



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Assembly Committee on Education Assembly Bill 456 Thursday, Oct. 3, 2019

Thank you Chairman Thiesfeldt and fellow committee members for holding a public hearing and giving me the opportunity to testify on Assembly Bill 456, legislation that will provide grants to school districts to study whether consolidation or whole grade sharing may be right for them.

Before I get into my testimony, I want to make it perfectly clear that this bill, which is endorsed by the bipartisan Blue Ribbon Commission on School Funding, does not force school districts to consolidate or enter into whole grade sharing agreements.

When the topic of consolidation and whole grade sharing was discussed by the Blue Ribbon Commission, we decided – based on the feedback we received from numerous public hearings held across the state – that it was important to remove some of the barriers that school districts are facing when they are considering these options.

AB 456 is one of several bills from the Blue Ribbon Commission that will be introduced this session to assist school districts that are looking to consolidate or enter into whole grade sharing agreements.

The decision to consolidate is nearly always a painful one for a community. Very often a community's identity is closely tied to their schools. We understand, however, that for academic and financial reasons, consolidation may be the best option for some school districts. We also recognize that because of travel distances, consolidation is not a viable option for other small districts. This needs to be a local decision, but we want to give schools the tools they need if they decide to explore that alternative.

AB 456 would require the state Department of Public Instruction to provide school districts with grants of up to \$10,000 that would allow them to conduct feasibility studies on consolidation or whole grade sharing.

These studies oftentimes review a number of factors, including potential cost savings, which schools should be kept or eliminated, how to configure the grades at these schools and the additional academic programs that could be offered under a merger.

Because of the current trend we are seeing with declining enrollment, we know that consolidation or whole grade sharing may be the only option for some school districts.

Back in 2000, Wisconsin was below the national average in terms of individuals per household at 3.05. By 2017, Wisconsin's average fell to 2.41. Last year, Wisconsin's population grew by only 0.35 percent, which was good for 39th in the nation. Because of that population shift, there are less children in our state to educate. We must take into account that those numbers may not improve in the future.

On the other end of the spectrum, research from the Center for American Progress shows that Wisconsin, when considering populations sizes, is among the states with the greatest number of school districts. As of 2013, Wisconsin had 446 districts, while Florida, which has a much larger population than the Badger State, had only 73 districts.

School districts that consolidate often see many benefits, such as increased efficiency and reduced costs. According to the Center for American Progress, Wisconsin could save an estimated \$37 million per year in taxpayer dollars if our smaller school districts were to consolidate.

But, more importantly, school districts with larger student populations – especially at the high school level – are generally able to provide more advanced class offerings, services and extracurricular activities. We know that students who take advanced placement courses perform better on standardized tests and are better prepared and more successful in their post-secondary education.

Because of all those factors, we should not be standing in the way of school districts if they would like to consolidate. Instead, we should be helping them through the process. However, I want to reiterate that this bill does not force school districts to consolidate or enter into whole grade sharing agreements. It only provides them with assistance if consolidation ends up being the best option for them.

Thank you for taking the time to listen to my testimony and I hope you will support this legislation. I would like to thank the bill's Senate lead, Sen. Olsen, and his staff for all the hard work they put into this proposal. I would be happy to answer any questions if you have them.



Luther S. Olsen
State Senator
14th District

TO: Joint Committee on Education
FROM: Senator Luther Olsen
DATE: Thursday, October 3, 2019
SUBJECT: Testimony for Senate Bill 409 and Assembly Bill 456

Thank you members of the Senate Committee on Education, Chairman Thiesfeldt, and members of the Assembly Committee on Education for holding a hearing and allowing me to testify in support of Senate Bill 409 (SB 409) and Assembly Bill 456 (AB 456).

The 2007-09 State Biennial Budget created an appropriation for one-time grants that were available during the 2008-09 school year for school districts that were interested in conducting a consolidation feasibility study. During the Blue Ribbon Commission on School Funding members expressed interest in providing a similar incentive for schools.

School consolidation is when two or more schools merge into one bigger school. Schools may choose to merge for a number of reasons from being able to offer more course options, an expanded curriculum, cost savings, and extracurricular offerings. As a result schools that choose to consolidate benefit from both a curricular and financial standpoint.

This legislation creates a grant that will allow school districts to conduct consolidation or whole grade sharing feasibility studies. These studies often review a number of factors including potential cost savings, which facilities to use, how to configure the grades at those schools, as well as additional academic programs that could be offered if a merger took place. By giving districts the ability to conduct these studies it will give them the opportunity to see if consolidation is something that would be worth it for them or not.

Again, thank you for holding a hearing today. I ask for your support on SB 409/AB 456 and I would be more than happy to answer any questions.

Senate Committee on Education and Assembly Committee on Education
October 3, 2019

**Wisconsin Department of Public Instruction
Information on 2019 Senate Bill 409 and Assembly Bill 456**

This legislation creates a new continuing appropriation for grants to consortia of school districts. The grants are to be used for feasibility studies of school district consolidation or to enter into a whole grade sharing (WGS) agreement.

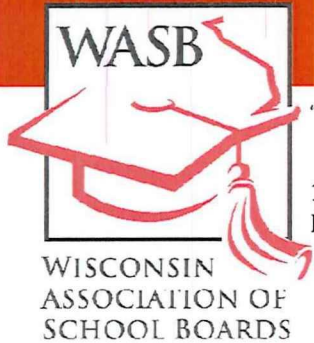
A WGS agreement authorizes school boards of two or more school districts to enter into an agreement to provide for the education of students, in one or more grades from pre-kindergarten through grade 12, by one or the other of the districts. An agreement shall be for no less than a full school year.

As of this date no Wisconsin school districts have entered into a WGS agreement. During the last 10 years, however, there have been 5 school consolidations.

Senate Bill 409 (SB 409) and Assembly Bill 456 (AB 456) require DPI to award grants of up to \$10,000 per eligible applicant. An eligible applicant is defined as a consortium of two or more school districts. At \$250,000, the appropriation could support at least 25 grant awards, assuming the maximum permitted amount is awarded. More than 25 grants could be provided if amounts less than \$10,000 were awarded.

Under SB 409 and AB 456, funds are appropriated in fiscal year (FY) 20 only. As this would be a continuing appropriation, any uncommitted budget authority remaining at the end of FY20 would carryover into the following FY21 for use by the department to make grants. The uncommitted budget authority remaining at the end of FY21, and subsequent fiscal years, would carry over to the next fiscal year until the budget authority is fully exhausted or the Legislature appropriates additional dollars.

While funds are appropriated in FY20 under both bills, there would be no actual expenditures, and thus no impact on the state's general fund, until such time as an eligible applicant is awarded a grant per the criteria under the bills. The department has no data to assess whether grant applications are likely to be received in FY20 or for years thereafter.



"Leadership in Public School Governance"

JOHN H. ASHLEY, EXECUTIVE DIRECTOR

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

TO: Members, Assembly Committee on Education
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: October 3, 2019
RE: SUPPORT for ASSEMBLY BILL 456, relating to grants for feasibility studies of school district consolidation or whole grade sharing.

The WASB supports Assembly Bill 456, which stems from the recommendations of the Blue Ribbon Commission on School Funding. Assembly Bill 456 would appropriate \$250,000 for grants to consortia of two or more school districts, to be used for feasibility studies of school district consolidation or entering into a whole grade sharing (WGS) agreement among the members of the consortia. Under the bill, DPI must award grants of up to \$10,000 per consortium; thus, the appropriation could support at least 25 grant awards.

Many times, school boards and district administrators looking to explore consolidation or whole grade sharing believe they lack the resources needed to hire financial and other consultants to help them model the effects of such actions or they may prefer to devote those resources to preserving existing programs and staff. Having the benefit of a careful cost/benefit analysis can help school boards and districts make more well informed decisions about whether to proceed further with a course of action and can also help to inform members of their school communities about the financial effects and other ramifications of a potential course of action. Having the state fund those studies makes this information available at no cost to the districts and their boards.

This bill is modeled on similar provisions that were included in the 2007-09 biennial budget act (2007 Wisconsin Act 20), which created a \$250,000 appropriation to fund school district consolidation feasibility studies. Consortia of two or more districts were eligible for one-time grants of up to \$10,000 per consortium. Funds were only available in the 2008-09 fiscal year.

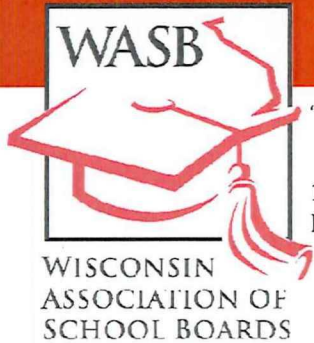
A total of 11 consortia involving 25 school districts applied for consolidation feasibility study grants under 2007 Act 20. As a result of information supplied by the consolidation studies conducted using those Act 20 funds, two consolidations took place:

- The Park Falls and Glidden school districts merged into the Chequamegon School District, effective in 2009;
- The Chetek and Weyerhaeuser school districts were consolidated into the Chetek-Weyerhaeuser School District, effective in 2010.

Among the other school districts that received consortia grants for consolidation feasibility studies were: Bruce and Ladysmith-Hawkins; Benton, Cuba City, Southwestern, and Shullsburg; Montello and Westfield; Prairie Du Chien and Wauzeka-Steuben; Cornell and Gilman; Pecatonica and Argyle; Belleville, Monticello, and New Glarus; Boscobel and North Crawford; and Wabeno and Laona.

Although several of the boards and districts that conducted consolidation studies didn't ultimately move forward with consolidation as a result of those studies, their decisions to remain separate were informed by the expert advice they were able to receive, and they were better able to respond to questions from their constituents and communities.

The WASB firmly supports maintaining decisions regarding consolidation or the use of whole grade sharing in the hands of locally elected school boards. Because we also believe better informed school boards make better informed decisions, we encourage your support for Assembly Bill 408.



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School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Senate Committee on Education
FROM: John Forester, Executive Director
DATE: October 3, 2019
RE: AB 441/SB 413 – Aid for Shared Services
AB 442/SB 412 – Aid for Whole-Grade Sharing
AB 456/SB 409 – Feasibility Studies for Consolidation, Whole Grade Sharing

The School Administrators Alliance (SAA) supports AB 441/SB 413, relating to aid for shared services; AB 442/SB 412, relating to aid for whole-grade sharing; and AB 456/SB 409, relating to feasibility studies for consolidation and whole grade sharing.

Perhaps the biggest surprise during the deliberations of the Blue Ribbon Commission on School Funding was the attention that school consolidation received. Several Commission members expressed interest in providing incentives for school districts to consolidate, with the goal of either reducing costs or increasing educational opportunities for children in smaller rural districts. Commission members also recognized that some districts may not be ready or may find it difficult to consider consolidation. However, they may be interested in working with neighboring districts on steps short of consolidation like whole grade sharing or the sharing of services.

Mr. Chairman, because these three Commission recommendations emanated from the Commission's discussions on school consolidation, I would like to share just a little Wisconsin school consolidation history for context. In 1938, Wisconsin had 7,777 school districts. Political controversy raged for four decades around the issue in Wisconsin. Legislation in 1947 and 1949 provided the template for school consolidation for several decades. The state approach could be described as some "stick" and mostly "carrot," with a heavy dose of control in the hands of local committees and boards.

Since 1994, Wisconsin's incentive-based school consolidation approach has resulted in, I believe, a net reduction of six districts, from 427 to 421. Given the relatively low number of consolidations in this period, the question arises, "Are the fiscal incentives enough to overcome the barriers to school consolidation?"

The barrier most commonly associated with consolidation is the loss of community identity, but there are several others including potential disparities in tax rates or debt between the two (or more) districts considering consolidation. Another is the impact on taxpayers if the consolidation requires a new building. Yet another is the uncertainty regarding the fiscal and operational viability of a combined district.

The SAA supports incentive-based consolidation policy. We believe if districts have attractive incentives and organization flexibility at their disposal, they will organize their schools to best meet the needs of their students, parents, taxpayers and community. We support each of these bills because they provide incentives for district collaboration in the form of whole grade sharing or shared services or help to overcome the barriers to school collaboration or combination. In short, they provide additional tools for districts to use to make the most appropriate decisions for their communities.

AB 441/SB 413 creates a categorical aid for a school district that enters into an agreement to share administrative personnel services with other school districts or with a local unit of government. Several SAA members have expressed interest in this categorical aid incentive program.

Under current law, whole grade sharing allows two or more school districts to enter into a whole grade sharing agreement to consolidate pupils in a particular grade level by offering that grade in only one of the participating districts. No aid is currently provided for districts that enter into such an agreement. **AB 442/SB 412** creates a categorical aid for districts that enter into a whole grade sharing agreement and adopt a resolution to consider school district consolidation.

Under 2007 Act 20, a program was created to provide grants to school districts for consolidation feasibility studies. One-time funding of \$250,000 general purpose revenue (GPR) in 2008-09 was provided. Grants under the program were awarded to 11 consortia of districts, two of which later consolidated. I was in my current position at the time and I always thought the program was a good idea, and I thought that it should have been continued.

AB 456/SB 409 creates a new, continuing appropriation for grants to consortia of school districts, to be used for feasibility studies of school district consolidation or entering into a whole grade sharing agreement. We believe that these studies may help some districts gain a clearer picture of the fiscal and operational viability of a potential consolidation or whole grade sharing collaboration.

Once again, the SAA supports all three of these bills. We thank the authors for bringing them forward. Thank you for your consideration of our views. If you should have any questions regarding our thoughts on these bills, please call me at 608-242-1370.