

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 05/24/99

Received By: mlief

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 6-8742

By/Representing: Hardy

This file may be shown to any legislator: NO

Drafter: mlief

May Contact:

Alt. Drafters:

Subject: Education - school finance

Extra Copies: PG

Pre Topic:

LFB:.....Hardy -

Topic:

School district debt levies

Instructions:

See Attached

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>
/1	mlief 05/25/99 mlief 05/27/99	ygeller 05/25/99	jfrantze 05/27/99	_____	lrb_docadmin 05/27/99		
/2	mlief 06/4/99	ygeller 06/4/99	martykr 06/4/99	_____	lrb_docadmin 06/4/99		
/3	mlief 06/7/99 mlief 06/21/99	ygeller 06/7/99 ygeller 06/21/99	martykr 06/8/99	_____	lrb_docadmin 06/8/99		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typist</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/4			mclark 06/21/99	_____ _____	lrb_docadmin 06/22/99		

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 Jm 6/8
 Jm 6/8

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Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 20, 1999

Joint Committee on Finance

Paper #763

School District Debt Levies and Debt Service Costs (DPI -- General School Aid and Revenue Limits)

CURRENT LAW

School District Revenues and Two-Thirds Funding. Under 1993 Act 437, the state established a commitment to raise its share of K-12 partial school revenues to 66.7%, thereby significantly reducing the reliance on local property taxes to fund K-12 education. In 1997 Act 27, the funding goal was modified to be two-thirds funding, rather than 66.7%. The two-thirds funding commitment is estimated on a statewide basis; the level of state aid received by an individual district may be higher or lower than two-thirds depending on the district's per member shared costs and equalized value.

The statutes define both the numerator and denominator of the two-thirds state funding calculation. The numerator is the sum of state school aids, composed of 31 separate general and categorical aids appropriations, and the school levy tax credit; general school aids include equalization, integration and special adjustment aids. The denominator, which is called "partial school revenues," is the sum of state school aids and property taxes levied for school districts, including school district debt levies. In 1998-99, the state funding totals \$4,458.7 million, or 66.40% of partial school revenues, including \$3,989.4 million in state aid and \$469.3 million for the school levy tax credit.

Property tax levies for the long-term debt service payments of school districts are included in the partial school revenues that the state will support at an estimated two-thirds funding level. Therefore, the state's funding obligation is influenced by the degree to which school districts are successful in passing borrowing referenda. However, debt service represents a relatively small share, approximately 5.69% in 1998-99, of the total amount of K-12 revenue included in the two-thirds funding calculation.

School District Revenue Limits. Under revenue limits, the annual increase in a school district's per pupil revenue derived from general school aids and property taxes is restricted. On

October 15 of each year, the Department of Public Instruction (DPI) provides school districts with an estimate of their general school aids for the current year. The difference between a school district's revenue limit and the October 15 general school aids estimate determines the maximum amount of revenue that the district is allowed to raise through the property tax levy.

A school district can exceed the revenue limit by receiving voter approval at a referendum. The school board must approve a resolution supporting inclusion in the school district budget, an amount that exceeds the revenue limit. The resolution must specify whether the proposed excess revenue is for a recurring or non-recurring purpose, or both. If the resolution is approved by a majority of those voting on the question, the school board can exceed the revenue limit by the amount approved. These referenda could approve debt, or recurring or nonrecurring operating costs.

School District Costs and Equalization Aid. The current three-tiered cost sharing formula was enacted in 1995 Act 27 and first applied to equalization aid paid in 1996-97. There are three guaranteed valuations used in the equalization formula that are applied to three different cost levels.

Primary Guarantee. The first tier is for shared costs up to the primary cost ceiling of \$1,000 per member. State aid on these primary shared costs is calculated using a statutory guaranteed valuation of \$2,000,000 per member, and is based on a comparison of the school district's equalized valuation per member to the \$2,000,000. State aid equals the amount of costs that would be funded by the missing portion of the guaranteed tax base. Every district receives at least the primary aid amount; primary aid cannot be reduced by negative aid generated at the secondary or tertiary aid levels.

Secondary Guarantee. The second tier is for shared costs that exceed \$1,000 per member but are less than the secondary cost ceiling, which is equal to \$6,285 per member in 1998-99. The secondary cost ceiling is adjusted for inflation annually. The state's sharing of secondary costs is calculated using the secondary guaranteed valuation. The secondary guarantee is not set statutorily, but is allowed to float to a level that fully distributes the available amount of funding for equalization aids. In 1998-99, the secondary guaranteed valuation is \$676,977.

Tertiary Guarantee. The third tier is for shared costs that exceed the secondary cost ceiling of \$6,285 per member. State aid on these tertiary shared costs is calculated using the statewide equalized valuation per member, which is \$263,246 in 1998-99. If a school district's tertiary aid is a negative number, this amount is deducted from its secondary aid. As noted above, if the sum of a district's secondary and tertiary aid is a negative number, this amount is not deducted from its primary aid amount.

The tertiary guarantee is tied to the statewide property tax base per member to reflect statewide changes in property value and enrollment. It is set at an amount lower than the secondary guarantee so that the state's share will be lower on costs above the secondary cost ceiling. The tertiary guarantee feature of the equalization aid formula is intended to serve two purposes. First, it

serves as a disincentive for higher spending levels by causing districts to receive aid at much lower levels for costs incurred above the ceiling, or lose aid attributable to those costs if a district's per member equalized value is greater than the tertiary guarantee. Second, it attempts to narrow the per pupil spending disparities among school districts by redistributing aid to districts that spend at lower levels.

The equalization aid formula is calculated using school district membership, shared costs and equalized valuations from the prior school year. Shared costs are school district expenditures that are aidable through the equalization formula. Shared costs are determined by subtracting certain deductible receipts from the gross cost of a district's general fund for operating costs and its debt service fund for expenditures for long-term debt retirement. The primary deductions are: (1) state categorical aid; (2) federal aid; and (3) local, non-property tax receipts such as ticket sales, student fees and interest earnings. These items are deducted because they represent costs that have already been offset by revenue sources other than the property tax or state equalization aid. Debt service costs are included in shared costs, and therefore are aidable costs under the equalization aid formula.

GOVERNOR

Maintain current law inclusion of school district debt levies in the calculation of partial school revenues and debt service costs in the calculation of shared costs.

DISCUSSION POINTS

1. As outlined in the current law portion of this paper, the issue of school district debt enters into state support for K-12 education as part of total school district revenues included in partial school revenues and as part of shared costs aided under the equalization aid formula. On the revenue side, referenda-approved debt levies affect the *amount of state funding* required to meet the state's commitment to fund two-thirds of partial school revenues. On the cost side, debt service costs affect the *distribution of state funding* under the equalization aid formula.

2. Local property tax revenues levied for the support of referenda-approved debt are included in the definition of partial school revenues for which the state provides an estimated two-thirds level of support. While the amount of referenda-approved debt has been steadily increasing over the past two biennia, state aid for referenda-approved debt as a percent of total state support of K-12 education has remained below six percent. Based on the May, 1999, two-thirds funding reestimate completed by DOA, DPI and the Fiscal Bureau, under AB 133, state support for referenda-debt will be approximately 5.98% and 6.02% of total state support in 1999-00 and 2000-01 respectively. Table 1 outlines the portion of state support for K-12 education due to referenda-approved debt.

TABLE 1
Portion of State Support for K-12 Education Due to
Referenda-Approved Debt
(\$ in Millions)

	1995-96	1996-97	1997-98	1998-99	May 1999 Estimates	
					1999-00	2000-01
Estimated total Levy for Referenda-Approved Debt	\$245.5	\$323.8	\$346.0	\$380.9	\$420.0	\$440.0
Support of Referenda-Approved Debt Under Two-Thirds Funding	N.A.	\$215.9	\$230.7	\$253.9	\$280.0	\$293.3
Total State Support for K-12 Education	\$3,024.5	\$4,035.4	\$4,274.0	\$4,458.7	\$4,682.5	\$4,873.8
Aid for Referenda-Approved Debt as % of State Support	N.A.	5.35%	5.40%	5.69%	5.98%	6.02%

3. Debt service costs are included in shared costs, which are aided at three separate rates under the state equalization aid formula. Using shared costs data from 1997-98, debt service costs are approximately \$361.7 million, or 6.16% of total shared costs of \$5,867.1 million. Statewide debt service costs per member were \$417 in 1997-98 and ranged from a high of \$1,779 per member to a low of no debt service costs at all for 11 school districts.

4. When local voters approve a school district referendum to issue long-term debt for school construction projects, it is important to consider both the macro/statewide level effects and the micro/school district level effects of the referendum's passage. For example, assuming a 20-year even payment schedule and a 6% interest rate, if a school district passed a \$15 million referendum in November, 1998, and issued the bonds in April, 1999, the district will incur approximately \$1.3 million in debt service costs in 1999-00, depending on the structure of the bond issue.

At the macro/statewide level, this would increase partial school revenues by \$1.3 million in 1999-00, which would increase the cost of two-thirds funding of partial school revenues by \$866,700 in 1999-00. This increase in state general aid would be distributed among the 426 school districts. Most school districts would gain state aid as a result of this increase in funding, while some would be unaffected, but no school district would lose aid as a result of this increase in partial school revenues.

At the micro/school district level, the district would be required to levy for the full \$1.3 million in 1999-00 because state equalization aid is based on prior year costs. In 2000-01, the amount of state aid that the school district would receive is dependent on how the school district fares under the equalization aid formula. In all cases, these additional debt service costs would be marginal costs and therefore, would be aided at the marginal, not the average, rate of support. Most school districts have per pupil costs that exceed the secondary cost ceiling, therefore any marginal costs would be aided at the tertiary level of the equalization aid formula for most school districts.

Those districts without tertiary costs would be aided for these additional costs at the secondary level, or a combination of the secondary and tertiary levels if these additional costs cause the district costs to exceed the secondary cost ceiling. Primary aid only districts would not be aided for these additional costs.

Districts that receive positive tertiary or secondary aid would receive positive state support for these additional debt service costs; however, because the level of state support for school district costs decreases from the primary to the secondary to the tertiary level, the marginal level of state support for these additional costs will be lower than the average level of state support for the district's costs. Some districts receive negative tertiary aid and would lose state aid for these additional debt service costs.

5. Because the cost of funding two-thirds of partial school revenues continues to increase annually at rate faster than inflation, limiting future increases to a more moderate rate may be beneficial for the state's financial stability. Although in 1998-99 state aid for referenda-approved debt equals only 5.69% of total state support for K-12 education and debt service costs equal only 6.16% of total statewide shared costs, one limited approach to constraining the growth in state funding for K-12 education would be to modify the way the state supports referenda-approved debt or aids debt service costs.

6. Proponents of such a modification point to the rise in referenda approvals since the implementation of the state's commitment to two-thirds funding as evidence that school districts are using the state's funding methodology to convince voters to approve school district building projects. They argue that if the voters in a local school district approve a referendum, state funding should not be provided to support those additional costs, or state funding for those costs should at least be limited.

7. Opponents of a modification in the state's method for supporting and aiding school district debt argue that limiting the amount of school district debt that is supported by the state would be retreating from the state's commitment to fund two-thirds of partial school revenues. Additionally, restricting the amount of debt service costs that are included in shared costs would be contrary to the goal of tax base equalization, which minimizes the differences among school districts' abilities to raise revenues for educational programs. Finally, the Governor did not propose a modification to the treatment of referenda-approved debt or debt service costs, and has argued that the state should continue to fund two-thirds of partial school revenues, as defined under current law.

Debt Service Shared Costs

8. The Committee may wish to address the school district debt situation through limiting the amount of debt service costs that school districts could include in shared costs. One proposal would exclude all debt service costs from the definition of shared costs that would be aided under the state's equalization aid formula. Because two goals of the equalization aid formula are to discourage higher than average shared costs and equalize state aid across school districts by comparing school district equalized values to state guaranteed valuations, such an alternative would

have significant redistributive effects. In 1998-99, if all debt service costs had been excluded from shared costs, approximately \$58.8 million of state aid would have been redistributed. Generally, this aid would have been redistributed from lower-value, lower-cost districts to higher-value, higher-cost districts, with 238 districts losing aid, 154 gaining aid and 34 districts unaffected.

9. A similar option that would have more moderate aid redistribution effects would be to limit the amount of debt service costs that could be included in the calculation of shared costs to the statewide per pupil debt service costs, which would change each year as statewide membership and debt service costs change. In 1998-99, total statewide debt service costs of \$361,694,800 divided by total statewide membership of 867,547 yields \$417 per pupil in debt service costs. In 1998-99, if each district were limited to \$417 per pupil in debt service costs, total debt service costs that would have been aided under the equalization aid formula would have decreased from \$361.7 million to \$267.0 million.

Under this proposal, \$10.8 million would have been redistributed under the equalization aid formula in 1998-99, with 254 school districts gaining aid, 133 districts losing aid and 39 districts unaffected. While generally this aid would have been redistributed from lower-value, lower-cost districts to higher-value, higher-cost districts, this aid redistribution would have been more moderate than under the former proposal. Additionally, this method would have included an aid redistribution from districts with higher debt service costs to those with lower debt service costs, regardless of value, because the equalizing effects of negative tertiary aid would not have been as muted as under the former proposal.

10. Proponents of this alternative contend that limiting the amount of debt service costs that the state will aid under the equalization aid formula would reduce the state aid incentives that proponents believe school districts have under the current method of aiding school district shared costs. They feel that school districts would no longer be able to advertise the benefits of a building referendum by telling voters that the state would aid a certain percentage of total debt service costs. Thus, school district officials would more likely have to convince citizens to vote for a referendum based solely on the project merits, rather than the state aid implications. Therefore, proponents believe that fewer school districts would pass referenda and the cost of two-thirds funding would be reduced.

11. Opponents of this alternative maintain that limiting the debt service costs aided by the state would stifle the equalization goals of the state's distribution of school aids. Additionally, such an alternative would provide an unfair advantage to higher-value districts in passing building referenda because high-value districts would be better able to support the debt service costs not aided by the state through their property tax levy than would low-value districts. Further, opponents believe that state aid implications have a minimal effect on the passage of school district referenda, as evidenced by several recently approved referenda for which the state would provide very low or negative marginal levels of support. Finally, because this alternative would not necessarily limit the level of partial school revenues, opponents maintain that the state's commitment to two-thirds funding would not likely moderate or decrease.

Referenda-Approved Debt Revenues

12. An alternative to limiting the amount of debt service cost included in shared costs would be to address the school district debt situation through limiting the amount of referenda-approved debt that would be included in the definition of partial school revenues and therefore supported through the state's two-thirds funding commitment. This could be done by imposing an aggregate statewide limit on the amount of school district debt levy that the state would recognize for the purposes of calculating partial school revenues. Under this option, a statewide limit of \$420 million could be established for 2000-01, which is the estimated school district debt levy for 1999-00.

13. The effect of this alternative would be that the state would establish a cap on the total amount of referenda-approved debt that it would be willing to support under its two-thirds funding commitment. If, in the aggregate, school districts exceed this limit, then all school districts would see a proportional reduction in state support for all school district costs. In estimating partial school revenues for the purpose of estimating the state's cost of funding two-thirds of partial school revenues, if the debt levy increased to \$440 million, a debt levy of \$420 million would be used rather than the actual debt levy amount. In this case, the state's definition of partial school revenues would be \$20 million less than actual partial school revenues, and therefore the amount of funding necessary to fund two-thirds would be \$13.3 million lower. However, the statewide school property tax levy would be \$13.3 million higher than otherwise would be the case.

14. Proponents of this alternative argue that because this option focuses on limiting the amount of debt levy that the state will fund, rather than the individual school district costs that it will aid, it is a more effective method for limiting the increases in the cost of two-thirds funding. In addition, it would not affect the equalization goals of the school aid formula because it would continue to aid all school district costs as under current law. In other words, it focuses on the level of state funding for K-12 education, rather than the distribution of state funding for K-12 education.

15. Opponents assert that such an alternative would not limit the perceived or actual incentives that individual school districts utilize to pass referenda. In other words, if a school district can pass a referendum, increase its shared costs and thereby increase its state aid, then such an alternative would not limit school districts' abilities to pass referenda. Under this alternative, school districts would be competing against each other for state aid from a more limited amount of state funding. In addition, altering the definition of partial school revenues could be perceived as receding from the state's commitment to fund two-thirds of partial school revenues.

16. If the Committee were to impose an aggregate statewide limit of \$420 million on the amount of school district debt levy that the state would include in the calculation of partial school revenues, the cost of funding two-thirds of partial school revenues would decrease by \$13.3 million GPR in 2000-01 due to an estimated school district debt levy of \$440 million in that year.

17. Because referenda-approved debt and debt service costs make up such a small percentage of total partial school revenues and shared costs respectively, the Committee may wish

prospective for
debt issue
from now
on?

debt levy
debt itself

amt levied to pay off debt

to maintain the current methodology for supporting debt levies and debt service costs. Arguably, because other school district revenues and costs are not treated differently, it may be inconsistent to treat debt revenues and costs differently, especially after they have received approval by a majority of voters in a school district. Voters may have approved a referendum for educational reasons, such as improved technology, safer and more accessible buildings or growing enrollments and therefore, to the extent possible, the state should provide the same level of support and equalized distribution of aid as with other educational revenues and costs.

ALTERNATIVES

1. Beginning in 2000-01, for each school district, limit the amount of per pupil debt service costs to be included in the definition of shared costs that would be aided under the state's equalization aid formula to the annual statewide total debt service costs divided by the annual statewide membership.

2. Beginning in 2000-01, limit the amount of referenda-approved school district debt levy included in the definition of partial school revenues to the lesser of the actual referenda-approved school district debt levy or \$420 million. Delete \$13,333,300 GPR from general school aids in 2000-01 to adjust two-thirds funding of partial school revenues.

Alternative 2	GPR
1999-01 FUNDING (Change to Bill)	-\$13,333,300

↓
Inflation
in 2001-02
March to March

3. Maintain current law.

Prepared by: Ruth Hardy



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0402/1

MJL:.....

169

LFB:.....Hardy - School district debt levies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

SOON
TO editing 5/25

1 At the locations indicated, amend the bill as follows:

2 1. Page 902, line 15: delete lines 15 to 22 and substitute:

3 "SECTION 1801m. 73.0305^x of the statutes is amended to read:

4 73.0305 Revenue limits and partial school revenues[✓] calculations. The

5 department of revenue shall annually determine and certify to the state

6 superintendent of public instruction, no later than the 4th Monday in June, the

7 allowable rate of increase for the limit imposed under subch. VII of ch. 121 s. 121.91

8 (2m) (d) and for the determination under s. 121.15 (3m) (a) 1m[✓] a. to ~~1m~~^Δ c. For that

9 limit^Δ and for that determination, the allowable rate of increase is the percentage

10 change in the consumer price index for all urban consumers, U.S. city average,

1 between the preceding March 31 and the 2nd preceding March 31, as computed by
2 the federal department of labor.” ✓

History: 1993 a. 16; 1995 a. 27; 1997 a. 27.

3 2. Page 1013, line 5: delete lines 5 to 12 and substitute:

4 “SECTION 2139m. ✓ 121.15 (3m) (a) 1. ✓ of the statutes is renumbered 121.15 (3m)

5 (a) 1m. (intro.) and amended to read:

6 121.15 (3m) (a) 1m. (intro.) “Partial school revenues” means the sum of state school
7 aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv), and
8 property taxes levied for school districts and aid paid to school districts under s.
9 79.095 (4), ✓ less the amount of any revenue limit increase under s. 121.91 (4) (a) 2. due
10 to a school board’s increasing the services that it provides by adding responsibility
11 for providing a service transferred to it from another school board and, less the
12 amount of any revenue limit increase under s. 121.91 (4) (a) 3. ✓ and less the smaller
13 of property taxes levied to pay debt service or an amount determined as follows:

~~14 a. In the 2000-01 school year, \$180 million.
15 b. In the 2001-02 school year, \$120 million multiplied by the sum of 1.0 plus
16 the allowable rate of increase under s. 73.0305 expressed as a decimal.
17 c. In the 2002-03 school year and in any school year thereafter, the amount
18 determined in the previous school year under this subdivision 1m. ✓ or under subd.
19 1m. b. ✓ multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
20 expressed as a decimal.~~

History: 1977 c. 29 s. 1098; 1977 c. 273; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 9145 (1); 1997 a. 27, 113, 228; 1997 a. 237 ss. 368v to 369, 727p.

21 SECTION 2139f. 121.15 (3m) (a) 1d. ✓ of the statutes is created to read:

22 121.15 (3m) (a) 1d. “Debt service” ✓ means the payment of any general obligation
23 debt service, including debt service on debt issued or reissued to fund or refund
24 outstanding municipal obligations, interest on outstanding municipal obligations or

1 the payment of related issuance costs or redemption premiums authorized by a
2 referendum and secured by the full faith and credit of the school district. ❄

3 **3.** Page 1456, line 20: after that line insert:

4 ^c“(5m) PARTIAL SCHOOL REVENUES. The treatment of sections 73.0305 and 121.15

5 (3m) (a) ~~MMMM~~ 1d. of the statutes first ~~apply~~ ^{apply} to the determination made under
6 section 121.15 (3m) (c) [✓] of the statutes for the 2000-01 school year.”.

7 (END)

the renumbering and amendment of section 121.15
(3m)(a) 1. ^{of the statutes} and the creation of section 121.15 (3m)
(a) 1. a., b. and c. of the statutes

INS A

between the preceding March 31 and the 2nd preceding March 31, as computed by the federal department of labor."

History: 1993 a. 16; 1995 a. 27; 1997 a. 27.

2. Page 1013, line 5: delete lines 5 to 12 and substitute:

"SECTION 2139m. 121.15 (3m) (a) 1. of the statutes is renumbered 121.15 (3m)

(a) 1m. and amended to read:

121.15 (3m) (a) 1m. "Partial school revenues" means the sum of state school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv), and property taxes levied for school districts and aid paid to school districts under s. 79.095 (4), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a school board's increasing the services that it provides by adding responsibility for providing a service transferred to it from another school board and, less the amount of any revenue limit increase under s. 121.91 (4) (a) 3 and less the smaller of property taxes levied to pay debt service or an amount determined as follows:

(a) 1m. In the 2000-01 school year, \$420,000,000 (use twice)

(b) In the 2001-02 school year, \$120 million multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal.

(c) In the 2002-03 school year and in any school year thereafter, the amount determined in the previous school year under this subdivision 1m.c. or under subd. 1m.b. multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal. (end ins A)

plain

3 now

History: 1977 c. 29 s. 1098; 1977 c. 273; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 4145 (1); 1997 a. 27, 113, 328; 1997 a. 237 ss. 360v to 369, 717p

SECTION 2139r. 121.15 (3m) (a) 1d. of the statutes is created to read:

121.15 (3m) (a) 1d. "Debt service" means the payment of any general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding municipal obligations, interest on outstanding municipal obligations or

SECTION 2139p & 2139q read: 121.15 (3m) (a) 1m.a., b. and c. are created to



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0402/2
MJL:jlg:jf

LFB:.....Hardy - School district debt levies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

SOON
To ed. 6/4 *RM run*
See p. 2, 11, 11+17

1 At the locations indicated, amend the bill as follows:

2 1. Page 902, line 15: delete lines 15 to 22 and substitute:

3 "SECTION 1801m. 73.0305 of the statutes is amended to read:

4 **73.0305 Revenue limits and partial school revenues calculations.** The
5 department of revenue shall annually determine and certify to the state
6 superintendent of public instruction, no later than the 4th Monday in June, the
7 allowable rate of increase for the limit imposed under ~~subch. VII of ch. 121 s. 121.91~~
8 (2m) (d) and for the determination under s. 121.15 (3m) (a) 1m. a. to c. For that limit
9 and for that determination, the allowable rate of increase is the percentage change
10 in the consumer price index for all urban consumers, U.S. city average, between the
11 preceding March 31 and the 2nd preceding March 31, as computed by the federal
12 department of labor."

1 **2.** Page 1013, line 5: delete lines 5 to 12 and substitute:

2 **"SECTION 2139m.** 121.15 (3m) (a) 1. of the statutes is renumbered 121.15 (3m)
3 (a) 1m. (intro.) and amended to read:

4 121.15 (3m) (a) 1m. (intro.) "Partial school revenues" means the sum of state
5 school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv),
6 and property taxes levied for school districts and aid paid to school districts under
7 s. 79.095 (4), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2.
8 due to a school board's increasing the services that it provides by adding
9 responsibility for providing a service transferred to it from another school board and,
10 less the amount of any revenue limit increase under s. 121.91 (4) (a) 3. and less the

11 ^{amount by which} ~~smaller of~~ property taxes levied to pay debt service ^{exceeds} ~~an amount determined as~~
12 follows:

13 **SECTION 2139n.** 121.15 (3m) (a) 1d. of the statutes is created to read:

14 121.15 (3m) (a) 1d. "Debt service" means the payment of any general obligation
15 debt service, including debt service on debt issued or reissued to fund or refund
16 outstanding municipal obligations, interest on outstanding municipal obligations or
17 the payment of related issuance costs or redemption premiums, authorized by a
18 referendum and secured by the full faith and credit of the school district.

19 **SECTION 2139p.** 121.15 (3m) (a) 1m. a., b. and c. of the statutes are created to
20 read:

21 121.15 (3m) (a) 1m. a. In the 2000-01 school year, \$420,000,000.

22 b. In the 2001-02 school year, \$420,000,000 multiplied by the sum of 1.0 plus
23 the allowable rate of increase under s. 73.0305 expressed as a decimal.

1 c. In the 2002-03 school year and in any school year thereafter, the amount
2 determined in the previous school year under this subd. 1m. c. or under subd. 1m.
3 b. multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
4 expressed as a decimal.”.

5 **3.** Page 1456, line 20: after that line insert:

6 “(5c) PARTIAL SCHOOL REVENUES. The treatment of sections 73.0305 and 121.15
7 (3m) (a) 1d of the statutes, the renumbering and amendment of section 121.15 (3m)
8 (a) 1. of the statutes and the creation of section 121.15 (3m) (a) 1. a., b. and c. of the
9 statutes first apply to the determination made under section 121.15 (3m) (c) of the
10 statutes for the 2000-01 school year.”.

11 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0402/2 3
MJL:jlg:km

PG
2

LFB:.....Hardy - School district debt levies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

RM
run

SDN
TO cd 6/7

1 At the locations indicated, amend the bill as follows:

2 1. Page 902, line 15: delete lines 15 to 22 and substitute:

3 "SECTION 1801m. 73.0305 of the statutes is amended to read:

4 73.0305 Revenue limits and partial school revenues calculations. The

5 department of revenue shall annually determine and certify to the state

6 superintendent of public instruction, no later than the 4th Monday in June, the

7 allowable rate of increase for the limit imposed under subch. VII of ch. 121 ~~s. 121.11~~ ^{ster}

8 ~~s. 121.11~~ and for the determination under s. 121.15 (3m) (a) 1m. a. to c. For that limit

9 and for that determination, the allowable rate of increase is the percentage change

10 in the consumer price index for all urban consumers, U.S. city average, between the

11 preceding March 31 and the 2nd preceding March 31, as computed by the federal

12 department of labor.".

1 **2.** Page 1013, line 5: delete lines 5 to 12 and substitute:

2 **"SECTION 2139m.** 121.15 (3m) (a) 1. of the statutes is renumbered 121.15 (3m)
3 (a) 1m. (intro.) and amended to read:

4 121.15 (3m) (a) 1m. (intro.) "Partial school revenues" means the sum of state
5 school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv),
6 and property taxes levied for school districts and aid paid to school districts under
7 s. 79.095 (4), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2.
8 due to a school board's increasing the services that it provides by adding
9 responsibility for providing a service transferred to it from another school board and,
10 less the amount of any revenue limit increase under s. 121.91 (4) (a) 3. and less the
11 amount by which property taxes levied to pay debt service exceed an amount
12 determined as follows:

13 **SECTION 2139n.** 121.15 (3m) (a) 1d. of the statutes is created to read:

14 121.15 (3m) (a) 1d. "Debt service" means the payment of any general obligation
15 debt service, including debt service on debt issued or reissued to fund or refund
16 outstanding municipal obligations, interest on outstanding municipal obligations or
17 the payment of related issuance costs or redemption premiums, authorized by a
18 referendum and secured by the full faith and credit of the school district.

19 **SECTION 2139p.** 121.15 (3m) (a) 1m. a., b. and c. of the statutes are created to
20 read:

21 121.15 (3m) (a) 1m. a. In the 2000–01 school year, \$420,000,000.

22 b. In the 2001–02 school year, \$420,000,000 multiplied by the sum of 1.0 plus
23 the allowable rate of increase under s. 73.0305 expressed as a decimal.

1 c. In the 2002-03 school year and in any school year thereafter, the amount
2 determined in the previous school year under this subd. 1m. c. or under subd. 1m.
3 b. multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
4 expressed as a decimal.”.

5 **3.** Page 1456, line 20: after that line insert:

6 “(5c) PARTIAL SCHOOL REVENUES. The treatment of sections 73.0305 and 121.15
7 (3m) (a) 1d. of the statutes, the renumbering and amendment of section 121.15 (3m)
8 (a) 1. of the statutes and the creation of section 121.15 (3m) (a) 1. a., b. and c. of the
9 statutes first apply to the determination made under section 121.15 (3m) (c) of the
10 statutes for the 2000-01 school year.”.

11

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0402/3⁴
MJL:jlg:km

LFB:.....Hardy - School district debt levies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

R-M run

Insert 1-3 ✓

1 At the locations indicated, amend the bill as follows:

2 1. Page 902, line 15: delete lines 15 to 22 and substitute:

3 "SECTION 1801m. 73.0305 of the statutes is amended to read:

4 **73.0305 Revenue limits and partial school revenues calculations.** The
5 department of revenue shall annually determine and certify to the state
6 superintendent of public instruction, no later than the 4th Monday in June, the
7 allowable rate of increase for the limit imposed under subch. VII of ch. 121 and for
8 the determination under s. 121.15 (3m) (a) 1m. a. to c. For that limit and for that
9 determination, the allowable rate of increase is the percentage change in the
10 consumer price index for all urban consumers, U.S. city average, between the
11 preceding March 31 and the 2nd preceding March 31, as computed by the federal
12 department of labor."

1 **2.** Page 1013, line 5: delete lines 5 to 12 and substitute:

2 “**SECTION 2139m.** 121.15 (3m) (a) 1. of the statutes is renumbered 121.15 (3m)
3 (a) 1m. (intro.) and amended to read:

4 121.15 (3m) (a) 1m. (intro.) “Partial school revenues” means the sum of state
5 school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv),
6 and property taxes levied for school districts and aid paid to school districts under
7 s. 79.095 (4), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2.
8 due to a school board’s increasing the services that it provides by adding
9 responsibility for providing a service transferred to it from another school board and,
10 less the amount of any revenue limit increase under s. 121.91 (4) (a) 3. and less the
11 amount by which ^{the amount of} property taxes levied to pay debt service exceed^s an amount
12 determined as follows:

13 **SECTION 2139n.** 121.15 (3m) (a) 1d. of the statutes is created to read:

14 121.15 (3m) (a) 1d. “Debt service” means the payment of any general obligation
15 debt service, including debt service on debt issued or reissued to fund or refund
16 outstanding municipal obligations, interest on outstanding municipal obligations or
17 the payment of related issuance costs or redemption premiums, authorized by a
18 referendum and secured by the full faith and credit of the school district.

19 **SECTION 2139p.** 121.15 (3m) (a) 1m. a., b. and c. of the statutes are created to
20 read:

21 121.15 (3m) (a) 1m. a. In the 2000–01 school year, \$420,000,000.

22 b. In the 2001–02 school year, \$420,000,000 multiplied by the sum of 1.0 plus
23 the allowable rate of increase under s. 73.0305 expressed as a decimal.

1 c. In the 2002-03 school year and in any school year thereafter, the amount
2 determined in the previous school year under this subd. 1m. c. or under subd. 1m.
3 b. multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
4 expressed as a decimal.”.

5 **3.** Page 1456, line 20: after that line insert:

6 “(5c) PARTIAL SCHOOL REVENUES. The treatment of sections 73.0305 and 121.15
7 (3m) (a) 1d. of the statutes, the renumbering and amendment of section 121.15 (3m)
8 (a) 1. of the statutes and the creation of section 121.15 (3m) (a) 1. a., b. and c. of the
9 statutes first apply to the determination made under section 121.15 (3m) (c) of the
10 statutes for the 2000-01 school year.”.

11 (END)

LFB:.....Hardy - School district debt levies

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 183 AND 1999 SENATE BILL 45

Insert 1-3

[Handwritten signature]

number
SS. 121.15⁵
(3m)(a) 1m. ^(b) a. to
c. and 121.85(ar) and

1 At the locations indicated, amend the bill as follows:

2 1. Page 902, line 15: delete lines 15 to 22 and substitute:

3 "SECTION 1801m. 73.0305 of the statutes is amended to read:

4 73.0305 Revenue limits and ~~partial school revenues~~ ^{School aids} calculations. The

5 department of revenue shall annually determine and certify to the state

6 superintendent of public instruction, no later than the 4th Monday in June, the

7 allowable rate of increase ~~for the limit imposed~~ ^{plain} under subch. VII of ch. 121 ~~and for~~

8 ~~the determination under s. 121.15 (3m)(a) 1m. a to c. For that limit and for that~~

9 ~~determination,~~ the allowable rate of increase is the percentage change in the

10 consumer price index for all urban consumers, U.S. city average, between the

11 preceding March 31 and the 2nd preceding March 31, as computed by the federal

12 department of labor."

~~For that limit, the~~ The

(end ins 1-3)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0402/4
MJL;jlg:mrc

LFB:.....Hardy – School district debt levies

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 902, line 15: delete lines 15 to 22 and substitute:

3 “**SECTION 1801m.** 73.0305 of the statutes is amended to read:

4 **73.0305 Revenue limits and school aids calculations.** The department of
5 revenue shall annually determine and certify to the state superintendent of public
6 instruction, no later than the 4th Monday in June, the allowable rate of increase ~~for~~
7 ~~the limit imposed under ss. 121.15 (3m) (a) 1m. a. to c. and 121.85 (6) (ar) and subch.~~
8 VII of ch. 121. ~~For that limit, the~~ The allowable rate of increase is the percentage
9 change in the consumer price index for all urban consumers, U.S. city average,
10 between the preceding March 31 and the 2nd preceding March 31, as computed by
11 the federal department of labor.”.

1 **2.** Page 1013, line 5: delete lines 5 to 12 and substitute:

2 “**SECTION 2139m.** 121.15 (3m) (a) 1. of the statutes is renumbered 121.15 (3m)
3 (a) 1m. (intro.) and amended to read:

4 121.15 (3m) (a) 1m. (intro.) “Partial school revenues” means the sum of state
5 school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv),
6 and property taxes levied for school districts and aid paid to school districts under
7 s. 79.095 (4), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2.
8 due to a school board’s increasing the services that it provides by adding
9 responsibility for providing a service transferred to it from another school board and,
10 less the amount of any revenue limit increase under s. 121.91 (4) (a) 3. and less the
11 amount by which the amount of property taxes levied to pay debt service exceeds an
12 amount determined as follows:

13 **SECTION 2139n.** 121.15 (3m) (a) 1d. of the statutes is created to read:

14 121.15 (3m) (a) 1d. “Debt service” means the payment of any general obligation
15 debt service, including debt service on debt issued or reissued to fund or refund
16 outstanding municipal obligations, interest on outstanding municipal obligations or
17 the payment of related issuance costs or redemption premiums, authorized by a
18 referendum and secured by the full faith and credit of the school district.

19 **SECTION 2139p.** 121.15 (3m) (a) 1m. a., b. and c. of the statutes are created to
20 read:

21 121.15 (3m) (a) 1m. a. In the 2000–01 school year, \$420,000,000.

22 b. In the 2001–02 school year, \$420,000,000 multiplied by the sum of 1.0 plus
23 the allowable rate of increase under s. 73.0305 expressed as a decimal.

1 c. In the 2002–03 school year and in any school year thereafter, the amount
2 determined in the previous school year under this subd. 1m. c. or under subd. 1m.
3 b. multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
4 expressed as a decimal.”

5

(END)