



WIRSA SPEAKS OUT ON EFFECTS OF AB40 ON RURAL SCHOOL DISTRICTS

Rural school districts are an important part of the fabric of rural Wisconsin and the backbone of Wisconsin's public education system. There are approximately 250 rural school districts and they are also the lifeblood of rural Wisconsin communities from Benton to Athens to Laona. There is a direct connection between the quality and economic health of the school district and the economic wellbeing of the community it serves. In addition, the school is often the center for a community's social and cultural activities.

Historically, rural school districts have offered excellent educational opportunities to their students resulting in high achievement and graduation rates. Small, rural schools have many advantages providing personal attention to all students with the ability to quickly implement innovative programs. However, the past ten years have taken a dramatic toll on most of them and now AB40 will place many rural school districts that are already struggling at serious risk.

The context is that nearly all rural districts have experienced declining enrollment over the last ten years, many by more than 20%. The revenue limit certainly has not kept up with inflation and district budgets had to annually be reduced. The fact is that there are 49 school districts in the state that have a lower revenue limit in 2013 than they had in 2003 and 44 of them are rural. For example, Goodman-Armstrong is 27% less than 10 years ago, Alma is 20% less, Black Hawk is 18% less and Plum City is 12% less.

Fewer students does allow for a certain level of cost savings but in rural districts the lack of economies of scale, sparsity and fixed costs prevent these districts from proportionately reducing costs to match flat or declining revenue limits. Over the years most rural districts have had no choice but to cut deeply into student opportunities by eliminating or reducing foreign language courses, advanced placement classes, career and technical education offerings, art, music, guidance and library services. Very few rural districts have been able to maintain a reading specialist. Wabeno and Prairie du Chein have less than a half-time librarian, agriculture has been eliminated in North Crawford, foreign language in Southern Door and Rio has been eliminated, as well as business education in Tigerton and family and consumer education in Royall. Support services such as health, food, custodial and teacher aides have also been dramatically reduced. In addition, building maintenance is being delayed, busses are not being replaced as they should be and aging equipment has not been updated. The maintenance and bus replacement budgets in Fennimore have been reduced from \$200,000 to \$28,000. Of special concern is the lack of resources in rural districts to maintain and update their technology infrastructure. It is unfortunate because this is the one area that has the greatest potential to be an equalizer of opportunity for rural students and it will also be a prerequisite for online achievement testing and student information systems in two years.

The last biennial budget reduced the revenue limit by an average of \$550 per student in 2011 and rural school districts applied the tools provided to them by changing health insurance plans, requiring employees to pay a much higher percentage of the premium along with half of their WRS contribution, eliminating post-retirement benefits and in many cases like Prairie du Chien, Maple and Kickapoo, reducing staff to part-time so no insurance benefits would be offered to them at all. Most rural school districts froze salaries and some are still frozen two years later. Teachers in Lodi have salaries that are \$1,500 to \$3,800 less than two years ago. In nearly every rural district, these tools were not enough. In Pepin, the actual revenue reduction was \$763 per student and applying the tools covered only one-third of that amount. Additional deep cuts needed to be made to student opportunities.

Now we have AB40 providing absolutely no increase to the revenue limit which will again translate to a revenue reduction in many districts. How can these rural districts possibly do more? They have no control over inflation, single class sections cannot be reduced, no more buildings can be closed (nearly 100 buildings closed in the past 10 years), administration is already compressed and at a bare minimum, insurance and utilities must be paid. Transportation costs, which for many districts are between \$700 and \$900 per student, cannot be further reduced. There are 95 districts with less than four students per square mile with many districts such as Chequamegon (741), Hayward (613) and Antigo (541) covering more than 400 square miles. Students in Maple, Rhinelander and many other districts ride a bus for more than an hour in the morning and evening. The annual transportation costs for 75 rural districts with less than 3.6 students per square mile exceed the average cost for the remaining districts by 55%. That is \$225,000 more cost for a district with 750 students.

Providing special education services is also a significant challenge for rural school districts. School staff enthusiastically provide the services to meet the needs of their special education students. But as the costs rise to provide these required services and the federal/state categorical aids to support them diminishes, additional resources are drained from regular school programs for all students. These special education costs often cannot be reduced because of the federal requirement for what is called, "maintenance of effort."

The revenue limit absolutely must be increased to maintain the investment in student instruction or the opportunity gap for our rural students will just increase. The revenue limit increase needs to be at least at the Consumer Price Index (CPI) to avoid further erosion of student opportunities.

The dramatic increase of part-time classroom teachers, librarians, counselors and specialists along with suppressed salary schedules raises the very real issue of attracting and retaining high-quality teachers in rural school districts. Rural districts are reporting a significant decrease in teacher applications for available positions.

AB40 proposes the use of report cards to reward high-performing schools. However, the report cards are still in the development stage, were never intended for that purpose, do not take into account the effect of poverty on student achievement and for several reasons, may not adequately rate small rural districts. Certainly, best practice is to base high-stake decisions on multiple tests and measures. The \$62 million earmarked for this program would go a long way to support attracting and retaining teachers in rural school districts.

A dependence on referenda to exceed the revenue limit by increasing property taxes is simply not sustainable. Reductions in the revenue limit have caused many districts to become referendum dependent. Attached to this testimony are two statewide maps, one from 2003 and one from 2011, that illustrate the level of poverty in school districts across the state as measured by the percent of students on free- and reduced-priced lunch. You will clearly see that there has been a dramatic increase in poverty for those areas of our state that are primarily rural. This has significant educational as well as funding implications for the majority of rural school districts.

AB40 expands private school vouchers beyond Milwaukee and Kenosha and eventually will affect every school district in the state. **This budget does not adequately fund education in rural public school districts and then worsens the problem by draining additional resources from all districts to fund an expanded private school voucher program that has not shown to improve student achievement compared to public schools.**

The expansion of independent charters contained in AB40 will have an immediate affect on all rural school districts and taxpayers. The current funding of \$7,775 per student amounts to a total of \$60 million reducing the general aid eligibility of every school district. **This amounts to a 1.4% reduction in every school district's equalization aid. This will dramatically increase with the expansion of independent charters and rural school districts that are higher aided lose the most.**

The proposed independent charter board made up of political appointees will be authorized to create independent charters anywhere in the state. **The per pupil payment for these charters will increase 1% per year to nearly \$8,000 in 2014-15 and will again be funded through lost aid translating to increased taxes for taxpayers in rural districts.**

These new independent charters will not be confined to more populous areas because in all likelihood, some of them will be virtual charters drawing students from throughout the state. This will likely be a threat to current virtual schools operated by public school districts and utilizing open enrollment because the independent virtual charters would have revenue of \$8,000 per student instead of the open enrollment amount of \$6,500 per student allowing them to offer free computers and other enrollment incentives for parents. It is again the rural school districts that would suffer and local taxpayers across the state that would pay.

Wisconsin school districts are already among the leaders in the nation when it comes to establishing instrumentality charter schools and there are some exemplary charter schools in rural school districts like Mauston and Oconto Falls. They can be sources of educational innovation, improving educational opportunities and reducing costs. The language of AB40 affecting instrumentality charter schools becomes a deterrent for districts to create new charters and likely will result in not renewing existing charters. AB40 severely limits local school boards in their ability to manage their charters and requires them to spend an equal amount per pupil in the charter as they do in their entire K-12 operation. It will no longer be feasible for districts to maintain these creative opportunities for students.

Rural communities are proud of their schools. Rural school boards want to maintain high-achieving schools that provide a wide range of opportunities for their students which will prepare them to be ready for careers or post-secondary education. Rural administrators, teachers and staff work hard every day to serve every individual child that comes through their doors. They embrace innovation such as RtI and are willing to implement the common core standards, new teacher and administrator effectiveness systems and new accountability requirements. But it takes adequate resources to accomplish the task.

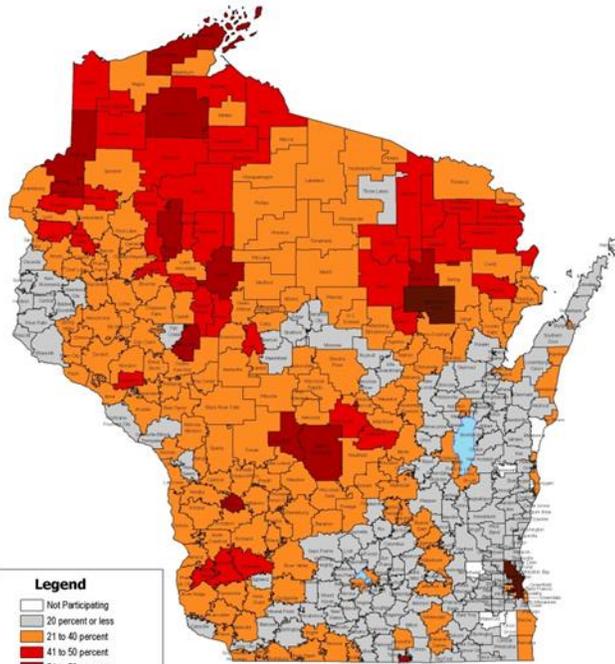
Every day we hear or read about great things that happen in our rural schools and accomplishments of our rural students, but without a strong commitment to public education and an adequate investment in our rural schools it cannot be sustained.

Note: The specific references to individual school districts included in this document are representative of rural school districts throughout the state. Every district has its own story, but in all cases students opportunities have been lost.

Jerry Fiene is the Executive Director of the Wisconsin Rural Schools Alliance, a statewide organization representing administrators, board of education members, teachers and community members from rural districts.

See Poverty Maps on following page.

**Wisconsin Public School Districts
Free or Reduced-Price School Meal Eligibility
2003-2004**



Legend

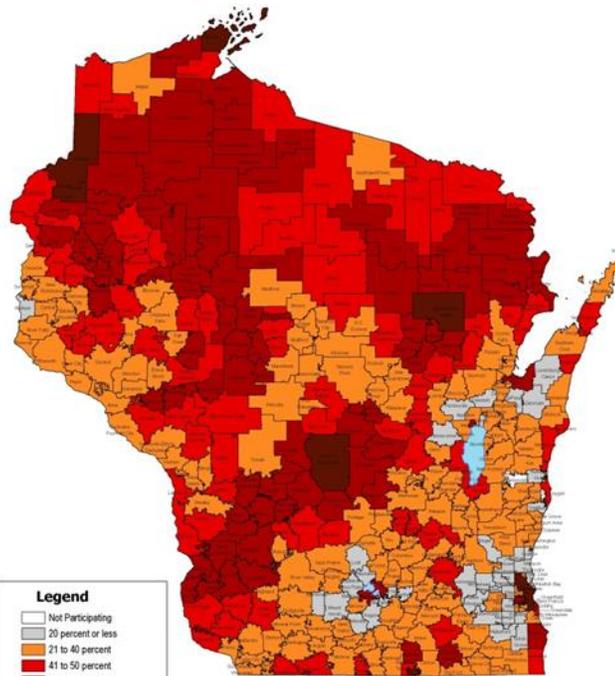
- Not Participating
- 20 percent or less
- 21 to 40 percent
- 41 to 50 percent
- 51 to 70 percent
- More than 70 percent

Data Source: National School Lunch Program reimbursement claims submitted by school districts to the DPI

October, 2003



**Wisconsin Public School Districts
Free or Reduced-Price School Meal Eligibility
2011-2012**



Legend

- Not Participating
- 20 percent or less
- 21 to 40 percent
- 41 to 50 percent
- 51 to 70 percent
- More than 70 percent

Data Source: National School Lunch Program reimbursement claims submitted by school districts to the DPI

October, 2011

