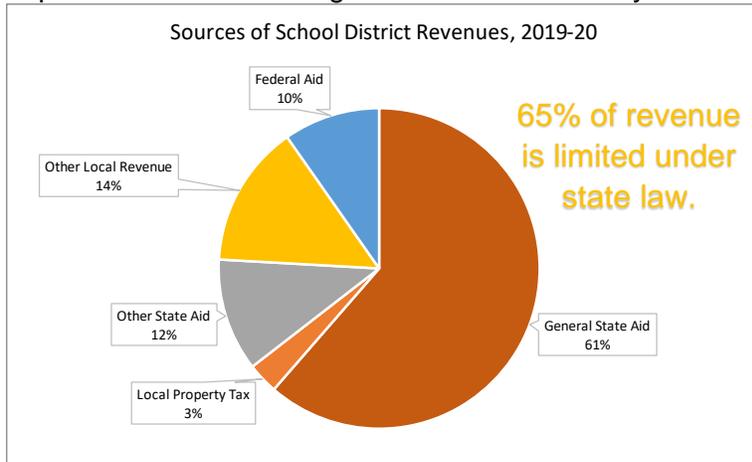# Beloit School District:
# A Failure of State Funding

## One Side of the Coin: Fair Funding for Schools

Wisconsin school districts have limited control over the amount of money they have to educate their students. Since 1993-94, the state government has imposed limits on the revenue school districts can receive from their two main funding sources: local property taxes and state aid.

The pie chart shows funding sources in Beloit. Sixty-Five cents out of every dollar are constrained by the state's revenue limits. Although the school district has some discretion over its *other local revenue*, the amount it receives in federal and other state aid is out of its control.
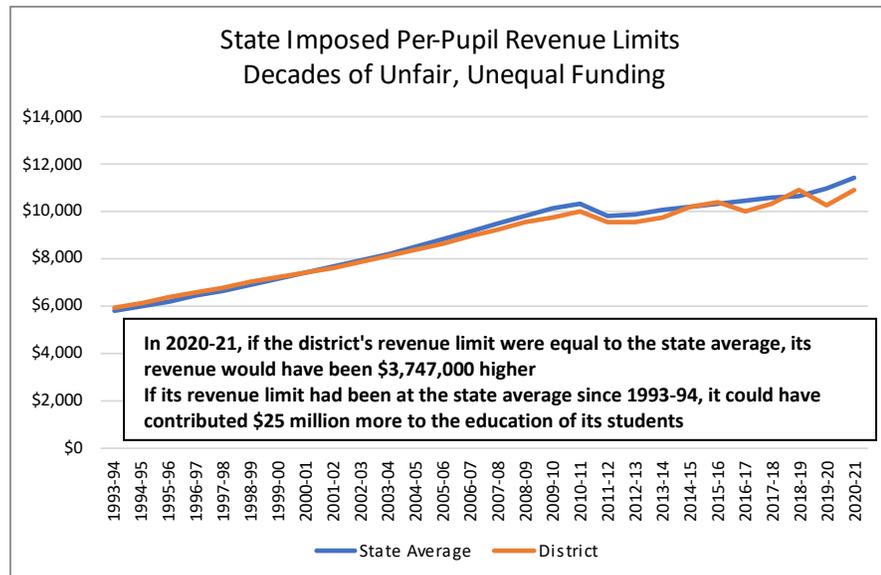


Sources of School District Revenues, 2019-20

Federal Aid 10%
Other Local Revenue 14%
Other State Aid 12%
Local Property Tax 3%
General State Aid 61%

65% of revenue is limited under state law.

In 1993-94, the revenue limit in Beloit was set at $5,907 per student, $-90 below the state average of $5,817. In the same year, 24 school districts were allowed to have revenues of over $7,500 per student! Funding gaps have only grown worse.

Revenue limits in Beloit have remained at or below the state average most years since 1993. In 2020-2021, its revenue limit is $10,889 per student, $556 below the state average of $11,445 per student.

New federal funding in 2021 will help with pandemic-related costs, including learning losses. But these funds only last for a few years. We need long-term improvements in fair funding.

**These unfair funding gaps will continue unless the legislature takes steps now to reform the state's school funding system. Flip the page to see how revenues impact education.**
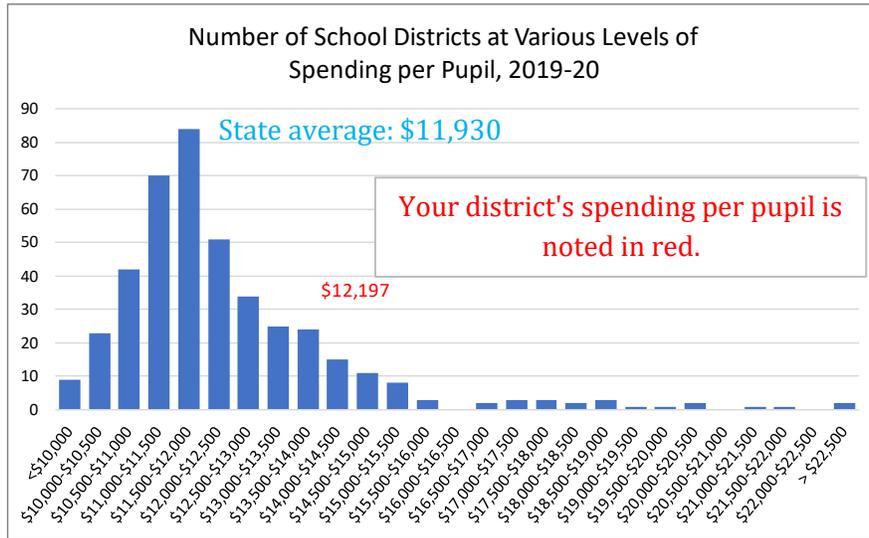


State Imposed Per-Pupil Revenue Limits
Decades of Unfair, Unequal Funding

In 2020-21, if the district's revenue limit were equal to the state average, its revenue would have been $3,747,000 higher
If its revenue limit had been at the state average since 1993-94, it could have contributed $25 million more to the education of its students

State Average — District

Special thanks to RW Baird School Business Solutions for expert assistance with data analysis.

## The Other Side of the Coin: Adequate Spending to Meet Student Needs

The amount of money Beloit spends to educate its students is constrained by its available funds. Given its low per pupil revenue limit, Beloit has had to rely on federal and local revenue to attain spending of $12,197 per student, above the state average of $11,930.

Beloit not only faces the challenge of limited revenues. Its student body includes a large concentration of *high-need* students.

Number of School Districts at Various Levels of Spending per Pupil, 2019-20

State average: $11,930

Your district's spending per pupil is noted in red.

$12,197

- 72% of students are from low-income families.
- 15% of students have disabilities requiring extra services.
- 17% of students are learning English.

*Providing high-need students with a quality education requires additional resources.* **The state's funding system mostly disregards extra costs** of educating high-need students.

- Wisconsin is one of only a few states that does not provide extra aid for students from low-income families.
- State aid covers only 28% of the extra costs to provide special education services.
- Beloit receives no additional state aid to provide English language instruction.

To provide an adequate education to all its students, one that meets the state's academic performance standards, AEF estimates that Beloit will need to increase spending by at least $5,020 per student. At the current level of enrollment, this increase implies **a spending gap of $35.6 million**. We base this on a conservative estimate of 40% higher costs for these students.

AEF calls on the state legislature to close unfair funding gaps and recognize the additional costs incurred by districts serving high-needs students. Specifically, AEF proposes:
- Raising low revenue limits by $300 per year, and closing gaps for low-revenue districts.
- Raising special education reimbursement to 45%, then 55% of actual costs.
- Providing $150 of additional state aid per low-income student.
- Providing "Bilingual/Bicultural Aid with a floor of $10,000 and $500/student.

## Please join AEF's call for fairness. Contact your legislators today to tell them you want a fair funding system for ALL students.