



# 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. The categories of students considered in Wisconsin's funding policy are certain low-income students and students in high-poverty districts, students in bilingual education programs, students with disabilities, students identified as gifted, students enrolled in career and technical education programs (CTE), and students in sparsely populated districts.

Wisconsin expects school districts to contribute to the funding of their public schools, with the amount of the local share based on districts' property values. Districts in Wisconsin are permitted to raise and keep additional local revenues for regular district operations under strict state-imposed annual revenue limits.

The categories of students whose services are funded through program-specific allocations are certain low-income students and students in high-poverty districts, 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.

#### Base Amount

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 \$742 per student for FY2022 and FY2023.

### 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 state-imposed annual revenue limit minus its general school aid amount from the prior year. General school aids are based on a multistep calculation that considers a district's student count, shared education costs, and property values.

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, the state calculates "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. 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 certain 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 and the district's prior-year revenue. However, school districts may exceed their revenue limit with voter approval in a referendum. School districts may be allowed 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.

# Student Characteristics

## Grade Level

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

## English-Language Learner

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

Districts receive a proportional share of the total amount of state money appropriated for this purpose in accordance with the amount they spend on bilingual and bicultural education programs. The state appropriated about \$8.59 million for each of FY2021, FY2022, and FY2023. In order to qualify for reimbursement, a district must have at least 10 English-language learners in grades K-3, 20 English-language learners in grades 4-8, or 20 English-language learners in grade 9-12. Salaries, materials, equipment, and other approved expenses are eligible for partial reimbursement.

However, before reimbursements are made, a set-aside of \$250,000 is taken from the total state aid appropriation that is allocated to districts with a concentration of English-language learners of 15% or greater. Additionally, the state budget includes an allocation of \$222,800 for each of FY2021, FY2022, and FY2023 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 two separate state aid programs: an allocation for low-income students in grades K-3, under which participating schools receive a flat dollar amount per eligible pupil; and a flat dollar 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 FY2020 and FY2021. This was equal to about \$2,621.05 per low-income student in FY2021.

In addition, Wisconsin provides per-pupil funding to districts where at least 50% of students are FRL eligible (for more information, see "Concentrated Poverty").

## 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 disability, hearing impairment, developmental disability, visual disability, speech or language disability, or 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 FY2022 is 29.791%.

The remainder of state special education funding is distributed through several program-specific allocations. School districts may also receive a partial reimbursement for when a 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; incentive payments of \$1,000 per student based on the postsecondary education and employment outcomes of the district's graduates with disabilities; and grants for workforce transition support services that range between \$25,000 and \$100,000. In addition, school districts may receive payments up to \$30,000 for enrolling a student with disabilities who resides outside their borders through the state's open enrollment system. School districts may also receive \$30,000 for enrolling students with disabilities with private school vouchers 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, cooperative educational service agencies, 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 FY2021, the total amount appropriated for this purpose was \$474,400, and individual awards were limited to \$30,000.

## Career and Technical Education

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

The legislature appropriated \$6.5 million for this program for each of FY2021, FY2022, and FY2023. Districts receive funding for each certification students earn, but the per-student allocation is limited to \$1,000, 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.

## District Characteristics

## Concentrated Poverty

Wisconsin provides increased funding for districts based on the concentrations of students from low-income households that they serve. It does so through an allocation for districts where at least half the students come from low-income households.

In addition to a separate prorated allocation for low-income students in grades K-3 (see “Poverty” for more information), Wisconsin provides per-pupil funding to districts where at least 50% of students meet the income criteria for free or reduced-price lunch (FRL) eligibility. The per-pupil funding is allocated based on all pupils in the district, not just those who meet the FRL eligibility criteria. However, this aid counts toward 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 FY2021, FY2022, and FY2023. This was equal to \$53.54 per pupil attending a high-poverty district for each of FY2022 and FY2023.

## Sparsity and/or Small Size

Wisconsin provides increased funding for small, sparse school districts. It does so through a two-tier grant of \$100 or \$400 per student in eligible districts. The state also provides additional assistance with transportation costs for certain sparse districts.

School districts eligible for a \$100 per-pupil payment are those with fewer than 10 students per square mile and between 746 and 1,000 students in total. School districts with 745 or fewer students and fewer than 10 students per square mile receive a payment of \$400 per student. School districts eligible for the additional transportation funding are those with 50 or fewer students per square mile and a per-pupil transportation cost at least 45% higher than the state average. Districts are reimbursed for any transportation costs above this threshold.

## Charter Funding

Funding for some charter schools in Wisconsin is calculated based on a formula distinct from the one used to calculate funding for traditional public schools, while funding for other charter schools is not subject to a specific calculation.

Charter schools authorized by local school districts are largely funded through their local school district in the same way that traditional public schools are. Independent charter schools—which are authorized by entities other than local school districts, such as institutions of higher education and eligible cities and counties (as authorized in state law)—receive a per-student amount set in state law. For the 2021-22 school year, the amount was set at \$9,201, and is estimated to be \$9,264 for the 2022-23 school year.

Some charter schools in Wisconsin receive a share of local tax revenue. Charter schools authorized by local school districts are funded through their local school district in the same way that traditional public schools are and receive a share of local tax revenue. Charter schools authorized by other entities, such as institutions of higher education and eligible cities and counties, do not.