

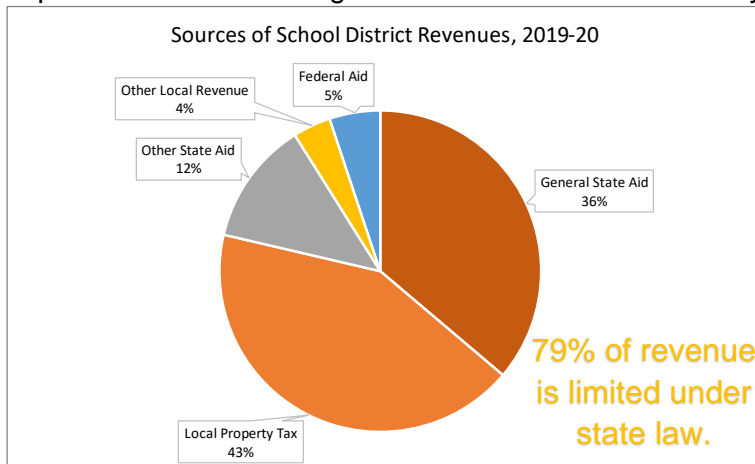


Pecatonica School District: A Failure of State Funding

One Side of the Coin: Fair Funding for Schools

Wisconsin school districts have limited control over the amount of money they have to educate their students. Since 1993-94, the state government has imposed limits on the revenue school districts can receive from their two main funding sources: local property taxes and state aid.

The pie chart shows funding sources in Pecatonica. Seventy-Nine cents out of every dollar are

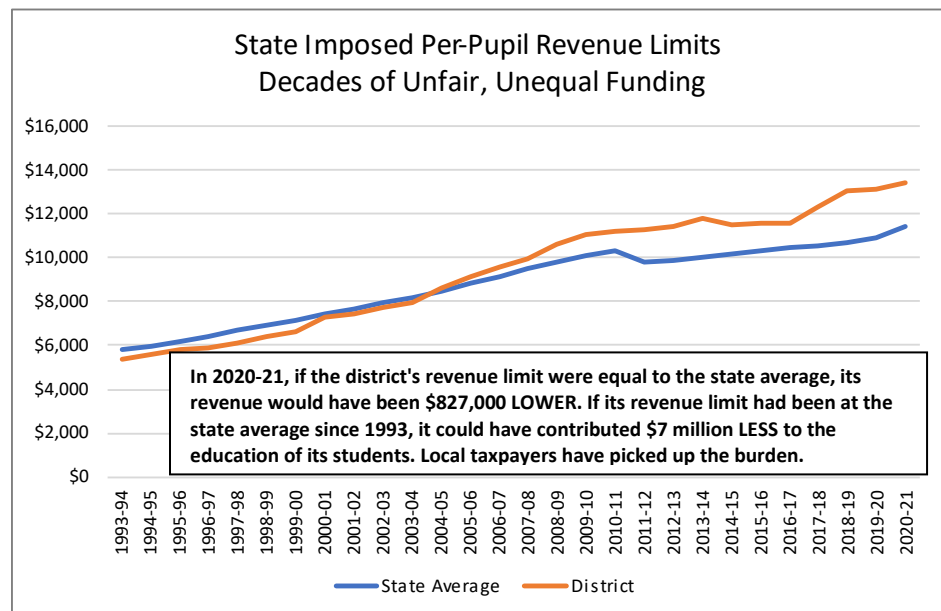


constrained by the state's revenue limits. Although the school district has some discretion over its *other local revenue*, the amount it receives in federal and other state aid is out of its control.

In 1993-94, the revenue limit in Pecatonica was set at \$5,385 per student, \$432 below the state average of \$5,817. In the same year, 24 school districts were allowed to have revenues of over

\$7,500 per student! Funding gaps have only grown worse. Revenue limits in Pecatonica were at or below the state average 1993 to 2005, when local taxpayers stepped up to fill the state funding gaps. In 2020-2021, its revenue limit is \$13,429 per student, \$1,983 above the state average of \$11,445 per student. Local taxpayers committed to adequately funding the schools while the state hasn't.

New federal funding in 2021 will help with pandemic-related costs, including learning losses. But these funds only last for a few years. We need long-term improvements in fair funding.
These unfair funding gaps will continue unless the legislature takes steps now to reform the state's school funding system.

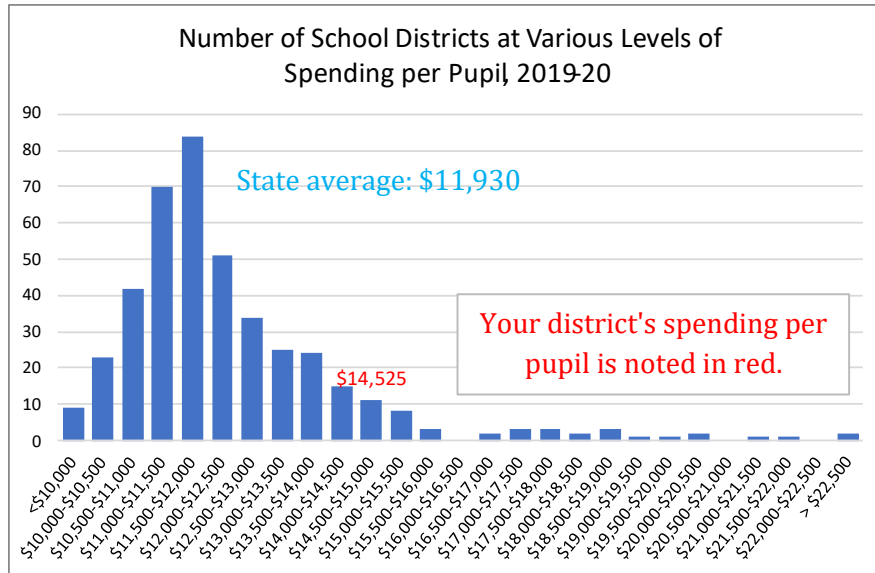


Flip the page to see how revenues impact education.

Special thanks to RW Baird School Business Solutions for expert assistance with data analysis.

The Other Side of the Coin: Adequate Spending to Meet Student Needs

The amount of money Pecatonica spends to educate its students is constrained by its available funds. Given its low per pupil revenue limit, Pecatonica has had to rely on local revenue to attain spending of \$14,525 per student, \$2,595 above the state average of \$11,930. This level of spending was made possible through local spending referenda. **In other words, local property taxpayers have had to step up because the state is not adequately funding your schools.**



Pecatonica not only faces the challenge of limited revenues. Its student body includes a large concentration of *high-need* students.

- 36% of students are from low-income families.
- 11% of students have disabilities requiring extra services.

Providing high-need students with a quality education requires additional resources.

The state's funding system mostly disregards extra costs of educating high-need students.

- Wisconsin is one of only a few states that does not provide extra aid for students from low-income families.
- State aid covers only 28% of the extra costs to provide special education services.
- Pecatonica receives no additional state aid to provide English language instruction.

To provide an adequate education to all its students, one that meets the state's academic performance standards, AEF estimates that Pecatonica will need to increase spending by at least \$2,755 per student. At the current level of enrollment, this increase implies **a spending gap of \$1.2 million**. We base this on a conservative estimate of 40% higher costs for these students.

AEF calls on the state legislature to close unfair funding gaps and recognize the additional costs incurred by districts serving high-needs students. Specifically, AEF proposes:

- Raising low revenue limits by \$300 per year, and closing gaps for low-revenue districts.
- Raising special education reimbursement to 45%, then 55% of actual costs.
- Providing \$150 of additional state aid per low-income student.
- Providing "Bilingual/Bicultural Aid with a floor of \$10,000 and \$500/student."

Please join AEF's call for fairness. Contact your legislators today to tell them you want a fair funding system for ALL students.

Data in this Dashboard are from WI DPI Revenue Limit Longitudinal Data, School Report Card Data Downloads, 2019-20 student "membership" counts, and Comparative Revenue and Comparative Cost files. Dr. Andrew Reschovsky (LaFollette School of Public Affairs, UW-Madison) assisted in the analysis of the data. All averages are pupil weighted. Spending is defined as "Total Current Education Costs."