



KATHLEEN VINEHOUT

STATE SENATOR

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It's Time for a Hard Look at How We Pay for Schools

By
Senator Kathleen Vinehout

“It’s important, every so many years, we take a good look at how we fund schools,” said Senator Luther Olsen (R-Ripon). “How do we ... make sure our schools have what they need for the next 20 to 50 years.”

Co-chairs Senator Olsen and Representative Kitchens (R-Sturgeon Bay) recently convened a Blue Ribbon Commission on School Funding. I serve as the only Senate Democrat on the new Commission.

Wisconsin has seen studies to change the way our schools are funded come and go throughout the years. The co-chairs emphasized they did not want the work of the Commission to sit “on a shelf and collect dust.” The impression that the Commission existed only as an election-year “talking point” was clearly on the minds of some members.

As I mentioned in the hearing, I’ve long been an advocate for changing Wisconsin’s approach to funding schools. We pay for schools, largely, with a combination of property tax and state aid. Schools are paid on a per-pupil basis.

Many school funding problems come from demographic changes happening in our state. Shifting patterns in our population affect schools. For example, Wisconsin has more children living in poverty today, than ten years ago. Rural areas have seen a decline in students.

Not all students have the same needs. Different school districts have different costs. These needs are not adequately reflected in the funding formula.

To add to problems, the fallout from Act 10 and the criticizing of public school teachers had a profound effect on our schools. Teachers left or retired. Fewer college students are going into education. School districts have trouble filling vacancies. Standards for teachers were lowered. Morale is low. Student opportunities were diminished. Cuts in state aid forced taxpayers to pass referenda and raise property taxes just to keep their schools running.

Of the two major problems with our school funding, the first is the level of state aid.

Despite increases in the recently-passed budget, schools haven't recovered from the massive cuts to state aid in 2011. In real dollars, public schools will be getting less in the next two years than a decade ago.

The second problem with how we pay for schools, is the state aid formula itself.

At the heart of the problem is the economic disconnect between district revenues and district costs. Revenues assume education is a constant cost activity. In other words, you get so many dollars for every student.

Education, however, is not a constant cost activity. Schools have high fixed costs and low marginal costs. Fixed costs are those bills that are the same regardless of how many students attend the school. For example, keeping the building heated or the lights on are costs that don't change much even as the number of students change. As time passes, this disconnect between the way the state pays for schools and the way the schools incur costs, causes a lot of problems. Difficulties are particularly acute for districts with declining enrollments.

We need to move toward an "adequacy formula" that takes into account fixed costs, recognizes that some students cost more to educate than others, and recognizes that school districts in different situations face different costs.

We also need to reduce our reliance on the property tax to fund schools. The cornerstone of school funding should be state aid.

We must address today's school funding problems. But we must also plan for how we educate our children of tomorrow.

For too long, rules, regulations and testing requirements stifled the creativity, excitement and challenge of teaching. Our state spends so much time and money on testing and evaluating, that teachers don't have the time to teach or the resources and energy to try innovative approaches. We need a different plan to meet the needs of tomorrow.

Our children and our schools are our future. A lost opportunity for a child is often forever lost.

Since the formula was first enacted, our demographics have changed and our economy has changed. Tinkering around edges is not enough.