



The Arrowhead Union High School District

South Campus/District Office
700 North Avenue
Hartland, Wisconsin 53029
(262) 369-3611

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Hartland, Wisconsin 53029
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www.arrowheadschoools.org

April 5, 2023

Members of the Joint Finance Committee:

Thank you for your time and for the opportunity to testify before you today. My name is Jeff Gross, director of business services for the Arrowhead Union High School District. With me today is Kim Schubert, our school board president, Chris Farris, our school board vice-president, and Craig Thompson, our school board Finance and Legislation Committee chairperson.

Arrowhead is a highly successful, fiscally conservative school district that **operates with one of the lowest allowable per pupil revenue limits in Waukesha County**. As stewards of tax payer dollars, we pride ourselves on fiscal responsibility and strong (academic and co-curricular) results. We are a school district of choice, attracting nearly 300 open enrollment students, and serving nearly 2,100 students in total, from eleven municipalities located in (North Central) Waukesha County.

In six of the last eight years the state budget passed by our legislature did not meet the budgetary needs of our public schools and did not set our public schools up for future success. While equalized aid was increased in those biennia, the revenue limit remained unchanged. It's the revenue limit that determines how much money schools have to educate students and to operate with, while state aid determines whether the funds come from state budget dollars or from local tax levies. Those state biennial budgets had the effect of reducing local tax levies, but did nothing to address the growing gap between rising costs and the insufficient allowable revenues to operate our public schools.

Each year, our budget development process and balancing of school district priorities becomes more challenging due to the increasing needs of students, ongoing inflationary pressures, and the inadequate funding levels allowed in recent state biennial budgets. Today, as Wisconsin finds itself in strong financial shape heading into this next (2023-2025) biennial budget cycle, the State is in a position to commit to funding our public schools, as promised when the revenue limit funding formula was enacted in 1993.

Predictable, Sustainable, Spendable, Inflationary Revenue Increases – Improving per pupil funding with an annual inflation adjustment would allow public school districts to maintain existing programs and avoid deeper budget cuts. Due to inadequate funding levels and increasing costs, our public schools realize less purchasing power each year. As deliberations for this biennial budget process begin, we ask you to continue to seek understanding of the issues facing Arrowhead and other Wisconsin public school districts. We ask that you invest in our public schools (as promised in 1993), and to work with your colleagues to **commit to a \$1,510 per-pupil increase in funding over the two years of this upcoming biennium**. This \$1,510 adjustment represents an inflationary (back-filled) increase for the 2021-2023 state budget, as well as inflationary increases for the upcoming 2023-2024 and 2024-2025 school years. The \$1,510 increase represents the per-pupil adjustment that would be made (over 4 years), as calculated by the Legislative Fiscal Bureau, had revenue limits continued to be indexed to inflation as intended when first enacted in 1993.

Increase Special Education Reimbursement Rate – Arrowhead transfers almost \$2 million from its general fund each year to support the additional costs associated with providing special education services consistent with student needs and adhering to state and federal mandates; And each year many other school districts find themselves in a similar position. We ask that you also consider a **meaningful increase to the state categorical aid reimbursement for eligible special education expenses** in order to help all students in our schools by minimizing the amount of school district general funds required to be transferred to cover the costs of providing special education services.

Avoid the Funding Cliff – The choice to rely on ESSER funds to replace state aid or as a means to supplement the state’s revenue limit has imposed significant challenges to public schools. School districts using ESSER money for operating costs will now have those funds expire, leaving them with a large budget gap. Wisconsin was in a position to maintain, and even improve its commitment to children by providing adequate funding for public education. We are concerned about the 2023-2025 biennial budget and its potential impact for public school children and their futures.

Please work with your colleagues to provide an education funding plan that provides the necessary funding for K-12 schools to meet their essential ongoing operational expenses in this next (2023-2025) biennial budget.

Thank you for your time and for your support of public education... Our children and our communities are relying on you!

Sincerely,

Jeff Gross

Jeff Gross
Director of Business Services
Arrowhead Union High School District

Laura Myrah

Laura Myrah
Superintendent
Arrowhead Union High School District

Kim Schubert

Kim Schubert
School Board President
Arrowhead Union High School District

Chris Farris

Chris Farris
School Board Vice-President
Arrowhead Union High School District

Craig Thompson

Craig Thompson
School Board Chairperson – Finance and Legislation Committee
Arrowhead Union High School District



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Members of the Joint Finance Committee:

Thank you for your consideration of my statement today. My name is Kim Schubert, and I am honored to serve as President of the Arrowhead School Board.

You just heard from Jeff Gross, who serves our school and school board well with his fiscally hawkish recommendations. Despite conservative budgeting and the implementation of significant cost saving measures over many years, despite 3 years ago passing - by any standards - a modest referendum following two failed attempts to do so, Arrowhead faces a fiscal cliff in the 2024-25 school year. So, as we again debate requesting that our community assume additional financial burden through yet another referendum, I ask that you understand what the decision-making looks like from a school board perspective.

It is difficult for our community to understand the penalty we have paid since 1993 for being a fiscally conservative school in 1992. It is difficult to convey the disparate funding that exists from one school to the next, and how the state-imposed revenue limits have accounted for millions of dollars less to our students through the years. It is difficult to pass a referendum in our area.

The School Board is left with challenging decisions. Do we go back to the community well to request more...at a time of economic uncertainty, the worst inflation in 40 years? Or, do we plan for managed decline with what we currently have - which ultimately will be the same course taken if a referendum fails.

In this event, do we plan to NOT repair our leaky roofs, NOT update old HVAC or NOT improve campus and site safety systems? Do we decide to NOT keep up with technology needs, updated wiring and devices? Or do we INCREASE class size, CUT staff or staff benefits or DECREASE programming available to students? At this point, considerations for our "wish list" projects are completely out of consideration. For instance: our 55-year-old pool is substandard and cannot be used for competition. It will have to wait. Our classrooms and science labs are grossly outmoded and need updating. They will have to wait. Our aging auditorium does not accommodate our entire student body, and hasn't for decades. It will have to wait. Updates for special ed space - it will have to wait. Remedying these inadequate facilities is a distant wish compared to leaking roofs.

I am proud that Arrowhead High School has long been one of the highest performing schools in the state - both in academic and co-curricular achievement. This is directly attributable to outstanding teachers, staff and administration. The present state of funding for our school is inadequate and will not provide for our sustained performance, ultimately resulting in less opportunity for students. I urge you to do the right thing and make the necessary changes to state funding of education. Do it today for our students, do it for our future leaders of tomorrow.

Again, I thank you for your consideration.

Sincerely,

Kim Schubert

Kim Schubert
School Board President
Arrowhead Union High School

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Members of the Joint Finance Committee:

Thank you for your consideration of my statement today.

My name is Chris Farris. As the current Vice President of the Arrowhead Union High School Board of Education, I am often asked by constituents: what is the most pressing issue facing the Arrowhead district? My simple answer is revenue limits: In 1993, the state of Wisconsin locked in the revenue all schools receive per pupil (schools at the time thought that this was a temporary fix). The financial offices at Arrowhead were (and still are) very fiscally conservative, and this fiscal acumen actually hurt us. We receive, in some cases, several thousand dollars less per pupil than even neighboring high schools. With a student population of over 2,000, this is a difference of millions yearly. This lack of funds translates to difficulty maintaining our aging facilities and creates even harder choices around the continued education of our students.

This current recipe of revenue limits actually does no good for any of Wisconsin's students. For example, in Milwaukee, the schools receive a great deal more per pupil (\$1k from what I can decipher), and they are graduating with approximately a 9% literacy rate. At Arrowhead, we are a very highly ranked High School (rated 13th recently in the state), however, we can barely afford to fix our roofing with several active leaks, and are looking to have to send out non-renewals for teacher contracts that we can no longer afford.

With 40%+ of the Wisconsin yearly budget going to education, we need to change this formula to serve all students in all parts of our state. By not addressing this, the education of the next generation in Wisconsin will continue to suffer.

I thank you for your consideration.

Sincerely,

Chris Farris

Chris Farris
School Board Vice-President
Arrowhead Union High School District