

**2017-
2018**

**Wisconsin Retired
Educators' Association**

WREA Legislative
Committee

[WREA PRIORITIES RESOURCE PAPERS 2017-2018]

The WREA Legislative Committee in conjunction with the WREA Lobbyists developed background information on WREA Priorities that are in alignment with WREA's Legislative Priorities for the 2017-2018 Legislative Biennium.

WREA Priorities Resource Papers 2017-2018

Table of Contents

Retirement Issues	2
Wisconsin Retirement System (WRS)	3
Joint Survey Committee on Retirement Systems (JSCRS)	4
Pension Benefits for Current and Future Retirees	6
Number of Years for Calculating Each Person’s Pension Benefit	8
Participation in Democracy	9
Open Records / Open Meeting Laws	10
Educational Issues	12
School Revenue Limits	13
UW Funding	14
Technical College Funding.....	15
Voucher School Funding	16
Same Accountability Standards for all Schools	18
Retention of Talented Teachers and Administrators.....	19
Learning Opportunities for all Public School Children	21
Mental Health Issues.....	22
Increasing Funding for High Needs Students.....	23
Financial Support for Rural Schools	25
Referendum to Support Educational Opportunities.....	26

Retirement Issues

WREA Priorities Resource Papers 2017-2018

Wisconsin Retirement System (WRS)

WREA will continue to protect and improve the Wisconsin Retirement System (WRS) and to oppose any proposals that threaten the long-term integrity of the fund.

Since the Wisconsin Retired Educators' Association (WREA) organized in 1951, the Association's signature goal and top priority has been to protect the long-term stability of the Wisconsin Retirement System (WRS) pension fund.

The WRS is administered by two state agencies and boards: The Department of Employee Trust Funds (ETF) Board which administers the benefit programs and the State of Wisconsin Investment Board (SWIB) which invests the assets of the ETF benefit plans.

The WRS is a Trust Fund. During working years, employee and employer contributions are paid into the fund per the employee's contractual agreement. It is those monies and investment returns that pay pensions to retirees. Taxpayers do not pay the pensions of WRS retirees.

Participants in the WRS share in the risks and the rewards. When SWIB experiences good investment returns, participants share in the rewards by seeing their accounts or pensions increase. However, when SWIB has poor investment returns, participants can experience decreases in their accounts or pensions. For retirees in Wisconsin, unlike some other states, there is no guaranteed cost of living increase.

There are two funds in the WRS: The Core Fund and the Variable Fund. All participants must participate in the Core Fund, a fund that is primarily invested in stocks, bonds, and real estate. Retirees are guaranteed to never drop below the pension amount they get when they first retire in the Core Fund, and a five-year smoothing mechanism in the Core Fund protects retirees from volatility. The Variable Fund, an all-stock fund, is optional. About 25% of WRS participants have chosen to have part of their pensions invested in the Variable Fund. There is no smoothing in the Variable Fund and there are no guarantees.

The WRS is primarily a defined benefit plan. However, it also has a 'money purchase' feature that computes an employee's retirement benefits by the amount of an annuity that can be purchased with moneys in the employee's retirement account. The employee receives the higher of either the formula-based defined benefit annuity or the money purchase annuity.

WREA promotes the use of trust fund and investment practices consistent with the unanimous January 17, 1997 Wisconsin Supreme Court decision in WRTA (now WREA) et al. vs. ETF Board et al. which concluded Wisconsin Retirement System **"annuitants have a property right in the investment earnings of the annuity reserve account."**

WREA Recommends:

- 1. Oppose any efforts to erode or weaken the well-funded pension plan for annuitants.**

WREA Priorities Resource Papers 2017-2018

Joint Survey Committee on Retirement Systems (JSCRS)

Support the statutory requirement that all retirement legislation be reviewed by the Joint Survey Committee on Retirement Systems (JSCRS) comprised of legislators and others knowledgeable about the pension and retirement system issues.

The 10-member Joint Survey Committee on Retirement Systems (JSCRS) was established by Chapter 376, Laws of 1947, to function as the legislative oversight committee for all matters relating to proposed statutory changes to **state-operated public employee pension plans**.

Because of the complexity and potential costs to public employers of any proposed change in Wisconsin Retirement System (WRS) law, a diverse JSCRS membership was established as a safeguard to ensure that such complex legislation receives adequate review. The members of the JSCRS are:

- Three senators and three representatives, appointed as members of standing committees in their respective houses. One senator and one representative must be a member of the minority party.
- An Assistant Attorney General appointed by the Attorney General.
- A public member who is not a WRS participant or annuitant, appointed by the Governor.
- The Commissioner of Insurance or an experienced actuary designated by the Commissioner from that agency.
- The Secretary of the Department of Employee Trust Funds (ETF) or designee.

The Committee is co-chaired by one of its Senate members and by one of its Assembly members. The Assistant Attorney General and the public member serve four-year terms and continue in office until a successor is appointed and qualified. Legislative members receive appointment or reappointment to the Committee every two years at the commencement of a new Legislature. Any member of the Committee ceases to be a member upon losing the status on which membership is based.

Current law prohibits the Legislature from acting on any bill or amendment which would create, modify, or in any way provide for the retirement or payment of pensions to public employees unless the proposal has first been referred to the JSCRS, and the Committee has provided a written report on the bill or amendment. Actions of the JSCRS require the approval of a majority of all of its members.

The Committee report on a bill includes:

- A description of what the bill would do.
- The probable costs of the proposal both in terms of total dollars and as a percent of participating employers' total annual payroll.
- The likely effect of the bill on the actuarial soundness of the WRS.
- The judgment of the Committee as to whether the bill is desirable as a matter of public policy.

The Committee may hold hearings, receive testimony and review legislation; however, it does not have the authority to introduce retirement legislation or amendments to that legislation. The Committee may conclude, though, that the proposed legislation would be good public policy if amended in a certain

WREA Priorities Resource Papers 2017-2018

fashion. In such situations, the Committee's report may indicate that fact, and an amendment to the bill accomplishing the recommended changes may subsequently be introduced by one or both of the co-chairs of the JSCRS or any other legislator.

The Legislative Council staff provides legal and research assistance to the JSCRS and may prepare fiscal estimates on bills referred to the Committee. The Legislative Council staff must also prepare a comparative study of major public employee retirement systems in the U.S. every two years. Finally, funds may be appropriated to enable the Legislative Council staff to contract for actuarial studies approved by the JSCRS.

While the various trust funds boards, agencies and legislative committees described above are all separate entities, the overlapping memberships at the policy-making levels in these bodies is intended to provide a level of coordination of WRS activities.

WREA Recommends:

- 1. Support the current structure and responsibility of the Joint Survey Committee on Retirement Systems (JSCRS).**

WREA Priorities Resource Papers 2017-2018

Pension Benefits for Current and Future Retirees

Support protecting and improving the level of pension benefits for current and future retirees.

The Wisconsin Retirement System is a fully funded, cost-effective, model public pension system. The success of WRS is one of the ways that for generations Wisconsin has been able to attract and retain a skilled public workforce.

The WRS is a model pension program because of several unique features including an annuity adjustment that can move up or down, risk sharing between participants and employers, and the independent professional governance structure of the trust fund that allows actuarial and financial experts the latitude to make sage decisions without political interference or other limitations.

Sadly, local units of government that are not part of the WRS, and even the WRS itself, run the risk of having their hands tied by elected officials who do not understand the strength of the system.

Recent analyses that examine the accumulated costs facing local units of government in other pension and health benefits that are not part of the WRS over the next 30 years create a false impression that these costs are unmanageable.

The reality is that these benefit obligations are entirely manageable on the traditional annual pay-as-you-go basis. The current funding issues that a few county and municipal governments are facing are the direct and predictable result of the state Legislature slashing shared revenue and financially hog-tying local governments.

Stoughton Police Chief Gregory Leck recently stated that degradation of pay and benefits, for a dangerous and sometimes thankless profession, has already meant fewer applicants. The Public Policy Forum found that the number of teachers leaving the profession has increased 22.5% in the last five years, enrollments are down 27.9% in teacher training programs, and most teachers who left their jobs in the metro Milwaukee area cited financial insecurity.

Attracting and retaining qualified public sector employees is a serious challenge. But it is one that is easier due to the strength of the WRS and the ability for those outside of it to meet obligations on a pay-as-you-go basis. This approach has worked.

The state of Wisconsin, counties and municipalities have worked diligently to protect pension and health care benefits in a transparent way that responsibly manages taxpayer dollars while honoring commitments made to retirees. Suggestions to the contrary do little to solve what problems do exist in keeping promises made.

The current challenges facing counties and municipalities that are not part of the WRS do not undercut the system's overall strength — but restoring local controls to more effectively manage ongoing obligations and giving local municipalities their fair share of state revenue would be a welcome and fiscally responsible next step. (1)

Changing the retirement eligibility from 55 to 57: Extending the retirement age tends to allow members to accrue their benefit over a longer period of time which typically reduces the normal cost for new

WREA Priorities Resource Papers 2017-2018

entrants. This is a reflection of the fact that extending the retirement age means that fewer people will draw benefits over the life of the plan, and therefore total costs can go down (more money is paid to each person, but fewer people in total are involved). The long-term impact represents the expected change to the future service normal cost as future entrants join under the proposed benefit structure. The long-term impact will emerge gradually over time as current members are replaced by new hires.

(1) Hill, C. (2016). The WRS Does Not Need Fixing. Milwaukee Journal Sentinel online

WREA Recommends:

- 1. Maintain/improve the solvency of the WRS with no increase in the retirement age.**

WREA Priorities Resource Papers 2017-2018

Number of Years for Calculating Each Person's Pension Benefit

Oppose increasing the number of years used for calculating each person's initial pension benefit.

Present provision: Maximum formula annuity is based on Final Average Earnings (FAE) using the average of the 3 highest years of earnings preceding retirement.

Proposed Provisions: Maximum formula annuity is based on 5-year FAE, effective on "the first day of the 60th month beginning after publication."

This proposal would raise the final average salary component of the formula benefit calculation from the average of the salaries in the 3 highest salary years to the average of salaries in the 5 highest salary years. This would reduce the WRS formula annuities for every WRS member retiring after the effective date of the bill. Money purchase annuities would not be affected. The result would be a smaller initial formula annuity and the reduction would be compounded over the remaining lifetime of the annuitant. It could mean a reduction of many tens of thousands of dollars in the total annuity received over the lifetime of the retiree.

An actuarial analysis was completed in October, 2016 of the ramifications of the proposal. They found that the present value of future benefits would go down due to the proposal. Once that gain is fully amortized, the lesser, long-term effect would begin to emerge. As written, the proposal has a cliff effect that is likely to result in a reduction in accrued benefits for some people. In addition, a provision such as this is likely to create a temporary rush to the door, at least for people whose benefits would actually go down due to the delay.

Lengthening the FAE period to 5 years from 3 years will lower benefits for almost all participants, and therefore lower long-term plan costs. It will also reduce the effect of cost pension spiking that may be occurring. Pension spiking refers to the situation where there is an unnatural increase in earnings toward the end of the career that has the effect of raising the retirement well above what is intended by the benefit formula. **The actuaries noted that there are other ways of dealing with spiking rather than lowering the benefits for almost all participants.**

WREA Recommends:

- 1. Opposition to legislation like 2015 Senate Bill 328 that would increase the number of years used for calculating each annuitant's initial pension benefit.**

Participation in Democracy

WREA Priorities Resource Papers 2017-2018

Open Records / Open Meeting Laws

Support open records/open meeting laws and transparent government processes.

Open Meetings Law

The open meetings law requires that “all meetings of all state and local governmental bodies shall be publicly held in places reasonably accessible to members of the public and shall be open to all citizens at all times unless otherwise expressly provided by law.”

The definition of “governmental body” includes a “state or local agency, board, commission, committee, council, department or public body corporate and public created by constitution, statute, ordinance, rule or order. This definition is broad enough to include virtually any collective governmental entity, regardless of what it is labeled. It is important to note that a governmental body is defined primarily in terms of the manner in which it is created, rather than in terms of the type of authority it possesses. Purely advisory bodies are therefore subject to the law, even though they do not possess final decision making power, as long as they are created by constitution, statute, ordinance, rule, or order. A group organized by its own members pursuant to its own charter, however, is not created by any governmental directive and thus is not a government body, even if it is subject to governmental regulation and receives public funding and support.

Open Records

What is a “record”? A record is any material on which written, drawn, printed, spoken, visual or electromagnetic information is recorded or preserved, regardless of physical form or characteristics, which has been created or is being kept by an authority in connection with official purpose or function of the agency. A record includes handwritten, typed or printed documents; maps and charts; photographs, films and tape recordings; computer tapes and printouts, CDs and optical discs; and electronic records and communications.

What is not subject to Wisconsin’s Open Records Law? There are numerous federal and state laws that exempt particular records from disclosure. Common exemptions include:

- Drafts, notes, preliminary documents and similar materials
- Purely personal property with no relation to the office
- Material with access limited due to copyright, patent or bequest
- Trade secrets Social security numbers
- Plans or specifications for state buildings Information obtained for law enforcement purposes, when required by federal law or regulation as a condition to receipt of state aids
- Computer programs (but the material input and the material produced as the product of a computer program is subject to the right of inspection and copying)
- Certain employee information Identities of certain applicants for public positions Identifies of law enforcement informants
- Attorney-client privilege

WREA Priorities Resource Papers 2017-2018

- Published material available for sale or at the library - See more at:
<http://inwisconsin.com/openrecordsfaq/#sthash.fKPTL67F.dpuf>

The Public Records Board has defined transitory as all communications (such as testing, etc.) used by public boards, commissions and government officials to conduct public business. That would allow those types of records to be exempt from public disclosure because they supposedly have only temporary value. These days, much of public business is conducted through electronic means. This new definition by the Public Records Board would close off access to thousands of important communications conducted routinely throughout the state of Wisconsin. Public school boards would be included in the wide array of public entities affected by this new definition.

WREA Recommends:

- 1. Support a transparent government process through open meetings and open records laws.**

Educational Issues

School Revenue Limits

Support providing a significant increase in school revenue limits per pupil as well as a corresponding increase in general school aid.

Historically, Wisconsin has ranked relatively well on school finance equity measures. However, the state share of school funding has shrunk in real dollars over the past decade and districts sustained large funding cuts in 2011. Additionally, Wisconsin school districts suffer from the systemic gap between allowable revenue growth under revenue limits and inflationary increases in school district costs.

In such an unstable environment, school districts across Wisconsin are pushed to stretch limited resources. The impacts are not equal across districts. They are more serious in districts with a large share of higher-needs students (including those in poverty, students with disabilities, and English Language Learners), as well as those with declining enrollment. They also represent a major challenge for Wisconsin's many small rural districts, where the loss of just a few students, coupled with increases in transportation costs, can have significant budget impact. Increasingly, Wisconsin school leaders struggle with a funding system that is failing to keep pace with the growing and ever-changing educational needs of the students they serve.

One of the greatest problems in Wisconsin's system of school finance is the systemic gap between allowable revenue growth under revenue caps and school district fixed cost increases (i.e., transportation, utilities, infrastructure) as driven by state and federal requirements and community expectations. In such an unstable fiscal environment, many districts find it extremely difficult to repurpose budget funds and to make new investments in innovation, continuous instructional improvement and a world-class educational staff. In order to provide much-needed fiscal stability and sustainability in our school finance system, Wisconsin must align allowable revenue growth with cost increases and investments necessary for positive change.

WREA Recommends:

- 1. Increase the annual per pupil adjustment under revenue caps by \$200 per student in each year of the 2017-19 biennium and by the annual percentage increase in the consumer price index (CPI) thereafter.**

WREA Priorities Resource Papers 2017-2018

UW Funding

Support increased funding for the University of Wisconsin System

People are proud of our world-class reputation, our history of educational leadership, our academic priorities, our efforts to link to the people of Wisconsin (the Wisconsin idea), and of course, our athletic accomplishments. Some worry that UW System institutions are becoming inaccessible because of the cost to attend. Some worry the UW System might be losing stature given the steady investments in public higher education made recently by neighboring states (Illinois being the exception). The UW System has adopted a strategic framework which will align resources with the state's greatest needs.

The strategic framework includes: getting more Wisconsinites into and through the educational pipeline and keeping them here in Wisconsin after they graduate; expanding college coursework in high schools; creating and even more dynamic college learning environment; strengthening research and creativity throughout the university; reducing "time-to-degree"; providing every college student with an opportunity for a Wisconsin business experience; and continuing practices to reduce costs and improve operational effectiveness. The strategic framework forms the basis of the 2017-19 biennial budget request. The request will be modest, but continued budget cuts and frozen tuition cannot be sustained. When adjusted for inflation, the revenue coming to the UW System today from the State of Wisconsin is the lowest in the System's history. Neighboring states, by contrast, are investing in their public university systems.

More than 36,000 students graduate from the UW System each year – and more than 80 percent will stay in Wisconsin. These graduates work, raise families, and become productive taxpaying citizens. This infusion of highly educated graduates into Wisconsin's workforce is essential to our economy.

Wisconsin is at a crossroads. We can choose either to invest in our future, in the future of our children, and in the future of our state, or we can give the university system a lower priority and put our future at risk. (from article by Ray Cross, President of the University of Wisconsin System)

Included in the UW biennial budget request are the following:

1. Increase the number of courses offered in high schools for which students can receive college credit.
2. Provide financial aid to students enrolled less than half-time.
3. Fund institutional initiatives that seek to address the state's workforce needs.
4. Provide resources for professional development and support internships, undergraduate research, service learning, capstone projects, and collaborative learning.
5. Increase the number of medical, Nursing, and allied health professionals, especially in rural and underserved areas.
6. Avoid status quo or reduced funding to support instruction, research, public service, student services, instructional support, and veterinary diagnostic services.

WREA Recommends:

1. **Support increased funding (as proposed in the 2017-2019 biennial budget request) to promote the strategic framework.**

WREA Priorities Resource Papers 2017-2018

Technical College Funding

Support increased funding for the Technical College System

Outcomes-Based: In the 2013-15 biennial budget request, the Wisconsin Technical College System (WTCS) sought to lead higher education with outcomes-based funding. Since implementing an outcomes-based funding formula in 2014, the System has successfully demonstrated a link between the colleges' outcomes and the state's investment priorities, as outlined by the Governor and the Legislature. An additional investment would allow Wisconsin's technical colleges to expand proven talent development strategies in key sectors. Capping at 30 percent the proportion of state funding subject to the outcomes-based funding formula will allow the System to maintain an appropriate balance between state-wide priorities and the need to maintain local flexibility and responsiveness.

Enduring the Continued Success of Dual Enrollment: Dual enrollment refers to aligning high school and postsecondary curricula to provide opportunities for high school students to take college level coursework while continuing to fulfill high school graduation requirements. Dual enrollment is a key component of high school student success, can help to address Wisconsin's skilled worker shortage by accelerating students into the workforce and provides a strategic opportunity for students and their families to reduce the cost of higher education. New, additional educational requirements for high school teachers who teach college level courses threatens Wisconsin Technical College System's (WTCS) ability to provide these benefits. WTCS requests additional state investment to ensure the pipeline of high school teachers qualified to teach WTCS dual enrollment courses in Wisconsin high schools.

HEAB: WTCS Wisconsin Grants: State investment in the WTCS Wisconsin Grants help students earn credentials that benefit Wisconsin employers who need the highly skilled workers the WTCS produces. However, because a significant and persistent gap exists between state funding for the WTCS Wisconsin Grant (WG), many who each year apply for and are eligible for a WTCS WG do not receive one. (from Wisconsin Technical College System website)

Included in the Technical College biennial budget request are the following:

1. Increase funding to support outcomes based funding initiatives, continuing the outcomes based funding system first implemented in 2014-15.
2. Request funding for the continuation and expansion of dual enrollment options. This funding would be used to ensure that high school teachers teaching WTCS dual enrollment courses meet minimum standards recently established by WTCS's accrediting institution by providing scholarships to high school teachers enrolling in graduate level courses to meet the new requirements.

WREA Recommends:

1. **Support increased funding (as proposed in the 2017-2019 biennial budget request) to strengthen identified initiatives.**

WREA Priorities Resource Papers 2017-2018

Voucher School Funding

Oppose diverting any taxpayer dollars from public schools to private schools through the voucher program.

The Wisconsin Parental Choice Program (WPCP) began in 2013-2014 under Act 20. Any pupil residing in a Wisconsin school district is eligible to participate in a program substantially similar to the Milwaukee and Racine programs, if the pupil's family income does not exceed 185% of the federal poverty level. Act 20 limited pupil enrollment to 500 pupils in the 2013-14 school year and 1,000 pupils in the 2014-15 school year, with participation from any one district limited to no more than 1% of that district's total enrollment. Under 2015 Act 55, the 1,000 pupil limit on the statewide choice program was eliminated. Instead, the total number of pupils residing in a school district who can participate in the program is limited to no more than 1% of that school district's prior year membership in 2015-16 and 2016-17. Beginning in 2017-18, the participation limit will increase by one percentage point in each year until the limit reaches 10% in 2025-26. Beginning in 2025-27, no limit will apply. Act 55 also eliminated the restriction on the number of private schools that can participate in the statewide choice program.¹

In September 2016, there were 121 Private schools participating in the WPCP, with a total enrollment of 3,061 students or 2,992.7 full-time equivalent (FTE) in the program (DPI unaudited numbers). In the 2016-17 school year, the WPCP state aid for a student enrolled full-time in the WPCP in grade kindergarten through eight is \$7,323 and \$7,969 for a student enrolled full-time in grade nine through twelve. The program is estimated to cost \$22.6 million in 2016-17. Wisconsin public school districts will have their state general aid reduced by an amount equal to the amount paid by the state participating private schools attributable to the incoming pupils residing in the district.² This amount ranges from \$7,323 to \$1,160,476, depending on the district.³

According to Wisconsin law (State Statute 121), a pupil attending a private elementary or high school, including four- and five-year-old kindergarten in Wisconsin is entitled to transportation provided by the public school district in which the student resides, if certain criteria are met.

If the voucher program is expanded statewide, it would mean that every district where vouchers are implemented would lose state aid (to the voucher schools) and its school board would, effectively, have to raise property taxes to replace the aid lost to the voucher schools. Incoming pupils in the WPCP are included in their resident school district's membership for state general aid purposes in the following year. District's may not levy to backfill the aid reduction. Some districts receive a non-recurring revenue limit exemption equal to the number of FTE choice students multiplied by the current limit per student.⁴

Vouchers divert attention, commitment and dollars from public schools to pay private school tuition for students, including many students who already attend private school. A dollar spent on a tuition

¹ Wisconsin Legislative Fiscal Bureau Informational Paper 25, January, 2017

² Wisconsin Department of Public Instruction

³ Wisconsin Legislative Fiscal Bureau Informational Paper 25, January, 2017

⁴ Wisconsin Department of Public Instruction

WREA Priorities Resource Papers 2017-2018

voucher is a dollar diverted from public education. Even proposals that purportedly create a “new” funding stream to pay for vouchers miss the mark: if new public money is available for education it should be invested in strengthening the schools that educate the vast majority of our students and are accountable to all taxpayers – our *public* schools.

Voucher schools do not provide public accountability: are not bound by most state instructional requirements or graduation standards; are not subject to either the state’s accountability system or the public accountability requirements contained in major federal education laws, including special education; are not governed by locally elected officials who must stand for election and re-election; do not adhere to open meetings and public records; do not have to hire certified or licensed teachers; do not have to be part of the state’s educator effectiveness system; do not have to conduct background checks on teachers and staff; do not have to accept all students; can reject students for numerous reasons of its own choosing (no due process); and administrators are not required to hold a license or certification.

WREA Recommends:

- 1. Oppose any legislation that would further divert taxpayer dollars from schools to fund voucher schools.**

Same Accountability Standards for all Schools

Support accountability standards that apply equally to publicly funded charter schools, private voucher schools, and traditional public schools.

Requirements for voucher schools stand in stark contrast to the strong controls imposed on public schools. For example, consider the following:

- Voucher schools can hire teachers who are not licensed.
- Private voucher schools are not bound by most state instructional requirements.
- Voucher schools do not follow uniform state graduation requirements.
- Voucher schools do not have to accept all students, nor do they have to provide students with the same due process protections afforded students by public schools.
- Even if a student is admitted to a private voucher school, the school can later reject him or her for numerous reasons of its own choosing.
- Private voucher schools do not have to follow the Open Meeting/Open Records law.
- Private voucher schools are not governed by locally elected officials who must stand for election and re-election.
- Private voucher schools and independent charter schools do not have to conduct background check of teachers and staff.
- Voucher schools are not required to be part of the state's educator effectiveness system.
- All voucher administrators must have at least a bachelor's degree from an accredited institution of higher education, but are not required to hold a license or certification.
- A voucher school is required to offer only those services to assist students with special needs that it can provide with minor adjustments.

Many existing voucher programs have been involved in scandal and fraud due to the lack of public accountability inherent to these programs.

WREA Recommends:

- 1. Support educational accountability for all schools who accept public funding.**

Retention of Talented Teachers and Administrators

Create a high-level state commission to develop a comprehensive long term solution for the recruitment, development, and retention of talented teachers and administrators.

The passage of Act 10 in 2011 limited collective bargaining for educators and raised health insurance and pension contributions for employees. Act 10 empowered school districts to make significant changes in order to customize operations at their local level. Since Act 10 was implemented in 2011, a number of experienced K-12 teachers have retired. But the pipeline that once produced a wealth of new teachers is starting to run dry. Because the pipeline is starting to run dry, Wisconsin is just a few years away from a dire teacher shortage. Dr. Peter Goff, a renowned expert in labor markets and human capital management, and an assistant professor with UW-Madison's Department of Educational Leadership and Policy Analysis, is currently engaged in a study on the supply and demand of teachers across the state. "This whole idea of a teacher shortage, like what is a teacher shortage?" asked Dr. Goff. "There's the quantity aspect, like we're not getting enough candidates. There's also the quality aspect – we're not getting good enough candidates." In fact, Dr. Goff's findings show between 10 and 25 percent of teacher vacancies are now filled with candidates who are not up to the standards of the school district officials hiring them.⁵

The most important school factor determining whether students achieve academically is the knowledge and skills of the classroom teacher. It is critically important, therefore, that we ensure continued improvement in our teachers' performance competence.

Efforts to improve educator preparation programs (EPPs) need to consider three important facets: *input* (how candidates are recruited/selected into programs), *pre-service development* (the content and quality of the preparation programs themselves) and *output* (the competencies and skills of graduates, as well as the ongoing support and development provided to them once they begin their careers). Additionally, teacher preparation programs should develop educators on key initiatives designed to increase the rigor and effectiveness of teaching. Two of these initiatives in Wisconsin are the Educator Effectiveness System and implementation of Wisconsin's State Learning Standards and related assessments.

While research is inconclusive about many facets of teacher preparation, industrialized nations whose students outperform U.S. students tend to invest heavily in pre-service preparation.⁶ Compared to the U.S., these nations had very different teacher preparation criteria than teachers in the U.S., marked by more extensive advanced coursework and specialization in content knowledge, more rigorous selection and admissions criteria, more pedagogical content and general pedagogical preparation, exit exams and certification and licensing exams. Similarly, countries that outperform the U.S. have different pay,

⁵ Neumann, Greg. "Digging Deeper: As teacher shortage looms, state officials look for answers." WKOW.com, August 30, 2016.

⁶ Schmidt W., Tatto M., et. al. (2007). The preparation gap: Teacher education for middle school mathematics in six countries (MT21 Report). Also Wang, A., Coleman, A., et. al. (2003). Preparing teachers around the world. Princeton, NJ: Educational Testing Service.

WREA Priorities Resource Papers 2017-2018

incentives, and working conditions that may better attract and retain higher quality educators in the teaching professions.

There is conflict between two key factors related to the recruitment, preparation and retention of effective educators. While the evidence suggests that more selective and rigorous educator preparation programs are connected to improved student outcomes, the prevailing status in factors such as compensation, working conditions, personal satisfaction, morale and societal respect for the profession do not incentivize the “best and brightest” to enter or remain in the profession. Those nations whose students outperform U.S. students not only have more rigorous preparation programs, but also have reward and incentive structures in place. These, in turn, contribute to the prestige of the profession that then serves to attract and retain top candidates.

WREA Recommends:

- 1. The State Superintendent should convene a policy level commission to advance recommendations for policy and regulatory rule changes to address issues identified in the area of Excellence in Teaching. The commission should explore both short term solutions to acute shortage issues as well as longer term policy change initiatives.**

Learning Opportunities for all Public School Children

Support high quality early learning opportunities for all public school children.

Research has demonstrated that adults who had access to preschool programming have higher earnings, are more likely to hold a job, commit fewer crimes and are more likely to graduate from high school than those who do not have access to preschool. Numerous studies have confirmed that children from poor families are at a significant social and academic deficit by the time they reach their third birthday, and that improving the quality of preschool education can help reduce achievement gaps for starting kindergartners.⁷

The good news is that Wisconsin has a strong base from which to build and maintain a comprehensive preschool program. The Badger state's four-year-old-kindergarten program and YoungStar programs provide a foundation for providing high quality early learning opportunities for all Wisconsin children.

In the last seven years, state funding for Wisconsin Shares, which supports YoungStar, has dropped \$130 million per year, the number of children served has dropped by over 12,000, and the average monthly payment per child has been reduced by 18%. This erosion of support for the childcare payment system is undermining the YoungStar system. The Wisconsin Shares/YoungStar program can have a significant impact on children that have a high probability of not being ready for school, including students of low socioeconomic status, and therefore should be funded properly.

Wisconsin should build on its strong tradition of supporting early childhood education by committing to a comprehensive preschool policy. Improving early childhood opportunities will help prepare children for their PK-12 education experience and help reduce achievement gaps. These investments in early childhood also yield an extraordinarily high public return on investment. In fact, Nobel Laureate economist James Heckman estimates that every dollar invested in high quality early childhood education generates a 7 to 10 percent annual rate of return through higher worker productivity, lower education costs, reduced crime, and less government assistance.⁸

WREA Recommends:

- 1. Increase state funding to reverse the deep funding cuts in the Wisconsin Shares program and for more quality improvement under YoungStar in order to double the number of Wisconsin children in high quality child care programs.⁹**

⁷ Reynolds, A. (2000). Success in early intervention: The Chicago Child-Parent Centers. Lincoln: University of Nebraska Press.

⁸ Heckman, James J. "The Economics of Inequality: The Value of Early Childhood Education", American Educator, Spring 2011.

⁹ Recommendations to the Governor. Wisconsin Governor's Early Childhood Advisory Council, 2015.

Mental Health Issues

Support state programs in public schools to help students with mental health issues.

In Wisconsin, too many children have unmet mental health needs, with these unmet needs having serious negative consequences for the individual, their families and our communities and schools. In Wisconsin, the fact that children's mental health needs go unmet too often because of systemic shortcomings in how such services are provided. The Johnson Foundation's Top of Mind¹⁰ report identified these shortcomings as: poor system and service coordination, multiple barriers to access care, high service costs and limited funding, and, workforce and service shortages.

Best evidence indicates that mental ill-health and poverty are linked and cyclical: poverty increases the risk of mental disorders and having a mental disorder increases the likelihood of descending poverty.¹¹

The State of Minnesota has begun to successfully address children's mental health needs through a grant program supporting school-linked mental health services. The Minnesota initiative has found success by connecting or co-locating mental health services providers with schools and has proven particularly effective in reaching children who have never accessed mental health services. Because of the program, many children with serious mental health needs were first identified including 45% of children who met the criteria for Seriously Emotionally Disturbed. This increased access was particularly important for students from cultural and ethnic minority communities.¹²

While expanded school mental health has the potential to increase access for families who want their children to receive needed services in the school setting, lack of adequate funding for mental health services is a continuing challenge. Medicaid reimbursement rates are much lower than the cost to provide mental health therapy. Also, Medicaid does not pay for school mental health consultation, a critical component for effective school-based services.¹³

WREA Recommends:

- 1. Create a School-Linked Mental Health grant program in Wisconsin, modeled after a successful Minnesota initiative. The initiative would provide 5-year funding grants for start-up costs to provide services to children who are uninsured. Grants would also be used for coordination between schools, counties and mental health providers.**
- 2. Increase Medicaid payment rates for individual and group therapy.**

¹⁰ Johnson Foundation (2012). Top of mind: Children's mental health in Racine. Highlighting facts and uncovering urgent needs.

¹¹ World Health Organization. The WHO MIND Project: Mental Improvement for Nations Development.

¹² Minnesota Department of Health Services. School Linked Mental Health Services.

¹³ Wisconsin Coalition for Expanding School-Based Mental Health. Proposal for expanded school mental health services, July 1, 2016.

WREA Priorities Resource Papers 2017-2018

Increasing Funding for High Needs Students

Support increasing public school funding for high needs students including students in poverty, English Language Learners, homeless students, and students with exceptional needs.

Funding for students with high needs played a significant role in the debate over the constitutionality of the Wisconsin school finance system. In *Vincent v. Voight* (2000), the State Supreme Court found the Wisconsin school finance system constitutional, so long as the legislature provided sufficient resources to ensure that all students are offered an equal opportunity for a sound, basic education. The Court specifically enumerated three classes of students to which the state has a special obligation for ensuring equitable opportunities: economically disadvantaged students, students with disabilities, and English Language Learners. Today, maintaining flat high-needs funding, while costs are rising to serve each of these enumerated classes of students, challenges the abilities of local school districts to meet the Court's standard.

Students in poverty: Currently, there are more than 100 of Wisconsin's 424 school districts that have 50% or more of their students eligible for free and reduced-price school meals.¹⁴ Wisconsin has no comprehensive program that targets additional resources to raise achievement among economically disadvantaged students. A review of the data suggests that some elementary schools with more than 50% of their students eligible for free and reduced-price meals do not currently participate in the Achievement Gap Reduction (AGR) Program.¹⁵

Students with Disabilities: Federal and State categorical aids for special education have not kept pace with rising costs. The state level of reimbursement fell below 30% in 2004-05 and fell again to 26.15% in 2016-17. Maintaining flat categorical aid funding, while special education costs continue to rise, effectively forces school districts to take more money from general aids and property taxes to pay for special education programs.¹⁶

Meeting the needs of pupils with low-incidence and high-cost special education requirements can be very costly for school districts. The 2015 state budget reduced the portion of a student's costs above \$30,000 that was eligible for reimbursement from 90% to 70%. The biennial budget also included an additional \$5 million for payments that will be available for claims submitted in the 2016-17 school year.¹⁷

Limited English Proficient students: Wisconsin requires school districts to establish a bilingual-bicultural program if they meet thresholds of Limited English Proficient (LEP) students from the same language group within a given school. The state reimbursement rate for these programs has fallen from 32.2% of approved prior year costs in 1994-95 to below 8% of approved prior year costs in 2016-17. Between

¹⁴ Wisconsin Department of Public Instruction. Enrollment and Participation Data, October 2015.

¹⁵ Wisconsin Legislative Council. Act Memo. 2015 Wisconsin Act 53.

¹⁶ Wisconsin Department of Public Instruction. 2017-19 State Budget Request.

¹⁷ Wisconsin Department of Public Instruction. 2017-19 State Budget Request.

WREA Priorities Resource Papers 2017-2018

LEPs attending districts that do not meet the thresholds and LEPs not covered by their districts program, furthermore, the majority of LEPs in Wisconsin do not have any targeted resources behind them to assist with the additional costs of educating them to English proficiency.¹⁸

Homeless students: Homelessness has an enormous influence on a child's ability to obtain an education. Every time a child has to change schools, learning is disrupted. By one estimate, a child loses three to six months of education with every move. Between the 2006-07 school year and the 2013-14 school year, the number of homeless children nearly doubled (655,000 to 1,300,000).

The obligation to homeless students in part echo the rights provided to students with disabilities. State and local agencies must ensure that homeless children have equal access to the same free, appropriate public education provided to other children. Public schools cannot provide for all the needs of a homeless student. The federal laws are intended to provide guidance for ensuring that public schools can make a difference in the daily lives and future of homeless students by improving the education they receive.¹⁹

WREA Recommends:

- 1. Wisconsin coordinates a comprehensive program that targets additional resources to ensure that all students are offered an equal opportunity for a sound, basic education.**

¹⁸ Wisconsin Department of Public Instruction. 2017-19 State Budget Request.

¹⁹ Underwood, Julie. "Expanded Support for Homeless Students." Phi Delta Kappan 98(3), 76-77.

Financial Support for Rural Schools

Support increasing financial support for rural schools.

Many of the state's small, rural school districts face a lack of economies of scale, low median income, and large geographic boundaries. A greater percentage of rural districts (as opposed to urban or suburban) are experiencing declining enrollment, which further exacerbated issues related to their size and ability to maintain their core educational programs.

Small, rural districts in Wisconsin are facing significant operational challenges, due to these very issues: relatively large geographic size and distance from neighboring schools, compounded in many districts by declining enrollment, resulting in relatively larger per pupil costs to maintain operations (e.g., relatively higher per pupil instructional, administrative, facilities and transportation costs). In addition, some data indicate that districts with the lowest pupil density (pupils per square mile) are among the state's lowest wealth districts in terms of average income. They also often have higher poverty rates, higher transportation costs, and in some cases, relatively high per-pupil property values, compared to other districts.

Higher per-pupil property values, relative to other school districts, result in the district receiving lower levels of state general aid, due to the fact that school district "wealth", is measured as property value per member in the state's general aid formula. The higher the per-pupil property value, relative to other school districts, the lower the percentage of a school district's shared costs that are reimbursed in the state's general aid formula. Thus, relatively higher per-pupil property values contribute to pressure on the local tax levy, because districts that are aided at a lower level of shared cost must rely more heavily on the local tax levy to maximize revenues within state imposed revenue limits. For sparsely populated school districts, the greater reliance on property taxes within revenue limits, combined with lower than average median incomes within the community, makes the prospect of raising property tax revenues outside the revenue limits (i.e., via referendum) more challenging for these school districts.²⁰

WREA Recommends:

- 1. Increase funding for the high cost transportation categorical aid program to cover 100% of the prior year's aidable costs.**
- 2. Increase funding to fully fund the sparsity aid categorical aid program.**

²⁰ Wisconsin Department of Public Instruction. 2017-19 State Budget Request.

Referendum to Support Educational Opportunities

Oppose restricting communities' ability to go to referendum to support educational opportunities for the communities' children.

Current law provides several mechanisms for a school district to borrow money and raise revenues. One way is to make revenue limit adjustments by a referendum. Although current law generally limits the total amount that a school district may receive from general school aids and property taxes to the amount of revenue increase allowed per pupil in the previous school year, a school board may increase the school district's revenue limit by a specified amount if the school board adopts a resolution to that effect and the district's electors approve the increase at a referendum. Under current law, the school board must call a special referendum at which the electors vote to approve or reject the resolution. Current law also permits the school board to schedule the referendum to be held concurrently with any primary election or election that falls no sooner than 70 days after the date on which the board files the resolution.

In an editorial on April 13, 2016, Tony Evers stated:

"Over the past handful of years, the passage rate of referenda questions has steadily increased. Ten years ago, in 2006, the passage rate for referenda was over 59 percent. And 15 years ago, questions prevailed roughly 43 percent of the time.* Year-by-year snapshots cannot tell the whole story of what is happening with a school district, state, or nation, but the overall trend in successful referenda itself conveys an important message.

Referenda questions are being prompted by budgetary shortfalls as state support for PK-12 education stagnates. That is forcing school boards to ask local taxpayers to shoulder more of the cost to educate their children. It troubles me to see the difference between "have" districts that can pass referenda and "have-not" districts that are unsuccessful. As a state, we have a constitutional obligation to provide an equal opportunity to access a free public education system. I fear our current pathway puts us at odds with that guarantee.

Our state has undergone a great deal of change in the past two decades. Our public schools overall are more diverse, increasingly come from low-income families, and more are learning English. With technology all around us, methods of learning and teaching have changed as well. But despite all this change, as Wisconsinites we remain steadfast in our shared value of maintaining a strong system of public education. Our public school funding system must reflect the fairness and equity we want for all of our children."²¹

*So far in 2016, a record high in operating referenda questions have already passed (63) at a record rate of passage (81.69%).

²¹ State Superintendent Tony Evers. "EDITORIAL: Wisconsinites vote to support their local schools." April 13, 2016.

WREA Priorities Resource Papers 2017-2018

WREA Recommends:

- 1. Opposition to legislation like 2015 Senate Bill 355 that would restrict a community's ability to go to referendum to support educational opportunities for the community's children.**