KATHLEEN VINEHOUT
STATE SENATOR

Testimony on AB 840
Assembly Committee on Education
Tuesday, March 23, 2010

Last year as I prepared for the new legislative session, I took time to meet with school superintendents and school board members across my district. At each meeting, our discussions focused on the same old problem; the severe financial difficulties facing each and every school district.

Among the significant challenges school districts face, declining enrollment is especially difficult for rural schools.

Because of declining enrollment, rural school districts are losing state dollars faster than they can cut fixed costs. School boards are put in an impossible situation: there is much less money and much higher costs. Many are making severe cuts to programs, services and staff. They are faced with eliminating foreign language courses, vocational education and extracurricular activities including sports, drama, forensics, FFA.

Let me share the story of my own school district of Alma. We had the dubious honor of being the state champion in declining enrollment. Our Superintendent and school board were faced with decreased state aid and increased fixed costs. For example, the fuel oil bill has increased from $18,000 to $87,400 in the eight years in which we lost a quarter of our enrollment.

Alma shares staff and programs such as music, consumer education and psychologist arrangements with Pepin and Plum City school districts. Alma and Pepin combined many sports activities. The school district administrator said this was their secret to survival. While these school districts can share programs and staff, geography makes consolidation impossible. Students would be on the bus for well over an hour and the transportation costs would skyrocket.

To help cushion the impact of the reduction in state aid that results from a drop in enrollment, Rep. Hraychuck and I introduced AB 840 which provides declining enrollment adjustment help.

Current law grants a school district with declining enrollment, on a one-time basis, additional revenue limit authority which gives these districts some more time to address the problems associated with declining enrollment.

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Our proposal will further soften the impact of declining enrollment by giving districts one more step down with a non-recurring adjustment equal to 50% of the original adjustment.

There are few issues more pressing to rural school districts in Wisconsin than the funding shortfall caused by declining enrollment. Assembly Bill 840 gives districts facing declining enrollment some much needed flexibility, which in some cases could be the difference in whether or not their doors can stay open.

I urge the committee to support our schools by supporting AB 840.

Thank you.

WISCONSIN STATE ASSEMBLY

28TH ASSEMBLY DISTRICT

ANN HRAYCHUCK

STATE REPRESENTATIVE

March 23, 2010

Testimony of Rep. Ann Hraychuck Before the Assembly Committee on Education Regarding Assembly Bill 840

Good Morning Chairwoman Pope-Roberts and committee members. I appreciate having the opportunity to speak with you about Assembly Bill 840.

As we all know, school districts throughout the state, both urban and rural, have been forced to make tremendous budget cuts.

There are a variety of factors that fiscally impact each district, but one recurring theme that many districts have to deal with is declining enrollment. For rural districts where enrollment numbers are already low to begin with, the effect of declining enrollment is particularly debilitating.

Assembly Bill 840 extends the declining enrollment revenue adjustment to two years. In the first year of an enrollment decline, a school district's revenue limit is increased by 100 percent of the allowable revenues that the decline would have generated. In the second year, the district receives a revenue adjustment equal to 50 percent of the first year adjustment.

Thank you for your consideration. I would be happy to answer any questions that you may have.

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School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Assembly Committee on Education
FROM: John Forester, Director of Government Relations
DATE: March 23, 2010
RE: Assembly Bill 840 – Declining Enrollment Relief

The School Administrators Alliance (SAA) strongly supports Assembly Bill 840, relating to school district declining enrollment relief.

Under current law, in the first year of a school district's enrollment decline, the district's revenue limit is increased by 100 percent of the allowable revenues that the decline would have generated. AB 840 extends the declining enrollment revenue adjustment to two years. In the second year, the district receives a revenue adjustment equal to 50 percent of the first year adjustment.

Declining enrollment is one of the greatest school finance problems facing Wisconsin school districts, especially small rural school districts. A district that loses students to declining enrollment loses state aid and revenue limit authority, and can only turn to the already overburdened property taxpayer to support vital educational services for local school children. What's more, because they have fewer students the district's per pupil property value is greater, and the district ends up faring worse under the equalization aid formula.

According to the Department of Public Instruction (DPI), 65 percent (276) of Wisconsin's school districts are in declining enrollment in the 2009-10 school year. One hundred ninety-two (45 percent) school districts have been eligible for the declining enrollment exemption for three or more years. There is no way you can prudently cut expenditures as fast as some of these districts are losing revenues to declining enrollment.

At a time when school districts continue to lay-off teaching staff, cut instructional programming and defer maintenance in order to balance school budgets, it seems to me the least we could do is provide a little more relief for those districts facing the downward fiscal spiral caused by multi-year declining enrollment.

We urge your support of AB 840. If you should have any questions regarding the SAA's support for AB 840, please call me at (608) 242-1370.

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