918-3121



SCHOOL DISTRICT OF OOSTBURG

410 New York Avenue | P.O. Box 700100 | Oostburg, WI 53070

(920) 564-2346 | Facsimile (920) 564-6138

1/25/18

Chairman Thiesfeldt and Members of the Education Committee,

Thank you for scheduling this hearing and providing an opportunity for us to speak in strong support of AB 835. I would also like to thank the large number of legislators who have joined Representative Nygren and Senator Marklein by signing onto this legislation. My name is Kevin Bruggink, and I serve as the District Administrator of the Oostburg School District. Joining me here today is Carrie Dassow, District Administrator of Plymouth School District and Mike Trimberger, District Administrator in Random Lake School District. We are representing our colleagues and districts in Sheboygan County. Representatives Katsma, Representative Vorpapel and Senator LeMahieu represent our area, and we appreciate the strong partnership we have with our local legislators, which includes monthly legislative breakfasts and frequent visits to our schools. We believe the open dialogue we have shared has allowed all parties to benefit by learning from each other.

Our support for AB 835 is grounded in the fact that Sheboygan County school districts have historically been some of the most fiscally conservative in Wisconsin, many with revenue limits at or below \$9200 per student and all but one well below the state average. Our county districts have led in areas like high deductible health plans, creative insurance alternatives, and alternate compensation models. For many of us, these changes came well before Act 10 prompted change in many districts across our state.

Although our support for the additional financial resources in this legislation is strong, history will show that Sheboygan County districts are responsible in how we approach our local tax levies. For example, over the past 10 years, Oostburg has either reduced or had no increase in its local levy six times. In the remaining four years we had modest increases of less than 2 percent bringing our average increase over a 10 year period to 0.43 percent. It is important to note that during this period, Oostburg under-levied by over \$1.9 million dollars. In other words, just because we had revenue limit authority does not mean we used it.

Oostburg and other schools in Sheboygan County are experiencing challenges as we work to expand opportunities for students and partnerships with our business community. Oostburg, Plymouth, and Random Lake lead our area in Youth Apprenticeship opportunities, and each of our schools have unique business partnerships which have contributed to Sheboygan County's strong economic position. Those partnerships are becoming more difficult to support as guidance and STEM staffing challenges become increasingly competitive and we are forced to consider reductions which will keep us within our revenue limit. When revenue limit realities prevent our districts from providing opportunities that are similar to neighboring districts - in Ozaukee County for example - students lose and so does our county.

KEVIN BRUGGINK
District
Administrator

SCOTT GREUPINK
Principal Oostburg
High School

SHERRI STENGEL
Principal Oostburg
Middle School

AARON WHITE
Principal Oostburg
Elementary School

BRYCE DEROOOS
Director of
Student Services

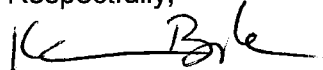
KRISTIN DE BRUINE
Director of
Finance/Personnel

Sheboygan County is on the cutting edge of business and education partnerships. Examples include Sheboygan School District's Red Raider manufacturing, Plymouth School District's Science and Technology Center and Food Science and Agriculture Center, and first in the nation health care clinic partnerships. The examples don't stop there, but these efforts are threatened as it becomes increasingly difficult to expand these unique models while working within a school funding formula that has dramatic disparities between districts.

A district similar to Oostburg in size, operating at the state average revenue limit, would realize an additional \$1,500,000 annually to serve their students. This creates inequity that affects students and forces low revenue schools to make decisions that place them at a competitive disadvantage in reaching their goals.

We appreciate Governor Walker's support of AB 835 and the work of each legislator who advocated for these provisions in the proposed state budget sent to the Governor and now in this follow-up legislation. We welcome the opportunity to answer questions and talk further regarding how the disparity in revenue limits is impacting our students and the opportunities within Sheboygan County.

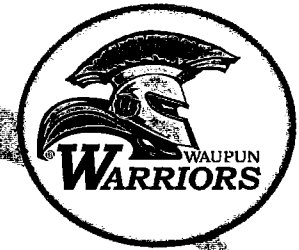
Respectfully,

A handwritten signature in black ink, appearing to read "Kevin Bruggink". The signature is stylized and written in a cursive-like font.

Kevin Bruggink

WAUPUN AREA SCHOOL DISTRICT

Education Service Center 950 Wilcox Street Waupun, WI 53963
Phone: (920) 324.9341 Fax: (920) 324.2630 www.waupun.k12.wi.us



Challenging Minds. Inspiring Action. Prepared for Tomorrow.

January 25, 2018

Mr. Chairman,

Thank you for the opportunity to testify in support of Assembly Bill 835. I have been the District Administrator for the Waupun Area School District for the past six years. The Waupun Area School District has been and continues to be a very conservative district. It is a community that supports and values education where over 40% of our students are economically disadvantaged. In 2016, the community supported a \$36 million facilities referendum to address aging boilers, roofs, plumbing, and safety issues. They supported remodeling our traditional 1950's learning environments to classrooms where students are engaged and want to come to school. However, all of this is for nothing if we are not able to support it with a budget that supports our day-to-day operations.

Waupun's revenue limit is currently \$9293. Only 29 of the 422 school districts in the state have a lower revenue ceiling than we have. If you look at the handout of our surrounding districts, it is easy to see why the Waupun Area School District struggles to balance our budget each year while trying to offer a high quality education. Our class sizes are higher than our surrounding districts which is a reason many families decide to open-enroll out of the district. Our health benefits are the worst in the area which makes teacher recruitment next to impossible. Our health insurance deductible is \$3000 for individuals and \$6,000 for a family with no HRA or HSA contribution from the District. Why? The budget won't allow us to do anything differently.

Our ability to grow and be competitive has been limited since 1993. All I am asking for today is to be placed on a level playing field monetarily, though even with this adjustment, we will still be well below the state average of \$10,439. The low-revenue ceiling increase would mean an additional \$200,000 for our budget next year which is half of our projected deficit this year. By the 2022-2023 school year, we will still not be where our surrounding districts have been for the past 25 years, but it will definitely be a great start. Instead of cutting programs and staff, we can begin to discuss how to provide for our students' needs.

How would Waupun use this money? In year one, we would almost balance the budget. In year two, we would finally have a balanced budget. By the 2020-2021 school year, we could begin to add staff, provide competitive health insurance benefits, and retain the great teachers we have. We would not fully realize any "extra" monies until the 2021-2022 school year which at that time would allow us to offer more services and educational benefits to children and families. With the passing of this bill, in 2022 our revenue limit would be \$9800. Our surrounding districts are already well into the \$10,000 range. Even with that being said, I am excited for the possibilities for Waupun!

As you debate this bill, please know that the tax impact to our families is \$25 per year on an average home in Waupun, but it will make a world of difference to our kids. Thank you for letting me speak today, and I invite you to our district at any time!

Thank you,

Tonya L. Olson, District Administrator



Daren Sievers
Superintendent

Jennifer Boyd
Director of Technology & Support Services

Jim Curler
Assistant Superintendent

207 Polk Street • Slinger, Wisconsin 53086

TESTIMONY 1-25-2018
WISCONSIN STATE ASSEMBLY – EDUCATION COMMITTEE

Mr. Chairman,

Thank you for this opportunity to testify today in writing in support of Assembly Bill 835. I am currently in my 5th year as superintendent of the Slinger School District and in my 23rd year working for Slinger Schools in different roles. I love this district because the community takes great pride in its schools and we feel we produce a very good product on a relatively modest budget.

Slinger has always been a frugal district. We were very careful prior to the caps being put in place 25 years ago, and we continue to do the best we can within the budgetary confines we have lived within since 1993. We have passed three different facility referendums since 1993 to accommodate growth, but have never approached our community about an operational referendum as we have always felt it was our duty to live within our means. Living within our means has made it harder and harder to remain competitive within this region of Wisconsin as we are capped at such a different number than most of our neighbors. As the pool of teachers and support staff candidates gets smaller in the same manner that most employers are struggling to find quality employees, there is more pressure on us now than ever before to make sure our pay structure is market competitive while also maintaining good class sizes and quality programming.

While raising the low revenue ceiling from \$9,100 to \$9,800 over the next five years does not completely close the financial gap between low spending schools and the state average of \$10,439 per student, it does make significant progress. We appreciate the "phase in" nature of the additional revenue limit authority and how it allows each district to individually manage their local property tax impact in a responsible way because we would never want to thrust a large tax increase on a community that has seen and valued a very responsible spending approach for decades.

The increase in the low revenue ceiling will impact Slinger right away (\$426,726 increase in 2018-19) and gets us closer to the levels of funding received by most of our neighbors in the region. I believe this legislation rewards those that have been fiscally responsible in making the tough choices and using the Act 10 tools and it also provides hope that we won't fall further behind districts and private sector employers with more resources. This legislation would have a very positive impact on our neighbors to the east in West Bend \$3.9 million (over 5 years) whose capped number is similar to Slinger's and would also give some subtle but badly needed help to our neighbors to the west in Hartford Jt. 1 (\$168,734 increase in 2022-2023). The increase would also give Washington County an opportunity to showcase low spending districts that are presently delivering excellent results while receiving far less money than districts just a few miles away.

I ask for your support of this legislation as it will provide support to districts who need it most. I also hope there will be future efforts to permanently index the low revenue ceiling to a certain percentage of the statewide average to help avoid a future scenario where the disparity between the "have's" and "have not's" continues to grow.

Thanks again for the opportunity to testify in writing on behalf of this legislation.

Sincerely,

Daren Sievers
Superintendent, Slinger School District

SPENDING AUTHORITY BELOW THE STATE AVERAGE 2012-2018

SLINGER SCHOOL DISTRICT

<u>School Year</u>	<u>Slinger</u>	<u>Current Membership Avg</u>	<u>Rev Limit, No Exemptions</u>	<u>State AVG</u>	<u>Below State Average</u>	<u>\$ Amount below State AVG</u>
2012/2013	\$9,075.82	2695	\$24,459,335	\$9,884.42	\$808.60	\$2,179,177.00
2013/2014	\$9,156.22	2687	\$24,602,763	\$10,035.89	\$879.67	\$2,363,673.29
2014/2015	\$9,244.98	2688	\$24,850,506	\$10,185.15	\$940.17	\$2,527,176.96
2015/2016	\$9,290.22	2684	\$24,934,950	\$10,311.59	\$1,021.37	\$2,741,357.08
2016/2017	\$9,236.67	2677	\$24,726,566	\$10,439.26	\$1,202.59	\$3,219,333.43
2017/2018	\$9,231.22	2718	\$25,090,456	\$10,556.84	\$1,325.62	\$3,603,035.16

<u>Slinger</u>	<u>New Low Ceiling</u>	<u>Proposal Increase (2718)</u>
18/19	\$9,244.27	\$423,270.04
19/20	\$9,244.27	\$695,070.04
20/21	\$9,244.27	\$966,870.04
21/22	\$9,244.27	\$1,238,670.04
22/23	\$9,244.27	\$1,510,470.04
		\$4,834,350.20
		\$16,633,752.92

Fond du Lac School District

72 W. Ninth St. • Fond du Lac, WI 54935
Phone: (920) 929-2781 • Fax: (920) 929-3792

Michael Gerlach
Director of Business Services

January 25, 2018

Honorable Members of the Committee:

My name is Michael Gerlach and I am the Director of Business Services for the Fond du Lac School District. I appreciate your efforts to address school district funding through Assembly Bill 835. This legislation addresses a particular concern within the school funding formula for the Fond du Lac School District, by increasing the base revenue per pupil over the current statute of \$9,100. Fond du Lac has historically been a low spending school district since the implementation of revenue limits in 1993.

Using the Legislative Fiscal Bureau's most recent impact analysis of Assembly Bill 835, with a base revenue per pupil of \$9,264, the Fond du Lac School District could realize an estimated \$1,001,640 in additional revenue authority in the 2018-2019 fiscal year. The annual indexing of increases to the low revenue threshold under this proposed legislation could provide significant relief to low spending school districts such as Fond du Lac over the next 5 years.

This additional revenue authority would provide the District with the opportunity to maintain ongoing student programming and meet operational expenses that continue to rise with inflation. The District has a history of fiscal responsibility under revenue limits and has not sought an operational or debt issue referendum since 2006. The District is committed to maintaining high levels of student achievement as demonstrated by achieving an Exceeds Expectations rating on the most recent state report card.

The District supports the efforts of this Committee and we urge you to support Assembly Bill 835 to address an ongoing concern within the school funding formula for low revenue school districts like Fond du Lac.

Thank you for your time today and thank you for your service to the students and the State of Wisconsin.

Sincerely,



Michael Gerlach
Director of Business Services
Fond du Lac School District



The mission of the Fond du Lac School District, in partnership with the family and the community, is to promote high achievement and foster the continuous growth of the whole child, so that each becomes a creative, contributing citizen in a global society by providing personalized learning opportunities in a safe, nurturing environment.

SPENDING AUTHORITY BELOW THE STATE AVERAGE 2012-2018

WEST BEND JOINT SCHOOL DISTRICT

<u>School Year</u>	<u>West Bend</u>	<u>Current Membership Avg</u>	<u>Rev Limit, No Exemptions</u>	<u>State AVG</u>	<u>Below State Average</u>	<u>\$ Amount below State AVG</u>
2012/2013	\$9,047.01	6954	\$62,912,908	\$9,884.42	\$837.41	\$5,823,349.14
2013/2014	\$9,124.64	6992	\$63,799,483	\$10,035.89	\$911.25	\$6,371,460.00
2014/2015	\$9,200.09	7002	\$64,419,030	\$10,185.15	\$985.06	\$6,897,390.12
2015/2016	\$9,195.74	6971	\$64,103,504	\$10,311.59	\$1,115.85	\$7,778,590.35
2016/2017	\$9,199.26	6971	\$64,128,041	\$10,439.26	\$1,240.00	\$8,644,040.00
2017/2018	\$9,199.26	6854	\$63,051,728	\$10,556.84	\$1,357.58	\$9,304,853.32

<u>West Bend</u>	<u>New Low Ceiling</u>	<u>Proposal Increase (6854)</u>
18/19	\$9,199.26	\$1,375,871.96
19/20	\$9,199.26	\$2,061,271.96
20/21	\$9,199.26	\$2,746,671.96
21/22	\$9,199.26	\$3,432,071.96
22/23	\$9,199.26	\$4,117,471.96
		\$13,733,359.80
		\$44,819,682.93

ASSEMBLY BILL 835

Testimony—Patrick Rau, Superintendent; School District of Bonduel

Mr. Chairman and members of the Committee:

I am representing students, families, and the communities of the Bonduel School District, but as a school superintendent I believe I advocate not just for my students but for all students in Wisconsin. It is unfortunate that such positive piece of legislation, one that has been long-awaited, only to be poisoned by a provision that does not treat the children of Bonduel fairly.

I am not here to argue that state funding for public education is broken....that is known and I hope the Blue Ribbon Commission will come up with a solution in the near future. What I would like to do is share the Bonduel story and the impact of AB 835 as written.

First the language regarding the referendum stipulations only are directed to districts that are deemed low revenue. Seriously? A limitation directed at the districts that educate the children of their community for far less than the majority of state does? As a low revenue district our elementary school significantly exceeds expectations and there are only a handful of districts that could compare with our workforce development programming. But we could go to referendum over, over, and over if our district was spending over \$9,800 per student.

Second, the new legislation retroactively changes the rules regarding referendums. Our decision to go to referendum to exceed the revenue limit was not easy. Reductions were made, data was analyzed, and the public was given a voice through meetings and surveys. Our taxes have been reduced for three straight years, raising them is not an easy decision.

We did our best to understand what we could. But, you know what we didn't know.....the state budget. Per pupil aid? Low revenue limit increase? Sparsity aid? Transportation aid? Referendum regulations? This retroactive language punishes a group for following the rules and I guess.....not knowing what would happen in future with the approved state budget and upcoming ideas for legislation.

There will be unintended consequences. Our local property taxes will increase if this legislation passes as written. Why? Shared costs and equalized aid. We have a piece of a pie based on what we spend annually, this legislation will allow a good number of district to spend more. Our piece of the pie will decrease.....less state aid + static revenue limit = larger share for our property owners. Also with this piece of legislation; based on our geography our students will lose out on the associated state aid that corresponds with this raise in revenue limit. That's not local money, that state aid that is to provide a free and appropriate education for all students.

This legislation will provide some needed financial help a lot of schools, however it is unfair and unethical to hold a board and community "accountable" who by all means followed the democratic process and the rules that were in place.

Thank you for your time and please do not hesitate to visit and learn rural schools are a great investment in our children and in rural Wisconsin.

Kim Kaukl
Executive Director
1755 Oakwood Circle
Plain, WI 53577
Cell Phone: (608) 553-0689
kimkaukl@wirsa.org



President, Robert Smudde
President-Elect, Ben Niehaus
Secretary, Diana Bohman,
Regional Public Library Rep
Treasurer, Jerry Walters
Past President, Ken Kasinski

January 25, 2018

Chairman Thiesfeldt and Members of the Assembly Education Committee,

I am the Executive Director of the Wisconsin Rural Schools Alliance (WiRSA). Our organization represents and supports over 200 members with 145 rural school districts, several CESAs, technical colleges, universities, businesses and individual members.

WiRSA has registered in support of AB 835 and is supportive of the help it will provide many of our districts through the increase in Sparsity Aid and new funding for our low-revenue schools. As we know, both items were presented in the Governor's budget and in Joint Finance discussions, unfortunately both were cut near the end of the budget process which was very unsettling for our members. We are pleased to see both items returning after the initial cuts and would like to thank Rep. Nygren and Senator Marklein for their work to make this happen.

One area we would like to ask the authors of this bill and the Committee to reconsider moving forward is the removal of the failed operating referendum language that restricts and excludes seven districts from receiving the proposed low-revenue dollars. This appears to punish our member districts for something that occurred prior to the bill's introduction and places their students even farther behind in regard to adequate funding. This language could put these seven schools in an even tougher situation because they may need to go to another operating referendum within the next three years to meet their financial needs. If the districts were to fail again, it would fiscally push them further behind compared to their neighbors. If the language is removed and these seven districts were eligible, they may not have to go to referendum and the additional funding could assist them in moving forward, thus lessening the need for a future referendum. We ask that you consider removing this language to provide all low-revenue districts the same positive move forward. This funding would then help to move all low-revenue districts towards a more equitable playing field with their neighbors.

A second item we would like to ask for review and consideration is to reinstate the second tier of sparsity aid of \$100 per student for schools with enrollment of 746-1000, which the Governor had originally proposed in his budget bill. WiRSA had originally asked the Governor to include enrollments up to 1500 students and he compromised with 1000, which was a positive step in the right direction. This second tier would help an additional 38 school districts meet their needs. The reason we originally requested the 1500 student threshold was many districts in the 746-1500 range were the sparsest, under five students per square mile, generally high poverty and square mileage, near (300 square miles and greater). This issue may be a future discussion for the regarding the present formula.

WiRSA is supportive of AB 835 and we see it as a positive step for many of our districts. Our hope is our additional request to the authors and the Committee will be given consideration. At the least, we ask that our request be considered in future discussions when looking at possible programs to support/expand using some of the surplus dollars the Governor discussed in his State of the State Address.

Thank you for your time and consideration,

Kim Kaukl
Executive Director
Wisconsin Rural Schools Alliance
608-553-0689
kimkaukl@wirsa.org

*Engage.
Empower.
Excel.*



Southern Door County School District

SCHOOL BOARD

Tammy Starnard, President
Jamie Schmiling, Vice President
Pamela Parks, Clerk
Christopher Jackson, Treasurer
Polly Alberts
Marilyn Fitzgerald-White
Kim Starr

DISTRICT OFFICE

920-825-7311
920-825-7155 (Fax)
2073 County Trunk DK
Brussels, WI 54204

PATRICIA VICKMAN
Superintendent

HIGH SCHOOL

920-825-7333; 920-825-1490 (Fax)
Steve Bousley, Principal

ELEMENTARY/MIDDLE SCHOOL

920-825-7321; 920-825-7692 (Fax)
Cory Vandertie, Elementary Principal
Steve Bousley, Middle Principal

DISTRICT

Mark Logan, Business Manager
Brenda Shimon, Pupil Services Director
Dan Viste, Maintenance/Transportation

January 24, 2018

Assembly Committee on Education
Public Hearing on Assembly Bill 835

Dear Assembly Committee on Education:

Southern Door County School District is one of the nine districts that will be prevented from utilizing the low revenue adjustment as a result of a failed referendum in April, 2017. The referendum was limited to two years. The election had a very low voter turnout and the referendum failed by 24 votes which is less than 1%.

An improved low revenue ceiling policy in Wisconsin is an important part of ensuring equitable resources for all children no matter where they live. The district would not be eligible for the funding proposed in Assembly Bill 835 for three years. The district's per pupil rate is \$9,195 making the district the only school in Door County that is below the \$9,400 per pupil spending rate. Neighboring districts in Kewaunee County are also below the \$9,400 rate but they will all be eligible to raise their revenue limits by this proposal.

Not being able to take advantage of raising our per pupil spending rate at the same time as other eligible districts places the students at Southern Door at an extreme disadvantage when compared to their peers in neighboring districts. It severely limits the district's ability to provide educational opportunities and equity of available resources.

In conversations with Southern Door Board of Education members and some of our voters, one could argue that the voters in the Southern Door District did not have all the information about the high-stakes nature of the operating referendum in April, 2017. The retroactive nature of this stipulation extends into the 2019-2020 school year – a year that was not even covered by the referendum request put to the voters. At the very least, the Southern Door County School District is requesting that Assembly Bill 835 be modified to remove the retroactive referendum clause.

Thank you for your consideration of this request and the impact it would have on the education provided to students in the Southern Door County School District.

Sincerely,

Patricia Vickman
Patricia Vickman, Superintendent

Mark Logan
Mark Logan, Business Manager

"Caring for the Present, Preparing for the Future"

Anchored in *Excellence*
School District of Marinette



January 25, 2018

My name is Brian Walters and I am the Finance Director for the Marinette School District.

Children come through our school doors each day poised to have the same learning opportunity as every other child in the state. While that is not a guarantee for equal outcome, educators are charged with ensuring each child becomes a productive member of society.

If you are a parent I'm sure you will agree with me on this. We hope to leave our kids better off than we are. Education is a child's opportunity for upward mobility. In fact, my daughter and I discuss this at night after we say our prayers and read books. Our saying is knowledge is power.

If upward mobility is the destination then education is the vehicle to get there. Specifically, our staff are our most valuable resource. These highly dedicated professionals often spend more time with our children during daylight hours during the school year than parents do. It is imperative that those professionals be of the highest quality. In fact, I demand it as a parent. Attracting and retaining staff has become priority number one in the post Act 10 environment. Without adequate resources, it is impossible for low revenue districts to compete with their counterparts, in many cases neighboring districts, for those quality staff members.

Funding disparities between districts present challenges for rural and lower spending districts. Even at the maximum revenue limit authority under this bill there will still be almost 200 school districts receiving more revenue per pupil than Marinette. In fact, there will still be 65 districts who receive \$1,000 more and 25 districts who receive \$2,000 more per pupil than Marinette. Even at maximum authority, one of the 65 school districts who receive \$1,000 per pupil more than Marinette is afforded \$2M more than our district annually...ANNUALLY! Calculate that impact over the 24 years revenue limits have been in place and the results are staggering. One of the big rocks in our school district is education for economic development. It is a pillar of our new strategic plan. Unfortunately, we don't have the funds for modern learning spaces and industry standard equipment for our students and staff to use. Other districts have had the ability to provide those necessities for the past 24 years without having to go to referendum to do so.

Marinette supports this legislation which allows locally elected school boards in low spending districts the option to shrink the gap between districts, and we should all support local control. We know that the way money is used changes outcomes, not the mere fact you have more money. But we'd like the opportunity to be good stewards of additional funds so we have the same ability to provide for our kids as others across the state who are afforded more resources than Marinette. Thank you for having an open ear.

Sincerely

A handwritten signature in black ink that reads "Brian Walters". The signature is fluid and cursive, written in a professional but personal style.

Brian Walters

Finance Director

School District of Marinette
2139 Pierce Avenue
Marinette, WI 54143
p (715) 735-1400 f (715) 732-7930

Marinette High School
2135 Pierce Avenue
Marinette, WI 54143
p (715) 735-1300 f (715) 732-7929

Marinette Middle School
1011 Water Street
Marinette, WI 54143
p (715) 735-1500 f (715) 732-7939

Garfield Elementary School
1615 Carney Boulevard
Marinette, WI 54143
p (715) 735-2400 f (715) 732-3431

Merryman Elementary School
611 Elizabeth Avenue
Marinette, WI 54143
p (715) 735-2600 f (715) 732-3433

Park Elementary School
1225 Hockridge Street
Marinette, WI 54143
p (715) 735-2600 f (715) 732-3434

Sunrise Early Learning Center
115 Hancock Street
Marinette, WI 54143
p (715) 735-2700 f (715) 732-3432



**Oak Creek-Franklin
Joint School District**
BUILDING SUCCESSFUL FUTURES TOGETHER

Andrew Chromy
Chief Business and Finance Officer
414-768-6140
a.chromy@ocfsd.org

DRAFT TESTIMONY 1-25-2018
WISCONSIN STATE ASSEMBLY – EDUCATION COMMITTEE

Mr. Chairman,

Thank you for this opportunity to testify today in support of Assembly Bill 835 which would provide additional resources to help Wisconsin Public Schools provide a great education for our students. I currently serve as the Chief Business and Finance Officer of the Oak Creek-Franklin Joint School District. Like many low spending school districts, we have been “locked in” to lower spending for 25 years since the adoption of revenue limits. My District and my community take a certain pride in the fact that we are a low spending, high achieving district, but at the end of the day, while more money does not guarantee student success, falling too far behind financially leaves us vulnerable to losing the talented educators that are helping our district exceed and significantly exceed expectations at our schools.

I believe revenue limits and setting per pupil limits is a matter of equity or really inequity. Currently, the top 5 districts per pupil spending has an average per pupil cost of \$16,661 while the lowest 5 districts per pupil spending has an average of \$9,179. **That is a difference of \$7,482.** If we move to the top 10 per pupil spends and the lowest 10 per pupil spends, **the difference per pupil is \$6,300.** Furthermore, if we look at set of similar communities, Southern Door County and Gibraltar Area, there is an astonishing difference of \$6,760 per pupil.

Much closer to home for the Oak Creek-Franklin Joint School District is the difference per pupil between students who live in the city of Franklin and attend our district compared to that of students who live in the city of Franklin and attend a different school district across a street that serves as our boundary. That difference per pupil is \$1,660. The revenue limit formula and per pupil spend is valuing students, from the same city, whose families chose to live on one side of the road versus the other by a value of \$1,660.

While the increases in the low revenue ceiling will not impact Oak Creek-Franklin for a couple of years, I believe this legislation starts the process of bringing equity to the value of a child for each school district. In fact, approximately 48% of districts will view this as a move towards equity funding on a per pupil basis. Furthermore, this legislation will allow the Oak Creek-Franklin Joint School District the opportunity to move closer in equity to its Milwaukee Area peers where we currently sit as the lowest spending district on a per pupil basis.



**Oak Creek-Franklin
Joint School District**
BUILDING SUCCESSFUL FUTURES TOGETHER

For us, we would put these funds to use with two main focuses. First, our goal is hiring high quality educators, and we are very successful at this. These funds would assist us in retaining these individuals. We pride ourselves on a lower than normal turnover rate, but the ability to consistently provide raises to our high quality educators is quickly coming to an end. Second, our district has 13 facilities with a \$1.2 million capital improvement budget. We need to address some long forgone maintenance and move from reaction based responses to preventative based practices.

I ask for your support of this legislation and what I hope will be a future effort to permanently index the low revenue ceiling to a certain percentage of the statewide average to help avoid a future scenario where the equity for each child does not continue to grow wider but moves towards valuing each child by funding, not just statements.

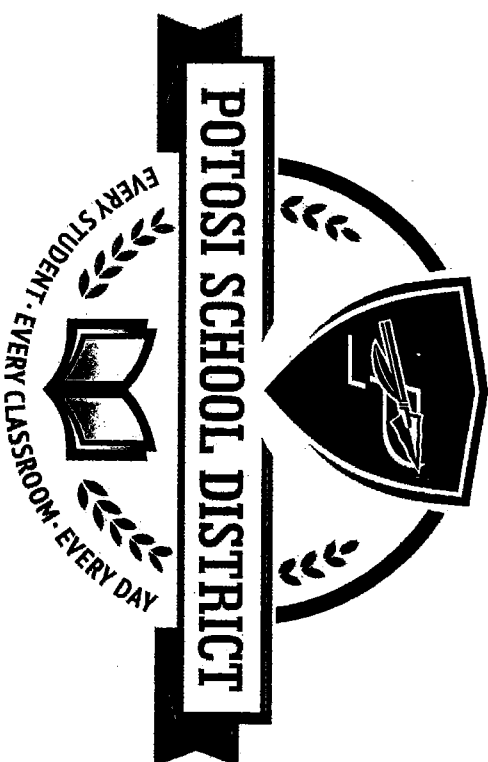
Thank again for the opportunity to testify on behalf of this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Chromy".

Andrew Chromy
Chief Business & Finance Officer
Oak Creek-Franklin Joint School District

Ron Saari, District Administrator
608.763.2162
saarir@potosisd.k12.wi.us



Testimony Before the Committee on Education January 25, 2018

Chairman Thiesfeldt, members of the Committee of Education, Representative Tranel and Senator Marklein, I thank you for this opportunity to testify before you today. My name is Ron Saari. I am the superintendent of the Potosi School District in Potosi, WI. Potosi has 318 students PK-12. The Potosi School District is located in SW Wisconsin on the Mississippi River near Dubuque, Iowa. We are faced with operational challenges, such as significant distances from our neighbors, declining enrollment, larger per pupil costs to maintain operations, high poverty and high pupil transportation costs.

The Revenue Limit Worksheet for 2018-19 shows that our revenue limit stays the same next year (no new dollars to address increases in expenses and inflation). Which is why the \$200 per pupil in Categorical Aid (outside of the revenue limits) and the additional \$100 per pupil in Sparsity Aid, that I am here to talk about today, is so important for us. These come to just over \$95,000 which will allow us to operate without having to go to our community asking for an operational referendum.

Over the last three years we have had to cut \$455,000 from our budget:

We Have Been Fiscally Responsible over the last Three (3) Years:

Savings:

- 2014** • 0.5 FTE Guidance Position Eliminated \$18,000
 • Reduced Library Support Hours \$ 5,000
 • 1.0 FTE Custodian Eliminated \$38,000
 • Restructured Food Service Staffing Reducing From 23 to 17 hours per day \$17,000
 • Reduced from 6 bus routes to 5 bus routes \$40,000

TOTAL \$118,000

- 2015** • 1.0 FTE Foods Teacher Eliminated \$61,500
 • 1.0 FTE Math Teacher Eliminated \$38,000
 • 0.6 FTE Art Teacher Eliminated \$20,500
 • 0.5 FTE Custodian Eliminated \$16,000

• New Staff Savings:

- MS English Teacher \$ 9,500
- MS Science Teacher \$ 5,000
- K-12 Art Teacher \$23,500

TOTAL \$174,000

- 2016** • 2.0 FTE Elementary Teacher Positions Eliminated \$99,500
 • 0.5 FTE HS At-Risk Teaching Position Eliminated \$24,000
 • 0.5 FTE Administrative Position Eliminated \$24,500
 • New Staff Savings \$15,000

TOTAL \$163,000

GRAND TOTAL \$455,000

<u>Programming and Position Cuts Summary</u>
<u>Over Last Several Years:</u>
• From (2) Guidance to (1) K-12 Guidance
• From (2) Principals to (1) K-12 Principal
• From (2) Art Teachers to (1) K-12 Art Teacher
• From (2) HS Math Teachers to (1) HS Math Teacher
• From (4) Cook Helpers to (2) Cook Helpers
• From (1) Foods Teacher to (0) Foods Teacher
• From (3.5) Custodians to (2) Custodians
• From (6) Bus Routes to (5) Bus Routes
• From (6) Teacher Aides to (4.5) Teacher Aides
• From (10) Elementary Classroom Teachers to (8)
• Restructured our Health Insurance several times
• From (4) Pupil Services Staff to (1) Pupil Services

◆ **Partnering with CESA 3 and SW Tech – Deep Interest Group (DIG)
or Digging out of Poverty Program**

- Personalized Learning for HS students, School within a School Model
- Our goal, by 2020 students have both HS diploma and Tech (or Associates) degree in hand
- Identify talented kids after the sophomore year with strong interests
- Create a cohort of students from all over CESA 3 to go through a SW Tech program for their junior and senior years.
- Participants receive transcribed credit to satisfy both HS graduation and a Tech college degree (2 days on line and 3 days on SW Tech campus).
- Parents save \$15,000 of tuition = 2 years of classes from UW-P.

◆ **Potosi Elementary After School Care Program**

- Students 4 years old through 12 years old (3:20-6:00 pm)
- Elementary Group Project Room.
- A snack will be served.
- Open for Early Release days.

◆ **One to One Chromebook Initiative at MS and HS**

- ◆ **Mindfulness – Social Emotional Learning (SEL)** – No community resources, we are filling a need.

Since 2010 through into the future, developments have had a significant impact on our District budget and our ability to maintain programming.

- Act 10 – State’s obligation to balance the budget – The numbers are the numbers. No one screwed up. The challenging part is what to do about the numbers.
 - \$1.5 billion taken out of the State education budget (first time in history to cut revenue to schools)
 - Potosi has lost over \$870,000 in revenue limits since Act 10
 - We cut Expenses: – health insurance contributions (13%) and pension contributions (50%)
 - Potosi made over \$455,000 in programming cuts over the last 3 years because the cuts in revenue didn’t equal the cuts in expenses.
 - A decrease of almost \$1 million in state aid to our School alone (since 2008-09)
- Several variables impact our District’s budget:
 - Enrollment and open enrollment (in and out)
 - State aid – increase/decrease and the aid that goes to fund the charter and voucher schools
 - Revenue limits – limit the amount the School can levy
 - Increasing costs annually – energy, health insurance, fuel, etc.
- Increased costs of hiring new teachers – pool of candidates decreases each year
- Responsibility to offer our students the best education we can

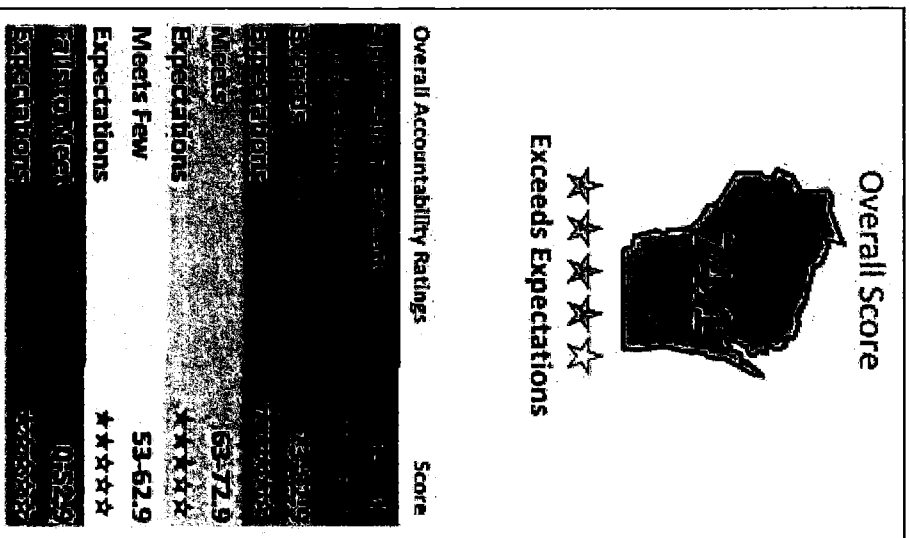
Potosi School District Annual Comparison of Data

	383	379	367	346	334	336	313	313	319	317 -29 from 2010-11	318	October 2017
Total FTE												
Rev. Limit	\$4,350,799	\$4,480,201	\$4,576,677	\$4,620,981	\$4,136,662	\$3,835,482	\$3,858,749	\$3,791,181	\$3,830,615	\$3,860,475	\$3,710,974	\$3,710,974
State Aid	\$2,997,444	\$2,100,063	\$2,920,022	\$2,718,148	\$2,446,857	\$2,461,859	\$2,438,216	\$2,124,707	\$2,213,117	\$2,168,502	\$2,176,975 (less 541,173 from 10-11)	\$2,176,975 (less 541,173 from 10-11)
Equalized Value	126,748 M	136,004 M	138,486 M	135,229 M	131,376 M	133,643 M	134,915 M	138,249 M	144,043 M	145,764 M	151,737 M	151,737 M
Declining Enrol. Exempt. Hold Harmless Exempt.	\$10,846	\$46,311	\$142,787	\$254,077	\$137,202	\$22,967	\$46,234	\$81,434	\$69,801	0	0	0
TOTAL Exemptions	\$10,846	\$46,311	\$209,773	\$180,678	180,678	0	\$21,334	\$56,834	\$69,801	0	0	0
All Fund Levy	\$1,415,524	\$1,460,564	\$1,629,163	\$184,753	\$317,880	\$22,967	\$67,568	\$138,268	\$139,602	0	0	\$1,880,322
General Operation Fnd 10	\$1,292,000	\$1,340,530	\$1,555,148	\$1,563,225	\$1,650,197	\$1,333,405	\$1,420,533	\$1,747,908	\$1,607,498	\$1,691,307	\$1,533,999	\$1,533,999
Referendum Fnd 38	\$81,855	\$79,988	\$34,120	\$80,895	\$78,670	\$212,229	\$175,000	0	\$175,000	\$112,581	\$347,000	\$347,000
Non Ref. Fnd 38	\$39,608	\$39,608	\$39,608	39,608	39,608	\$40,218	0	0	0	0	0	0
Energy Efficiency Act 28							0	0	0	\$170,000	0	0
Mill Rate	11.17	10.74	11.76	12.45	13.46	11.87	11.83	12.64	12.37	12.40	12.39	12.39

2017-18 = lowest Revenue Limit ever = \$3,710,974
2017-18 = Revenue Limit is \$870,981 less than it was 7 years earlier (2010-11).

Ron Saari, District Administrator
608.763.2162
saarir@potosisd.k12.wi.us

This year Potosi “Exceeds Expectations” on the DPI report card and recently received the highest overall District score we ever had. We improved in our ranking in CESA 3 from 30/31 districts (4 years ago) based on the DPI Report Card, to 9/31 currently.



The additional \$100 per pupil in the current **Sparsity Aid bill** isn't a large sum of dollars, at the same time, it is very important for us, as a small rural school district, to keep our heads above water in order to operate. As was previously showed, there is no more for us to cut.

At the same time, categorical aid and sparsity aid increases are not sustainable for small rural districts. What we need is for our locally elected school boards to have the authority to raise the revenue limit if it is necessary.

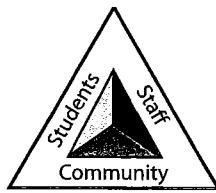
If we were funded at the same rate as school districts who have growing student populations, which creates growing revenue limits, we would be able to provide a higher level of offerings and services to our students and would assist us in achieving into the "Significantly Exceeds" category. Below is what we would do with additional revenue if it were available:

We would like to be able to provide the following for our students:

1. **Literacy Coaches** to assist in improving classroom teacher's reading instruction practices by modeling best practice, monitoring instruction, and providing quality feedback.
2. **Technology Integration Coaches** to assist teachers in improving their knowledge and use of technology in their instructional practices by modeling best practice, monitoring its use, and providing quality feedback to individual teachers.
3. **A full time School Nurse** to assist us with student's health and medical needs as well as home-school parent communication and relationship building regarding these students, their social emotional health, and attendance.
4. **A Social Worker** to assist us in better meeting student's social emotional learning needs and mental health needs. We are trying to improve in this area by receiving a competitive grant. At the same time, the needs are higher and a social worker's skills are needed.
5. **Foods / Home Economics Teacher** – this program has been cut for budgetary purposes. At the same time this loss has significantly impacted our career and technical preparation program.
6. **The ability to more effectively recruit and retain teachers.** The lack of qualified teachers and the increased competition for them has driven the salary of certain teaching positions up substantially, and our revenue limit isn't allowing us to compete.

I feel that we have a very dedicated staff in Potosi, who works hard to provide the best possible education that we can, within the resources that are available to us. We understand that the State's resources are limited and that we must invest wisely. We have utilized the tools available to us and continue to be creative in meeting our student's needs. Our teachers wear many hats and work much longer hours. These students are our future. They will be taking care of us when we are old. Our investment in them now, and the job that we do with them, is so vitally important. You, our legislature, making a commitment to provide additional Aid, will help our small rural schools survive.

Mr. Chairman, I want to thank you again for the opportunity to testify in front of your Committee on Education. I feel honored to be able to do so. As an educational leader, I appreciate your interest and attention to these challenges. As was previously mentioned, our goal is to improve student outcomes and ensure equality of opportunity. We believe that with your help and attention to small rural schools, we will be better able to achieve these outcomes.



Mukwonago Area School District

Building Better Schools Together

January 25, 2018

Representative Jeremy Thiesfeldt
Chairman
Committee on Education
Wisconsin State Assembly

Dear Committee Members,

My name is Shawn McNulty, Superintendent of the Mukwonago Area School District, and I'm joined by Tom Karthausser, our Director of Business Services. We want to thank you for allowing us to speak today and also for the recent increase in state funding for public schools. Please know that we greatly appreciate the additional \$200/student in categorical aids for 2017-18 and the additional \$204 for 2018-19.

That said, we're asking you to support Assembly Bill 835. For those of you who are unfamiliar with Mukwonago, our district is 90 square miles in the southwest corner of Waukesha County. We have 8 schools with just under 5,000 students. We're here representing those schools and students that are negatively impacted by the revenue caps that have created an uneven playing field in Waukesha County and throughout the state. We all know that "pictures are worth a thousand words" so I ask that you look at the graph that we have provided with our testimony that shows the 2017-18 revenue limit for K-12 school districts in Waukesha County.

The Mukwonago Area School District revenue cap is \$9200/student - dead last in Waukesha County.

Even with the proposed legislation and school board approval of the tax levying authority, we will remain last in 2022-23 when we reach \$9800/pupil.

Of the 424 districts in Wisconsin, only 13 have a lower revenue limit than the Mukwonago Area School District.

Disparities with revenue caps have become much more relevant and damaging with the advent of school choice. As you know, parents have choices of where to send their children to school. Neighboring districts with significantly more revenue can afford to offer more educational programs, provide better facilities, and hire teachers and support staff at higher wages and better benefits. Border districts of New Berlin, Muskego, Kettle Moraine, and Waukesha have significantly higher revenue limits. New Berlin at \$11,269/student collects nearly \$8 million more in annual revenue yet serves fewer students than the Mukwonago Area Schools.

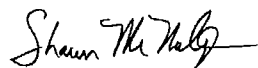
If our revenue limit would be increased to \$9400/student, the Mukwonago Area School District would have an additional \$920,000 for 2018-19. This money could be spent on much needed assistance for our at-risk students. We desperately want to hire mental health professionals that can help our students address severe anxiety, drug abuse, and other social issues. We need intervention staff and materials to work with our elementary and middle school students who struggle in reading and math. We are also currently exploring the need for an alternative education program that can meet the needs of students who aren't succeeding in our large high school.

Meeting the needs of our at-risk students will allow our middle school and high school counselors (who often spend their day meeting with students in crisis mode) to help students and parents explore courses and pathways that will hopefully lead to careers in manufacturing, the trades, computer science, and health occupations.

Finally, we have some employee groups that are vastly underpaid and we struggle to keep them from going to other districts that offer better wages. For example, we lose young teachers in hard to find certifications (special education, technical education, science, etc.), bus drivers, and instructional assistants to area school districts that have higher caps and thus higher wages.

Thank you for listening and again, we strongly encourage you to support Assembly Bill 835.

Sincerely,



Shawn McNulty
Superintendent
Mukwonago Area School District



Tom Karthausser
Director of Business Services

2017-18 Per Member Revenue Limit
Waukesha County

