



Public Expenditures on K-12 and Student Outcomes in Wisconsin Before and After Act 10*

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Executive Summary

- Wisconsin's K-12 education expenditures per pupil have been declining relative to other states both before and after 2011.
- In contrast, Wisconsin's ranking in terms of student performance dropped before 2011 but increased afterwards.
- The evidence suggests that Wisconsin's Act 10 of 2011 improved the efficiency of the state's public K-12 education system, allowing student performance to improve relative to other states despite a decline in Wisconsin's ranking of K-12 education expenditures per pupil.
- Among other things, Act 10 limited the scope of salary negotiations to base pay, prevented unions from negotiating salary schedules and including them in collective bargaining agreements. This allowed school districts to set pay more flexibly and without union consent, detaching compensation from seniority and credentials.

Wisconsin's Act 10 of 2011 introduced significant changes to the state's public education system. In particular, it discontinued collective bargaining requirements over teachers' salary schedules. Before Act 10, each school district in the state was forced to negotiate its salary schedule with the teachers' union, and teacher pay was determined solely by seniority and education. Act 10 limited the scope of salary negotiations to base pay, preventing unions from negotiating salary schedules and including them in collective bargaining agreements. This allowed school districts to set pay more flexibly and without union consent, in principle detaching compensation from seniority and credentials (Biasi, 2023). Act 10 also capped annual growth in base pay to the rate of inflation and required employees to contribute more towards their pensions and health care plans. Lastly, the new legislation made it harder for unions to operate. It requires local union chapters to re-certify every year with support from the absolute majority of all employees they represent, and it prohibits automatic collection of union dues from employees' paychecks. Later in 2011, Wisconsin's state legislature also passed Act 32, which reduced state aid to school districts and decreased districts' revenue limits (the maximum revenue a district can raise through general state aid and local property taxes).

This article compares Wisconsin's public education expenditures and student performance with other states before and after 2011. We use data from the Digest of Education Statistics published annually by the National Center for Education Statistics, the primary statistical agency of the U.S. Department of Education. For expenditures, we use the current expenditure per pupil in average daily attendance in public elementary and secondary schools, available for each state in each academic year from 1969-90 to 2020-21. For student performance, we use the average National Assessment of Education Progress (NAEP) reading and math scale scores for 4th- and 8th-grade students in public schools. Known as the Nation's Report Card, NAEP is a congressionally mandated program overseen and administered by NCES, and it is the largest nationally representative and continuing assessment of what students in public and private schools in the United States know and are able to do in various subjects. The same NAEP assessment is administered in every state, making the results comparable across states. Instead of annually, the assessment is administered only in selected years, including 2024, 2022 and every other year between 2003 and 2019. The data for 2024 were released recently on January 29, 2025 and obtained directly from NAEP's website.

Figure 1 plots Wisconsin's rankings across the 50 states in current expenditure per pupil mentioned above in each year between 2003 and 2020, with 2020 referring to academic year 2020-21, the last year when the measure is available. Wisconsin's ranking has been dropping throughout this period, both before and after 2011. Specifically, Wisconsin's ranking dropped from 14th in 2003-04 to 19th in 2011 and to 23rd in 2018-19 before bouncing to 21st in 2020. On the other hand, the figure shows that Wisconsin's public

education expenditures per pupil has always been above the median of the 50 states in the last 20 years.

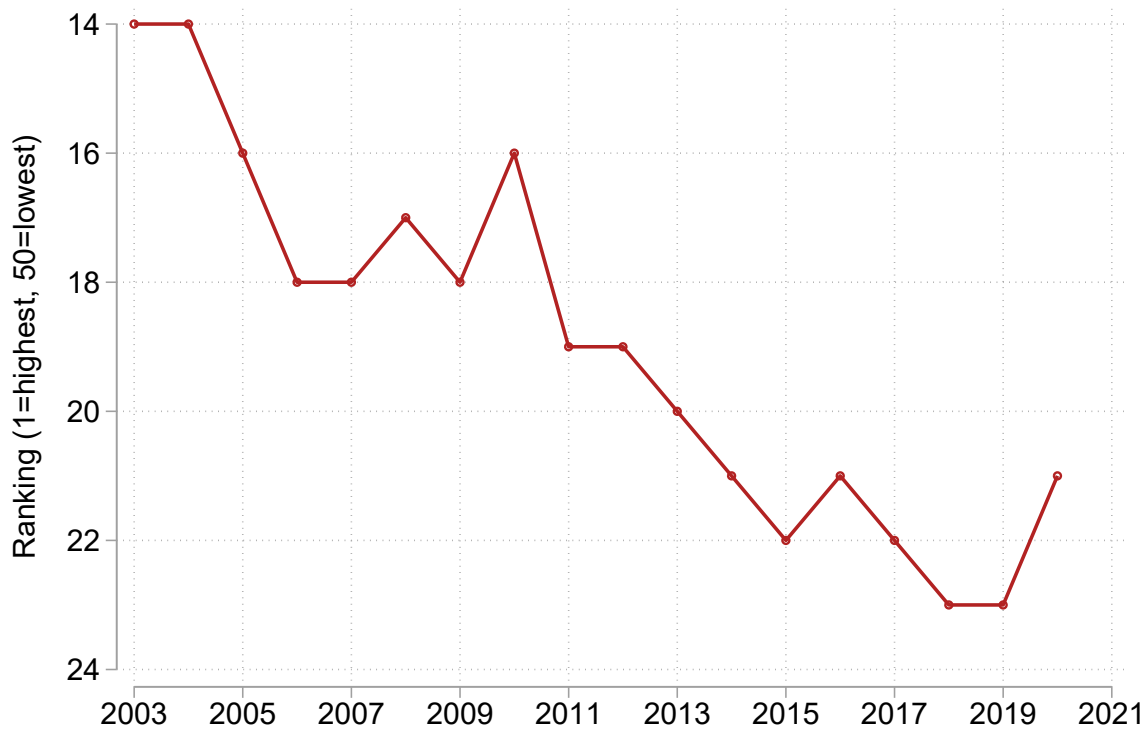


Figure 1: Wisconsin's ranking of public education expenditures per pupil

Figure 2 plots Wisconsin's rankings across the 50 states in each of the four measures of student performance mentioned above. Wisconsin's ranking dropped before 2011 and increased afterwards, especially since 2017. In particular, the number of measures where Wisconsin is in the top 10 dropped from 1 (8th-grade math) in 2003 to zero in 2011 before jumping to 3 (all but 4th-grade reading) in 2022, including 2 (8th-grade math and reading) in the top 5. 2022 is also the only year during this period when Wisconsin is in the top 20 for all four measures. The latest data from 2024 shows that Wisconsin ranks 1st in 8th-grade math (tied with Massachusetts), 12th in 8th-grade reading (tied with Minnesota, Ohio, South Dakota and Wyoming), 13th in 4th-grade math (tied with Colorado, Connecticut, Hawaii, Mississippi, North Carolina, and Ohio), and 22nd in 4th-grade reading (tied with Iowa, New York, South Carolina and Tennessee).

Overall, for three of the four measures, Wisconsin's rankings deteriorated in 2003-2011 and improved in 2011-2024. The only exception is 4th-grade math, where Wisconsin's ranking improved from 19th in 2003 to 11th in 2011 and declined slightly to 13th in 2024.

Together, the two figures suggest that Act 10 raised the efficiency of Wisconsin's public education system, which allows student performance to improve relative to other states

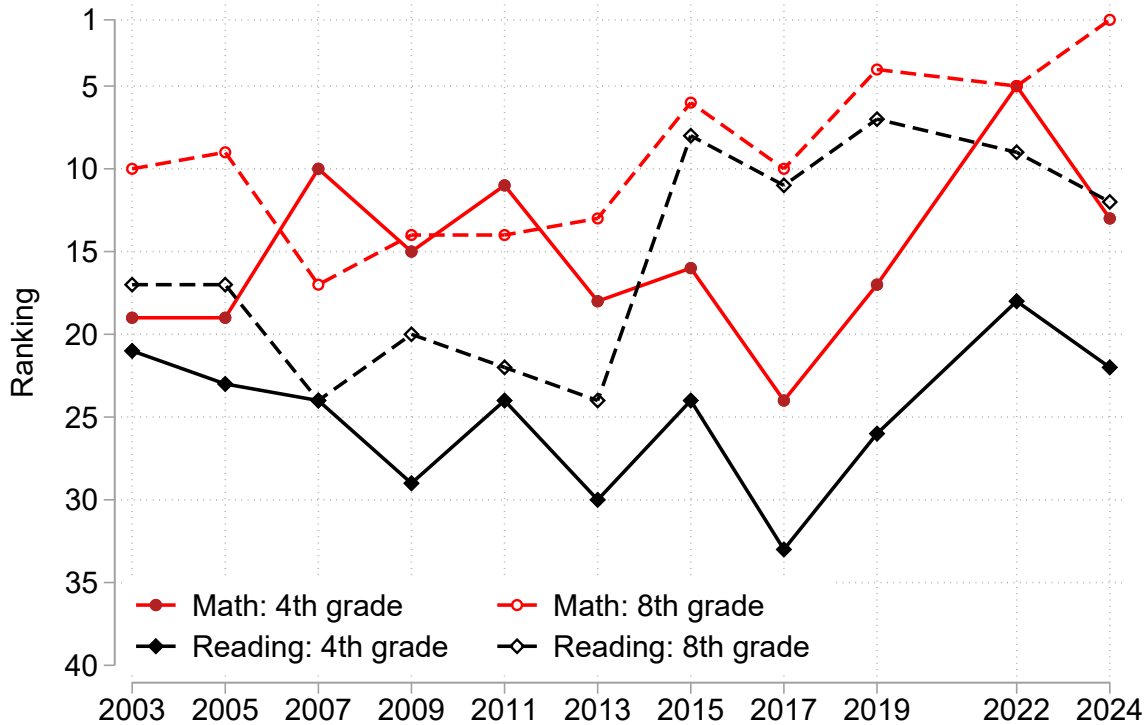


Figure 2: Wisconsin's ranking of public school student performance

even though the state's public education expenditures have been dropping relative to other states. This is consistent with the evidence from other studies. For example, Biasi (2021) compared two types of school districts in Wisconsin: the seniority-pay (SP) districts which used seniority-based salary schedules both before and after Act 10, and the flexible-pay (FP) districts which took advantage of Act 10 and replaced seniority-based salary schedules with flexible salary schemes that allowed for pay differences among teachers with similar seniority and academic credentials. She found that in the five years following Act 10: (1) FP districts raised salaries for high-quality teachers, (2) high-quality teachers moved from SP to FP districts, (3) teacher quality increased in FP relative to SP districts, due to both an improvement in the composition of the workforce and an increase in teachers' effort, and (4) student test scores rose in FP relative to SP districts.

By comparing Wisconsin with other states, figures 1 and 2 suggest that Act 10 raised the overall efficiency of Wisconsin's public education system, rather than making some school districts better and others worse.

References

Biasi, Barbara, "The labor market for teachers under different pay schemes," *American Economic Journal: Economic Policy*, 2021, 13 (3), 63–102.

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