

2005 ASSEMBLY BILL 891

December 20, 2005 – Introduced by Representatives TOWNS, KESTELL, NASS, HINES, DAVIS, LEHMAN, HAHN, OTT, PETROWSKI, ALBERS and PRIDEMORE, cosponsored by Senators OLSEN, DARLING, HARS DORF, GROTHMAN, SCHULTZ, ZIEN and ROESSLER. Referred to Committee on Education.

1 **AN ACT** *to renumber and amend* 121.105 (2) (am); *to amend* 121.905 (3) (a) 1.,
2 121.905 (3) (b) 1., 121.91 (2m) (r) 2. b., 121.91 (4) (f) 1. and 121.91 (4) (f) 2.; and
3 **to create** 121.105 (2) (am) 2., 121.905 (3) (a) 3., 121.905 (3) (b) 3., 121.91 (2m)
4 (s) and 121.91 (4) (f) 1m. of the statutes; **relating to:** the calculation of a school
5 district's special adjustment aid and revenue limit when territory is detached
6 from one or more school districts to create a new school district.

Analysis by the Legislative Reference Bureau

Under current law, a school district is guaranteed to receive in each school year at least 85 percent of the amount of state aid that it received in the previous school year. The additional aid is called special adjustment aid. For a school district from which territory is detached to create a new school district, this bill revises the method for calculating special adjustment aid in the second and third school years after the reorganization takes effect using the ratio of retained pupils.

Current law increases a school district's revenue limit, if the average enrollment of the school district in the current and two preceding school years is less than the average enrollment in the three previous school years, by the additional amount that would have been calculated had the decline in enrollment been 25 percent of what it was. This bill also revises the method for calculating the revenue limit of a school district affected by a reorganization described above for the three years immediately following the effective date of the reorganization.

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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.** 121.105 (2) (am) of the statutes is renumbered 121.105 (2) (am) 1.
2 and amended to read:

3 121.105 **(2)** (am) 1. If Except as provided in subd. 2., if a school district would
4 receive less in state aid in the current school year before any adjustment is made
5 under s. 121.15 (4) (b) than an amount equal to 85% of the ~~sum~~ amount of the state
6 aid that it received in the previous school year ~~and the adjustment, if any, made, as~~
7 adjusted under s. 121.15 (4) (b) in the current school year, its state aid for the current
8 school year shall be increased to an amount equal to 85% of the state aid received in
9 the previous school year.

10 **SECTION 2.** 121.105 (2) (am) 2. of the statutes is created to read:

11 121.105 **(2)** (am) 2. If a school district from which territory was detached to
12 create a new school district under s. 117.105 would receive in state aid in the school
13 year beginning on the first July 1 following the effective date of the reorganization
14 less than 85 percent of the amount determined as follows, its state aid in the school
15 year beginning on the first July 1 following the effective date of the reorganization
16 shall be increased to an amount equal to 85 percent of the amount determined as
17 follows:

18 a. Divide the school district's membership in the preceding school year by the
19 school district's membership in the 2nd preceding school year.

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1 b. Multiply the amount of state aid received by the school district in the
2 preceding school year, as adjusted under s. 121.15 (4) (b) in the current school year,
3 by the quotient under subd. 2. a.

4 **SECTION 3.** 121.905 (3) (a) 1. of the statutes is amended to read:

5 121.905 (3) (a) 1. Except as provided under ~~subd. 2. and 3.~~, calculate the
6 sum of the amount of state aid received in the previous school year and property taxes
7 levied for the previous school year, excluding property taxes levied for the purpose
8 of s. 120.13 (19) and excluding funds described under s. 121.91 (4) (c), and the costs
9 of the county children with disabilities education board program, as defined in s.
10 121.135 (2) (a) 2., for pupils who were school district residents and solely enrolled in
11 a special education program provided by a county children with disabilities
12 education board in the previous school year.

13 **SECTION 4.** 121.905 (3) (a) 3. of the statutes is created to read:

14 121.905 (3) (a) 3. For a school district from which territory was detached to
15 create a new school district under s. 117.105, for the school year beginning with the
16 effective date of the reorganization, perform the following calculations:

17 a. Calculate the sum under subd. 1. for each of the school districts from which
18 territory was detached to create the new school district.

19 b. For each of those school districts, divide the result in subd. 3. a. by the
20 number of pupils enrolled in that school district in the previous school year.

21 c. For each of those school districts, multiply the result in subd. 3. b. by the
22 number of pupils enrolled in that school district in the previous school year who did
23 not reside in territory that was detached to create the new school district.

24 **SECTION 5.** 121.905 (3) (b) 1. of the statutes is amended to read:

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1 121.905 **(3)** (b) 1. Except as provided under ~~subd.~~ subds. 2. and 3., divide the
2 result in par. (a) 1. by the sum of the average of the number of pupils enrolled in the
3 3 previous school years and the number of pupils enrolled who were school district
4 residents and solely enrolled in a special education program provided by a county
5 children with disabilities education board program in the previous school year.

6 **SECTION 6.** 121.905 (3) (b) 3. of the statutes is created to read:

7 121.905 **(3)** (b) 3. For a school district from which territory was detached to
8 create a new school district under s. 117.105, for the school year beginning with the
9 effective date of the reorganization, divide the result in par. (a) 3. by the number of
10 pupils who in the previous school year were enrolled in the school district and who
11 did not reside in territory that was detached to create the new school district; for the
12 school year beginning on the first July 1 following the effective date of the
13 reorganization, divide the result in par. (a) 3. by the number of pupils enrolled in the
14 previous school year; and for the school year beginning on the 2nd July 1 following
15 the effective date of the reorganization, divide the result in par. (a) 3. by the average
16 of the number of pupils enrolled in the 2 previous school years.

17 **SECTION 7.** 121.91 (2m) (r) 2. b. of the statutes is amended to read:

18 121.91 **(2m)** (r) 2. b. For the school year beginning on the first July 1 following
19 the effective date of the reorganization the average of the number of pupils in the
20 current and the previous school years shall be used under ~~pars. (c) 4., (d) 4. and par.~~
21 ~~(e) 3.~~ 4. instead of the average of the number of pupils in the current and the 2
22 preceding school years.

23 **SECTION 8.** 121.91 (2m) (s) of the statutes is created to read:

24 121.91 **(2m)** (s) 1. Notwithstanding par. (e), if territory is detached from a
25 school district to create a new school district under s. 117.105, the revenue limit

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1 under this section of the school district from which territory is detached for the school
2 year beginning with the effective date of the reorganization shall be determined as
3 follows except as provided in subs. (3) and (4):

4 a. Divide the result under s. 121.905 (3) (a) 3. by the number of pupils who in
5 the previous school year were enrolled in the school district and who did not reside
6 in territory that was detached to create the new school district.

7 b. Add an amount equal to the amount of revenue increase per pupil allowed
8 under this subsection for the previous school year multiplied by the sum of 1.0 plus
9 the allowable rate of increase under s. 73.0305 expressed as a decimal to the result
10 under subd. 1. a.

11 c. Multiply the result under subd. 1. b. by the number of pupils who in the
12 previous school year were enrolled in the school district and who did not reside in the
13 detached territory, or by the number of pupils enrolled in the school district in the
14 current school year, whichever is greater.

15 2. If territory is detached from a school district to create a new school district
16 under s. 117.105, the following adjustments to the calculations under par. (e) apply
17 to the school district from which territory is detached for the 2 school years beginning
18 on the July 1 following the effective date of the reorganization:

19 a. For the school year beginning on the first July 1 following the effective date
20 of the reorganization, the number of pupils in the previous school year shall be used
21 under par. (e) 1. instead of the average of the number of pupils in the 3 previous school
22 years; and for the school year beginning on the 2nd July 1 following the effective date
23 of the reorganization, the average of the number of pupils in the 2 previous school
24 years shall be used under par. (e) 1. instead of the average of the number of pupils
25 in the 3 previous school years.

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1 b. For the school year beginning on the first July 1 following the effective date
2 of the reorganization the average of the number of pupils in the current and the
3 previous school year shall be used under par. (e) 4. instead of the average of the
4 number of pupils in the current and the 2 preceding school years.

5 **SECTION 9.** 121.91 (4) (f) 1. of the statutes is amended to read:

6 121.91 (4) (f) 1. ~~For~~ Except as provided in subd. 1m., for the 1999–2000 school
7 year or any school year thereafter, if the average of the number of pupils enrolled in
8 the current and the 2 preceding school years is less than the average of the number
9 of pupils enrolled in the 3 previous school years, the limit otherwise applicable under
10 sub. (2m) (e) is increased by the additional amount that would have been calculated
11 had the decline in average enrollment been 25% of what it was.

12 **SECTION 10.** 121.91 (4) (f) 1m. of the statutes is created to read:

13 121.91 (4) (f) 1m. If territory is detached from a school district to create a new
14 school district under s. 117.105, all of the following apply to the school district from
15 which territory was detached and to the new school district:

16 a. In the school year in which the school district reorganization takes effect,
17 subd. 1. does not apply.

18 b. For the school year beginning on the first July 1 following the effective date
19 of the school district reorganization, if the number of pupils enrolled in that school
20 year is less than the number of pupils enrolled in the previous school year, the limit
21 otherwise applicable under sub. (2m) (e) is increased by the additional amount that
22 would have been calculated had the decline in enrollment been 25 percent of what
23 it was.

24 c. For the school year beginning on the 2nd July 1 following the effective date
25 of the school district reorganization, if the average of the number of pupils enrolled

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1 in that school year and the previous school year is less than the average of the
2 number of pupils enrolled in the 2 previous school years, the limit otherwise
3 applicable under sub. (2m) (e) is increased by the additional amount that would have
4 been calculated had the decline in average enrollment been 25 percent of what it was.

5 **SECTION 11.** 121.91 (4) (f) 2. of the statutes is amended to read:

6 121.91 (4) (f) 2. Any additional revenue received by a school district as a result
7 of ~~subd.~~ subds. 1. and 1m. shall not be included in the base for determining the school
8 district's limit under sub. (2m) (e) for the following school year.

9 **SECTION 12. Initial applicability.**

10 (1) This act first applies to school district reorganizations that take effect on
11 July 1, 2006.

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(END)