May 18, 2015

Members of the Joint Committee on Finance,

We would like to extend a final plea for consideration of the impact on local property taxpayers in rural school districts as you approach the Joint Finance Executive Session scheduled for tomorrow. The latest discussions we are hearing on the expansion of independent charters and on an open enrollment model to fund statewide expansion of private school vouchers statewide will have a significant impact on property taxpayers throughout the state.

Rural schools are very concerned about the impact of expanding independent charters utilizing the funding mechanism of covering the cost of this expansion as a first draw off of existing general school aids. This year, a total of $68 million is being deducted to pay for the 2r charter schools in Milwaukee. This can be tens of thousands of dollars for even a small, rural school district. In almost all districts this deduction is being made up by an increase of the same amount in the local property taxes. Rural district need every penny available in their revenue limit, in fact, a greater number of rural districts each year are dependent on additional funds from referenda to exceed revenue limits in order to maintain existing and essential programs for their students and keep their doors open.

Further expansion of independent charters statewide will surely and dramatically increase the deductions from rural districts’ state aids resulting in further increases to the local property taxes. It doesn’t make a difference if the independent charter school is located anywhere near your school district, you still have the same deduction. The real irony is that the property poorest districts in the state, which are most dependent on state aid, will be the ones that will proportionally pay the most to support the newly created independent charters.

Utilizing an open enrollment model to expand private school vouchers will ultimately have the same effect. As more students, many of whom are already attending private schools, are added into the enrollment counts of districts that have private voucher schools the amount of general state aids going to these schools will increase. This increase of state aids to support students in private voucher schools will again diminish the pot of money available to be distributed to other schools statewide. Again, those rural districts with no private voucher schools even close to their borders will have their state aids diminish resulting in a corresponding increase to the local property taxpayer. Similar to the independent charter expansion, the property poorest districts will proportionally pay the most.

While the increase in sparsity and high cost transportation is appreciated and will help certain rural schools offset some of this cost, there are many, many rural school districts with enrollment above 725 or transportation costs that are between 100 and 150% of the statewide average that will not get an additional penny. The restoration of the per pupil categorical aid is absolutely essential to avert drastic and irreversible damage to these school districts. Finally, the revenue limit freeze will have a negative effect in every district. Without a revenue limit adjustment to account for inflationary increases to fixed costs the students attending our rural schools will experience additional lost educational opportunities.

Please take this into consideration as you make your final decisions!

Strong Schools, Strong Communities