

2003 DRAFTING REQUEST

Bill

Received: **01/16/2003**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Ziegler**

This file may be shown to any legislator: **NO**

Drafter: **mlief**

May Contact:

Addl. Drafters:

Subject: **Education - school finance**

Extra Copies: **PG**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Ziegler - BB0362,

Topic:

Eliminating the primary aid guarantee

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>
/?	mlief 01/16/2003	kfollett 01/17/2003		_____			S&L
/1			pgreensl 01/17/2003	_____	amentkow 01/17/2003		S&L
/2	mlief	jdyer	rschlue	_____	mbarman		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	01/27/2003	01/27/2003	01/28/2003	_____	01/28/2003		
/3	mlief 01/28/2003	jdye 01/28/2003	jfrantze 01/28/2003	_____	amentkow 01/28/2003		

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Handwritten notes:
 3/28 jld
 1/28
 3/28
 1/28

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JD
1-28-03

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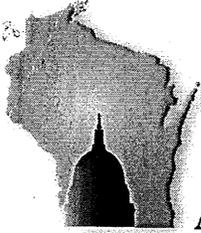
See Attached

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1?	mlief	11 kjf 11/17/03	1/17 Pg	1/17 Pg 1			

FE Sent For:

<END>



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JAMES E. DOYLE
GOVERNOR
MARC J. MAROTTA
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 15, 2003
To: Steve Miller, Chief
Legislative Reference Bureau
From: Paul Ziegler, Policy and Budget Analyst
State Budget Office, DOA
Subject: Drafting request for 2003-05 Biennial Budget Bill

Please have the following item drafted for possible inclusion in the Governor's 2003-05 biennial budget bill:

Primary aid guarantee – school equalization aids. Repeal the primary aid guarantee beginning with FY05 school aid payments. Under current law, negative aid amounts generated under the 2nd and 3rd tiers of the school equalization formula cannot reduce aid entitlements for school districts under the 1st tier of the formula. This draft would eliminate this current primary aid guarantee so that primary aid could be reduced or eliminated by negative secondary and/or tertiary aid.

Please contact me at 266-5468 or by email at paul.ziegler@doa.state.wi.us with any questions.

Thank you.

TRACKING INFORMATION

SBO Analyst: Paul Ziegler
Department: DPI – K12 education aids
Title of Request: Primary aid guarantee

BB0362

2003

Date (time) needed

Soon

LRB- 11558 1 1

DOA BUDGET DRAFT

MTL: kjf:

Use the appropriate components and routines developed for bills.

>>**FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION**<<
Do Not Gen

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

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:
For the main heading, execute: create → anal: → title: → head
For the subheading, execute: create → anal: → title: → sub
For the sub-subheading, execute: create → anal: → title: → sub-sub
For the analysis text, in the component bar:
For the text paragraph, execute: create → anal: → text

JNS - ANALYSIS

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

SECTION #:

JNS A

1999 BILL

(Head) EDUCATION)
(Sub head) Primary and secondary education

1
2
3
4

AN ACT to amend 121.08 (2) of the statutes; relating to: ~~eliminating the guarantee of aid for primary costs for a school district whose secondary or tertiary equalized valuation exceeds its secondary or tertiary guaranteed valuation.~~ the budget.

Analysis by the Legislative Reference Bureau

The state school aid formula is designed to equalize school district tax bases and thus minimize the differences among the abilities of school districts to raise revenue for educational programs. The formula establishes three guaranteed tax bases, known as guaranteed valuations, that apply to three 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 1998-99 school year, is \$6,285 per pupil. The percentage of a school district's state-aided costs at each level of expenditure is equal to the net guaranteed valuation (the difference between the applicable guaranteed valuation and the equalized value of taxable property in the school district) divided by the applicable guaranteed valuation.

Under the school aid formula, the aid generated at the primary level is reduced by aid generated at the secondary and tertiary levels but each school district is guaranteed aid for its primary costs. This bill eliminates this guarantee of aid for primary costs for a school district whose secondary or tertiary equalized valuation exceeds its secondary or tertiary guaranteed valuation.

IRS ANALYSIS

BILL

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

*end
SWS
ANALYSIS*

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

1 SECTION 1. 121.08 (2) of the statutes is amended to read:

2 121.08 (2) The aid computed under sub. (1) shall be reduced by the sum of the
3 amount by which the school district equalized valuation exceeds the secondary
4 guaranteed valuation, multiplied by the secondary required levy rate, and the
5 amount by which the school district equalized valuation exceeds the tertiary
6 guaranteed valuation, multiplied by the tertiary required levy rate. In no case may
7 the aid under this section be less than ~~the amount under sub. (1) (a) zero.~~

*SWS
A*

8 SECTION 2. **Initial applicability.**

9

(1) ~~This act~~ first applies to the distribution of state aid in the ~~school year~~

10

~~beginning after the effective date of this subsection.~~

*The treatment of section 121.08(2) of the statutes
2004-05 school year*

11

(END)

Lief, Madelon

From: Ziegler, Paul
Sent: Monday, January 27, 2003 2:29 PM
To: Lief, Madelon
Subject: status of drafts

Lonnie --

The following drafts will all be IN the budget bill:

1558 -- deleting the primary aid hold harmless
1563 -- deleting the 2/3rds commitment
1599 -- use of transportation \$\$ to provide an increase to general school aids.

Two changes are needed to these drafts, however.

1. #1558 -- Please make the deletion of the primary aid hold harmless effective with FY04 (rather than FY05).
2. #1563 -- Please make the deletion of the 2/3rds commitment and the deletion of the related definition of partial school revenues effective with FY04 (rather than FY05). (This may not require any change, but the intent has changed for the repeal to be effective beginning FY04.)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1558/1

MJL:kjf:pg

2
L & jld

DOA:.....Ziegler – BB0362, Eliminating the primary aid guarantee

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

RM run

Don't gen

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

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

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

2 121.08 (2) The aid computed under sub. (1) shall be reduced by the sum of the
3 amount by which the school district equalized valuation exceeds the secondary
4 guaranteed valuation, multiplied by the secondary required levy rate, and the
5 amount by which the school district equalized valuation exceeds the tertiary
6 guaranteed valuation, multiplied by the tertiary required levy rate. In no case may
7 the aid under this section be less than ~~the amount under sub. (1) (a)~~ zero.

8 **SECTION 2. Initial applicability.**

9 (1) The treatment of section 121.08 (2) of the statutes first applies to the
10 distribution of state aid in the 200^{✓ 3 4}~~4-05~~ school year.

11

(END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1558/2
MJL:kjf&jld:rs



DOA:.....Ziegler - BB0362, Eliminating the primary aid guarantee
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

RM run

don't gen

1

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

Analysis by the Legislative Reference Bureau

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

8 SECTION 9341. Initial applicability; public instruction.

9 (1) ~~The~~ treatment of section 121.08 (2) of the statutes first applies to the
10 distribution of state aid in the 2003-04 school year.

11 (END)

~~Handwritten signature~~
~~Handwritten signature~~
CS
↓
General school aid, ~~change~~



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1558/3
MJL:kjf&jld:jf

DOA:.....Ziegler – BB0362, Eliminating the primary aid guarantee
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

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

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