



Necedah Area SCHOOL DISTRICT



Necedah Area School District

1801 South Main Street•Necedah Wisconsin 54646

Phone: 608-565-2256•Fax: 608-565-7044•www.necedahschools.org

Tanya Kotlowski

District Administrator

kotlowski@necedahschools.org

Mark Becker

MS/HS Principal

mbecker@necedahschools.org

Wendy Horbinski

Elementary Principal

whorbins@necedahschools.org

Representative Nygren

Senator Darling

Tanya Kotlowski, District Administrator, Necedah Area School District

School Funding: School Community Context, Local Funding Concerns, Recommendations for Consideration

I am writing on behalf of our school board, as well as the taxpayers and children in my school community. Necedah Area School District, residing in the 17th Senate District, is a small, rural community, serving 720 total 4K-12 grade students.

School Community Context:

My school community, as with many other school communities across the state, was asked to support an operational referendum in April 2018. Although the referendum passed, it didn't happen without unfortunate divisions in our community. The negative impact on such a small community was palpable. Communities should not have to appropriate additional personal tax dollars to provide equitable funding for their children, through a vote. All children deserve equitable funding, and deserve to have such without asking our communities to vote through a referendum. Although referendums have been passing by up to 85% across the state, which shows positive taxpayer support of our K-12 schools, it hasn't happened without a negative influence on our school communities. It remains a fact, school districts have continued to experience rising costs, without adequate increases in revenue; with additional compounding financial challenges if a school district has declining, or even steady, student enrollment.

Our Necedah community is comprised of approximately 42% of a population at 45 years of age and older with 16% of this population 65 years of age and older. With an aging population, we have many citizens in our community on a fixed income. To create greater financial complexity, almost 60% of our student population receives free and reduced lunch, so this percentage of our population also

experiences some level of financial predicament. We are also a negative tertiary aided school district, primarily because of our decrease in enrollment and increase in property wealth over the past decade.

This demographic context is important, because Necedah is also the home to Castle Rock Lake, the fourth largest lake in Wisconsin. With this natural resource, Necedah's property wealth does not depict the economy of our small rural community, specifically, those on fixed income or living in poverty; yet property wealth plays a significant factor in our local taxpayers' burden to fund their local schools.

The revenue caps imposed on our school creates an additional challenge for Necedah. Our school district was a fairly conservative spending district when the revenue cap was put in place. Our current per pupil revenue is \$9,612 (2018-19) per student, which places us in the lower 50th percentile in our state, yet our costs for educating students continues to rise, especially given the social emotional needs of children from a high poverty rural school district, absent of wrap-around services to meet student needs. In addition, our special education needs continue to rise, with over 20% of our current population identified as students with disabilities. Our general fund transfer line this past year was over 1 million dollars, with an overall district budget of \$8,500,000.

Our District expenditures are almost identical to that of 2012-13, and we are currently only approximately 15 students less than that fiscal year's enrollment. With decreased student enrollment over the past 5 years, across the span of all 13 grade levels, we are unable to realize significant cost savings without impacting the quality of education we offer our children.

Also complicating matters is the fact that we are experiencing increased costs to do the most important work in our world, educating children. The increased costs have come not only as a cost of living expense, but also increasing mental health needs. We have too many young lives impacted by childhood trauma, which is more prevalent in small rural communities of poverty, where wrap around services are minimum to none. We need to begin to adequately support the increased financial needs of our rural schools, to address the mental health of our children. Our local small rural communities do not have outside resources for children or families, so our schools must step up to serve these needs.

Local Funding Concerns:

- I am concerned about how our funding formula is impacted by property wealth, but there is no other variable to consider resident demographics. The overall demographics of our small rural community does not represent that of our property wealth, and this negatively impacts our taxpayers, given the proportionality of tax burden under the current funding formula.
- I am concerned about the increasing costs of educating a child, with a revenue cap that forces us to choose between academic priorities or social emotional priorities. Our children deserve to have access to both.
- I am concerned about the rising costs in special education, especially in a school district with a high proportion of students with disabilities. We are currently transferring over 1 million dollars

out of our general budget to fund special education costs. Additionally, there is consideration in the Governor's budget bill to place the increase in special education revenue *within the revenue limit formula*, which doesn't help our funding challenges. An increase in special education funding, outside the revenue limit, would help to mitigate the high costs we are already subsidizing from other areas of need, such as mental health. Placing increases in special education funding *outside the revenue limit*, will help school districts to reallocate current special education transfer allocations towards the funding for increased mental health needs.

Thank you for taking time to share in my concerns around some of the school finance puzzle in my local community. I love our State, and my school community. Our children deserve, regardless of zip code, the very best public education in our nation. I am counting on our legislators to help to address our funding barriers, so my children and community get the same advantages of other schools in our State. I am happy to support the school finance work in our state in any way possible.

Following, I provided considerations for solutions to our local school funding challenges. Thank you.

Recommendations for Consideration:

- Allow a 30% estimated proration rate for special education costs to be realized by a school district outside the revenue limit, as a way to help mitigate already high special education transfer costs. This additional funding would not increase Maintenance Of Effort (MOE), as the current transfer expenses are already considered in the total MOE. This funding strategy would allow a school district to use the reduction in the special education transfer line to offset increased costs in providing mental health supports for all students.
- Weight low-income pupils as 1.2 FTE, so the revenue limit calculation considers this additional variable of community demographics to the variable of property wealth. This funding strategy takes into consideration the true demographics of a community, in addition to the prevalent variable of property wealth.
- Allow districts that offer full-day 4K to count participating pupils as 1.0 FTE. With an increased commitment to four-year old kindergarten; as it coincides with our high poverty school district and no formal child care services available for families, funding each 4K student as a full FTE in the revenue limit calculation will increase academic and social emotional supports to our youngest most vulnerable learners.
- If a school district passes a referendum, and the district is a negative tertiary aided district, allow the increase in tax levy through referenda to be fully realized. The taxpayers in the district passing a referendum should be able to fully realize the benefits of their financial commitment approved through the electoral process.