

Hello and thank you for allowing me the opportunity to share with you today information regarding education funding as it relates to our Phelps School District.

I would like to begin with a description of our district. Phelps is a rural district located in northern Wisconsin, Vilas County, bordering the Upper Peninsula of Michigan. Phelps Township consists of 94.2 square miles. Approximately two-thirds is National Forest Land. In 2005 we were considered the third smallest K-12 public school district in Wisconsin. Though small, our district is committed to high standards of educational performance for our students, and because of this commitment, the Phelps School district has met the criteria for a “high-performing” school district. High performing schools are identified by their positive, safe, and friendly learning environment. Our student scores on standardized tests continue to meet, or exceed, state and national levels.

We believe there is a strong, visible connection between education excellence in our school and the support received from the Phelps community. “*Ours is a partnership of school and community*”, the district’s vision, is confirmed by the involvement of parents, grand parents, extended family, and other community members in education opportunities offered both during and after school hours, such as, Junior Great Books, Knights in Training, KNIGHT (Kids Needing Individual Guided Help Time) Project, and our Rural Civic Engagement Project team. Our school mission, “*Create an environment of opportunity for our youth through excellence in education*” is attained through the close working relationships that our teachers have with parents to assure students achieve at their highest level of academic potential. The school climate created by this relationship fosters a friendly openness for parents to be welcomed into their school. This communication is important, encouraged and supported by our school board and administration.

Our comprehensive core curriculum is rigorous. Students are required to meet a minimum of (24) credits for graduation inclusive of English, Social Studies, Math, Science, Health and Physical Education. Smaller classes allow for curriculum

differentiation and high achievement as evidenced by our average composite ACT score of 22.9 over the past nine years. We are proud recipients of New Wisconsin Promise School of Recognition Awards at both elementary and high school levels for two years each and have been recognized nationally as a 2004 No Child Left Behind Blue Ribbon High School.

It is typical for Phelps to have small classes, but a small student population does not inhibit educational practice that fosters high achievement and excellence. Our school is grounded in the evident care and attitudes of our faculty toward meeting the learning needs of our students. Faculty understand that we must prepare students to meet the ever-changing expectations of society whether students remain in our district, or leave after graduation. Individual attention is given to each student. Our advanced students are provided accelerated, or independent, courses to meet their needs. Our student computer ratio is less than 2:1. We use a distance education classroom to receive and offer courses. Our students have access to on-line courses and college prep classes. Students in grades K-12 are able to participate in our grant funded After School program, the KNIGHT Project, four nights per week from October through April. We have a 60% plus participation rate in co-curricular activities among our 7-12 students and offer a variety of activities that include the performing arts, athletics, and student council.

Phelps has a certified teaching staff of 21. It is necessary for many of these teachers to have dual teaching certification to be able to be employed full-time. Currently, seven of our faculty teach in two, or more, curricular areas, or have multiple student grade levels in their classrooms. Five of our teachers, necessarily, are on emergency licensure or permits.

We have a unique and wonderful school. I am proud to be the District Administrator, and appreciate the working relationship I have with our district board members. I am always eager to share the successes of our students and faculty.

In addition, I have gathered local data, taken from our informational packets and shared with our residents for our annual meeting. Some figures may be slightly different than those reported by the DPI, or other reporting sources. This can be accounted for by differentiation of information included and the dates of collection.

In 1997-98 our enrollment (third Friday revenue limit count) was 213, and is now at 160, a 25% drop. Over nine years the average annual decline in enrollment has been about 3%.

In 1997-98 our Fund 10 school levy was \$1,649,983, now at \$2,507,563, a 52% increase. This is, in part, due to a building project, needed maintenance, resumed a previously dropped curricular program, and the need to build a fund balance that had become negative. Over nine years the average annual increase was 5.04%. According to the Wisconsin Tax Alliance, over the same time period the Phelps school levy including all funds increased 33.9% compared to the state average of 38.7%. Phelps ranks 258th for public K-12 school districts.

In 1997-98 our Fund 10 school levy when compared on a per student enrollment basis was \$7,746, it is now \$15,672, a 102% increase. Over nine years, this is an average annual increase of 6.7% per year. These increases are directly related to our declining enrollment, reduction in state aid, and passage of referendums to exceed the revenue caps for the purpose of operations.

In 1997-98 our equalized valuation was \$135,588,115, now \$405,901,601, this is a 199% increase. Over nine years this is an average of 12.8% per year.

And for comparative purposes, in 1997-98 our equalized valuation on a per student enrollment basis was \$636,563 now this figure is \$2,536,885, a 299% increase. This disproportionate figure is the result of inflated property values compared against declining enrollment and in a few short years has taken our

district to a negative tertiary district on all three levels (we currently receive \$29,000 of hold-harmless aid). We have cut where we can, but in order to maintain a sound fundamental education our costs to operate cannot be reduced further.

Our beginning teacher salary for this year is \$27,248 compared to \$25,187 in 1999-2000. This represents an 8% increase in beginning teacher pay over the past 7 years. (Average beginning teacher salary in WI is approximately \$28,950.) The top of our salary schedule (Masters +15 Credits) is currently \$49,749 compared to \$46,178 in 1999-2000. This represents a 7.7% increase over the past 7 years. (Average top salary schedule pay in WI is approximately \$53,800.)

** Due to QEO and Benefit packages.**

Our district insurance costs, even with two changes in benefit structure, over the past 7 years, has increased just over 14% per year (both single and family plans). The rising health care costs have definitely impacted our insurance costs.

Additionally, over the past 6 years our teachers have twice been held at their step on the salary schedule to meet the QEO. This year each teacher received a \$249 raise. In regard to post-employment benefits, our teachers receive a very modest benefit, approximately \$31,000 for insurance, when compared to other districts.

Our October 1 counts for Free/Reduced Lunch over the past six years is about 39%. While our December 1 count for Special Education over the past six years is 12.45%.

The impending reality of survival by referendum every three years for many school districts must hit the radar that there truly is a problem that needs to be addressed statewide.

The rate of rising property values in many districts has caused limited access to purchase for younger families thus perpetuating our declining enrollment, not to mention the tough situation new teachers find themselves in.

Economic development in our area is limited and many jobs are lower income, service jobs. There used to be thriving logging businesses in the north. However, with limited timber sales, this has changed.

The Revenue Cap and QEO vs expenditures, especially in the area of health care, has caused issues of small salary increases for teachers. We have a veteran staff. In turn, the issue of lower salaries causes issues in hiring new staff by not having competitive salaries.

Our long-term hope is that there will be a change to the funding formula such that our students and community too will benefit from general school aid. However, for the time being, I hope to see help regarding increased categorical funding outside the revenue caps for:

- Additional transportation aid
- Maintaining or increasing SAGE funding
- Increased special education aid

Additionally,

- Maintain the allowed per pupil increase at the rate of inflation
- Factor for districts with large acreage of non-taxable National Forest land

Factor in **“sparsity”** and **“income”** for low enrollment districts, especially where there is need for teachers in classrooms to offer the same basic fundamental educational opportunity as if the students were in a larger district.

Thank you for allowing me the opportunity to share.