



The Governor’s Proposed Budget for K-12 Education Increases Support for Public Schools and Promotes Racial Equity

Governor Evers has proposed a budget that significantly increases aid for Wisconsin’s public schools, targets additional resources at identified needs, promotes racial equity, and limits the amount of public money that goes to private schools.

The budget includes a \$1.6 billion increase in total state support for public K-12 schools over the course of the two-year budget period, which runs through June 2023. 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.

A large increase in support for public schools

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. Roughly two-fifths of the new state aid – \$613 million of the \$1.6 billion – takes the form of general aid for schools and is distributed by the formula.

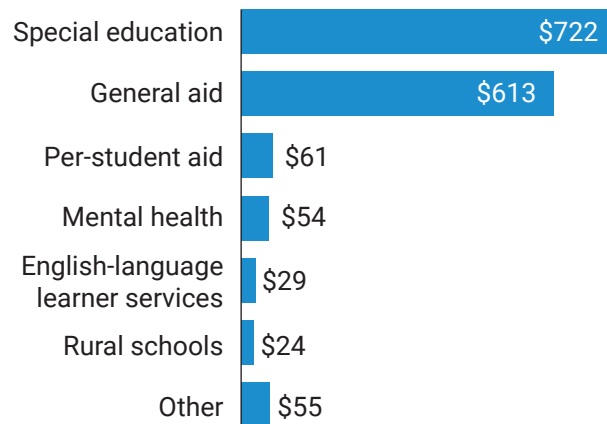
The state also distributes a smaller amount of resources on a per-student basis. This budget proposal includes \$61 million over two years in additional per-student funding. Most of that money, \$53 million, comes in the form of a \$75 additional payment to districts for each student who comes from a low-income family.

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

Governor’s Budget Invests Significant New Resources in Public Education

New resources proposed in Governor Evers’ 2021-23 K-12 education budget. Dollar amounts are shown in millions.



Source: Analysis of Legislative Fiscal Bureau publications
WISCONSIN BUDGET PROJECT

to “catch up” a little to higher-spending districts by raising their budget caps. The current budget caps are based largely on how much an individual school district spent per student in 1993.

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.

State support for individual school districts is based in large part on student enrollment, which declined during the pandemic as families chose different school options that met their needs during a time of crisis. The Governor’s budget lets school districts choose between 2019 and 2020 enrollment figures when calculating their budget caps, to avoid penalizing districts that had pandemic-related enrollment declines in 2020.

Targeting identified needs

The proposed budget includes additional new resources for schools that would be distributed based on the characteristics of the students in the district. These resources are not subject to the budget caps, and include:

- \$722 million more over two years for special education services. Governor Evers’ budget would increase the share of most school district special education costs that are reimbursed by the state to 50% in the second year of the budget, up from its current level of 28%. 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.
- \$54 million more over two years to reimburse public schools for mental health and school safety services and to provide grants to districts to promote mental health.
- \$29 million more over two years for bilingual and bicultural services in public schools, including expanding the number of school districts that receive aid. The amount of bilingual aid the state provides has been mostly flat for more than a decade.
- \$24 million more over two years targeted at the most rural school districts in the state. Expanded support for rural districts includes \$20 million for sparsely-populated districts, partly funded from marijuana tax revenues, and another \$4 million for rural districts with high transportation costs.
- \$55 million more over two years for other purposes, including \$20 million a year starting in the second year of the budget to support out-of-school time programs, \$20 million over two years for energy efficiency grants, \$5 million over two years to help students get school breakfasts, and \$3 million a year starting in the second year of the budget for driver’s education for students with low incomes.

Policies explicitly addressing racial equity

Some of the Governor’s major funding priorities described in the previous section would have the effect of promoting racial equity, even if they were not specifically targeted at students of color.

For example, funding for driver's education would help narrow the gap between the share of Black students who have their driver's license, and the share of White students.

The Governor's budget also includes policy changes and smaller pots of money for initiatives that explicitly address racial equity, including:

- Expanding American Indian studies in schools, and expanding teacher licensing requirements related to knowledge of American Indian issues.
- Adding an equity officer position at the Department of Public Instruction, the state agency that oversees schools. This position would be in charge of determining how governmental policies affect communities of color and individuals with disabilities. Governor Evers' budget includes equity officers for other major state agencies as well.
- Providing \$400,000 over two years to help school districts that drop race-based mascots, to underwrite the costs of adopting a new team name. The money comes from tribal gaming revenue.

Limiting public money for private schools

Governor Evers has proposed several changes that increase accountability and limit the amount of public money that goes to private schools, including:

- Freezing the number of publicly-funded tuition vouchers for students to attend private schools. He also wants to freeze the number of tuition vouchers for students with special needs to attend private schools. Private schools participating in this program do not need to meet the same accountability measures as public schools. And unlike public schools, private schools have no obligation to meet a student's documented special education needs, even if those private schools get public funding.
- Requiring private school teachers to be licensed by the state, if the private school receives publicly-funded tuition vouchers. Currently, teachers at private schools are not required to be licensed.
- Closing an office that authorized charter schools that were not accountable to locally-elected school boards.
- Eliminating the Opportunity Schools Partnership Program, which was set up to punish struggling schools and make it easier to split off the wealthiest areas from the Racine school district.
- Requiring property tax bills to show the amount of state aid deducted from the school district for students attending voucher schools.