



On the Path To Becoming a 'C' Student in Education Once a National Leader, Wisconsin Slips Toward Average

Wisconsin schools have long been an engine of our state's economic growth. We have depended on a well-educated workforce, grounded in high quality public schools supported by state dollars, to lay the foundation for our state's economy. But that may all be changing.

Once a national leader in educational performance, Wisconsin now ranks close to the national average in many measures of support for education. Over the last few years in Wisconsin, growth in support for classroom learning has not kept up with the national average, state support for schools has declined, and student/teacher ratios have increased. The massive cuts to schools in the 2011-13 budget will likely exacerbate these troubling trends.

About the Numbers

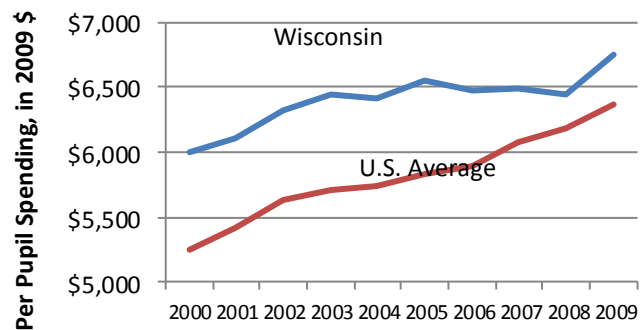
Per pupil instructional spending and school district revenues are taken from the U.S. Census Bureau Annual Survey of Local Government Finances. Student-teacher ratios are taken from the National Center on Education Statistics materials.

Instructional Spending is Up in Wisconsin, but Lags National Growth

The national trend over this decade has been for schools to increase the resources available for student instruction. The national average for per-student instructional spending increased by 21 percent between 2000 and 2009.

Wisconsin's growth in instructional spending has lagged the national average. For every dollar increase in instructional spending at the national level over the last decade, Wisconsin has invested only 59¢. Between 2000 and 2009, Wisconsin's rank in instructional spending per pupil dropped from 11th nationally to 16th. What's more, Wisconsin's

Fig 1: Wisconsin Spends More on Instruction than the National Average, but the Gap Has Narrowed



growth in per pupil spending between 2003 and 2008 was completely flat, while the national average increased by eight percent during that period.

Wisconsin saw a spike in instructional spending in 2009 — a jump of nearly five percent — that is out of line with the lack of growth between 2003 and 2008. This appears to be a result of federal Recovery Act funds (see Fig. 2), which provided temporary fiscal relief to schools to mitigate the worst effects of the recession and help avoid cuts in the educational workforce. Because these funds are temporary, the increase in spending is probably temporary as well.

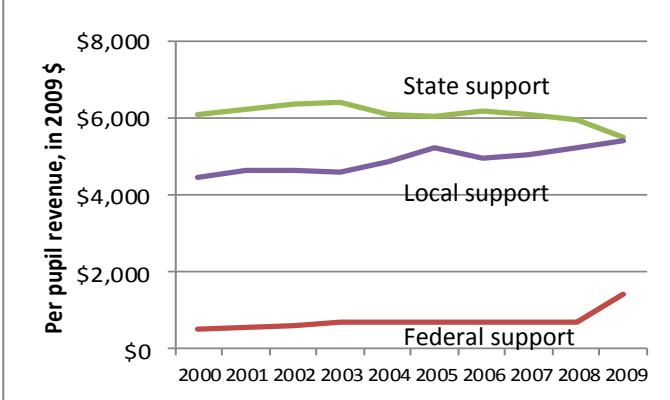
State Support for Wisconsin Schools Is Shrinking

Wisconsin has experienced a long-term, gradual decline in state support for public schools. Over the last decade, per-student state aid decreased by 10 percent in inflation-adjusted dollars. This decline is somewhat exaggerated by the availability of federal Recovery Act dollars, which replace some state support in 2009. But even without that support, per-student state aid had been on a downward slope for several years.

Although state aid is still an important source of support for schools, they are increasingly supported by revenue from local property taxes. Since 2000, school district revenue from local sources increased by 21% in constant dollars, despite limits placed by revenue caps.

In 2009, for the first time in recent history, schools relied nearly as much on local sources of revenue as they did on state support, as shown in Figure 2. Support from local sources consists predominantly of property tax revenue, but includes other sources of revenue such as school lunch fees.

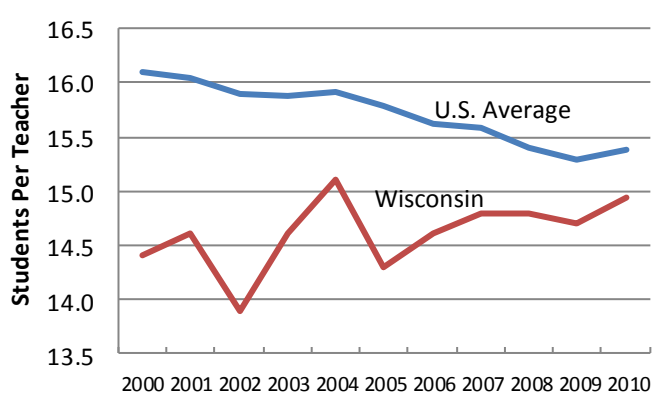
Fig. 2: In Wisconsin, State Support for Schools is Shrinking



Effects Felt in the Classroom

How are state and local decisions about spending playing out in the classroom? One way of identifying possible consequences of changes in the funding mixture is to analyze student-teacher ratios. Having fewer students for each teacher is associated with a variety of positive student outcomes in education. Student-teacher ratios in Wisconsin have inched up

Fig 3: Wisconsin Bucks National Trend, with Increasing Number of Students Per Teacher



since the 2000 school year, contrasting with the national trend of fewer students per teacher. Figure 3 shows that between the 2000 and 2010 school years, the number of students per teacher *increased* in Wisconsin by 0.5 students, while the national average *decreased* by 0.7 students. Over this period, the number of students in Wisconsin public schools decreased by 0.6% and the number of teachers decreased by 2.9%.

Although Wisconsin still has fewer students per teacher than the national average, our rank among the states has been dropping. In the last four school years for which there are data, our ranking for student/teacher ratios slid from 21st to 30th. In the meantime, the number of students for each teacher in Wisconsin has crept up from 14.6 to 14.9.

A Rocky Road Ahead

School districts in Wisconsin are facing an enormous reduction in resources. In the 2011-13 budget, the state cut \$750 million in general state aid, reduced support for specific school programs, and implemented new restrictions on how much revenue districts may raise at the local level. All told, the cut to school districts amounts to more than a billion dollars over the biennium.

Recovery Act resources played an important role in cushioning Wisconsin schools from the worst impacts of the recession. But as those funds run out, and with very significant cuts in state support looming, the next few years are likely to be difficult ones for Wisconsin school districts and students.

Future prospects for local funding are also unclear. Declining property values and concerns about the economy will make it harder for districts to increase property tax levies to make up for cuts in state aid. In fact, a little-noticed change in the state budget will force most school districts to decrease taxes.

Cuts in state aid, the loss of federal Recovery dollars, and uncertainties on the local level — all these factors weaken Wisconsin's commitment to our public K-12 education system. The loss of educational opportunities for the next generation of Wisconsin workers could have long-term negative effects on the Wisconsin economy.

Tamarine Cornelius
August 2011