

Educ

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Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number **01-2860/1** Introduction Number **SB-153**

Subject
 Revenue limit increase by school board resolution 5-8-01

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

| | | |
|-----------------------------------|-----------------------------|-------------|
| Agency/Prepared By | Authorized Signature | Date |
| DPI/ Keith Pollock (608) 266-1344 | Brian Pahnke (608) 266-2804 | 4/30/01 |

Fiscal Estimate Narratives

DPI 4/30/01

| | | |
|---|----------------------------|------------------------|
| LRB Number 01-2860/1 | Introduction Number SB-153 | Estimate Type Original |
| Subject Revenue limit increase by school board resolution | | |

Assumptions Used in Arriving at Fiscal Estimate

State fiscal effect:

This bill provides that any additional revenues provided to school districts under this bill would be excluded from the definition of partial school revenues. Therefore, the state would not be required to provide any additional funding to maintain its two-thirds funding commitment.

Local fiscal effect:

Under this bill, a school district with a two-thirds majority vote of its school board may increase its revenue limit by an amount up to one percent of the prior year's statewide average allowable revenue per pupil (estimated to be approximately \$74 in 2001-02 and \$77 in 2002-03), multiplied by the average number of pupils enrolled in the school district in the current and two preceding school years (estimated to be approximately 859,000 pupils in 2001-02 and 858,000 pupils in 2002-03). Under this bill, school districts would be allowed to increase their revenue limit authority by a maximum of roughly \$64 million statewide in 2001-02 and by approximately \$66 million in 2002-03. Subsequently, school districts could increase their local school property taxes by a maximum of \$64 million on a statewide basis in 2001-02 and by approximately \$66 million in 2002-03.

Long-Range Fiscal Implications

WISCONSIN EDUCATION ASSOCIATION COUNCIL

Affiliated with the National Education Association

*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.



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

**Testimony regarding 1 percent solution
Sen. Rosenzweig and Rep. Staskunas
Senate Education Committee
May 9, 2001**

I appear before you today on behalf of Rep. Staskunas and myself to ask the members of the Senate Education Committee to support Senate Bill 153 and its companion in the Assembly, AB 347.

During months of deliberation, the Kettl Commission spent considerable time discussing the problems that school districts face today. One of the proposals the Commission discussed was the "1 percent solution." These bills are an outgrowth of those discussions, mirroring a proposal the Department of Public Instruction floated last year and included in its budget request to the Governor this year. The legislation also stems from meetings Rep. Staskunas and I had with the Superintendent of Schools in West Allis and members of the school board. They told us they need this legislation to meet some very basic needs like rising heating costs, increasing health care costs, and the cost of maintaining older buildings. After listening to these individuals who deal with the tough issues on the front line every day, we were compelled to comply with their request for introduction.

Rep. Staskunas and I believe that this legislation offers a tool to local school boards that are struggling under serious budget constraints while maintaining revenue caps, which are so important to property taxpayers. Under SB 153 and AB 347, a school board may choose to exceed the revenue caps by 1-percent but the additional aid would not be built into the base for school aid calculation the following year. Also, the property tax levy would be exclusive to each community. That means that individuals from one community in the state would not be footing the bill for increases in another community. Finally, the additional revenue would be nonrecurring. Each year the school board would have to reach a super-majority conclusion that this is a good option to exercise.

Some of you may be concerned about the fiscal impact of this bill and we acknowledge the Department of Public Instruction's cost estimate is a basis for pause but please recognize the number they presented is based on the assumption that every school district will exercise this option. We believe this is untrue and that many school districts will not even try to reach a super-majority vote necessary to exceed the revenue caps.

We can only assume that each of you represents at least one school district that is challenged by demands on its budget. As you deliberate today, we hope you reflect on past conversations with your school superintendents and school board members who have brought the high cost of health care, rising heating prices and schools in grave need of repair to your attention. Please send this bill to the Joint Finance Committee where it can act as a catalyst for debate on the subject of revenue caps. We believe that through reasonable and diligent negotiations, we can reach a conclusion on this difficult issue that will benefit schools, students, parents and taxpayers. Thank you.

Vote Record

Senate - Committee on Education

Date: 5-23-01
 Moved by: Grobschmidt Seconded by: Robson
 Clearinghouse Rule: _____
 AB: _____ SB: 153 Appointment: _____
 AJR: _____ SJR: _____ Other: _____
 AR: _____ SR: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection
 - Indefinite Postponement
 - Tabling
 - Concurrence
 - Nonconcurrence
 - Confirmation

| Committee Member | Aye | No | Absent | Not Voting |
|---------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Sen. Richard Grobschmidt, Chair | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Robert Jauch | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Kevin Shibilski | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Jim Baumgart | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Judith Robson | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Jon Erpenbach | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Carol Roessler | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Alberta Darling | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Mary Lazich | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sen. Sheila Harsdorf | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Totals: _____