

2007 BILL

1 **AN ACT** *to renumber* 121.58 (6); *to renumber and amend* 121.91 (4) (f) 1.; *to*
2 *amend* 121.07 (6) (a) (intro.), 121.58 (6) (title), 121.905 (1), 121.91 (2m) (e)
3 (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (s) 1. (intro.), 121.91 (4) (f) 1m.
4 b. and c. and 121.91 (7); and *to create* 20.255 (2) (fp), 121.58 (6) (b), 121.91 (4)
5 (f) 1. a. to c., 121.91 (4) (f) 1m. d. and 121.91 (8) of the statutes; **relating to:**
6 awarding grants to school districts for school district consolidation feasibility
7 studies; increasing the low-revenue ceiling for school district revenue limit
8 purposes; authorizing a school district to exceed its revenue limit under certain
9 conditions; modifying the school district revenue limit adjustment for declining
10 enrollment; distributing transportation aid balances to school districts;
11 providing for a study; and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

BILL

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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill, developed by the Joint Legislative Council's Special Committee on Review of State School Aid Formula, makes a series of changes to the school finance system in the state.

The bill includes provisions relating to school transportation, declining enrollment districts, low-spending districts, a revenue limit flexibility option, and a grant program for school consolidation feasibility studies.

Transportation

The bill requires each school board, by February 1, 2009, to report to the Department of Public Instruction (DPI) the miles driven in the 2007-08 fiscal year to provide transportation to and from school for public and private pupils. Excluded from this calculation are transportation to and from extracurricular activities, the transportation of children with disabilities, shuttle services, and field trips. The bill directs DPI to submit a report summarizing the data to the Legislature by May 1, 2009.

OK

Current law authorizes DPI to reduce payments under the school transportation appropriation that funds a portion of local transportation costs when that appropriation is insufficient to cover eligible costs filed by school districts. The bill directs DPI to fully expend the appropriation set aside for such transportation, by increasing payments to districts on a prorated basis. [See SECTIONS 4, 5, 6, 17 (2), and 18 (3) of the bill.]

Declining Enrollment

The bill extends the enrollment adjustment aid period for school districts to three years. Under this approach, in the first year of an enrollment decline, a school district would receive 100% of the allowable revenues that the decline would have generated. In the year after the decline, the district would receive an adjustment equal to 75% of the first-year adjustment. In the third year after the decline year, the district would receive an adjustment equal to 50% of the first year adjustment. [SECTIONS 11, 12, 13, 14, and 18 (1).]

Amend
Budget
Lang
A. fix (in b0339)

Low Spending Districts

The bill increases the low revenue ceiling for revenue limits by \$400 per pupil in each year of the next biennium. Thus, the 2007-08 low revenue ceiling would be increased to \$8,800 from the current \$8,400 per pupil. Subsequently, the ceiling in the 2008-09 school year would be increased to \$9,200. [SECTION 7.]

Amend
Budget
Lang.

Revenue Limit Flexibility Option

The bill provides school districts with revenue limit flexibility based on a percentage of statewide average allowable revenue per pupil.

Current revenue limits restrict the annual increase in a school district's per pupil revenue derived from general school aids, computer aid, and property taxes. Actual general aids, computer aid, and property tax revenue received in the prior year are used to establish the base year amount in order to compute the allowable revenue increase of the current school year. A per pupil revenue limit increase, which is adjusted annually for inflation, is added to the base revenue per pupil for the current school year. For example, in 2006-07, this per pupil increase is \$256.93. A school district may exceed this revenue limit by receiving voter approval at a referendum.

△

The bill allows a school board, by a 2/3 vote of its members, to increase its revenue limit, on a nonrecurring basis, by an amount equal to 1% of the statewide average

BILL

allowable revenue per pupil in the previous school year, multiplied by the district's current three-year rolling average pupil count. Under the bill, the 1% would not be included in shared cost and would not be included in the determination of partial school revenues for purposes of calculating state aid. Thus, any amount raised under this option would not generate corresponding state aid and would not be included in a calculation of the state 2/3 funding goal calculation. The additional costs would be funded from local property taxes and would not be supported by state aid.

Districts would be required to levy the maximum amount allowed under current revenue caps and would not be allowed to put the additional 1% into a fund balance account or maintain the excess revenue in the balance of any fund beyond June 30 of the school year in which the resolution was adopted. As a nonrecurring cost, the additional spending would not be part of the school district base budget; therefore, for a school board to exceed its revenue cap in any subsequent years, it would need to authorize the additional 1% each year by a 2/3 vote of the members. [SECTIONS 3, 8, 9, 10, 15, 16, and 18 (2).]

Grant Program for School District Consolidation Feasibility Studies

The bill creates a grant program for school district consolidation feasibility studies. The bill permits a consortium of two or more school districts to apply to DPI for a one-time grant to conduct a school district consolidation feasibility study. The bill provides that applicants for the grant must submit a plan identifying the school districts engaged in the study, the issues the study will address, and how the grant funds will be allocated. The grant program is funded with a one-time appropriation of \$250,000 in the 2008-09 fiscal year. Grants under the bill would be limited to \$10,000 per year to any consortium.

The bill requires DPI to give priority to applications that demonstrate prior district attempts to address underlying issues associated with management and operation of the district's programs.

The bill authorizes grants only for the 2008-09 school year and provides that a school district may not be a member of more than one consortium seeking a grant. [SECTIONS 1, 2, 17 (1), and 19 (1).]

The bill makes other technical changes relating to the placement and cross-references in the statutes necessary to implement the proposed changes.

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

| | | | |
|---|---|----------------|----------------|
| 3 | | 2007-08 | 2008-09 |
| 4 | 20.255 Public Instruction, department of | | |
| 5 | (2) AID FOR LOCAL EDUCATIONAL PROGRAMMING | | |
| 6 | (fp) Grants for school district consoli- | | |
| 7 | dation feasibility studies | GPR A | -0- 250,000 |

8 **SECTION 2.** 20.255 (2) (fp) of the statutes is created to read:

9 20.255 (2) (fp) *Grants for school district consolidation feasibility studies.* The
10 amounts in the schedule for grants for school district consolidation feasibility studies

Delete

BILL**SECTION 2**

1 under 2007 Wisconsin Act (this act), section 17 (1). No funds may be encumbered
2 from this appropriation after June 30, 2009.

3 **SECTION 3.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

4 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
5 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
6 including attorney fees, incurred by a school district as a result of its participation
7 in a lawsuit commenced against the state, beginning with such costs incurred in the
8 fiscal year in which the lawsuit is commenced; excludes any expenditures from a
9 capital improvement fund created under s. 120.135 and; excludes the costs of
10 transporting those transfer pupils for whom the school district operating under ch.
11 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
12 121.85 (6) (am); and excludes the amount of any excess revenue approved under s.
13 121.91 (8) (a). In this paragraph, "net cost of the debt service fund" includes all of
14 the following amounts:

15 **SECTION 4.** 121.58 (6) (title) of the statutes is amended to read:

16 121.58 (6) (title) APPROPRIATION PRORATED; PRORATION, DISTRIBUTION OF BALANCE.

17 **SECTION 5.** 121.58 (6) of the statutes is renumbered 121.58 (6) (a).

18 **SECTION 6.** 121.58 (6) (b) of the statutes is created to read:

19 121.58 (6) (b) If there is a balance in the appropriation under s. 20.255 (2) (cr)
20 in any fiscal year after the department has paid the full amount of approved claims
21 under this section and s. 121.575, the department shall distribute the balance to
22 those school districts entitled to state aid under this section, with each school district
23 receiving a percentage of the balance equal to its percentage of the total approved
24 claims.

25 **SECTION 7.** 121.905 (1) of the statutes is amended to read:

BILL

1 121.905 **(1)** In this section, “revenue ceiling” means ~~\$8,100~~ \$8,800 in the
2 2005–06 ~~2007–08~~ school year and ~~\$8,400~~ \$9,200 in any subsequent school year.

3 **SECTION 8.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

4 121.91 **(2m)** (e) (intro.) Except as provided in subs. (3) ~~and~~, (4), and (8), no
5 school district may increase its revenues for the 1999–2000 school year or for any
6 school year thereafter to an amount that exceeds the amount calculated as follows:

7 **SECTION 9.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

8 121.91 **(2m)** (r) 1. (intro.) Notwithstanding pars. (c), (d), ~~and~~, (4), and (8), if a school
9 district is created under s. 117.105, its revenue limit under this section for the school
10 year beginning with the effective date of the reorganization shall be determined as
11 follows except as provided under subs. (3) ~~and~~, (4), and (8):

12 **SECTION 10.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

13 121.91 **(2m)** (s) 1. (intro.) Notwithstanding par. (e), if territory is detached from
14 a school district to create a new school district under s. 117.105, the revenue limit
15 under this section of the school district from which territory is detached for the school
16 year beginning with the effective date of the reorganization shall be determined as
17 follows except as provided in subs. (3) ~~and~~, (4), and (8):

18 **SECTION 11.** 121.91 (4) (f) 1. of the statutes is renumbered 121.91 (4) (f) 1.
19 (intro.) and amended to read:

20 121.91 **(4)** (f) 1. (intro.) Except as provided in subd. 1m., ~~for the 1999–2000~~
21 ~~school year or any school year thereafter~~, if the average of the number of pupils
22 enrolled in the current and the 2 preceding school years is less than the average of
23 the number of pupils enrolled in the 3 previous school years, the limit otherwise
24 applicable under sub. (2m) (e) is increased by ~~the additional amount that would have~~

BILL**SECTION 11**

1 ~~been calculated had the decline in average enrollment been 25% of what it was. as~~
2 follows:

3 **SECTION 12.** 121.91 (4) (f) 1. a. to c. of the statutes are created to read:

4 121.91 (4) (f) 1. a. In the current school year, by the additional amount that
5 would have been calculated had there been no decline in average enrollment.

6 b. In the succeeding school year, by an amount equal to 75 percent of the
7 additional amount calculated under subd. 1. a.

8 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
9 additional amount calculated under subd. 1. a.

10 **SECTION 13.** 121.91 (4) (f) 1m. b. and c. of the statutes are amended to read:

11 121.91 (4) (f) 1m. b. For the school year beginning on the first July 1 following
12 the effective date of the school district reorganization, if the number of pupils
13 enrolled in that school year is less than the number of pupils enrolled in the previous
14 school year, the limit otherwise applicable under sub. (2m) (e) is increased by the
15 additional amount that would have been calculated had the there been no decline in
16 average enrollment ~~been 25 percent of what it was.~~

17 c. For the school year beginning on the 2nd July 1 following the effective date
18 of the school district reorganization, ~~if the average of the number of pupils enrolled~~
19 ~~in that school year and the previous school year is less than the average of the~~
20 ~~number of pupils enrolled in the 2 previous school years,~~ the limit otherwise
21 applicable under sub. (2m) (e) is increased by the additional an amount that would
22 have been calculated had the decline in average enrollment been 25 percent of what
23 it was equal to 75 percent of the additional amount calculated under subd. 1m. b.

24 **SECTION 14.** 121.91 (4) (f) 1m. d. of the statutes is created to read:

BILL

1 21.91 (4) (f) 1m. d. For the school year beginning on the 3rd July 1 following
2 the effective date of the school district reorganization, the limit otherwise applicable
3 under sub. (2m) (e) is increased by an amount equal to 50 percent of the additional
4 amount calculated under subd. 1m. b.

5 **SECTION 15.** 21.91 (7) of the statutes is amended to read:

6 21.91 (7) Except as provided in sub. (4) (f) 2., if an excess revenue is approved
7 under sub. (3) for a recurring purpose or allowed under sub. (4), the excess revenue
8 shall be included in the base for determining the limit for the next school year for
9 purposes of this section. If an excess revenue is approved under sub. (3) for a
10 nonrecurring purpose or approved under sub. (8), the excess revenue shall not be
11 included in the base for determining the limit for the next school year for purposes
12 of this section.

13 **SECTION 16.** 21.91 (8) of the statutes is created to read:

14 21.91 (8) (a) A school district may exceed the limit otherwise applicable to the
15 school district under sub. (2m) in any school year by the amount determined as
16 follows if a resolution to do so is adopted by at least a two-thirds vote of the
17 members-elect of the school board by November 1 in that school year:

18 1. Multiply the statewide average allowable revenue per pupil in the previous
19 school year by 0.01.

20 2. Multiply the product under subd. 1. by the average of the number of pupils
21 enrolled in the school district in the current and 2 preceding school years.

22 (b) If the school board adopts a resolution under par. (a), the school board shall
23 include the amount of the excess revenue in the property tax levy imposed in the year
24 in which the resolution was adopted and shall expend or encumber in the school year
25 in which the resolution was adopted all revenue credited to the school district for that

BILL**SECTION 16**

1 school year. The school board may not maintain the excess revenue in the balance
2 of any fund beyond June 30 of the school year in which the resolution was adopted.

SECTION 17. Nonstatutory provisions.**(1) GRANTS FOR SCHOOL DISTRICT CONSOLIDATION FEASIBILITY STUDIES.**

3
4
5 (a) A consortium of 2 or more school districts may apply to the department for
6 a grant to conduct a school district consolidation feasibility study. The consortium
7 shall submit a plan identifying the school districts engaged in the study, the issues
8 the study will address, and how the grant funds will be expended. A school district
9 may not be a member of more than one consortium.

10 (b) In the 2008-09 school year, the department shall award grants to consortia
11 from the appropriation under section 20.255 (2) (fp) of the statutes, as created by this
12 act. The department may not award more than \$10,000 to any consortium.

13 (c) The department shall give priority to applications that demonstrate prior
14 attempts to address the underlying issues associated with management and
15 operation of the school districts' programs.

16 (d) A consortium awarded a grant under paragraph (b) shall submit the results
17 of the study to the department.

18 (2) REPORT ON PUPIL TRANSPORTATION. By February 1, 2009, each school board
19 shall report to the department of public instruction the miles driven to provide
20 transportation to and from school for public and private school pupils under section
21 121.55 (1) of the statutes in the 2007-08 fiscal year, excluding transportation to and
22 from extracurricular activities, the transportation of children with disabilities,
23 shuttle services, and field trips. The department shall submit a report summarizing
24 the data to the legislature in the manner provided under section 13.172 (2) of the
25 statutes by May 1, 2009.

soon

7

stays

2

dan

2007 BILL

D-note

regen.

1 AN ACT *to renumber* 121.58 (6); *to renumber and amend* 121.91 (4) (f) 1.; *to*
 2 *amend* 121.07 (6) (a) (intro.), 121.58 (6) (title), 121.905 (1), 121.91 (2m) (e)
 3 (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (s) 1. (intro.), 121.91 (4) (f) 1m.
 4 b. and c. and 121.91 (7); and *to create* 20.255 (2) (fp), 121.58 (6) (b), 121.91 (4)
 5 (f) 1. a. to c., 121.91 (4) (f) 1m. d. and 121.91 (8) of the statutes; **relating to:**
 6 ~~awarding grants to school districts for school district consolidation feasibility~~
 7 ~~studies;~~ increasing the low-revenue ceiling for school district revenue limit
 8 purposes; authorizing a school district to exceed its revenue limit under certain
 9 conditions; modifying the school district revenue limit adjustment for declining
 10 enrollment; distributing transportation aid balances to school districts;
 11 ^{and} providing for a study, ~~and making an appropriation.~~

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

BILL

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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill, developed by the Joint Legislative Council's Special Committee on Review of State School Aid Formula, makes a series of changes to the school finance system in the state.

The bill includes provisions relating to school transportation, declining enrollment districts, low-spending districts, a revenue limit flexibility option, and a grant program for school consolidation feasibility studies.

Transportation

The bill requires each school board, by February 1, 2009, to report to the Department of Public Instruction (DPI) the miles driven in the 2007-08 fiscal year to provide transportation to and from school for public and private pupils. Excluded from this calculation are transportation to and from extracurricular activities, the transportation of children with disabilities, shuttle services, and field trips. The bill directs DPI to submit a report summarizing the data to the Legislature by May 1, 2009.

Current law authorizes DPI to reduce payments under the school transportation appropriation that funds a portion of local transportation costs when that appropriation is insufficient to cover eligible costs filed by school districts. The bill directs DPI to fully expend the appropriation set aside for such transportation, by increasing payments to districts on a prorated basis. [See SECTIONS 4, 5, 6, 17 (2), and 18 (3) of the bill.]

Declining Enrollment

The bill extends the enrollment adjustment aid period for school districts to three years. Under this approach, in the first year of an enrollment decline, a school district would receive 100% of the allowable revenues that the decline would have generated. In the year after the decline, the district would receive an adjustment equal to 75% of the first-year adjustment. In the third year after the decline year, the district would receive an adjustment equal to 50% of the first year adjustment. [SECTIONS 11, 12, 13, and 18 (1).]

Low Spending Districts

The bill increases the low revenue ceiling for revenue limits by \$400 per pupil in each year of the next biennium. Thus, the 2007-08 low revenue ceiling would be increased to \$8,800 from the current \$8,400 per pupil. Subsequently, the ceiling in the 2008-09 school year would be increased to \$9,200. [SECTION 7.]

Revenue Limit Flexibility Option

The bill provides school districts with revenue limit flexibility based on a percentage of statewide average allowable revenue per pupil.

Current revenue limits restrict the annual increase in a school district's per pupil revenue derived from general school aids, computer aid, and property taxes. Actual general aids, computer aid, and property tax revenue received in the prior year are used to establish the base year amount in order to compute the allowable revenue increase of the current school year. A per pupil revenue limit increase, which is adjusted annually for inflation, is added to the base revenue per pupil for the current school year. For example, in 2006-07, this per pupil increase is \$256.93. A school district may exceed this revenue limit by receiving voter approval at a referendum.

The bill allows a school board, by a 2/3 vote of its members, to increase its revenue limit, on a nonrecurring basis, by an amount equal to 1% of the statewide average

use
autoref
X
from
INS
7-4-3

use
autoref
X
from
INS
5-6-1

and

2 stays

2

2

BILL

allowable revenue per pupil in the previous school year, multiplied by the district's current three-year rolling average pupil count. Under the bill, the 1% would not be included in shared cost and would not be included in the determination of partial school revenues for purposes of calculating state aid. Thus, any amount raised under this option would not generate corresponding state aid and would not be included in a calculation of the state 2/3 funding goal calculation. The additional costs would be funded from local property taxes and would not be supported by state aid.

Districts would be required to levy the maximum amount allowed under current revenue caps and would not be allowed to put the additional 1% into a fund balance account or maintain the excess revenue in the balance of any fund beyond June 30 of the school year in which the resolution was adopted. As a nonrecurring cost, the additional spending would not be part of the school district base budget; therefore, for a school board to exceed its revenue cap in any subsequent years, it would need to authorize the additional 1% each year by a 2/3 vote of the members. [SECTIONS 3, 8, 9, 10, 15, 16, and 18 (2).]

use
auto-ref
Q
from
insert
S-6:2

Grant Program for School District Consolidation Feasibility Studies

The bill creates a grant program for school district consolidation feasibility studies. The bill permits a consortium of two or more school districts to apply to DPI for a one-time grant to conduct a school district consolidation feasibility study. The bill provides that applicants for the grant must submit a plan identifying the school districts engaged in the study, the issues the study will address, and how the grant funds will be allocated. The grant program is funded with a one-time appropriation of \$250,000 in the 2008-09 fiscal year. Grants under the bill would be limited to \$10,000 per year to any consortium.

The bill requires DPI to give priority to applications that demonstrate prior district attempts to address underlying issues associated with management and operation of the district's programs.

The bill authorizes grants only for the 2008-09 school year and provides that a school district may not be a member of more than one consortium seeking a grant. [SECTIONS 1, 2, 17 (1), and 19 (1).]

The bill makes other technical changes relating to the placement and cross-references in the statutes necessary to implement the proposed changes.

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

| | 2007-08 | 2008-09 |
|---|-----------|---------|
| 20.255 Public Instruction, department of | | |
| (2) AID FOR LOCAL EDUCATIONAL PROGRAMMING | | |
| (fp) Grants for school district consolidation feasibility studies | GPR A -0- | 250,000 |

SECTION 2. 20.255 (2) (fp) of the statutes is created to read:

20.255 (2) (fp) *Grants for school district consolidation feasibility studies.* The amounts in the schedule for grants for school district consolidation feasibility studies

1
2
3
4
5
6
7
8
9
10

BILL

SECTION 2

1 under 2007 Wisconsin Act (this act), section 17 (1). No funds may be encumbered
 2 from this appropriation after June 30, 2009.

3 **SECTION 3.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

4 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
 5 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
 6 including attorney fees, incurred by a school district as a result of its participation
 7 in a lawsuit commenced against the state, beginning with such costs incurred in the
 8 fiscal year in which the lawsuit is commenced; excludes any expenditures from a
 9 capital improvement fund created under s. 120.135 and; excludes the costs of
 10 transporting those transfer pupils for whom the school district operating under ch.
 11 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
 12 121.85 (6) (am); and excludes the amount of any excess revenue approved under s.

13 121.91 (8) (a). In this paragraph, "net cost of the debt service fund" includes all of
 14 the following amounts:

15 **SECTION 4.** 121.58 (6) (title) of the statutes is amended to read:

16 121.58 (6) (title) ~~APPROPRIATION PRORATED; PRORATION, DISTRIBUTION OF BALANCE.~~

17 **SECTION 5.** 121.58 (6) of the statutes is renumbered 121.58 (6) (a).

18 **SECTION 6.** 121.58 (6) (b) of the statutes is created to read:

19 121.58 (6) (b) If there is a balance in the appropriation under s. 20.255 (2) (cr)
 20 in any fiscal year after the department has paid the full amount of approved claims
 21 under this section and s. 121.575, the department shall distribute the balance to
 22 those school districts entitled to state aid under this section, with each school district
 23 receiving a percentage of the balance equal to its percentage of the total approved
 24 claims.

25 ~~**SECTION 7.** 121.905 (1) of the statutes is amended to read:~~

BILL

1 121.905 (1) In this section, "revenue ceiling" means ~~\$8,100~~ \$8,800 in the
2 ~~2005-06~~ 2007-08 school year and ~~\$8,400~~ \$9,200 in any subsequent school year.

3 **SECTION 8.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

4 121.91 (2m) (e) (intro.) Except as provided in subs. (3) ~~and (4), and (8)~~, no
5 school district may increase its revenues for the 1999-2000 school year or for any
6 school year thereafter to an amount that exceeds the amount calculated as follows:

7 **SECTION 9.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

8 121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c), (d), and (e), if a school
9 district is created under s. 117.105, its revenue limit under this section for the school
10 year beginning with the effective date of the reorganization shall be determined as
11 follows except as provided under subs. (3) ~~and (4), and (8)~~: ⁽⁹⁾

12 **SECTION 10.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

13 121.91 (2m) (s) 1. (intro.) Notwithstanding par. (e), if territory is detached from
14 a school district to create a new school district under s. 117.105, the revenue limit
15 under this section of the school district from which territory is detached for the school
16 year beginning with the effective date of the reorganization shall be determined as
17 follows except as provided in subs. (3) ~~and (4), and (8)~~: ⁽⁹⁾

18 **SECTION 11.** 121.91 (4) (f) 1. of the statutes is renumbered 121.91 (4) (f) 1.

19 (intro.) and amended to read:

20 121.91 (4) (f) 1. (intro.) Except as provided in subd. 1m., for the ~~1999-2000~~
21 school year or any school year thereafter, if the average of the number of pupils
22 enrolled in the current and the 2 preceding school years is less than the average of
23 the number of pupils enrolled in the 3 previous school years, the limit otherwise
24 applicable under sub. (2m) (e) is increased by the additional amount that would have

56

Proof w/ 2007 Act 20, section 2752

ACT 20,

plain

(9)

(9)

as affected by 2007 Wisconsin Act 20,

~~2007-08~~

BILL

SECTION 11

1 been calculated had ~~the~~ ^{there been no} decline in average enrollment ~~been 25% of what it was~~ as
2 follows:

3 **SECTION 12.** 121.91 (4) (f) 1. a. to c. of the statutes are created to read:

4 121.91 (4) (f) 1. a. In the current school year, by the additional amount that
5 would have been calculated had there been no decline in average enrollment.

6 b. In the succeeding school year, by an amount equal to 75 percent of the
7 additional amount calculated under subd. 1. a.

8 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
9 additional amount calculated under subd. 1. a.

10 **SECTION 13.** 121.91 (4) (f) 1m. b. and c. of the statutes are amended to read:

11 121.91 (4) (f) 1m. b. For the school year beginning on the first July 1 following
12 the effective date of the school district reorganization, if the number of pupils
13 enrolled in that school year is less than the number of pupils enrolled in the previous
14 school year, the limit otherwise applicable under sub. (2m) (e) is increased by the
15 additional amount that would have been calculated had ~~the~~ ^{plain} there been no decline in
16 average enrollment ~~been 25 percent of what it was~~. INS. 6-16

17 c. For the school year beginning on the 2nd July 1 following the effective date
18 of the school district reorganization, if the ~~average of the number of pupils enrolled~~
19 ~~in that school year and the previous school year is less than the average of the~~
20 ~~number of pupils enrolled in the 2 previous school years,~~ the limit otherwise
21 applicable under sub. (2m) (e) is increased by the additional an amount that would
22 have been calculated had ~~the~~ ^{there been no} decline in average enrollment ~~been 25 percent of what~~
23 ~~it was~~ equal to 75 percent of the additional amount calculated under subd. 1m. b.

24 **SECTION 14.** 121.91 (4) (f) 1m. d. of the statutes is created to read:

Proof w/ 2007 Act 20, section 2753

as affected by 2007 Wisconsin Act 20

BILL

1 121.91 (4) (f) 1m. d. For the school year beginning on the 3rd July 1 following
 2 the effective date of the school district reorganization, the limit otherwise applicable
 3 under sub. (2m) (e) is increased by an amount equal to 50 percent of the additional
 4 amount calculated under subd. 1m. b.

as affected by 2007 Wisconsin Act 20,

7-4
7-5
7-6
7-7
7-8
7-9
7-10
7-11
7-12
7-13
7-14
7-15
7-16
7-17
7-18
7-19
7-20
7-21
7-22
7-23
7-24
7-25
7-26
7-27
7-28
7-29
7-30
7-31
7-32
7-33
7-34
7-35
7-36
7-37
7-38
7-39
7-40
7-41
7-42
7-43
7-44
7-45
7-46
7-47
7-48
7-49
7-50
7-51
7-52
7-53
7-54
7-55
7-56
7-57
7-58
7-59
7-60
7-61
7-62
7-63
7-64
7-65
7-66
7-67
7-68
7-69
7-70
7-71
7-72
7-73
7-74
7-75
7-76
7-77
7-78
7-79
7-80
7-81
7-82
7-83
7-84
7-85
7-86
7-87
7-88
7-89
7-90
7-91
7-92
7-93
7-94
7-95
7-96
7-97
7-98
7-99
7-100

SECTION 15. 121.91 (7) of the statutes is amended to read:

5 121.91 (7) Except as provided in sub. (4) (f) 2, if an excess revenue is approved
 6 under sub. (3) for a recurring purpose or allowed under sub. (4), the excess revenue
 7 shall be included in the base for determining the limit for the next school year for
 8 purposes of this section. If an excess revenue is approved under sub. (3) for a
 9 nonrecurring purpose or approved under sub. (8), the excess revenue shall not be
 10 included in the base for determining the limit for the next school year for purposes
 11 of this section.

SECTION 16. 121.91 (8) of the statutes is created to read:

12 121.91 (8) (a) A school district may exceed the limit otherwise applicable to the
 13 school district under sub. (2m) in any school year by the amount determined as
 14 follows if a resolution to do so is adopted by at least a two-thirds vote of the
 15 members-elect of the school board by November 1 in that school year:

16 1. Multiply the statewide average allowable revenue per pupil in the previous
 17 school year by 0.01.

18 2. Multiply the product under subd. 1. by the average of the number of pupils
 19 enrolled in the school district in the current and 2 preceding school years.

20 (b) If the school board adopts a resolution under par. (a), the school board shall
 21 include the amount of the excess revenue in the property tax levy imposed in the year
 22 in which the resolution was adopted and shall expend or encumber in the school year
 23 in which the resolution was adopted all revenue credited to the school district for that
 24
 25

7-12

BILL**SECTION 16**

1 school year. The school board may not maintain the excess revenue in the balance
2 of any fund beyond June 30 of the school year in which the resolution was adopted.

SECTION 17. Nonstatutory provisions.**(1) GRANTS FOR SCHOOL DISTRICT CONSOLIDATION FEASIBILITY STUDIES.**

3
4
5 (a) A consortium of 2 or more school districts may apply to the department for
6 a grant to conduct a school district consolidation feasibility study. The consortium
7 shall submit a plan identifying the school districts engaged in the study, the issues
8 the study will address, and how the grant funds will be expended. A school district
9 may not be a member of more than one consortium.

10 (b) In the 2008–09 school year, the department shall award grants to consortia
11 from the appropriation under section 20.255 (2) (fp) of the statutes, as created by this
12 act. The department may not award more than \$10,000 to any consortium.

13 (c) The department shall give priority to applications that demonstrate prior
14 attempts to address the underlying issues associated with management and
15 operation of the school districts' programs.

16 (d) A consortium awarded a grant under paragraph (b) shall submit the results
17 of the study to the department.

18 [#]
19 (2) REPORT ON PUPIL TRANSPORTATION. By February 1, 2009, each school board
20 shall report to the department of public instruction the miles driven to provide
21 transportation to and from school for public and private school pupils under section
22 121.55 (1) of the statutes in the 2007–08 fiscal year, excluding transportation to and
23 from extracurricular activities, the transportation of children with disabilities,
24 shuttle services, and field trips. The department shall submit a report summarizing
25 the data to the legislature in the manner provided under section 13.172 (2) of the
statutes by May 1, 2009.

create autob X

5-6-1

Section #. 121.905 (1) of the statutes, as affected by 2007 Wisconsin Act act 20, is amended to read:

\$8,700
~~\$8,700~~ \$9,100
2007-08 2008-09

121.905 (1) In this section, "revenue ceiling" means ~~\$8,100~~ in the ~~2005-06~~ school year and ~~\$8,400~~ in any subsequent school year.

History: 1995 a. 27; 1997 a. 27, 113, 164, 286; 1999 a. 9, 32; 2001 a. 16; 2003 a. 33; 2005 a. 25, 219.

~~\$9,000~~ \$9,500

Prop w/ 2007 Wis Act 20,
Section 2750

✓

create
artored
Q

5-6:2

as affected by 2007 Wisconsin Act 207

Section #. 121.91 (2m) (e) (intro.) of the statutes is amended to read:

and (8), and (9)

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

History: 1993 a. 16; 1995 a. 27 ss. 4108m to 4114, 9145 (1); 1997 a. 27, 113, 164, 237, 286; 1999 a. 9, 17, 19, 32, 182; 2001 a. 16; 2005 a. 25, 219; 2007 a. 1.

Proof w/ 2007
Wis Act 20, 2751
Section

6-16

1 been calculated had the decline in average enrollment been 25% of what it was. as
2 follows:".

3 2. Page 1245, line 12: after that line insert:

4 "SECTION 2752L. 121.91 (4) (f) 1. a. to c. of the statutes are created to read:

5 121.91 (4) (f) 1. a. In the current school year, by the additional amount that
6 would have been calculated had there been no decline in average enrollment.

7 b. In the succeeding school year, by an amount equal to 75 percent of the
8 additional amount calculated under subd. 1. a.

9 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
10 additional amount calculated under subd. 1. a."

11 3. Page 1245, line 19: after "was" insert "1099". In the succeeding school year, the

12 limit otherwise applicable under sub. (2m) (e) is increased by an amount equal to 75

13 percent of the amount calculated under this ^{subd.} subdivision ^{l.m.b.} for the school year beginning

14 on the first July 1 following the effective date of the reorganization. In the 2nd

15 succeeding school year, the limit otherwise applicable under sub. (2m) (e) is increased

16 by an amount equal to 50 percent of the amount calculated under this ^{subd.} subdivision ^{l.m.b.}

17 for the school year beginning on the first July 1 following the effective date of the

18 reorganization". ^{score period}

19 4. Page 1246, line 2: after "was" insert ". In the succeeding school year, the

20 limit otherwise applicable under sub. (2m) (e) is increased by an amount equal to 75

21 percent of the amount calculated under this subdivision for the school year beginning

22 on the 2nd July 1 following the effective date of the reorganization. In the 2nd

23 succeeding school year, the limit otherwise applicable under sub. (2m) (e) is increased

24 by an amount equal to 50 percent of the amount calculated under this subdivision

7-4:1

Section #. 121.91 (4) (f) 1m. c. of the statutes, as affected by 2007 Wisconsin Act act 20, is repealed and recreated to read:

9

121.91 (4) (f) 1m. c. For the school year beginning on the 2nd July 1 following the effective date of the school district reorganization, if the average of the number of pupils enrolled in that school year and the previous school year is less than the average of the number of pupils enrolled in the 2 previous school years, the limit otherwise applicable under sub. (2m) (e) is increased by the additional amount that would have been calculated had ^{there been no} the decline in average enrollment ~~been 25 percent~~

~~of what it was.~~

History: 1993 a. 16; 1995 a. 27 ss. 4108m to 4114, 9145 (1); 1997 a. 27, 113, 164, 237, 286; 1999 a. 9, 17, 19, 32, 182; 2001 a. 16; 2005 a. 25, 219; 2007 a. 1.

Proof w/ 2007 Wis Act 20,
Section 2754

7-4:2

1 been calculated had the decline in average enrollment been 25% of what it was. as
2 follows:”.

3 **2.** Page 1245, line 12: after that line insert:

4 “SECTION 2752L. 121.91 (4) (f) 1. a. to c. of the statutes are created to read:

5 121.91 (4) (f) 1. a. In the current school year, by the additional amount that
6 would have been calculated had there been no decline in average enrollment.

7 b. In the succeeding school year, by an amount equal to 75 percent of the
8 additional amount calculated under subd. 1. a.

9 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
10 additional amount calculated under subd. 1. a.”.

11 **3.** Page 1245, line 19: after “was” insert “. In the succeeding school year, the
12 limit otherwise applicable under sub. (2m) (e) is increased by an amount equal to 75
13 percent of the amount calculated under this subdivision for the school year beginning
14 on the first July 1 following the effective date of the reorganization. In the 2nd
15 succeeding school year, the limit otherwise applicable under sub. (2m) (e) is increased
16 by an amount equal to 50 percent of the amount calculated under this subdivision
17 for the school year beginning on the first July 1 following the effective date of the
18 reorganization”.

19 **4.** Page 1246, line 2: after “was” insert “. In the succeeding school year, the
20 limit otherwise applicable under sub. (2m) (e) is increased by an amount equal to 75
21 percent of the amount calculated under this ^{subd.} ~~subdivision~~ ^{l.m.c.} for the school year beginning
22 on the 2nd July 1 following the effective date of the reorganization. In the 2nd
23 succeeding school year, the limit otherwise applicable under sub. (2m) (e) is increased
24 by an amount equal to 50 percent of the amount calculated under this ^{subd.} ~~subdivision~~ ^{l.m.c.}

7-4:3

1 for the school year beginning on the 2nd July 1 following the effective date of the
2 reorganization." *score period*

*use auto number
not hard number
create auto ver*

3 **5.** Page 1246, line 2: after that line insert:

4 **SECTION 2754d.** 121.91 (4) (f) 1m. d. of the statutes is created to read:

5 121.91 (4) (f) 1m. d. For any school year beginning after the school year
6 described in subd. 1m. c., subd. 1. applies.

7 **6.** Page 1660, line 15: delete lines 15 to 17 and substitute:

8 "(2c) REVENUE LIMIT; DECLINING ENROLLMENT. The treatment of section 121.91
9 (4) (f) 1m. b. and c. of the statutes, the renumbering and amendment of section 121.91
10 (4) (f) 1. of the statutes, and the creation of section 121.91 (4) (f) 1. a. to c. and 1m.
11 d. of the statutes first apply to the calculation of a school district's revenue limit for
12 the 2007-08 school year."

13 (END)

7-12

SEC.#. AM. 121.91(8), as created by 2007 Wisconsin Act 20

8

121.91 (8) If a school district's initial revenue limit for the current school year, as calculated under s. 121.905 or sub. (2m) (e), whichever is appropriate, before making any adjustments under ~~sub. (3) or (4)~~, is less than the amount determined by multiplying the amount under sub. (2m) (e) 1. by the average of the number of pupils enrolled in the 3 preceding school years, the school district's initial revenue limit for the current school year, before making any adjustments under ~~sub. (3) or (4)~~, is the amount determined by multiplying the amount under sub. (2m) (e) 1. by the average of the number of pupils enrolled in the 3 preceding school years. Any additional revenue received by a school district as a result of this subsection shall not be included in the base for determining the school district's limit under sub. (2m) for the following school year.

WAAA

or 9,

or (9),

WAAA

PLAIN

PG: gjs

DN

~~SEC. RC, 121.91 (4) (f) Im.c.~~

Rules:

① 1. Are the amounts specified in
121.905(1)
S. 121.905(1) correct? ✓

② 2. Are the dates in the initial applicability provisions OK? Note that I ^{changed} only the transportation aid subsection.

③ 3. I made no changes to the Prefatory Note ^(CS) other than deleting the portion entitled

~~the~~ "Grant Program for School District ^{Feasibility} Consolidation Studies" (and the reference to that ^{grant} program in

the second paragraph). ~~Also~~ that in the

paragraph entitled "Declining Enrollment", you may ^{revenue limits.} wish to add a reference to revenue limits. Note

that in the third paragraph, under "Revenue Limit Flexibility Option," the references to "partial

school revenues" and "the state ^{2/3} funding goal calculation" are obsolete because there is no longer a ^{2/3} funding goal.

PLG

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

LRB-2279/2dn

PG:cjs:pg

November 30, 2007

Russ:

1. Are the amounts specified in s. 121.905 (1) correct?
2. Are the dates in the initial applicability provisions OK? Note that I changed only the transportation aid subsection.
3. I made no changes to the PREFATORY NOTE other than deleting the portion entitled "Grant Program for School District Consolidation Feasibility Studies" (and the reference to that grant program in the second paragraph). In the paragraph entitled "Declining Enrollment," you may wish to add a reference to revenue limits. Note that in the third paragraph under "Revenue Limit Flexibility Option," the references to "partial school revenues" and "the state 2/3 funding goal calculation" are obsolete because there is no longer a 2/3 funding goal.

Peter R. Grant
Managing Attorney
Phone: (608) 267-3362
E-mail: peter.grant@legis.wisconsin.gov



2007 BILL

1 **AN ACT to renumber** 121.58 (6); **to renumber and amend** 121.91 (4) (f) 1.; **to**
2 **amend** 121.07 (6) (a) (intro.), 121.58 (6) (title), 121.905 (1), 121.91 (2m) (e)
3 (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (s) 1. (intro.), 121.91 (4) (f) 1m.
4 b. and c., 121.91 (7) and 121.91 (8); and **to create** 121.58 (6) (b), 121.91 (4) (f)
5 1. a. to c. and 121.91 (9) of the statutes; **relating to:** increasing the low-revenue
6 ceiling for school district revenue limit purposes; authorizing a school district
7 to exceed its revenue limit under certain conditions; modifying the school
8 district revenue limit adjustment for declining enrollment; distributing
9 transportation aid balances to school districts; and providing for a study.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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:

BILL

The bill reflects the statutory changes made in 2007 Act 20, the biennial budget act, after the committee adopted its recommendations



JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill, developed by the Joint Legislative Council's Special Committee on Review of State School Aid Formula, makes a series of changes to the school finance system in the state.

The bill includes provisions relating to school transportation, declining enrollment districts, low-spending districts, and a revenue limit flexibility option.

Transportation

The bill requires each school board, by February 1, 2009, to report to the Department of Public Instruction (DPI) the miles driven in the 2007-08 fiscal year to provide transportation to and from school for public and private pupils. Excluded from this calculation are transportation to and from extracurricular activities, the transportation of children with disabilities, shuttle services, and field trips. The bill directs DPI to submit a report summarizing the data to the Legislature by May 1, 2009.

Current law authorizes DPI to reduce payments under the school transportation appropriation that funds a portion of local transportation costs when that appropriation is insufficient to cover eligible costs filed by school districts. The bill directs DPI to fully expend the appropriation set aside for such transportation, by increasing payments to districts on a prorated basis. [See SECTIONS 2, 3, 4, 17 (2), and 16 (3) of the bill.]

Declining Enrollment

The bill extends the enrollment adjustment aid period for school districts to three years. Under this approach, in the first year of an enrollment decline, a school district would receive 100% of the allowable revenues that the decline would have generated. In the year after the decline, the district would receive an adjustment equal to 75% of the first-year adjustment. In the third year after the decline year, the district would receive an adjustment equal to 50% of the first year adjustment. [SECTIONS 9, 10, 11, and 16 (1).]

The bill continues the 100% in the first year of the decline but

Low Spending Districts

The bill increases the low revenue ceiling for revenue limits by \$400 per pupil in each year of the next biennium. Thus, the 2007-08 low revenue ceiling would be increased to \$8,800 from the current \$8,400 per pupil. Subsequently, the ceiling in the 2008-09 school year would be increased to \$9,200. [SECTION 5.]

each of the next two years.

Revenue Limit Flexibility Option

The bill provides school districts with revenue limit flexibility based on a percentage of statewide average allowable revenue per pupil.

Current revenue limits restrict the annual increase in a school district's per pupil revenue derived from general school aids, computer aid, and property taxes. Actual general aids, computer aid, and property tax revenue received in the prior year are used to establish the base year amount in order to compute the allowable revenue increase of the current school year. A per pupil revenue limit increase, which is adjusted annually for inflation, is added to the base revenue per pupil for the current school year. For example, in 2006-07 this per pupil increase is \$256.93. A school district may exceed this revenue limit by receiving voter approval at a referendum.

The bill allows a school board, by a 2/3 vote of its members, to increase its revenue limit, on a nonrecurring basis, by an amount equal to 1% of the statewide average allowable revenue per pupil in the previous school year, multiplied by the district's current three-year rolling average pupil count. Under the bill, the 1% would not be included in shared cost and would not be included in the determination of partial school revenues for purposes of calculating state aid. [Thus, any amount raised under this option would not generate corresponding state aid and would not be included in a calculation of the state 2/3 funding goal calculation.] The additional costs would be funded from local property taxes and would not be supported by state aid.

Districts would be required to levy the maximum amount allowed under current revenue caps and would not be allowed to put the additional 1% into a fund balance account or maintain the excess revenue in the balance of any fund beyond June 30 of the school year in which the resolution was adopted. As a nonrecurring cost, the additional

BILL

spending would not be part of the school district base budget; therefore, for a school board to exceed its revenue cap in any subsequent years, it would need to authorize the additional 1% each year by a 2/3 vote of the members. [SECTIONS 1, 6, 7, 8, 12, 14, and 16 (2).]

13

The bill makes other technical changes relating to the placement and cross-references in the statutes necessary to implement the proposed changes.

1 **SECTION 1.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

2 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
3 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
4 including attorney fees, incurred by a school district as a result of its participation
5 in a lawsuit commenced against the state, beginning with such costs incurred in the
6 fiscal year in which the lawsuit is commenced; excludes any expenditures from a
7 capital improvement fund created under s. 120.135 and; excludes the costs of
8 transporting those transfer pupils for whom the school district operating under ch.
9 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
10 121.85 (6) (am); and excludes the amount of any excess revenue approved under s.
11 121.91 (9) (a). In this paragraph, "net cost of the debt service fund" includes all of
12 the following amounts:

13 **SECTION 2.** 121.58 (6) (title) of the statutes is amended to read:

14 121.58 (6) (title) ~~APPROPRIATION PRORATED;~~ PRORATION, DISTRIBUTION OF BALANCE.

15 **SECTION 3.** 121.58 (6) of the statutes is renumbered 121.58 (6) (a).

16 **SECTION 4.** 121.58 (6) (b) of the statutes is created to read:

17 121.58 (6) (b) If there is a balance in the appropriation under s. 20.255 (2) (cr)
18 in any fiscal year after the department has paid the full amount of approved claims
19 under this section and s. 121.575, the department shall distribute the balance to
20 those school districts entitled to state aid under this section, with each school district

BILL**SECTION 4**

1 receiving a percentage of the balance equal to its percentage of the total approved
2 claims.

3 **SECTION 5.** 121.905 (1) of the statutes, as affected by 2007 Wisconsin Act 20,
4 is amended to read:

5 121.905 (1) In this section, "revenue ceiling" means ~~\$8,700~~ \$9,100 in the
6 ~~2007-08~~ 2008-09 school year and ~~\$9,000~~ \$9,500 in any subsequent school year.

7 **SECTION 6.** 121.91 (2m) (e) (intro.) of the statutes, as affected by 2007 Wisconsin
8 Act 20, is amended to read:

9 121.91 (2m) (e) (intro.) Except as provided in subs. (3), (4), ~~and (8),~~ and (9), no
10 school district may increase its revenues for the 1999-2000 school year or for any
11 school year thereafter to an amount that exceeds the amount calculated as follows:

12 **SECTION 7.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

13 121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c), (d), and (e), if a school
14 district is created under s. 117.105, its revenue limit under this section for the school
15 year beginning with the effective date of the reorganization shall be determined as
16 follows except as provided under subs. (3) ~~and, (4),~~ and (9):

17 **SECTION 8.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

18 121.91 (2m) (s) 1. (intro.) Notwithstanding par. (e), if territory is detached from
19 a school district to create a new school district under s. 117.105, the revenue limit
20 under this section of the school district from which territory is detached for the school
21 year beginning with the effective date of the reorganization shall be determined as
22 follows except as provided in subs. (3) ~~and, (4),~~ and (9):

23 **SECTION 9.** 121.91 (4) (f) 1. of the statutes, as affected by 2007 Wisconsin Act
24 20, is renumbered 121.91 (4) (f) 1. (intro.) and amended to read:

BILL

1 21.91 (4) (f) 1. (intro.) Except as provided in subd. 1m., ~~for the 2007-08 school~~
2 ~~year or any school year thereafter~~, if the average of the number of pupils enrolled in
3 the current and the 2 preceding school years is less than the average of the number
4 of pupils enrolled in the 3 previous school years, the limit otherwise applicable under
5 sub. (2m) (e) is increased ~~by the additional amount that would have been calculated~~
6 ~~had there been no decline in average enrollment.~~ as follows:

7 **SECTION 10.** 21.91 (4) (f) 1. a. to c. of the statutes are created to read:

8 21.91 (4) (f) 1. a. In the current school year, by the additional amount that
9 would have been calculated had there been no decline in average enrollment.

10 b. In the succeeding school year, by an amount equal to 75 percent of the
11 additional amount calculated under subd. 1. a.

12 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
13 additional amount calculated under subd. 1. a.

14 **SECTION 11.** 21.91 (4) (f) 1m. b. and c. of the statutes, as affected by 2007
15 Wisconsin Act 20, are amended to read:

16 21.91 (4) (f) 1m. b. For the school year beginning on the first July 1 following
17 the effective date of the school district reorganization, if the number of pupils
18 enrolled in that school year is less than the number of pupils enrolled in the previous
19 school year, the limit otherwise applicable under sub. (2m) (e) is increased by the
20 additional amount that would have been calculated had there been no decline in
21 enrollment. In the succeeding school year, the limit otherwise applicable under sub.
22 (2m) (e) is increased by an amount equal to 75 percent of the amount calculated under
23 this subd. 1m. b. for the school year beginning on the first July 1 following the
24 effective date of the reorganization. In the 2nd succeeding school year, the limit
25 otherwise applicable under sub. (2m) (e) is increased by an amount equal to 50

BILL**SECTION 11**

1 percent of the amount calculated under this subd. 1m. b. for the school year
2 beginning on the first July 1 following the effective date of the reorganization.

3 c. For the school year beginning on the 2nd July 1 following the effective date
4 of the school district reorganization, if the average of the number of pupils enrolled
5 in that school year and the previous school year is less than the average of the
6 number of pupils enrolled in the 2 previous school years, the limit otherwise
7 applicable under sub. (2m) (e) is increased by the additional amount that would have
8 been calculated had there been no decline in average enrollment. In the succeeding
9 school year, the limit otherwise applicable under sub. (2m) (e) is increased by an
10 amount equal to 75 percent of the amount calculated under this subd. 1m. c. for the
11 school year beginning on the 2nd July 1 following the effective date of the
12 reorganization. In the 2nd succeeding school year, the limit otherwise applicable
13 under sub. (2m) (e) is increased by an amount equal to 50 percent of the amount
14 calculated under this subd. 1m. c. for the school year beginning on the 2nd July 1
15 following the effective date of the reorganization.

16 **SECTION 12.** 121.91 (7) of the statutes, as affected by 2007 Wisconsin Act 20,
17 is amended to read:

18 121.91 (7) Except as provided in sub. (4) (f) 2. and (8), if an excess revenue is
19 approved under sub. (3) for a recurring purpose or allowed under sub. (4), the excess
20 revenue shall be included in the base for determining the limit for the next school
21 year for purposes of this section. If an excess revenue is approved under sub. (3) for
22 a nonrecurring purpose or approved under sub. (9), the excess revenue shall not be
23 included in the base for determining the limit for the next school year for purposes
24 of this section.

BILL

1 **SECTION 13.** 121.91 (8) of the statutes, as created by 2007 Wisconsin Act 20, is
2 amended to read:

3 121.91 (8) If a school district's initial revenue limit for the current school year,
4 as calculated under s. 121.905 or sub. (2m) (e), whichever is appropriate, before
5 making any adjustments under sub. (3) ~~or~~, (4), or (9), is less than the amount
6 determined by multiplying the amount under sub. (2m) (e) 1. by the average of the
7 number of pupils enrolled in the 3 preceding school years, the school district's initial
8 revenue limit for the current school year, before making any adjustments under sub.
9 (3) ~~or~~, (4), or (9), is the amount determined by multiplying the amount under sub.
10 (2m) (e) 1. by the average of the number of pupils enrolled in the 3 preceding school
11 years. Any additional revenue received by a school district as a result of this
12 subsection shall not be included in the base for determining the school district's limit
13 under sub. (2m) for the following school year.

14 **SECTION 14.** 121.91 (9) of the statutes is created to read:

15 121.91 (9) (a) A school district may exceed the limit otherwise applicable to the
16 school district under sub. (2m) in any school year by the amount determined as
17 follows if a resolution to do so is adopted by at least a two-thirds vote of the
18 members-elect of the school board by November 1 in that school year:

19 1. Multiply the statewide average allowable revenue per pupil in the previous
20 school year by 0.01.

21 2. Multiply the product under subd. 1. by the average of the number of pupils
22 enrolled in the school district in the current and 2 preceding school years.

23 (b) If the school board adopts a resolution under par. (a), the school board shall
24 include the amount of the excess revenue in the property tax levy imposed in the year
25 in which the resolution was adopted and shall expend or encumber in the school year

BILL**SECTION 14**

1 in which the resolution was adopted all revenue credited to the school district for that
2 school year. The school board may not maintain the excess revenue in the balance
3 of any fund beyond June 30 of the school year in which the resolution was adopted.

SECTION 15. Nonstatutory provisions.

4
5 (1) REPORT ON PUPIL TRANSPORTATION. By February 1, 2009, each school board
6 shall report to the department of public instruction the miles driven to provide
7 transportation to and from school for public and private school pupils under section
8 121.55 (1) of the statutes in the 2007-08 fiscal year, excluding transportation to and
9 from extracurricular activities, the transportation of children with disabilities,
10 shuttle services, and field trips. The department shall submit a report summarizing
11 the data to the legislature in the manner provided under section 13.172 (2) of the
12 statutes by May 1, 2009.

SECTION 16. Initial applicability.

13
14 (1) REVENUE LIMIT; DECLINING ENROLLMENT. The treatment of section 121.91 (4)
15 (f) 1m. b. and c. of the statutes, the renumbering and amendment of section 121.91
16 (4) (f) 1. of the statutes, and the creation of section 121.91 (4) (f) 1. a. to c. of the
17 statutes first apply to the calculation of a school district's revenue limit for the
18 2008-09 school year.

19 (2) REVENUE LIMIT; ONE PERCENT ADJUSTMENT. The treatment of section 121.91
20 (7) and (9) of the statutes first applies to the calculation of a school district's revenue
21 limit for the 2008-09 school year.

22 (3) TRANSPORTATION AID. The treatment of section 121.58 (6) (b) of the statutes
23 first applies to aid paid for transportation provided during the 2008-09 school year.

24 (END)

TODAY

2 + 3 + 8
+ 7
skans

2007 BILL

SAV

Rege Cat

1 AN ACT *to renumber* 121.58 (6); *to renumber and amend* 121.91 (4) (f) 1.; *to*
 2 *amend* 121.07 (6) (a) (intro.), 121.58 (6) (title), 121.905 (1), 121.91 (2m) (e)
 3 (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (s) 1. (intro.), 121.91 (4) (f) 1m.
 4 b. and c., 121.91 (7) and 121.91 (8); and *to create* 121.58 (6) (b), 121.91 (4) (f)
 5 1. a. to c. and 121.91 (9) of the statutes; **relating to:** increasing the low-revenue
 6 ceiling for school district revenue limit purposes; authorizing a school district
 7 to exceed its revenue limit under certain conditions; modifying the school
 8 district revenue limit adjustment for declining enrollment; distributing
 9 transportation aid balances to school districts; and providing for a study.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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:

BILL

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill, developed by the Joint Legislative Council's Special Committee on Review of State School Aid Formula, makes a series of changes to the school finance system in the state.

The bill includes provisions relating to school transportation, declining enrollment districts, low-spending districts, and a revenue limit flexibility option.

Transportation

The bill requires each school board, by February 1, 2009, to report to the Department of Public Instruction (DPI) the miles driven in the 2007-08 fiscal year to provide transportation to and from school for public and private pupils. Excluded from this calculation are transportation to and from extracurricular activities, the transportation of children with disabilities, shuttle services, and field trips. The bill directs DPI to submit a report summarizing the data to the Legislature by May 1, 2009.

Current law authorizes DPI to reduce payments under the school transportation appropriation that funds a portion of local transportation costs when that appropriation is insufficient to cover eligible costs filed by school districts. The bill directs DPI to fully expend the appropriation set aside for such transportation, by increasing payments to districts on a prorated basis. [See SECTIONS 2, 3, 4, 17(2), and 16 (3) of the bill.]

Declining Enrollment

The bill extends the enrollment adjustment aid period for school districts to three years. Under this approach, in the first year of an enrollment decline, a school district would receive 100% of the allowable revenues that the decline would have generated. In the year after the decline, the district would receive an adjustment equal to 75% of the first-year adjustment. In the third year after the decline year, the district would receive an adjustment equal to 50% of the first year adjustment. [SECTIONS 9, 10, 11, and 16 (1).]

Low Spending Districts

The bill increases the low revenue ceiling for revenue limits by \$400 per pupil in each year of the next biennium. Thus, the 2007-08 low revenue ceiling would be increased to \$8,800 from the current \$8,400 per pupil. Subsequently, the ceiling in the 2008-09 school year would be increased to \$9,200. [SECTION 5.]

Revenue Limit Flexibility Option

The bill provides school districts with revenue limit flexibility based on a percentage of statewide average allowable revenue per pupil.

Current revenue limits restrict the annual increase in a school district's per pupil revenue derived from general school aids, computer aid, and property taxes. Actual general aids, computer aid, and property tax revenue received in the prior year are used to establish the base year amount in order to compute the allowable revenue increase of the current school year. A per pupil revenue limit increase, which is adjusted annually for inflation, is added to the base revenue per pupil for the current school year. For example, in 2006-07, this per pupil increase is \$256.93. A school district may exceed this revenue limit by receiving voter approval at a referendum.

The bill allows a school board, by a 2/3 vote of its members, to increase its revenue limit, on a nonrecurring basis, by an amount equal to 1% of the statewide average allowable revenue per pupil in the previous school year, multiplied by the district's current three-year rolling average pupil count. Under the bill, the 1% would not be included in shared cost and would not be included in the determination of partial school revenues for purposes of calculating state aid. Thus, any amount raised under this option would not generate corresponding state aid and would not be included in a calculation of the state 2/3 funding goal calculation. The additional costs would be funded from local property taxes and would not be supported by state aid.

Districts would be required to levy the maximum amount allowed under current revenue caps and would not be allowed to put the additional 1% into a fund balance account or maintain the excess revenue in the balance of any fund beyond June 30 of the school year in which the resolution was adopted. As a nonrecurring cost, the additional

STET:
leave as
typed

~~Handwritten scribble~~

59,100

The bill reflects the statutory changes made in 2007 Wisconsin Act 20, the biennial budget act, after the committee adopted its recommendations.

use autoref Y from P. 8

15 (1) use autoref X from p. 8

The bill continues the 100% in the first year of the decline, but ~~scribble~~

two years

2008-09

9

7

5

BILL

spending would not be part of the school district base budget; therefore, for a school board to exceed its revenue cap in any subsequent years, it would need to authorize the additional 1% each year by a 2/3 vote of the members. [SECTIONS 1, 6, 7, 8, 12, 14, and 16 (2).]

13, ← use authored
Q
from
p-7

The bill makes other technical changes relating to the placement and cross-references in the statutes necessary to implement the proposed changes.

1 **SECTION 1.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

2 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
3 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
4 including attorney fees, incurred by a school district as a result of its participation
5 in a lawsuit commenced against the state, beginning with such costs incurred in the
6 fiscal year in which the lawsuit is commenced; excludes any expenditures from a
7 capital improvement fund created under s. 120.135 and; excludes the costs of
8 transporting those transfer pupils for whom the school district operating under ch.
9 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
10 121.85 (6) (am); and excludes the amount of any excess revenue approved under s.
11 121.91 (9) (a). In this paragraph, "net cost of the debt service fund" includes all of
12 the following amounts:

13 **SECTION 2.** 121.58 (6) (title) of the statutes is amended to read:

14 121.58 (6) (title) ~~APPROPRIATION PRORATED;~~ PRORATION, DISTRIBUTION OF BALANCE.

15 **SECTION 3.** 121.58 (6) of the statutes is renumbered 121.58 (6) (a).

16 **SECTION 4.** 121.58 (6) (b) of the statutes is created to read:

17 121.58 (6) (b) If there is a balance in the appropriation under s. 20.255 (2) (cr)
18 in any fiscal year after the department has paid the full amount of approved claims
19 under this section and s. 121.575, the department shall distribute the balance to
20 those school districts entitled to state aid under this section, with each school district

BILL

1 receiving a percentage of the balance equal to its percentage of the total approved
2 claims.

3 **SECTION 5.** 121.905 (1) of the statutes, as affected by 2007 Wisconsin Act 20,
4 is amended to read:

5 121.905 (1) In this section, “revenue ceiling” means ~~\$8,700~~ \$9,100 in the
6 ~~2007–08~~ 2008–09 school year and ~~\$9,000~~ \$9,500 in any subsequent school year.

7 **SECTION 6.** 121.91 (2m) (e) (intro.) of the statutes, as affected by 2007 Wisconsin
8 Act 20, is amended to read:

9 121.91 (2m) (e) (intro.) Except as provided in subs. (3), (4), ~~and (8), and (9)~~, no
10 school district may increase its revenues for the 1999–2000 school year or for any
11 school year thereafter to an amount that exceeds the amount calculated as follows:

12 **SECTION 7.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

13 121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c), (d), and (e), if a school
14 district is created under s. 117.105, its revenue limit under this section for the school
15 year beginning with the effective date of the reorganization shall be determined as
16 follows except as provided under subs. (3) ~~and, (4), and (9)~~:

17 **SECTION 8.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

18 121.91 (2m) (s) 1. (intro.) Notwithstanding par. (e), if territory is detached from
19 a school district to create a new school district under s. 117.105, the revenue limit
20 under this section of the school district from which territory is detached for the school
21 year beginning with the effective date of the reorganization shall be determined as
22 follows except as provided in subs. (3) ~~and, (4), and (9)~~:

23 **SECTION 9.** 121.91 (4) (f) 1. of the statutes, as affected by 2007 Wisconsin Act
24 20, is renumbered 121.91 (4) (f) 1. (intro.) and amended to read:

BILL

1 121.91 (4) (f) 1. (intro.) ~~Except as provided in subd. 1m., for the 2007–08 school~~
2 ~~year or any school year thereafter,~~ if the average of the number of pupils enrolled in
3 the current and the 2 preceding school years is less than the average of the number
4 of pupils enrolled in the 3 previous school years, the limit otherwise applicable under
5 sub. (2m) (e) is increased ~~by the additional amount that would have been calculated~~
6 ~~had there been no decline in average enrollment.~~ as follows:

7 **SECTION 10.** 121.91 (4) (f) 1. a. to c. of the statutes are created to read:

8 121.91 (4) (f) 1. a. In the current school year, by the additional amount that
9 would have been calculated had there been no decline in average enrollment.

10 b. In the succeeding school year, by an amount equal to 75 percent of the
11 additional amount calculated under subd. 1. a.

12 c. In the 2nd succeeding school year, by an amount equal to 50 percent of the
13 additional amount calculated under subd. 1. a.

14 **SECTION 11.** 121.91 (4) (f) 1m. b. and c. of the statutes, as affected by 2007
15 Wisconsin Act 20, are amended to read:

16 121.91 (4) (f) 1m. b. For the school year beginning on the first July 1 following
17 the effective date of the school district reorganization, if the number of pupils
18 enrolled in that school year is less than the number of pupils enrolled in the previous
19 school year, the limit otherwise applicable under sub. (2m) (e) is increased by the
20 additional amount that would have been calculated had there been no decline in
21 enrollment. In the succeeding school year, the limit otherwise applicable under sub.
22 (2m) (e) is increased by an amount equal to 75 percent of the amount calculated under
23 this subd. 1m. b. for the school year beginning on the first July 1 following the
24 effective date of the reorganization. In the 2nd succeeding school year, the limit
25 otherwise applicable under sub. (2m) (e) is increased by an amount equal to 50

BILL**SECTION 11**

1 percent of the amount calculated under this subd. 1m. b. for the school year
2 beginning on the first July 1 following the effective date of the reorganization.

3 c. For the school year beginning on the 2nd July 1 following the effective date
4 of the school district reorganization, if the average of the number of pupils enrolled
5 in that school year and the previous school year is less than the average of the
6 number of pupils enrolled in the 2 previous school years, the limit otherwise
7 applicable under sub. (2m) (e) is increased by the additional amount that would have
8 been calculated had there been no decline in average enrollment. In the succeeding
9 school year, the limit otherwise applicable under sub. (2m) (e) is increased by an
10 amount equal to 75 percent of the amount calculated under this subd. 1m. c. for the
11 school year beginning on the 2nd July 1 following the effective date of the
12 reorganization. In the 2nd succeeding school year, the limit otherwise applicable
13 under sub. (2m) (e) is increased by an amount equal to 50 percent of the amount
14 calculated under this subd. 1m. c. for the school year beginning on the 2nd July 1
15 following the effective date of the reorganization.

16 **SECTION 12.** 121.91 (7) of the statutes, as affected by 2007 Wisconsin Act 20,
17 is amended to read:

18 121.91 (7) Except as provided in sub. (4) (f) 2. and (8), if an excess revenue is
19 approved under sub. (3) for a recurring purpose or allowed under sub. (4), the excess
20 revenue shall be included in the base for determining the limit for the next school
21 year for purposes of this section. If an excess revenue is approved under sub. (3) for
22 a nonrecurring purpose or approved under sub. (9), the excess revenue shall not be
23 included in the base for determining the limit for the next school year for purposes
24 of this section.

BILL

*create
auto ref Q*

1 **SECTION 13.** 121.91 (8) of the statutes, as created by 2007 Wisconsin Act 20, is
2 amended to read:

3 121.91 (8) If a school district's initial revenue limit for the current school year,
4 as calculated under s. 121.905 or sub. (2m) (e), whichever is appropriate, before
5 making any adjustments under sub. (3) ~~or~~, (4), or (9), is less than the amount
6 determined by multiplying the amount under sub. (2m) (e) 1. by the average of the
7 number of pupils enrolled in the 3 preceding school years, the school district's initial
8 revenue limit for the current school year, before making any adjustments under sub.
9 (3) ~~or~~, (4), or (9), is the amount determined by multiplying the amount under sub.
10 (2m) (e) 1. by the average of the number of pupils enrolled in the 3 preceding school
11 years. Any additional revenue received by a school district as a result of this
12 subsection shall not be included in the base for determining the school district's limit
13 under sub. (2m) for the following school year.

14 **SECTION 14.** 121.91 (9) of the statutes is created to read:

15 121.91 (9) (a) A school district may exceed the limit otherwise applicable to the
16 school district under sub. (2m) in any school year by the amount determined as
17 follows if a resolution to do so is adopted by at least a two-thirds vote of the
18 members-elect of the school board by November 1 in that school year:

19 1. Multiply the statewide average allowable revenue per pupil in the previous
20 school year by 0.01.

21 2. Multiply the product under subd. 1. by the average of the number of pupils
22 enrolled in the school district in the current and 2 preceding school years.

23 (b) If the school board adopts a resolution under par. (a), the school board shall
24 include the amount of the excess revenue in the property tax levy imposed in the year
25 in which the resolution was adopted and shall expend or encumber in the school year

BILL

create authored X
create authored Y

1 in which the resolution was adopted all revenue credited to the school district for that
2 school year. The school board may not maintain the excess revenue in the balance
3 of any fund beyond June 30 of the school year in which the resolution was adopted.

SECTION 15. Nonstatutory provisions.

4
5 (1) REPORT ON PUPIL TRANSPORTATION. By February 1, 2009, each school board
6 shall report to the department of public instruction the miles driven to provide
7 transportation to and from school for public and private school pupils under section
8 121.55 (1) of the statutes in the 2007-08 fiscal year, excluding transportation to and
9 from extracurricular activities, the transportation of children with disabilities,
10 shuttle services, and field trips. The department shall submit a report summarizing
11 the data to the legislature in the manner provided under section 13.172 (2) of the
12 statutes by May 1, 2009.

SECTION 16. Initial applicability.

13
14 (1) REVENUE LIMIT; DECLINING ENROLLMENT. The treatment of section 121.91 (4)
15 (f) 1m. b. and c. of the statutes, the renumbering and amendment of section 121.91
16 (4) (f) 1. of the statutes, and the creation of section 121.91 (4) (f) 1. a. to c. of the
17 statutes first apply to the calculation of a school district's revenue limit for the
18 2008-09 school year.

(2m) (e) (s) 1. (intro.)
(intro.) (r) 1. (intro.) and ~~intro.~~

19 (2) REVENUE LIMIT; ONE PERCENT ADJUSTMENT. The treatment of section 121.91
20 (7) ⁽⁸⁾ and (9) of the statutes first applies to the calculation of a school district's revenue
21 limit for the 2008-09 school year.

22 (3) TRANSPORTATION AID. The treatment of section 121.58 (6) (b) of the statutes
23 first applies to aid paid for transportation provided during the 2008-09 school year.

24 (END)

Jacket for
Suite

CRB 22 79/3

Paris,