

Assembly Hearing Slip

(Please print plainly)

Date: 2-24-99
Bill No. AB-20
Or
Subject _____

Rep. Martin Schneider
(Name)

(Street Address or Route Number)

(City & Zip Code)
Author
(Representing)

- Speaking In favor:
- Speaking against:
- Registering In favor:
- Registering against:
- Speaking for Information only:
- Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: FEB 24 1999
Bill No. AB 20
Or
Subject _____

DAVID KETTERSON
(Name)

BOX 97
(Street Address or Route Number)

ADAMS WI 53910
(City & Zip Code)
ADAMS MEMORIAL SCHOOLS
(Representing)

- Speaking In favor:
- Speaking against:
- Registering In favor:
- Registering against:
- Speaking for Information only:
- Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 2-24-97
Bill No. AB 20
Or
Subject _____

Jerry Landmark
(Name)

(Street Address or Route Number)

(City & Zip Code)
Dept. of Public Instruction
(Representing)

- Speaking In favor:
- Speaking against:
- Registering In favor:
- Registering against:
- Speaking for Information only:
- Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 2/24/99
Bill No. AB 20
Or. Reserve Cops
Subject: SEN. BARON
(Name)
22 W. Washington
(Street Address or Route Number)
Madison, Wis
(City & Zip Code)
Wis. Ass'n of School Boards
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Feb 24, 1999
Bill No. AB 20
Or. Myra Edwards
Subject: Myra Edwards
(Name)
5225 W. Vliet Street
(Street Address or Route Number)
Milwaukee, 53208
(City & Zip Code)
Milwaukee Public Schools
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 24 Feb. 1999
Bill No. AB 20
Or. Joe Duck
Subject: Joe Duck
(Name)
545 W. Dayton St
(Street Address or Route Number)
Madison 53403
(City & Zip Code)
Madison Metropol. School Dist.
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

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Assembly Sergeant at Arms
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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 2-24-99

Bill No. AB 20
Or
Subject _____

Jennifer Kammerud
(Name)

4797 Hives Road
(Street Address or Route Number)

Madison WI 53704
(City & Zip Code)

School Administrators Alliance
(Representing)

Speaking in favor:

Speaking against:

Registering in favor:

Registering against:

Speaking for information only;
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: February 24, 1999

Bill No. AB 20
Or
Subject _____

JOAN HANSEN
(Name)

501 E. Washington Ave.
(Street Address or Route Number)

Jackson, WI 53403
(City & Zip Code)

WMC
(Representing)

Speaking in favor:

Speaking against:

Registering in favor:

Registering against:

Speaking for information only;
Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 2/24/99
Bill No. AB-20
Or
Subject

Michael M. Birkley
(Name)
11 So. Hamilton St #200
(Street Address or Route Number)
Madison, WI 53703
(City & Zip Code)
Wisconsin Property Taxpayers, Inc
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Feb 24, '99
Bill No. AB 8 + AB 20
Or
Subject

Russ Allen
(Name)
2077 Up Hoff Road
(Street Address or Route Number)
Collage Grove WI
(City & Zip Code)
WEAC/WFJ
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

1999 - 2000 LEGISLATURE

1999 ASSEMBLY BILL 20 

January 14, 1999 - Introduced by Representatives Schneider, J. Lehman, Boyle, Berceau and Ryba, by request of Adams Friendship School District. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act** to create 121.91 (4) (c) 4. of the statutes; relating to: increasing a school
Pg1Ln2 district's revenue limit for debt service incurred to comply with an order issued
Pg1Ln3 by a court or by a state or federal agency.

Analysis by the Legislative Reference BureauAB20 

Current law generally limits the increase in the total amount of revenue that a school district may receive from general school aids and property taxes to \$209 per pupil in the 1998-99 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index. Several exceptions exist. A school district's limit is increased by funds needed to pay any general obligation debt service, including refinanced debt, authorized by a resolution of the school board or by referendum before August 12, 1993, and is increased by funds needed to pay any general obligation debt service, including refinanced debt, authorized by a referendum on or after August 12, 1993.

AB20 

This bill increases a school district's revenue limit in any school year by the funds needed to pay any general obligation debt service, including refinanced debt, if the debt was contracted to comply with an order issued by a court or a state or federal agency and the borrowing was authorized by a resolution of the school board.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

AB20, s. 1 

Pg2Ln1

Section 1. 121.91 (4) (c) 4. of the statutes is created to read:

AB20, s. 1 - continued



Pg2Ln2

Pg2Ln3

Pg2Ln4

Pg2Ln5

Pg2Ln6

Pg2Ln7

121.91 (4) (c) 4. Funds needed to pay issuance costs, redemption premiums or debt service on general obligation debt contracted to comply with an order issued by a court or a state or federal agency, including funds needed to pay any issuance costs, redemption premiums or debt service on general obligation debt issued or reissued to fund or refund that debt, authorized by a resolution of the school board and secured by the full faith and credit of the school district.

AB20, s. 2 

Pg2Ln8

Section 2. Initial applicability.

AB20, s. 2 - continued



Pg2Ln9

Pg2Ln10

Pg2Ln11

(1) This act first applies to the calculation of a school district's revenue limit in the school year beginning after the effective date of this subsection.

(End)

MARLIN D. SCHNEIDER
State Representative
72nd Assembly District

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(608) 266-0215

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3820 Southbrook Lane
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WISCONSIN LEGISLATURE
ASSEMBLY CHAMBER

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State Capitol & Executive Residence
Board
Committee on Government Operations
Committee on Mandates
National Conference of State
Legislatures
Council of State Governments

January 28, 1999

Representative Mickey Lehman, Chairperson
Committee on Ways and Means
State Capitol
Madison, Wisconsin 53702

Dear Mickey:

The following bills have been referred to your Committee:

Assembly Bill 8 – relating to the treatment of special assessments under school district revenue limits.

Assembly Bill 20 – relating to increasing a school district's revenue limit for debt service incurred to comply with an order issued by a court or by a state or federal agency.

I am respectfully requesting that you hold a public hearing on these bills as soon as possible.

I would appreciate your immediate attention to my request. Thank you in advance for your cooperation in this matter.

Sincerely,

MARLIN D. SCHNEIDER
Assistant Democratic Leader

mep/p

"Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion." -Edmund Burke Nov. 3, 1774

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State of Wisconsin Department of Public Instruction

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Internet Address: www.dpi.state.wi.us

John T. Benson
State Superintendent

Steven B. Dold
Deputy State Superintendent

Assembly Bill 20

Testimony by Jerry Landmark, School Finance Consultant
Department of Public Instruction
February 24, 1999

Dear Chairperson Lehman and Members of the Assembly Committee on Ways and Means:

Thank you for the opportunity to testify in support of Assembly Bill 20. This bill increases a School district's revenue limit by the funds needed to pay any general obligation debt service if the debt was contracted to comply with an order issued by another governmental unit and the borrowing was authorized by a resolution of the school board.

Without going into the details of the particular situation that prompted this bill, let me say that it is the Department's position that a district that is forced to comply with an order from another governmental unit be allowed the flexibility to increase its revenue limit. Exemptions to the revenue limit previously approved by the legislature used this rationale, including transfer of service, territory transfer and reduction of federal impact aid. Decisions by another governmental unit often have cost consequences for a school district, and it may be unprepared to pay the amount required. If an expense comes in the middle of a fiscal year, they may be forced to borrow, or cut programs halfway into the school year to come up with the money. Even if a district is able to budget for the additional costs, there is, what they call in Introductory Economics classes, an "opportunity cost," which denies you the opportunity to purchase something else. Most often, that "opportunity cost" is a reduction in educational services to its students.

This bill will have a limited fiscal impact due to the relatively few districts that would be affected by it. However, it is important to the districts in this situation, few of which have the leeway under the revenue limit to come up with potentially large amounts of money. As a former school board member, I remember, all too well, worrying that an underground storage tank that was being removed would require remediation due to leakage, and wondering where the money would come from if it did. It is not an easy situation, and it is the hope of the Department that the committee will approve the bill.

33 NOB HILL DRIVE
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Teachers



1334 APPLGATE ROAD
MADISON, WI 53713-3184

(608) 277-7700 • 1-800-362-7390
FAX: (608) 277-7708

**Testimony Prepared for the Assembly Ways and Means Committee on District
Revenue Limits, Representative Michael Lehman, Chair**

Wednesday, 417 North, February 24, 9:30 a.m.

In favor of AB 8 and AB 30

AB 20
??

**Testimony by Russ Allen, WEAC Research and Professional Development Consultant,
representing the Wisconsin Education Association Council and
the Wisconsin Federation of Teachers**

The six observations below are from the fifth study of the *Effects of the Revenue Caps on Programs and Services Offered by Wisconsin's Public School Districts*. These five studies represent the only time-based, empirical data which show the effects of the revenue caps across the state. These studies show the kinds of problems caused by revenue caps and help us better appreciate the difficulties caused by special assessments or orders by courts, states, or federal agencies.

1. All five studies have been done jointly by the Wisconsin Association of School District Administrators (WASDA) and WEAC. In 1997-98, 74% of school districts participated, representing 722,000 of the state's 881,000 students.
2. Districts with decreasing student populations continue to report more problems related to the revenue caps than districts with stable or increasing enrollments. This is likely to become the norm in future years because the U.S. Department of Education estimates that Wisconsin's public school population will peak in 1999 and then begin to decline (see point 2 on page 3). Thus, between 1995 and 2007 enrollment is projected to decline by 5.2%.
3. The table on page 4 shows the percent of districts reporting cuts in specific programs or services over the past five years. Keep in mind that the effects of cuts over time tend to be cumulative and that most cuts directly affect programs and services offered to students.

* This year, for example, 84% of districts made at least one cut to comply with the revenue caps (average = 5 or 6). Furthermore, the percent of districts which report using the fund balance to support the budget continues to increase (now at 35%).

* About one-half of districts are continuing to make cuts in maintenance or improvement of buildings and grounds. Other significant areas include delaying/reducing purchase of computers and other technology (44%), delaying/reducing purchase of textbooks and curricular materials (29%), delaying/reducing hiring of new staff (35%), and increasing class sizes (26%).

4. The revenue caps apply only to school districts, yet the Legislative Fiscal Bureau estimates that for 1998 school districts will collect less than one-half (47%) of the local property tax. It should be asked at what point will the revenue caps legislation have achieved its goal(s).

5. Superintendents were asked to describe briefly the impact of the revenue caps since 1993. There were 269 written comments, mostly negative (see pages 8 -11). Many are saying that they are struggling to maintain the status quo, even though they are expected to show significant improvements in student achievement over the next few years.

6. Superintendents were asked to react to five questions about the revenue caps legislation (see page 7). Their responses are as follows:

- Fewer than 10% say they would like to keep the revenue caps law as it is now.
- Two-thirds say they would keep the law in place, but allow greater increases in spending from year to year.
- 87% say they would allow school boards greater flexibility to exceed the caps.
- 48% favor repeal of the existing caps law.
- 62% favor the use of alternative taxes to support public schools with less reliance on the local property tax.

RESEARCH PAPER

Fifth Year Study by the
Wisconsin Association of School
District Administrators and the
Wisconsin Education Association
Council

Effects of the Revenue Caps on Programs and Services Offered by Wisconsin's Public Schools – 1997-1998 School Year

Report written by Russ Allen, PhD

Introduction and Summary of Significant Findings

This is the fifth study of the effects of the state revenue caps on the programs and services offered by school districts in Wisconsin. During each of the past five years the Wisconsin Association of School District Administrators and the Wisconsin Education Association Council have surveyed public school superintendents to learn how districts have been affected by the revenue caps.

The response rates of superintendents consistently have been high: 79% in 1994, 77% in 1995, 70% in 1996, 72% in 1997, and 74% in 1998. Over the five years, the average number of districts returning questionnaires has been 315. This year, 314 districts representing 722,000 of the state's 881,000 students (82%) participated. The set of districts participating in each of the five years are not identical. Nonetheless, superintendents from the same districts have tended to participate during each of the five years.

The questionnaires sent to superintendents each of the past five years have been relatively short (two pages) and have included a core set of questions which have been nearly identical in wording. As appropriate, new questions have been included each year to obtain answers to specific and unique concerns. All responses have been treated anonymously.

Significant Findings from Previous Studies

1. At the end of the first year of the revenue caps, more than 90% of superintendents thought the long-term consequences would be negative. When asked five years later about the effects of the revenue caps, 64% of superintendents say the effects have been negative, while 24% say the effects have been neutral.
2. Districts with declining enrollments tend to report significantly more cost cutting actions than districts with increasing or stable student populations. Superintendents from declining enrollment districts also have been more critical of the revenue caps than superintendents from districts in which the student population has been stable or increasing.
3. Consistently, it has been found that there are no significant differences among rural/small town, suburban, and urban school districts as to the number of cost-cutting actions taken. Further, the number of cuts is unrelated to per pupil spending amounts. This does not mean that cuts have the same impact in poor and rich districts, or that all cuts impact students in the same way.
4. In 1997, superintendents reported that the revenue caps, along with the Qualified Economic Offer, were having a negative effect on school employees. Of the more than 200 written comments about employee morale, all but a few superintendents indicated that morale had deteriorated since 1993.



5. Although cuts have occurred in each of the areas listed in the questionnaires, districts have tended to target five or six areas over the years:

- delaying/reducing purchase of computers and other technology,
- spending less for improvements of buildings and grounds,
- spending less for maintenance of buildings and grounds,
- delaying building maintenance or improvement projects,
- increasing administrator workload, and
- delaying/reducing hiring of new staff.

Significant Findings in 1997-98

The most significant findings of this year's study follow.

1. Districts experiencing a decrease in student population continue to report more cuts than districts with stable or increasing enrollments. This could become a more serious problem in the future because enrollments in Wisconsin's public schools are expected to peak in 1999 and then begin to decline (see point 2, following Table 1). In 1997-98, the following areas were the most likely targets for cuts:
 - (1) delaying building maintenance or improvement projects (48.9%),
 - (2) spending less for improvements of buildings and grounds (47.9%),
 - (3) spending less for maintenance of buildings and grounds (45.3%),
 - (4) delaying/reducing purchase of computers and other technology (44.1%)¹,
 - (5) increasing administrator workload (42.8%),
 - (6) delaying/reducing hiring of new staff (35.4%), and
 - (7) using the fund balance to support the budget (35%).
2. In 1997-98, 84% of districts report making at least

one cut in programs or services to comply with the revenue caps. On average, districts made between five and six cuts.

3. There has been a steady increase in the number of districts using their fund balances to support the revenue caps. In 1993-94, 20.8% used the fund balance; 35% did so in 1997-98.
4. There were 269 written responses to the question, "In a sentence or two, describe the impact of the revenue caps over the past four years on your school district." The vast majority of superintendents gave specific examples of ways that the revenue caps were harming programs and services. Many said they were struggling to maintain the status quo, and not able to make needed improvements. Even among those who said the revenue caps had not been harmful, many wrote that they expected problems in the future.
5. Nearly one-half of superintendents (47.9%) favor repealing the revenue caps. Less than 10% would like the law to remain in its current form.
6. Eighty-seven percent of superintendents say they would like school boards to have more flexibility to exceed the caps. Two-thirds of superintendents favor keeping the revenue caps if there are greater increases in spending allowed from year-to-year.
7. Almost two-thirds of superintendents favor the use of alternative taxes, such as sales or income taxes, to support public education.

Property Taxes in Wisconsin

Wisconsin's property taxes are among the nation's highest. The Legislative Fiscal Bureau concludes that an important reason for this situation is that property taxes represent the primary source of revenue for local governments in the state.²

In addition, since 1970, residential and commercial property owners have borne an increasing share of property taxes, while owners of other forms of property, particularly manufacturing and agricultural, have seen a decline. For example, in 1970, residential property accounted for 50.6% of net property taxes.

That figure reached 64% in 1996. In contrast, manufacturing property, which accounted for 17.7% of the net property taxes in 1970, now represents approximately 5% of the total.

Among the reasons for this shift in tax burden is legislation passed in 1974 which exempted manufacturers' machinery and equipment (M&E) from local property taxes.³

Wisconsin Act 16

In 1993, Wisconsin Act 16 limited the amount of money school districts could raise by freezing spending at 1992-93 levels.⁴ The legislation sought to control increases in property taxes by limiting the total amount of money that public school districts could raise from one year to the next.⁵ For example, during the 1993-94 school year, the annual increase was limited to \$190 per student. Beginning with the 1994-95 school year, the per pupil dollar amount was to be adjusted for inflation. However, in 1995, the original legislation was changed; the revenue controls were made permanent, and the per pupil increases were set at a fixed dollar amount (\$200 per student in 1995-96, \$206 for 1996-97, and slightly less than \$209 per student in 1998-99). In 1995, the state also committed to funding two-thirds of the costs of funding public education.⁶

As a result of the state paying a greater share of school costs, property taxes for the average Wisconsin homeowner declined approximately 5.6% from 1995 to 1996. Between 1996 and 1997, property taxes also showed a slight drop. However, by 1998, property taxes were again increasing at an annual rate of close to five percent⁷. It is estimated that in 1998 schools will collect 47% of the local property tax; the remaining 53% will be for "other" (including county and municipal governments, and technical colleges)⁸.

1998 Results

In each of the five studies, superintendents were presented with a list of cost-cutting actions and asked to indicate which ones had been implemented in their

district during the previous school year. Table 1 shows the number of cost-cutting actions taken by school districts for each of the last five school years⁹.

Overall, districts report an average of 5.7 cuts in 1997-98 (the median number of cuts is 5). Furthermore, 84% of districts report at least one cut in 1997-98.

As these figures are considered, two points are important:

1. This table does not speak to the magnitude or impact of cuts. For example, if a district raises student fees by a few dollars each year, this is treated the same as for a district which doubles or triples student fees. In addition, it needs to be recognized that cuts in programs or services are not likely to have the same consequences in resource-poor and resource-rich districts.
2. These cuts are occurring during a period in which the number of students enrolled in Wisconsin's public schools continues to increase. Thus, among the 314 districts participating in this study, 88% report that enrollment has increased over the past three years. According to data reported by the U.S. Department of Education, public school enrollment in Wisconsin is projected to peak in 1999 and then begin to drop. For example, between 1995 and 2007, Wisconsin's public school enrollment is expected to decline by 5.2%¹⁰. If the existing revenue caps legislation still is in place, this study suggests that the number of cuts made by districts will increase significantly.

What is interesting about Table 1 is that the number of cuts reported by superintendents in 1997-98 is fewer in 24 of 25 categories than in 1996-97. The only category showing an increase in the two year period is use of the fund balance to support the budget. Although there is this slight decline over the last two years, keep in mind that the effects of cuts are cumulative over time. This suggests that for the majority of districts conditions did not improve between 1997 and 1998.

Table I

Percent of Districts Reporting Cost-Saving Measures During Each of Five Years from 1993-94 to 1997-98

	93-94	94-95	95-96	96-97	97-98
1. Delay building maintenance or improvement projects	NA	51.3	49.3	50.2	48.9
2. Spend less for maintenance of buildings and grounds	44.3	44.0	41.2	52.4	45.3
3. Spend less for improvements of buildings and grounds	44.2	50.0	47.1	53.4	47.9
4. Delay/reduce purchase of textbooks, curricular materials	30.6	25.3	30.0	32.9	28.6
5. Limit purchase of consumable supplies, such as paper	28.8	23.2	25.2	26.4	22.2
6. Delay/reduce purchase of computers, other technology	43.9	43.7	57.7	60.9	44.1
7. Offer fewer staff development opportunities for teachers	30.9	22.9	22.5	27.7	24.8
8. Teacher layoffs	22.8	9.1	8.9	9.4	8.4
9. Layoffs of teacher aides or other support staff	24.6	10.7	12.1	12.7	12.2
10. Administrator/supervisor layoffs	10.1	4.0	5.3	5.9	5.5
11. Reduce counseling or similar services	5.0	3.4	6.0	6.2	5.1
12. Delay/reduce hiring of new staff	34.4	28.7	35.2	41.4	35.4
13. Reduce extracurricular programs	9.2	5.8	5.0	8.5	4.5
14. Limit programs for students who are at risk	13.4	11.9	18.5	19.9	15.1
15. Limit programs for gifted and talented students	19.0	15.6	22.3	26.4	19.3
16 Offer fewer courses	15.4	9.4	13.0	13.0	10.9
17. Reduce transportation services for students	11.6	5.8	8.8	10.1	8.4
18. Limit summer school programs	21.7	15.9	20.2	25.1	14.5
19. Offer fewer field trips for students	27.6	12.8	17.4	20.8	15.1
20. Increased class sizes	32.0	26.6	29.8	27.4	26.0
21. Increased teacher workload	21.7	18.3	23.1	26.7	22.5
22. Increased administrator workload	NA	33.9	39.6	49.8	42.8
23. Increased student fees	35.6	23.9	25.3	28.7	24.1
24. Use fund balance to support budget	20.8	21.7	26.6	32.2	35.0
25. Other	3.9	.3	.7	4.6	1.0

Among the factors which may account for this decline in the number of cuts are the following:

1. Many districts have made extensive and significant cuts in earlier years. As several superintendents stated in their written comments, they have managed to comply with the cuts in earlier years by tightening their budgets to the greatest extent possible. In short, for many districts, there may not be many more programs or services which can be cut without damaging opportunities for students.
2. Many districts have passed a referendum over the past few years which made it possible for them to better withstand the impact of revenue caps.¹¹
3. Each year since 1994, a greater number of districts report making use of their fund balance to deal with the revenue caps.
4. The 1997-99 biennial budget provided temporary "hold harmless" provisions (in the form of state dollars) for districts with declining enrollments in excess of 2%.¹²
5. Most districts have stable or increasing student populations, meaning they are in a better position to deal with the revenue caps.

Relationship Between the Number of Cost-Cutting Measures and Changes in Student Enrollment

Over the past several years, superintendents from districts with stable or decreasing student populations have been most critical of the revenue caps. In contrast, superintendents from districts in which the student population is increasing have tended to report fewer cuts in programs or services. The data collected in 1997-98 again show that districts with declining enrollments are affected most by the revenue caps. However, the differences among districts based on enrollment trends are not as dramatic as they were in previous years.¹³ The data collected in this study do not explain why these differences are smaller than in prior years.

As shown in Table 2, the 31 districts which had a decrease in student population over the previous three year period report between 6 and 7 cuts (mean = 7.3, median = 6). Districts with increasing student populations report between 5 and 6 cuts.

Table 2

Number of Cost-Cutting Actions and Change in Fund Balance, Related to the Changes in Student Population 1997-98*

Change in Student Population	No. of Districts	No. of Cost-Cutting Measures 1997-98		Change in Fund Balance	
		Mean	Median	Mean	Median
Decrease in Population	31	7.3	6	4.5%	1.7%
Up to 2.99% increase	172	5.6	5	-2.3%	-1.1%
3% Increase or More	93	5.3	5	-2.6%	-1.3%

*Change in student enrollment reported as a three-year average.

Perceptions About the Long-Term Effects of The Revenue Caps

In 1994, 90% of superintendents said that the long-term consequences of the revenue caps would be negative for their district's programs and services. Answers to a similarly-worded question in this year's study show that two-thirds of superintendents say the effect has been negative.

In this year's study, 309 superintendents answered the question, "In your opinion, what has been the long-term effect of the revenue caps on your district's programs and services over the past four years?" Of this number, 38 persons (12.3%) reported that the effects have been "Positive" or "Somewhat Positive."

About one-in-four (23.9%) answered "Neutral," while 197 superintendents (64%) said that the effects had been "Somewhat Negative" or "Negative."

There are differences in responses related to changes in student enrollment (see Table 3). For example, among the 31 superintendents from districts with declining enrollments, only two (6.5%) answered "Positive" or "Somewhat Positive." In comparison, 17% of the 91 superintendents from districts with increasing enrollments of 3% or more responded positively.

Table 3

Responses of Superintendents to the Question, "What has been the long-term effect of the revenue caps on your district's programs and services over the past four years?"

	<u>Change in Enrollment over past three years</u>			
	All*	Decline in Enrl	Increase Up to 2.99%	Increase of 3% or More
Positive =	8 (02.6%)	0 (00.0%)	4(02.4%)	3 (03.3%)
Somewhat Positive =	30 (09.7%)	2 (06.5%)	14 (08.3%)	13(14.3%)
Neutral =	74 (23.9%)	4(12.9%)	40 (23.7%)	26(28.6%)
Somewhat Negative =	127 (41.1%)	14(45.2%)	72 (42.6%)	31(34.1%)
Negative =	70 (22.7%)	11(35.5%)	39 (23.1%)	18 (19.8%)
	309 (100.0%)	31(100.0%)	169(100.1%)	91 (100.1%)

*Five superintendents did not answer the question about long-term effects of the revenue caps.

Opinions of Superintendents about Specific Changes in the Revenue Caps Legislation

Superintendents were asked five questions about the existing revenue caps law. Only a small proportion of superintendents (9.5%) favor keeping the revenue caps law as it is, making no changes for the foreseeable future. Eighty-two percent oppose the status quo. On another question, nearly one-half of superintendents (47.9%) say they favor an outright repeal of the revenue caps law (31% oppose repeal of the law, while 21% say they neither oppose nor favor).

Between these two extremes, superintendents were asked to respond to other options. Two-thirds favor keeping the revenue caps law in place, but allowing greater increases in spending from year-to-year. Likewise, 87% say they would like to change the revenue caps law by allowing school boards greater flexibility to exceed the caps. Finally, slightly fewer than two-thirds of superintendents (62.3%) favor the use of alternative taxes (such as sales or income taxes) to support public schools. Responses to each question follow.

**Table 4
Responses of Superintendents to Five Questions About the Revenue Caps Legislation**

Question	Favor	Neutral	Oppose
Keep the revenue caps law as it is; make no changes for the foreseeable future.	9.5%	8.5%	82.0%
Keep the revenue caps law in place, but allow greater increases in spending from year to year.	67.8%	15.3%	16.9%
Change the revenue caps law to allow school boards greater flexibility to exceed the caps.	86.6%	8.0%	6.5%
Repeal the existing revenue caps law.	47.9%	21.3%	30.8%
Favor use of alternative taxes to support public schools (e.g., less reliance on the local property tax and greater use of income or sales taxes).	62.3%	19.5%	18.2%

Written Comments

All comments are included and presented as they were written, except for minor editing (which did not change the intent of the wording). All names of districts have been deleted.

"In a sentence or two, describe the impact of the revenue caps over the past four years on your school district."

- We are very tight and cannot go longer without student education suffering.
- We've had to reduce supplies, equipment and maintenance projects. We've reduced staff. Since we have been in an increase in enrollment cycle, the budget has gone well.
- District had successful referendum which included approval of \$800,000 annually to exceed the caps.
- These are a slowly throttling financial noise which subvert local control.
- Inhibits technology growth. Revenue caps force status quo. New programs require funds, professional growth for implementation.
- The _____ School District has been in a no win situation for the past five years. This district is the only one left with a negative balance. We have tried to pass a referendum to exceed the revenue cap, but it failed. The district could no longer maintain the steam heating system, technology, wiring, or the roofing and did a major project to complete increasing the deficit spending, however, maintenance will be less expensive.
- At this time, we have not reduced programs. It has limited our ability to add programs and service.
- We have had to reduce overall budgets in professional development by 2/3 and teacher aides by 20%.
- It has made everyone very cost conscious.
- Actually no impact. It has made us more fiscally responsible.
- It has not yet impacted us negatively. Next year will be difficult
- Caps limit the district's ability to provide the best education possible.
- Have not had a negative impact to this point.
- Last year we needed to use fund balance to supplement our budget. We will do that again this year, to a greater extent.
- We have not been able to expand and build on programs for our kids.
- Reduced money available for maintenance, equipment replacement, computer hardware purchase, and teacher salaries.
- We have not been able to offer classes that our students need to stay competitive - also not able to reduce class size.
- Revenue caps have kept salaries and benefits under control, but I question the judgment to do this over the long run. Education needs to attract quality personnel.
- Our school district will struggle to maintain current status in programs. Program improvement is done only at the expense of another area. Capital projects/maintenance are in trouble!
- (1) We were a low spending district and were able to exceed limit (2) Had growth also; however, we have reached the average; therefore, will have impact from now on.
- May notice greater restraints in year 2000-2001 and after when we no longer have consolidation.
- Reduction in staff, programs, transportation.
- It has been difficult to bring about educational reform in a small district with declining enrollment with the revenue caps determining our options.
- As long as our enrollment increased, it was ok.
- Facility needs have not been met - neither new buildings or maintenance. Unable to hire additional K teacher in 1998-99 due to lack of funds and classroom space.
- Limits amount of money available for added technology and building maintenance.
- Minimal impact in our district, as we receive only approximately 14\$ state aid, and our enrollment has remained rather controlled.
- The needs of students have changed dramatically during the past decade. Schools need to respond with significant changes in instructional environments and learning opportunities. The revenue caps make innovation, research and development, and staff training all but impossible without over extending all resources, especially human. Status quo becomes the viable alternative for everyone except the students.
- We were doing okay until 1997-98 when we had to use \$140,000 of fund balance.
- It has created a tendency to focus on the status quo.
- Because of the difference in the QEO 3.8%, each year the district falls behind .9%
- Revenue caps and declining enrollment are not compatible. We will have less money and are expected to do more - youth options, standards and assessment, remediation.
- Building maintenance issues are different to fix, i.e., roof leaks, asphalt holes, etc.
- Must struggle to maintain current programs.
- Things were good the first two years as enrollment climbed to 658 students in 1995 - now we are at 592 students, cutbacks in staffing and materials.
- Reduced budget by 750,000 to stay with QEO for 2 years!
- Have gone from adding to fund balance to subtracting, reduced ASC admin, reduced maintenance.
- Steady slow growth of enrollment has lessened the impact of revenue caps. They have, however, hindered programs.
- Lots of stress. Staff (additional) was put off even though there was a strong need.
- Labor-management relations have been strained.
- Up until this year there has been no impact. Now with declining enrollment, spending capacity is limited.
- We are a low spending district. We have to stay there!
- We have delayed or deferred maintenance and other improvements and not increased staff size as enrollment has increased.
- None to this time. We anticipate problems in the future.
- The budget is very tight - will have to explore alternative sources of money to continue current programming.
- Revenue caps cause us to set priorities based on "what will have the least negative impact."
- Need for roof repair. Lost elementary principal, instruction suffered, need for computers.
- Enrollment growth and increased valuations within the district have allowed us to overcome negative impacts of caps.
- We have had to prioritize all spending and eliminate some.
- We are just beginning to feel the crunch. We are a district that has enrollment growth, but the increase is not allowing the district to do all that is necessary to meet this growth.
- Limited impact, enrollment is growing, programs are expanding.
- Combined with lowered enrollments, low expectations to start with, and higher pupil teacher ratio - devastating.
- They have reduced our ability to do scheduled maintenance, purchases of replacement equipment and adding staff to address curriculum needs.
- Not able to keep up with essential curricular offers and meet the expectation of the community - eroding support!
- As enrollment growth stagnates and EEN student growth continues, we are approaching a time when only new special education positions will be filled.
- Areas of maintenance and remodeling have and will continue to take a hit, as well as other nonstaff costs will be diminished.
- Minimal. The _____ School District has experienced moderate enrollment increases during the time period. However, we are now facing slightly declining enrollments. The impact will be negative.
- Postponed m & o and purchases. Have not added staff to accommodate new numbers. Have not done as much as we would have liked with technology.
- There has been very little impact because our enrollment is increasing. This will change over the next 2 or 3 years.
- The district has significantly reduced the budget for supplies and equipment, programs will be cut from here on out!
- During the first few years of revenue caps, we were able to tighten some budget areas without having a significant impact on education programs. However, we have reached a ceiling and will begin cutting educational programs to comply with revenue caps.
- Fewer people trying to do more work, delayed, capital improvements (site buildings maintenance).
- We have maintained full programming.
- We have always been very conscious of the "cost-benefit ratio" for all our decisions in light of the primary district's mission! We do not "carry" any employees if the data do not justify it. But we will encounter challenges by people who continue to subscribe to the "Deep Pockets" theory of the past 30 years that are having major problems now.
- Until the last 3 years, we were forced to borrow heavily to meet our expenses. After doing without a number of services, etc., we have finally been able to conduct school without a large loan.

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- Increased class size, limit in instructional materials.
- Revenue caps will destroy our educational program. Things need to change or we will not be able to pay the bills.
- It has helped us to work smarter, although at the same time, prohibits new ventures (extending school year, for example). We will not be forced into using fund equity.
- Delayed maintenance, buildings and grounds, and equipment purchases.
- Problems are coming? How soon? Who knows!
- They have limited our expenditures.
- More conservative spending.
- Moving slowly on any new initiatives.
- Increase in special education costs . . . taken from regular education!
- With enrollments going up, we have not had much difficulty with the caps.
- In addition to items checked in 1-25, the district is unable to fund any new initiative developed by building staff to support the instructional program.
- Each year the results of revenue caps cause the budget to "tighten" what we can do. As long as other municipalities (technical colleges, cities, counties) continue to increase their levies, the public still believes it's the fault of the schools
- We have maintained a stable enrollment. That has helped us. For the 98-99 school year we are down 13 students. I hope this isn't the trend.
- Reduced fund balance.
- It has delayed major maintenance projects and is beginning to limit programs.
- We passed a referendum to exceed the caps by \$500,000 two years ago - we will need to do it again in a couple of years.
- Cap has limited maintenance and technology will result in layoffs next year.
- Limits educational opportunities for students.
- Devastating. We have had to reduce budget by more than 10%.
- Fund balance has dropped \$2 million; computers are obsolete; only minimal GT program; no K-8 foreign language.
- There have been postponed expenditures in maintenance and technology.
- Very negative. Only a referendum gave us temporary relief.
- Very detrimental to restructuring effects, implementation of technology plan and caused elimination of grammar school which will be tough to reinstate even with greater need because of Gateway test.
- Placed significant limits on the district's ability to respond to student's needs.
- Helped to stabilize taxes, prevented local uprisings, made us be more efficient and creative with budgets.
- This year we had a declining enrollment, we limited programs and personnel.
- Devastating - our students have suffered from lack of resources due to the last 3 years. It cost our district \$450,000 total of lost revenue. We can never replace that. Total budget \$1,192,000.00 You do the math!!!!
- Have forced us to take the approach of "maintaining" and not "progressing."
- Have had increasing enrollment, so minimal effect may change now that we are down.
- It takes us longer to do things because we continually "stagger" the cost over 2-3 year intervals.
- The revenue caps have caused us to go to referendum to get needed facilities and accompanying money to operate the new facilities. Our district was successful in passing both questions.
- None.
- The impact has been minimal at this point. However, if our enrollment growth remains at 2% or less, we will feel the pinch within three years.
- We are fortunate to have increasing enrollment and increasing property tax value, so the impact has been minimal.
- New programs not added. Less money for computers. Have started staff layoffs.
- It has diminished expectations and reduced innovation/invention, major impact on maintenance
- The impact will be felt during the 99-00 school year. Enrollments will level off.
- Impact was not truly felt until 1997-98 fiscal year. It now is having significant impact.
- We have not been able to purchase the necessary technology we need in order to offer an adequate program throughout this K-12 building.
- Delays in making change and improvements for capital concentrated areas.
- Bad news for kids.
- Maintenance issues, technology and staffing have lagged.
- Have had to have a 10 year reoccurring referendum for maintenance.
- They have helped in negotiations.
- Hindered development of new and more advanced courses.
- Just beginning to feel the impact.
- Caused delays in maintenance projects curriculum materials and technology purchases.
- The most (only) significant impact is on teacher salaries - pay increases -- about what has been the past practice.
- Revenue caps have significantly reduced our ?? maintenance program.
- The revenue caps have been a neutral influence since 1983. We have had modest student growth. Had the district fully spent the 1992-93 budget, we would be even in better shape financially.
- We have scrutinized all purchases for instructional materials!
- We have had to reduce or delay maintenance - cut staff.
- There has been no impact because enrollment has increased over the past 5 years.
- Declining enrollments have meant less money available to do more!
- With increased state funding and increasing student enrollment the impact of revenue caps has been minor.
- Does make for more exact financial projections and clearer priorities.
- Increasingly negative; dollars eroded by personnel settlements and inflation.
- Limited impact to date.
- To the taxpayers it is seen as positive. However, it is a constant battle to keep the district in a progressive mode. The taxpayers will not approve any attempt to exceed the caps. Need to rely on grants.
- Forced to "stay the same" rather than being innovative and contemporary, especially in technology.
- The District has eliminated its summer school, frozen all supply and equipment allocations for five years and has reduced staff. The cap probably has made us scrutinize our spending and establish our priorities.
- Revenue caps have limited our desire to expand curricular offerings, purchase and update technology (hardware), freeze staff and reduce maintenance and building improvements needed.
- It causes you to manipulate your budget and delay needed expenditures.
- We keep falling farther behind with our budget.
- Mixed review--cap limit may have actually brought us up -- but am worried about future.
- Class sizes have increased and strategic initiatives have been delayed or dropped.
- Has allowed us to control with QEO salaries and allowed us to do other things to make the district work better.
- With declining enrollments, our revenue caps have been reduced to less than the 3.8% increase necessary to cover salaries and benefits. We involuntarily transferred 1/3 of our staff to cover needs with current staff so as not to lay off employees.
- With increased enrollment for first 2 years, we were ok; since declining enrollment, the revenue limits have caused cessation of services, maintenance, staff development, field trips, textbooks, supplies...
- Limited amount to be spent on early intervention programs.
- Little if any negative impact.
- QEO has kept the salaries down somewhat so we could spend a little more on capital improvement.
- We have reduced teaching positions by increasing class size. We have also overspent (expenditures have exceeded revenue) for each of the past 5 years by \$70,000 to \$210,000 each year. Now we have to borrow money and pay interest several times each year.
- I am new to this district.
- Mainly purchase of additional equipment.
- The revenue caps have hurt students!
- We have been forced to dip into our fund balance as never before causing a dangerously low amount to remain there.
- It has been a struggle to maintain quality programs and not implement cuts.
- We have not been able to keep pace with increasing maintenance and

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facilities improvement, and we cannot install our technology program.

- I am not a good example: low spending school district; increasing enrollments; increasing property values.
- Delay or limit services and improvements and has forced a focus on approving referendum to meet capitol and operational requirements.
- Revenue caps do not keep pace with increasing operational costs.
- Had it not been for ?? we would be light years behind in educational technology. Our bus fleet is also getting old.
- Local control no longer exists except for coordinating the going-out-of-business activities.
- Delayed (indefinitely) expansion of any recurring cost programs.
- Revenue caps has resulted in the necessity of going out on referendum to fund basic preventive maintenance needs. Also has resulted in larger class sizes.
- Reduced maintenance and operational costs, restructuring of services to create greater efficiency, increased class size and delays in initiatives to improve programming.
- Caused the district to make difficult decisions that affect the education of children.
- We've really economized and cut to the bone - We reprioritize our needs annually.
- The revenue caps have delayed the implementation of technology plans.
- We have experienced increased enrollment - thus, minimal impact!
- Shift from 70% of budget to instruction in 1992 to 76% in 98.
- Typically, we have had twice the number of staffing and program requests than the revenue caps permit. There is a sense of competition for resources between and among departments.
- In my brief term here, I note the fund balance to be changing.
- The cap has hindered the ability of the school board to meet student needs. We are having trouble maintaining and cannot make improvements. In general, the cap will cause an excellent district to become mediocre.
- Delayed larger capital projects.
- A successful referendum combined with continual growth has situated us well even with revenue caps.
- Very restrictive on 556 & 411 budget areas as costs increase and more money in salaries and benefits.
- Very negative - it prevents us from having any money to implement, limitations - positive changes
- We have been fortunate in that we are a growing school district. Our revenue cap has been growing. Impact has been ameliorated by growth.
- No frills. \$150,000 referendum to exceed the revenue cap.
- The biggest impact has been on maintenance and improvements to facilities.
- Restricts any type of a contingency fund to help large cap expenses that are coming in future years.
- We have the lowest cost per pupil in _____ County. Stuck at the bottom.
- Kept our necks above water until this year - while growing we were okay - some limitation - now we are declining slightly. Hit hard this year.
- The increase in fixed costs exceeds the inflationary increase allowed by the state by upwards of 6%!
- Declining enrollment districts that were already operating at "bare bones" levels before revenue caps are being punished for that frugality.
- The impacts of revenue caps over the past five years are: (1) unable to reduce class size which would have greatest impact on student achievement and (2) unable to keep up with the maintenance on school facilities.
- Reduction of staff - cause increase in student/teacher ratio - devastating.
- Negative impact, particularly since we have experienced declining enrollment and we're into tertiary aid - our state aids were reduced this year by nearly \$200,000 above.
- We have cut our maintenance budget by 35% and delayed repairs such as roofs. We have spent \$700,000 from our fund balance to finance ADA compliance remodeling, adding a computer network and three labs. If we had not had a fund balance of 22%, we would have not kept up.
- Impact just starting as enrollment begins to decline.
- Operates much like a vise. As enrollment increases slow down, we will be ever more strapped.
- District passed referendum for 4M operation, 14M construction and building.
- We have been unable to implement or fully implement new programs: i.e., Foreign language at primary grades and more use of technology.
- General decrease in budget areas not directly controlled by contracts.

- As a district, we were designating ?? mill per year to fund 41 for future maintenance and building needs; this is no longer possible for us under the revenue caps.
- We are robbing Peter to pay Paul and it will catch up to us in 3 years. (We had a referendum to cover the cost of what we would have had to cut.)
- Reduced problems with negotiators.
- We have not been able to increase student offerings and (have had to) increase staff to improve programs, (not) meeting needs of students and community.
- This year will be extremely critical, coupled with declining enrollment.
- The effects of revenue caps had not been great until 1997-98 and this year. We have experienced a drop in student enrollments and have projected a deficit budget for 1998-99.
- We're just getting by - like a Yugo.
- The major impact will occur in two years.
- Revenue caps have had little impact so far, but significant declining enrollment begins next year. Big time troubles are coming fast.
- Facility care has slipped. New programs have virtually been eliminated.
- We are just starting to feel the impact. Our enrollments have declined in the past two years. We will experience increasing difficulties ahead.
- Limited - We have increased enrollment, however in the future. . .
- The required action to postpone district maintenance projects. Summer school not funded in 98/99 as of 9/25/98.
- We have to control our spending. We have to do with less, but we still have good programs.
- More selective in how we spend our money.
- No impact yet. We couldn't possibly raise taxes to support the limit. We are one of the 12 poorest districts and we tax above the state average. . . . We support a fairer distribution of general aid.
- Delaying normal maintenance projects are resulting in larger cost when they lead the top of the list of needs.
- Little impact to date, but we expect an impact with the 1990-2000 budget.
- The district passed a referendum for \$180,000 three years ago. We must ask for another 155,000. Reoccurring Base referendum this year as we cannot keep up with costs of additional students and their needs.
- Limited impact on the budget up til now, but negative impacts on the salaries of teachers and administrators. Difficult to retain administrative personnel.
- We are a growing district - impact has been limited.
- Enrollment increase has been stable, this has allowed the _____ District to work within the revenue cap without jeopardizing existing programs.
- _____ School District is experiencing enrollment growth; thus, the impact of the revenue caps has been muted and potentially the reverse of the intent to maintain room for growth.
- It has increased state aid from 3.5 million to 6.7 million, reduced the tax levy rate from \$18.35/1,000 to \$9.38/1,000 and allowed us to add new teachers - all to facilitate school growth and gain support of the local taxpayers.
- Reduced services to students, building maintenance suffering.
- Loss of local board control for capital projects.
- At this point there has been no impact. However, with our declining enrollment starting this year and if SAGE & Title I are dropped, we will be in big trouble.
- The district has delayed projects normally accounted for in Fund 10, such as roof repairs, etc.
- We have had to use some of our fund balances for items such as replacing our septic system.
- Revenue Caps/QEO have kept salaries down. Otherwise, we have done well because we are growing. Bad news is yet to come.
- While program and staff reductions have not been necessary to this time, funds are not available for additional programs and staff that are needed.
- Revenue caps have meant larger class sizes in the elementary school, fewer aides, and less planning. We are going year-to-year, which is not good.
- Our enrollment has been increasing; therefore, we have not been hurt as bad as some schools. Revenue caps have definitely affected the maintenance of our facilities.
- So far there has been very little impact, but if our enrollment declines another year we may have some difficulties.
- Revenue caps have taken away the board's ability to raise revenue to meet expenses. As a result, our fund balance is beginning to decrease.

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- Our enrollment figures, although rising, do not generate sufficient funds for comprehensive school improvement in the area of standards, technology and student services.
 - It has caused us to be more focused in our purchases. Due to tornado, large referendum was passed that helped us with numerous maintenance projects.
 - It's a slow death - we will feel the pinch in the next 5 years - declining enrollment, higher costs - trouble.
 - We were forced into a referendum situation to address capital, building and technical needs.
 - Due to increasing enrollment, our district is not severely impacted.
 - Little if any impact because we have been a growing district and a low spender prior to revenue caps.
 - The district has had to layoff six aides over the past two years. Declining enrollment with revenue caps is of great concern!
 - Keeping current programs going - very difficult to expand.
 - Four years ago was my initial year as District Admin. There was a substantial amount of excess money in that first budget which we have used for required increases each year since. We also have increasing enrollment at 25 students/year to 920 _____ HS current enrollment. In addition we have experienced several voluntary retirements over the past several years. We have experienced little or no impact from revenue caps.
 - The impact is a result of not passing a building referendum.
 - We rank order the highest needs, fund those from top down, and drop the rest.
 - The cap has steadily eroded our budget, forced program cuts, etc.
 - Planning is virtually impossible to complete on a program need basis . ? ? . . community morale low because people do not grasp the system.
 - Used fund balance & borrowed money for technology.
 - We can no longer avoid cutting basic services.
 - Declining fund balances and increased long and short term borrowing - increased costs in interest and total costs to district. Costs of deferred maintenance.
 - Revenue caps are hurting our children - I hope that was not the intent of that legislation.
 - Revenue caps have not affected us to any great degree. Our tax base is small and we depend more on impact aide - federal dollars. We would be hard pressed to get 40% of our budget from taxes.
 - Tight budget, less "frills."
 - Little impact.
 - We have not completed remodeling for handicapped access. Delayed staffing to reduce elementary class size, delayed summer remedial programs, delayed 4 year pre-Kindergarten, delayed full day kindergarten.
 - In the coming years we will be doing many of the items on the first page. We will be running deficits 98-99, 99-00, 00-01 that are increasing in size. In three years our fund balance will be depleted.
 - No computers have been purchased over the last two years with general fund money. Maintenance projects have been delayed
 - Revenue caps have all but eliminated purchasing to improve technology, provide adequate building maintenance or replace aging, high mileage buses.
 - Limitations on spending for programs & services.
 - Revenue caps have limited staff addition and adversely affected the implementation of technology; reduced interest in budget at annual meeting.
 - Maintenance really suffers!
 - The wiggle room is totally gone; it's hand to mouth. We lean on the fund balance to keep things afloat. Significant cuts are next.
 - To this point we have not been negatively affected by the caps.
 - We have been fortunate due to steady enrollment. However, I foresee problems in the future as our enrollment declines.
 - Basically it puts limitations on the development and progress of good programs.
 - We have had a successful bond referendum but have 11 empty rooms because we lack staff money.
 - No growth in programs - reductions in many limited maintenance being done - no technology until 3 years ago. Teach has helped.
 - We develop our budget priorities backwards. We start with sizable funds.
 - This is the most severe blow to school districts. Second is the open enrollment - both are very poor choices by our legislature and Governor.
 - Simply makes it difficult to maintain programs at effective levels and certainly infringes on ability to restructure.
 - Has not allowed district to respond to changing needs, especially in regards to declining enrollment.
 - We have been a growing district so the budget has remained intact...until this year - we are cutting a lot at our October Board Meeting.
 - Used fund balance in 1996-97 and 1997-98. Cut back on maintenance budget both years.
 - Program has discouraged potential new teachers from seeking employment into the field.
 - When we had increases in enrollment, we were able to offer more services to students. With decreases, services decreased.
 - As the administrator for only 1 year, I believe the enrollment is going to be the greater impact.
 - We have been very fortunate that the 3 year rolling average has allowed us to keep pace with expenditures. However beginning in 1999-2000 we will see our student population decrease significantly. Bad News!!
 - Our enrollment continues to grow - however, we are not able to do all the things we feel need to be done for our staff & students.
 - We face greater problems in the future as we have become a declining enrollment district.
 - It has set long-term maintenance and technology into the dark ages.
 - We have been ok - but will suffer with a steady decline in enrollment.
 - Reduced maintenance, outdated technology - we are unable to improve our services to kids, making it difficult to meet the standards.
 - The revenue cap is slowly eroding the ability to fund the educational program.
 - It has kept us from expanding our programs.
 - Devastating.
 - Revenue caps have made us allocate resources more carefully, considering all financial requests.
 - Making us choose tough priorities. Cannot expand programs we need to fund. Budget not keeping up with costs and needs.
- 30. If you marked "Positive" or "Somewhat Positive" in question 29 (which asked about the long-term effects of the revenue controls), briefly explain your answer.**
- Bargaining restrictions were easier to apply without contention.
 - It has made bargaining somewhat easier and reasonable demands.
 - Held down spending.
 - We enjoy more support or at least less opposition, because of tax impact.
 - Forced us to be more fiscally responsible.
 - Helped control teacher salary.
 - Teacher dissatisfaction is a problem.
 - We have been able to lower our MR with revenue caps and QEO.
 - Negotiations with teachers has been much more positive. Budgeting has been more difficult.
 - The bashing of teachers by the public has disappeared!
 - Until the current school year (1998-99), the school district has been experiencing moderate enrollment increases.
 - Less negative pressure from property tax payers.
 - The line must be held.
 - The tax levy is higher than it would be without caps.
 - During early years actually aided in upping the budget but terrible if declining enrollment
 - Our school board was more restrictive with finances before revenue caps were in existence. QEO with revenue caps has put money in the bank. We are also increasing enrollment.
 - We have learned to live with the "caps," and have done a lot of soul searching.
 - People in our community are less critical of our school since property taxes declined. Without them, we would have had a property tax revolt; community blamed teachers for property taxes.
 - As a component of "three legged" stool - keeps the QEO in place and allows educational dollars to support more than teacher salaries.
 - It has helped us greatly in bargaining with the teachers. We have grown for 8 years in a row so we have not been hurt (yet).
 - Revenue caps were needed, along with negotiation QEO changes.
 - Less negative response from taxpayers - more acceptance of building referendum given state's 2/3's funding.
 - Up to now, we have been stable or growing. Declining enrollment starts

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next year.

- Keeps salaries and fringes combined with QEO law at a fair amount.
- Very little impact thus far except to contain bargaining table positions on both sides.
- It only helped in the negotiation with teachers.
- We have been able to reduce taxes with minimal inconvenience due to funds from referendum passage and use of interest money.
- We have what we need - there is no limit on wishes, however.
- We have had the money to do what was needed. The taxpayers have had a more positive attitude toward schools.
- We have been limited to the quality and quantity of services provided.
- It has made our district choose our priorities and think of ways to do the job better and more efficiently. In other words, it has forced us to look for new ways.
- OK up to now - will depend on what Madison will do with declining enrollment district re : cushions.
- Growing District: By keeping salary and benefits in check extra money could be reallocated to adding staff and maintenance - repair of buildings! Fear future if we stabilize or start declining in enrollment.
- We are in good shape at this point, but we can only guess about the future.
- While we are growing, we have had declining increases in overall budget additions each year.

31. If you marked "Negative" or "Somewhat Negative" in question 29, briefly explain your answer.

- The district is unable to fund necessary programs in the areas described in #26 above plus we have made significant reductions in purchases for educational materials and supplies.
- We have been a frugal spending district with declining enrollment - it's taking its toll on us.
- Wage and price controls do not work. Savings on schools have been offset by increases elsewhere - cutting property taxes is a poor choice.
- This district was too much in need of repair and being a new administrator in the district in 1993, I did not have enough time to find out by July 12 what extra bills could be paid off such as lighting, lease and CESA purchase.
- Inhibits program changes or adding programs to meet new state demands.
- Mostly facility problem from 93 to passing a building referendum in 97.
- Teacher morale: they do very little for nothing!
- We have been limited but not severely.
- It has delayed necessary maintenance, and it has delayed purchase of textbooks.
- We have not been able to address state initiatives adequately.
- District has not been able to proceed with a building program.
- Teacher salaries have fallen behind.
- Decrease can't be made solely on what is in the best interest of students - revenue cap consideration often is the determining factor.
- Cut \$180,000 from budget. Lots of pressure on the administration because of Tommy Thompson's program. He should get the opportunity to hear the nation.
- Programs cannot be enhanced with limited resources.
- We're losing ground in program areas and building maintenance
- It has created a negative work atmosphere or climate.
- Our enrollment has increased which has enabled us to do some things - but not as much as we would like to do for kids.
- Without greater latitude to address some issues outside of the caps and/or waivers more readily available re: standards/mandates, our local creative options can't produce quality in a cost effective manner.
- Revenue limits have had a negative impact on employee-employer relations.
- Money is tight, class sizes and programs are impacted as a result.
- Referenda have mediated to negative impact.
- The caps have negatively impacted student achievement and our ability to provide a quality education..
- Class sizes keep increasing, and we cannot support new initiatives.
- Makes budgeting a win/lose proposition - favors specialized services.
- We are combining positions when a vacancy occurs, fewer staff - less service can't move ahead with educational needs due to declining enrollment and the revenue caps.
- If your enrollment declines, revenue caps don't work.
- When a district is facing declining enrollment, it is impossible to maintain programs.
- Caused us to defer some program and maintenance.
- It has limited our district's ability to increase spending on needed programs.
- No provision for revenue cap enrollment, high property ?? distributed.
- Lack financial resources to implement/maintain needed programs.
- Limits options, causes everyone to make tough choices.
- If one stops rowing when heading upstream, . . . you don't stay in the same place!!! We are losing ground!!!!
- Morale problems of high class sizes.
- Academic needs have been placed on hold.
- Staff morale has declined as work load increases.
- Reduced administrator positions - lack of building maintenance (roof repair).
- Cut back on building maintenance of school buildings and purchase new equipment and ??.
- We have had to limit our expenditures, which will be viewed as negative or positive depending on your perspective.
- Limiting programs, staff addition, major maintenance.
- The long range effect will be larger class sizes; delays in replacing instructional equipment; and delayed building maintenance.
- More increases are needed due to high stakes testing and curriculum needs.
- Restricts initiative, poor morale, delayed education and capital projects.
- We can maintain but cannot add needed new programs in parent involvement and parent education, tech ed, etc .The cap has constantly decreased our discretionary funds to the point that revenues now will not meet needed expenses - referendum.
- We've had less money for equipment and repairs. Have added no new programs.
- Programs have suffered, and we've lost 40% of our fund balance.
- District is way behind with maintenance and technology.
- It helps with negotiations, but it also slows down our "progress."
- Limited hiring, reduced needed maintenance.
- Not enough money to service students.
- Increased class size, problem serving at risk and gifted.
- It has caused us to reduce some support staff positions and to postpone program expansion. We have also worked very hard to write grants that have helped to fund some of our technology on staff development efforts.
- We have had to decrease staff overall. This is not a benefit to children.
- The Revenue limits hit districts very hard which have declining enrollments, which began in our district in 1998-99.
- Fund balance has disappeared/no new programs.
- We are operating with ?? less teachers than we need to run an efficient schedule.
- Programs for kids have been limited.
- Note the negative strategies used on the facing page.
- Increase in Impact Aid has helped to offset the "cap."
- We are pinched for funds.
- We are also in a precarious position as we attempt to open a new building.
- Delayed equipment purchases - it's causing us to use our fund balance.
- We have lost \$450,000 - building declining - our fund balance is just over \$100,000! We have suffered more than anyone else!
- Buildings and program (curriculum) have fallen behind community concerns on taxes appeased - school issues in neutral.
- We are facing a devastating drop in revenue the year after next.
- Many budget requests were not funded.
- The annual allowed increase is not realistic with inflationary costs.
- The impact in our district has not been that significant yet. However we will be losing 25-30 students per year off our three year average enrollments over the next two years. This will have a devastating impact on our district.
- The building is in need of repair - can't afford it.
- We have not been able to advance our curriculum and have appropriate staff.
- We have larger classes - unable to fund newly needed sessions - unable to adequately maintain buildings.

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- It has created a mind-set of status quo in all that is possible.
- Building maintenance reduced.
- With declining enrollment, our revenue caps suffer greater while other increasing enrollment district flourish.
- We have not been able to modify or add programs to meet student needs.
- Revenue caps will have an impact beginning this school year.
- Some limits are necessary; however, schools need to be able to meet basic needs.
- We were spending conservatively and now are "stuck" with past decisions, unable to change.
- Community passed referendums for new facilities but not to exceed revenue cap for operational costs of new facilities.
- Delayed indefinitely expansion of any recurring cost programs.
- We have been forced to tighten spending in an already very conservative district. We are on the brink of this really having a negative impact.
- Quality of programs has suffered; accessibility to student services has become more difficult.
- Delayed the implementation of education programs.
- Things haven't been all bad, there have been controls; however, we can't go where we would really like to go.
- It has put limitations that are harmful to children
- We cannot implement a technology program.
- We've opened a new building and were required to reduce elsewhere for staffing and utility costs.
- Our staff is feeling overworked with increased tasks and no dollars to secure additional help.
- Increased property value, coupled with declining enrollment means more difficulty in passing referendum which before could be done at annual meeting.
- Limits resources to service the special/challenged student.
- It causes program limitations.
- Cannot move forward - cannot keep pace with educational costs.
- Lack of resources. Textbooks, supplies, material - no increase in five years. Starting to affect staff/student ratios negatively.
- With static or declining enrollments - quality education will suffer.
- Revenue caps have slowly but surely squeezed the operational budget to the point where a large referendum is necessary.
- Increased workload is apparent. Layoffs and cuts will come next year and when referendum expires.
- Caps have negatively impacted ability to expand programs/technology
- Declining enrollment and less money for programs.
- We didn't need revenue caps to keep us frugal - that is the local sentiment. Continued restriction will decrease the quality of instruction - long term. It is the sheer strength of our veteran teachers that allows us to 'weather this storm.' What will happen as they retire!??
- The district cannot reduce class size because buildings can't be built and operating costs of new buildings are not affordable.
- Special Ed costs should never have been allowed in cap calculation. There should be flexibility in cap for emergency maintenance.
- We have not had the money to implement needed programs.
- We have had to choose between instructional program or CIP's. Reduce ability to manage capital improvements projects.
- Needed referendum to avoid major cuts in programs.
- Revenue caps have helped with negotiations with staff, however, it has squeezed the instructional budget, eliminated fund 41 funding and caused us to use some of our fund balance.
- Because we were a low spending district before caps, we will always have less to spend on programs and students, etc.
- We were trapped in a low spending district and are stuck there.
- Increases in teachers' salaries have been very limited and we are no longer competitive, making it difficult to hire the new teachers we need, especially the top candidates.
- We have not provided the same level of programs and materials we had in the past.
- Large class size and inability to plan future maintenance is not healthy. It is going to get worse each year.
- We have had to make some hard decisions in how we spend our money.
- _____ school district has always been forward thinking in their educational programs. The revenue caps have found the _____ district to not consider some educational opportunities because of lack of space. The need for a referendum to exceed the revenue cap contributed to the failure of a building referendum.
- Two referenda to exceed revenue caps 5/12/98, 9/8/98 failed; facilities and programs will suffer.
- District has increased number of students. Three year average is hard to live with, with ever-increasing population.
- Maintenance has suffered, loss of local control.
- Students have suffered.
- Program growth to meet needs has been stunted. Facility repair and upkeep is suffering.
- It has put us in a reactive posture, not a positive proactive planning made.
- Our enrollment has been increasing; therefore, we have not had to take as big a hit as some schools.
- Technology isn't available to kids.
- With fairly rapid growth we are hindered by 3-year enrollment averages.
- Have not been able to add desired new programs and staff.
- I think we have been punished enough! Give back local control!
- It has required some delays and more focus on prioritizing but not sure that was all bad. Bigger problem is declining enrollment.
- As a declining enrollment district, we levy less every year and therefore have not been able to keep pace with technology.
- We have been forced to reduce staff, materials, and maintenance.
- The district change in leadership came after law unable to take advantage of change.
- As costs have increased, revenues have not. Increase in special needs - increase in teacher aids - no money to help support the increase.
- Programs, services & projects delayed, reduced, canceled.
- Teacher willingness to help; we've delayed programs for children.
- All revenue caps do is force erosion of programs.
- The tie to enrollments makes the cap too volatile for realistic budgeting, and negative ?? aids pass a promised state burden to local tax payers.
- Our enrollments grow; the impact is delayed - but will come! We spent prior to caps being implemented also.
- We've set priorities, reallocated fiscal resources, lost the safety net (AODA Coor, 6/T Coor, Soc Wkr, At-Risk Coor).
- Restricted growth of programs.
- We cut at-risk, G&T, Reading Specialist, school to work.
- Maintenance has been delayed. Example - flooring, roofs.
- Limited programs, increased workloads.
- Hinders acting on good things for kids.
- We are trapped with the caps over our history of very conservative fiscal policy.
- We are slowly reducing services to children.
- Limits us to increase programs.
- We are losing local control over our district. He who gives us the gold, makes the rules.
- See item 26, above.
- Maintenance has been delayed, lack of technology.
- Haven't maintained maintenance programs.
- Limited resources to maintenance and improvement - limited resources for technology.
- Revenue caps limit growth, maintenance and response to school, student and community needs.
- We have lost our local control.
- We are a low spending and low achieving district. We need people to teach remedial reading but cannot afford new staff.
- The yearly per student increase does not keep pace with increases in fixed costs - i.e., heat, electric, gas, textbooks, etc.
- Reduced programs for students.
- It's very difficult to plan ahead without knowing where the money comes from.
- Limits flexibility.
- We feel we need to look at our budget closer. We have been ok because of increasing enrollment, but it is leveling off.
- Delay of maintenance reduction in state developments, unable to meet specialty staffing needs (ex. G/T).
- Reduced overall services, purchases, etc.
- Caps have negatively impacted ability to expand programs/technology.

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- Our district has suffered in every area!
- QEO's do not limit increases to the CPI given step and _____ changes. There are no counters to limit vendor increases - the revenue limits at the CPI are ridiculous when compared to outside effects! Increases in expenditures far exceed maximum allowable revenue limit increase. Revenue limits are stifling progress!!!
- Our maintenance budget and support for technology is inadequate.
- Our fund balance is cut in half, we are in need of technology, and we need technology exemptions from cap.
- Has started to impact education for students.
- We have not been able to modify or add programs to meet student needs.
- Not being able to move forward, focused attention on school spending.
- Our budget for personnel services is up from 72% to 78% the building will be affected.
- No needed services or changes in programming possible.
- Has not helped staff-board relationships - putting off projects.
- The revenue cap has sharply increased competition between and among critical programs in the district.
- It is harder to cover costs of major repair projects i.e., elementary roof.
- With a projected decline in enrollment and "revenue caps," the future looks challenging.
- Revenue caps do not meet the increased costs of current personnel (balance/_____) thus, requiring the differences to come from other areas (maintenance, supplies, textbook).
- The longer the caps are in place, the more the cuts affect students.
- We've had to reduce materials, equipment and delay maintenance and technology.

32. If you marked "Neutral" in question 29, briefly explain your answer.

- We have had to rethink our needs and wants.
 - We were growing, and that has helped offset the effects others see.
 - Limits to teacher salaries has led to staff unrest.
 - We have yet to reach revenue caps.
 - If the "OPEN ENROLLMENT" students continue to come and stay enrolled, we can stay even.
 - We built a new building and the operation cost increase was greater than the revenue limit.
 - Our enrollment has grown enough to allow our budget to increase. We are just now starting to cut back because of caps.
 - Our revenue caps have been continually increasing because we are a growing district.
 - We started in 93 in good financial shape. Enrollment has toned down slightly. Our resources are being depleted; the cuts are mainly coming in the next 3-4 years.
 - Our tax base is small, we depend on federal dollars - impact aide - Title 1 etc. Our tax revenue is a little over 10% of budget.
 - To date revenue caps haven't hampered the district because of projects the year before revenue caps and slight enrollment increases.
 - Again - increasing enrollment has helped us.
 - Prior to my arrival the board was extremely financially conservative. . . There were large surpluses. I've had the good fortune to spend to the caps . . . I am not really sure of the impact of the caps.
 - Hasn't been a factor.
 - With staff aids and grants we have not had problems. However, we will be affected severely if we lose SAGE & Title 1 with our declining enrollment.
 - _____ had a cushion in their budget before revenue caps.
 - We've had increased enrollment - that has delayed our pinch.
 - _____ is growing. Growth allows flexibility in fund allocation.
 - As stated earlier, the revenue cap has had little impact on district.
 - We have high state aid, increased enrollment, and before caps were a high spending district.
 - The revenue limit can make it much easier for administration. We always know how much we have for our budget.
 - Increased enrollments.
 - We have been in great financial shape and are just beginning to feel the effects of the revenue cap this year for the first time.
 - We are beginning to feel the pinch for the first time this year.
- Zero based budget practices have kept us in control.
 - Increased enrollment has held us on track.
 - This school district has traditionally been very frugal spending and probably would not have done business much different than has happened.
 - Growth has ameliorated "revenue cap" constraints.
 - We are a very low cost district; no frills, but, solid opportunities for kids.
 - It has not affected our ability to provide what is needed and function effectively.
 - Forced to make better priority decisions - reduced resources for a growing diverse population.
 - It is unfair to put QEO limits only on instructional staff and administrators. Overall tax levies have been reasonable for school tax, but county and other taxes have picked up the slack when we've had a decrease. Schools still are blamed for high taxes. We have been able to survive, however.
 - Keeps negotiations simple - controls spending.
 - The QEO has to stay with revenue caps.
 - Little or no impact because we are growing slightly each year.
 - We have typically spent significantly under the cap.
 - We have been able to maintain our programs and services to this point.
 - Adding full time 5K and a new 4K program have helped increase FTE.
 - Impact reality is anticipated over the next 5 years based on declining enrollment projections and 1st year impact public school choice participation.
 - Our enrollment increases have allowed us to maintain quality.
 - I am concerned about the future.
 - Poor districts get poorer; rich get richer.
 - We enjoyed a transfer of services from HCBB to local operation - exemption helps.
 - It has had us be more responsible and resourceful - the declining enrollment clause has helped us.
 - Promoted stronger business/fiscal management.
 - Not hurt us yet.
 - Had increasing enrollment - spent under limit each year. Carried over 75% of excess.
 - We are a growing district. Money is available each year.
 - Increases have allowed us to "slowly tighten the belt." Like the student enrollment story about the "frog that has the temperature slowly turned up," most people don't foresee the upcoming crisis.
 - Has not been difficult with enrollments increasing.
 - Although painful at first, it allowed us to gain control of spending - one primary reason is that it forces QEO for wage/benefit increases that correlates with inflation.
 - Spending more wisely and local property taxes have held or declined; perpetuates status quo.
 - The district (last 23 yrs) posed decisions on "Cost-Benefit," not "Wish list" and personal agendas. This has assisted us in meeting this challenge.
 - Because of increasing enrollment, the revenue caps have not had an effect on programs.
 - Although we have had an impact on maintenance of buildings our ability to provide an outstanding educational program for children without increased taxes has been OK.
 - Due to successful referendum the impact has been lessened.
 - We have had gradual enrollment growth so we've been ok!
 - Essential growth, increased valuations.
 - Enrollment grew until this year. The impact in the past was not severe; now we are in a serious problem unless enrollment increases again.
 - We haven't had to make any changes because of the caps.
 - It has greatly relieved citizen pressure in regards to taxes being too high. It has had a negative effect on maintenance this past year.
 - It hasn't affected _____ yet, however, next year programs may need to be cut.
 - So far we have been able to operate within the limits but it is getting extremely difficult.
 - It has forced us to focus on our mission.
 - Student growth has limited both the negative and positive impacts.
 - We have not cut services, and, therefore, feel fortunate.
 - I know our limit for 1999-2000 is already \$119,000 less than this year.
 - The district experienced enrollment increases so was able to fair ok under the caps even when we had the middle school addition. We did have one building principal for 2 elementary schools.

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- It has not yet caused us to lose programs or staff but only because we are a growing district. If we start losing students, it will hurt.
- Revenue cap increases have increased but not at same rate as expenditures.
- Need to limit taxes balanced by need to maintain quality schools.

Footnotes

¹This was the area of greatest change between 1996-97 and 1997-98: 60.9% to 44.1%.

²"Property Tax Level in Wisconsin." Paper (#13) written by Rick Olin of the Wisconsin Legislative Fiscal Bureau. This paper is available on the State of Wisconsin website: www.legis.state.wi.us/lfb/index.html. Legislation passed in 1998 also exempted business computers from the local property taxes; however, the state agreed to reimburse local governments for revenues lost by using general purpose revenues.

³During the 1998 legislative session, business computer equipment also was exempted from taxation.

⁴Wisconsin Act 16 (1993) also changed the state's mediation-arbitration law for teachers. The law stipulates that if the combined salary and fringe benefit offer of the employer is at least 3.8%, this constitutes a Qualified Economic Offer, which is not subject to mediation-arbitration. For administrators who are not covered by the collective bargaining agreement, the total amounts available for increases in salaries and fringe benefits can be one of the following: (1) 3.8% of the total prior year's costs of salaries and fringe benefits for such employees, or (2) the average total percent increase in total salary and fringe benefit increases per employee provided by the school district for the most recent 12-month period ending on June 30.

⁵Superintendents from low spending districts consistently have argued that this legislation has "penalized" them for spending less than other districts or for having a "bare bones" budget during the base year of 1992-93.

⁶This is an average figure for all districts. The percent varies by the property value of districts.

⁷"Success Rate Drops for School Referendums," Milwaukee Journal-Sentinel, November 12, 1998. Also see "Property Tax Gains Up to 5.2 Billion." Wisconsin State Journal, Madison, Wisconsin, July 16, 1998. According to figures released by the Department of Revenue in December, 1998, school taxes increased 5.61% during 1998: "School Tax Rise 'Shocks' Zeuske," The Capital Times, December 11, 1998.

⁸Information provided by Robert Lang, Director of the Legislative Fiscal Bureau.

⁹As these data are reviewed, keep in mind that the percent figures shown in this table treat each cost cutting action as being equivalent. In other words, there is no distinction between a district which eliminates a few hundred dollars from a program and a district which eliminates the program entirely.

¹⁰See Projections of Education Statistics to 2007 which can be found on the U.S. Department of Education Homepage at the following internet address: <http://www.ed.gov/NCES/>.

¹¹According to data provided by DPI, 389 referenda have passed since the revenue caps went into effect. Of this number, most have been for building and maintenance; however, 92 were passed to exceed the revenue controls.

¹²The revenue controls were modified by providing: (1) \$3.2M for holding school districts harmless from declining enrollments which exceed 2% in the 1997-98 school year, and modify the provision to authorize a 75% hold harmless provision in 1998-99; (2) \$3.9M for school districts to recognize 20% of their summer school enrollment; (3) \$3M for a one-time per pupil revenue control inflationary increase from \$206 to \$211 in the 1998-99 school year; (4) \$2M to increase the low revenue limit exemption from \$5,600 per pupil to \$5,900 in 1997-98 and to \$6,100 in 1998-99; and (5) modify the Transfers of Service Law to provide more flexibility under the revenue controls. The Governor made a partial veto reducing the Legislature's request to allow school districts to spend \$217 per pupil in the second year. The Governor also partially vetoed the legislature's request for declining enrollment relief beyond the current biennium, committing to address this issue in the future.

¹³For example, in the 1996-97 study, districts with enrollment declines of 3% or greater reported 9 cuts (both mean and median values).