



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-4680/1
TKK:ahc

2015 SENATE BILL 790

March 21, 2016 – Introduced by Senators VINEHOUT and RINGHAND, cosponsored by Representatives CONSIDINE and WACHS. Referred to Committee on Education.

1 **AN ACT to create** 20.255 (2) (ag) and 115.4365 of the statutes; **relating to:**
2 supplemental sparsity aid for school districts with high property valuation and
3 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a categorical aid for a school district that qualifies for sparsity aid under current law but that does not receive sparsity aid payments from the Department of Public Instruction because of high property valuation in the school district. A school district qualifies for sparsity aid under current law if the number of pupils, or membership, in the district is no more than 725 and if the membership divided by the school district's area in square miles is less than ten. A school district that qualifies for the categorical aid under the bill receives the lesser of the following: 1) an amount determined by multiplying the equalized valuation of the school district by the difference between the mill rate of the school district and the statewide average mill rate, or 2) the amount by which the tertiary guaranteed valuation per member of the school district exceeds the school district equalized valuation multiplied by the tertiary required levy rate.

Current law defines the equalized valuation of a school district as the full value of the taxable property in each part of each city, village, and town in each school district; this value is determined, annually, by the Department of Revenue, which certifies the amount to DPI. Current law defines "tertiary guaranteed valuation per member" as the amount, rounded to the next lower dollar, determined by dividing the equalized valuation of the state by the state total membership. Current law defines

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“tertiary required levy rate” as the tertiary shared cost divided by the tertiary guaranteed valuation. Current law defines “tertiary shared cost” as that portion of a school district’s shared cost which is greater than the secondary ceiling cost per member multiplied by its membership. Finally, current law defines the “secondary ceiling cost per member” as an amount determined by dividing the state total shared cost in the previous school year by the state total membership in the previous school year and multiplying the result by 0.90.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.255 (2) (ag) of the statutes is created to read:

2 20.255 (2) (ag) *Supplemental sparsity aid for school districts with high property*
3 *valuation.* A sum sufficient for supplemental sparsity aid for school districts with
4 high property valuation under s. 115.4365.

5 **SECTION 2.** 115.4365 of the statutes is created to read:

6 **115.4365 Supplemental sparsity aid for school districts with high**
7 **property valuation.** (1) In this section, “membership” has the meaning given in
8 s. 121.004 (5).

9 (2) Beginning in the 2016-17 school year and annually thereafter, the
10 department shall determine all of the following for each school district that was
11 eligible to receive aid under s. 115.436 in the previous school year:

12 (a) The equalized valuation of the school district in the previous school year,
13 as determined under s. 121.06 for the purpose of computing state aid to the school
14 district under s. 121.08 in the previous school year. The department shall make the
15 following adjustments to the equalized valuation determined under this paragraph,
16 if applicable:

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1 1. Multiply the equalized valuation determined for a school district that
2 operates only the elementary grades by 0.66.

3 2. Multiply the equalized valuation determined for a school district that
4 operates only high school grades by 0.33.

5 (b) The membership of the school district in the previous school year as used
6 for purposes of computing state aid to the school district under s. 121.08 in the
7 previous school year.

8 (c) The mill rate of the school district in the previous school year. The
9 department shall make the following adjustments to the mill rate determined under
10 this paragraph, if applicable:

11 1. Multiply the mill rate determined for a school district that operates only
12 elementary grades by 0.66.

13 2. Multiply the mill rate determined for a school district that operates only high
14 school grades by 0.33.

15 **(3)** A school district is eligible for sparsity aid under this section if all the
16 following apply:

17 (a) The school district was eligible for sparsity aid under s. 115.436 in the
18 previous school year.

19 (b) The amount determined under sub. (2) (a) for the school district divided by
20 the amount determined under sub. (2) (b) for the school district is greater than the
21 tertiary guaranteed valuation per member, as determined for the previous school
22 year under s. 121.07 (7) (bm).

23 (c) The amount determined under sub. (2) (c) for the school district is greater
24 than the statewide average mill rate in the previous school year.

