

The Way Wisconsin Funds Schools Must Change

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We heard expert testimony at a recent hearing of the Blue Ribbon Commission on School Funding Reform that Wisconsin's formula is an outlier in the US. and failure to change it leaves children vulnerable, taxpayers paying more in property tax and the state open to lawsuits.

MADISON - The way Wisconsin pays for schools is unfair, inequitable and antiquated.

Over the past few months, I heard parents, community members, business leaders, teachers, students, and school officials speak about the flawed school funding formula. I serve on the Blue Ribbon Commission on School Funding Reform.

We took public testimony across the state. Recently, these criticisms were validated by national experts who testified at the last scheduled public hearing of the Commission.

Our state is changing. These changes are reflected in student needs. Compared to years ago, we have more students in poverty, with special needs, English learners, students suffering from mental illness and experiencing trauma. These students facing challenging situations cost us

more to educate.

The state has failed to keep up with changing student needs. As a consequence, the schools with those of greater need are forced to divert funds from all other students to pay for these needs.

For example, the state funds only 26 cents on the dollar for special education needs. But federal law requires all special education needs be met. As a result, general education money is used for students with special needs.

Peter Goff, Professor of Educational Leadership and Policy Analysis at the University of Wisconsin, Madison described the situation. “Huge chunks [of general education money] are getting torn off to pay for these special education mandates – that is the state’s responsibility but [the state] is not paying for it.”



“Wisconsin’s school funding system is inflexible, unpredictable, and not well designed to respond to changes in educational conditions,” said Zahava Stadler, Policy and Research Director for EdBuild, a nonprofit dedicated to school funding reform.

Commission members heard testimony about how Wisconsin’s approach to paying for public schools is unique in the US – and not in a positive way. Experts said Wisconsin’s method of paying for schools makes students more vulnerable. Using “categories” of aid makes these programs more vulnerable to budget cuts because of political winds and economic downturns.

Emily Parker, a Policy Analyst for the Education Commission of the States, tracks school legislation. Ms. Parker described the evolution of school funding across America. At first, schools were funded in a flat dollar amount. Then schools were paid based on community wealth as measured by property value. This is how Wisconsin’s main formula works.

Over the years, states added student need (Wisconsin includes only in limited grant-like categories), then states made funding flexible and, recently, more states are basing resources for schools on student needs.

The effect of our obsolete formula is harmful to all students, as schools are forced to take money from general aid to pay for the increasing needs of some students.

Dr. Goff, testified about the effects of Act 10, revenue limits and budget cuts.

“Without a doubt, there has been a net loss to school districts over time,” said Dr. Goff. At the same time, the costs school districts face increased over time. “Every year there isn’t a revenue limit adjustment, it is essentially a cut to schools’ spending.”

“Local districts are taking on more, asking for more, going to referenda more often and passing more... this is not a sustainable model for school funding. At the end of the day, education is a state right. When you can’t give more of local effort, that is when the state opens up to potential lawsuits as well as ethical issues of underfunding schools. ... At some point, local districts will exhaust [resources] and that puts the state at risk,” said Dr. Goff.

“There is a glaring omission that the state that has the largest achievement gap in the nation has a funding system ... [that] does not mention student disadvantage at all. Or ethnicity at all.”

We must fundamentally change the way we pay for schools. We should throw out the antiquated formula based on property wealth. Instead, schools need a flexible, consistent commitment from the state to pay districts based on student needs and the costs of educating the students of today.

At risk, are our children. At stake, is our future. It’s time for the Blue Ribbon Commission to earn its blue ribbon.

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