

The State of School Finance in Wisconsin: **2024** Edition

Vital signs | Current developments | Emerging issues

2024 Wisconsin State Education Convention

January 17, 2024

December 2023: WASBO surveyed school districts on the impact of the 2023-25 state budget on district finances and outlook

Plans to go to operating referendum?



More than a third of respondents (136 or 38%) said their districts were either confirmed or likely to call an operating referendum sometime in

“Without a successful referendum, MPS Chief Financial Officer Martha Kreitzman said the district could have to cut staff, freeze salaries, close schools, eliminate specialty programs, reduce mental health supports, reduce transportation, delay building repairs, or delay updates for educational materials and technology.”

[Milwaukee Journal Sentinel](#)



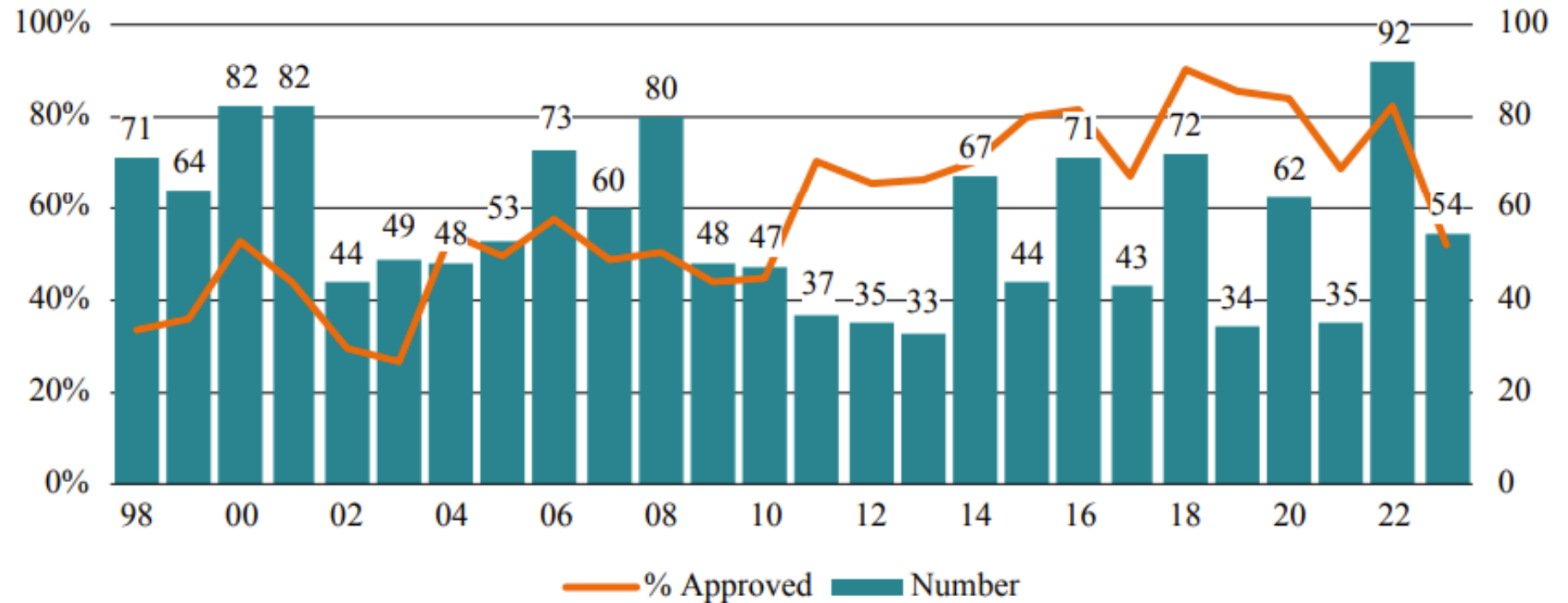
How are districts coping?

After exhausting Act 10 tools, deficit spending, tapping reserves, and using ESSER...

Increased use of operating referendums

2022 had highest number of operating referendums since at least 1998

Operating referendums: Number and approval rates (1998-2023)





Wisconsin's ranking has fallen relative to the nation on per pupil spending on K-12 education

11th in 2002

11% above national average



25th in 2021

5.2% below national average

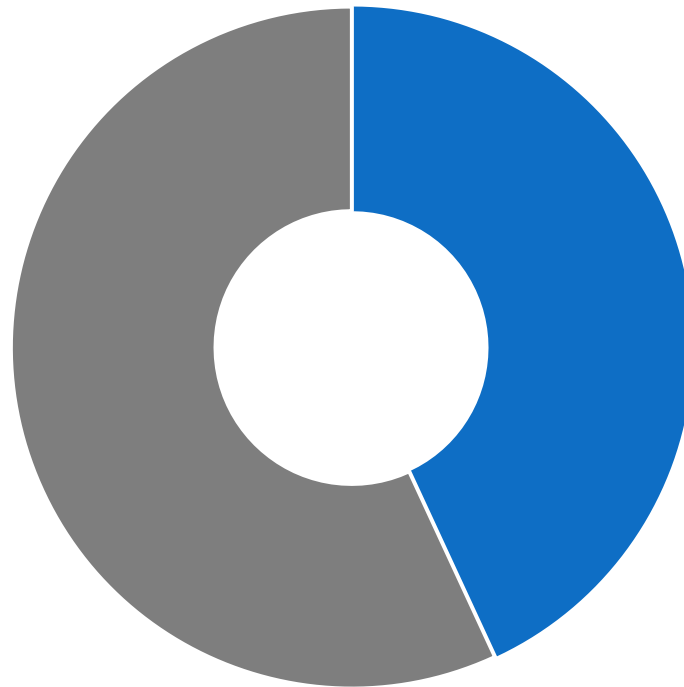
Wisconsin provides **disproportionately less funding to rural districts: 11th lowest** in the nation on state revenue to schools per local dollar (\$.82 versus \$1.18 nationally)



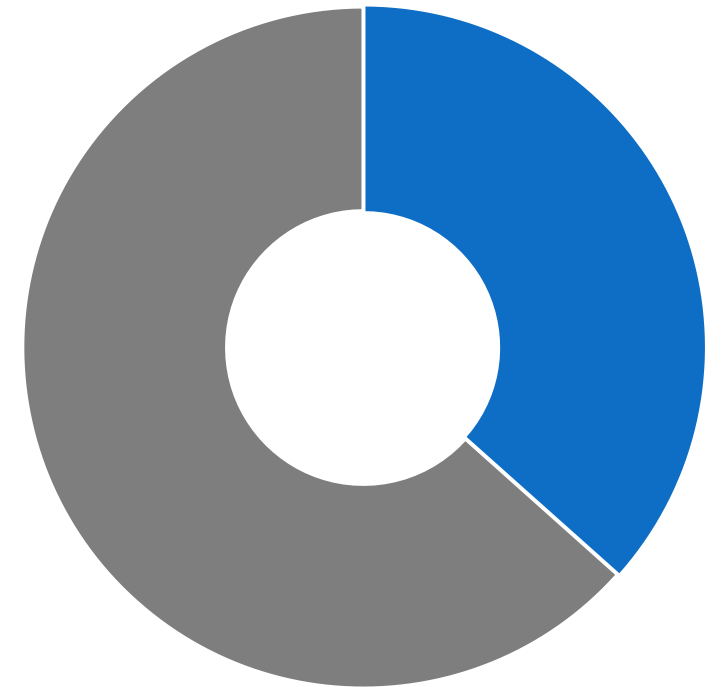
K-12 school aids as a share of state GPR

Education has fallen as a state budget priority

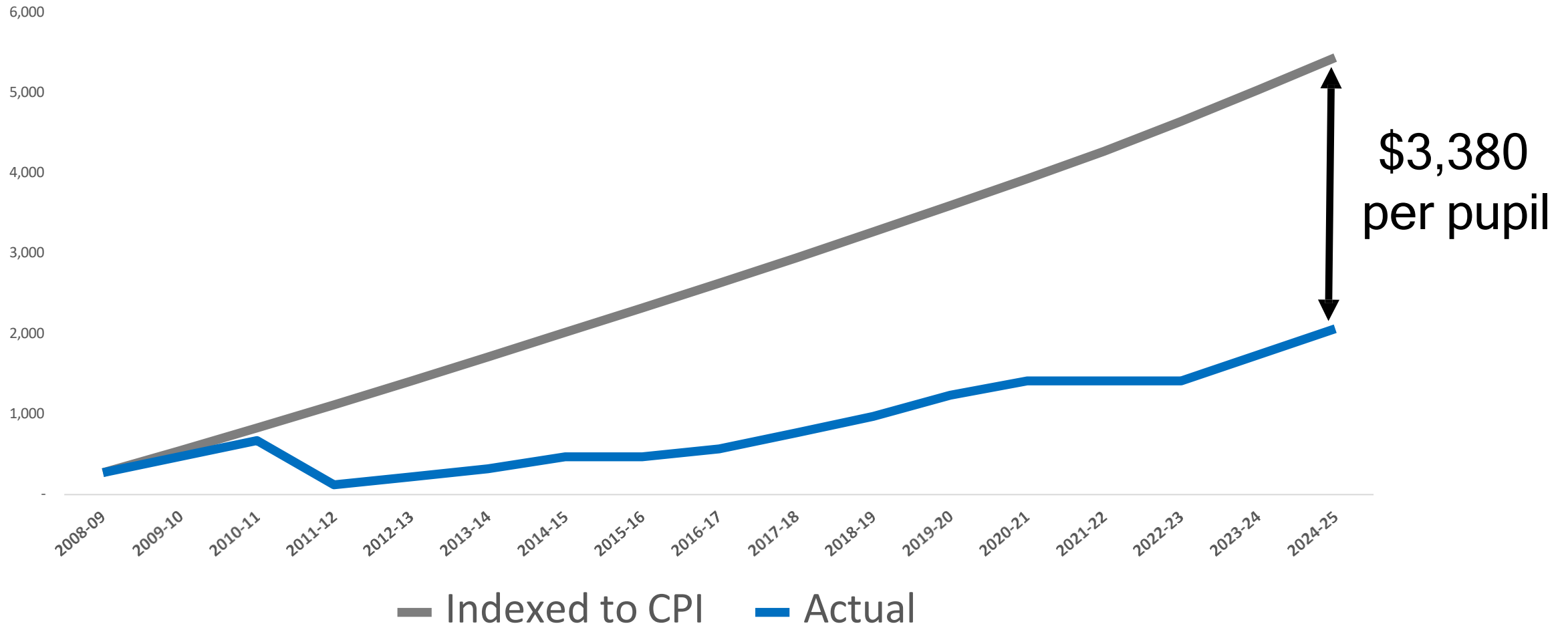
2003
43.1%



2023
36.6%



General school district revenues per pupil lag inflation by more than \$3,300 since 2009

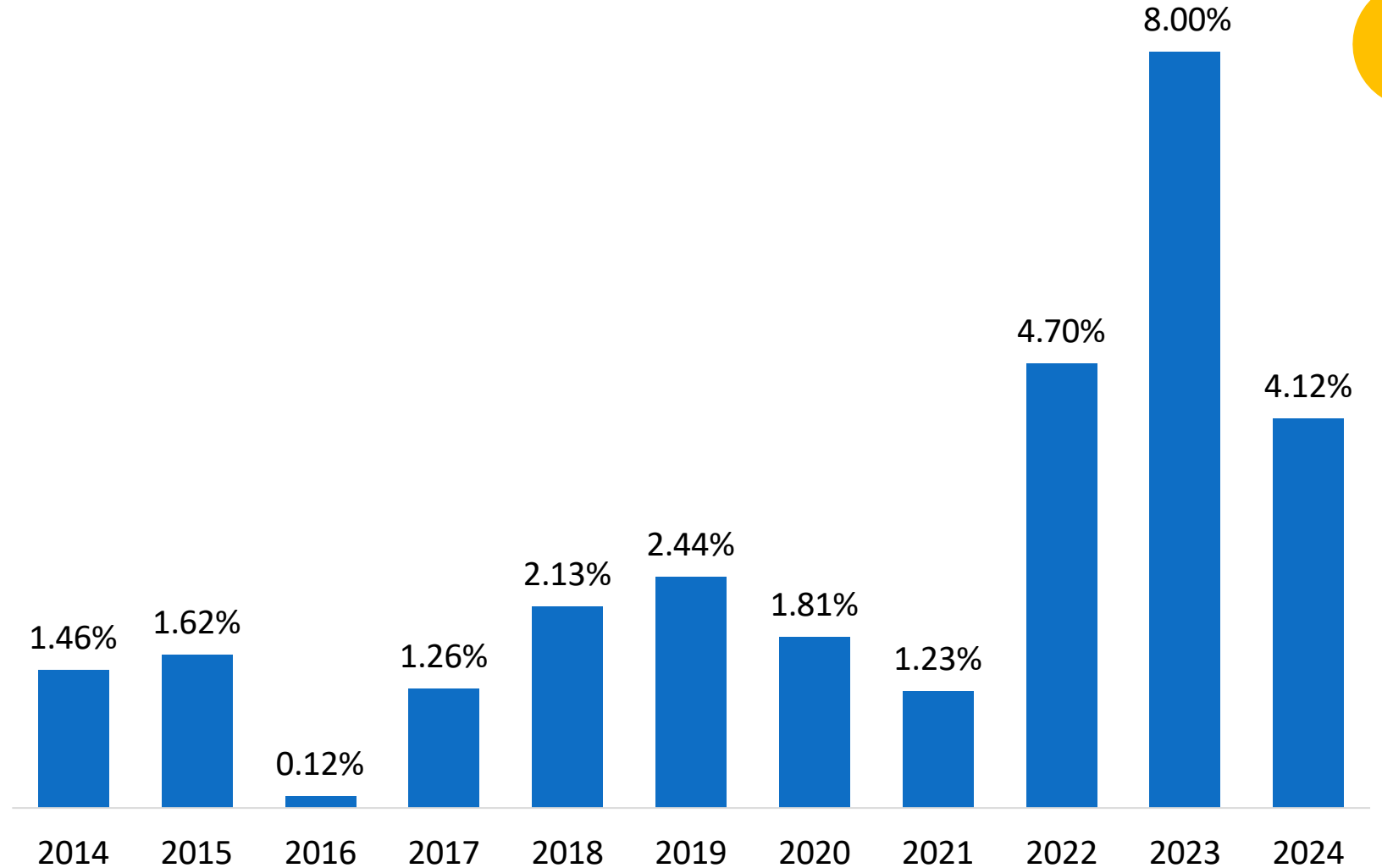


Inflation

CPI down from dramatic spike in 2023 but still high, historically

Revenue limit only increased by 2.7% in 2023-24 - forces hard choices

CPI-U for July 1 collective bargaining agreements (ceiling for base wage increases)



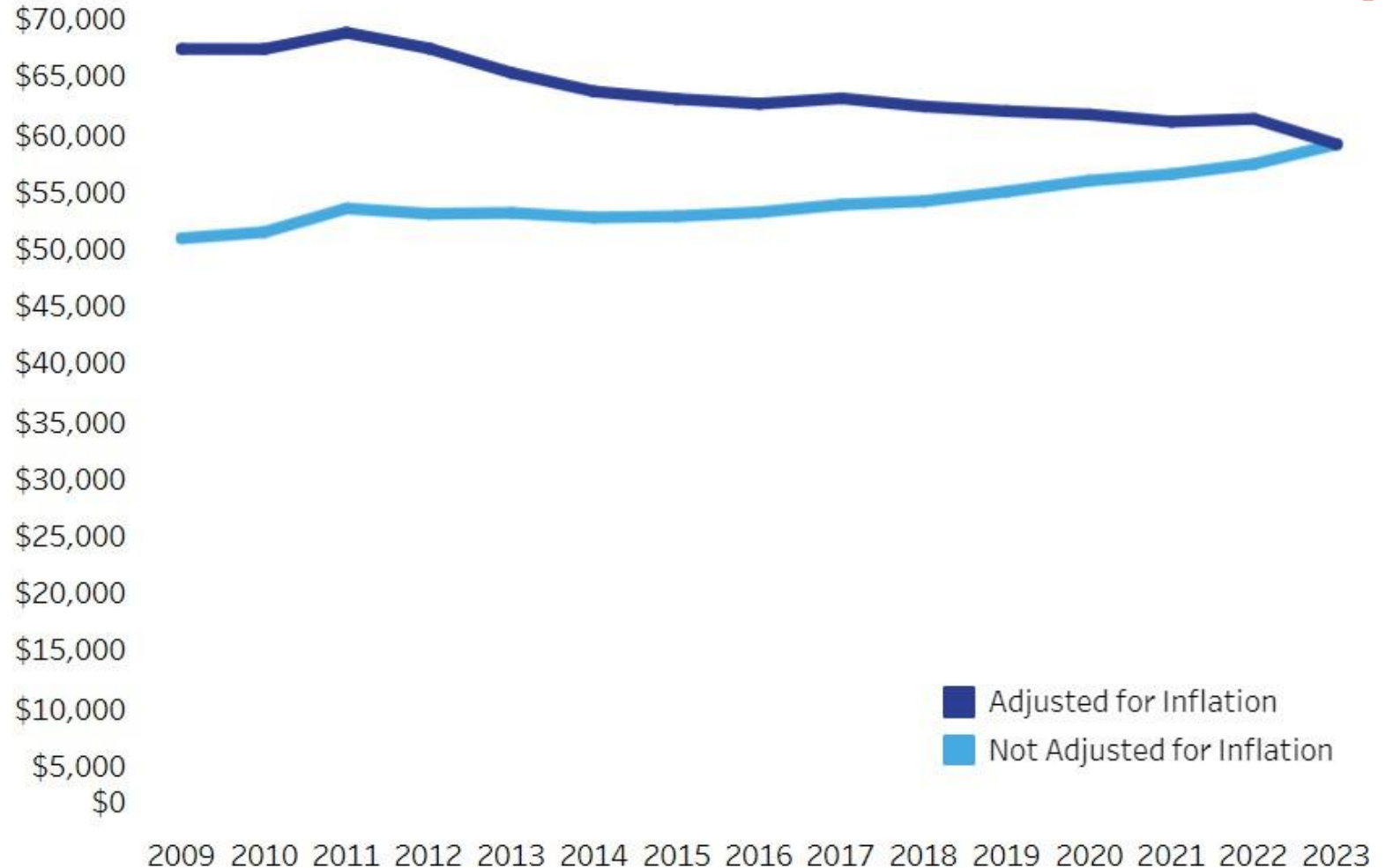
Educator Workforce

Teacher pay has fallen by 12% relative to inflation since 2009

Forces districts into difficult tradeoffs: Balance budget or retain staff?

Figure 1: Inflation-Adjusted Teacher Wages Decline Over Time

Median gross teacher salary in Wisconsin, nominal versus inflation-adjusted wages



Sources: U.S. Bureau of Labor Statistics, Wisconsin Department of Public Instruction, and Wisconsin Policy Forum analysis. *Milwaukee Public Schools excluded from 2015 data due to possible clerical error.



Selected years	Class of 2023 Grade	Combined resource change per pupil (revenue limits + per pupil aid)	Amount behind inflation (Cumulative, per pupil)	National spending ranking (Census)	Context Notes
2009-10	4K	\$200	\$75	17th	1 st year revenue limits were decoupled from inflation
2010-11	5K	\$200	\$156	17th	State raised proficiency cut scores, Act 10
2011-12	1st	-\$554	\$998	21st	Revenue limits cut/state aid cut in 2011-13 budget
2013-14	3rd	\$100	\$1,395	21st	Statewide voucher program established
2015-16	5 th	\$0	\$1,856	23rd	Sharp rise in referendum questions and dollars
2019-20	9th	\$263	\$2,365	25th	COVID-19 global pandemic hits
2020-21	10th	\$179	\$2,520	25th	Inflation soars
2021-22	11th	\$0	\$2,863	NA	Revenue limits are frozen, no increases for two years
2022-23	12th	\$0	\$3,235	NA	Graduation! 2 nd year of frozen revenue limits, amid continued inflation



ESSER: Fiscal Cliff

ESSER funds expire this September (2024)



Because of ZERO increase to revenue limit 2021-2023, some ongoing costs (like special education) have been covered, in part, by ESSER dollars

- creates future budget holes
- school districts missed two years of base building revenue

From December 2023 WASBO survey of school districts:
62% of respondents said end of ESSER will cause structural deficit for 2024-25

Equity issue: “High poverty (high need schools) communities will see sharper impacts to their school budgets in part because of how ESSER funding was structured.” [Brookings](#)

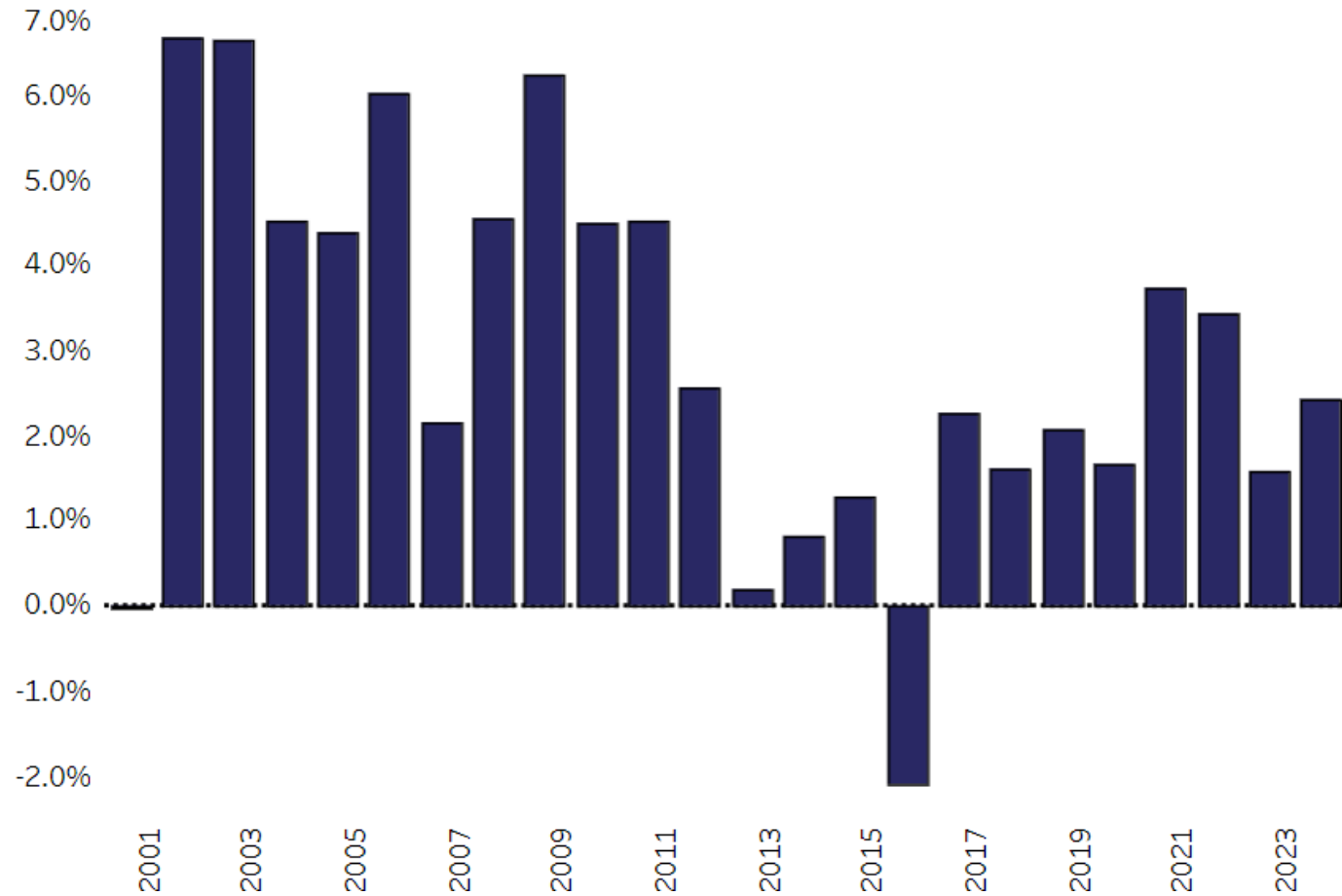


Property taxes below inflation

Local tax burden near historic low

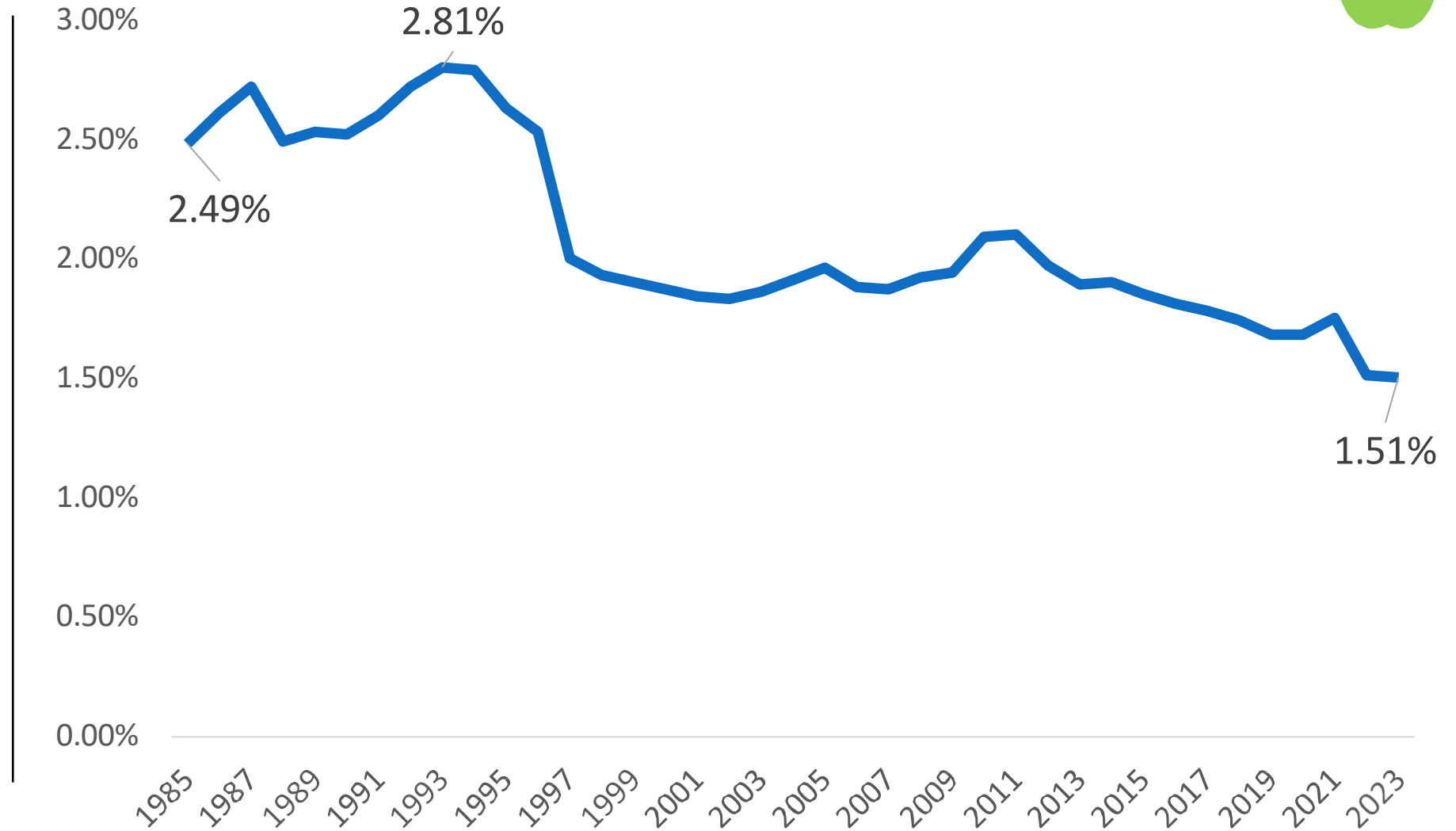
Figure 6: Property Tax Collections Rise, But Remain Below Rate of Inflation

Year-over-year change in local property tax collections





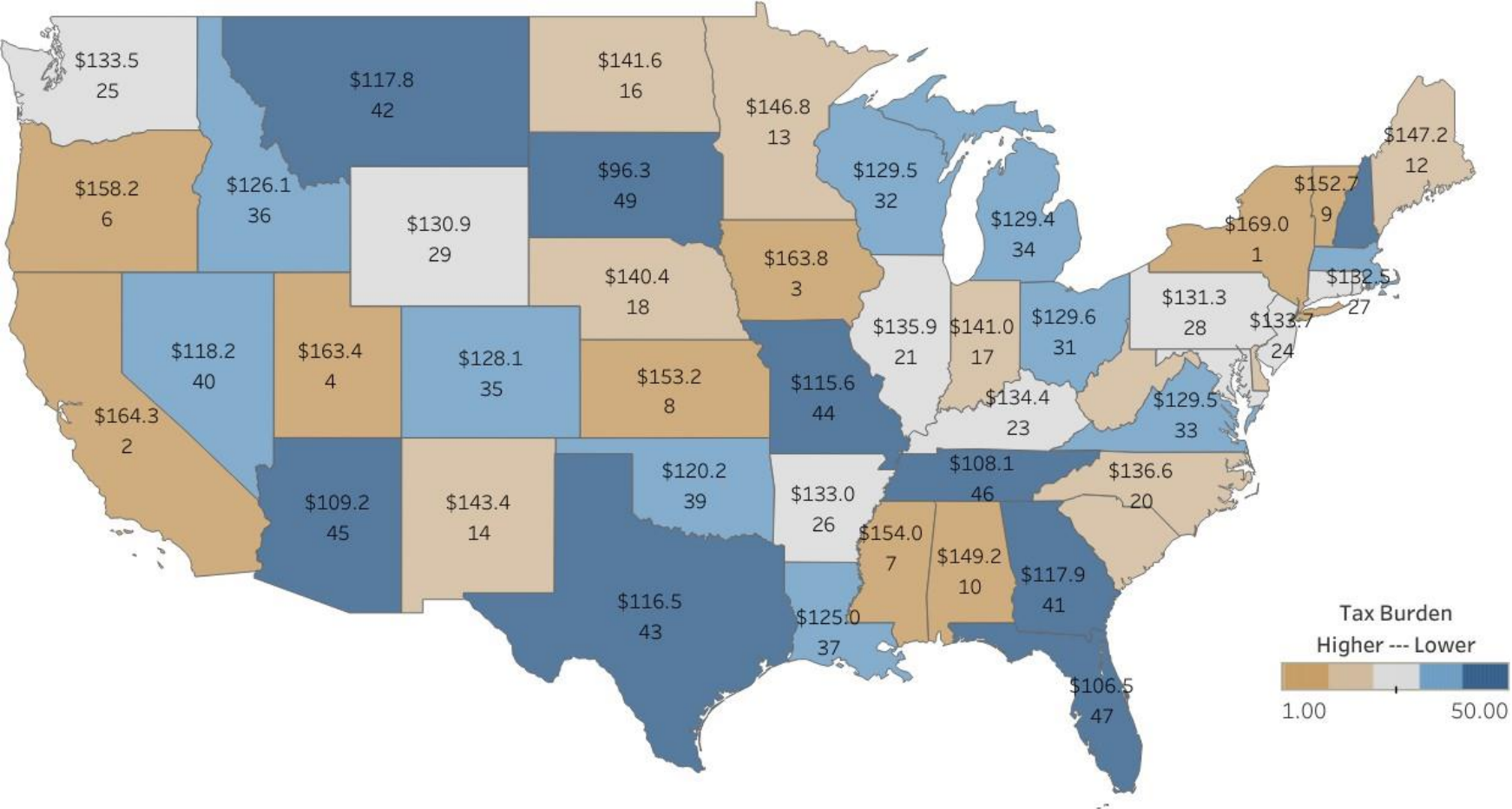
School property tax levy as % of personal income (tax burden)



Wisconsin's state and local tax burden is among lowest in region



State and local revenues per \$1,000 of personal income: **Taxes and fees** in 2020-21



Michigan: 129.4

Wisconsin: \$129.5
(Rank: 32)

Illinois: \$135.9

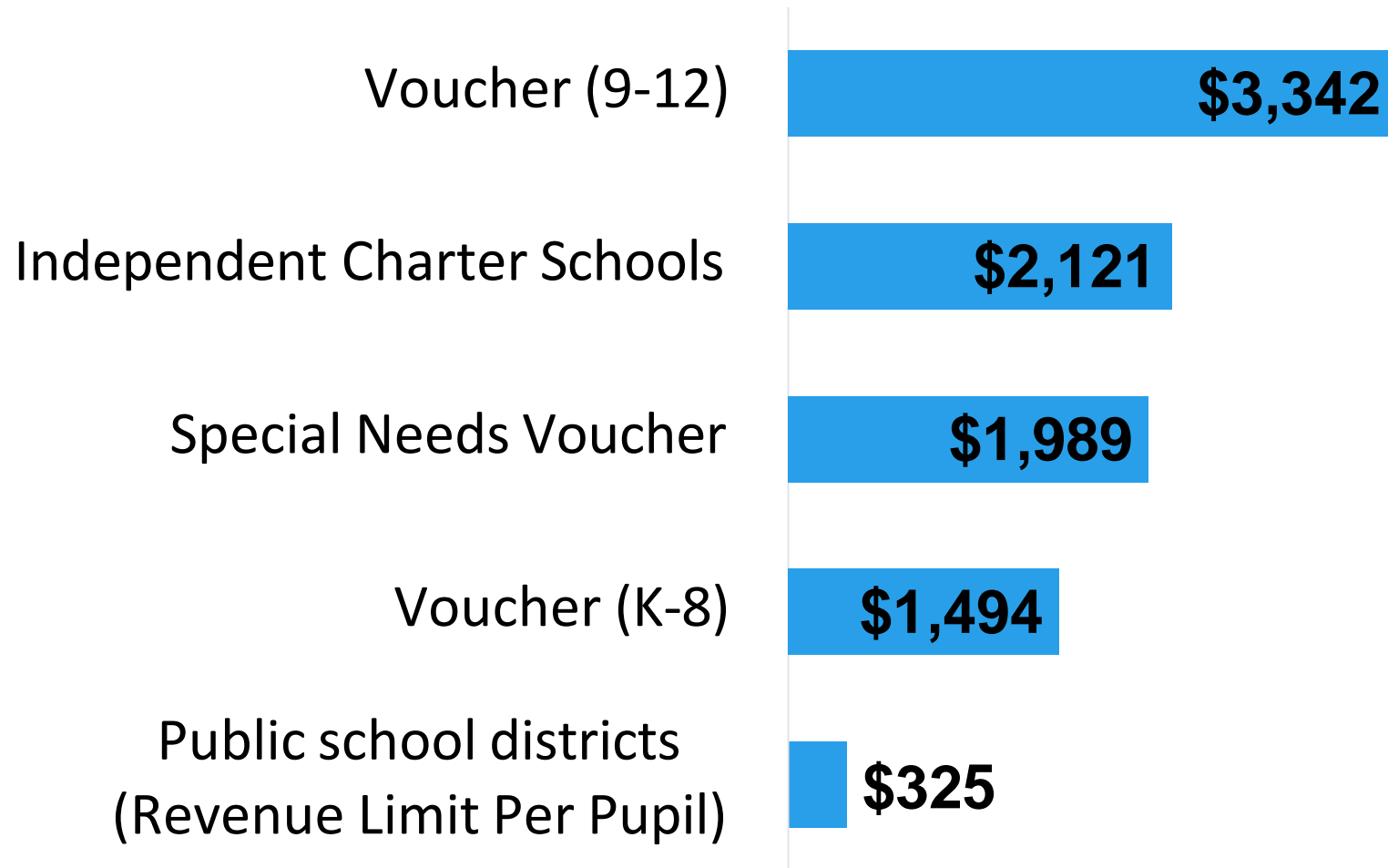
Minnesota: \$146.8

Iowa: \$163.8

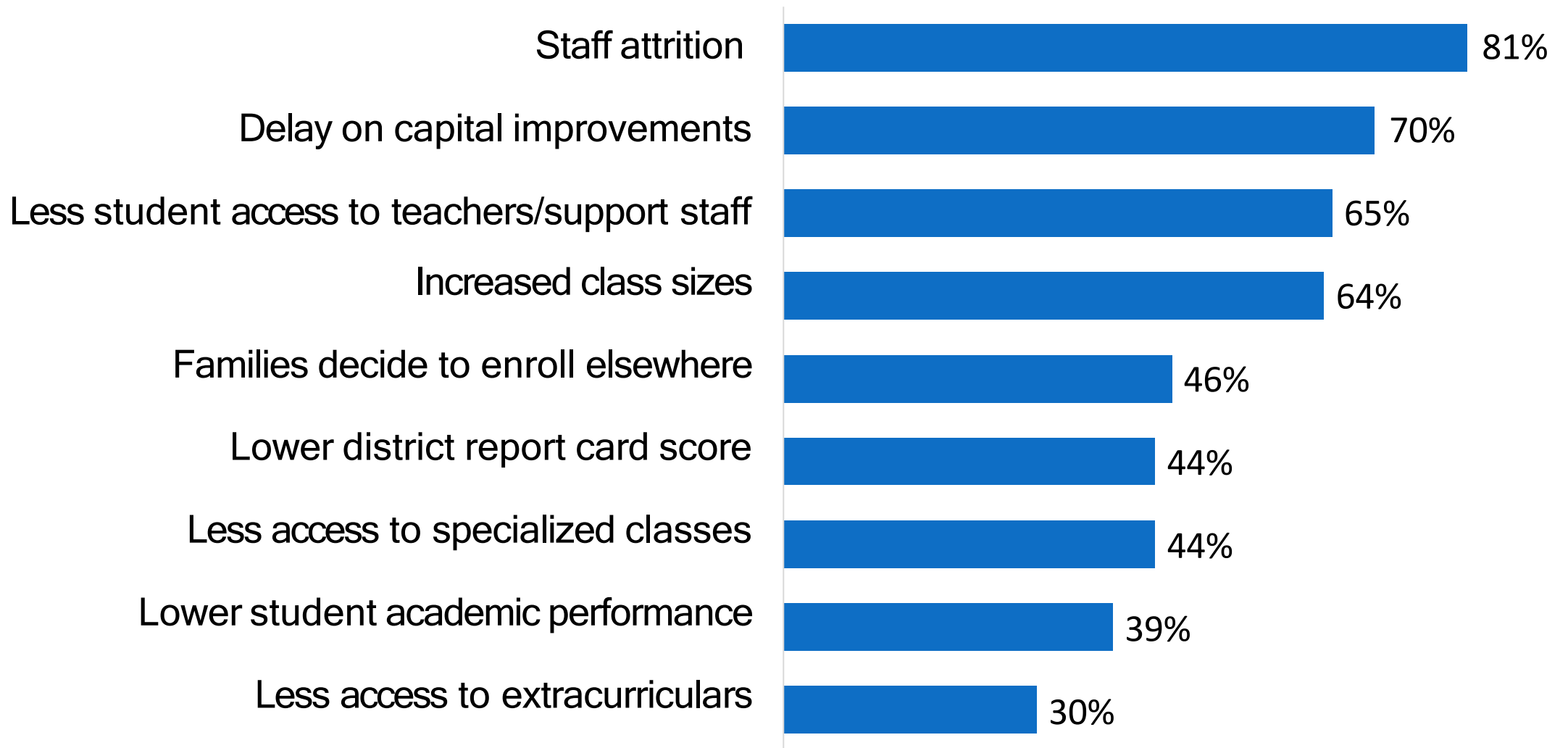
**Significant
increase in
voucher/charter
payments**

**Impacts by
school type**

**2023-24 change to
per pupil payments over prior year (\$)**



Percent of respondents indicating the following are likely impacts on students as a result of budget challenges over the next two years



Percent of respondents indicating they employed the following budget strategies for 2023-24

