

West Bend Joint School District No.1

To: Board of Education  
From: Pat Herdrich  
Re: Agenda Item No.  
Date:

**Executive Summary**

**Presentation:**

**Pat Herdrich, and the leadership team of the West Bend School District, will present to the Board of Education the recommended legislative platform for the 2011-12 and 2012-13 biennial budget.**

**Critical Issues facing Public Schools:**

- 1. Partisan politics and the current school funding systems are damaging school programming and local communities.**
- 2. Current school funding formulas cannot keep pace with expenses.**
  - a. Current state legislation and rules through the Department of Public Instruction set the requirements for salaries, benefits, and programming.**
  - b. Available funding is inadequate to cover the expenses and rising costs.**
  - c. Partisan politics are preventing the legislature from addressing the critical issues facing public education funding. As a result, local communities and local school boards are placed in situation of managing the anger of the local taxpayers with the inability to address the root cause of the problem.**
- 3. The state budget is estimated to be in a 2 Billion Dollar deficit for the next biennial budget (2011-2013). Public Schools represent about half of the state budget. The context for funding is going to get worse.**

**Immediate Request for the state legislature and the Department of Public Instruction:**

Until the base funding formula issues are addressed,

1. modifying the requirements set by law,
2. ensuring revenue limits keep pace with expenses,
3. eliminating the levy credit that diverts funding away from the formula itself),

the West Bend School District is asking that waivers be granted by the Department of Public Instruction and the State Legislature to schools to adjust the mandates to ensure available resources can cover the programming costs.

The revenue limits have been in place for 17 years. The formula is set in a manner that the revenue cap does not keep pace with the cost of the mandates for salaries and benefits.

The West Bend Schools have cut programming to students, increased class size, reduced leadership, and each year the cuts continue because the system designed to fund public education is the issue. This design is not sustainable. We cannot continue cutting our way to successful schools in the state of Wisconsin. We must open up the requirements or change the revenue limit and funding structure so it can keep pace with costs.

Some states have mandated changes in compensation structures and instituted designated penny on the sales tax dedicated to schools.

Wisconsin legislators have not addressed the base issues nor has the Department of Public Instruction. As a result, the conflict on increasing local property taxes and decreasing opportunities for children is pulling local communities apart. Local taxpayers do not understand that the funding formula itself is driving the issue.

We need help from the legislature and the Department and we need it now. Six months remain from now (June 2010) and the time the next biennial budget will begin. We cannot continue to deplete opportunities for students and push the political war into local communities when local school boards cannot control the issues causing the problems in the first place.

**This document will frame the following:**

1. The areas of state policy that are specifically challenging the ability of the West Bend School District to sustain the resources necessary to meet the requirements of law and sustain adequate funding for students.
2. The requirements that will be asked to be waived by the State Department of Public Instruction in the short term until the state can determine a funding system that will resolve the issues longer-term.
3. The information gathered on the alternative of submitting a lawsuit against the State of Wisconsin for failing to address the issues of school funding.

**Topic and Background:**

Funding public education is a significant issue for the State of Wisconsin and the local school districts. The problems are numerous, but the critical issues can be highlighted within 3 areas.

1. School levy credit was designed to provide property tax relief; not to fund programming for students within public schools. Property owners receive a credit from the state that lowers their tax bill. These dollars are not collected by the state. Therefore, the property owners are benefitted, but the schools do not receive any funding. The problem is these dollars are then counted by the state legislature as a portion of the commitment of the state to financially support public schools. These funds are not collected for school purposes and do not offset the rising costs of education.
2. The dollars diverted into the levy credit state legislators have lowered the revenue actually going into the school aid formula for equalization aid purposes. As a result, the equalization aid is not getting to the districts that the formula was designed to impact and those determined to have the highest need for state aid support.
3. The equalization aid formula and revenue cap placed on schools cannot account for the requirements the state legislature expects for funding required programming and keeping pace with the expense of the rising costs. Specific legislation outlines the expectations that districts and school boards must follow for negotiations, retirement costs, arbitration, health benefits and Other Post Retirement Benefits. Benefit costs have doubled as a percentage of the total budget. The revenue limits are set to increase approximately 2.2% each year. This is not sustainable and the legislature is not addressing the requirements set for public school funding that are driving the costs, nor is the Department of Public Instruction. The expectations of the state are inadequately funded and the burden is shifting more heavily to the local tax payers at a rate that is not assisting local communities nor is it funding the public schools to cover the requirements set by law.

Therefore, the following platform has been outlined specifically to advocate for immediate relief in the 2011-12 biennial budget.

The leadership team of the West Bend School District is recommending that:

1. The State Legislature change the laws that mandate health care, post retirement benefits, retirement costs, and mandates for programming to ensure the funding available to public schools can indeed meet the requirements and support strong programming for Wisconsin students as they prepare to enter post secondary and the job market.
2. The State Legislature immediately charge a team to address the funding issues both short term and long term before the biennial budget is released for the 2011-13 school years.
3. The Department of Public Instruction allow districts the latitude of waiving requirements for programming and calendar that drive costs beyond available funding until such time that the formula and funding itself can adequately keep pace with the expenses of the mandates.

**Rationale:**

**The leadership team of the West Bend Schools acknowledges that our school system staff (support staff, teachers, and the leaders) are focused on providing strong educational opportunities within safe schools in a fiscally conservative context. Programmatically we are one of the strongest systems in the state, we are ranked as in the top 7% of fiscally well-managed districts in the state, and our students perform very well. We recognize the strength of our system is the talent and development of our people. We recognize a fair compensation system is critical to sustaining quality people. We also know that the current system of funding schools and the driving costs of salaries and benefits cannot continue in the manner that they are. Therefore, we are requesting serious reform of the system and the requirements so that we do not have to continue to dismantle one of the strongest school districts in the state of Wisconsin because of rules and requirements that we cannot control.**

The West Bend School District had 1600 people attend last year's annual meeting as a direct result of the loss in state aid. State support is not adequate to cover the requirements of law and the rising expenses. Local school boards do not have the authority to change the root cause issues driving the costs. Local taxpayers do not understand that the board members cannot change the causes; therefore, the level of anger is pulling communities apart. The West Bend Schools are identified as among the best reasons to live in Washington County.

We are currently placed in the position of pulling apart one of the best resources of our region and one of the best models of public education in the state of Wisconsin.

The authority local board have is to reduce offerings to match with the depleting capacity of the revenue limits, increase class size and go to referendum to increase local tax impact further. We cannot strategically address the cause. We are asking the legislature and the DPI to do what the local boards do not have the authority to do; ensure the requirements match available resources to fund sound public education for the students of the state of Wisconsin.

**Recommended Board Motion: Not necessary this is an update item only**

**This legislature platform will be placed as an action item at a future board meeting so we may submit it to the Legislature and the Department of Public Instruction as the recommendation from both the leadership team and the Board of Education.**

**Currently this document represents the recommendations of the leadership team.**

**Attachments:**

**Legislative Platform**  
**Requests for Waivers to the Department of Public Instruction**  
**Information on the lawsuit filed by Indiana Schools regarding School Funding**