



Question: With all the economic problems, is this a good time to increase revenue for schools?

Answer: Yes, it is. It is an investment in children and their schools that will pay off for everyone. Educated individuals are more engaged, productive, and prosperous. An educated populace builds stronger communities and attracts business.

Question: What is WAES?

Answer: WAES is a diverse, grassroots coalition of organizations and individuals that has been working since 1999 to reform school funding in Wisconsin. Members include school districts, groups of educators, civic organizations, congregations, and parent and student groups in communities all over the state.

Question: How can I find out more?

Answer: Visit the “A Penny for Kids” website at www.apennyforkids.org or the WAES website at www.excellentschools.org.

Question: What can I do to help?

Answer: You can start by joining the thousands who have signed the petition on the website and asking your friends, co-workers, and neighbors to do the same thing. The website also has information about scheduling a presentation, letters to the editor, and contacting state officials.



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Questions and Answers about

“A Penny for Kids”



Question:

What is “A Penny for Kids”?

Answer: “A Penny for Kids” is a campaign of the Wisconsin Alliance for Excellent Schools (WAES) for a statewide one-cent per-dollar increase in the sales tax to help fund public education.



Question: Why is this necessary?

Answer: For 15 years schools in Wisconsin have struggled under a funding system that requires districts to chip away at the quality and quantity of the education of our children. The last state budget actually made things worse by cutting state aid for the first time in history. This has resulted in an acceleration of lay-offs, cuts in programs and services, and property tax increases in many districts. A new revenue source – “A Penny for Kids” – addresses that crisis, head-on, while something can still be done.

Question: So, “A Penny for Kids” will fix school-funding in Wisconsin?

Answer: No, “A Penny for Kids” is intended to address the immediate crisis and buy time for Wisconsin to change the way it funds public education.

Question: How much money are we talking about?

Answer: The most recent estimates from the Legislative Fiscal Bureau say that a one-cent increase would bring in \$850 million annually.

Question: Isn't a sales tax regressive?

Answer: Yes, and that's why the proposal sets aside about 20% of the funds for credits to be paid to low income residents.

Question: How will the rest of the money be used?

Answer: WAES has proposed the following (all figures rounded):

- 33% to increase state aid to local districts through the equalization formula
- 32% to create new state aid targeted to students in poverty
- 20% to offset the regressive nature of the sales tax
- 8% to increase state special education aid
- 3% to increase aid to “small but necessary” rural districts
- 2% to increase help for English language learners
- 1% to increase transportation aid
- 1% to increase aid to districts with declining enrollment

Question: Why target the money in this way?

Answer: By definition, a crisis needs an immediate solution. Reforming the present funding system could take years, and we need to act now. This distribution method puts the greatest amount of revenue where it can do the most good for children in the shortest amount of time.



Question: How can we be sure this new revenue goes to our children and their schools?

Answer: The only way to guarantee where the revenue goes is to pass a constitutional amendment, a process that could take four years. The other option is to write a bill that increases revenue for our classrooms and controls property taxes, pass it, and then hold our elected officials responsible for doing the right thing and not using the money for other purposes. Because we are dealing with a crisis, we cannot wait for four years.

Question: Will this decrease property taxes?

Answer: Property taxes are set by local school boards. By increasing state aid, “A Penny for Kids” will slow the growth in property taxes and might lead to local decreases.

Question: Won't this hurt businesses and consumers?

Answer: No. Wisconsin's sales tax has not been raised in 28 years. It is lower than all of our neighboring states and is among the lowest in the country (27th in the rate and 35th in collections as a percent of income).

Question: What about other tax reforms to fund schools?

Answer: WAES continues to work for an equitable and adequate system that relies on fair and sustainable local, state, and federal taxes. “A Penny for Kids,” however, is meant to meet, head-on, the crisis.

Question: Didn't the federal stimulus include a lot of money for education?

Answer: Yes, but about 70 percent of the education stimulus money was used to replace cuts made by the state. The remainder could only be used in specific areas to supplement existing spending. After the 2010-11 school year, it will be all gone, leaving school districts with a funding cliff and making a new source of state revenue – “A Penny for Kids” – even more important.

