

# Fair Funding for Our Future



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FAIR FUNDING  
*for our future*

# Vision

**We can protect students and enact school finance reform while holding the line on property taxes even in difficult economic times. This plan is a realistic and ready first step, providing solutions that are good education and public policy as well as politically viable.**

## **The Plan:**

- Fixes Wisconsin's school funding formula to be fair, sustainable, and transparent
- Holds the line on property taxes
- Guarantees state funding for every student
- Strengthens rural schools and schools with declining enrollments
- Accounts for family income and poverty
- Ends the school funding shell game
- Provides predictable growth in state aid

# Fair Funding Proposal

## Specific fixes to school funding formula:

Ensure a minimum level of aid for every student = \$3,000

Account for family income and taxpayers' ability to pay  
- Poverty weighting = 20% or 0.2 FTE per student

Increase transparency and truth in budgeting by using the School Levy Tax Credit (SLTC) for what the state calls it - aid to schools

Ensure no district loses more than 10% of its state aid in a single year (increase hold harmless = 90% of prior year)

Secondary cost ceiling = state average

Predictable growth in state aid = greater of 2% or CPI

Maintain the current revenue limit increase of +\$200 per pupil and delay new exemptions until FY 13-14

Increase general aid = +2% FY11-12 and + 4% in FY12-13



# Fair Funding Proposal

## First year impact of Fair Funding for Our Future (fiscal year 2012-13)

Holds the line on property taxes

- Statewide gross property tax decrease of 18% with net property taxes holding steady

All school districts see increased or same state school aid

- Statewide 93% of districts increase (394 of 425)

Provides transparency and truth in budgeting by moving SLTC into general school aids, ending the school funding shell game

School funding formula incorporates both local property wealth and family income

Other changes help rural, declining enrollment and negatively aided districts



# Categorical Aid Reforms

Propose funding necessary to maintain current (FY11) reimbursement levels in areas of greatest need:

- Special Education
- High Cost Special Education
- Bilingual/Bicultural Education
- SAGE
- School Breakfast

Consolidate nearly one-third (11 of 32) GPR funded categorical aids to leverage broader statewide outcomes

Consolidate Grants for Mentors into a redesigned Peer Review and Mentoring program to support teacher effectiveness

Propose new census-based bilingual aid for children not currently served in a required program

Propose new aid to support college & career-readiness tests and student benchmark assessments



# Categorical Aid Reforms

## Every Child a Graduate Grants:

New competitive, multi-year grant targeted toward increasing graduation rates, reducing dropout rates

Grant targeted toward districts with persistent graduation and/or dropout issues (i.e. lowest 5%)

Districts must perform a needs assessment and agree to state-determined assurances

Districts may submit a proposal that meets their local needs, but will be held accountable for state- and locally defined “on track” indicators, which include, but are not limited to credit deficiency/grades and attendance

DPI will implement a variable funding model based on whether a district meets or misses “on track” indicators

*\$20 million annual initiative funded through consolidation of 10 existing categorical aids*

# Choice and Charter Schools

Request funding necessary to support the Milwaukee Parental Choice Program (MPCP) and independent charter schools:

MPCP (≈\$22 million additional state funding)

- Re-estimate cost to fund MPCP consistent with current law providing per pupil payment increases equal to increase in public school revenue cap.
- Increase the state share of MPCP costs from 61.6% to 70% in FY 2012-13 to protect Milwaukee taxpayers.

Independent Charter Schools (≈\$21.5 million additional state funding)

- Re-estimate cost to fund independent charter schools consistent with current law providing per pupil payment increases equal to increase in public school revenue cap.