



INSTITUTE FOR WISCONSIN'S FUTURE

policy research in the public interest

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Testimony before Senate Education Committee

Chairman Grobschmidt and members of the Senate Education Committee—thank you so much for the opportunity to speak with you today.

My name is Tom Beebe and I am a school funding outreach specialist with the Institute for Wisconsin's Future.

For months you have been hearing from your constituents—from teachers, administrators, students, parents, and taxpayers—about the problems caused by Wisconsin's school funding system, specifically revenue limits.

You've heard about:

- Building maintenance and repairs that have been delayed;
- Teachers who have been laid off;
- Programs that have been eliminated;
- Technology that is lagging;
- Spiraling educational costs in the face of severely limited revenue;
- Declining enrollment;
- Underfunded programs for special-needs students; and
- Futures that have been diminished for many of Wisconsin's public school students.

Other than this list, I don't want to discuss the problems because now you have moved to consideration of the solutions. That's the "good news." The "bad news" is that all of the legislation you are considering today merely puts Band-Aids on a badly bleeding wound.

In the long run, you must start talking about reforming the system. The Institute for Wisconsin's Future, however, realizes that isn't going to happen soon. Therefore, it is imperative that we provide relief this budget cycle to our public schools.

The Institute for Wisconsin's Future favors increased funding and flexibility under revenue limits for all school districts. For that reason, we would support five of the bills you are considering—unless there is a better option ... an option that is better for districts and, more importantly, for children.

- IWF supports Senate Bill 4 to increase caps for school breakfast and lunch programs, but we realize it won't help all districts.
- IWF supports Senate Bill 120 to increase caps for school security measures, but we realize it won't help all districts.

- IWF supports Senate Bill 124 to increase caps for increases in health insurance costs, but we realize it won't help all districts.
- IWF supports Senate Bill 149 to exclude certain debt-service costs from the formula, but we also realize that bill won't help all districts.
- IWF supports Senate Bill 73 to eliminate revenue limits, but we realize its political outlook is rather dim.

IWF can't, however, support Senate Bill 153 to increase the revenue limit by 1% of the statewide average spending per pupil because it is unaided and relies strictly on local property taxes. That reliance on property taxes makes this bill extremely disequalizing under the school aid formula. We feel that only property wealthy districts will be able to afford the additional taxation, while the tax effort of property poor districts will be so prohibitive that it is likely many would not even take advantage of the new revenue generating authority.

For all of those reasons, IWF—along with other groups vitally interested about our public school children—supports that “better solution” I talked about earlier. This coalition—which consists of the Wisconsin PTA; the School Administrators' Alliance; WEAC; the Wisconsin Federation of Teachers; the Wisconsin Coalition for Advocacy; and the school districts of Janesville, Madison, and Milwaukee—supports:

- Full funding of the state's commitment to SAGE;
- Increased funding for programs for special-needs students; and
- A 1-% solution that is funded as part of the general equalization aids formula.

The 1%-plan we favor gives school boards the authority to exceed revenue caps by up to 1% of the state per-pupil allowable spending average that was, in FY02, about \$75 per pupil.

At the option of the district, the additional revenue would be considered partial school revenue. The effect of counting it as partial school revenue would be to increase the state's general equalization aid pool by two-thirds of the additional amount of spending. Districts that use this option would then receive additional state aid on their extra revenue.

It is estimated that an additional \$42 million in general purpose revenue would be required in the first year of the biennium if all 426 districts took advantage of the plan.

IWF thinks the aided alternative is important because of its effect on the state's poorest school districts. For example, in the poorest quarter of districts—as measured by property value per member (below \$215,000)—the effect of a 1%-unaided increase would result in an average levy increase of 4.1% or an additional half a mil.

On the other hand, the richest quarter of districts—again, as measured by property value per member (above \$360,000)—the effect of a 1%-unaided increase in property taxes would result in an average levy increase of only 1.5% or an additional one-sixth of a mil.

The net effect is to widen the disparity between Wisconsin's richest and poorest school districts, and most importantly, it widens the learning gap between the children who live in them. The richest districts currently have mil rates about one-half mil lower than the poorest—a discrepancy an unaided 1% solution would increase to three-quarters of a mil.

The impact would be especially hard on Milwaukee, which already faces a structural deficit of between \$4 and \$14 million. MPS would have to increase its levy by 4.5% to use an unaided 1% solution.

As I said, if there were no alternatives, the Institute for Wisconsin's Future could support five of the bills you are considering today. There is, however, a better solution—a 1%-solution that helps all school districts regardless of their property wealth or lack of it.

Again, thank you so much for your time today. The work you are doing is critically important to the public school children of Wisconsin, and I applaud your efforts.

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WISCONSIN EDUCATION ASSOCIATION COUNCIL

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*Every kid
deserves a
Great School!*

**Testimony to Senate Education Committee
By Terry Craney, President
Wisconsin Education Association Council
May 9, 2001**

Thank you chairperson Grobschmidt and members of the Senate Education Committee for this opportunity to speak today. My name is Terry Craney. I am the President of the Wisconsin Education Association Council. I would like to begin by stating that WEAC and the Wisconsin Federation of Teachers support many of the bills selected for public hearing today.

- SB 4 relating to school breakfast or lunch programs and SB 120 relating to school security measures are both part of the WEAC 2001-2002 Legislative Agenda.
- SB 124 as amended would help districts endure recent increases in health insurance costs.
- Two of the other bills, SB 149 and SB 153, attempt to provide flexibility to local school districts under certain circumstances.
- SB 73 represents an outright repeal of revenue caps and a new way to fund 2/3 of school operation costs.

WEAC would like to thank all the legislators who have authored and co-sponsored the bills before you today. While our organization generally supports nearly every bill that seeks additional flexibility to revenue caps, we are committed to the eventual full repeal of this law.

Every year since 1993 the Wisconsin Education Association Council (WEAC) and the Wisconsin Association of School District Administrators (WASDA) have jointly surveyed the state's school superintendents to assess the impact state-imposed revenue controls are having on our children's education. I find the hard numbers in the survey hard to swallow. But they confirm everything I have been hearing from teachers, parents and school administrators all over the state about the difficulty of maintaining our excellence under the state regulations.

Terry Craney, President
Michael A. Butera, Executive Director



State-imposed revenue controls are inflicting serious harm upon children, schools and the quality of education in school districts throughout Wisconsin. The WEAC/Wisconsin Association of School District Administrators annual survey of school superintendents found that revenue controls are forcing districts to make choices that decrease the quality of education.

“We are doing our leaders of tomorrow a disservice,” said one administrator. According to the statewide survey, 62% of school administrators believe the consequences of state-imposed revenue controls on the quality of education have been negative or very negative. Nearly 70% predict the quality of education in their districts will decline by 2005.

Educators have been warning for years that revenue controls will force districts to make cuts that harm the quality of education children receive. This survey is absolute proof: administrators themselves say children are being hurt. It is time to end this destructive law.

The seventh annual survey found that revenue controls are forcing districts to:

- Continue to delay or spend less on maintenance of their buildings and grounds (65.9%)
- Delay or reduce the purchase of computers and other technology (67.3%)
- Increase class sizes (49.8%)
- Increase student fees (55.7%)
- Use their fund balance to support the budget (53.1%).
- Districts with declining enrollments report more serious problems than districts with increasing numbers of students.

Enough is enough. The facts are in and the evidence is irrefutable: revenue controls are harming children and the high quality of education in Wisconsin. Every child deserves to be in a classroom that works with a trained and qualified teacher. Great schools benefit our entire state, and every state resident should join the call to end revenue controls.

Thank you for this opportunity to speak today.