



## 1997 ASSEMBLY BILL 144

February 24, 1997 - Introduced by Representatives SPRINGER, KRUG, RYBA, RILEY, BLACK, MURAT, MUSSER, WOOD, REYNOLDS, J. LEHMAN, LORGE, PLOUFF, MEYER, NOTESTEIN, HASENOHRL, VANDER LOOP, HUBER, BALDWIN, PLALE and R. YOUNG, cosponsored by Senators PLACHE, CLAUSING, WINEKE, MOEN, DECKER, GROBSCHMIDT and JAUCH. Referred to Committee on Ways and Means.

1     **AN ACT to repeal** 121.07 (6) (am), 121.07 (6) (dg), 121.07 (6) (dr), 121.07 (7) (bm)  
2             and 121.07 (10) (d); **to amend** 121.07 (6) (e), 121.07 (7) (c), 121.07 (7) (d), 121.07  
3             (7) (e), 121.07 (8), 121.07 (10) (a), 121.08 (2) and 121.23 (2) (intro.); and **to**  
4             **repeal and recreate** 73.03 (46), 121.07 (6) (b), 121.07 (6) (d), 121.07 (7) (a),  
5             121.07 (7) (b) and 121.08 (1) of the statutes; **relating to:** calculation of school  
6             aid under the state school aid formula.

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### *Analysis by the Legislative Reference Bureau*

Under the current state school aid formula, the guaranteed valuation is the amount of property tax base support that the state guarantees to each pupil. The formula establishes 3 guaranteed tax bases that apply to 3 different levels of expenditure. The primary guaranteed valuation applies to those costs that do not exceed the primary ceiling cost per pupil of \$1,000. The secondary guaranteed valuation applies to per pupil costs that exceed the primary ceiling. The tertiary guaranteed valuation applies to per pupil costs that exceed the secondary ceiling, which, in the 1997-98 school year and in each subsequent school year, is equal to the secondary ceiling cost per pupil in the previous school year increased by the percentage change in the consumer price index (CPI).

This bill eliminates the tertiary level of state support, resulting in a 2-level school aid formula. The primary ceiling in the 1997-98 school year is equal to the secondary ceiling in the 1996-97 school year (\$5,936) increased by the percentage

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change in the CPI. In the 1998-99 school year and thereafter, the primary ceiling is equal to the primary ceiling in the previous school year increased by the percentage change in the CPI.

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

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

1           **SECTION 1.** 73.03 (46) of the statutes is repealed and recreated to read:

2           73.03 **(46)** In each school year, to determine the rate for determining the  
3 primary ceiling cost per member under s. 121.07 (6) (b). The rate for any school year  
4 is the average percentage change in the consumer price index for all urban  
5 consumers, U.S. city average, for the calendar year ending on the 2nd preceding  
6 December 31, as computed by the federal department of labor.

7           **SECTION 2.** 121.07 (6) (am) of the statutes is repealed.

8           **SECTION 3.** 121.07 (6) (b) of the statutes is repealed and recreated to read:

9           121.07 **(6)** (b) The “primary ceiling cost per member” in the 1997-98 school year  
10 shall be the amount determined by multiplying the secondary ceiling cost per  
11 member in the 1996-97 school year by 1.0 plus the rate determined under s. 73.03  
12 (46) expressed as a decimal and adding the result to the secondary ceiling cost per  
13 member in the 1996-97 school year. The “primary ceiling cost per member” in the  
14 1998-99 school year and thereafter shall be the amount determined by multiplying  
15 the primary ceiling cost per member in the previous school year by 1.0 plus the rate  
16 determined under s. 73.03 (46) expressed as a decimal and adding the result to the  
17 primary ceiling cost per member in the previous school year.

18           **SECTION 4.** 121.07 (6) (d) of the statutes is repealed and recreated to read:

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1           121.07 (6) (d) The “secondary shared cost” is that portion of a district’s shared  
2 cost which is not included in the primary shared cost.

3           **SECTION 5.** 121.07 (6) (dg) of the statutes is repealed.

4           **SECTION 6.** 121.07 (6) (dr) of the statutes is repealed.

5           **SECTION 7.** 121.07 (6) (e) of the statutes is amended to read:

6           121.07 (6) (e) For a school district created by a consolidation under s. 117.08  
7 or 117.09, in the school year in which the consolidation takes effect and in each of the  
8 subsequent 4 school years, the amounts amount under ~~pars.~~ par. (b) and (d) shall be  
9 multiplied by 1.1 and rounded to the next lowest lower dollar.

10          **SECTION 8.** 121.07 (7) (a) of the statutes is repealed and recreated to read:

11          121.07 (7) (a) The “primary guaranteed valuation per member” is an amount,  
12 rounded to the next lower dollar, that, after subtraction of payments under ss.  
13 121.09, 121.105, 121.85 (6) (b) 2. and 3. and (c) and 121.86, fully distributes the sum  
14 of the amount remaining in the appropriation under s. 20.255 (2) (ac) for payments  
15 under ss. 121.08 and 121.85 (6) (a) and (g).

16          **SECTION 9.** 121.07 (7) (b) of the statutes is repealed and recreated to read:

17          121.07 (7) (b) The “secondary guaranteed valuation per member” shall be an  
18 amount rounded to the next lower dollar determined by multiplying the equalized  
19 valuation of the state by 1.06 and dividing the result obtained by the state total  
20 membership.

21          **SECTION 10.** 121.07 (7) (bm) of the statutes is repealed.

22          **SECTION 11.** 121.07 (7) (c) of the statutes is amended to read:

23          121.07 (7) (c) For districts operating only high school grades, the amounts in  
24 ~~pars. (a) to (bm)~~ and (b) shall be multiplied by 3 and rounded to the next lower dollar.

25          **SECTION 12.** 121.07 (7) (d) of the statutes is amended to read:

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1           121.07 (7) (d) For districts operating only elementary grades, the amounts in  
2    pars. (a) ~~to (b)~~ and (b) shall be multiplied by 1.5 and rounded to the next lower  
3    dollar.

4           **SECTION 13.** 121.07 (7) (e) of the statutes is amended to read:

5           121.07 (7) (e) For a school district created by a consolidation under s. 117.08  
6    or 117.09, in the school year in which the consolidation takes effect and in each of the  
7    subsequent 4 school years, the amounts under pars. (a) ~~to (b)~~ and (b) shall be  
8    multiplied by 1.1 and rounded to the next lower dollar.

9           **SECTION 14.** 121.07 (8) of the statutes is amended to read:

10          121.07 (8) GUARANTEED VALUATION. A school district's primary, and secondary  
11    and tertiary guaranteed valuations are determined by multiplying the amounts in  
12    sub. (7) by the district's membership.

13          **SECTION 15.** 121.07 (10) (a) of the statutes is amended to read:

14          121.07 (10) (a) The "required levy rate" is the sum of the rates derived in pars.  
15    (b) ~~to (d)~~ and (c).

16          **SECTION 16.** 121.07 (10) (d) of the statutes is repealed.

17          **SECTION 17.** 121.08 (1) of the statutes is repealed and recreated to read:

18          121.08 (1) The state shall pay to the school district a sum equal to the amount  
19    by which the primary guaranteed valuation exceeds the school district equalized  
20    valuation, multiplied by the primary required levy rate, and a sum equal to the  
21    amount by which the secondary guaranteed valuation exceeds the school district  
22    equalized valuation, multiplied by the secondary required levy rate.

23          **SECTION 18.** 121.08 (2) of the statutes is amended to read:

24          121.08 (2) The aid computed under sub. (1) shall be reduced by the ~~sum of the~~  
25    amount by which the school district equalized valuation exceeds the secondary

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1 guaranteed valuation, multiplied by the secondary required levy rate, ~~and the~~  
2 ~~amount by which the school district equalized valuation exceeds the tertiary~~  
3 ~~guaranteed valuation, multiplied by the tertiary required levy rate.~~ In no case may  
4 the aid under this section be less than ~~the amount under sub. (1) (a)~~ zero.

5 **SECTION 19.** 121.23 (2) (intro.) of the statutes is amended to read:

6 121.23 (2) (intro.) If a school district holds less than 180 days of school as the  
7 result of a strike by school district employes, for the purposes of computing general  
8 aid, the department shall compute the school district's primary ~~and secondary~~ ceiling  
9 ~~costs~~ cost per member in accordance with the procedure specified in pars. (a) to (e).  
10 In making the calculation, the department shall:

11 **SECTION 20. Initial applicability.**

12 (1) This act first applies to the payment of state school aid in the 1997-98 school  
13 year.

14 (END)