



SHEBOYGAN AREA SCHOOL DISTRICT

Learning Today. Leading Tomorrow.

Public School Revenue Caps Need to Keep Pace with Inflation

Since 1993, public school districts in the state of Wisconsin, including the Sheboygan Area School District (SASD), have operated under a revenue cap. The revenue cap limits the amount of revenue a district may receive through a combination of state aid and local property tax. As a result of Act 10, increases to the revenue cap are not tied to inflationary increases, and it is creating problems for school districts. Since Act 10 became law, annual revenue cap increases for the Sheboygan Area School District have averaged less than 0.5 percent. During that same time, inflation has increased an average of 2.0 percent per year.

The inability of the district to keep up with inflation has created an ongoing structural deficit in the District's budget. SASD is spending less money per student today than it did five years ago. Up until this point, the District has been able to avoid major programming cuts by balancing its budget through reductions in employee salaries and benefits and also by deferring building maintenance. Continuing to balance the budget this way will not only result in costly building repairs for the future, but, more importantly, it will weaken the District's ability to hire and retain quality teachers, administrators and support staff. We believe strong public schools are a foundation for strong communities. Having outstanding people teaching and leading our children is critical for Sheboygan's long-term success.

An increase in state aid does not equal an increase in revenue

A few weeks ago, the Department of Public Instruction (DPI) released estimated state aid figures for the 2014-15 school year. The Sheboygan Area School district will receive an estimated \$70 million in general aid, which is 3.43 percent more than last year's general aid. It is important to understand that the increase in state aid does not increase the total revenue amount for the District. We appreciate that the increase in state aid does provide tax relief for local property owners; however, the district is still capped under the same revenue limit.

What is the solution to fix the structural deficit?

One way to fix the structural deficit would be to allow for increases in the revenue cap to keep pace with inflation. This would allow districts to maintain current programming, yet districts would still need to fund additional programming by making other reductions within the budget. This would be a compromise that would work for both the quality education of our children and for taxpayers.

We encourage everyone to educate themselves about this important issue, and to contact the governor's office and your legislators and encourage them to support increasing public school revenue caps to keep pace with inflation. We also look forward to working with the new lawmakers that will be elected this November so they understand this issue and can advocate on behalf of public education.

Written by: Dr. Joseph Sheehan, Superintendent of Schools and David Gallianetti, President of the Board of Education

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