

October 23, 2013

Rural Schools Task Force Testimony

Good afternoon, I am Mike Richie, District Administrator of the Northland Pines School District. This is my 29th year in education serving as a District Administrator for the past 16 years and the last 10 in the Northland Pines School District. Thank you for allowing me to testify in front of you today. I hope you enjoyed your tour of Northland Pines High School this morning.

The Northland Pines School District is a high performing school district, as we scored a 76.4 on our District Report Card; our high school scored over 80. Northland Pines is located in northern Wisconsin and includes the townships of Cloverland, Conover, Eagle River, Land O' Lakes, Lincoln, Plum Lake, St. Germain and Washington in Vilas County, and also a small portion of Newbold in Oneida County. The school district covers **474 square miles**. The 4K-12 enrollment is approximately 1,355 students of which 90 students open enroll into the district from other non-resident school districts. The total operating budget for the 2013-14 school year is \$23,776,402. Of this amount \$1.3 million is designated for transportation and I will hit on that in a few minutes. The school district employs nearly 220 employees. The Northland Pines School District has four very modern school buildings:

- ❖ Northland Pines High School constructed in 2006
- ❖ Land O' Lakes Elementary School grades PK-5 and SOAR Charter School grades 5-7 constructed in 1997
- ❖ St. Germain Elementary School grades PK-5 constructed in 1997
- ❖ Eagle River Elementary/Middle School grades PK-8 constructed in 1994.

Act 10 - Act 10 has given us the ability to implement cost saving measures and at the same time increase collaboration time for staff and improve student achievement. Here are just a few examples of what we have done as a district, saving the district over \$1,000,000.

- Drafted our employee handbooks effective July 1, 2011
- Increased the number of staff performance evaluations
- Implemented a high deductible insurance plan that includes a HRA and an HSA
- Changed all of our insurance vendors: Health, Dental, Life, LTD
- Increased the teacher workday by 30 minutes in order to implement collaboration and team planning time without losing instructional minutes
- Changed high school and middle school bell schedules
- Increased the number of hours to be considered full time (from 32 to 37.5)
- Outsourced food service and support personnel
- Designed a pay for performance payscale for certified staff
- Reduced post-retirement by 50%

I would be happy to discuss with you more of what we did with Act 10; time will not permit today during my testimony.

1.. **Aid Reduction to the NPSD** from 2003-04 through the 2013-14 school years. As you can see from the chart below, the Northland Pines School District has lost over \$418,000 in General Aid over the past 10 years.

School Year	Aid Amount		School Year	Aid Amount
2013-14	\$108,994		2007-08	\$274,425
2012-13	\$128,339		2006-07	\$323,171
2011-12	\$151,158		2005-06	\$380,492
2010-11	\$176,914		2004-05	\$447,975
2009-10	\$187,341		2003-04	\$527,432
2008-09	\$233,343			

2.. **NPSD Referendum History** - Our referendum history appears below; we have gone through five operational referendums since 2002 whereas some districts have not had to go to any operational referendums. This is due to the fact that we are a declining, small, rural, property rich school district. It will always cost us more in total expenditures because we must operate three small elementary schools which are over 40 miles apart. It is obviously less expensive to operate one larger building in a central location compared to three smaller buildings in rural locations; there is nothing in the current funding formula that takes this into account.

2002 April	3 Year	\$3,942,000	Passed	Stretched to four years
2006 April	3 Year	\$7,200,000	Failed	
2006 June	3 Year	\$4,740,000	Passed 1,580,000/yr	
2009 April	3 Year	\$8,700,000	Passed 2,900,000/yr	Stretched to four years
2013 February	3 Year	\$8,340,000	Passed 2,700,000/yr	Supported in all 10 townships
2016 ???	????	????	????	

3. Savings on Insurance - Prior to Act 10, we implemented an HRA (High Deductible \$2,000/\$4,000 Health Reimbursement Account) throughout the district. This resulted in all three unions filing grievances on October 2, 2009. The new plan was the exact same insurance plan and the exact same level of benefits, with out of pocket costs being the same as the old plan of \$250 single/\$500 family deductible. You can see the district's savings from the implementation of the HRA below. Beginning with the 2012-13 school year, we were even more creative and we increased the HRA to \$5,000/\$10,000 and also added a Health Savings Account (HSA) along with the HRA; this was not grievable because of Act 10.

YEAR	TYPE	Savings to District	
2010-11	\$2,000/\$4,000 HRA	\$139,980	Grievance Filed by all three Unions on October 2, 2009
2011-12	\$2,000/\$4,000 HRA	\$181,491	Grievance decision received on August 19, 2011 NPEA - District Lost NEST 1 - District Won NEST 2 - District Won
2012-13	\$5,000/\$10,000 HRA \$1,000/\$2,000 HSA	\$346,286	
2013-14	\$5,000/\$10,000 HRA \$1,000/\$2,000 HSA	\$406,843 To date	

The point of all of this is that as a district we have been very creative trying to reserve more money within the revenue caps and remain fiscally responsible to our taxpayers. Currently, I do not know of any other school districts which has an HRA along with an HSA in place.

4. Pay for Performance Pay Scale - Beginning with the 2013-14 school year, the Northland Pines School District has implemented a pay for performance payscale. Although this does not save the district money, it shows our commitment to raising teacher standards and the quality of education in a small rural school district. We have been asked to share and present our model at the WERC level, the CESA levels, WASB and in many individual school districts.

5. Collaboration with Neighboring Districts - I realize that we as leaders need to come up with creative ideas with our neighboring school districts. As an example, if we were able to develop the same school calendar and bell schedule, we may be able to share staff and offer more AP classes and rigorous classes to students, whether they are face to face or through the use of technology.

6. **Transportation and Sparsity Aid-** This is the most disheartening aspect of what a rural school district faces as far as challenges. Let me give you a specific example here: The Northland Pines School District spends over **1.3 million dollars** in transportation annually. Our busses travel over **2,070 miles per day** which equates to **372,600 miles in a 180 day school year**. We do not qualify for sparsity aid as the three criteria for sparsity aid are as follows:

- district membership is less than 10 students per square mile...we have less than 3/square mile
- 20% or greater in free & reduced lunch...we are over 40% (I have no idea what free and reduced lunch has to do with sparsity aid)
- total district enrollment cannot exceed 725 total students...this is the one criteria we do not meet as our district enrollment is at 1,355 which eliminate us from any sparsity aid, yet our district is over 474 square miles and again less than 3 students per square mile. This is simply wrong!

Two interesting facts here about transportation which were presented in a press release from State Superintendent Tony Evers dated April 10, 2013: 1) Sparsely populated school districts with less than 3.6 pupils per square mile spent over \$800 per student in transportation while school districts with between 11-34 students per square mile spent well under \$500 per student. **Side note.... some urban school districts do not provide any daily transportation for students other than for special education students and co-curricular activities.** 2) When it comes to overall per pupil cost in a school budget: sparsely populated districts with less than 3.6 pupils per square mile spend an average of over \$14,000 per student. In comparison, districts that have between 11-34 students per square mile spend just under \$12,000 per student. **There is nothing in the current formula or revenue cap limits which allows for this disparity. This is a huge disadvantage to the sparsely populated school districts when it comes to budgeting purposes.** I think we should define sparse or sparsity aid solely on the number of students per square mile, not free and reduced lunch and not enrollment.

High Cost Pupil Transportation Aid is a good thing for rural districts; please keep this in all future state budgets. The current statewide average cost for pupil transportation is approximately \$500 per pupil. The Northland Pines School District average cost for pupil transportation is \$960 per pupil, well over the 150% threshold, which qualifies us for high cost transportation aid. We must spend 1.3 million in transportation as part of our revenue limits where other districts can use that money for instructional needs.

7. **Enrollment** - The current funding formula calls for a three year rolling enrollment average. As of now, based on this formula, we are at 1,347 students for the 2013-14 school year. Please consider changing this formula to allow districts to use their highest enrollment during the past five school years. If we were to use our highest enrollment during the last five years, our enrollment in 2009 was 1,432; this would allow us an increase of 85 students for the funding formula and would increase our revenue limit.

8. School Start Date - I am encouraging you to support the school start date bill from Representative Ott and Senator Darling. Each local school district should be allowed to set the start date which best fits that district's/students' needs. This would allow for districts to begin the school year earlier and students would have more time to prepare for state mandated testing, which takes place in November. Due to all the high stakes testing, state report cards, Educator Effectiveness, accountability and mandates, we are penalized by our own state law which does not allow us to begin classes until September 1st. Tourism should not drive education, instruction and what's best for student learning. I assure you that our students and families are **NOT** taking vacations from the middle of August to the first part of September. In Wisconsin, football started on August 6th; volleyball started on August 19; soccer started on August 12th; and cross country started on August 19th. The state of Illinois starts school in mid-August so any Illinois family that comes to Wisconsin for vacation has to return by mid-August for their start of the school year. Other states do not have mandatory start dates. In speaking with a superintendent from Colorado, he stated that "The school start date is left up to all local school boards to decide." His particular school district start date is always in mid-August. He goes on to say that September 1st seems like a late start especially given the dates for standardized testing. Starting in September would significantly diminish the number of instructional days prior to the testing period. If you polled the superintendents in Wisconsin, the vast majority would all be on the same page with those statements. As a Superintendent, we don't have any problem with being accountable for our students' success and high stakes testing. Don't set us up for failure by mandating we cannot start school until September 1st or later. Local control is what we need for our school start date.

If this law were to change:

- districts would have much more freedom within the school calendar and be able to have more productive instructional time
- districts would be able to get creative with more year round/calendar schooling options
- potentially could save money if districts chose to start earlier in August and take more days off during the winter months to save money spent on utilities during the coldest months
- potentially could move to a 4 day week or alternative schedule to dually allow a savings in both the areas of transportation and support personnel by not having buildings open on the 5th day
- eliminate the 180 pupil contact day requirement; however, keep the number of instructional hours in place. This would allow the school districts to implement some creative cost saving options.

9. Security/Safety Updates - Any dollars spent to improve security and safety measures should be exempt from any revenue cap limitations. The Northland Pines School District budgeted over \$200,000 for the 2013-14 school year for security/safety improvements. We were penalized instructionally for improving our students' and staff safety.

10. **PE Bill Proposal** - If this proposal by Representative Weinger is passed, it will only add to our financial problems. We will be forced to hire more PE teachers than we currently have and it would also take instructional minutes away from the academic areas. **I can't stress enough to you that you can not enforce all these accountability mandates and at the same time delete instructional time from our school day.**

11. **Common Core** - Support the Common Core state standards. As you talk to the educators across the state you will find that the vast majority highly support the Common Core movement. This may not save money; however, it is about all districts challenging students across the board from district to district and state to state. I have watched our staff work collaboratively with each other over the past few years as we've developed curriculum to meet the Common Core standards. Common Core standards is not curriculum; each local school district is allowed to choose their own curriculum and determine how that instruction is delivered.

12. **High Speed Internet** - High speed internet access at home and school is a MUST. This would allow all students, regardless of where they live, an even playing field. Many of the mandates coming from Madison are web based, Smarter Balanced Assessment and Educator Effectiveness, for example. As a district we need affordable access. If WISCNET ends up going away - and I realize this has not been decided yet - it would cost us a lot of money. Some school buildings in rural areas may not have access to high speed internet. We are fortunate in all four of our school buildings we do have high speed internet; **however**, all of our students and staff do not have access to high speed internet at home. Personally, I fall into this category as I live five miles from my office and I do not have access to high speed internet. This is extremely frustrating for me; I can only imagine how our students feel as they attempt to do their homework without having high speed internet available to them. It would be nice if all rural schools would have the same internet options and access as the urban districts.

In conclusion, we need to have more opportunities for 2 and 4 year post-secondary schools for our local rural communities. Another idea would be to reward or support partnerships between small schools for AP or Voc Ed classes. It would be great if we had less competition between schools for open enrollment and if we could reward partnerships for collaboration among neighboring rural schools.

Thank you for your time and I would be happy to address any questions.