

**Wisconsin Budget Policy and Poverty in Education**  
**Forward Institute, May 2013**

**Press Summary**

Wisconsin has always been a leader in K-12 public education. We have long valued the right of every child to receive a quality public education, as our State Constitution guarantees every child equal access to educational opportunity in our public schools. Current fiscal policy and education funding are depriving our poorest students' opportunity and access to a sound public education. **Public schools are not failing our children, Wisconsin legislators and policymakers are failing the public schools that serve our children.**

Our comprehensive report documents in detail that the resources being afforded schools and students of poverty are insufficient, and facing further reduction. Moreover, the resources being diverted from schools of poverty into "voucher" and non-traditional alternative education programs are producing questionable results with little to no accountability for the state funding they receive.

**The following points highlight critical findings of our study:**

**1. As a result of recent budget decisions resulting in education austerity, there is strong evidence that the current public education funding and delivery system in Wisconsin is unconstitutional.** When compared to their more affluent peers, students of poverty are not receiving an adequate public education as defined by State Supreme Court precedent, statutes, and the State Constitution. Further, the system has created two distinct classes of students, those of poverty and non-poverty. Both groups have predictable outcomes based on level of poverty. Recent budgeting decisions are exacerbating this dichotomy.

**2. The rate of increase in the number of students of poverty has doubled since the 2007 Great Recession.** At the same time, inflation-adjusted state funding of public education has fallen to its lowest level in over 17 years. Schools with higher poverty enrollment levels have experienced greater cuts in per-pupil funding than the most affluent districts.

**3. The new School Report Card scores released by the Department of Public Instruction (DPI) have a strong correlation to the level of poverty in any given school and school district.** Nearly half of the school-to-school difference in Report Card Scores can be explained by the difference in poverty level from school to school. When compared to other factors at the school district level such as teacher experience, racial demographics, and per pupil revenue limits, poverty still accounts for 44% of the school district difference in Report Card scores. This fact makes any use of the DPI School Report Cards to make significant funding or incentive decisions poor public policy.

**4. The Walker budget proposes to expand voucher schools into districts where School Report Card scores "fail to meet expectations." This proposal will assure that more schools and districts of high poverty will lose resources.** School Report Card scores are directly correlated to level of poverty, and districts with underperforming schools are therefore districts with schools of higher poverty. Funding to operate the voucher school expansion will come directly out of those public schools of highest poverty.

**5. MPCP school students underperform MPS students on statewide tests, with a lower percentage of students scoring proficient or advanced.** In Milwaukee voucher schools (based on 2010-2012 data) over 20 children graduate for every child testing proficient in 10<sup>th</sup> grade reading. The statewide ratio is about 1:1. The MPS ratio is about 2:1. In mathematics, the statewide ratio is about 1:1, MPS ratio is about 3:1, and the voucher school ratio is over 50:1. **That means over 20 children graduate for every child proficient in 10<sup>th</sup> grade reading, and over 50 children graduate for every child proficient in 10<sup>th</sup> grade mathematics in voucher schools.** It is widely accepted that if a student does not test proficient by grade 10, they will not likely be proficient by graduation. **This raises a significant question of educational adequacy for voucher schools, as the expectation is for a high school graduate to be proficient in reading and math.**

**6. Analyzing WSAS and WKCE data revealed a paradox within ED students scoring proficient or advanced. As ED enrollment increased, the percentage of ED students scoring proficient or advanced increased. Our analysis discovered that as more children dropped into ED due to economic circumstances, they brought their typically higher test scores into the ED group.** This has resulted in the false perception that poorer students' test scores have been rising. Further, as ED enrollment approaches 50%, we are seeing a plateau and beginning of a downward trend in ED scores. **A student who begins in poverty does not have previously higher scores to bring into a cohort, as we observed over the past decade. Therefore, we can expect to see a growing achievement gap between ED and non-ED test scores in the coming decade.**

**Based on our conclusions, we present the following policy recommendations:**

**1. Fair Funding** – The Legislature should approve, and the Governor should sign, Dr. Tony Evers' "Fair Funding" formula into law. This would be a first step toward addressing the increasing needs of rural and urban districts most affected by poverty.

**2. Address Issues of Poverty and Education** – The two greatest challenges to ensuring a prosperous and vibrant Wisconsin for future generations are poverty and education. The Governor should join with non-partisan, bi-partisan, broad-based constituent groups to appoint a "Blue Ribbon Commission." The commission would be charged with a one-year mission to develop a statewide plan bringing parents and communities (rural and urban) impacted by poverty together for the purpose of implementing an intervention plan to address poverty and education issues. There are already successful models that address the external poverty issues in communities that have negative effects on education.<sup>1 2</sup> Achievement gaps are largely attributable to factors outside of school walls. If Wisconsin is to substantially narrow these gaps, education policy must incorporate health and nutrition supports and after-school enrichment to address barriers to learning that are driven by child poverty.

**3. Voucher Program Sunset** – The twenty-year Milwaukee and Racine private school voucher experiment should be sunsetted by the Legislature in 2024. The voucher experiment can show no positive voucher school effects on student outcomes and attainment, beyond what already can be attributed to the voucher schools' select student demographic and parental factors. Taxpayers should not be forced to fund a second statewide school district, nor an expensive entitlement program, when the public schools are not failing. It is, in fact, the state of Wisconsin that is failing public schools and the

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<sup>1</sup> <http://www.diplomasnow.org/>

<sup>2</sup> <http://www.boldapproach.org/comprehensive-strategies>

children they serve. Dividing resources between two school districts exacerbates this growing problem in the face of increasing poverty rates.

**4. Charter Schools** – Charter schools eligible for state aid should be allowed only under the auspices and as an instrumentality of an existing public school district to ensure public accountability in fiscal, academic, staff, and student functions.

**5. School Report Cards** – School Report Cards issued by DPI should be used as part of the big picture to measure overall school and student performance along with other standards and measures, balancing “input” (educational access, quality, services, resources, etc.) and “output” (student results). It should be acknowledged that use of School Report Cards exclusively for reward, incentive, funding, penalty, or other fiscal consequence is improper and poor public policy.

**National Education Law Center statement on review of Forward Institute study:**

*“This Forward Institute study thoroughly documents the ways current state policies are shortchanging so many Wisconsin students by denying them basic educational resources they need. The study also explains how the governor’s proposed budget for the next two years would worsen this situation and spend more taxpayer dollars to expand the state’s failed voucher experiment.”*

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