

1999 DRAFTING REQUEST

Bill

Received: 01/27/99

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-1923

By/Representing: Pahnke

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters: mlief

Subject: Education - MPS

Extra Copies:

Topic:

DOA:.....Pahnke - Revenuc limits and equalization aid

Instructions:

Combine LRBs 0675, 1260 and 1262

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	grantpr 01/27/99	ptellez 01/28/99		_____			S&L
/1			lpaasch 01/28/99	_____	lrb_docadmin 01/28/99		S&L
/2	mlief 01/29/99	jgeller 01/29/99	ismith 01/29/99	_____	gretskl 01/29/99		

FE Sent For:

<END>

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/?	grantpr 01/27/99	ptellez 01/28/99		_____			S&L
/1		<i>1/2 1/29 jlg</i>	lpaasch 01/28/99	_____	lrb_docadmin 01/28/99		
			<i>IS</i> 1/29/99	<i>IS/HH</i> 1/29/99			

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1/27	grantpr	1/1 rat 1/28/99 1/1 jlg 1/28	1-28 LR	1-28 L.P. IS			

FE Sent For:

<END>

1999

Date (time) needed

~~2000~~ FRI A.M.

LRB - 2030 / 1

DOA BUDGET DRAFT

DN

PG ← MJL: pgt: jlg

Use the appropriate components and routines developed for bills.

>>FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION<<

AN ACT ... [DO NOT generate catalog]; relating to: the budget. ....

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.....  
.....

Analysis by the Legislative Reference Bureau

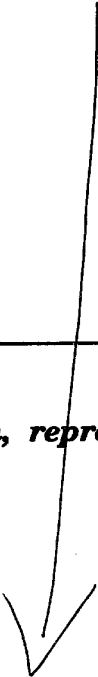
For the 3 titles used in an analysis, in the component bar:

For the main heading [old =M], execute: ..... create → anal: → title: → head

For the subheading [old =S], execute: ..... create → anal: → title: → sub

For the sub-subheading [old =P], execute: ..... create → anal: → title: → sub-sub

[over]



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

SECTION #.



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1260/1  
MJL:kmg:hrnh

PS  
72

DOA:.....Pahnke - Eliminating MPSP pupils and pupils enrolled in certain Milwaukee charter schools from MPS membership for equalization aid and revenue limit purposes

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Current law allows up to 15% of the enrollment of the Milwaukee Public Schools (MPS) to attend, at no charge, any private school located in the city of Milwaukee under certain circumstances. The state pays the parent or guardian of the pupil an amount equal to the amount of per pupil aid that MPS receives from the state or an amount equal to the private school's educational cost per pupil, whichever is less. The parent or guardian must endorse the check for the use of the private school. The state reduces the MPS school aid entitlement, for each pupil participating in the program, by the amount of per pupil aid that MPS would otherwise receive.

Under current law, the city of Milwaukee, the University of Wisconsin-Milwaukee and Milwaukee Area Technical College may establish by charter and operate a charter school or may initiate a contract with an individual or group to operate a school as a charter school. For each pupil attending the charter school, the state pays the charter school an amount equal to the shared cost per pupil of MPS and reduces the MPS school aid entitlement by an identical amount.

Current law also generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property

INSECT  
A

Currently, to

taxes. ~~To~~ determine the allowable revenue increase under the revenue limit, the department of public instruction (DPI) uses a three-year rolling average pupil enrollment, which includes, for MPS, one-third of the pupils enrolled in the choice program and the charter schools described above.

This bill provides that, beginning with aid paid in the 1999-2000 school year, pupils participating in the choice program or attending one of these charter schools are not counted in the enrollment of MPS for state aid purposes and are not counted in the three-year rolling average. In addition, the MPS school aid entitlement is not reduced as a result of such participation or attendance.

INSECT  
B

Current law generally provides that the membership of a school district in the previous school year must be used to calculate general school aid for the current school year. The membership of MPS, however, includes pupils in the choice program in the current school year who were enrolled in grades kindergarten to three in a private, nonchoice school located in Milwaukee in the previous school year. This bill eliminates these additional choice pupils from MPS enrollment for calculating general state aid.

Under current law, the amount in the general school aid appropriation is a sum sufficient for the payment of general school aid, less the amount of money appropriated for additional aid for county handicapped children's education boards. This bill provides that the general school aid appropriation is a sum sufficient for the payment of general school aid, less this additional aid and less an amount equal to the cost of the choice program and the cost of the charter schools described above.

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) (ac) of the statutes is amended to read:

2           20.255 (2) (ac) *General equalization aids.* A sum sufficient for the payment of  
3 educational aids under ss. 121.08, 121.09 and 121.105 and subch. VI of ch. 121 equal  
4 to \$3,318,488,800 in the 1997-98 fiscal year, equal to \$3,460,133,800 in the 1998-99  
5 fiscal year and equal to the amount determined by the joint committee on finance  
6 under s. 121.15 (3m) (c) in each fiscal year thereafter, less the amount appropriated  
7 under par. (bi) and less the amounts paid under ss. 118.40 (2r) (e) and 119.23 (4).

INSECT  
2-7

8           SECTION 2. 118.40 (2r) (f) of the statutes is repealed.

9           SECTION 3. 118.40 (2r) (g) of the statutes is repealed.

1           **SECTION 4.** 119.23 (5) (intro.) and (c) of the statutes are consolidated,  
2           renumbered 119.23 (5) and amended to read:

3           119.23 (5) The state superintendent shall: ~~(c) Ensure~~ ensure that pupils and  
4           parents and guardians of pupils who reside in the city are informed annually of the  
5           private schools participating in the program under this section.

6           **SECTION 5.** 119.23 (5) (a) of the statutes is repealed.

7           **SECTION 6.** 119.23 (5) (b) of the statutes is repealed.

8           **SECTION 7.** 121.05 (1) (a) 4. of the statutes is repealed.

9           **SECTION 8.** 121.05 (1) (a) 9. of the statutes is amended to read:

10           121.05 (1) (a) 9. Pupils enrolled in a charter school, other than a charter school  
11           under s. 118.40 (2r).

12           **SECTION 9.** 121.07 (1) (a) of the statutes is amended to read:

13           121.07 (1) (a) The membership of the school district in the previous school year  
14           and the shared cost for the previous school year shall be used in computing general  
15           aid, ~~except that the membership used to compute state aid to the school district~~  
16           ~~operating under ch. 119 shall include those pupils who are attending a private school~~  
17           ~~under s. 119.23 in the current school year and were enrolled in grades kindergarten~~  
18           ~~to 3 in a private school located in the city of Milwaukee other than under s. 119.23~~  
19           ~~in the previous school year.~~ If a school district has a state trust fund loan as a result  
20           of s. 24.61 (3) (c) 2., the school district's debt service costs shall be based upon current  
21           school year costs for the term of the loan and for one additional school year.

22           **SECTION 10.** 121.91 (2m) (d) 1. of the statutes is amended to read:

23           121.91 (2m) (d) 1. Divide the sum of the amount of state aid received in the  
24           previous school year and property taxes levied for the previous school year, excluding  
25           funds described under sub. (4) (c), by a number calculated by adding the average of

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~~the number of pupils enrolled in the 3 previous school years, subtracting from that total the number of pupils attending charter schools under s. 118.40 (2r) and private schools under s. 119.23 in the 4th, 3rd and 2nd preceding school years and dividing the remainder by 3.~~

~~\*\*\*\*NOTE: If LRB-1262/1 is included in the budget bill, the treatment of s. 121.91 (2m) (d) 1. in this bill should not be included.~~

~~SECTION 11. 121.91 (2m) (d) 4. of the statutes is amended to read:~~

~~121.91 (2m) (d) 4. Multiply the result under subd. 3. by a number calculated by adding the average of the number of pupils enrolled in the current and the 2 preceding school years, subtracting from that total the number of pupils attending charter schools under s. 118.40 (2r) and private schools under s. 119.23 in the 3 previous school years and dividing the remainder by 3.~~

~~\*\*\*\*NOTE: If LRB-1262/1 is included in the budget bill the treatment of s. 121.91 (2m) (d) 4. in this bill should not be included.~~

**SECTION 9339. Initial applicability; public instruction.**

(1) STATE AID CALCULATION. The treatment of sections 121.05 (1) (a) 4. and 9. and 121.07 (1) (a) of the statutes first applies to state aid distributed in the 1999-2000 school year.

(END)



DN

PG & MGL: pat  
JJ

Brian -

This draft combines LRB-0675/1,  
LRB-1260/1, and LRB-1262/3. ~~This draft~~  
~~should appear on the Int List~~  
Those drafts should now be out and  
this draft should be in.

PG



DOA:.....Pahnke - Revenue limits; eliminate inflation adjustment  
FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 **AN ACT**...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Current law generally limits the increase in the total amount of revenue that a school district may receive from general school aids and property taxes in a school year to \$208.88 per pupil in the 1998-99 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

9) This bill eliminates the inflation adjustment beginning in the 1999-2000 school year. The bill sets the amount at \$208.88 per pupil for the 1999-2000 school year and for each subsequent school year.

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:*

SECTION 1. 73.0305 of the statutes is amended to read:

**73.0305 Revenue limits calculations.** The department of revenue shall annually determine and certify to the state superintendent of public instruction, no

✓ *INSERT*  
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✓ *INSERT*  
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*[over]*  
↓

INSECT  
2-7  
CONT'D

1 later than the 4th Monday in June, the allowable rate of increase for the limit  
2 imposed under subch. VII of ch. 121 s. 121.91 (2m) (d). For that limit, the allowable  
3 rate of increase is the percentage change in the consumer price index for all urban  
4 consumers, U.S. city average, between the preceding March 31 and the 2nd  
5 preceding March 31, as computed by the federal department of labor.

6 SECTION 2. 121.905 (3) (c) of the statutes is repealed and recreated to read:

7 121.905 (3) (c) For the limit for the 1999-2000 school year or for any school year  
8 thereafter, add \$208.88 to the result under par. (b).

9 SECTION 3. 121.91 (2m) (d) (intro.) of the statutes is amended to read:

10 121.91 (2m) (d) (intro.) Except as provided in subs. (3) and (4), no school district  
11 may increase its revenues for the 1998-99 school year or for any school year  
12 thereafter to an amount that exceeds the amount calculated as follows:

13 SECTION 4. 121.91 (2m) (e) of the statutes is renumbered 121.91 (2m) (r), and

14 121.91 (2m) (r) 1. (intro.) and b. and 2., as renumbered, are amended to read:

INSECT  
3-21

15 121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c) and (d) and (e), if a school  
16 district is created under s. 117.105, its revenue limit under this section for the school  
17 year beginning with the effective date of the reorganization shall be determined as  
18 follows except as provided under subs. (3) and (4):

19 b. Add \$206 ~~\$208.88~~ to the result under subd. 1. a.

20 2. If a school district is created under s. 117.105, the following adjustments to  
21 the calculations under pars. (c) and (d) and (e) apply for the 2 school years beginning  
22 on the July 1 following the effective date of the reorganization:

23 a. For the school year beginning on the first July 1 following the effective date  
24 of the reorganization the number of pupils in the previous school year shall be used  
25 under pars. (c) 1. and (d) 1. and (e) 1. instead of the average of the number of pupils

[cont'd]  
↓

INS 3-21 cont.

1 in the 3 previous school years, and for the school year beginning on the 2nd July 1  
2 following the effective date of the reorganization the average of the number of pupils  
3 in the 2 previous school years shall be used under pars. (c) 1. ~~and~~, (d) 1. and (e) 1.  
4 instead of the average of the number of pupils in the 3 previous school years.

5 b. For the school year beginning on the first July 1 following the effective date  
6 of the reorganization the average of the number of pupils in the current and the  
7 previous school years shall be used under pars. ~~(c) 4. and~~, (d) 4. and (e) 3. instead of  
8 the average of the number of pupils in the current and the 2 preceding school years.

9 SECTION 5. 121.91 (2m) (e) of the statutes is created to read:

10 121.91 (2m) (e) Except as provided in subs. (3) and (4), no school district may  
11 increase its revenues for the 1999-2000 school year or for any school year thereafter  
12 to an amount that exceeds the amount calculated as follows:

13 1. Divide the sum of the amount of state aid received in the previous school year  
14 and property taxes levied for the previous school year, excluding funds described  
15 under sub. (4) (c), by the average of the number of pupils enrolled in the 3 previous  
16 school years.

17 2. Add \$208.88 to the result under subd. 1.

18 3. Multiply the result under subd. 2. by the average of the number of pupils  
19 enrolled in the current and the 2 preceding school years.

20 SECTION 6. 121.91 (4) (f) of the statutes is amended to read:

21 121.91 (4) (f) 1. For the 1998-99 school year, if the average of the number of  
22 pupils enrolled in the current and the 2 preceding school years, as calculated under  
23 sub. (2m) ~~(d) 4. (e) 3.~~, is less than the average of the number of pupils enrolled in the  
24 3 previous school years, as calculated under sub. (2m) (d) (e) 1., the limit otherwise

[Cont'd]  
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or any school year thereafter

INSCAT  
3-21  
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plain

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applicable under sub. (2m) (d) (e) is increased by the additional amount that would have been calculated had the decline in average enrollment been 25% of what it was.

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Insect

2. Any additional revenue received by a school district as a result of subd. 1.

3-21-3  
CONT

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shall not be included in the base for determining the school district's limit under sub.

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(2m) (d) (e) for the following school year.

\*\*\*\*NOTE: This treatment of s. 121.91 (4) (f) (in LBB-1262) must be reconciled with the treatment of s. 121.91 (4) (f) 1. in LBB-0675.

6

(END)



[INSERT (B)]

State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0675/1  
MJJ:kmg&jlg:ff

PG  
2

DOA.....Brian Pahnke - Repeal of the one-year limitation on revenue limit exemption for school districts with declining enrollments

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Currently, if

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes. A school district's three-year rolling average, based on pupil enrollment in the current and the two preceding school years, is used to determine the allowable revenue increase under the revenue limit. ~~For a school district's three-year rolling average for the 1998-99 school year is less than the average of the number of pupils enrolled in the school district in the three previous school years, then the school district's revenue limit is increased for the 1998-99 school year by the additional amount that would have been calculated had the decline in the three-year rolling average enrollment been 25% of what it was. This bill extends this one-year revenue limit increase for declining enrollment to subsequent school years.~~

INSERT  
✓ (B)

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:

[end of INSERTS]

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SECTION 1. 121.91 (4) (f) 1. of the statutes is amended to read:

121.91 (4) (f) 1. ~~For the 1998-99 school year~~ or any school year thereafter, if the average of the number of pupils enrolled in the current and the 2 preceding school years, as calculated under sub. (2m) (d) 4., is less than the average of the number of pupils enrolled in the 3 previous school years, as calculated under sub. (2m) (d) 1., the limit otherwise applicable under sub. (2m) (d) is increased by the additional amount that would have been calculated had the decline in average enrollment been 25% of what it was.

(END)

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2030/1dn  
PG:pgt&jlg:lp

January 28, 1999

Brian:

This draft combines LRB-0675/1, LRB-1260/1 and LRB-1262/3. Those drafts should now be out and this draft should be in.

Peter R. Grant  
Managing Attorney  
Phone: (608) 267-3362  
E-mail: Peter.Grant@legis.state.wi.us





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-2030/2  
PG&MJL:pgt;jlg:lp

DOA:.....Pahnke - Revenue limits and equalization aid

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

R-M run

SOON

To editing 1/29, 2:15 pm

see analysis, p-2

1

*do not gen*  
AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Current law allows up to 15% of the enrollment of the Milwaukee Public Schools (MPS) to attend, at no charge, any private school located in the city of Milwaukee under certain circumstances. The state pays the parent or guardian of the pupil an amount equal to the amount of per pupil aid that MPS receives from the state or an amount equal to the private school's educational cost per pupil, whichever is less. The parent or guardian must endorse the check for the use of the private school. The state reduces the MPS school aid entitlement, for each pupil participating in the program, by the amount of per pupil aid that MPS would otherwise receive.

Under current law, the city of Milwaukee, the University of Wisconsin-Milwaukee and Milwaukee Area Technical College may establish by charter and operate a charter school or may initiate a contract with an individual or group to operate a school as a charter school. For each pupil attending the charter school, the state pays the charter school an amount equal to the shared cost per pupil of MPS and reduces the MPS school aid entitlement by an identical amount.

Current law also generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to \$208.88 per pupil in the 1998-99 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

This bill eliminates the inflation adjustment beginning in the 1999-2000 school year. The bill sets the amount at \$208.88 per pupil for the 1999-2000 school year and for each subsequent school year.

Currently, to determine the allowable revenue increase under the revenue limit, the department of public instruction (DPI) uses a three-year rolling average pupil enrollment, which includes, for MPS, ~~one-third~~ of the pupils enrolled in the choice program and the charter schools described above.

This bill provides that, beginning with aid paid in the 1999-2000 school year, pupils participating in the choice program or attending one of these charter schools are not counted in the enrollment of MPS for state aid purposes and are not counted in the three-year rolling average. In addition, the MPS school aid entitlement is not reduced as a result of such participation or attendance.

Currently, if a school district's three-year rolling average for the 1998-99 school year is less than the average of the number of pupils enrolled in the school district in the three previous school years, then the school district's revenue limit is increased for the 1998-99 school year by the additional amount that would have been calculated had the decline in the three-year rolling average enrollment been 25% of what it was. This bill extends this one-year revenue limit increase for declining enrollment to subsequent school years.

Current law generally provides that the membership of a school district in the previous school year must be used to calculate general school aid for the current school year. The membership of MPS, however, includes pupils in the choice program in the current school year who were enrolled in grades kindergarten to three in a private ~~non-choice~~ school located in Milwaukee in the previous school year. This bill eliminates these additional choice pupils from MPS enrollment for calculating general state aid.

Under current law, the amount in the general school aid appropriation is a sum sufficient for the payment of general school aid, less the amount of money appropriated for additional aid for county handicapped children's education boards. This bill provides that the general school aid appropriation is a sum sufficient for the payment of general school aid, less this additional aid and less an amount equal to the cost of the choice program and the cost of the charter schools described above.

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

Some ✓

for revenue limit purposes

and who did not participate in the choice program

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

- 1           **SECTION 1.** 20.255 (2) (ac) of the statutes is amended to read:
- 2           20.255 (2) (ac) *General equalization aids.* A sum sufficient for the payment of
- 3           educational aids under ss. 121.08, 121.09 and 121.105 and subch. VI of ch. 121 equal
- 4           to \$3,318,488,800 in the 1997-98 fiscal year, equal to \$3,460,133,800 in the 1998-99

1 fiscal year and equal to the amount determined by the joint committee on finance  
2 under s. 121.15 (3m) (c) in each fiscal year thereafter, less the amount appropriated  
3 under par. (bi) and less the amounts paid under ss. 118.40 (2r) (e) and 119.23 (4).

4 **SECTION 2.** 73.0305 of the statutes is amended to read:

5 **73.0305 Revenue limits calculations.** The department of revenue shall  
6 ~~annually~~ determine and certify to the state superintendent of public instruction, no  
7 later than the 4th Monday in June, the allowable rate of increase for the limit  
8 imposed under ~~subch. VII of ch. 121 s. 121.91 (2m) (d).~~ For that limit, the allowable  
9 rate of increase is the percentage change in the consumer price index for all urban  
10 consumers, U.S. city average, between the preceding March 31 and the 2nd  
11 preceding March 31, as computed by the federal department of labor.

12 **SECTION 3.** 118.40 (2r) (f) of the statutes is repealed.

13 **SECTION 4.** 118.40 (2r) (g) of the statutes is repealed.

14 **SECTION 5.** 119.23 (5) (intro.) and (c) of the statutes are consolidated,  
15 renumbered 119.23 (5) and amended to read:

16 119.23 (5) The state superintendent shall: ~~(e) Ensure~~ ensure that pupils and  
17 parents and guardians of pupils who reside in the city are informed annually of the  
18 private schools participating in the program under this section.

19 **SECTION 6.** 119.23 (5) (a) of the statutes is repealed.

20 **SECTION 7.** 119.23 (5) (b) of the statutes is repealed.

21 **SECTION 8.** 121.05 (1) (a) 4. of the statutes is repealed.

22 **SECTION 9.** 121.05 (1) (a) 9. of the statutes is amended to read:

23 121.05 (1) (a) 9. Pupils enrolled in a charter school, other than a charter school  
24 under s. 118.40 (2r).

25 **SECTION 10.** 121.07 (1) (a) of the statutes is amended to read:

1           121.07 (1) (a) The membership of the school district in the previous school year  
2 and the shared cost for the previous school year shall be used in computing general  
3 aid, ~~except that the membership used to compute state aid to the school district~~  
4 ~~operating under ch. 119 shall include those pupils who are attending a private school~~  
5 ~~under s. 119.23 in the current school year and were enrolled in grades kindergarten~~  
6 ~~to 3 in a private school located in the city of Milwaukee other than under s. 119.23~~  
7 ~~in the previous school year.~~ If a school district has a state trust fund loan as a result  
8 of s. 24.61 (3) (c) 2., the school district's debt service costs shall be based upon current  
9 school year costs for the term of the loan and for one additional school year.

10           **SECTION 11.** 121.905 (3) (c) of the statutes is repealed and recreated to read:

11           121.905 (3) (c) For the limit for the 1999–2000 school year or for any school year  
12 thereafter, add \$208.88 to the result under par. (b).

13           **SECTION 12.** 121.91 (2m) (d) (intro.) of the statutes is amended to read:

14           121.91 (2m) (d) (intro.) Except as provided in subs. (3) and (4), no school district  
15 may increase its revenues for the 1998–99 school year ~~or for any school year~~  
16 ~~thereafter~~ to an amount that exceeds the amount calculated as follows:

17           **SECTION 13.** 121.91 (2m) (e) of the statutes is renumbered 121.91 (2m) (r), and  
18 121.91 (2m) (r) 1. (intro.) and b. and 2., as renumbered, are amended to read:

19           121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c) ~~and~~, (d) ~~and~~ (e), if a school  
20 district is created under s. 117.105, its revenue limit under this section for the school  
21 year beginning with the effective date of the reorganization shall be determined as  
22 follows except as provided under subs. (3) and (4):

23           b. Add ~~\$206~~ \$208.88 to the result under subd. 1. a.

1           2. If a school district is created under s. 117.105, the following adjustments to  
2 the calculations under pars. (c) ~~and~~, (d) and (e) apply for the 2 school years beginning  
3 on the July 1 following the effective date of the reorganization:

4           a. For the school year beginning on the first July 1 following the effective date  
5 of the reorganization the number of pupils in the previous school year shall be used  
6 under pars. (c) 1. ~~and~~, (d) 1. and (e) 1. instead of the average of the number of pupils  
7 in the 3 previous school years, and for the school year beginning on the 2nd July 1  
8 following the effective date of the reorganization the average of the number of pupils  
9 in the 2 previous school years shall be used under pars. (c) 1. ~~and~~, (d) 1. and (e) 1.  
10 instead of the average of the number of pupils in the 3 previous school years.

11           b. For the school year beginning on the first July 1 following the effective date  
12 of the reorganization the average of the number of pupils in the current and the  
13 previous school years shall be used under pars. (c) 4. ~~and~~, (d) 4. and (e) 3. instead of  
14 the average of the number of pupils in the current and the 2 preceding school years.

15           **SECTION 14.** 121.91 (2m) (e) of the statutes is created to read:

16           121.91 (2m) (e) Except as provided in subs. (3) and (4), no school district may  
17 increase its revenues for the 1999–2000 school year or for any school year thereafter  
18 to an amount that exceeds the amount calculated as follows:

19           1. Divide the sum of the amount of state aid received in the previous school year  
20 and property taxes levied for the previous school year, excluding funds described  
21 under sub. (4) (c), by the average of the number of pupils enrolled in the 3 previous  
22 school years.

23           2. Add \$208.88 to the result under subd. 1.

24           3. Multiply the result under subd. 2. by the average of the number of pupils  
25 enrolled in the current and the 2 preceding school years.





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-2030/2  
PG&MJL:pgt&jlg:ijs

DOA:.....Pahnke – Revenue limits and equalization aid

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Current law allows up to 15% of the enrollment of the Milwaukee Public Schools (MPS) to attend, at no charge, any private school located in the city of Milwaukee under certain circumstances. The state pays the parent or guardian of the pupil an amount equal to the amount of per pupil aid that MPS receives from the state or an amount equal to the private school's educational cost per pupil, whichever is less. The parent or guardian must endorse the check for the use of the private school. The state reduces the MPS school aid entitlement, for each pupil participating in the program, by the amount of per pupil aid that MPS would otherwise receive.

Under current law, the city of Milwaukee, the University of Wisconsin-Milwaukee and Milwaukee Area Technical College may establish by charter and operate a charter school or may initiate a contract with an individual or group to operate a school as a charter school. For each pupil attending the charter school, the state pays the charter school an amount equal to the shared cost per pupil of MPS and reduces the MPS school aid entitlement by an identical amount.

Current law also generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to \$208.88 per pupil in the 1998-99 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

This bill eliminates the inflation adjustment beginning in the 1999–2000 school year. The bill sets the amount at \$208.88 per pupil for the 1999–2000 school year and for each subsequent school year.

Currently, to determine the allowable revenue increase under the revenue limit, the department of public instruction (DPI) uses a three-year rolling average pupil enrollment, which includes, for MPS, some of the pupils enrolled in the choice program and the charter schools described above.

This bill provides that, beginning with aid paid in the 1999–2000 school year, pupils participating in the choice program or attending one of these charter schools are not counted in the enrollment of MPS for state aid purposes and are not counted in the three-year rolling average for revenue limit purposes. In addition, the MPS school aid entitlement is not reduced as a result of such participation or attendance.

Currently, if a school district's three-year rolling average for the 1998–99 school year is less than the average of the number of pupils enrolled in the school district in the three previous school years, then the school district's revenue limit is increased for the 1998–99 school year by the additional amount that would have been calculated had the decline in the three-year rolling average enrollment been 25% of what it was. This bill extends this one-year revenue limit increase for declining enrollment to subsequent school years.

Current law generally provides that the membership of a school district in the previous school year must be used to calculate general school aid for the current school year. The membership of MPS, however, includes pupils in the choice program in the current school year who were enrolled in grades kindergarten to three in a private school located in Milwaukee in the previous school year and who did not participate in the choice program. This bill eliminates these additional choice pupils from MPS enrollment for calculating general state aid.

Under current law, the amount in the general school aid appropriation is a sum sufficient for the payment of general school aid, less the amount of money appropriated for additional aid for county handicapped children's education boards. This bill provides that the general school aid appropriation is a sum sufficient for the payment of general school aid, less this additional aid and less an amount equal to the cost of the choice program and the cost of the charter schools described above.

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.** 20.255 (2) (ac) of the statutes is amended to read:
- 2           20.255 (2) (ac) *General equalization aids.* A sum sufficient for the payment of
- 3           educational aids under ss. 121.08, 121.09 and 121.105 and subch. VI of ch. 121 equal
- 4           to \$3,318,488,800 in the 1997–98 fiscal year, equal to \$3,460,133,800 in the 1998–99



1 fiscal year and equal to the amount determined by the joint committee on finance  
2 under s. 121.15 (3m) (c) in each fiscal year thereafter, less the amount appropriated  
3 under par. (bi) and less the amounts paid under ss. 118.40 (2r) (e) and 119.23 (4).

4 **SECTION 2.** 73.0305 of the statutes is amended to read:

5 **73.0305 Revenue limits calculations.** The department of revenue shall  
6 ~~annually~~ determine and certify to the state superintendent of public instruction, no  
7 later than the 4th Monday in June, the allowable rate of increase for the limit  
8 imposed under ~~subch. VII of ch. 121 s. 121.91 (2m) (d).~~ For that limit, the allowable  
9 rate of increase is the percentage change in the consumer price index for all urban  
10 consumers, U.S. city average, between the preceding March 31 and the 2nd  
11 preceding March 31, as computed by the federal department of labor.

12 **SECTION 3.** 118.40 (2r) (f) of the statutes is repealed.

13 **SECTION 4.** 118.40 (2r) (g) of the statutes is repealed.

14 **SECTION 5.** 119.23 (5) (intro.) and (c) of the statutes are consolidated,  
15 renumbered 119.23 (5) and amended to read:

16 119.23 (5) The state superintendent shall: ~~(e) Ensure~~ ensure that pupils and  
17 parents and guardians of pupils who reside in the city are informed annually of the  
18 private schools participating in the program under this section.

19 **SECTION 6.** 119.23 (5) (a) of the statutes is repealed.

20 **SECTION 7.** 119.23 (5) (b) of the statutes is repealed.

21 **SECTION 8.** 121.05 (1) (a) 4. of the statutes is repealed.

22 **SECTION 9.** 121.05 (1) (a) 9. of the statutes is amended to read:

23 121.05 (1) (a) 9. Pupils enrolled in a charter school, other than a charter school  
24 under s. 118.40 (2r).

25 **SECTION 10.** 121.07 (1) (a) of the statutes is amended to read:

1            121.07 (1) (a) The membership of the school district in the previous school year  
2            and the shared cost for the previous school year shall be used in computing general  
3            aid, ~~except that the membership used to compute state aid to the school district~~  
4            ~~operating under ch. 119 shall include those pupils who are attending a private school~~  
5            ~~under s. 119.23 in the current school year and were enrolled in grades kindergarten~~  
6            ~~to 3 in a private school located in the city of Milwaukee other than under s. 119.23~~  
7            ~~in the previous school year.~~ If a school district has a state trust fund loan as a result  
8            of s. 24.61 (3) (c) 2., the school district's debt service costs shall be based upon current  
9            school year costs for the term of the loan and for one additional school year.

10           **SECTION 11.** 121.905 (3) (c) of the statutes is repealed and recreated to read:

11           121.905 (3) (c) For the limit for the 1999–2000 school year or for any school year  
12           thereafter, add \$208.88 to the result under par. (b).

13           **SECTION 12.** 121.91 (2m) (d) (intro.) of the statutes is amended to read:

14           121.91 (2m) (d) (intro.) Except as provided in subs. (3) and (4), no school district  
15           may increase its revenues for the 1998–99 school year ~~or for any school year~~  
16           ~~thereafter~~ to an amount that exceeds the amount calculated as follows:

17           **SECTION 13.** 121.91 (2m) (e) of the statutes is renumbered 121.91 (2m) (r), and  
18           121.91 (2m) (r) 1. (intro.) and b. and 2., as renumbered, are amended to read:

19           121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c) ~~and~~, (d) ~~and~~ (e), if a school  
20           district is created under s. 117.105, its revenue limit under this section for the school  
21           year beginning with the effective date of the reorganization shall be determined as  
22           follows except as provided under subs. (3) and (4):

23           b. Add ~~\$206~~ \$208.88 to the result under subd. 1. a.

1           2. If a school district is created under s. 117.105, the following adjustments to  
2 the calculations under pars. (c) ~~and~~, (d) and (e) apply for the 2 school years beginning  
3 on the July 1 following the effective date of the reorganization:

4           a. For the school year beginning on the first July 1 following the effective date  
5 of the reorganization the number of pupils in the previous school year shall be used  
6 under pars. (c) 1. ~~and~~, (d) 1. and (e) 1. instead of the average of the number of pupils  
7 in the 3 previous school years, and for the school year beginning on the 2nd July 1  
8 following the effective date of the reorganization the average of the number of pupils  
9 in the 2 previous school years shall be used under pars. (c) 1. ~~and~~, (d) 1. and (e) 1.  
10 instead of the average of the number of pupils in the 3 previous school years.

11           b. For the school year beginning on the first July 1 following the effective date  
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14 the average of the number of pupils in the current and the 2 preceding school years.

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16           121.91 (2m) (e) Except as provided in subs. (3) and (4), no school district may  
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20 and property taxes levied for the previous school year, excluding funds described  
21 under sub. (4) (c), by the average of the number of pupils enrolled in the 3 previous  
22 school years.

23           2. Add \$208.88 to the result under subd. 1.

24           3. Multiply the result under subd. 2. by the average of the number of pupils  
25 enrolled in the current and the 2 preceding school years.

