AN ACT to create 20.255 (2) (ag) and 115.4365 of the statutes; relating to: supplemental sparsity aid for school districts with high property valuation and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a categorical aid for a school district that qualifies for sparsity aid under current law but that does not receive sparsity aid payments from the Department of Public Instruction because of high property valuation in the school district. A school district qualifies for sparsity aid under current law if the number of pupils, or membership, in the district is no more than 725 and if the membership divided by the school district’s area in square miles is less than ten. A school district that qualifies for the categorical aid under the bill receives the lesser of the following: 1) an amount determined by multiplying the equalized valuation of the school district by the difference between the mill rate of the school district and the statewide average mill rate, or 2) the amount by which the tertiary guaranteed valuation per member of the school district exceeds the school district equalized valuation multiplied by the tertiary required levy rate.

Current law defines the equalized valuation of a school district as the full value of the taxable property in each part of each city, village, and town in each school district; this value is determined, annually, by the Department of Revenue, which certifies the amount to DPI. Current law defines “tertiary guaranteed valuation per member” as the amount, rounded to the next lower dollar, determined by dividing the equalized valuation of the state by the state total membership. Current law defines
“tertiary required levy rate” as the tertiary shared cost divided by the tertiary guaranteed valuation. Current law defines “tertiary shared cost” as that portion of a school district’s shared cost which is greater than the secondary ceiling cost per member multiplied by its membership. Finally, current law defines the “secondary ceiling cost per member” as an amount determined by dividing the state total shared cost in the previous school year by the state total membership in the previous school year and multiplying the result by 0.90.

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:

SECTION 1. 20.255 (2) (ag) of the statutes is created to read:

20.255 (2) (ag) Supplemental sparsity aid for school districts with high property valuation. A sum sufficient for supplemental sparsity aid for school districts with high property valuation under s. 115.4365.

SECTION 2. 115.4365 of the statutes is created to read:

115.4365 Supplemental sparsity aid for school districts with high property valuation. (1) In this section, “membership” has the meaning given in s. 121.004 (5).

(2) Beginning in the 2016–17 school year and annually thereafter, the department shall determine all of the following for each school district that was eligible to receive aid under s. 115.436 in the previous school year:

(a) The equalized valuation of the school district in the previous school year, as determined under s. 121.06 for the purpose of computing state aid to the school district under s. 121.08 in the previous school year. The department shall make the following adjustments to the equalized valuation determined under this paragraph, if applicable:
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1. Multiply the equalized valuation determined for a school district that operates only the elementary grades by 0.66.

2. Multiply the equalized valuation determined for a school district that operates only high school grades by 0.33.

(b) The membership of the school district in the previous school year as used for purposes of computing state aid to the school district under s. 121.08 in the previous school year.

(c) The mill rate of the school district in the previous school year. The department shall make the following adjustments to the mill rate determined under this paragraph, if applicable:

1. Multiply the mill rate determined for a school district that operates only elementary grades by 0.66.

2. Multiply the mill rate determined for a school district that operates only high school grades by 0.33.

(3) A school district is eligible for sparsity aid under this section if all the following apply:

(a) The school district was eligible for sparsity aid under s. 115.436 in the previous school year.

(b) The amount determined under sub. (2) (a) for the school district divided by the amount determined under sub. (2) (b) for the school district is greater than the tertiary guaranteed valuation per member, as determined for the previous school year under s. 121.07 (7) (bm).

(c) The amount determined under sub. (2) (c) for the school district is greater than the statewide average mill rate in the previous school year.
(4) Beginning in the 2016–17 school year, from the appropriation under s. 20.255 (2) (ag), the department shall pay to a school district eligible under sub. (3) to receive aid under this section the lesser of the following:

(a) An amount determined by multiplying the amount determined under sub. (2) (a) for the school district by the difference between the amount determined under sub. (2) (c) for the school district and the statewide average mill rate in the previous school year.

(b) The absolute value of the amount calculated under s. 121.08 (1) (c) for the school district in the previous school year.