

# FundEd: Wisconsin Report

## A Detailed Look at Wisconsin's Funding Policies



## Wisconsin



### Funding Basics

#### Formula Type

Wisconsin's formula is neither primarily student-based nor primarily resource-based; it relies extensively on program-based allocations. The state does not use a base amount.

Services for certain low-income students, students in bilingual education programs, students with disabilities, students identified as gifted, students enrolled in career and technical education programs, and students in sparsely populated districts are funded through program-specific allocations.

#### Base Amount

The state of Wisconsin uses a program-based funding formula and does not use a base per-student amount as the basis for its funding.

However, in addition to its program-based allocations, the state provides a flat amount of per-pupil aid to each district. This aid was set at \$450 per student for FY2018 and \$654 for FY2019.

### Local Revenue

#### Expected Local Share

Wisconsin expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values, in accordance with a multistep calculation.

Wisconsin provides aid in an amount based on a district's actual prior year expenditures from general aid and property taxes and relative property wealth per member. The state aid amount functions as a cost reimbursement: for each district, "shared costs," defined as the amount a district expended in the prior year on general educational expenditures that were supported with either property tax revenue or state general aid, are calculated. Once the state calculates the district's shared costs, it determines the expected local proportion at three tiers of shared costs.

## Property Tax Floors and Ceilings

Wisconsin sets a level above which local property tax rates require voter approval. School districts are limited in what they may raise, including both state aid and local revenue, without voter approval.

For each district, the state imposes a revenue limit, which varies depending on the district and is calculated primarily based on the number of pupils residing in the district, inflation, and the district's prior-year revenue. However, school districts may exceed their revenue limit with voter approval in a referendum. School districts may also apply for an increased revenue limit in light of major changes, like loss of property to another district, new service responsibilities, and declining enrollment.

School districts may also issue bonds to fund capital improvements, with voter approval.

## Other Local Taxes for Education

School districts in Wisconsin receive local revenue only from property taxes.

## District Characteristics

### Grade Level

Wisconsin does not differentiate funding based on students' grade levels.

### English-Language Learner

Wisconsin provides increased funding for English-language learners (ELLs). It does so through a reimbursement system, in which districts are partially reimbursed for the cost of providing bilingual and bicultural education.

Districts receive a proportional share of the total amount of state money appropriated for this purpose (\$8.6 million for each year of the 2017-19 biennium) in accordance with the amount they spend on bilingual and bicultural education programs. The state appropriated about \$8.6 million for each the 2017-18 and 2018-19 school years. In order to qualify for reimbursement, a district must have at least ten ELLs in grades K-3, twenty ELLs in grades 4-8, or twenty ELLs in grade 9-12. Districts who meet the enrollment criteria in more than one school have the option to submit a written plan of services. Salaries, materials, equipment, and other approved expenses are eligible for partial reimbursement.

However, before reimbursements are made, there is a small set-aside taken from the total state aid appropriation that is allocated to districts with a concentration of ELLs of 15% or greater. Additionally, the state budget includes an allocation of \$222,800 each year of the biennium for tribal language grants.

## Poverty

Wisconsin provides increased funding for students from low-income households and for districts with high concentrations of low-income students. It does so in the form of a prorated allocation for low-income students in grades K-3 and a further prorated allocation for districts where at least half the students come from low-income households.

Wisconsin provides additional funding for low-income students through a program encouraging schools to implement one of several strategies to reduce achievement gaps between low-income students and their peers. Funding is distributed to districts based on the number of low-income students they serve in grades K-3. Students are considered low-income if they qualify for free or reduced-price lunch (FRL) under the National School Lunch Program. Over \$109 million was appropriated for this program for each of FY2018 and FY 2019. This was equal to about \$2,381 per low-income student FY2018.

In addition, Wisconsin provides per-pupil funding to districts where at least 50% of students were FRL-eligible. However, this aid counts towards the limit on what districts may raise in local property taxes, acting to reduce districts' tax burden rather than adding to overall funding. (See "Property Tax Floors and Ceilings" for a description of revenue limits.) Over \$16.8 million was appropriated for this program for each of FY2018 and FY 2019. This was equal to about \$80.12 per pupil attending a high-poverty district for each of FY2018 and FY2019.

## Special Education

Wisconsin funds special education using a partial reimbursement system, in which districts report their special education expenses to the state and receive reimbursement for a portion of those expenses.

Districts may request reimbursement for staff costs, transportation, and a few other specific costs related to the education of students with disabilities. The state also reimburses the costs of health treatment related to particular disabilities, such as physical or orthopedic disabilities, hearing impairment, and emotional disturbance. While all of these costs are technically eligible for full reimbursement, the reimbursement rate is limited by the amount appropriated for this purpose. The estimated proration rate for FY2018 is 25.73%.

The remainder of state special education funding is distributed through several program-specific allocations. School districts may receive additional payments of up to \$150,000 if they have below-average education revenue available, fewer than 2,000 students, and special education costs at least 16% of total costs. School districts may also receive a partial reimbursement for when a high-cost student's education costs exceed \$30,000, tuition support for students living in children's, foster, or group homes and other out-of-district residential arrangements, and incentive payments of \$1,000 per-student based on the postsecondary education and employment outcomes of their graduates with disabilities. In addition, school districts may receive payments of \$12,000 to districts receiving a disabled student who resides outside their borders through the state's open enrollment system and private-school vouchers for disabled students who have had open enrollment applications to nonresident districts rejected in the past.

## Gifted

Wisconsin provides increased funding for gifted and talented students. It does so in the form of competitive grant program.

The state awards grants to school districts, nonprofit organizations, and institutions within the University of Wisconsin system for the purpose of providing special services and activities to gifted and talented students.

The grants are awarded by application. In FY2018, the total amount appropriated for this purpose was \$237,200, and individual awards were limited to \$30,000.

## Career and Technical Education

Wisconsin provides increased funding for career and technical education (CTE) programs. It does so through a per-student allocation distributed based on the number of students that earned industry-recognized certifications in the prior year.

The legislature appropriated \$3.5 million for this program in FY2018 and FY2019. Districts receive funding for each certification students earn, but the per-student allocation is limited to \$1000, regardless of the number of certifications earned by the student. The funding for this allocation is part of the budget for the Wisconsin Fast Forward program, housed in the state's Department of Workforce Development.

## Sparsity and/or Small Size

Wisconsin provides increased funding for small, sparse school districts. It does so through a grant of \$300 per student in these districts. The state also provides additional assistance with transportation costs for certain sparse districts.

School districts eligible for the per-student grants are those with fewer than ten students per square mile and 745 or fewer students in total. School districts eligible for the additional transportation funding are those with fifty or fewer students per square mile and a per-pupil transportation cost at least 50% higher than the state average. Districts are reimbursed for any transportation costs above this threshold.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

