

School district studying proposed change in state aid

By Ken Leiviska, Times-Press | Posted: Saturday, November 20, 2010 12:00 am

A proposal by State Superintendent of Schools Tony Evers to change the methodology used to fund Wisconsin's public school districts would have given Reedsburg an additional \$1.2 million in state aid this school year.

While Reedsburg School District Business Manager Pat Ruddy said the extra aid would have been nice, it likely wouldn't have prevented the closing Rock Springs Elementary School or possible cuts in other programs that could come in the future.

He said a bigger piece of the revenue pie would come from state money and the local portion would shrink. The final budget number would remain the same size, Ruddy said.

"It gets back to the teeter-totter effect," Ruddy said. "My understanding of the proposal is that it would provide more aid from the state and not increase our revenue. It would help control property taxes locally."

The switch would mean school districts wouldn't face large annual property tax increases in comparison to counties, cities and other municipalities, even though tax bills would remain virtually the same, said Todd Berry, executive director of the Wisconsin Taxpayers Alliance.

"Distributing the money through the school aid formula, from a pure policy sense, is probably more equitable than distributing it in its current tax-credit form," Berry said.

"The money will tend to help districts that tend to be poorer or middle-of-the-road."

Ruddy called the plan "intriguing," but wasn't sure if it necessarily would be the best option for Reedsburg.

Since one of the main components of Evers' plan is to use tax credits for K-12 education - something that isn't done now - it would depend on whether all the tax credits awarded now would stay with Reedsburg schools.

Still, Ruddy said, there was plenty to like about the proposal.

"One of the key points that I like is (that) it's more based on income than property taxes," he said.

Evers' "Fair Funding for Our Future" plan would provide an additional \$600 in state aid for students on the free and reduced-price lunch program.

More than 40 percent of Reedsburg's 2,576 students qualify for the discounted lunch program.

The proposal also calls for a reduction in aid per student from \$275 per student to \$200 - which the state awarded last year - in an attempt to keep taxes down. Yet the plan also relies on an increase in school aid funding of 2 percent, followed by a 4 percent increase the following year.

Another element to the "Fair Funding for Our Future" plan involves an additional \$7 million in taxpayer money to ensure no districts lose money under the proposed new formula.

According to preliminary numbers, 31 districts would receive less from the state under the new proposal.

Evers downplayed the amount, since it adds up to only a tenth of a percent of the \$6 billion Wisconsin already uses in K-12 aid.

Factors like those made Ruddy skeptical that the plan would gain much support.

He said the state is grappling with its own budget problems, and that might prevent a switch.

"I just don't know if I see enough information on how it's going to happen," Ruddy said.

Regardless of the outcome, he said it was beneficial that a serious proposal has been offered and that

legislators are talking about it.

"The school funding formula is broken, in my opinion," Ruddy said. "It needs to be fixed."