



FOR IMMEDIATE RELEASE
May 17, 2010

FOR INFORMATION CONTACT
Joe Donovan (608) 957-2443

School Finance Network Calls for 'Truth In Budgeting'

School levy credit currently counted as "education spending" hiding decreases in school funding

In response to a recently-published paper by noted University of Wisconsin-Madison economist Andrew Reschovsky and recent comments made by State Superintendent Tony Evers, the School Finance Network has called for a change in the way the state reports school funding.

In his paper, Reschovsky points out that Wisconsin presently includes school levy credits as part of the total amount it reports each year as school aid. This money, amounting to nearly \$1 billion, is considered education spending, even though it does not go to schools.

In a recent interview State Superintendent Tony Evers said that to count the school credit dollars as school spending is "ridiculous". "A significant amount of school tax levy credit is now considered to be state aid and that tax levy credit has never gone to the schools and doesn't teach a child in Milwaukee or Crandon," Evers said.

While the state cut funding to schools between 2008 and 2010, the amount provided for property tax relief under the school levy and first dollar credits has actually increased. This means that while the state has presented itself as providing increased education funding, the amount of money that actually goes to schools has decreased.

"As community members across Wisconsin look to their legislators to fix the school funding formula, it is critical to acknowledge what is and is not education spending," said John Ashley, Executive Director of the Wisconsin Association of School Boards. "Wisconsin residents are being misled when they are told that the dollars that go to these levy credits are for education. They're not. This is a truth in budgeting issue."

"For years Wisconsin lawmakers have claimed that state funding for Wisconsin public schools has increased. The fact of the matter is that, because these tax credits are considered by the state to be education funding, policymakers can say that school funding has increased much more than it really has," said Julie Underwood, Dean of the University of Wisconsin-Madison School of Education and SFN facilitator. "In order for our state to address the school funding crisis, it is first necessary to define what the state's true level of support for education is."

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Note to editor: Dr. Reschovsky's paper can be found at:
<http://www.lafollette.wisc.edu/publications/workingpapers/reschovsky2010-003.pdf>

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SFN CONTACT INFORMATION:

P.O. Box 275
Oregon, WI 53575
608.957.2443
info@sfnwisconsin.org