



2021-23 State Budget Talking Points

State Funding for Schools

Governor: The governor's proposed budget provides a revenue limit adjustment of \$200 per pupil in 2021-22 and \$204 per pupil in 2022-23.

The governor's budget also proposes to provide increases state general and categorical aids sufficient to achieve two-thirds funding of schools statewide.

To decrease disparities between low revenue school districts and higher revenue/higher spending districts the governor's proposed budget also increases the low revenue ceiling from \$10,000 per pupil, to \$10,250 in 2021-22 and to \$10,500 in 2022-23.

WASB: The WASB supports providing predictable annual increases in state general equalization aids and annual per-pupil adjustments to revenue limits to at least match inflationary increases in school costs.

Talking Points:

WI School Funding Has Lagged Since 2011 - [Wisconsin Policy Forum](#)

- Wisconsin ranked 49th in the nation in per pupil spending increase from 2011 to 2018 at 4.3% -- nationwide the percent change was 18.9%.
- Even after the significant reduction in school spending in the 2011-2013 state budget, total per-pupil spending has continued to lag the rest of the country. Between 2013 and 2018, Wisconsin's spending increased by 11%, while nationwide the increase was close to 18%.
- Between 2008 and 2018, voters in 189 school districts passed a total of 387 referenda to exceed revenue limits. Without the impact of these referenda, K-12 spending in Wisconsin would have been even lower over those years.

Federal COVID Relief Funding

Many legislators are viewing the federal relief dollars as more than sufficient for school districts in this budget cycle and see an opportunity for the state to back out of providing inflationary increases.

- Federal COVID relief funds are **one-time** funds intended to defray costs specifically related to the pandemic. It is neither advisable nor desirable to budget one-time funds for ongoing expenses.
- Pandemic-related costs are not just related to cleaning/disinfecting buildings or purchasing masks and other personal protective equipment. They also include efforts to address pandemic-related learning loss like extra intensive tutoring, instructional coaches, extended school day (i.e., before and after school) programs, robust summer school offerings, etc.
- The vast majority of federal relief funds are distributed through the Title 1 formula based on levels of student poverty. These funds are not distributed evenly across districts. Districts with lower levels of poverty would see less funding through this formula. Whether or not particular school districts benefit from this one-time federal funding, **all** districts have ongoing expenses that must be met. These include paying teachers and staff, utilities and maintaining buildings, insurance, etc.

- School districts will be dealing with significant pandemic-related enrollment drops and the accompanying drop in revenues.

Inflationary Increases

- School costs continue to rise due to inflation which is less than it has been recently but is still an important consideration. Unless schools have a way to obtain additional resources to meet these higher costs, they must cut programs and staff, diminishing opportunities for students. Increasing revenue limits through a per pupil adjustment has traditionally been one of the main methods of providing additional resources for school districts, while still holding down increases in property taxes.

Predictability

- A necessary part of preparing the district's budget is estimating what the school district will receive in the way of revenues. The financial restriction placed on school districts by state-imposed revenue limits is typically the greatest budget challenge boards face. For planning purposes, predictability and stability is essential.
- School districts, unlike municipal or county governments, budget on a fiscal-year basis like the state. However, in an odd-numbered year, it is not always clear what increases in revenue limits or per pupil aid will be available to school districts until the budget passes, which in some recent years has been after the school year is well underway and after staffing contracts have been signed. Having a clearer picture of the resources available to the district will help boards and administrators make sound decisions about school staffing and about school spending in general. Predictability, in terms of knowing what the district's revenue limit is likely to be, is immensely helpful in this regard.