Good afternoon. My name is Todd Kleinhans and I am the District Administrator for the Lakeland Union High School District located in Minocqua. I want to thank Representative Swearingen and members of the Speaker’s Task Force on Rural Schools for the opportunity to briefly share some of the challenges that we face in providing a quality education to the students of my district. At the same time, I hope to suggest possible solutions to these challenges that would not only benefit the students in my district but in rural school districts across Wisconsin. Prior to doing so, let me share a bit of demographic information regarding the Lakeland Union High School District.

The Lakeland Union High School District is one of ten union high schools in the State of Wisconsin, providing a comprehensive high school education to students in grades 9-12. It is also the largest geographical school district in the State of Wisconsin, encompassing over 810 square miles and serving approximately 10,000 residents of the towns of Cassian, Hazelhurst, Lake Tomahawk, Minocqua and Woodruff, Oneida county; and the towns of Arbor Vitae, Boulder Junction, Lac du Flambeau, Land O’ Lakes, Manitowish Waters, Presque Isle, and Winchester, Vilas County, Wisconsin.
The district is supported by four independent elementary districts and includes parts of Vilas and Oneida counties and the reservation of the Lac du Flambeau Band of Lake Superior Chippewa Indians.

For the 2013-14 school year, the district is home to approximately 725 students and employs nearly 80 professional staff and 40 support staff. The district is governed by a nine-person Board of Education, which is committed to the principles of shared decision making and site-based management. LUHS has a long tradition of Board of Education, teachers and staff, parents, administration, students and community members working together to provide a quality education for all.

**CHALLENGES**

**Support the Establishment of High Speed Access to the Internet**
The Lakeland Union High School District is committed to providing digital tools and media to engage students in the learning process, help them experience academic success, and to foster long-term skills needed in the workplace and personal life. Students are provided a variety of opportunities to experience educational technology at its best. However, an annual survey of our student body conducted over the last four years shows that only 78% of our students have high speed access to the internet. Schools and communities can often find ways to get families computers or other devices but the students are at a disadvantage if their homes do not have access to high speed Internet.

**Increase State Support for Special Education**
During the 2012-13 school year, our district spent nearly $2.4 million dollars to provide services to students with special needs in order for these students to receive a quality education. Special education costs comprise approximately 15% of our total budget (all funds). While our district’s special education costs continue to rise slightly, federal and state categorical aids for special education have not increased at the same rate as costs, and this disparity is expected to continue to grow. The primary state source of revenue for special education is through categorical aid. Any special education costs that are not reimbursed by the state or federal governments are eligible for reimbursement under state general equalization aids; however, revenue limits restrict the amount of state general equalization aids and property tax revenue a school district may receive.

**Increase State Support for High Cost Special Education**
Children with severe disabilities often need costly nursing services and assistive technology, expenses that are currently not eligible for reimbursement under the special education appropriation. These services can cost three or more times the average expense for educating a pupil. As a means to assist school districts in paying for such related costs, DPI created an additional special education aid appropriation of $3.5 million annually for funding certain high-cost services. The department has also allocated approximately $1.9 million annually in federal Individuals with Disabilities Education Act (IDEA) discretionary funding to continue its *Keeping the Promise* commitment to support pupils with severe or multiple disabilities. As part of the 2013-15 state Budget, DPI requested $1,500,000 GPR in FY14 and FY15 to increase the estimated reimbursement rate of high-cost special education claims to 55 percent and
52.3 percent, respectively. These numbers assume the continuation of $1.9 million from the federal Individuals with Disabilities Education Act. No increased funding was provided.

**Provide Funding to Staff Mental Health Services**

According to the National Association of School Psychologists (NASP) child and adolescent mental health problems are at a point of crisis for our nation. One out of every ten children or adolescents has a serious mental health problem, and another 10% have mild to moderate problems. Mental health problems in young people can lead to tragic consequences, including suicide, substance abuse, inability to live independently, involvement with the correctional system, failure to complete high school, lack of vocational success, and health problems.

There is a lack of mental health services for children and adolescents in our schools and local communities. Less than one-half of children with mental health problems get treatment, services, or support. Only one in five gets treatment from a mental health worker with special training to work with children. Families living in poverty and families who have children with other disabilities or health concerns have an especially difficult time getting services that would identify, prevent or treat mental health problems. Children and adolescents with mental health problems are usually involved with more than one agency or service system, including mental health, special education, child welfare, juvenile justice, substance abuse, and health. However, no agency or system usually takes responsibility for coordinating their care or prevents them from falling through the cracks and getting the necessary services.

The costs of mental health problems in children are great for our country. They affect children, adolescents, and their families as well as schools, communities, employers, and the nation as a whole. A lack of funding for mental health services impacts our students, families, and local communities.

**Maintain High Cost Transportation Aid**

As indicated previously, the Lakeland Union High School District encompasses over 810 square miles. It is the largest geographical school district east of the Mississippi River. Our district spends close to $1 million annually to transport students and prior to this current school year the district received less than 8% of these costs back in the form of state transportation categorical aid.

Wisconsin’s small and rural districts are hardest hit by increasing transportation costs. There are 83 school districts with pupil transportation costs per member above 150 percent of the state average, making their total transportation costs nearly $10 million. Act 20 provided $5 million GPR in a new appropriation in both FY14 and FY15 to reimburse school districts’ pupil transportation costs per member incurred above 150 percent of the statewide average. If the amount of the appropriation is not sufficient to pay all costs, payments to school districts shall be prorated. Your support to maintain this new high cost transportation categorical aid program is greatly appreciated.
SOLUTIONS

Establish Wisconsin Rural Education Achievement Grant Program

The Wisconsin Rural Education Achievement Grant is a possible solution to many of the issues that rural school districts across Wisconsin are facing. The federal Rural Education Achievement Program (REAP) is an effective conceptual model that could be considered when designing an expanded state categorical aid program.

The state’s small, rural districts face unique fiscal challenges which Sparsity Aid attempts to address. Many educational programs, including core academics, are becoming relatively more expensive given the challenges facing these rural districts, including declining enrollment, large geographic areas, rising property values, and low median income. Sparsity Aid is flexible allowing districts to put the resources where local needs dictate. The Department of Public Instruction (DPI) is directed to pay Sparsity Aid to school districts that meet the following criteria:

1. School district membership is no more than 725 members.
2. District membership is less than 10 members per square mile of the district’s geographic area.
3. At least 20 percent of school district’s membership qualifies for free or reduced-price lunch (FRL) under the National School Lunch Program.

The $13,453,300 appropriation has not increased since 2011-12. As a result, per pupil reimbursement for FY14 fell to $237 from $246 in FY13. The limited per pupil funding made available through Sparsity Aid is often too small to be effective in helping rural schools overcome significant challenges relating to academic achievement, teacher retention and quality, and educational technology.

Rural schools are especially challenged when it comes to teacher retention and quality.

- By way of example, a table from the National Center for Education Statistics (NCES) shows high percentages of job vacancies in rural schools in subjects ranging from special education to vocational education.

- Furthermore, after the No Child Left Behind Act of 2001, schools were met with new requirements and standards to increase the quality of education. The act required states to, among other educational reforms, guarantee that every teacher is qualified in their subject area. All core classes (science, history, math, English, etc.) are required to be taught by qualified teachers. **Qualifications entail the necessary degrees and certifications for teachers mandated by the Department of Education, and for rural schools, this demand proves difficult.** The act set deadlines for schools to institute a plan that ensures their teachers are “highly qualified.”

- Finally, the average salary of teachers in rural schools is less than in other areas, with base salaries ranging from $44,000 for teachers with a bachelor’s degree, to $51,600 with a doctorate.
As mentioned previously, the goals of an expanded state categorical aid grant program could be aligned with the federal **Rural Education Achievement Education Program (REAP)** which is designed to help rural districts meet their state’s definition of adequate yearly progress (AYP). REAP includes two programs: the **Small, Rural Schools Achievement Program**, and the **Rural and Low Income Schools Program**.

To be eligible under the **Small, Rural Schools Achievement Program**, districts must meet the following criteria:

- Average daily attendance of less than 600 students; or all schools in the local education agency (LEA) must reside within a county with a population density of less than 10 people per square mile (Forest and Iron Counties)
- Locale code of 7 or 8

About 120 Wisconsin school districts are **eligible**. Recipients may use program funds to conduct activities under the following Elementary and Secondary Education Act (ESEA) programs, including Improving the Academic Achievement of the Disadvantaged; Improving Teacher Quality State Grants; Educational Technology State Grants; Language Instruction for Limited English Proficient and Immigrant Students; Safe and Drug-Free Schools and Communities; 21st-Century Community Learning Centers; and State Grants for Innovative Programs.

Under the **Rural and Low Income Schools Program**, awards are issued annually to state education agencies (SEAs), which make subgrants to LEAs that meet the applicable requirements. To participate, school districts must meet the following criteria:

1. The district cannot be eligible for the Small, Rural School Achievement Program.
2. All schools within the district must be designated with an NCES locale code of 6, 7, or 8.
3. The district must have a poverty rate of 20% or more, as defined by the number of children ages 5-17 from families with incomes below the poverty level.

In FY07-08, four school districts were eligible in Wisconsin; Total WI allocation of $68,030.
In FY08-09, five school districts were eligible in Wisconsin; Total WI allocation of $106,565.
In FY09-10, eight school districts were eligible in Wisconsin; Total WI allocation of $191,648.
In FY12-13, 33 school districts were eligible in Wisconsin; Total WI allocation of $790,247.

Recipients may use program funds to conduct the following activities:

- Teacher recruitment and retention, including the use of signing bonuses and other financial incentives;
- Teacher professional development, including programs that train teachers to use technology to improve teaching and that train teachers of students with special needs;
• Support for educational technology, including software and hardware, that meets the requirements of ESEA, Title II, Part D (Enhancing Education Through Technology; # 84.318);
• Parental involvement activities;
• Activities authorized under the Safe and Drug-Free Schools and Communities: State Grants program (ESEA, Title IV, Part A, Subpart 1; # 84.186A);
• Activities authorized under ESEA, Title I, Part A (Improving Basic Programs Operated by LEAs; # 84.010); or
• Activities authorized under ESEA, Title III (Language Instruction for Limited English Proficient and Immigrant Students).

**Establish a Minimum Aid Amount**

All students throughout the state of Wisconsin deserve some level of state financial support regardless of where they live. The average per pupil general school aid support in 2012-13 was $4879. In FY13, 20 rural resort and lake area districts were denied state support due to their property “wealth” even though revenue limits have an equalizing effect in preventing access to that wealth. These districts are not eligible to receive any state equalized aid. They are, however, eligible to receive special adjustment aid that provides these districts with 85% of the aid they received in the prior year. Eighteen of these districts received special adjustment aid, but the dollar amounts are fast approaching zero. A minimum level of special adjustment aid is needed to assist unique school district outliers that have very high property values and low pupil counts.

A second type of special adjustment aid could be created under which each school district’s aid entitlement could not be less than an amount equal to a statutorily-specified per pupil payment times the district’s aid membership. In a budget motion presented last spring, Representative Bies proposed a minimum aid level of $250 per student. The following 22 school districts received less than $250 per pupil in general aid in 2012-13: Lake Country, Big Foot UHS, Fontana J8, Williams Bay, Geneva J4, Linn J4, Linn J6, Gibraltar Area, Green Lake, Sevastopol, Washington, Elcho, Lakeland UHS, Minocqua J1, North Lakeland, Northland Pines, Phelps, Three Lakes, Webster, Drummond, Mercer, and Northwood. Had a $250 per pupil minimum been in effect for 2012-13, these 22 districts would have received a combined $1.3 million (less than .03% of the $4.293 billion in total net general aid payment).

Once again, thank you for time this afternoon. Your efforts in helping to address some of the unique issues that affect rural schools as we seek to achieve the highest quality education for students throughout the state of Wisconsin is greatly appreciated. If time permits, I would certainly be willing to answer any questions.