

2011 DRAFTING REQUEST

Bill

Received: **08/16/2011**

Received By: **pgrant**

Wanted: **As time permits**

Companion to LRB:

For: **Timothy Cullen (608) 266-2253**

By/Representing: **Austin Scieszinski**

May Contact:

Drafter: **pgrant**

Subject: **Education - school boards**
Education - school finance

Addl. Drafters:

Extra Copies: **TKK**

Submit via email: **YES**

Requester's email: **Sen.Cullen@legis.wisconsin.gov**

Carbon copy (CC:) to: **dave.loppnow@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Debt service aid for districts with low equalized value per pupil

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pgrant 08/23/2011	kfollett 09/01/2011		_____			S&L
/1	pgrant 09/22/2011	kfollett 09/23/2011	rschluet 09/01/2011	_____	mbarman 09/01/2011 mbarman 09/08/2011		S&L
/2	pgrant 09/27/2011	kfollett 09/27/2011	rschluet 09/26/2011	_____	mbarman 09/26/2011		S&L

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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jfrantze _____
09/27/2011 _____

lparisi _____
09/27/2011 _____

mbarman _____
10/14/2011 _____

FE Sent For:

<END>

↳ At Intro.

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email only

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/?	pgrant						
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FE Sent For:

<END>

Grant, Peter

From: Scieszinski, Austin
Sent: Tuesday, August 16, 2011 11:04 AM
To: Grant, Peter
Subject: School District Referendum Aid Change

Attachments: ReferendumFundingChange.pdf

Peter,

Please find attached a memorandum our office received from Dave Loppnow at the legislative Fiscal Bureau that explains the change to school district aid for referendums that we would like to have drafted into legislation.

We are seeking to provide additional state aid to assist school districts with the lowest equalized value per student in paying the debt servicing on referenda-approved borrowing for capital improvements. ~~We would like to increase the maximum level for categorical state aid to 85% for capital improvements.~~ This additional assistance would recognize that the inability of these districts to raise funds through increases in property taxes – due to low property valuations in addition to newly imposed restrictions on borrowing, are potentially preventing low income areas in the State from being able to deliver educational programs in quality buildings.

Once you have a chance to take a look at the memorandum, please send me all the questions you may have.

Thanks!

Austin W. Scieszinski
Office of Senator Tim Cullen
108 South, State Capitol
Madison, WI 53702
(608) 266-2253



ReferendumFundi
ngChange.pdf (1...



Legislative Fiscal Bureau

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

February 9, 2011

TO: Senator Timothy Cullen
Room 108 South, State Capitol

FROM: Dave Loppnow, Program Supervisor

SUBJECT: Proposal for Debt Service Aid for School Districts with Low-Equalized Value per Member

At your request, I am providing information relating to a proposal to provide additional state aid to assist school districts with low equalized value per member in paying debt service on referenda-approved borrowing.

Under this proposal, school districts with an equalized value below 50% of the statewide average value per member used in the prior aid year would be eligible for additional state aid to pay debt service on bonding approved by a referendum held after July 1, 2011. As an example of the calculation of this threshold, in aid year 2010-11, the statewide average value per member is \$581,087, so 50% of that amount is \$290,544. Based on the 2010-11 general school aids printout prepared by the Department of Public Instruction, 10 school districts had an equalized value below 50% of the statewide average value per member used in that aid year. The attachment to this memorandum shows the 10 school districts as well as their membership and equalized value per member used in the 2010-11 aid year.

Under the proposal, eligible school districts would receive, as a first draw from general school aids, an amount equal to the percentage of shared costs the district received in general aids in the prior aid year times the current debt levy for bonding approved by a referendum held after July 1, 2011. The proposal would specify that: (a) no more than 10% of the initial amount of the bond issue could be paid off in any year; (b) shared costs in each aid year would be reduced by the amount of aid received under the proposal; and (c) DPI would apply the aid percentage to the debt levy each year for these bonds.

Because this aid would be provided only for the debt levy associated with bonds approved by referendum held after July 1, 2011, it is unknown which school districts would gain or lose aid

limit of principle

under this proposal that would reallocate aid from other school districts. As general aid, these moneys from the state would be subject to revenue limits, but would have the effect of reducing the school district's controlled levy, which would reduce the net effect of an increase in the school district's debt levies to pay debt service on referenda-approved debt.

I hope that this information is helpful. Please contact me if you have any questions.

DL/sas
Attachment

ATTACHMENT

School Districts with Equalized Value per Member Less
Than 50% of Statewide Average in Aid Year 2010-11

<u>School District</u>	<u>Membership</u>	<u>Equalized Value Per Member</u>
Norris	67	\$1,325
Beloit	7,238	210,944
Wauzeka-Steuben	341	244,384
Norwalk-Ontario-Wilton	684	249,533
Abbotsford	674	269,537
Sharon J11	300	274,939
Alma Center	593	279,253
Seymour Community	2,558	284,470
Elk Mound Area	1,040	285,878
Benton	252	289,148

Lowest Property Value School Districts and their State Representatives

<u>School District</u>	<u>Assembly</u>	<u>Senate</u>
Norris School (Mukwonago)	Vacant	Lazich (R)
Beloit	Loudenbeck (R)	Cullen (D)
Wauzeka-Steuben	Nerison (R)	Kapanke (R)
Norwalk-Ontario-Wilton	Nerison (R)	Kapanke (R)
Abbotsford	Suder (R)	Moulton (R)
Sharon J11	August (R)	Kedzie (R)
Alma Center	Radcliffe (D)	Vinehout (D)
Seymour	Steineke (R)	Cowles (R)
Elk Mound	Larson (R)	Moulgon (R)
Benton	Tranel (R)	Schultz (R)

BILL

Date (time) needed

by FRIDAY

LRB - 2664, 1
PG: jf

Use the appropriate components and routines developed for bills.

AN ACT . . . [generate catalog] *to repeal . . . ; to renumber . . . ; to consolidate and renumber . . . ; to renumber and amend . . . ; to consolidate, renumber and amend . . . ; to amend . . . ; to repeal and recreate . . . ; and to create . . .* of the statutes; **relating to:** *school district debt service aid*
and making an appropriation:

[NOTE: See section 4.02 (2) (br), Drafting Manual, for specific order of standard phrases.]

Analysis by the Legislative Reference Bureau

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

(attached)

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

SECTION #.

✓

Section #. 20.255 (2) (ac) of the statutes is amended to read:

20.255 (2) (ac) *General equalization aids*. The amounts in the schedule for the payment of educational aids under ss. 121.08, 121.09, 121.095, 121.10, 121.105, 121.137 and subch. VI of ch. 121. ✓

History: 1971 c. 42, 56, 125; 1971 c. 152 s. 38; 1971 c. 154 s. 80; 1971 c. 211 ss. 24, 126; 1971 c. 215; 1973 c. 89 s. 20 (2); 1973 c. 90, 190, 243, 300, 307, 333, 336; 1975 c. 39 ss. 97 to 109, 732 (1); 1975 c. 105, 220, 224, 395; 1977 c. 26 s. 75; 1977 c. 29; 1977 c. 83 s. 26; 1977 c. 418 ss. 88m to 90, 929 (55); 1979 c. 34 ss. 164 to 191, 2102 (43) (a); 1979 c. 221 ss. 96e to 97w, 2200 (43); 1979 c. 331; 1979 c. 346 ss. 9, 15; 1981 c. 20, 86, 169; 1981 c. 314 s. 146; 1983 a. 22 s. 6; 1983 a. 27 ss. 158 to 212, 2200 (42), 2202 (42); 1983 a. 192; 1983 a. 333 s. 6; 1983 a. 370; 1985 a. 29, 56, 75, 120; 1987 a. 27, 339, 399; 1989 a. 31, 56, 114, 122, 269, 299, 309, 336, 359; 1991 a. 32, 39, 196, 269; 1993 a. 16, 168, 367, 377, 437, 454, 458, 490, 491; 1995 a. 27 ss. 563, 567 to 599, 622, 623, 9145 (1); 1995 a. 49, 227; 1997 a. 27, 113, 164, 237, 252; 1999 a. 9, 185; 2001 a. 16, 57, 105, 109; 2003 a. 33; 2005 a. 25, 43; 2007 a. 20; 2009 a. 11, 28, 58, 329; 2011 a. 32.

Section #. 121.07 (7) (b) of the statutes is amended to read:

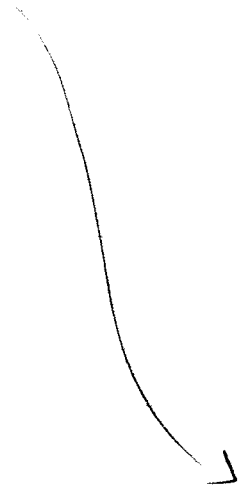
121.07 (7) (b) The “secondary guaranteed valuation per member” is an amount, rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09 and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac).

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286; 1999 a. 9, 17; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25; 2009 a. 28.

15 ✓
 SEC. # CR. 121.10

121.10 Debt service aid. (1) In this section:

(a) "Eligible bond" means a bond that has been authorized by a referendum held on or after July 1, 2011. ~~and for which the school district is obligated to pay no more than 10 percent of the principal each year.~~



(b) "Eligible"

"school district" means a school district in which the equalized valuation per member that was used to distribute state aid to school districts in the previous school year was less than 50 percent of the statewide average for all school districts.

(B) Except as provided in sub. (3),
 (2) if the school board of an eligible school district issues an eligible bond, that is approved by the voters at a referendum held ^{after} on July 1, ~~2011~~ ^{annually} the department shall pay to the school district, from the appropriation under s. 20.255

(2) (ac), the amount determined by multiplying the school district's levy for debt service on the eligible bond ^{in the current school year} by the percentage of the school district's shared cost

that the school district received in
state
general equalization aid under s. 121.08^v
in the previous school year.

(3) ~~No more than 10 percent of
eligible bond~~

(B)
(3) A school district may not receive aid under this section in any school year ^{in which} ~~unless~~ the school district is ~~obligated~~ ^{to} repays more than 10 percent of the principal ^{of} the bond. ~~in that school year.~~

✓

Section #. 121.90 (2) (am) 1. of the statutes is amended to read:

121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, [✓]121.10, and 121.136 and subch. VI, as calculated for the current school year on October 15 under s. 121.15 (4) and including adjustments made under s. 121.15 (4).

History: 1993 a. 16; 1995 a. 27; 1997 a. 27, 113, 237, 286; 1999 a. 9, 32, 186; 2001 a. 109; 2005 a. 225; 2007 a. 20, 200; 2009 a. 28; 2011 a. 32.

(End)

Analysis

This bill provides additional state aid to certain school districts ^{↓ em dash} those in which the equalized value per pupil is less than 50 percent of the statewide average ^{↓ em dash} to assist in paying debt service on bond issues approved at a referendum held on or after July 1, 2011. Under the bill, ^{or annually} the Department of Public Instruction pays an eligible school district the amount determined by multiplying the school district's ^{levy} levy for debt service on the bond ~~in the current year~~ by the percentage of the school district's shared cost that the school district received in ^{state} general school aid in the previous year.

If the school district may receive such aid
 in any year ^{year}
 only if it repays no more than 10 percent
 of the principal of the bond in that year.
 Aid is paid ^{as a first draw} from the general school
 aid appropriation, before thus reducing the
 amount distributed as general school aid.

FE-5L

Godwin, Gigi

From: Scieszinski, Austin
Sent: Tuesday, September 06, 2011 5:12 PM
To: Godwin, Gigi
Subject: Bill Draft Re-Send

Gigi,

Last Thursday afternoon we received a paper copy of a bill that Peter Grant drafted for us pertaining to school district referendum funding, but we are unable to find our electronic copy. Furthermore, the Senator just left with our only paper copy and as a result I do not have the specific bill number to ask you for.

If you are able to find this bill draft, could you please re-send it?

Thank you for your time!

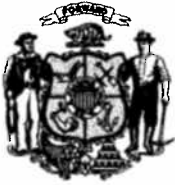
Austin W. Scieszinski
Office of Senator Tim Cullen
108 South, State Capitol
Madison, WI 53702
(608) 266-2253

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Challen
RS-2664

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prim-guarantee level



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2011 BILL

Regen

1 AN ACT *to amend* 20.255 (2) (ac), 121.07 (7) (b) and 121.90 (2) (am) 1.; and *to*
2 *create* 121.10 of the statutes; **relating to:** school district debt service aid and
3 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill provides additional state aid to certain school districts — those in which the equalized value per pupil is less than 50 percent of the statewide average — to assist in paying debt service on bond issues approved at a referendum held on or after July 1, 2011. Under the bill, annually the Department of Public Instruction pays an eligible school district the amount determined by multiplying the school district's levy for debt service on the bond by the percentage of the school district's shared cost that the school district received (in) general state school aid in the previous year. (A)

The school district may receive such aid in any year only if it repays no more than 10 percent of the principal of the bond in that year. Aid is paid as a first draw from the general school aid appropriation, thus reducing the amount distributed as general school aid to other school districts

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**SECTION 1**

1 **SECTION 1.** 20.255 (2) (ac) of the statutes is amended to read:

2 20.255 (2) (ac) *General equalization aids.* The amounts in the schedule for the
3 payment of educational aids under ss. 121.08, 121.09, 121.095, 121.10, 121.105,
4 121.137 and subch. VI of ch. 121.

5 **SECTION 2.** 121.07 (7) (b) of the statutes is amended to read:

6 121.07 (7) (b) The “secondary guaranteed valuation per member” is an amount,
7 rounded to the next lower dollar, that, after subtraction of payments under ss.
8 121.09, 121.10, and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal
9 to the amount remaining in the appropriation under s. 20.255 (2) (ac).

10 **SECTION 3.** 121.10 of the statutes is created to read:

11 **121.10 Debt service aid. (1)** In this section:

12 (a) “Eligible bond” means a bond that has been authorized by a referendum held
13 on or after July 1, 2011.

14 (b) “Eligible school district” means a school district in which the equalized
15 valuation per member that was used to distribute state aid to school districts in the
16 previous school year was less than 50 percent of the statewide average for all school
17 districts.

18 (2) Except as provided in sub. (3), if the school board of an eligible school district
19 issues an eligible bond, annually the department shall pay to the school district, from
20 the appropriation under s. 20.255 (2) (ac), the amount determined by multiplying the
21 school district’s levy for debt service on the eligible bond in the current school year
22 by the percentage of the school district’s ^{primary} shared cost that the school district received
23 in state aid under s. 121.08 ^{(1) (a)} in the previous school year.

24 (3) A school district may not receive aid under this section in any school year
25 in which the school district repays more than 10 percent of the principal of the bond.

(A)

(no 4) A school district's primary shared cost is that portion of the district's shared cost that is aided at the primary level of state aid.



TODAY

2011 BILL

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regen

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The school district may receive such aid in any year only if it repays no more than 10 percent of the principal of the bond in that year. Aid is paid as a first draw from the general school aid appropriation, thus reducing the amount distributed as general school aid to other school districts.

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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:

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17 districts.

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21 school district’s levy for debt service on the eligible bond in the current school year

BILL

1 by the percentage of the school district's primary shared cost that the school district
2 received in state aid under s. 121.08 (1) (a) in the previous school year.

3 (3) A school district may not receive aid under this section in any school year
4 in which the school district repays more than 10 percent of the principal of the bond.

5 **SECTION 4.** 121.90 (2) (am) 1. of the statutes is amended to read:

6 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
7 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
8 (4) and including adjustments made under s. 121.15 (4).

9 (END)

2-4

Section #. 121.07 (6) (a) (intro.) of the statutes is amended to read:

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

score

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286; 1999 a. 9, 17; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25; 2009 a. 28.

and any aid received
under s. 121.10'

Parisi, Lori

From: Flury, Kelley
Sent: Thursday, October 13, 2011 4:44 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-2664/3 Topic: Debt service aid for districts with low equalized value per pupil

Please Jacket LRB 11-2664/3 for the SENATE.