



Wisconsin's Legislators Fail to Invest in Public Schools

The 2021-23 Budget for K-12 Education

Wisconsin students across the state deserve access to an excellent public education, and Wisconsin residents should be able to enjoy the economic benefits generated by a first-class public school system. To ensure that the doors of opportunity are open to everyone, Wisconsin needs to invest in our students and our schools.

The K-12 education budget passed by the Wisconsin legislature fails to make those investments. The legislature made deep cuts to the governor's budget proposal in special education aid, school mental health services, and English language learner services. This budget makes it less likely that schools will have adequate resources to combat the racial disparities in education that harm our students and hold back our state.

Instead of providing an influx of new resources that schools could put to work in classrooms, the legislature used school districts as a mechanism to deliver a property tax cut. The legislature provided a significant amount of new general aid for districts, but did not allow them to spend it. Instead, schools have to pass the resources on to local residents as a property tax cut. More than three-quarters of new resources provided by the legislature for K-12 education comes in the form of a property tax cut.

The budget was signed by Governor Evers, with modest vetoes that did not make significant changes to the education budget.

A Property Tax Cut Instead of Resources for Students

In Wisconsin, public schools are funded mostly through a combination of general state aid and local property taxes. The state sets budget caps that limit the amount a school district can spend from those two sources combined. The legislature's budget does not let districts increase the amount they spend from these two sources over the next two years, even to take inflation into account. In contrast, the governor proposed letting districts increase their budgets by \$200 per student in 2022 and another \$204 in 2023.

The legislature provided little in the way of new resources for K-12 schools, but it did provide a significant property tax cut by essentially buying down the local property tax levy. The legislature provided \$408 million in additional general aid to districts, but did not increase the budget caps, with the result that districts will not be able to spend that money. Instead, districts will have to reduce property taxes by an equivalent amount. Put another way, the new general aid allocated by the legislature will change the state-local funding mix of public schools without actually increasing resources for students.

In contrast, the Governor included a \$613 million increase over two years in general aid in his budget and increased the budget caps to let school districts use the money.

A Budget Cut for Wisconsin Schools

The K-12 education budget passed by the Wisconsin legislature includes only a very small increase that does not even keep up with inflation. Because the state education budget does not keep pace with the cost of living, some school districts will need to cut their budgets. The legislature provided an additional \$129 million over two years outside of the budget caps, a small fraction of the total \$1.7 billion increase in funding that the governor requested and had a plan to pay for.

Wisconsin Lawmakers Cut Nearly All of Proposed Increase for K-12 Education

The Wisconsin legislature sharply reduced the increase for K-12 funding that Governor Evers proposed in the 2021-23 budget. Changes to categories of K-12 funding are shown, with dollar amounts in millions.

Special education	Gov	\$722
	Legislature	\$89
General aid schools can spend	Gov	\$613
	Legislature	\$0
Property tax cut	Gov	\$0
	Legislature	\$408
Per-student aid	Gov	\$61
	Legislature	-\$5
Mental health	Gov	\$24
	Legislature	\$19
English-language learner services	Gov	\$29
	Legislature	\$0
Rural schools	Gov	\$24
	Legislature	\$19
Other	Gov	\$55
	Legislature	\$1

Source: Analysis of Legislative Fiscal Bureau publications

WISCONSIN BUDGET PROJECT

Resources for schools that are distributed based on the characteristics of the students in the district or the characteristics of the district fall outside the budget caps. The legislature's budget includes minor increases in some of these funding categories, although for the most part the increases were far smaller than what the governor had requested. The budget approved by the legislature includes:

- \$89 million increase for special education services, compared to \$722 million requested by the governor;
- A cut of \$5 million in fixed per-student aid, in which every district gets a set amount per student. The governor requested a \$61 million increase in this funding category;

- A \$19 million increase for mental health services, compared to the increase of \$54 million requested by the governor;
- No new money for English language learner services. The governor had requested \$29 million in new resources; and
- \$19 million in new resources for rural schools, relatively close to the \$24 million the governor had recommended.

The legislature also eliminated several funding increases that the governor had proposed to address student obstacles to success, including support for school breakfast and other nutrition services, driver's ed, afterschool programs, and energy efficiency.

Meeting the Requirements for Federal Resources for Wisconsin Schools

Congress has passed several federal aid packages that provide resources for schools, communities, and individuals to repair the harm inflicted by the pandemic and to address gaps in well-being. The CARES Act and the American Rescue Plan provide a combined \$2.3 billion to Wisconsin public K-12 schools, so long as the state meets minimum maintenance-of-effort requirements. To receive this money, state spending on K-12 education as a share of the total budget must be at least as high after the pandemic as it was before the pandemic.

Even though the legislature's budget does not keep up with inflation, it likely meets the maintenance-of-effort requirements set by the federal government to receive these federal resources. The property tax cut comes in the form of increased state spending on education, even though districts aren't allowed to spend it.

No Improvements to Transparency and Accountability for Publicly-Funded Private School Vouchers

The legislature deleted a proposal by the governor that would have capped the number of private school tuition vouchers that are paid for with public money. The legislature also eliminated the governor's proposal to have property bills 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.