

# Overview of Gov. Walker's 2013-15 Budget Proposal



# Big Picture: Overview & Allocations

Budget Area	Allocation	%
Medical Assistance	+ \$763 million	45%
Income Tax Cut	+ \$343 million	20%
Higher Education	+ \$186 million	11%
K-12 Public School Districts	+ \$159 million	9%
Transportation	+ \$126 million	7%
Vouchers & Independent Charters	+ \$117 million	7%
<b><i>Increased Spending</i></b>	<b><i>+\$1.7 billion</i></b>	

**There is more than enough revenue to increase funding for public schools and implement school finance reform – but this budget sets different priorities.**

\*Note: There is \$1.7 billion in new spending, but there is only \$1.4 billion in available revenue (growth and carryover). The remainder of the budget is balanced through agency lapses.

# 2013-15 State Budget Proposal

## 2013-15 Funding Comparison

	Public Schools	Independent Charters	Voucher Schools
<b>Enrollment</b>	864,000	10,500 + 2,500 students over 2012-13 school year	30,000 + 5,000 students over 2012-13 school year
<b>Revenue (How much schools can spend)</b>			
<b>Per-Pupil Increase</b>	\$0/student	+ \$156/student	+ \$608/ K-8 student + \$1,414/ 9-12 student
<b>State School Aid (How much the state pays)</b>			
<b>Net Increase</b>	\$39 Million*	\$23 Million	\$73 Million
<b>Per-Pupil Increase</b>	\$45/student	\$2,190/student	\$2,433/student

**Because the revenue limit is frozen, the increase in general school aids will reduce local property taxes (not increase student spending).**

**There are no revenue limit restrictions for independent charter and voucher schools, so they can spend whatever is allocated.**

\*Note: All \$39 million will go to property tax relief. See slide #10 to understand the net state school aid increase calculation. Additionally, only some school districts will be eligible for the \$64 million performance funding, which is included in the "net increase" state school aid number.

# REVENUE LIMITS

# School Funding – *Simplified!*

How much we  
**spend** on kids

How much the  
**State pays**

How much  
**you pay**

Revenue  
Limit

–

State Aid

=

Property  
Tax Levy

Average

\$9,900

–

\$5,400

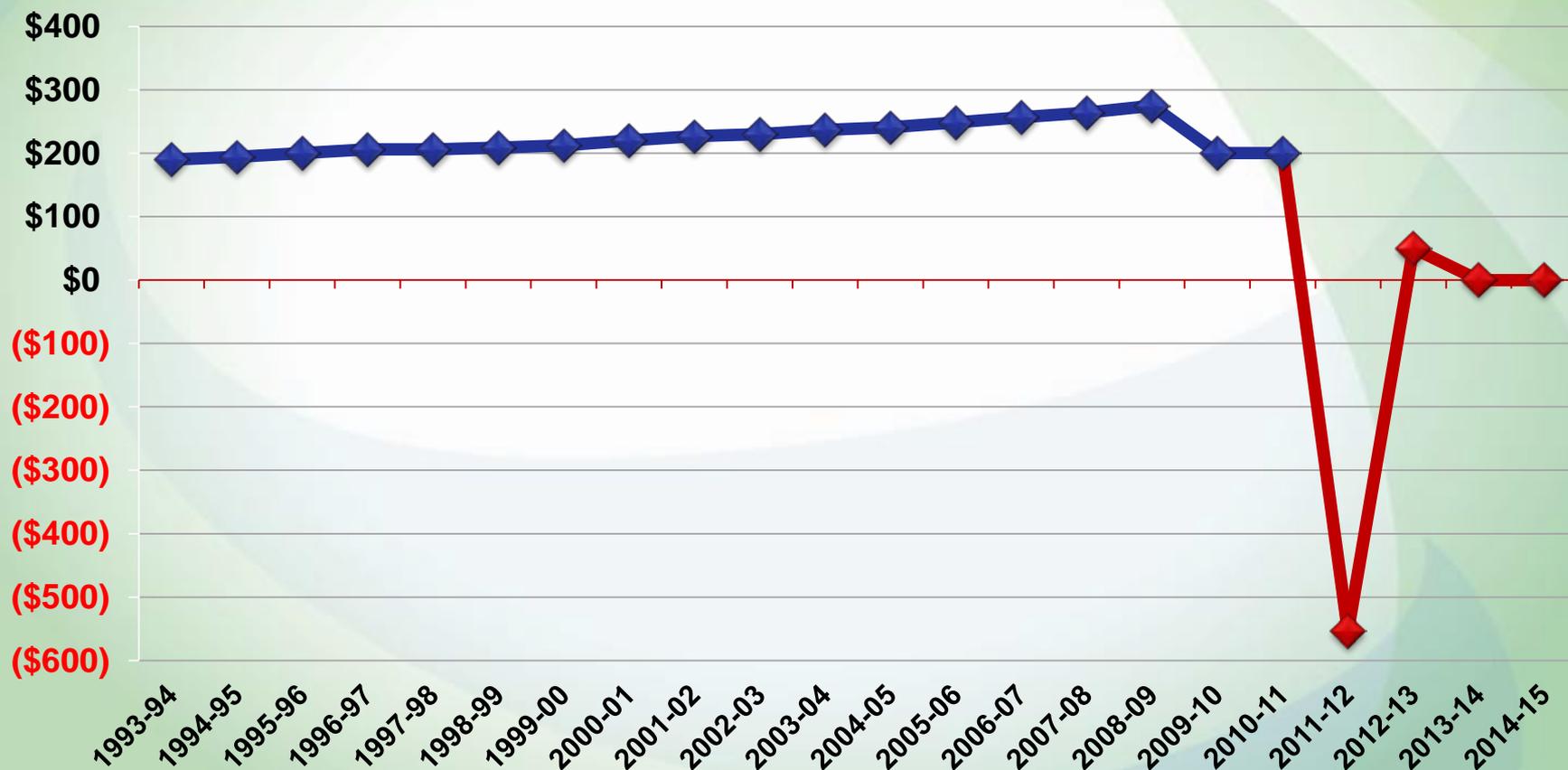
=

\$4,500

\*\*\*The impact on individual property taxes varies with home values\*\*\*

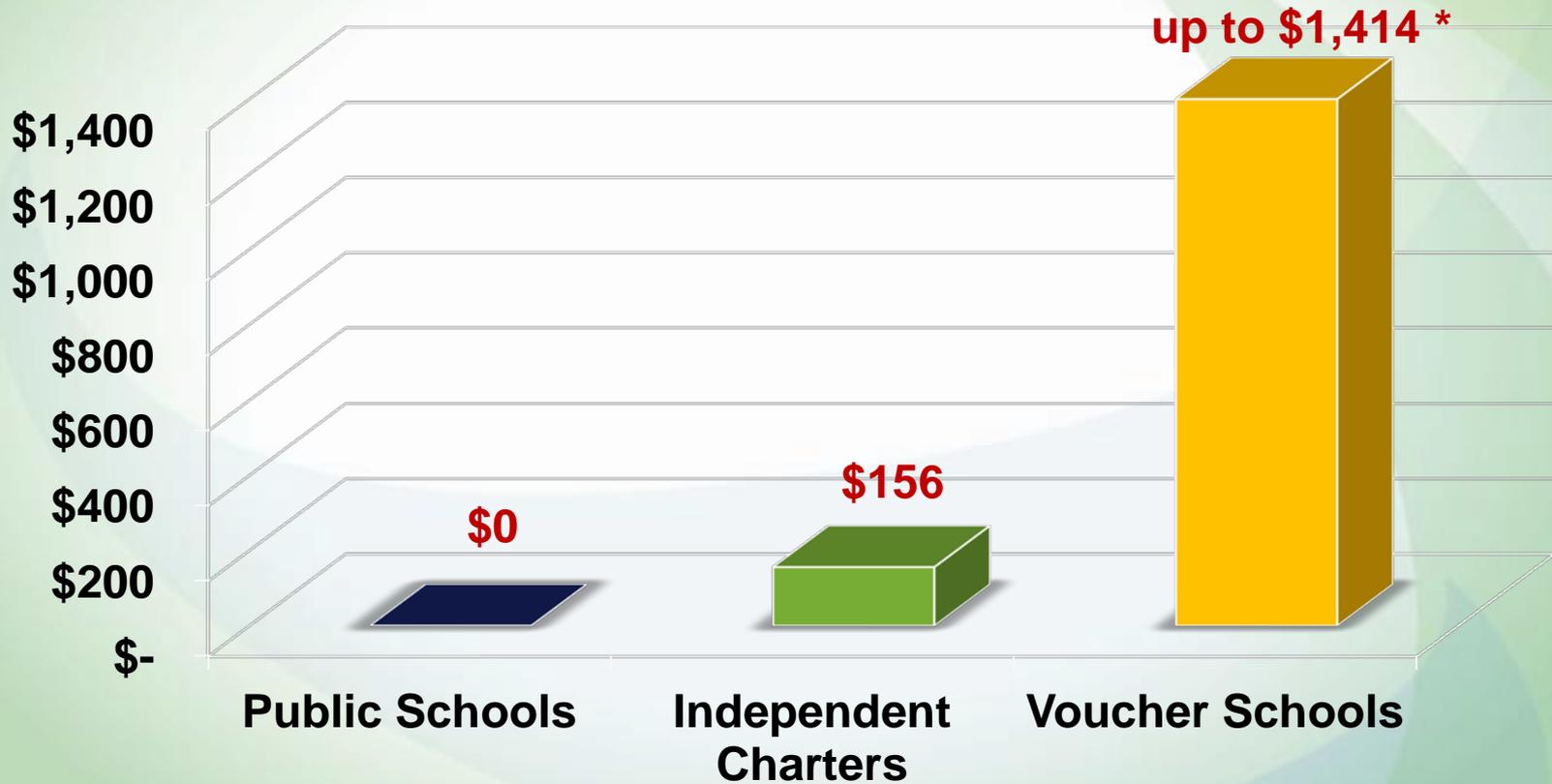
# Change in Revenue Limit Over Time

A historic decline in revenue limit over the last four years



# Per-Pupil Revenue by School Type

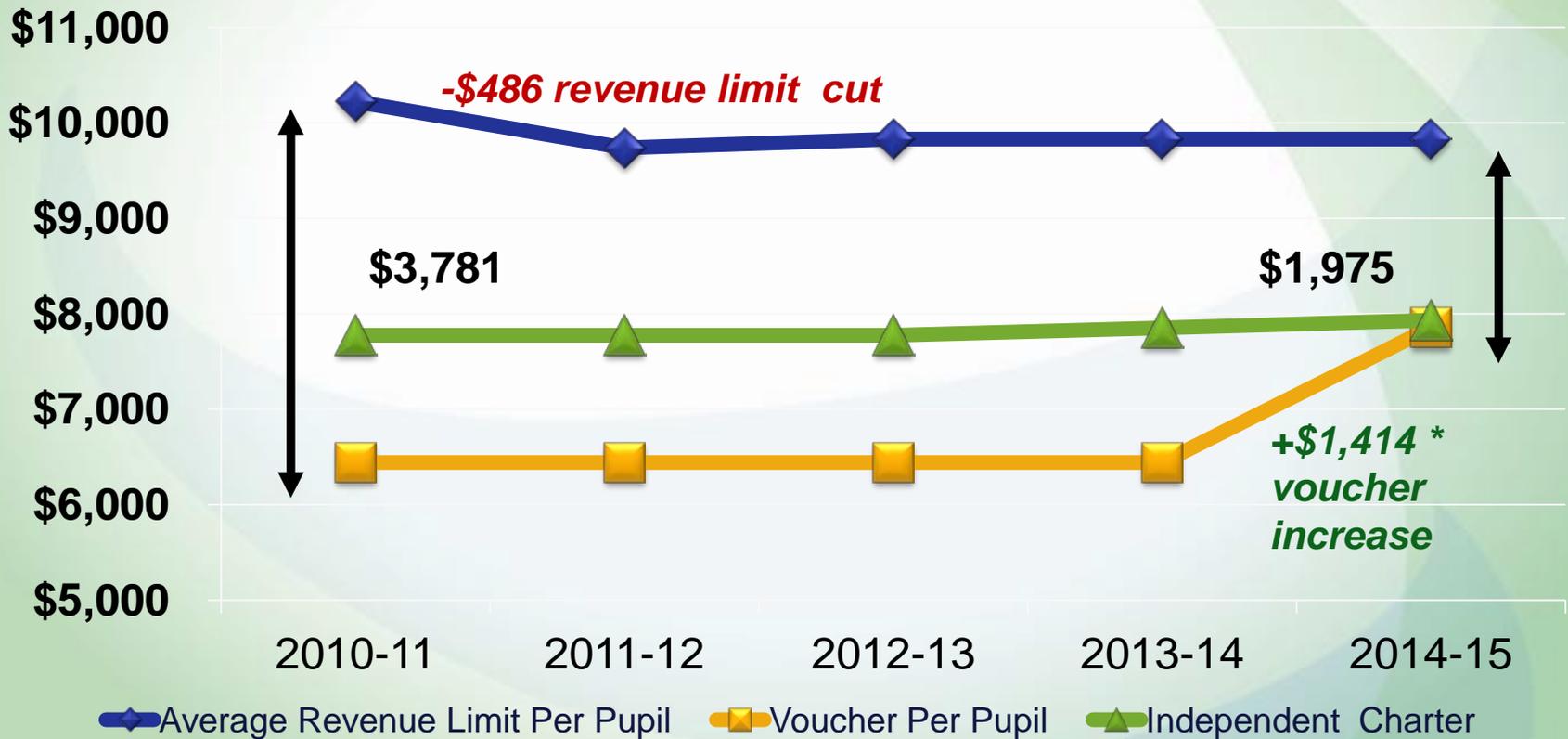
An issue of fairness: No growth in public school spending



\* For high school students

# Closing Gaps the Wrong Way

**Race to the Bottom: Public school revenue limits go down, while voucher spending increases**



\* High school students

# SCHOOL AIDS

# 2013-15 State Budget Proposal

## Net School Aids

	FY14	FY15**	Biennium
General Aid	+ \$42.9M	+ \$86.3M	+ \$129.2M
Performance Funding		+ \$64.0M	+ \$64.0M
Educator Effectiveness	+ \$5.7M	+ \$5.7M	+ \$11.4M
School Library Aid	- \$5.0M	- \$3.0M	- \$8.0M
2011-13 Per-Pupil Adjustment*	- \$42.5M	- \$42.5M	- \$85.0M
TEACH Debt Service	- \$125,000	- \$225,000	- \$350,000
<b>Gross School Aids</b>	<b>+ \$1.1M</b>	<b>+ \$110.3M</b>	<b>+ \$111.4M</b>
Voucher Deduction	- \$7.1M	- \$21.0M	- \$28.1M
Independent Charter Deduction	- \$5.4M	- \$17.9M	- \$23.3M
Special Ed Voucher Deduction	- \$6.9M	- \$13.9M	- \$20.8M
<b>Net Change to school aids</b>	<b>- \$18.3M</b>	<b>+ \$57.5M</b>	<b>+ \$39.2M</b>

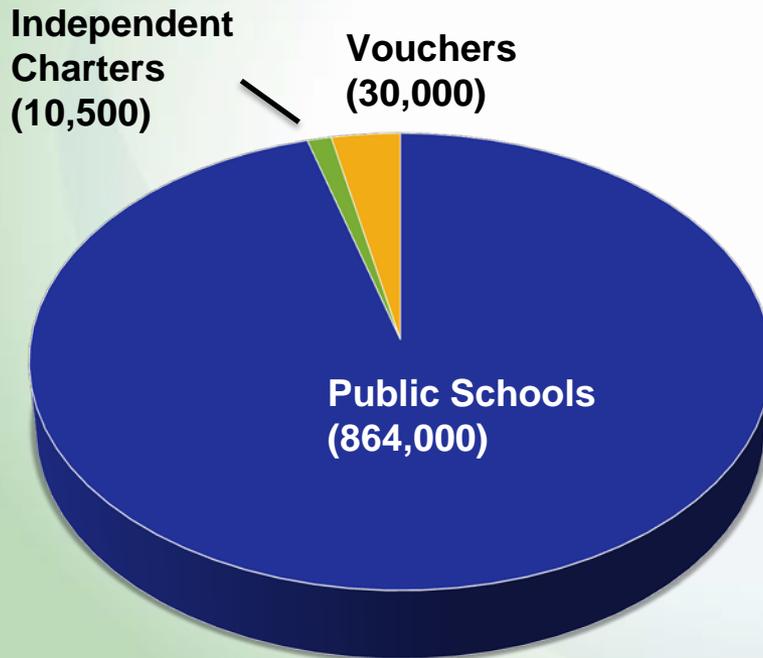
***\*The budget eliminates the one-time \$50 per-pupil adjustment included in the last budget.***

\*\* Note, both the FY14 and FY15 data reflect the funding change over the FY 13 base.

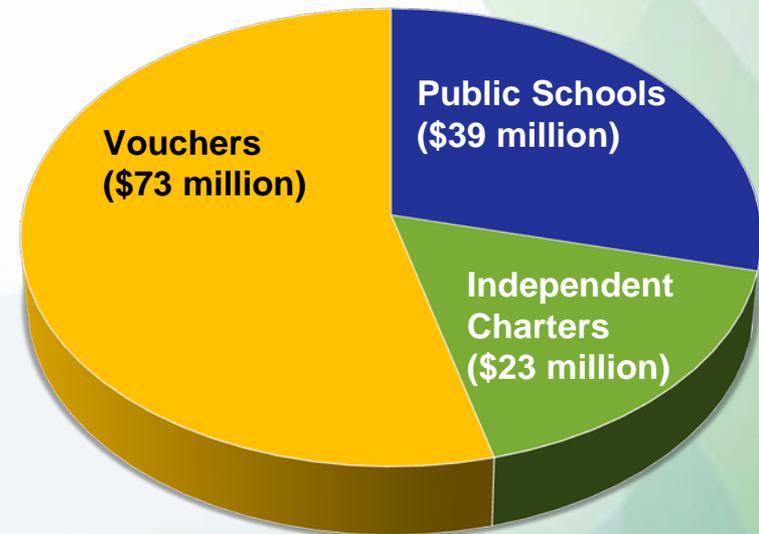
# Net State Aid Increase by School Type

*State aid increases are disproportionate*

## Total Enrollment



## Total Net School Aid Increase



*Since **public school revenue limits are frozen**, new general aid reduces property taxes without allowing for new spending. New categorical aid is outside the revenue limit.*

# PERFORMANCE FUNDING

## Performance Funding Criteria

	Total Allocation	# of Schools	# of Districts*	Total Enrollment
<b>Top two categories</b>	<b>\$24 million</b>	<b>722 (34%)</b>	<b>287 (64%)</b>	<b>319,461 (37%)</b>
Increase score by at least three points	\$30 million	*Unknown*	*Unknown*	*Unknown*
<b>Bottom category</b>	<b>\$10 million competition</b>	<b>88 (4%)</b>	<b>20 (4%)</b>	<b>45,905 (5%)</b>
<b>Statewide Total</b>	<b>\$64 million</b>	<b>2,118</b>	<b>445</b>	<b>864,000</b>

**The school report card is designed to improve student achievement, *not* make high-stakes funding decisions and expand vouchers.**

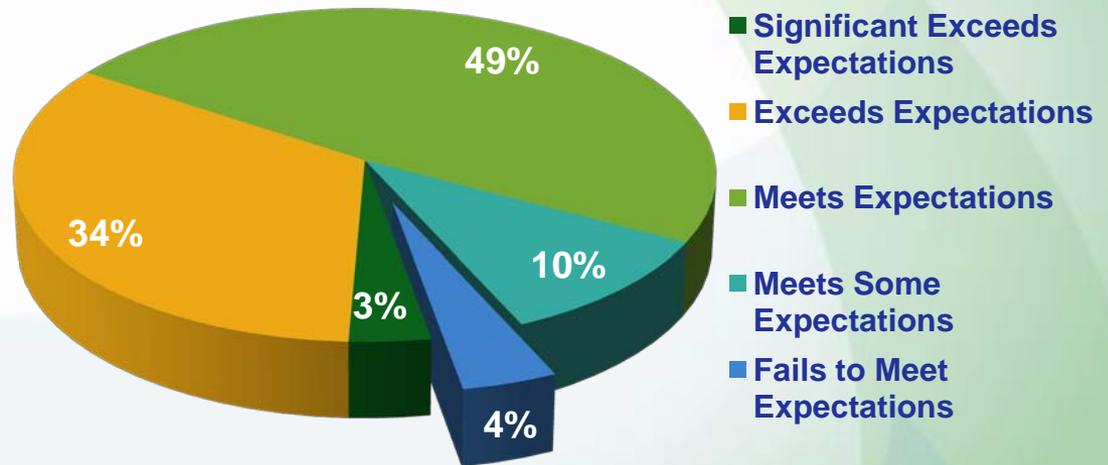
\*Note: this includes both the 424 school districts and the 21 independent charter schools (which are considered an LEA under federal law).

# Wisconsin School Overview

## Accountability Rating for Wisconsin Schools

Nearly 9 out of 10 (86%) rated schools meet expectations or better.\*

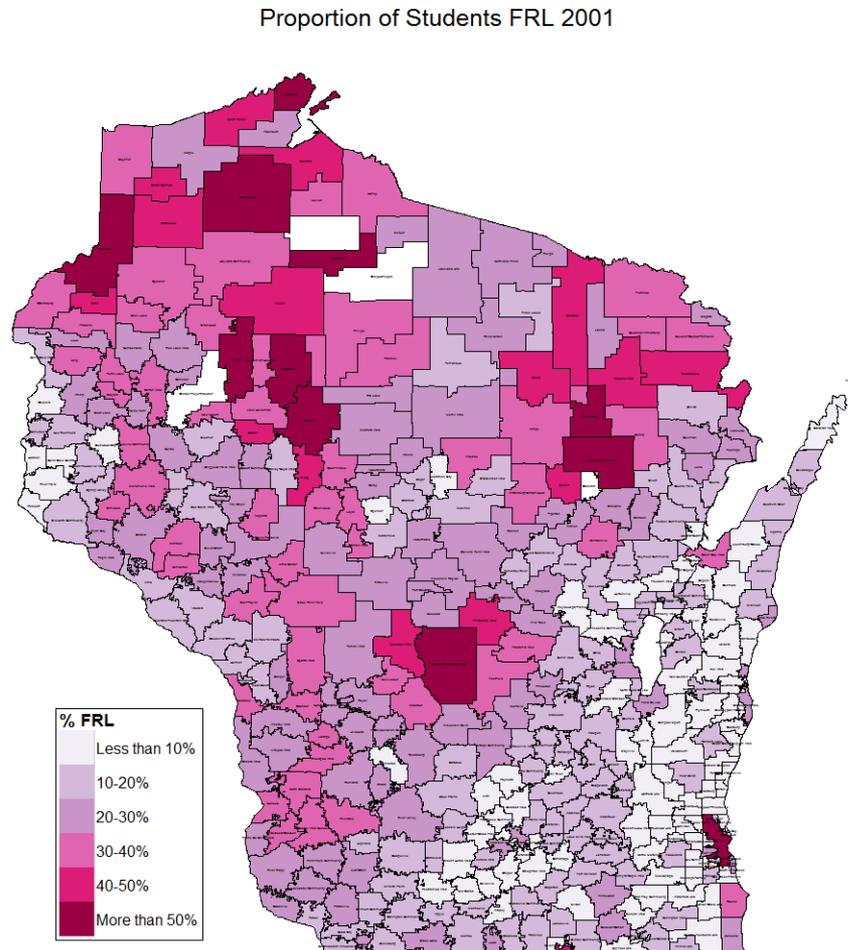
Only 4% fail to meet expectations.



\*Excludes schools that did not receive a rating.

# Growing Poverty in WI

## Change in Free & Reduced Lunch (2001-2010)

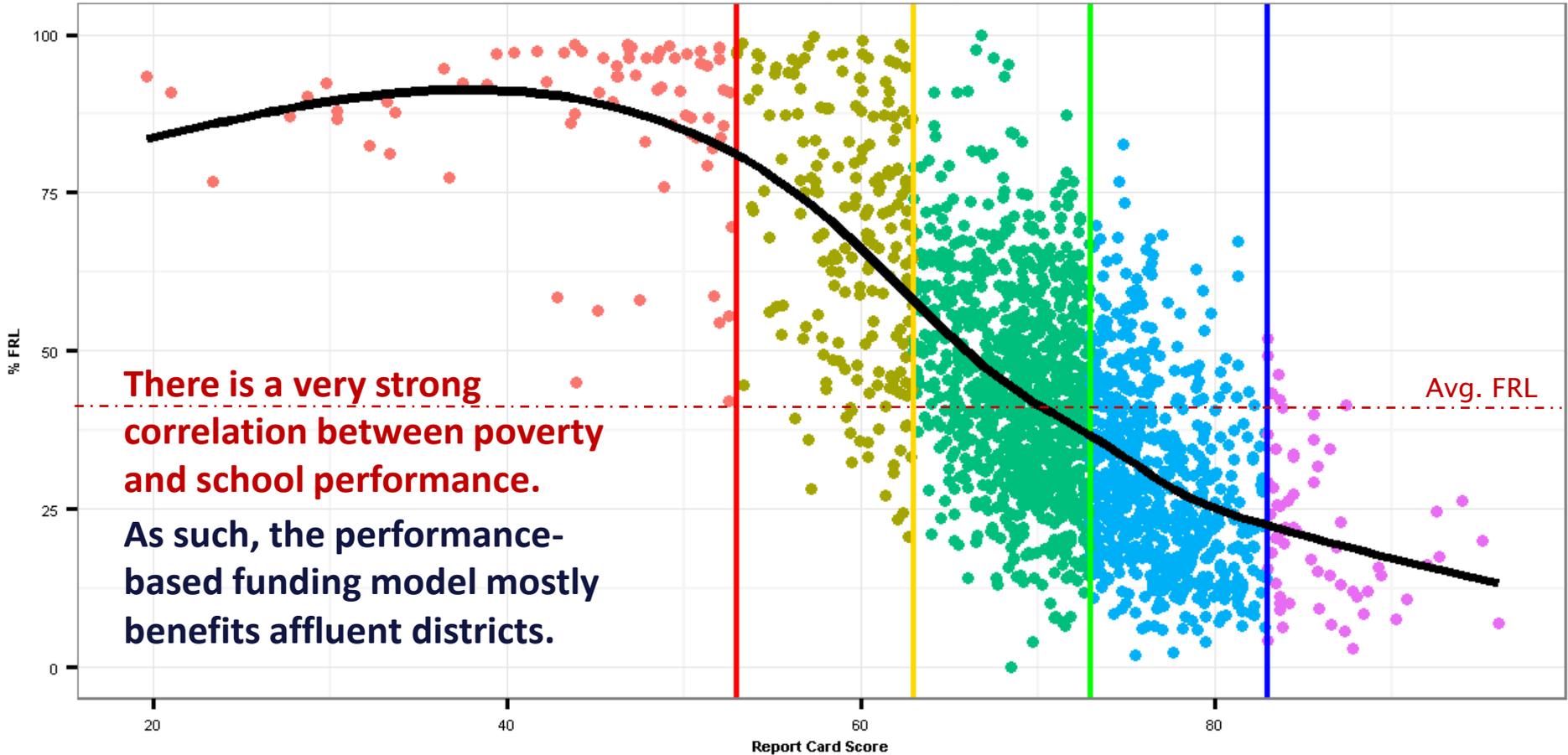


Source: Wisconsin Department of Public Instruction. School Finance Maps.

<http://dpi.wi.gov/sfs/maps.html>

# Poverty & Performance

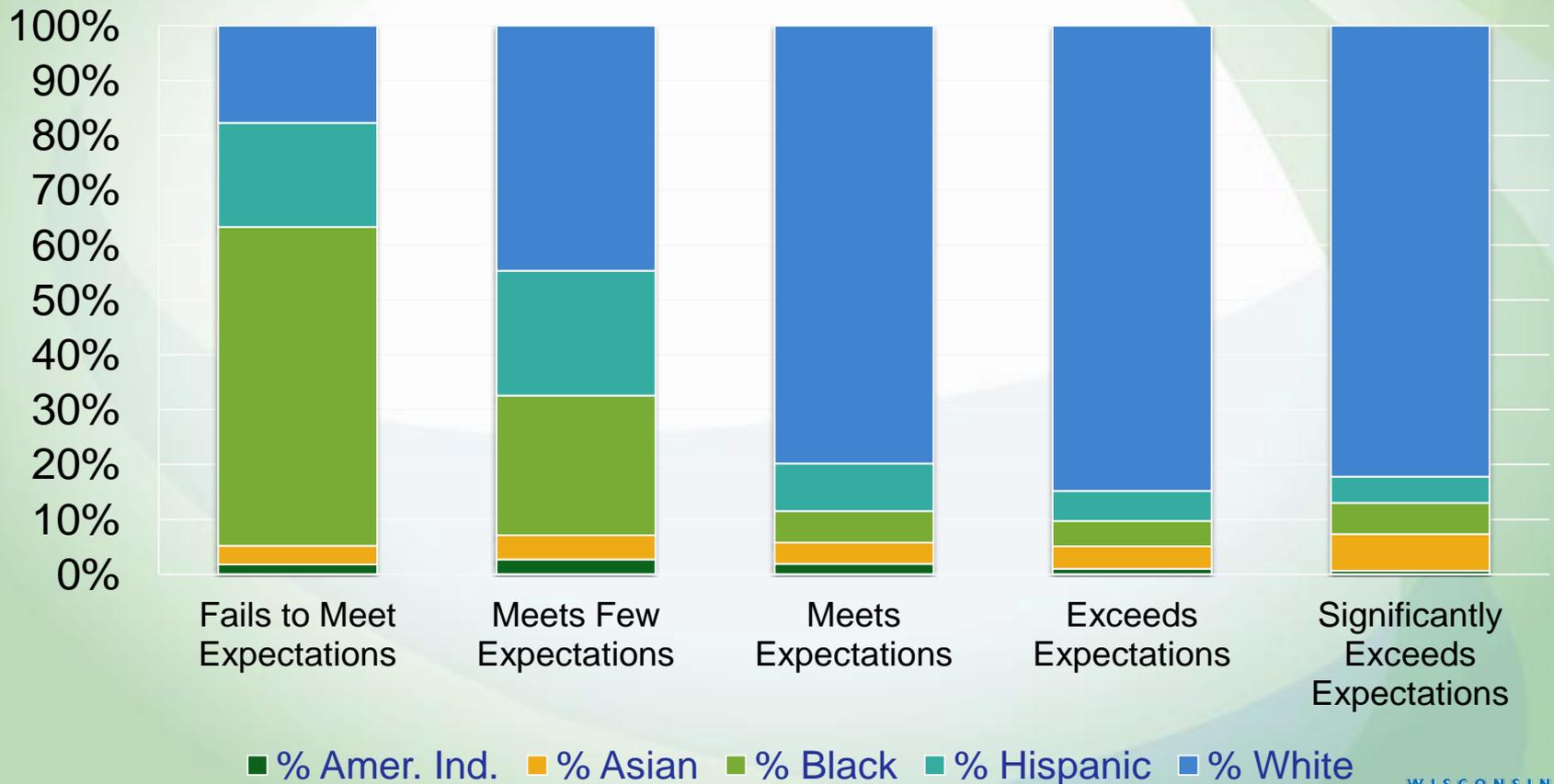
Accountability Index Categories Compared to Enrollment of Economically Disadvantaged Students



Rating

- Fails to Meet Expectations
- Meets Few Expectations
- Meets Expectations
- Exceeds Expectations
- Significantly Exceeds Expectations

# Racial Composition of Index Categories



# STATEWIDE CHARTER BOARD

# State Charter Authorizing Board

**The proposed state board would approve authorizing entities** (non-profits, local gov'ts, etc.)

- New authorizers can then approve independent charter schools anywhere.
- Funded through a *statewide* cut to general school aids
  - Sum sufficient state appropriation.
  - School districts can tax to make up the cut.
- **Undermines local control.**

The 2012-13 general aid reduction for independent charters was

**-1.4%\***

Which meant an average district cut of

**-\$140,000**

That could be backfilled on the local property tax.

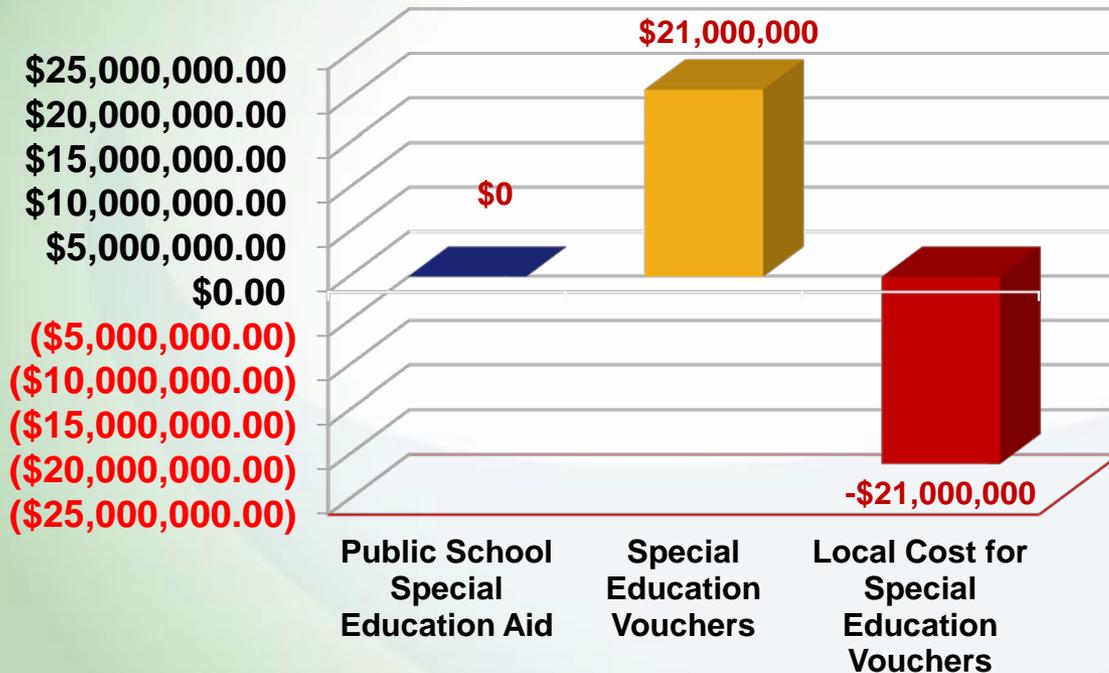
*This number will likely increase under the proposed state budget.*

\*Note: the general aid reduction percentage changes annually, depending on the number of students enrolled in independent charters.

# STATEWIDE SPECIAL EDUCATION VOUCHERS

# Statewide Special Needs Vouchers

## New Funding Comparison\*



## Private Schools

- Students are not guaranteed services, and
- Families surrender their legal recourses under IDEA.

## Public Schools

- 119,262 (13.7% ) of all Wisconsin students receive special education services
- State reimbursement has dropped from 44% to 26% in the past two decades.
- **Special Ed vouchers are funded by a deduction in general aid.**
- **Public schools will have to meet maintenance of effort for SwD voucher students.**

\*Note: this budget provides no new special education categorical aid for public schools.

# VOUCHER EXPANSION

# Targeted Voucher Expansion Criteria

## Districts that have:

- Two or more schools in the bottom two categories of the School Report Card;  
*AND*
- Have more than 4,000 enrolled K-12 students.

- Beloit
- Fond du Lac,
- Green Bay,
- Kenosha,
- Madison,
- Sheboygan,
- Superior,
- Waukesha, and
- West Allis

Would join Milwaukee & Racine in the Voucher program

New students must have a family income at or below 300% of the federal poverty level (about \$77,000 for a married family of four).

# Voucher Program Costs

Year	# of Schools	# of Students	Full-time Equivalent	Per Pupil Payment	Total State Aid Payments
1990-91	7	341	337	\$2,446	\$733,800
2012-13	110	24,941	24,000	\$6,442	\$157,829,000
2014-15	Unknown	30,000	29,000	\$7,856*	\$208,656,000

\* High school

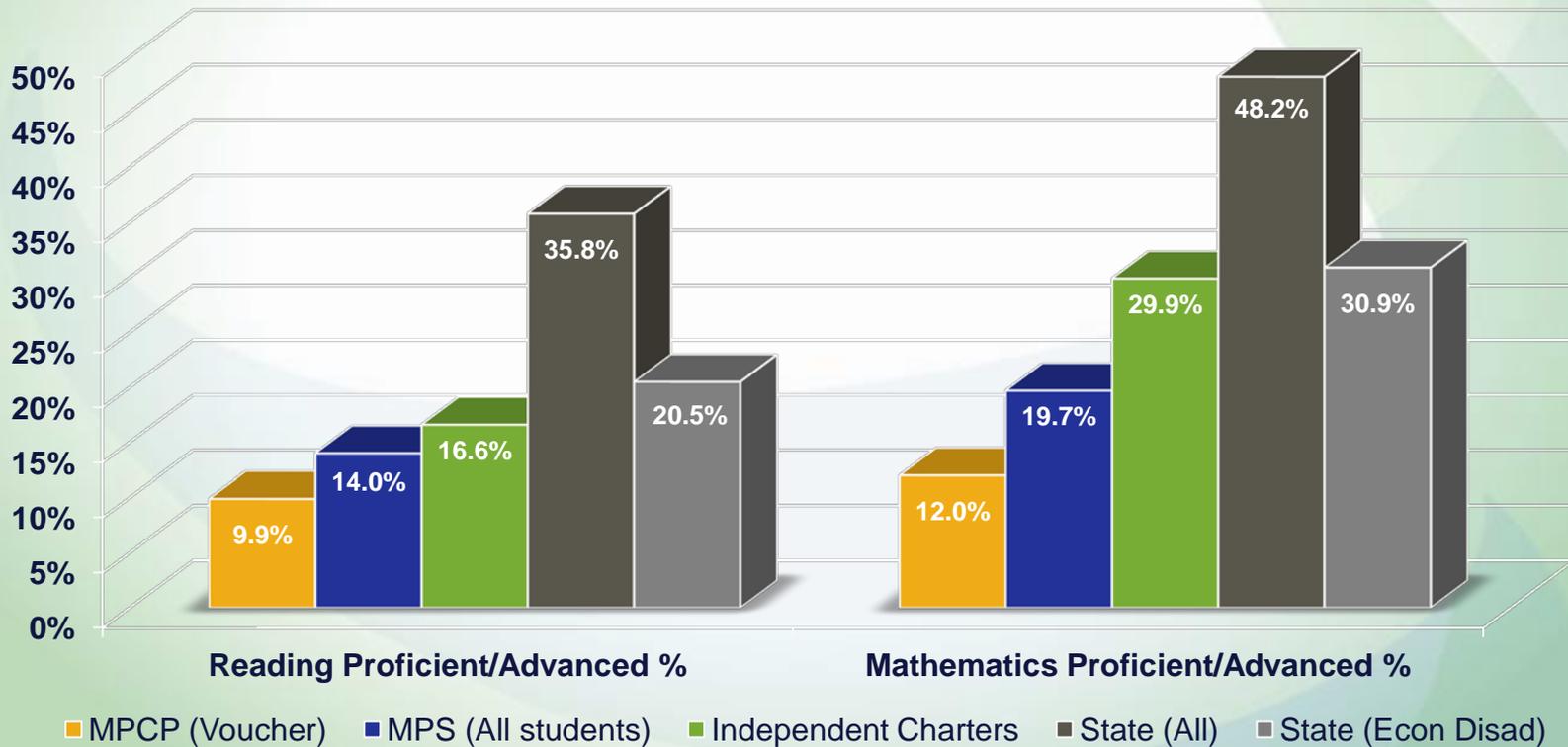
*+32% growth  
over 2012-13*

- By 2014-15, Wisconsin will have spent over \$1.8 billion on vouchers.
- On average, over 80% of students in choice schools are voucher-funded.
- The state pays 62% of the cost, while districts levy for 38% of the cost.
- *So, when is a private school really a public school?*

Note: there are about 100,000 tuition-paying students in private schools. A full statewide expansion for students would cost around \$720 million.

# Milwaukee Performance Comparison

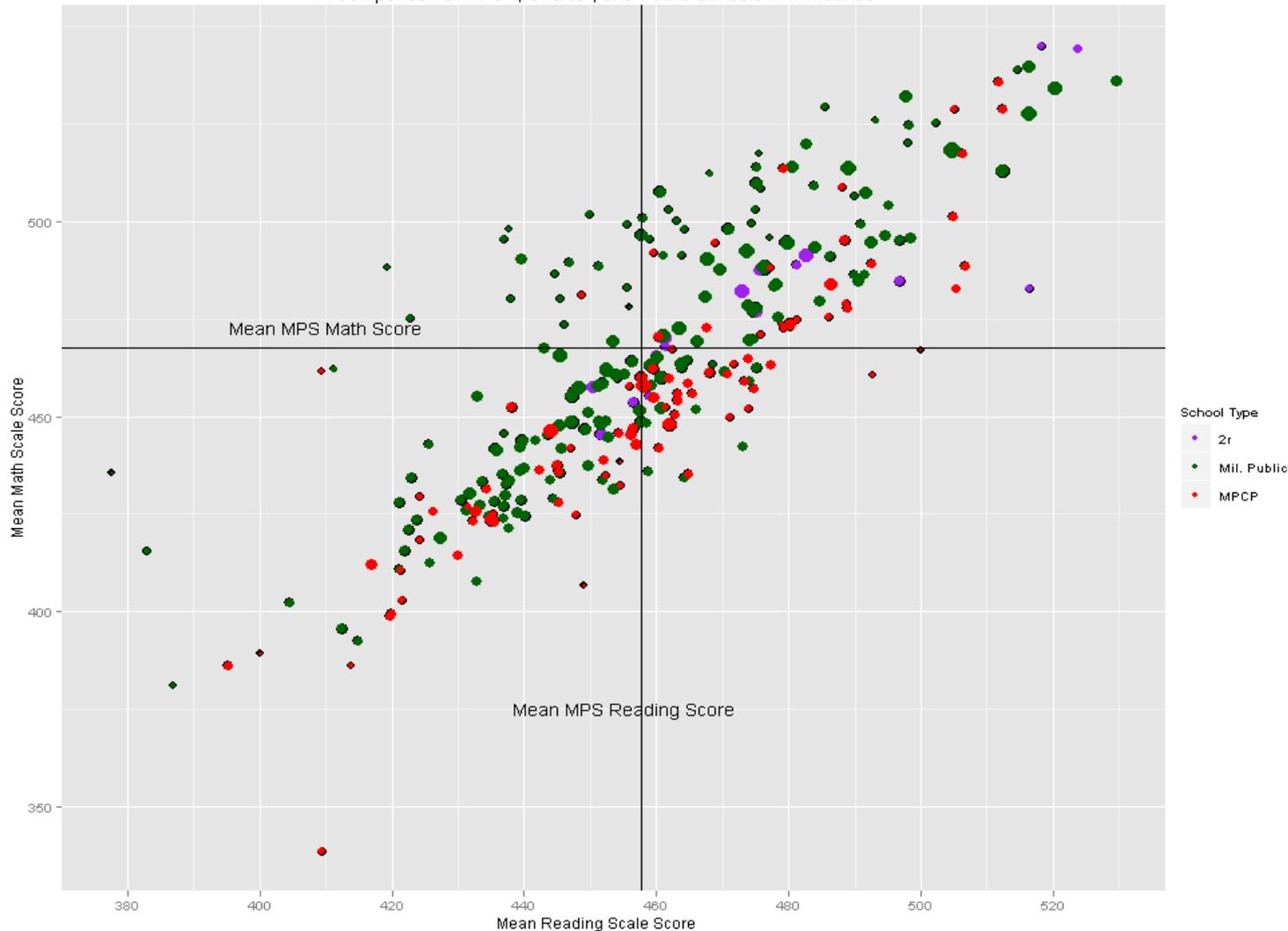
## 2011-12 Wisconsin Student Assessment Scores (Using the new college & career ready standards)



Note: All students, rather than full academic year (FAY) students are shown for comparison purposes. While FAY data is usually used for accountability purposes, it is not available for choice schools.

# Student Enrollment in Milwaukee Parental Choice Schools

A Comparison of MPCP, Charter, and Public Schools in Milwaukee



Regardless of where they go to school, Milwaukee students perform about the same.

# Summary

- *The share of new revenue invested in education is much lower than what the state currently spends.*
- *This state budget freezes the public school revenue limit, but increases voucher and independent charter spending.*
- *Because of the frozen revenue limit, the small increase in general school aids will reduce property taxes, but won't enable schools to buy a pencil or hire a teacher.*
- *The proposed performance funding disproportionately directs aid toward affluent schools.*
- *Expanding vouchers will increase property taxes, while diverting scarce resources from public education.*
- *The report cards were not designed for high-stakes decision-making like voucher expansion or funding.*

# *Questions & Discussion*