**Fiscal Facts: Wisconsin’s Teacher Pay Predicament**

Median teacher pay in Wisconsin has fallen on an inflation-adjusted basis over the last decade, with retirements and limited pay increases both playing key roles.

State limits on school districts’ revenues have constrained school spending, leaving districts caught between teacher recruitment and retention goals and fiscal realities. These findings from the Wisconsin Policy Forum come as some Wisconsin school districts this year are providing the highest pay raises in years, amid escalating inflation and a tight labor market.

Milwaukee Public Schools made headlines when its board approved a 2023-24 budget with an 8% salary increase for all staff at an estimated cost of $50 million. Among the state’s largest districts, the Madison Metropolitan School District, Racine Unified School District, and the Green Bay Area Public School District also raised base wages for 2024 by 8%, the maximum allowable under state law. Others, like Kenosha Unified School District, the Sheboygan Area School District, and the School District of Waukesha, passed budgets limiting base wage increases to 4%.

With the current state budget limiting the growth in key school revenues to below the rate of inflation for most districts, school budget balancing acts look like they will continue to be a challenge. State Department of Public Instruction data show that median gross teacher pay, unadjusted for inflation, rose from $51,069 in 2009 to $59,250 in 2023, a 16% increase. But adjusting for inflation during this period shows the value of median teacher pay has fallen. A teacher earning median pay made an inflation-adjusted $67,536 in 2009 but only $59,250 in 2023, a decrease of 12.3%.

One inflection point was in 2012, when gross median teacher wages fell as a wave of teachers retired in response to the passage of 2011 Act 10, the state law that eliminated most public employee collective bargaining. As a result of the loss of these older, higher-paid teachers and their replacement with younger teachers at the low end of pay scales, median teacher salaries declined by $467 in nominal terms in 2012.

From 1999 to 2009, state law tied school revenue limits to inflation, which in turn allowed for greater growth in school funding. These state revenue limits cap the combined amount of revenue districts receive from their two largest funding sources: local property taxes and state general school aid. Since 2009, however, changes to revenue limits have largely lagged inflation even after including any additional per pupil aid from the state. The effects of this slow growth in the limits have compounded over time, leaving districts fewer dollars to spend on teacher pay or other priorities.

Median teacher pay figures allow for a discussion of statewide trends, but the reality for specific districts varies substantially. Pay was much lower in rural districts as well as in those with the fewest students, while pay was substantially higher in urban districts and those with the most students.

After years of declines in real wages, teachers and public school advocates may welcome the recent raises for school staff, but the increases also leave a difficult path ahead for district finances. Going forward, more districts are likely to face difficult budgetary decisions -- and will likely seek to exceed state revenue limits and increase property taxes via referendum. And districts that opt for teacher pay increases that lag inflation may face workforce challenges, as teachers weigh jobs in other districts or career changes.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*