Across Wisconsin last year, hundreds of people waited up to three hours to talk about the financial problems in their schools. Parents, teachers, students, recent graduates, school board members, school superintendents, grandmothers, and college officials described crowded classrooms, outdated textbooks, shrinking access to programs and services for children, poorly maintained buildings and budgets stretched to the breaking point. Six hearings were held across the state to collect information on the educational impact of revenue limits. It was not good news.

Background

Revenue limits (also know as “spending caps”) were passed by the Wisconsin legislature in the 1993-'95 budget to hold down school property taxes, which had grown largely due to mandates for special education, stringent performance standards, and an expanded need for computer technology.

During the 1980s, corporate property-tax cuts increased the property-tax burden for homeowners during the same period that wages were dropping. This was especially difficult for property-poor districts. In 1993, the Legislature froze revenue and spending in all school districts, and in 1995 increased the state share of local education expenses. While this lightened the property tax, the revenue limits led to serious unintended consequences for school districts.

The annual revenue increases allowed have been too low to cover rising costs for staff salaries and insurance, textbooks, technology, and utilities and fuel. Revenue limits are based on district enrollment (calculated on the basis of enrollment in the school year and summer). But over half of the state’s districts have declining enrollment scattered across grades and schools, which prohibits reductions in operating costs. Revenues fall faster than expenses.

Both federal and state governments have failed to live up to their promises to reimburse districts for the majority of expenses for serving students with disabilities. As costs rose while
reimbursements didn’t, school districts took on increasing proportions of the costs, forcing them to take funds from their budgets for regular programming.

State law does allow a district to raise more than its revenue limit, as long as voters in a district-wide referendum authorize increased taxes for designated school expenses. Ironically, since the inception of revenue limits, other local property taxes – especially for municipal and county governments – have risen so fast that overall property taxes continue to grow.

There had been scattered efforts to challenge revenue limits. In late 1999, a number of groups around the state met to organize a series of forums to compile information on the effects of revenue limits on schools across Wisconsin. The forums were held in the fall of 2000, in Appleton, Janesville, Rhinelander, Stevens Point, Superior, and West Allis.

Findings

Over 1,000 people attended the forums. Of these, 263 people from 78 districts provided testimony. About one-third of those speaking were parents. School administrators and teachers each represented about one in five speakers. Others testifying were students, school board members, and community leaders.

Wealthy, poor, urban, suburban and rural districts all reported similar patterns of cutbacks touching almost every aspect of school operations. These were the most commonly mentioned problems:

Larger classes: In spite of the state’s SAGE program – designed to reduce class size in early grades – budget shortfalls have resulted in very large classes for children above third grade.

Annual change in property tax levies for schools and other uses

![Graph showing annual change in property tax levies for schools and other uses.]

Source: Wisconsin Taxpayers Alliance
School boards are using lay-offs, delays in hiring and non-replacement of staff to lower annual costs. This has increased class size, reduced curriculum options and limited support services available to students.

"My nephew in eighth grade is in a physical education class with 58 children and one teacher. This cannot be a safe environment." — Tammie Walsh, Superior parent

"This year we have classes in the basement, on the stage in the auditorium, and in the middle of the library. There are a great number of special needs students in the regular classrooms without the extra staff support necessary." — Michelle Demerath, Appleton teacher

**Program cuts**: School programs are being reduced or eliminated to meet budget shortages. These include academics, athletics, arts, at-risk intervention, special opportunities for the gifted as well as extracurricular activities and student services at all school levels – in spite of protests from parents and students.

"We were forced to reduce our summer school offerings, eliminate band in fifth grade, reduce a program to improve the writing skills of our students, and reduce professional development for remedial programs." — Benjamin Villarruel, Ashland superintendent

"Kenosha has an after-school program for 19,000 middle schoolers in danger of closing. Of those who attend the program, 98% are free of delinquency referrals, 62% decrease truancy, and 72% maintained or improved their grade point." — Jill Anderson, Kenosha parent

**Outdated books**: Textbooks and curriculum materials are often outdated, insufficient and/or in poor shape. Students must share books and are unable to take books home. Textbook replacement cycles have moved from once every five years to once every ten years and curriculum materials for classroom use are increasingly inadequate.

"The textbooks we use are the same ones we used when I was a student. You should see their faces when I give them books that look like that."
— Laura Heller, Appleton teacher

"Our school librarian cannot order one book, one video, or any book stickers because her library budget is zero." — Ginny Thompson, Appleton teacher

**Inadequate technology**: The lack of up-to-date computers, software and teacher training is widespread. There are not enough computers for students. Many buildings are not wired to handle the technology.

"In technical education, the books are old and tattered because they [bought wood instead]. For science, we use Apple IIE computers and a lot of new software doesn't even run on those old computers." — Mahalia Miller, Stevens Point student

**Percentage of school districts where revenue limits growth is lower than the federal education inflation index**

Source: Wisconsin Department of Public Instruction, U.S. Bureau of Labor Statistics
“For many students, school is the only place where they have access to computers. If schools are not financially able to fill the technology chasm, then economically disadvantaged students risk becoming economically challenged adults.” — Marty Stogsdill, Beloit student

**Delayed maintenance:** Districts are unable to cover the cost of building repairs, ongoing maintenance, building improvements and new construction. Many districts have frozen maintenance budgets for a number of years.

“Students are still taught in a 77 year-old building with a defective, out-dated boiler and chicken wire on the ceiling to keep falling plaster in place.” — Michelle Bjela, Stevens Point parent

“I have had a plastic bag on my computer for six years, because when it rains, it falls on my computer. The roof hasn’t been fixed in six years. The children eat lunch on the gym floor, (because) we don’t have a cafeteria.” — Don Balliet, Appleton teacher

“Our buildings and playgrounds and stadium bleachers are more poorly kept each year. If we are lucky... our meager maintenance budget stays one step ahead of disaster... We have parking lots with only one light when we need two or three, and roofs that, while not leaking, are not keeping the heat in, costing us more to heat the building.” — Cynthia DiCamelli, Oregon school board member

**Teacher wage issues:** School administrators, college students, parents, business experts and teachers agreed that current wage levels for many teachers were too low to attract skilled and ambitious persons, resulting in a “brain drain” from the public schools.

“Teacher salaries are significantly lower than what comparable college educated professionals make. Lest you think this is an issue purely of self-interest to teachers... data show that—controlling for parents’ educational level, income, and later educational attainment—the earnings of male high school graduates increase by 1% for every 3% increase in the average teacher salary in their high school.” — Cheryl Maranto, associate dean of Marquette University College of Business Administration

“It is a pretty harsh reality when a veteran teacher with over 25 years of experience comes away with a net increase of $11 per month in his or her paycheck.” — Dr. James Fitzpatrick, Fort Atkinson superintendent

**Rising fixed costs:** Parents and district administrators, particularly those from northern districts, stated that annual increases in revenue limits were inadequate in the face of rising costs for heating, utilities, and fuel for transportation. In rural communities, transportation is a costly and critical component of the budget.

“Antigo spends $1.5 million a year for gasoline to get our children to and from school. When gas prices went up, there was nothing we could do but cut programs.” — Lance Alwin, Antigo superintendent

“District fuel costs have increased 17% to over $100,000 this year. Natural gas costs have risen 25% to over $110,000. Cutting bus routes is not an option. Students wearing jackets in cold classrooms is not an option.” — Donna Spotts, Ashland parent

“If it could be possible, please just give us enough money to heat our building, please.” — Katie Heisel, Superior student
Special-needs students: Schools are increasingly unable to meet the higher costs of students with disabilities, students with limited English proficiency, and students from low-income households. Because state and federal supports have not kept pace with rising costs, schools have been forced to cut back on regular programming to fund mandated programs for special-needs students.

“Our children require specialists—special needs teachers, speech pathologists, occupational and physical therapists, and teaching assistants to help them stay in an ‘inclusive’ classroom. The additional money that the state pays is not nearly enough... My daughter has lost access to several regular classrooms. She asked me if this is happening because I forgot to give her a good brain when I made her.” —Kelly Hurda, Bayside special needs parent

“Students having certain physical needs, such as the hearing or visually impaired, have extensive costs—$32,000 for one hearing impaired child. These dollars compete with the needs and programming of regular education children. In 1989, our classroom budgets were $1,200 to $1,800. In the current year, they are $225.” —Susan Katosits, Grafton special education teacher

Difficulties with referenda: Speakers involved in the referendum process have found them to be extremely difficult to pass. Public schools are the only branch of government in Wisconsin forced to go to taxpayers for authorization to increase spending for routine operating costs, taxpayers’ only opportunity to vote against a tax increase. This is particularly important since approximately three out of four voters do not have children in school.

“When a district goes to referendum, it absorbs the time, energy, and personnel of the district from three to six months. That means that all other issues which these people should be concerned with get pushed aside until the referendum is over. Increasingly, districts are finding that they have to go four or five times to get people to approve changes in their school budget.” —Carol Carstensen, Madison school board member

“I am tired of the political rhetoric that the solution is simple—just go to referendum. A referendum is the only time a citizen can say ‘no’ to rising taxes. They may be angry with the tech school budget increase of over 12% or the county increase of over 5% for the jail. The public school referendum is the only opportunity to say ‘no.’” —Linda Kunelius, Northland Pines superintendent

“Merrill lost 350 students and had to cut $300,000 this year. We cut supplies, textbooks, and maintenance. Next year, we will cut people and programs. We can’t cut transportation because we are a rural district. This is a blue-collar district and a referendum will probably not pass.” —Pam Kurcheval, Merrill finance director

Differential beween costs for students with disabilities and state reimbursement

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$ Millions

Source: Wisconsin Department of Public Instruction
Funding reforms requested: Fifty-four speakers called for reforms in the school finance system:

Changes to the funding formula;
Restoring full authority to local school boards to raise local funds for schools;
Carve-outs or exemptions to the caps for technology and buildings;
Increases in revenue caps should match increases in staff wages and benefits;
Increase state funding for special-needs programming.

Conclusion

While a call for further tax cuts remains a priority for some, there is increasing public demand that attention be paid to education funding. The information presented at the hearings speaks to an emerging crisis in the state’s public education system. The shortfalls are frequently being addressed in a stopgap manner by using reserve funds, a limited resource. Classes are already too large, program reductions have already been made, purchases have been delayed, and repairs have been postponed. The gap between the cost of important needs and revenue limits is growing. And the number of districts with declining enrollments is growing, which compounds financial difficulties by imposing even tighter revenue limits. Citizens called upon state and local policymakers to address the school-funding crisis to prevent fiscal collapse at the local level in the short-term and to ensure institutional stability and effectiveness in the long-term.

Acknowledgments

The information in this report was compiled from forums organized under the auspices of the following groups:

Appleton PTA Council  
Big 8 Summit on Spending Caps  
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Price County Citizens Who CARE  
Stevens Point Area PTA  
Superior School District  
West Allis/West Milwaukee PTA Council  
Wisconsin Federation of Teachers  
Wisconsin PTA

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