

Thank you for this opportunity to speak before you today. My name is Ben Niehaus, I have been district administrator for the Goodman-Armstrong Creek School District since 2011, and as of May 1st of this year, I have assumed the position of district administrator for the School District of Florence County, splitting my time between these two schools and communities.

I appreciate this opportunity and am very optimistic that we can find real solutions to the challenges our rural schools face. The formation of this task force is long overdue. It's time to be progressive in working towards solutions that support our schools, which in turn support our communities and local economies. My testimony today is going to speak to the challenges we face in extremely small Northern Wisconsin rural districts and how these challenges are compounded by a school funding formula that is not sustainable and is nearing a point that could have catastrophic implications.

To begin with, I need to paint the picture of who we are as small rural schools and present a snapshot of what we do day in and day out to sustain our schools. I will use the Goodman-Armstrong Creek School District as an example to illustrate our situation. I don't intend for this to be "poor me" or "poor us" testimony, but I think it's critical to take this opportunity for you and those who will consider the main points of this testimony at a later date to know who we are.

As a school district, one of our greatest challenges is our capacity, both in the classroom and administratively. Yes, we have fewer students, but we have the same expectations and responsibilities in all our functions as do larger districts. Our teachers wear many hats, and many have invested in multiple certifications. Unlike many larger schools, all of our teachers in the Goodman-Armstrong Creek High School teach a different class each hour of the day, and the same can be said for the majority at Florence High School. As an example, my math and science teachers are responsible for all curriculum, instruction and lesson plans in grades 6-12. My technology education teacher also teaches history. Our language arts teacher teaches the remainder of our social studies curriculum. My Dean of Students, a position we've added with my shared role (as I can no longer also serve the daily principal role) is also our athletic director and 7-12 physical education teacher. We have one art teacher for 4K-12 and one vocal music/band teacher for 4K-12. Our elementary has multi-age classrooms, where different standards and outcomes have to be met based upon the personalized learning needs of the individual student. This is something we excel at, shown by regularly earning Wisconsin Promise School of Recognition Awards from the state and having been recognized in the past as one of the best rural schools in the country as listed by *US News*. Some may then wonder, what's the problem then...sounds like all is good. My concern is whether or not we'll be able to continue in these successes as our resources seem to be less with each passing day, and we are finding ourselves at a point where there is simply no more to cut. Simultaneously, initiatives continue to come from every direction, RtI, PBIS, CCSS, SLO's, SMART Goals, new SLD rules, Smarter Balanced Assessment, Educator Effectiveness and the list goes on, yet our capacity only dwindles. These are the same staff members who have to coach, chaperone and fill all the other duties and in our attempts to provide for student programming and activities, everyone is

pushed to the brink of finding the balance between professional responsibility and also being someone's husband, wife, parent or grandparent.

Obviously our administrative capacity is limited evidenced by the fact that I serve two districts. Although my previous daily responsibilities of also serving as principal in Goodman-Armstrong Creek have been re-delegated to our athletic director and physical education teacher, I'm still the point person for everything from completing a complex Civil Rights Audit last year to taking what is often considerable time to respond to numerous open records requests. Often I rely on my predecessor and retired administrator to help me with submissions of data, reports and records as I simply can't do it alone. We are spread so thin that with only one district secretary the past three years, I rely on high school students to answer the phones and do routine office tasks while my secretary takes her duty free lunch (sometimes voluntarily giving it up); a secretary who, for two separate buildings, answers phones, is responsible for attendance, arranging substitutes daily, takes care of requisitions, accounts payable and all billings to name only a few of her many responsibilities. As our resources dwindle, we are forced to cut as far from the classroom as possible, and this is just one example...again, the list could go on and on, but I'll summarize with this:

"Regardless of the size of our small, rural districts, we must meet all required reporting and submissions of accountability as does any large, urban district. Our numbers just have fewer zeroes, plain and simple."

Why is it such a challenge financially for our districts? We are working with a school funding formula that is antiquated and has had so many band aids put on it that we can't control the bleeding caused by what are unforeseen implications of changes to this formula. Just one detailed example of many is declining enrollment. The vast majority of all schools have dealt with rapidly declining enrollments over the past decade, but those declining enrollments are beginning to plateau in their drastic drop. Speaking for Goodman, our enrollment has actually increased by one student. Yet, as we could not foresee the increase of thirteen new students to the district when we were doing our initial budget projections last winter into the spring, we built a budget for this school year doing our best to predict where our enrollment would be. We had a graduating class of 17 this past spring, and projected only 5 students coming into our 4K, a loss of 12, yet we gained one student overall. This should be viewed as movement in a positive direction for our district, community and local business. Finally, after years of steady declining enrollment it looks as though those days maybe are behind us, or at least the drops will be a smaller percentage than they have been over the past decade. Yet, even though we have a student body that is nearly identical to last year, we lost approximately \$23,000 on our revenue authority because our enrollment did not decrease as we originally projected. Yes, if our enrollment would have declined, I would have had the authority to generate more revenue than I otherwise could have for this fiscal year...does this make sense?

I know this one specific example could be taken as I'm trying to have my cake and eat it too. Having a declining enrollment exemption in place to help alleviate the sudden loss in students does recognize that an overnight reduction in personnel doesn't necessarily happen, yet it

points out one of many flaws in school funding. On this specific matter, I would suggest that for schools that have an enrollment increase, or let's say decrease by less than a certain percentage (2% for illustration purposes), would consideration be given to a one-year hold harmless provision for those schools that see a flat line or increase in enrollment? Could these schools maintain the declining enrollment exemption for one year as though the enrollment decrease continued? What happens if the following year our student enrollment drops again, then we get the exemption and again can generate more revenue with fewer students? I see this as a short-term solution in this one specific matter, but not to go on to all that is wrong with other parts of the school funding formula, it's very evident that the current school funding formula, as created in 1993, no longer meets the needs of schools two decades later in a new century. Both of my boards at Goodman-Armstrong Creek and Florence have passed resolutions in support of Tony Ever's Fair Funding for our Future School Funding Formula, and although it may not be a cure all, or perfect, it is a step in the right direction that brings forth the realization that our current funding formula is not sustainable, and if action is not taken, schools in property rich, income poor areas simply will not be able to sustain. This is evident with many of our schools in rural, northern Wisconsin, and the following are the facts.

Our current funding formula bases the distribution of shared revenue on one factor and one factor only, property wealth. It looks at nothing else, it does not take the dynamics of other local implications into consideration, specifically poverty. Our formula says the following: **If your school district's property value is above the average, then your local taxpayers should be able to generate the majority of the revenue for your schools.** Nothing else is taken into consideration, just this one factor...property wealth. Those that will argue that the current funding formula is the most equitable, objective way to distribute shared revenues need to realize that the equalization of property values is only an "attempt" to equalize assessed properties, and by no means truly equalizes property values throughout the state. Even then, how can this one factor be the sole determination for school funding? Our rural schools, specifically those in northern Wisconsin are income poor, yet property rich (in many of our district's great portions of our property are not on the local tax rolls, 87% of the Town of Goodman's acreage is non-taxable). Our working families that earn considerably less than the state average in per capita income are asked to share the burden of their local school's revenues because of matters that are out of their control. The system is broke and needs to be fixed.

My further frustration in trying to understand the current system is as follows: The funding of our public schools usually centers on property taxes, but rarely do we think to inquire as to where these tax dollars paid by working taxpayers in the form of state income taxes go relative to their area schools. I question whether there is an equitable return of these dollars, paid by working Wisconsin families in the form of state income taxes, back to their local schools. I think it's simple to answer for many of our rural, northern schools, specifically those like Phelps, Northland Pines, Three Lakes and Elcho that receive no equalized state aid, and my districts that receive only slightly more. Where is the return on those state income taxes paid by local working families to the local schools that their children attend? Speaking to my two schools, Goodman-Armstrong Creek continues to see an erosion of state aid as the attached

spreadsheet shows, as does the School District of Florence County. Yet, as referenced by recent headlines of the \$100 million tax cut signed into law by Governor Walker, the schools that predominately benefited from this are those south of a line drawn across the state that represents Highway 64. The first page of the packet you have before you clearly illustrates the disparity in school funding as shown by the distribution of equalized aid in the state, and the second page shows a map representative of distribution in 2006-2007. The following is an excerpt from *The Chippewa Herald* on October 16, 2013 that clearly reiterates what the map shows:

"Typical Madison property taxpayers would see roughly twice as much tax relief as the state average under a bill moving quickly through the state Legislature. The average \$25 savings on property tax bills that would reach homeowners in December would come from the Madison School District receiving about \$2.3 million in additional aid as part of \$100 million in property tax relief over two years..."

The Madison School District, one of 424 public school districts in the state, is receiving more than 2% of this new allotment of state aid. Granted, they are a very large district, but to put this in perspective, the Goodman-Armstrong Creek School District will see an increase of \$38 in state aid and the Florence County School District \$104, not the real dollars that help us to overcome our shortfalls (it should be noted that these two increases did not increase our revenue, just lowered our local levies by this amount).

Seventy percent of our schools in Wisconsin are rural, and although the urban schools make up a minority as a percentage, but serve a majority of the state's students as a percentage, I think it's similar to the analogy of big business and small business in America. In America, 99.7% of businesses are considered small business (employing fewer than 500 employees), yet it seems that those businesses that prosper and see things work more favorably are those .3% that are large businesses. I am not looking to create undue controversy, but the reality is that the current funding formula truly does better serve our large urban districts. A more specific case in point is line H3 in the state's General Aid formula that sends dollars from every public school district in Wisconsin to a charter school in Milwaukee; it's a specific line item in each and every public school's general aid certification.

To conclude on my concern with the minimal aid we receive, and our limited ability to generate revenue, is to speak to our only option to offset these challenges. This is to ask for taxpayers to pass a referendum when they are already burdened with high property taxes and on average earn wages well below that of the state. Currently, the School District of Florence County is in its fourth year of five for a non-recurring operating referendum, and we are in the midst of analyzing budget projections to determine what our next referendum will ask for. Yes, we know for certain that this is our only option, another referendum, and we will once again ask our taxpayers for additional dollars when they continue to see an erosion of equalized aid at 15% annually with minimal increases in revenue. I am encouraged by the recent efforts of Representative Swearingen, Representative Mursau and Senator Tiffany in high cost

transportation aid and 25% NFI money, and these are real dollars, but we have a long way to go to make up the lost ground our rural districts have faced over the past two decades, and the implications of Act 32 which rolled back our authority to generate revenue during the 2011-2012 school year to that of the 2007-2008 school year. As much as categorical aids are needed and appreciated, categorical aids alone will not generate the real dollars needed to make up for the shortfalls in the current school funding formula.

Even though our districts are very small, and I do know that there will never be a totally equitable system when all factors are considered, I think the following example also shows another dilemma we face. Although we are much smaller, we do have costs that are the same as those for the school district of Madison or any other, yet as a percentage of our budget these costs are much larger. One I'm presently dealing with now is my attempt to address board policy in both of my districts, something that is long overdue. Although policy should be a priority of any superintendent, and the fact is that I've worked with legal counsel and my colleagues to create, update or revise about two dozen policies, the reality is I just can't do this alone. I'm looking to contract these services out for both Goodman and Florence. The cost of these services, at \$7,500 in the first year and about \$2,500 each year thereafter, for each district, is identical for us as compared to any other school district. Board policy is board policy, and many of our memberships and dues paid are the same or similar for our small schools as for larger schools (with many organizations giving a reduced amount, yet even at that we pay a much larger percentage in dues and fees as do our counterparts in larger schools). I feel in this matter I'm in a catch 22, as I don't have the personnel to delegate complete board policy review to that of an assistant administrator, yet \$7,500 as a percentage of my budget is more than I receive annually in poverty aid in either district, with the School District of Florence County not receiving one dollar of poverty aid although our elementary school population year in and year out is above 50% free and reduced.

I am going to begin to conclude with reference to the attached spreadsheets and other statistical information you have before you. To further drive home the disparity in school funding in northern Wisconsin, please reference a document I put together a couple of years back upon beginning my tenure at Goodman. I would have prepared an updated one, but I just haven't had the time, but nothing has changed in the funding formula since 2011-2012, so this will make the point – **BRIEF OVERVIEW**

Next, let me reference the counties of Florence, Forest and Marinette, the counties my two districts are part of, primarily in regards to per capita income levels – **BRIEF OVERVIEW**

As you see, we are well below the state average in many areas, so one would think that this could and should lead to extra help in the state's definition and contribution of poverty aid to our schools. Attached is what you see that our two districts receive in poverty aid – **BRIEF OVERVIEW**

Also, attached is some statistical data showing what we know we are challenged with as rural schools in northern Wisconsin, the implications of poverty on student achievement – **BRIEF OVERVIEW**

Our small, northern, rural schools face many challenges and uphill fights. I would be more than happy to further discuss a multitude of other challenges, or to more specifically speak to some of what I referenced here today in my testimony, but our time today is limited.

Our schools are vital to the economic growth and prosperity of not only our immediate communities but our state. We are a year round destination for a great many tourists; tourists that need our local communities for hospitality and services. We have a multitude of resources available for employers to grow their industry as we have a great natural resource all around us in our forests, and a workforce that has a Northwood's work ethic instilled in them from generations before. The relationship between our schools and communities is one of perfect reciprocity...a community needs a school, a school needs a community. Without one you don't have the other more times than not, specifically a community that provides needed services for its residents and visitors, and needed employment opportunities to raise a family.

The last item I want to tie into this closing is the word "consolidation." I hear this word regularly, I know it crosses the mind of many individuals and maybe that word has popped into your mind or that of those in attendance. What frustrates me a bit, as an administrator and knowing the intrinsic detail of the business of education, specifically on the managerial and financial side, is that people tend to overlook some of the challenges that are so very obvious to those of us that sit in this chair as district administrator. They are as follows:

1. Nearly 80% of our expenditures are in salary and benefits. We are a service business, and like any other service business, big or small, people are our greatest asset, yet our greatest expenditure. Although there are things we could do more efficiently in consolidation, I don't see it as solving all of our problems, and consolidation is not a "cure all" in my opinion as the vast majority of our people will need to remain in place. We already are a model in our region for shared services between Goodman-Armstrong Creek, Florence, Pembine and Niagara and with some of our other neighbors in what we've been working towards and striving to do to operate leaner. Obviously my position as a shared administrator, like that of my friend and colleague in Bill Fisher in the White Lake and Elcho School District, illustrates how area school districts are operating leaner while keeping their local identities. The following are just some of the general areas we share services in amongst our rural districts: administration, speech and language pathologists, psychologists, other specialty needs for special needs students, nursing services, teachers, combined extra-curricular teams and activities, etc....the list goes on and on. Yet, we still find ourselves challenged like never before financially. So this leads to the greatest challenge to overcome in consolidation, that is never brought up in these discussions, and that is *transportation*.
2. Transportation. This is the simplest of challenges to understand, but never do I hear anyone who is considering or advocating for consolidation bringing this up. I'm afraid

we put a price tag on that? I have students at Goodman who get on the bus at 6:40 AM for drop off one hour later, and students in Florence who are getting on the bus shortly after 6:30 AM, and not being dropped off until 7:45 AM. We spend nearly 6% of our operating budget on transportation in Florence, and about 4% in Goodman, and this excludes extra-curricular costs. I'm afraid if a "centralized school" is built, and I question what those costs would be to taxpayers both short-term and long-term when many of our buildings are modernized and paid for, that many students could be on busses for more than three hours daily, nearly the equivalent of driving to Madison each day from here in Rhinelander, on a school bus. What will those costs be too student learning and time with family?

I felt it was necessary to at least speak to consolidation as I know it's a sound bite that resonates with some, and maybe more specifically to those in places of this state that think it's a simple solution. Yet one must think about what I just spoke to, along with remembering the reciprocity between school and community. I think if consolidation was looked upon as a solution, many of our small communities would turn into rural, residential areas like we see throughout the landscape from a time gone by when rail and industry were more prevalent in rural Wisconsin. I'm not outright opposed or ignorant of some situations that could be explored, yet the effect on local communities, the cost of transportation (real expenses and the toll on students) are two factors that would first have to be addressed and studied in great detail.

I thank you all for your time here today. I think our collective efforts and continued dialogue will help us to find real and creative solutions to addressing the matters facing our rural schools. A majority of my testimony today is critical of the system, and in general people tend to criticize and not offer solutions. I have ideas, and I want to contribute to the solution, yet I would like to bounce these ideas off individuals who can answer questions or play devil's advocate to my suggestions; I'd be more than happy to be a part of those discussions. At this time I am happy to answer any questions you may have and do want to thank you all for your participation in today's hearing and your efforts to help our rural schools sustain and prosper well into our future.

A handwritten signature in black ink, appearing to be "R. Anderson", written in a cursive style.

Percentage of School Districts' Shared Costs Aided By State Equalization Aid in 2012-13



*K-8 school districts are not displayed

Minnesota

Michigan

3.2%
4%

Aug 16 11:04

Milwaukee Area Detail



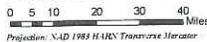
Illinois

0 50 Miles





K-12 District and North School District, Inc. Not Displayed
 Geographic Information Office
 Wisconsin Department of Public Instruction
 State Office Building
 100 North Monona Way
 Madison, WI 53706
 Phone: 608/266-3300
 Fax: 608/266-3301
 Web: www.dpi.wisconsin.gov
 Date Source: Wisconsin Department of Public Instruction, November, 2006
 C. Farnas, January, 2007
 Projection: NAD 1983 HARN Transverse Mercator

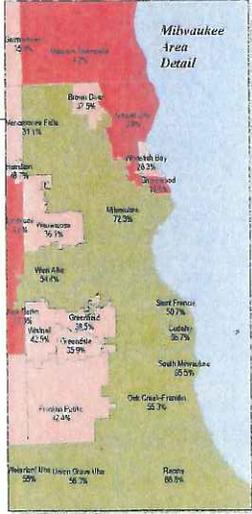
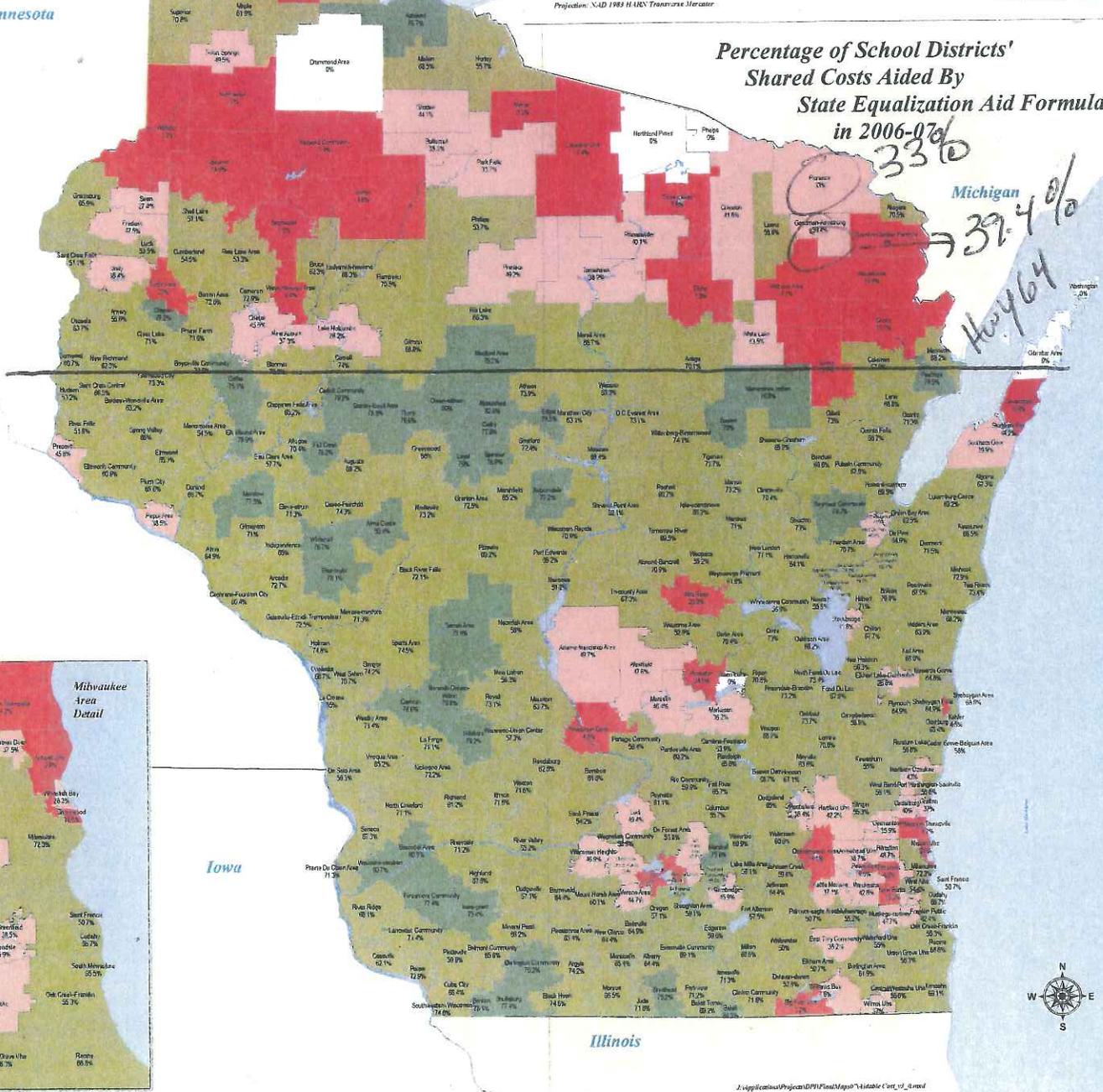


Percentage of School Districts' Shared Costs Aided By State Equalization Aid Formula in 2006-07

33%

Michigan 39.4%

HW 464



2011-2012 School Year

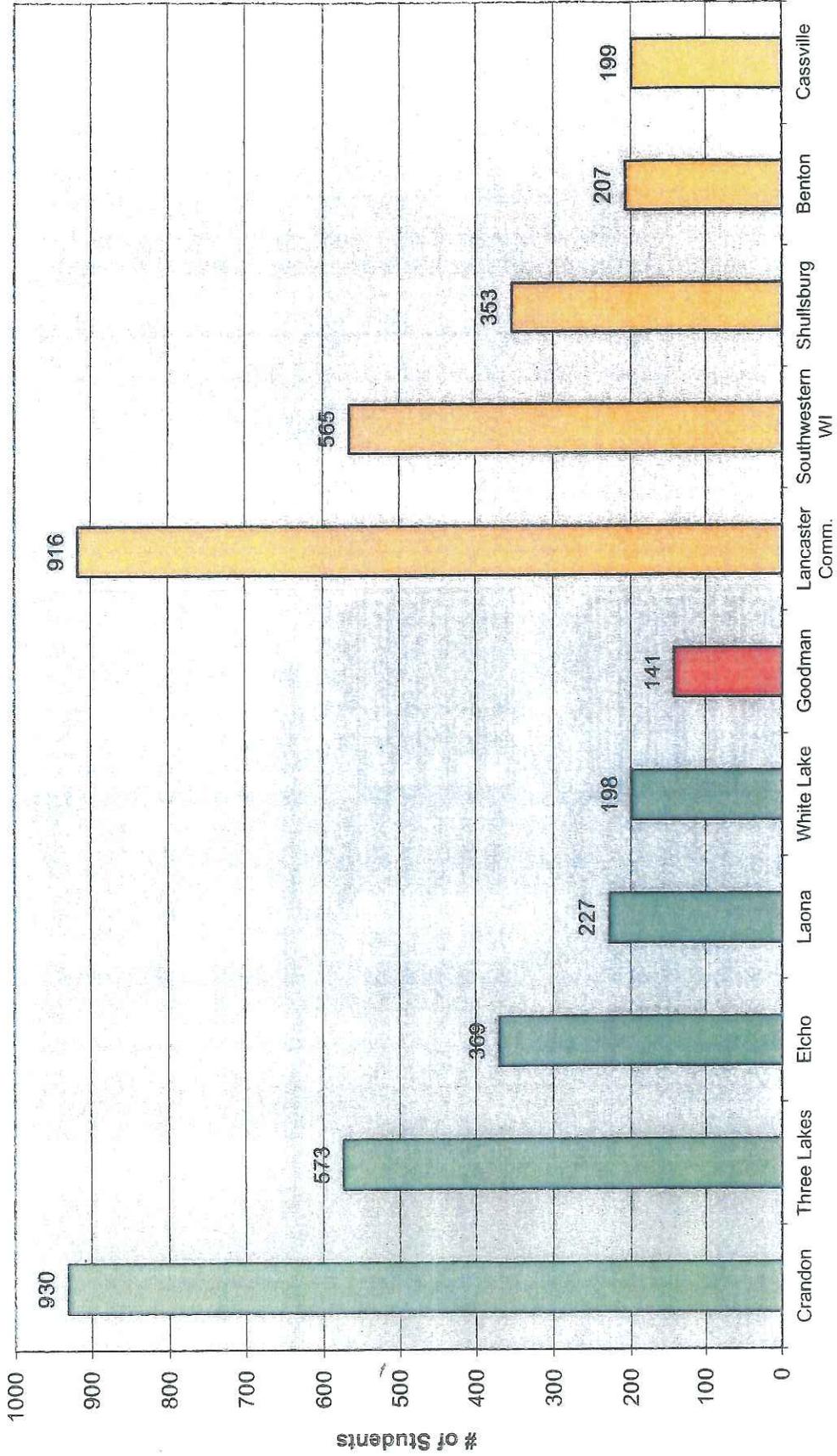
*most recent published numbers from DPI

NLC Schools	Enrollment	Tax Levy	Tax Levy per Member	Equalized Aid
Crandon	930	6,111,846.00 \$	6,571.88	\$1,643,045.00
Three Lakes	574	7,807,108.00 \$	13,624.97	\$0.00
Elcho	369	4,473,218.00 \$	12,122.54	\$0.00
Laona	227	2,048,350.00 \$	9,023.57	\$753,012.00
White Lake	198	1,947,648.00 \$	9,836.61	\$112,118.00
Goodman	141	1,449,561.00 \$	10,280.57	\$81,978.00
NLC Average	406		\$10,243.36	\$431,692.17

SW Schools	Enrollment	Tax Levy	Tax Levy per Member	Equalized Aid
Lancaster Comm.	916	3,906,286.00 \$	4,264.50	\$5,685,263.00
Southwestern WI	565	1,949,082.00 \$	3,449.70	\$3,168,680.00
Shullsburg	353	1,331,933.00 \$	3,773.18	\$2,322,487.00
Benton	207	968,600.00 \$	4,679.23	\$2,067,855.00
Cassville	199	1,576,588.00 \$	7,922.55	\$1,250,367.00
SW Average	448		\$4,817.83	\$2,898,930.40

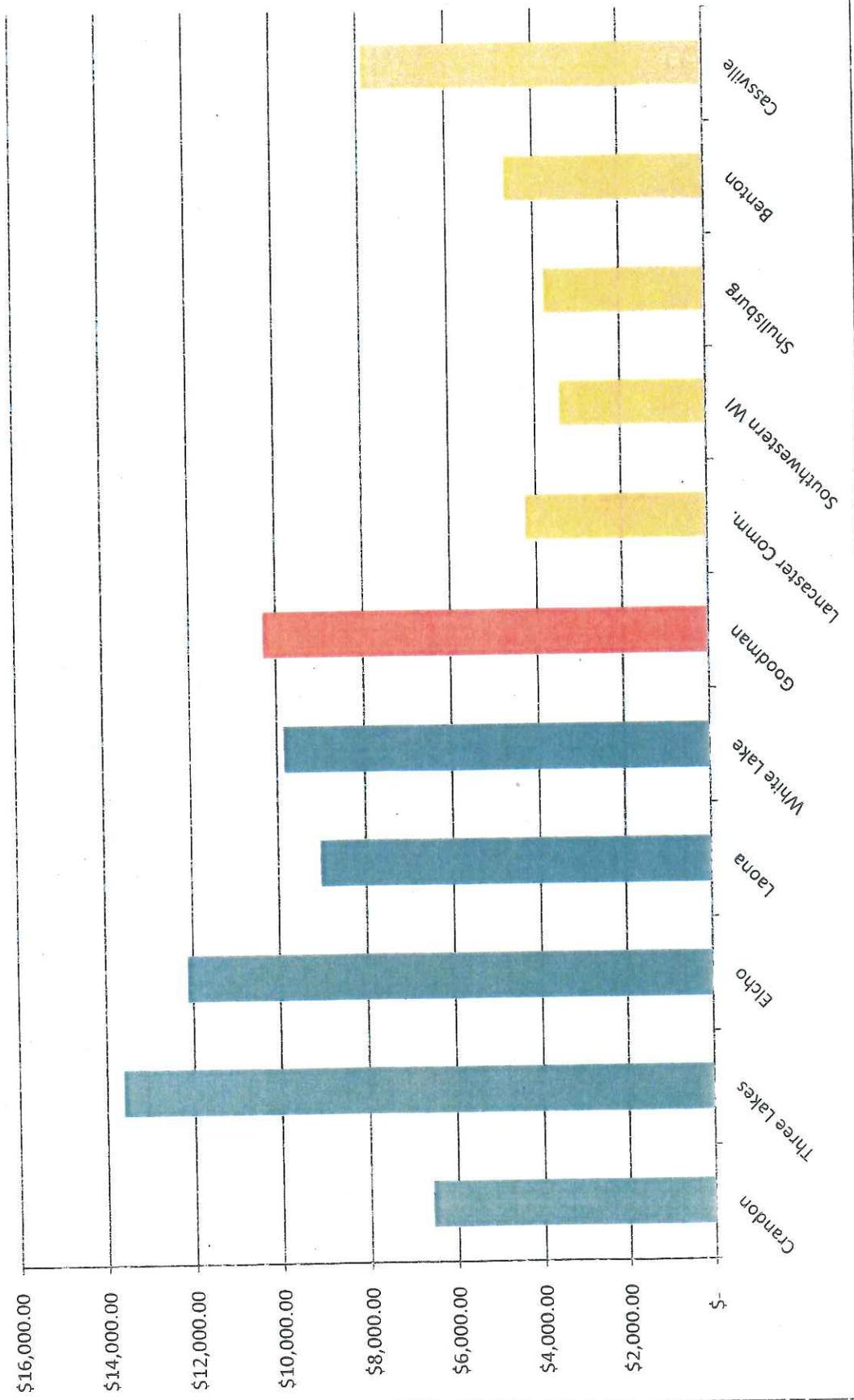
Source : Department of Public Instruction (DPI), School Finance Data Warehouse

Enrollment K-12 per School

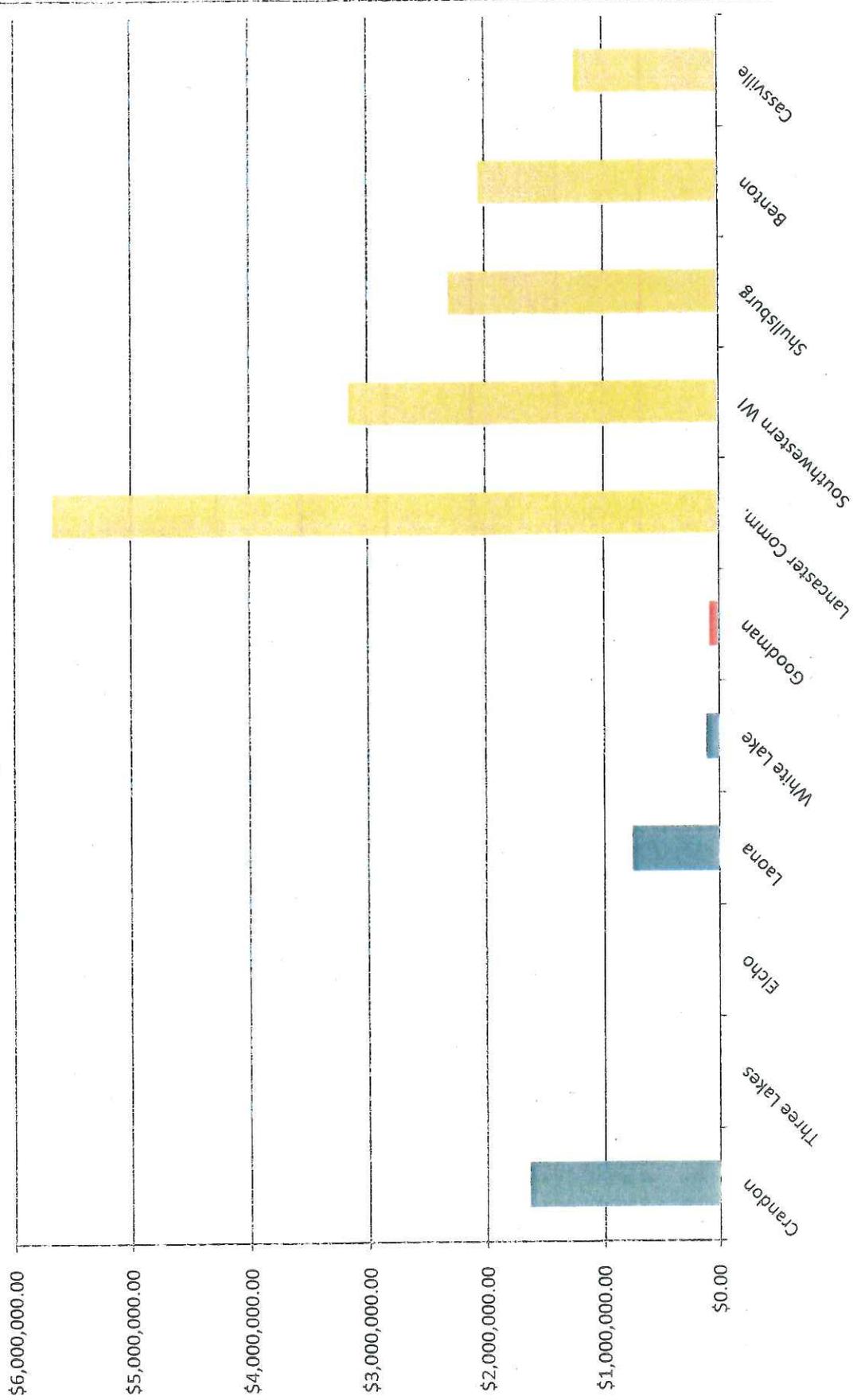


Schools

Tax Levy per Member (Student)



Total Equalized Aid Received per District



Side by Side Profiles



				
People & Income Overview (By Place of Residence)	Wisconsin	Florence County, WI	Forest County, WI	Marinette County, WI
Population (2012)	5,726,398	4,482	9,206	41,563
Growth (%) Since 2000	6.8%	-11.9%	-8.2%	-4.2%
Growth (%) Since 1990	17.1%	-2.4%	4.9%	2.5%
Land Area (in sq. miles)	54,157.8	488.2	1,014.1	1,399.3
Population Density (2012)	105.7	9.2	9.1	29.7
% Reporting One Race Only (2011 ACS 5 year est.)	97.8%	100.1%	98.8%	99.1%
% Reporting Only African American (2011 ACS 5 year est.)	6.2%	N/A	0.7%	0.3%
% Reporting Hispanic (of any race) (2011 ACS 5 year est.)	5.7%	0.3%	1.5%	1.3%
Households (2011 ACS 5 year est.)	2,279,738	1,988	4,021	19,092
Labor Force (2012)	3,051,732	2,315	4,589	21,621
* Unemployment Rate (2012)	6.9	7.3	9.5	8.0
* Per Capita Personal Income (PCPI) (2011)	\$39,575	\$35,870	\$31,394	\$34,881
10 Year PCPI Growth (%) adj. for inflation	3.5%	21.0%	13.9%	14.7%
* Poverty Rate (2010)	13.2	13.6	16.9	14.5
* High School Diploma or More - % of Adults 25+ (2011 ACS 5 year est.)	89.8%	87.8%	86.1%	88.4%
Bachelor's Deg. or More - % of Adults 25+ (2011 ACS 5 year est.)	26.0%	14.5%	12.8%	14.3%
Industry Overview (2012) (By Place of Work)	Wisconsin	Florence County, WI	Forest County, WI	Marinette County, WI
Covered Employment	2,695,404	974	3,130	18,890
* Avg Wage Per Job	\$41,966	\$22,382	\$29,797	\$35,340
* Manufacturing - % of all jobs	16.8%	18.2%	7.3%	32.2%
* Avg Wage Per Job	\$52,396	\$27,183	\$31,703	\$46,974
* Transportation and Warehousing - % of all jobs	3.7%	0.7%	4.1%	3.8%
* Avg Wage Per Job	\$40,518	\$37,519	\$33,863	\$38,388
* Health Care, Social Assist. - % of all jobs	14.4%	7.1%	N/A	N/A
* Avg Wage Per Job	\$43,794	\$25,617	N/A	N/A
* Finance and Insurance - % of all jobs	4.6%	N/A	69**	458**
* Avg Wage Per Job	\$63,433	N/A	\$27,543	\$36,279

N/A Not Available or Not Applicable

** Not Percent, Actual Value

Some numbers may not match published or USA Counties in Profile numbers exactly because rates and other figures may be recalculated.

USA Counties IN Profile provides current federal statistics on a variety of demographic and economic indicators. Read "About the Profile" for the best understanding of the data, ranks and computations. This profile is produced by **STATS Indiana**, a web service of the information utility for the State of Indiana. As a part of the Information for Indiana Initiative, it is maintained by the **Indiana Business Research Center** at Indiana University's Kelley School of Business.

Updated: October 15, 2013 at 11:57

Income and Poverty for Florence County, WI

Part of: Iron Mountain MI-WI, Micropolitan Area

STATS Indiana

Median Income	Number	Rank in State	Percent of State
Median household income in 2011	\$46,041	38	91.3%
Median household income in 2000 (adj. for inflation)	\$47,203	55	81.2%
5-year percent change 2000 to 2011	-2.5%	1	

Source: US Census Bureau

Per Capita Personal Income	Number	Rank in State	Percent of State
Per capita income - 2011	\$35,870	32	90.6%
Per capita income - 2001 (adj. for inflation)	\$29,642	55	77.5%
Per capita income - 1991 (adj. for inflation)	\$20,730	69	67.9%
Per capita income - 1981 (adj. for inflation)	\$20,489	57	75.5%
10-year % change	21.0%	2	
20-year % change	73.0%	1	
30-year % change	75.1%	8	

Source: US Bureau of Economic Analysis

Personal Income in 2011 (\$000)	Number	5-Year % Change (adj*)	Rank in % Change
Total Earnings by Place of Work	\$34,716	-15.5%	70
Minus: Contributions for government social insurance	\$4,878	-16.3%	68
Personal contributions for government social insurance	\$2,701	-20.4%	38
Employer contributions for government social insurance	\$2,177	-10.5%	69
Plus: Adjustment for residence	\$59,462	8.8%	19
Equals: Net Earnings by Place of Residence	\$89,300	-0.7%	36
Plus: Dividends, rent, interest	\$30,078	1.4%	43
Plus: Transfer payments	\$39,883	23.8%	59
Equals: Personal Income by Place of Residence	\$159,261	4.9%	33

Source: US Bureau of Economic Analysis (*adj = Adjusted for Inflation)

Poverty Estimates	Number	Rank in State	5-Year % Change	Rank in % Change
Poverty rate in 2011	13.0	32	--	--
In 2000	9.2	26	41.3%	53
Poverty rate for children under 18 in 2011	20.4	27	--	--
In 2000	13.5	25	51.1%	54

Source: US Census Bureau

USA Counties IN Profile provides current federal statistics on a variety of demographic and economic indicators. Read "About the Profile" for the best understanding of the data, ranks and computations. This profile is produced by [STATS Indiana](http://www.stats.indiana.edu), a web service of the Indiana Business Research Center at the Indiana University Kelley School of Business. Major support for this effort is provided by the State of Indiana.

Updated: October 02, 2013 at 15:02

Income and Poverty for Forest County, WI



Median Income	Number	Rank in State	Percent of State
Median household income in 2011	\$39,282	68	77.9%
Median household income in 2000 (adj. for inflation)	\$43,011	69	74.0%
5-year percent change 2000 to 2011	-8.7%	16	

Source: US Census Bureau

Per Capita Personal Income	Number	Rank in State	Percent of State
Per capita income - 2011	\$31,394	64	79.3%
Per capita income - 2001 (adj. for inflation)	\$27,559	69	72.1%
Per capita income - 1991 (adj. for inflation)	\$19,434	71	63.6%
Per capita income - 1981 (adj. for inflation)	\$17,399	71	64.1%
10-year % change	13.9%	9	
20-year % change	61.5%	2	
30-year % change	80.4%	3	

Source: US Bureau of Economic Analysis

Personal Income in 2011 (\$000)	Number	5-Year % Change (adj*)	Rank in % Change
Total Earnings by Place of Work	\$166,282	-6.8%	53
Minus: Contributions for government social insurance	\$17,511	-11.3%	49
Personal contributions for government social insurance	\$9,325	-18.3%	27
Employer contributions for government social insurance	\$8,186	-1.6%	58
Plus: Adjustment for residence	\$11,119	-9.3%	53
Equals: Net Earnings by Place of Residence	\$159,890	-6.5%	62
Plus: Dividends, rent, interest	\$42,526	23.3%	3
Plus: Transfer payments	\$87,535	21.0%	69
Equals: Personal Income by Place of Residence	\$289,951	4.4%	39

Source: US Bureau of Economic Analysis (*adj = Adjusted for Inflation)

Poverty Estimates	Number	Rank in State	5-Year % Change	Rank in % Change
Poverty rate in 2011	15.6	13	--	--
In 2000	11.5	8	35.7%	62
Poverty rate for children under 18 in 2011	23.4	14	--	--
In 2000	16.6	10	41.0%	64

Source: US Census Bureau

USA Counties IN Profile provides current federal statistics on a variety of demographic and economic indicators. Read "About the Profile" for the best understanding of the data, ranks and computations. This profile is produced by **STATS Indiana**, a web service of the Indiana Business Research Center at the Indiana University Kelley School of Business. Major support for this effort is provided by the State of Indiana.

Updated: October 02, 2013 at 15:02

Income and Poverty for Marinette County, WI

Part of: Marinette WI-MI, Micropolitan Area

STATS Indiana

Median Income	Number	Rank in State	Percent of State
Median household income in 2011	\$39,705	66	78.8%
Median household income in 2000 (adj. for inflation)	\$48,078	51	82.7%
5-year percent change 2000 to 2011	-17.4%	63	

Source: US Census Bureau

Per Capita Personal Income	Number	Rank in State	Percent of State
Per capita income - 2011	\$34,881	39	88.1%
Per capita income - 2001 (adj. for inflation)	\$30,423	48	79.6%
Per capita income - 1991 (adj. for inflation)	\$25,731	35	84.2%
Per capita income - 1981 (adj. for inflation)	\$22,551	38	83.0%
10-year % change	14.7%	8	
20-year % change	35.6%	42	
30-year % change	54.7%	32	

Source: US Bureau of Economic Analysis

Personal Income in 2011 (\$000)	Number	5-Year % Change (adj*)	Rank in % Change
Total Earnings by Place of Work	\$1,014,026	-2.2%	38
Minus: Contributions for government social insurance	\$113,783	-7.2%	24
Personal contributions for government social insurance	\$52,682	-19.5%	35
Employer contributions for government social insurance	\$61,101	7.0%	14
Plus: Adjustment for residence	-\$40,858	-8.0%	49
Equals: Net Earnings by Place of Residence	\$859,385	-1.1%	37
Plus: Dividends, rent, interest	\$208,399	10.4%	22
Plus: Transfer payments	\$385,219	26.0%	45
Equals: Personal Income by Place of Residence	\$1,453,003	6.5%	25

Source: US Bureau of Economic Analysis (*adj = Adjusted for Inflation)

Poverty Estimates	Number	Rank in State	5-Year % Change	Rank in % Change
Poverty rate in 2011	13.4	28	--	--
In 2000	8.4	34	59.5%	31
Poverty rate for children under 18 in 2011	18.3	36	--	--
In 2000	11.6	33	57.8%	44

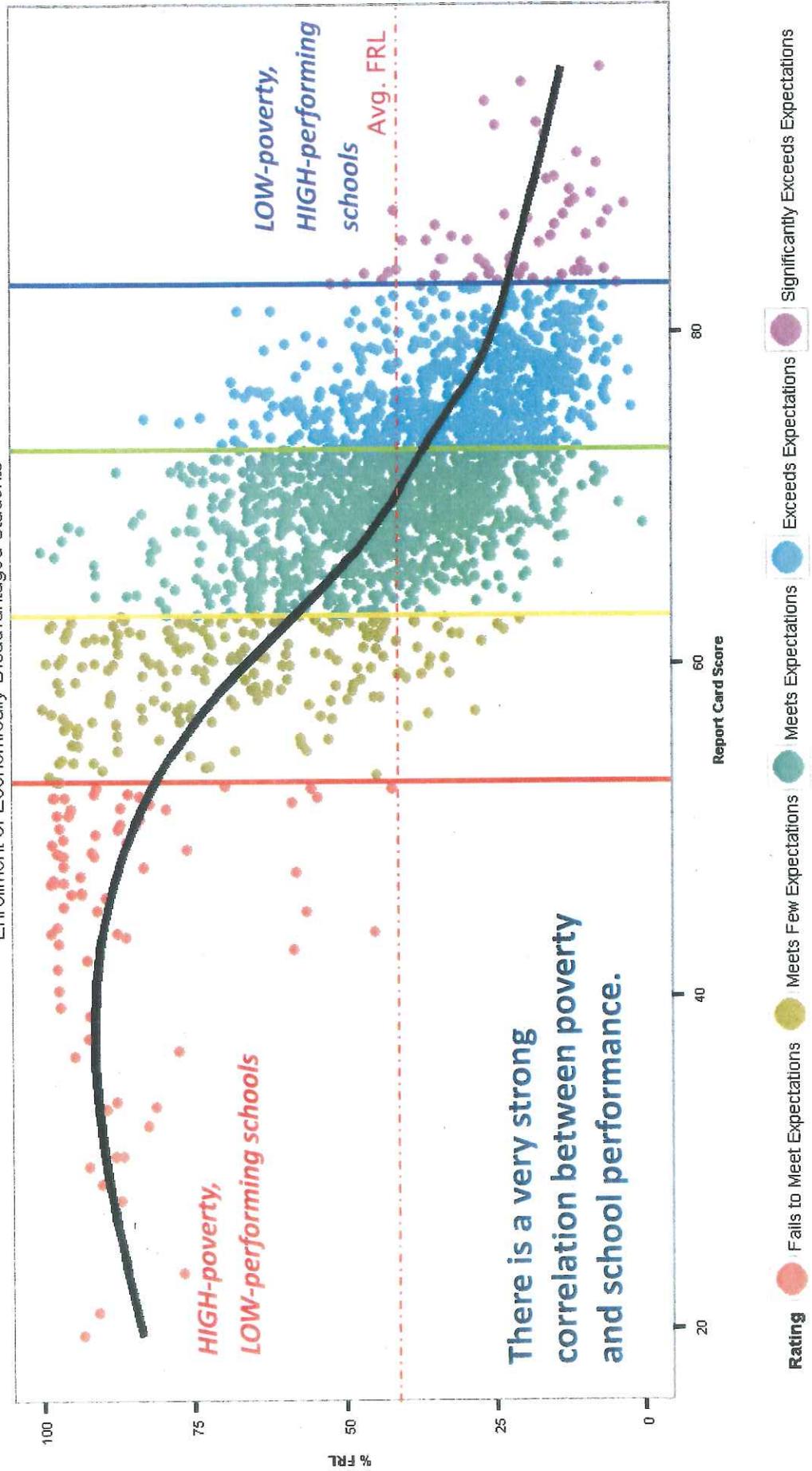
Source: US Census Bureau

USA Counties IN Profile provides current federal statistics on a variety of demographic and economic indicators. Read "About the Profile" for the best understanding of the data, ranks and computations. This profile is produced by [STATS Indiana](#), a web service of the Indiana Business Research Center at the Indiana University Kelley School of Business. Major support for this effort is provided by the State of Indiana.

Updated: October 02, 2013 at 15:06

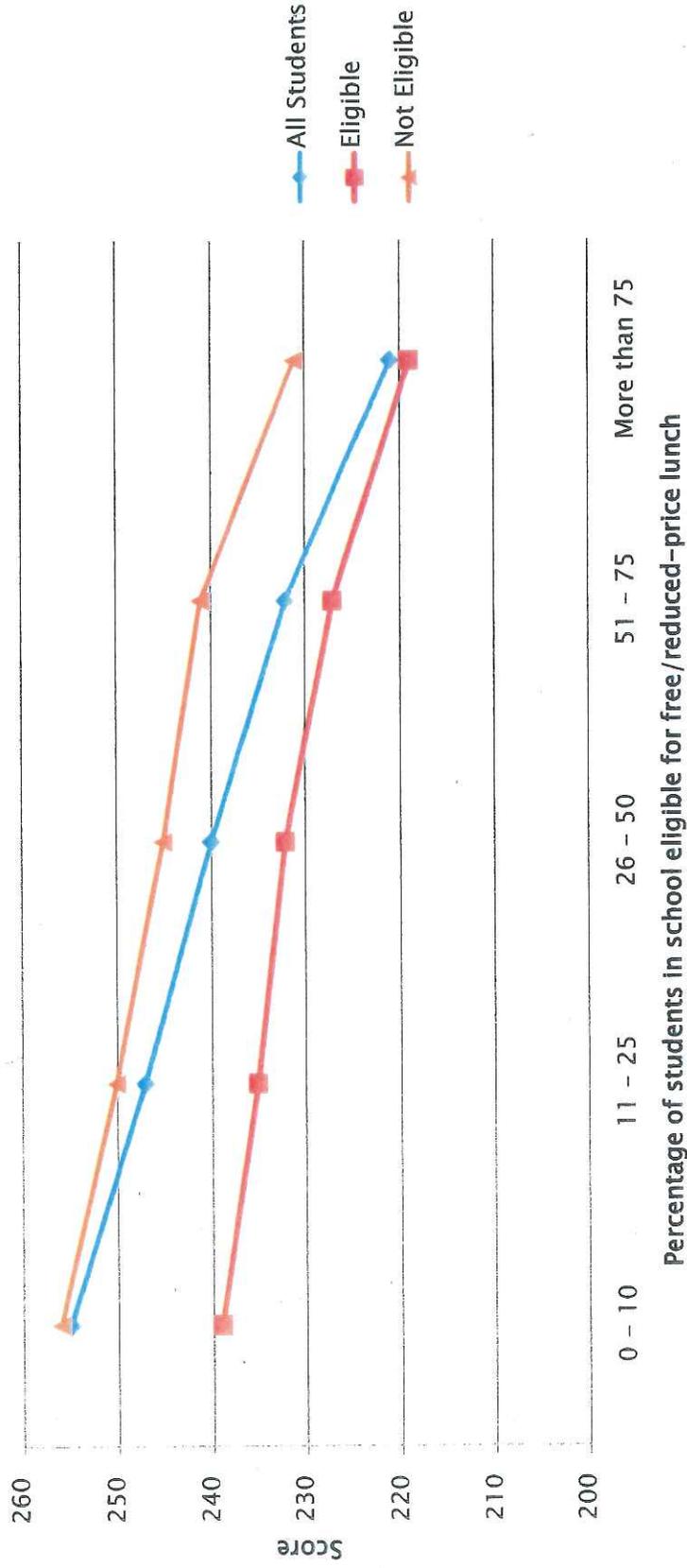
And Poverty Impacts Student Performance

Accountability Index Categories Compared to Enrollment of Economically Disadvantaged Students



Poverty is the single greatest factor limiting student achievement

Data Connecting Poverty and Student Achievement:
2005 NAEP Data



Goodman-Armstrong Creek Aids

<u>Poverty Aid</u>		As % of Budget
2013-2014	7,180.00	0.36%
2012-2013	10,094.00	0.48%
2011-2012	10,094.00	0.46%
2010-2011	19,226.00	0.84%

<u>Sparsity Aid</u>		As % of Budget
2013-2014	29,198.00	1.46%
2012-2013	34,711.00	1.65%
2011-2012	35,407.00	1.61%
2010-2011	44,211.00	1.92%

<u>PILT</u>		As % of Budget
2013-2014	17,500.00	0.88% * Significant Increase thanks to 25% NFI Funds
2012-2013	569.00	0.03%
2011-2012	652.00	0.03%
2010-2011	1,019.00	0.04%

Florence Aids

<u>Poverty Aid</u>		As % of Budget
2013-2014	0.00	0.00%
2012-2013	0.00	0.00%
2011-2012	0.00	0.00%
2010-2011	0.00	0.00%

<u>Sparsity Aid</u>		As % of Budget
2013-2014	120,000.00	1.71%
2012-2013	124,811.00	1.78%
2011-2012	129,826.00	1.85%
2010-2011	150,397.00	2.15%

<u>PILT</u>		As % of Budget
2013-2014	362,000.00	18.10% * Significant Increase thanks to 25% NFI Funds
2012-2013	226,321.00	10.78%
2011-2012	220,401.00	10.02%
2010-2011	230,477.00	10.02%

Goodman-Armstrong Creek Equalization Aid

		State Equilization Aid		Total Levy	Percent of Aid vs. Tax Levy
2013-14	-15.1%	282,215	4.1%	1,380,132	20%
2012-13	-15.1%	332,303	-8.5%	1,326,350	25%
2011-12	-10.0%	391,385	-8.6%	1,449,561	27%
2010-11	-15.2%	434,772	-0.3%	1,586,460	27%
2009-10	-15.1%	512,680	7.2%	1,591,647	32%
2008-09	-15.0%	604,185	2.0%	1,484,636	41%
2007-08		710,742		1,455,424	49%

Florence Equalization Aid

		State Equilization Aid		Total Levy	Percent of Aid vs. Tax Levy
2013-14	-15.0%	757,316	8.6%	5,481,237	14%
2012-13	-15.0%	891,236	2.5%	5,046,670	18%
2011-12	-10.1%	1,048,530	-5.5%	4,921,698	21%
2010-11	-15.2%	1,166,705	-9.9%	5,205,874	22%
2009-10	-15.1%	1,375,771	4.1%	5,779,424	24%
2008-09	-15.0%	1,621,322	5.3%	5,551,393	29%
2007-08		1,906,771		5,271,683	36%

TAX LEVY RECAP

	<u>TAX LEVY</u>	<u>EQUALIZED VALUATION</u>	<u>LEVY RATE</u>	<u>MILL RATE PER THOUSAND</u>
2001-02	1,152,317.00	82,055,300.00	0.014043	14.04
2002-03	1,318,444.00	89,138,500.00	0.014791	14.79
2003-04	1,376,938.00	97,997,000.00	0.014051	14.05
2004-05	1,357,897.00	104,628,700.00	0.012978	12.98
2005-06	1,319,812.00	116,033,200.00	0.011374	11.37
2006-07	1,308,324.00	127,574,100.00	0.010255	10.26
2007-08	1,455,424.00	137,576,400.00	0.010579	10.58
2008-09	1,484,636.00	141,483,400.00	0.010493	10.49
2009-10	1,591,647.00	141,460,800.00	0.011252	11.25
2010-2011	1,586,460.00	123,401,300.00	0.012856	12.86
2011-2012	1,449,561.00	120,552,900.00	0.012024	12.02
2012-2013	1,326,350.00	119,027,500.00	0.011143	11.14
2013-2014	1,380,170.00	119,027,500.00	0.011595	11.60

estimate
 ↓
actual
 116,000,000

**Annual School District Meeting
School District of Florence County**

**Tax Statistics History
October 18,2013**

Year	Tax Levy	% Change	Equalized Value	% Change	Tax Rate	% Change
1982-83	1,299,052		136,070,100		9.5469	
1983-84	1,649,732	27.00%	138,053,800	1.46%	11.9499	25.17%
1984-85	1,716,223	4.03%	138,786,500	0.53%	12.3659	3.48%
1985-86	1,937,524	12.89%	140,914,700	1.53%	13.7496	11.19%
1986-87	2,061,823	6.42%	136,060,900	-3.44%	15.1537	10.21%
1987-88	2,242,600	8.77%	133,305,600	-2.03%	16.8230	11.02%
1988-89	2,201,075	-1.85%	130,804,100	-1.88%	16.8273	0.03%
1989-90	2,326,756	5.71%	137,683,300	5.26%	16.8993	0.43%
1990-91	2,526,560	8.59%	144,836,400	5.20%	17.4442	3.22%
1991-92	2,718,811	7.61%	149,362,900	3.13%	18.2027	4.35%
1992-93	2,823,675	3.86%	156,850,700	5.01%	18.0023	-1.10%
1993-94	2,848,636	0.88%	164,024,400	4.57%	17.3671	-3.53%
1994-95	2,627,812	-7.75%	167,692,700	2.24%	15.6704	-9.77%
1995-96	2,496,322	-5.00%	178,616,200	6.51%	13.9759	-10.81%
1996-97	1,810,383	-27.48%	194,152,000	8.70%	9.3246	-33.28%
1997-98	2,118,913	17.04%	206,219,700	6.22%	10.2750	10.19%
1998-99	2,400,819	13.30%	230,139,300	11.60%	10.4320	1.53%
1999-00	2,363,996	-1.53%	284,169,800	23.48%	8.3190	-20.26%
2000-01	2,842,313	20.23%	320,321,000	12.72%	8.8733	6.66%
2001-02	3,109,594	9.40%	348,771,500	8.88%	8.9158	0.48%
2002-03	3,517,820	13.19%	390,599,600	11.99%	9.0062	1.01%
2003-04	3,991,148	13.15%	409,009,700	4.71%	9.7581	8.35%
2004-05	3,887,152	-2.61%	439,959,000	7.57%	8.8353	-9.46%
2005-06	4,395,251	13.07%	463,197,600	5.28%	9.4889	7.40%
2006-07	4,898,124	11.44%	529,479,100	14.31%	9.2508	-2.51%
2007-08	5,271,683	7.63%	576,647,500	8.91%	9.1420	-1.18%
2008-09	5,551,393	5.31%	592,778,100	2.80%	9.3650	2.44%
2009-10	5,779,424	4.11%	584,067,500	-1.47%	9.8951	5.66%
2010-11	5,205,874	-9.92%	590,167,900	1.04%	8.8210	-10.86%
2011-12	4,921,698	-5.46%	598,773,400	1.46%	8.2196	-6.82%
2012-13	5,046,670	2.54%	604,721,400	0.99%	8.3454	1.53%
2013-14	5,481,237	8.61%	591,789,900	-2.14%	9.2621	10.98%

Making Matters Worse: School Funding, Achievement Gaps and Poverty under Wisconsin Act 32

By James Shaw and Carolyn Kelley

The 2011-13 Wisconsin biennial budget (Act 32) reduced state aid to school districts by \$792 million. This budget reduction follows a reduction of \$284 million in the 2009-11 biennial budget, reducing overall state aid to public schools by more than a billion dollars.

In addition to the reduction in general aid, Act 32 reduced the revenue limit in Wisconsin school districts by 5.5%, which is equivalent to an overall reduction in taxing authority of \$1.6 billion in addition to the \$792 million reduction in state aid. The lowered revenue cap requires that 241 of the state's 424 school districts reduce school property taxes, exacerbating the impact of state budget cuts.ⁱ

Wisconsin boasts the highest high school graduation rates, the third highest ACT scores, the highest Advanced Placement success percentage of any Midwestern state, and high rates of highly qualified teachers.ⁱⁱ At the same time, the state has some of the largest achievement gaps for poor and minority students, and struggles to provide adequate funding for all school districts.

By analyzing school district budgeted expenditures in the 30 highest and 30 lowest poverty districts in the state for 2011-12,ⁱⁱⁱ this study examines the impact of Wisconsin Act 32 on education funding, teacher quality, student learning, and property taxpayers. Budget data collected by the Wisconsin Department of Public Instruction represent the best currently available estimates of the impact of Act 32 on district expenditures.

Financial Impact of Act 32

Wisconsin state school aids are designed to equalize revenues among school districts with high and low tax capacity. In 2010-11, the thirty highest poverty districts in Wisconsin received average state revenue per member of \$7,237.55 compared to \$3,361.39 for the thirty low poverty districts.

State budget cuts hit high poverty districts the hardest. Analysis of district budget data shows that compared with the 2010-11 budget year, high poverty districts lost \$702.97 in average state revenue per member while low poverty districts lost \$318.70 in average state revenue per member.

Because high poverty districts are larger, the resulting share of budget decrease from state aid cuts for the 30 highest poverty districts was \$88,452,606 (\$703 per student times 127,842 students) compared to a loss of only \$20,299,915 (\$319 per student times 63,696 students) for the 30 lowest poverty districts.

High poverty districts have less state revenue to support the needs of children, and taxpayers in high poverty districts pay taxes at increasingly higher rates. In 2009-10 the total equalized property value per member in high poverty districts was \$426,937.90. In low poverty districts the equalized property value per member was \$944,333.95. Low poverty districts have more than the twice the equalized property value or tax base per member than high poverty districts.

Prior to the reductions in State revenue contained in the Wisconsin 2011-13 biennial budget, the average mill rate (\$10.94) for the 2010-11 school year budget in high poverty districts was 29% higher than in low poverty districts (\$8.56).

After the passage of the Wisconsin State Budget and reductions in State revenue for school districts, the average 2011-12 mill rate (\$11.08) in high poverty districts is 32% higher than the average mill rate (\$8.39) in low poverty districts.

The average mill rate increased 14 cents per thousand dollars of property value or 1.4% (\$10.94 to \$11.08) in high poverty school districts; and decreased 16 cents per thousand or 1.8% (\$8.56 to \$8.39) in low poverty school districts.

Reductions in employee compensation hit high poverty districts the hardest. Act 10 limits collective bargaining rights for public employees and reduces total compensation by making employees responsible for paying a larger portion of health care and retirement benefits. Under Act 10 reductions in state aid for public education are offset by reductions in public school employee compensation and/or a reduction in the workforce. For cuts in employee compensation to absorb the total \$431 million reduction in state aid to school districts in 2011-12, total compensation for each school employee would have to be reduced by \$3941. Because state revenue reductions are more than twice as large in high poverty districts, compensation reductions must be more than twice as large, \$6436 per employee, compared to low poverty districts, \$2768, to offset reductions in revenues.

These reductions adversely impact high poverty districts. Even without the added burden of absorbing larger cuts to employee compensation, recruiting and retaining highly qualified teachers is more challenging in high poverty districts.^{iv}

Reductions in the size of the workforce hit high poverty districts hardest. The state biennial budget reduces state aid by \$431 million in the first year and \$361 million in the second. Using average teacher compensation as a proxy for average public school employee compensation and without considering the Act 10 mandated reductions in employee compensation, a reduction of 5.4% of the public school workforce or 5,448 school employees would be needed to offset the \$431 million reduction in state aid for the 2011-12 school year.

Because state revenue is reduced more in high poverty districts than in low poverty districts, to offset the budget cuts, the workforce must be reduced 8.2% in high poverty districts and only 3.5% in low poverty districts. These cuts would increase class size, particularly in high poverty districts. Large class sizes have been shown to have a particularly negative impact on student achievement for the low income and minority students served by high poverty districts.^v

In fact, recently released data from the Wisconsin Department of Public Instruction show that the number of full-time equivalent (FTE) public school total staff was reduced by 2357 or by 2.29% for the 2011-12 school year. FTE public school staff was reduced by 877 or 5.71% in high poverty districts, and by 81 FTE staff or 1.13% in low poverty districts.^{vi}

Act 32 increases funding gaps for poor and minority students. The reality of budget cuts hits low-income students harder, as reductions in state revenue are more than twice as large in high poverty school districts as in low poverty school districts. These reductions in state aid decrease the number of educators, and the compensation and incentives for recruiting and retaining high quality teachers, especially in high need districts. They reduce program support for the students most in need, while increasing

class sizes and property taxes in high poverty school districts.

ⁱ Reschovsky, A. (2011). The Impact of property taxes of the governor's 2011-12 school funding proposals. Robert M. La Follette School of Public Affairs, La Follette School Working Paper No. 2011-012.

ⁱⁱ Wisconsin Department of Public Instruction. (2011, February 9). Wisconsin Advanced Placement Results Continue to Climb. News Release DPI-NR 2011-15B. Retrieved April 25, 2012 from dpi.wi.gov/eis/pdf/dpinr2011_15.pdf Department of Education. (2011).

Wisconsin Department of Public Instruction. (2011, August 17). ACT Results Up In Wisconsin. News Release DPI-NR 2011-89 C. Retrieved April 25, 2012 from dpi.wi.gov/eis/pdf/dpinr2011_89.pdf.

Balfanz, R., Bridgeland, J.M., Bruce, M. & Fox, J.H. (2012). Building a Grad Nation Report. Alliance for Excellent Education, America's Promise Alliance, Civic Enterprises, & Everyone Graduates Center at John Hopkins University. Retrieved April 25, 2012 from <http://www.americaspromise.org/>.

ⁱⁱⁱ Poverty is measured by the percent of students in the district qualifying for the Federal Free and Reduced Price Lunch Program.

^{iv} Committee for Economic Development. (2009). *Teacher Compensation and Teacher Quality: A statement of the policy and impact committee of the Committee for Economic Development*. Washington D.C.: Committee for Economic Development.

⁶ Nye, B. A. (2000). Do the disadvantaged benefit more from small classes? Evidence from the Tennessee class size experiment. *American Journal of Education*, 109, 1-25.

⁷ Wisconsin Department of Public Instruction Annual 1202 School Staff Report, released April 18, 2012.

About the Authors

James J. Shaw and Carolyn Kelley are Wisconsin educators with expertise in school reform and school leadership development.

They are coauthors of the book, *Learning First!: A School Leader's Guide to Closing Achievement Gaps* (2009).

Jim Shaw has been a Wisconsin educator for more than forty years. He is a former teacher, psychologist, school administrator, superintendent, and Professor of Educational Leadership and Policy Analysis at the University of Wisconsin-Madison. He is also a former Wisconsin Superintendent of the Year and has been recognized by numerous organizations including the Public Policy Forum, the University of Wisconsin, the Saturn Corporation, the National Education Association, and the Wisconsin Association of School District Administrators for his leadership and contributions to public education at both the state and national level. He served most recently as the Superintendent of the Racine Unified School District.

* Carolyn Kelley is a Professor of Educational Leadership and Policy Analysis at the University of Wisconsin-Madison. She is an internationally recognized scholar in teacher compensation policy and strategic human resource management in schools. Professor Kelley is coauthor of the book *Paying Teachers for What They and Do: New and Smarter Strategies to Improve Schools* (with Allan Odden, 2001). She is a principal developer of the *Comprehensive Assessment of Leadership for Learning* (CALL) survey designed to promote school leadership and instructional practices that improve student learning.

For more information about the analysis presented in this ELPA Policy Brief, see the full paper and analysis, available on the ELPA website, elpa.education.wisc.edu.

THE CHIPPEWA HERALD

TAX CUT PROPOSAL

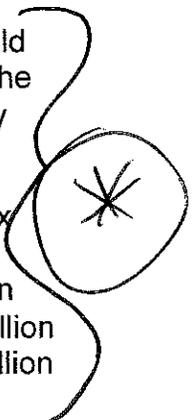
Tax cut higher in Madison under governor's plan



2 HOURS AGO • BY MATTHEW DEFOUR | WISCONSIN STATE JOURNAL | MDEFLOUR@MADISON.COM | 608-252-6144

Typical Madison property taxpayers would see roughly twice as much tax relief as the state average under a bill moving quickly through the state Legislature.

The average \$25 savings on property tax bills that would reach homeowners in December would come from the Madison School District's receiving about \$2.3 million in additional state aid as part of \$100 million



in property tax relief over two years proposed by Gov. Scott Walker and Republican legislative leaders.

The tax cut package — which passed the state Senate on a bipartisan 28-5 vote Tuesday night after unanimously passing the Legislature's budget committee that morning — would contribute to a much larger structural deficit for the state heading into the 2015-17 budget.

The deficit would rise to

\$725 million compared with the current projected \$545 million, according to the nonpartisan Legislative Fiscal Bureau. The structural deficit is the amount that expenditures are expected to exceed revenues during a given budget cycle.

That figure factors in better-than-expected revenue for the fiscal year that ended June 30. It also accounts for the two-year,

\$100 million property tax relief proposal, which would boost state funding to schools overall while forcing most districts to compensate by lowering property taxes.

Statewide, the typical property owner would save about \$13 on the December bill and \$20 the following year, according to the fiscal bureau.

The average tax cut varies between districts because the relief is being distributed through the state's complicated school aid formula, which is designed to distribute state aid equitably based on property values and school spending levels.

The average home value also varies around the state. In Madison, it's \$230,831, compared with \$148,000 statewide, though a \$148,000 home in Madison would still get about \$16 in relief.