



Summary of the Governor's 2019-21 Budget for K-12 Education

Governor Evers has proposed a budget that significantly increases resources for Wisconsin's public schools, targets additional resources at identified needs, tweaks the funding formula that determines how most state support for public schools is delivered, and increases transparency and accountability.

Large Increase in State Support for Public Schools

The budget includes policies that would result in a \$1.4 billion increase in state support for public K-12 schools over the course of the two-year budget period, which runs through June 2021. In Wisconsin, public schools are funded mostly through a combination of state aid and local property taxes, and the state sets budget caps that limit the amount of revenue a school district can bring in from those two sources.

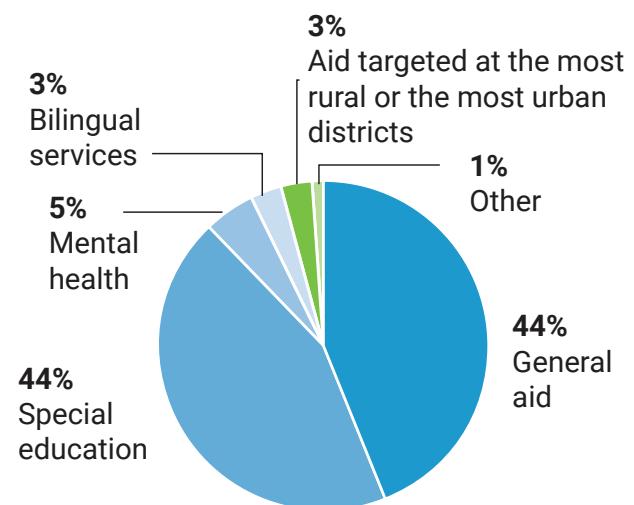
Wisconsin calculates the bulk of state aid to school districts by using a formula that accounts for differences in property values among districts, giving more state aid to districts with less capacity to provide local property tax support for schools. A little less than half of the new state aid – \$619 million of the \$1.4 billion – takes the form of general support for schools, distributed by the formula.

The other new resources for schools are distributed based on the characteristics of the students in the district or based on the characteristics of the district, and fall outside the budget caps. Those resources include:

- **\$611 million** more over two years for special education services. State support for special education services provided by public schools has been frozen for a decade. Governor Evers' budget

Breakdown of Increase in State Support for Public Schools

New state support for public schools in the budget proposed by Governor Evers, by purpose.



Source: Dept of Administration

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recommends increasing the share of most school district special education costs that are reimbursed by the state to 60%, up from its current level of about 25%. In contrast, under current law the state may

reimburse private schools participating in the school voucher program up to 90% of high-cost special education services.

- **\$64 million** more over two years to reimburse public schools for mental health and school safety services they provide.
- **\$44 million** more over two years for bilingual and bicultural services in public schools, including expanding the number of school districts that receive aid and providing additional aid for students who are the furthest from proficiency. As with special education aid, the amount of bilingual aid the state provides has been mostly flat for more than a decade. Boosting aid for bilingual services would improve the academic environment for students of color. More than 9 out of 10 students who receive bilingual education services speak either Spanish or Hmong as their first language.
- **\$38 million** more over two years in aid targeted at either the most rural or the most urban school districts in the state. Expanded support for rural districts includes \$10 million for sparsely-populated districts, and another \$2 million for districts with high transportation costs, which are typically rural.

New resources for urban districts include \$16 million for early childhood education, summer school programs, and other programs in the five largest school districts, and \$10 million to improve mathematics teaching in Milwaukee Public Schools. This provision could expand opportunity for students of color, since the largest districts are among the districts with the most racially diverse student populations.

- **\$18 million** more over two years in other initiatives, including grants for afterschool programs, and state support for school breakfasts, and grants for students with low incomes to take drivers education courses.

Governor Evers' proposal raises school districts' budget caps by \$200 per student in the first year of the budget, another \$204 in the second year, and then at the rate of inflation in subsequent years. Having regular and predictable increases in budget caps allows school districts to plan their budgets to meet future needs.

The governor's budget would allow school districts that have the lowest budget caps to "catch up" a little to higher-spending districts by raising their budget caps. The proposal also allows districts to exceed their budget caps for the purpose of addressing lead contamination

in drinking water.

The budget proposal restores the requirement that the state cover two-thirds of school costs, and provides the resources to do so. The two-thirds requirement was originally implemented in the 1990s and dropped in the early 2000s. A pledge by the state to cover two-thirds of school costs would not in itself direct additional resources to schools, but it would insure that a higher share of school budgets comes from revenue provided by the state, rather than from property taxes.

Changing the Funding Formula

The budget proposal includes several changes that would affect the way general state support is distributed among districts. The changes include:

- Eliminating an aid category aimed at districts with high levels of poverty, and instead adjusting the general aid distribution formula to give additional weight to students from families with low incomes. Children who grow up in poverty have higher levels of stress, which presents obstacles to academic success. They are also more likely to have health or transportation needs that require resources to address.
- Insuring that all districts get at least some minimum level of state aid. Currently, a small number of school districts are funded solely through property tax revenue.
- Adjusting the funding formula to provide additional resources to districts that provide full-day four-year-old kindergarten (4K). Currently, the funding formula funds full-day 4K at the same level as half-day 4K. This change has the potential to direct more state resources to districts with higher costs, but could also make it harder for preschools and child care centers that are not part of school districts to survive financially.

Districts that get additional state aid are not necessarily able to spend it in the classroom, because the state limits the amount that each district can spend from the combination of state aid and property taxes. In some cases the additional state aid would result in lower property taxes.

Improving Transparency and Accountability

Governor Evers has proposed several changes that will make it easier to understand the school funding system and shed light on how the school voucher program (also known as the parental choice program) affects local

property taxes.

One change is that Governor Evers has proposed modifying a large property tax credit so that the resources go directly to school districts in the form of general aid, instead of to local governments to offset property taxes. Because state law limits the amount of revenue that school districts can take in through the combination of state aid and property taxes, at least part of the increase in general aid will still have the effect of reducing property taxes. The funding shift would base state assistance more heavily on need and less on local property tax levies.

Under the budget proposal, property bills will show the amount of state aid deducted from the school district for students attending voucher schools, in a move aimed at increasing public awareness of the costs of the voucher program.

Governor Evers' budget proposal also limits the use of public money that goes to private schools and other schools not accountable to locally-elected school boards. The changes, which would not affect students currently in the programs, include:

- Capping, at the current level, the number of students who use publicly-funded tuition vouchers to attend private schools. Private schools participating in this program do not need to meet the same accountability measures as public schools.
- Phasing out a program that provides publicly-funded tuition vouchers for students with special needs to attend private school. Unlike public schools, private schools have no obligation to meet a student's documented special education needs. Students currently in this program would be allowed to continue.
- A four-year ban on the authorization of additional charter schools that are not connected to school districts. Non-district charter schools already in operation may continue.