



Wisconsin Schools Slip Toward Average in Spending and Staffing

Wisconsin children are slinging on their backpacks and returning to school, but the quality of the schools they are attending may be different than that of a decade ago. Since then, state support for schools has eroded, per pupil spending has declined, and student/teacher ratios have increased. Once a national leader in educational innovation and performance, Wisconsin now ranks close to the national average in many measures of support for education.

Growth in Spending in WI Lags National Average

The national trend over this decade has been for schools to increase the resources available for student instruction. Figure 1 shows that in constant dollars the national average for instructional spending per pupil in public elementary and secondary schools increased by 17.9% between fiscal years 2000 and 2008, the most recent year for which there are data.

Wisconsin's growth over this decade in instructional spending has been 7.6%, a rate of growth that is less than half the national average. Between 2000 and 2008, Wisconsin's rank in instructional spending per pupil dropped from 11th nationally to 18th. What's

more, Wisconsin's growth in per pupil spending since 2003 has been completely flat, while the national average increased by 8.3%.

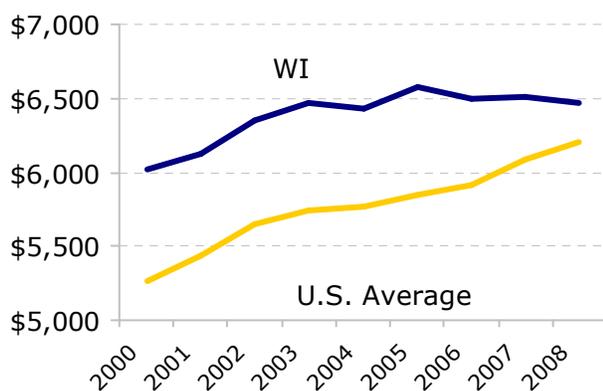
Wisconsin still exceeds the national average in instructional spending per pupil — \$6,475 per student in Wisconsin compared to the national average of \$6,211. But in fiscal year 2000, Wisconsin spent \$750 more per student (in 2008 dollars) on instruction than the national average. Now the difference has fallen to \$264.

A Shift to Local Funding in Wisconsin

The primary reasons that Wisconsin's instructional spending per pupil has barely budged in recent years are state revenue caps for schools and a gradual decline in public school system revenue from state sources. Between 2000 and 2008, revenue from the state decreased by 2.7% in inflation-adjusted dollars, as shown in Figure 2. The percentage of total public school system revenue from state sources dropped from 55.0% in fiscal year 2000 to 50.1% in 2008.

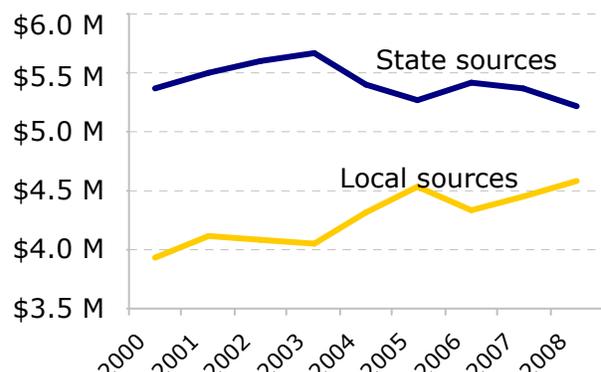
Although Wisconsin public school systems still rely largely on revenue from the state, schools are increasingly supported by revenue from local

Figure 1: Instructional Spending Per Pupil In 2008 dollars



Source: U.S. Census Bureau

Figure 2: Source of WI School Revenue In 2008 dollars



Source: U.S. Census Bureau

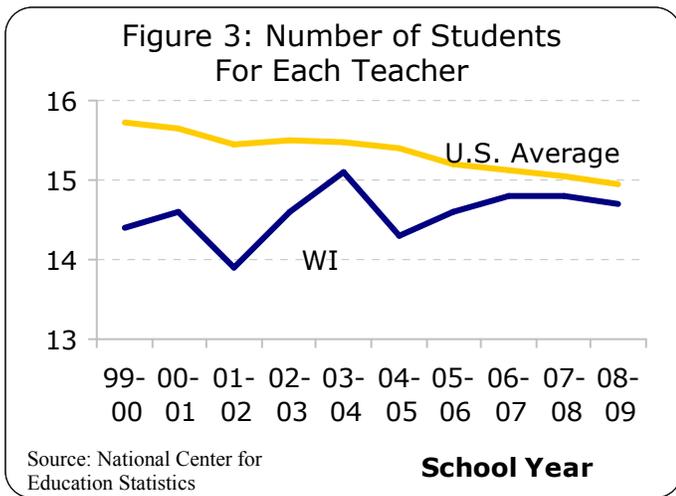
property taxes. Since 2000, revenue from local sources has increased by 16.2% in constant dollars, despite limits placed by revenue caps.

If the sources of revenue for public school systems had stayed in a constant proportion from 2000 to 2008, school systems in Wisconsin would have received an additional \$513 million in state aid in 2008. Without this money, public schools are relying more heavily on local sources of revenue, putting pressure on property taxes.

Effects Felt in the Classroom

How are state and local decisions about spending playing out in the classroom? One way of identifying possible consequences of flat funding is to analyze student-teacher ratios. Having fewer students for each teacher is associated with a variety of positive student outcomes in education. Because instructional salaries and benefits make up such a large proportion of school spending — 60.0% in Wisconsin in fiscal year 2008 — the number of teachers in a school may be affected by aid amounts.

Student-teacher ratios in Wisconsin have inched up since the 1999-00 school year, contrasting with the



national trend of fewer students per teacher. Figure 3 shows that between the 1999-00 and 2008-09 school years, the number of students per teacher *increased* in Wisconsin by 0.3 students, while the national average *decreased* by 0.7 students. Over this period, the number of students in Wisconsin public schools

decreased by 0.5% and the number of teachers decreased by 2.3%.

Although Wisconsin still has slightly fewer students per teacher than the national average, our rank among the states has been dropping precipitously. In the last four school years for which there are data, the number of students per teacher in Wisconsin has stayed relatively constant, but our ranking has dropped from 21st to 29th, as shown in Table 1.

School year	WI Ratio	Ranking
2005-06	14.6	21 st
2006-07	14.8	25 th
2007-08	14.8	27 th
2008-09	14.7	29 th

What Does the Future Hold?

Money received through the federal stimulus has staved off some of the worst financial effects of the recession for schools, at least temporarily. In fiscal years 2009 and 2010, Wisconsin schools received \$1.2 billion in federal stimulus aid, and in August 2010, Congress approved an additional stimulus aid for schools, with Wisconsin's share estimated at \$180 million. This aid is temporary, and the fiscal status of schools after it ends is uncertain.

Wisconsin schools are slipping towards average in spending and staffing. As we make funding decisions at the state and local levels, we should ask ourselves whether we want to continue our state's historical tradition of offering children a public school system that exceeds the national average in many measures of educational quality. If we maintain the current trends of flat funding and staffing, we risk becoming a state with a run-of-the-mill educational system.

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