



Falling Support for Schools Threatens Wisconsin's Economic Future

Wisconsin has long relied on a well-educated workforce as a foundation of the state's economy. But that advantage is in danger of being lost.

The reason: Massive reductions in state and local support for education over the next two years will inflict severe damage on public schools, threatening Wisconsin's ability to create jobs and draw businesses.

Up to nearly \$2 billion in cuts over the next two years will leave students with fewer courses in math, science and other core subjects, along with dwindling opportunities for career and technical studies. Class sizes have increased, and teachers and support staff have been laid off, not only hurting students but also adding to the state's already elevated unemployment rate.

The claims of some policymakers that a tight budget required slashing education spending were called into question by the fact that the Legislature eliminated \$210 million in needed revenue by passing a tax cuts that mostly benefit well-off taxpayers and businesses. Lawmakers also boosted state spending for private schools, while further limiting how much money public school districts can take in to support themselves at the local level.

The cuts in state aid hit the poorest school districts the hardest. Districts with more than 60 percent of students eligible for free or reduced lunch had their general aid from the state reduced by \$558 per student, while those with the most well-off families had state aid cut by only \$294 per student, as shown in Chart 1.

The Governor has said that changes to collective bargaining rules have given school districts the

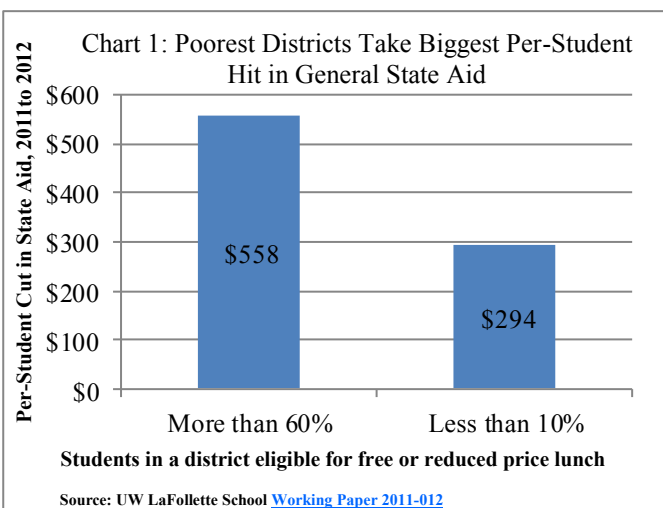
necessary "tools" to deal with budget cuts. These changes have the potential to make it easier for districts to save money, by requiring that employees pay a larger portion of fringe benefit costs. However, the widespread cuts to academic offerings and education jobs show that many districts have not found these "tools" to be sufficient.

Less for Public Schools, More for Private Schools

In the 2011-13 biennial budget, the Legislature made substantial cuts to state support for public schools. Over two years, funding will drop by \$747 million. The cuts take away money aimed, in part, at ensuring that students have access to a basic level of academic opportunity regardless of the wealth of the districts they attend.

The Legislature also cut support for specific school programs by an additional \$37 million over two years, including assistance for 4-year-old kindergarten, alcohol- and drug-abuse prevention, and school-day milk.

But the Legislature shielded the private schools that participate in the state's parental choice program



from similar cuts. The budget maintains the same level of per-student payments for those schools. In addition, the Legislature spent \$27 million over two years to expand the parental choice program for private schools — and docked public schools an extra \$11 million to help pay for it.

Mandated Reductions in Local Support

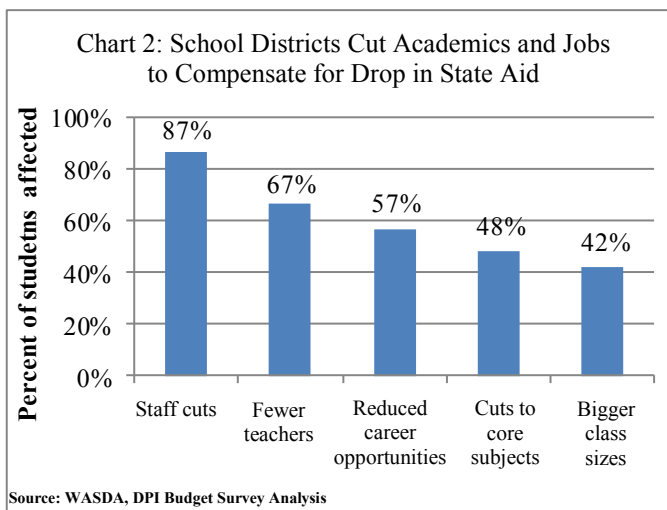
In addition to making deep cuts in state support for public schools, the Legislature limited how much local revenue is available to districts. As a result of new, more restrictive limitations on property taxes, school districts do not have much ability to raise local dollars to make up for cuts in state support. In fact, a majority of districts will be required to cut local taxes, according to a [study](#) by University of Wisconsin Professor Andrew Reschovsky.

The reduction in state aid and the lower cap on property taxes could mean that up to \$1.7 billion will be drained from Wisconsin's public schools over the next two years, according to the Legislative Fiscal Bureau.

Wisconsin's Cuts Were More Extreme than in Other States

Wisconsin's cuts to education were the second-largest in the country when measured on a dollars-per-student basis, according to the Center on Budget and Policy Priorities.

Measured as a percentage change, the cuts rank fourth among the states, with a 10 percent drop in 2012, compared to the previous year. Wisconsin will spend 12 percent less per student in 2012 than in 2008, in inflation-adjusted terms.



Diminished Academic Opportunities for Students

If we are going to create a solid economy for the future, Wisconsin students need to excel in academics and technical skills. Yet reductions in state support have forced school districts to cut back on opportunities for students.

Nearly half of students attend districts that cut academics in core subject areas this year, according to a survey by the Wisconsin Association of School District Administrators (WASDA) in cooperation with the state Department of Public Instruction, and 57 percent of students had fewer opportunities in technical and career-oriented fields, as shown in Chart 2. More than four out of ten districts increased class size in elementary schools.

Education Jobs Lost

The Wisconsin economy is creating jobs at a sluggish pace. That problem is made worse when cash-strapped schools reduce staff. School districts cut 3,400 employees in the last year, according to the WASDA survey, including 1,700 teaching jobs.

Teacher retirements more than doubled this year, according to the survey of schools, and nearly nine out of ten students attend schools in districts that experienced staff reductions. The result is that students have access to fewer experienced teachers and other educators.

In the survey, many school districts said they used the last of one-time federal money to preserve jobs and services, meaning that job loss next year could be higher than this year.

A Long-Term Drag on the Economy

Wisconsin has built a high-quality public education system over the years by making commitments to our schools and students. The result has been a well-educated workforce, which has provided a solid foundation for the state's economy.

The state's current policy of failing to maintain investments in education threatens to jeopardize our ability to educate the workforce of the future. If we want to build a better economy for all, the state should invest in our educational system, to ensure that the children of today will be productive workers able to compete in the 21st century global economy.

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