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## State and Federal Aid to Wisconsin School Districts in Fiscal Year 2010

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## State and Federal Aid to Wisconsin School Districts in Fiscal Year 2010

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The budget approved by the Joint Finance Committee calls for a reduction of nearly \$150 million in state aid to Wisconsin's 425 school districts for FY 2010, a cut of 2.7 percent from the amount of school aid allocated this year (FY 2009).<sup>1</sup> See table 1 for details.

The federal stimulus bill includes approximately \$350 million that will be paid directly to the state's local school districts. The money is targeted for special education programs and for programs designed to improve the academic performance of students from low-income families (Title 1). Under the assumption that these federal funds will be split equally between fiscal years 2010 and 2011, the sum of financial assistance to school districts from the state and federal government will be approximately \$30 million higher (\$33 per student) in FY 2010 than in FY 2009.<sup>2</sup>

Although the average school district will receive additional money, for many Wisconsin districts the decline in state aid will be larger than the additional federal funding they will receive as part of the stimulus package. I have used a computer simulation model to calculate how much each school district's state aid will change between this year and next. Combining this information with the published allocations of the federal Title 1 and special education dollars, it is possible to see which school districts will have increases in school aid and which districts will face declining aid. The results indicate:

- Net school aid will be lower in FY 2010 than in FY 2009 in 255 of Wisconsin's school districts. The districts with declining aid educate approximately half of all public school students in Wisconsin.
- The largest declines in aid per student will occur in small, generally rural, school districts. (See table 2).
- At every district size, some school districts will receive additional funds and some will face declines, e.g. of the 75 districts with enrollments between 2,500 and 10,000, 35 will have more state and federal funds and 40 will have fewer funds.
- The majority of property value poor districts will receive an increase in funding.
- Also, most school districts with property wealth over \$1 million per student (22 out of 29) will receive an increase in aid. (See table 3).
- Although Milwaukee will receive a substantial increase in funds (both from the state and from the federal stimulus bill), a number of other school districts with high concentrations of students from poor families will see their total aid decline. (See table 4).

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<sup>1</sup> In FY 2010, the state's contribution to equalization aid will be financed in part by \$277 million from the federal government, paid to the state as part of the stimulus package.

<sup>2</sup> These calculations of changing school aid do not include the year-to-year changes in regular Title 1 and special education aid.

**Table 1****State Education Grants  
Bugeted FY2009 and Executive Budget FY2010 and FY2011**

	<b>Fiscal Year 2009</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>
<b>General Aid</b>			
Equalization Aid	\$4,799,501,900	\$4,652,500,000	\$4,652,500,000
High Poverty Aid	12,000,000	18,700,000	18,700,000
Total general aid	4,811,501,900	4,671,200,000 -2.9%	4,671,200,000 0.0%
<b>Categorical Aid</b>			
Special Education	368,939,100	368,939,100	368,939,100
High Cost Special Ed.	3,500,000	3,500,000	3,500,000
SAGE	111,984,100	109,184,500	109,184,500
English Language Learners	9,890,400	9,544,196	9,544,196
Transportation Aid	27,292,500	26,337,275	26,337,275
Sparsity Aid	3,644,600	3,517,054	3,517,054
All Other Categorical Aid	125,778,800	122,874,812	122,874,812
Total Categorical	651,029,500	643,896,937 -1.1%	643,896,937 0.0%
<b>Total State Aid</b>	<b>\$5,462,531,400</b>	<b>\$5,315,096,937</b>	<b>\$5,315,096,937</b>
Percentage change		-2.7%	0.0%

**Table 2**

**Impact of Budget Proposal on State School Aids per Student  
by School District Size, FY 2010, K-12 Districts**

<b>District Size</b>	<b>Number of Districts</b>	<b>Number of Students</b>	<b>Percentage of Students</b>	<b>Total Aid per Student</b>	<b>Change in State Aid per Student</b>	<b>Federal Stimulus Aid per Student</b>	<b>Net Change in Aid per Student</b>	<b>Districts with Decline in Total Aid</b>
Less than 500	66	23,242	2.8%	\$5,847	-\$412	\$189	-\$223	53
500-999	108	78,708	9.5%	\$6,184	-\$298	\$177	-\$121	63
1,000-1,499	59	72,333	8.8%	\$6,099	-\$267	\$154	-\$113	40
1,500-2,499	46	88,425	10.7%	\$5,664	-\$268	\$145	-\$123	29
2,500-4,999	55	187,938	22.8%	\$5,420	-\$183	\$140	-\$43	30
5,000-9,999	20	129,751	15.7%	\$5,640	-\$180	\$159	-\$21	10
10,000-30,000	10	158,380	19.2%	\$6,163	-\$153	\$199	\$46	6
Milwaukee	1	87,308	10.6%	\$8,193	\$183	\$548	\$731	0
<b>Total</b>	<b>368</b>	<b>824,833</b>	<b>100.0%</b>	<b>\$6,060</b>	<b>-\$172</b>	<b>\$204</b>	<b>\$32</b>	<b>231</b>

**Table 3**

**Impact of Budget Proposal on State School Aids per Student  
by Equalized Property Value per Student, FY 2010, K-12 Districts**

<b>Equalized Property Value per Student</b>	<b>Number of Districts</b>	<b>Number of Students</b>	<b>Percentage of Students</b>	<b>Total Aid per Student</b>	<b>Change in State Aid per Student</b>	<b>Federal Stimulus Aid per Student</b>	<b>Net Change in Aid per Student</b>	<b>Districts with Decline in Total Aid</b>
Less than 250,000	6	9,509	1.1%	\$8,748	-\$29	\$210	\$181	1
250,000-324,999	60	146,895	17.7%	\$8,085	\$80	\$406	\$486	24
325,000-400,000	87	139,473	16.8%	\$7,217	-\$154	\$161	\$7	48
400,000-499,999	65	215,801	26.0%	\$6,573	-\$154	\$172	\$19	45
500,000-749,999	98	224,175	27.0%	\$4,958	-\$319	\$146	-\$174	85
750,000-999,999	23	61,864	7.4%	\$3,111	-\$374	\$187	-\$187	21
1,000,000-1,999,999	20	29,310	3.5%	\$1,425	-\$105	\$154	\$49	7
2,000,000 and over	9	4,201	0.5%	\$912	-\$62	\$179	\$117	0
<b>Total</b>	<b>368</b>	<b>831,228</b>	<b>100.0%</b>	<b>\$6,060</b>	<b>-\$172</b>	<b>\$204</b>	<b>\$32</b>	<b>231</b>

**Table 4**

**Impact of Budget Proposal on State School Aids per Student  
by Percent of Students with Free and Reduced Price Lunch, FY 2010, K-12 Districts**

<b>Percent of Students with Free and Reduced Price Lunch</b>	<b>Number of Districts</b>	<b>Number of Students</b>	<b>Percentage of Students</b>	<b>Total Aid per Student</b>	<b>Change in State Aid per Student</b>	<b>Federal Stimulus Aid per Student</b>	<b>Net Change in Aid per Student</b>	<b>Districts with Decline in Total Aid</b>
Less than 10%	36	98,450	11.8%	\$4,096	-\$199	\$118	-\$81	24
10% - 20%	95	177,946	21.4%	\$5,625	-\$164	\$135	-\$29	55
20% - 25%	46	73,456	8.8%	\$5,964	-\$216	\$146	-\$70	28
25% - 30%	54	120,487	14.5%	\$6,360	-\$303	\$167	-\$135	39
30% - 40%	74	197,637	23.8%	\$6,229	-\$217	\$196	-\$21	46
40% - 50%	45	53,329	6.4%	\$6,504	-\$209	\$217	\$7	28
50% - 75%	16	16,724	2.0%	\$6,190	-\$261	\$205	-\$56	11
More than 75%	2	93,199	11.2%	\$8,210	\$186	\$548	\$734	0
<b>Total</b>	<b>368</b>	<b>831,228</b>	<b>100.0%</b>	<b>\$6,060</b>	<b>-\$172</b>	<b>\$204</b>	<b>\$32</b>	<b>231</b>