



K-12 Education in the 2013-15 Budget

Wisconsin Governor Scott Walker has proposed a two-year budget that freezes general funding for Wisconsin's public schools, introduces new incentive payments for districts, expands resources for the state's voucher and charter schools, and devotes significant money for evaluation in public schools.

Frozen funding for public schools

The budget includes a modest increase in general state aid to public schools, but that money is more likely to wind up in the pockets of property taxpayers than in the classroom. That's because the budget does not lift the revenue limit for school districts, which caps the amount of money that districts may raise through a combination of property taxes and general education aid from the state.

The budget proposes to increase general aid to public school districts by \$129 million over the next two years: \$43 million in 2014 and \$86 million in 2015. With no increase in the revenue limit, most districts will not be able to increase their overall budget level, even if they receive an increase in state aid. Instead, most districts will have to cut property taxes to stay under the state's revenue limit.

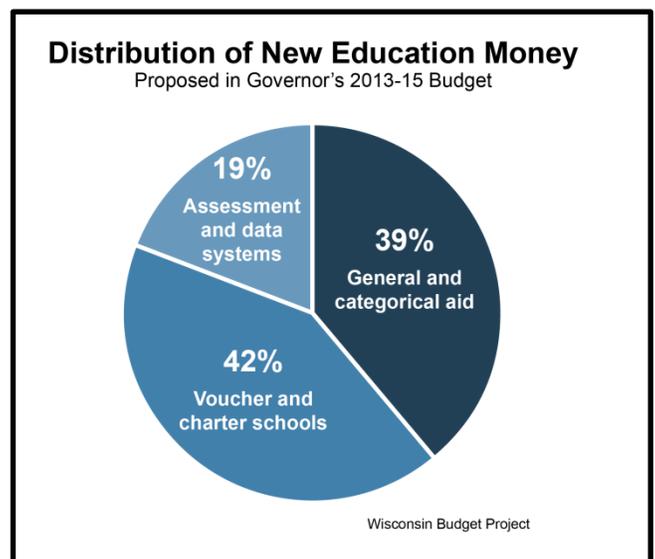
Incentive Payments for School Districts

The Governor has proposed awarding a limited amount of funding to school districts based on their performance. The awards would be based on school report card ratings published by the Department of Public Instruction. The incentive program would begin in 2015 and provide \$64 million to school districts. Of that amount:

- high-performing schools would receive \$24 million;
- schools that show significant improvement would receive \$30 million; and
- low-performing schools with plans for improvement would receive \$10 million.

These incentive payments would not be considered general education aid and would therefore not be subject to revenue limits. That means that a district that received an incentive payment could increase its overall budget. Some advocates for public schools are concerned that the new incentive system would primarily increase resources available for districts already performing well, which are often located in relatively well-off communities.

This \$64 million increase in categorical aid is more than offset by a cut of \$85 million over the next two years from the elimination of "per pupil adjustment aid," which is a form of categorical aid that currently benefits over 90% of districts. The pie chart shows how the net growth in spending of \$278 million is allocated in the budget, after lumping together the changes in general equalization aid, the new incentive payments and the elimination of per pupil adjustment aid.



New Resources for Voucher and Charter Schools

Governor Walker has proposed devoting \$73 million to a major expansion of the state's Parental Choice Program, which allows students from low and moderate income families to attend private schools using publicly-funded vouchers.

Currently, only two school districts are included in the Parental Choice Program: Milwaukee Public Schools and the Racine Unified School District. The budget proposes expanding the program to school districts with at least two underperforming schools (those receiving school report card grades of "fails to meet expectations" or "meets few expectations"), at least 4,000 students, and at least 20 students intending to participate in the program. Those criteria would expand the Parental Choice Program to an additional nine school districts: Beloit, Fond du Lac, Green Bay, Kenosha, Madison, Sheboygan, Superior, Waukesha, and West Allis-West Milwaukee. Participation would be capped at 500 students the first year and 1,000 students the second year.

When a student leaves a public school to attend a private school using a tuition voucher, aid to that school district is decreased. The expansion of the Parental Choice Program will reduce resources available for students that remain in the public schools in those districts.

The budget recommends substantial increases in the tuition voucher amounts for the Parental Choice Program, which is currently set at \$6,442 per student. Governor Walker recommends the payments be raised to \$7,050 for students in grades K through 8, an increase of 9%, and to \$7,856 for students in grades 9 through 12, an increase of 22%.

The budget would also allow children with special needs to receive state-funded vouchers to attend the school of his or her choice. This move would cost the state \$21 million over two years. Private schools are not required to provide special education services. The school district that the student left would have its aid reduced; advocates for students with disabilities are concerned that this proposal would negatively affect the ability of a school district to provide high-quality special education services.

Independent charter schools – those not associated with any school district – would receive a 1% increase in their per pupil payment under the proposed budget.

Assessment and Data Systems

The budget includes recommendations for spending on student assessment, teacher evaluations, and data systems, including:

- \$14 million in state funds for a system to evaluate teacher practice and student outcomes.
- \$14 million over two years in state money on the continued development of a statewide student information system.
- \$11 million for new student assessment programs.
- \$6 million in state money for a longitudinal data system and for a data system at the Department of Public Instruction.
- \$3 million for early reading assessments.

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