



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 141
[2017 Assembly Bill 835]

**Sparsity Aid and the Revenue
Ceiling**

SPARSITY AID

State law provides eligible school districts with a \$300 per pupil sparsity aid payment. A school district is eligible for the sparsity aid payment if both of the following are true: (1) its pupil membership in the prior school year was 745 or less; and (2) its pupil membership density in the prior school year was fewer than 10 pupils per square mile.

2017 Wisconsin Act 141 increases the sparsity aid payment for eligible school districts to \$400 per pupil, beginning in the 2018-19 school year.

REVENUE CEILING

State law provides a method for calculating a school district's per pupil revenue limit each school year and sets a revenue ceiling of \$9,100 per pupil. If, in a given school year, a school district's revenue limit, calculated according to the statutory formula, is less than the revenue ceiling, then the school district is permitted to increase its per pupil revenue up to the revenue ceiling in that school year without passing a referendum.

2017 Wisconsin Act 141 increases the revenue ceiling to \$9,400 beginning in the 2018-19 school year, and increases the revenue ceiling by \$100 each school year thereafter until it reaches \$9,800 in the 2022-23 school year.

Limitations Based on Failed Referenda

The Act limits a school district's revenue ceiling under the following circumstances:

- If a school district attempted and failed to pass a referendum to exceed its revenue limit in the 2015-16, 2016-17, or 2017-18 school year, then the school district's revenue

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

ceiling is set at \$9,100 for the three school years following the school year during which the referendum was held.

- If a school district attempts and fails to pass a referendum to exceed its revenue limit in the 2018-19 school year or in any school year thereafter, then, for the three school years following the school year during which the referendum was held, the school district's revenue ceiling will be set at the statutory amount for the school year during which the referendum was held.

Exceptions to the Limitations Based on Failed Referenda

The Act provides the following exceptions to the revenue ceiling limitations based on failed referenda:

- If a school district that is limited to a \$9,100 revenue ceiling based on a failed referendum in the 2015-16, 2016-17, or 2017-18 school year, subsequently passed or passes a referendum to exceed its revenue limit in the 2015-16, 2016-17, 2017-18, or 2018-19 school year, then the \$9,100 revenue ceiling limitation does not apply to that school district.
- If a school district that is subject to a revenue ceiling limitation based on a failed referendum in any school year subsequently passes a referendum to exceed its revenue limit during its three-year period of limitation, then, beginning in the school year immediately following the school year during which the referendum was held, the school district's revenue ceiling is the statutory amount for that school year.
- A school district that is subject to a revenue ceiling limitation in the 2018-19, 2019-20, or 2020-21 school year may seek approval from the electorate, via referendum, to set its revenue ceiling at the statutory amount for one or more of those school years. Such a referendum must be scheduled at the regularly scheduled spring primary or election or partisan primary or general election.
- The revenue ceiling limitation does not apply to a school district that failed to pass a referendum in the 2017-18 school year if, at the same election, the electorate rejected both a referendum to exceed the revenue limit and a referendum to issue general obligation bonds for the purpose of constructing a new school building.

Effective date: The provisions of the Act impacting the revenue ceiling take effect on March 14, 2018. The provisions of the Act impacting sparsity aid take effect on July 1, 2018.

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