

2019 DRAFTING REQUEST**Bill**

For: **Administration-Budget 6-7329** Drafter: **fknepp**
 By: **Kretschmann** Secondary Drafters:
 Date: **10/22/2018** May Contact:

Same as LRB:

Submit via email: **YES**
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Pre Topic:

DOA:.....Kretschmann, BB0003 -

Topic:

DPI Fair Funding for Our Future Proposal

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 11/12/2018	kfollett 11/20/2018			
/P1	fknepp 1/29/2019		dwalker 11/20/2018		State S&L
/P2	fknepp 2/20/2019	kfollett 1/29/2019	lparisi 1/29/2019		State S&L
/P3	fknepp 2/20/2019	aernstr 2/20/2019	dwalker 2/20/2019		State S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P4	fknepp 2/20/2019	kfollett 2/20/2019	mbarman 2/20/2019		State S&L
/P5	fknepp 2/20/2019	kfollett 2/20/2019	dwalker 2/20/2019		State S&L
/P6	fknepp 2/21/2019	wjackson 2/20/2019	jmurphy 2/20/2019		State S&L
/P7	fknepp 2/21/2019	anienaja 2/21/2019	mbarman 2/21/2019		State S&L
/P8	fknepp 2/25/2019	kfollett 2/21/2019	jmurphy 2/21/2019		State S&L
/P9		aernsttr 2/25/2019	lparisi 2/25/2019		State S&L

FE Sent For:

<END>

Knepp, Fern

From: Hanaman, Cathlene
Sent: Monday, October 22, 2018 10:44 AM
To: Pleviak, Krista; Knepp, Fern
Subject: FW: Statutory Language Drafting Request - 2019-21

From: Kretschmann, Kyle - DOA
Sent: Monday, October 22, 2018 10:37 AM
To: Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>
Cc: Hynek, Sara - DOA <Sara.Hynek@wisconsin.gov>; Kretschmann, Kyle - DOA <Kyle.Kretschmann@wisconsin.gov>
Subject: Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: DPI Fair Funding for Our Future Proposal

Tracking Code: BB0003

SBO Team: EWD

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Agency Acronym: 255

Agency Number: 255

Priority: Low

Intent:

Prepare language drafts for policy changes found within DPI September request included within DIN 6001 (pages 13-20). Changes include: Revenue Limits • Increase annual revenue limit by \$200/pupil in FY20, \$204 in FY21 and beginning in 2021-22 index revenue limit increases to CPI. • Repeal the limitation on districts with a failed referendum for low revenue ceiling eligibility. • Allow districts, charters and private schools to count full day 4K students as 1.0 FTE for revenue limit membership. • Starting in 2020-21 provide school district boards with the ability receive a revenue limit exemption to pass a resolution that tests and addresses lead contamination and water quality. General Equalization School Aids/Fair Funding Plan • Reallocate the School Levy Tax Credit, the First Dollar Credit, and High Poverty Aid appropriations into general equalization aid in 2020-21. Payment to be made in July 2021 on a delayed basis. • Make changes to Chapter 20 schedule related to s. 20.255(2)(ac), (2)(ag) and (2)(bb), Wisconsin Statutes. • Create a minimum level of state aid at \$3,000 per member to be applied at the end of the formula after all other adjustments to district aid except independent

charter deductions. • Create a 0.2 FTE factor for economically disadvantaged students for calculating property value per member. • Beginning in 2020-21 increase the secondary cost ceiling from 90 percent to 100 percent of state average shared costs in the prior year. • Raise the special adjustment aid provision from 85 percent to 90 percent of state general aid in the prior year. • Create a sum sufficient appropriation to compensate districts who do not receive more state support under the fair funding model compared to current law. • Allow districts, charter and private schools to count full day 4K students as 1.0 FTE for state general aid membership.

Attachments: False

Please send completed drafts to SBOStatlanguage@spmail.enterprise.wistate.us

DPI 2019-21 BIENNIAL BUDGET REQUEST

DECISION ITEM 6001 – FAIR FUNDING FOR OUR FUTURE: SCHOOL FINANCE REFORM

201 – General equalization aids

s. 20.255 (2) (ac)

203 – General equalization aids - hold harmless

s. 20.255 (2) (ag) - NEW

225 – Aid for high-poverty school districts

s. 20.255 (2) (bb)

FISCAL SUMMARY		
	2019-20 Request	2020-21 Request
Requested Aid	\$4,863,678,000	\$5,085,800,000
Less Base	\$4,673,678,000	\$4,673,678,000
Requested Change	\$190,000,000	\$412,122,000

Request

The department requests the following changes as part of its Fair Funding for our Future: School Finance Reform (Fair Funding) proposal.

- Provide requisite overall general and categorical aids to fulfill the state’s former “two-thirds” funding definition that was in effect from FY97 through FY03, beginning in FY21.
- Provide \$190,000,000 GPR in FY20 and \$412,122,000 GPR in FY21 to fund general equalization aids and implement the state superintendent’s Fair Funding plan. These figures reflect general school aid increases of 4.1 percent in FY20, and 4.6 percent in FY21, over the prior year.
- Transfer a total of \$1,090,000,000⁰⁰⁰ GPR from two state tax credits, the School Levy Tax Credit (SLTC) [\$940,000,000] and the First Dollar Credit (FDC) [\$150,000,000], into the department’s general equalization aids appropriation, beginning in FY21. Since these credits are paid to municipalities in the subsequent state fiscal year, the general equalization aids appropriation will not reflect the transfer until FY22. The department proposes continuing the delayed payment schedule that exists under current law for the SLTC and FDC. Thus, \$1,090,000,000 GPR would be paid to school districts as general equalization aids from the FY22 appropriation (July 2021) but reflected as a FY21 general aid payment.
- Maintain the high poverty aid program at its current funding level in FY20 and eliminate it in FY21, transferring base level funding into the state general equalization aids appropriation in that year.
- Change the revenue limit adjustment to \$200 per revenue limit member in FY20 and to \$204 in FY21, and increase it by the Consumer Price Index (CPI) annually, starting in FY22.
- Increase the low revenue ceiling from \$9,400 per revenue limit member, to \$9,700 in FY20 and to \$10,000 in FY21.

- Increase the state general equalization aid and revenue limit four-year-old (4K) membership calculations for school districts, independent charter schools, and private schools in the state's parental choice programs that provide a full-day 4K program, from either 0.5 or 0.6 FTE member under current law, to 1.0 FTE member, beginning in FY21.
- Provide a revenue limit adjustment for school districts to identify and fix lead contamination in the district's buildings.

Background

As part of his four previous budget requests, the state superintendent outlined the Fair Funding framework to start, and continue to move forward on, a discussion on school finance reform. The state superintendent believes that regardless of the state's fiscal situation, the state can reinvest in our K-12 schools and enact school finance reform while holding the line on property taxes.

The state superintendent has built consensus among other state and local elected officials, as well as business, community, education, and opinion leaders, around a framework for school finance reform. This school finance reform plan provides solutions that make sense from both an education and a public policy perspective, and is politically viable. It is a powerful first step that makes long overdue changes to the state school aid formula, increases transparency, and provides local school district officials with much more predictability to plan and prepare for future years.

With this proposal:

- Every district will receive more state general school aid, which will reduce their gross property tax rates and levies, providing more transparency to property taxpayers statewide.
- Additionally, 94 percent of districts will receive more overall state support under this plan compared to current law, and for \$5.8 million it will hold harmless any district that may not necessarily do better.

This plan fixes the school funding formula and holds the line on property taxes by:

- Guaranteeing a minimum amount of state general aid for every student (\$3,000), providing vital resources to the approximately 55 school districts that currently receive little or no state general aid;
- Incorporating a poverty factor (20 percent) into the general equalization aid formula (for determination of property value per member), so as to reflect the ability of the districts' families to support schools, rather than relying solely on the district's property value to indicate local ability to pay;
- Making technical formula changes that strengthen rural, declining enrollment and negatively-aided school districts, by increasing the secondary cost ceiling and the special adjustment aid level so that no district faces significant reductions in its state general aid in any given year;
- Restoring the revenue limit adjustment to \$200 per revenue limit member in FY20 and to \$204 in FY21. These figures will represent revenue limit increases of roughly two percent annually for the average school district; and
- Transferring the SLTC and the FDC into general school aids, thereby increasing transparency for property taxpayers and providing direct state support for schools throughout the state.

11/2/18
Per Kyle

* Includes
Statutory language
guaranteeing 2/3
funding
Pre 2003

02
2009 AB 919

Proposal

State General Equalization Aid Formula

Appropriation under s. 20.255 (2) (ac)

FISCAL SUMMARY		
	2019-20 Request	2020-21 Request
Requested Aid	\$4,846,848,000	\$5,080,000,000
Less Base	\$4,656,848,000	\$4,656,848,000
Requested Change	\$190,000,000	\$423,152,000

Overall, the department requests \$190,000,000 GPR in FY20 and \$423,152,000 GPR in FY21 to fund general equalization aids. While an additional \$1,090,000,000 GPR would be paid to school districts as general state aid for FY21, the payment would be made on a delayed basis in July 2021 (as under current law for the SLTC and FDC); thus, the appropriation for general equalization aid in FY21 does not reflect the \$1,090,000,000 GPR. The increase would occur in FY22, but would be completely offset by a reduction to the appropriation for the SLTC and FDC in FY22, producing no net impact on the state's general fund or property taxes.

Fair Funding Hold Harmless Aid

Appropriation under s. 20.255 (2) (ag) - NEW

FISCAL SUMMARY		
	2019-20 Request	2020-21 Request
Requested Aid	\$0	\$5,800,000
Less Base	\$0	\$0
Requested Change	\$0	\$5,800,000

The department requests \$5,800,000 GPR in FY21 to fund a hold harmless provision for approximately 23-24 districts that do not immediately receive more state support under the Fair Funding model (compared to current law) when including the two tax credits and High Poverty Aid. This appropriation would be sum sufficient, to ensure any district eligible for Fair Funding Hold Harmless Aid would receive the full amount for which it is eligible. The hold harmless amount is an estimate, based on a comparison of general aid under current law per the July 1 estimate of general aid for the 2018-19 school year, and a simulation of aid under the Fair Funding proposal, using the same factors that were used for the July 1 aid estimate.

Reallocation of SLTC and FDC

In addition to the amount shown in FY21 for state general equalization aids, the department is proposing to reallocate the full \$1,090,000,000 GPR from the SLTC and FDC into the state general equalization aid formula. The FY21 state aid formula would be run with the \$1,090,000,000 included, for a total of \$6,170,000,000 that year. Since the current SLTC and FDC are paid to municipalities on a delayed basis, in July, the \$1,090,000,000 is not reflected in the FY21 equalization aid appropriation. School districts would receive the \$1,090,000,000 in school aids in July 2021 (FY22), but have it attributable to their

FY21 state general aid, identical to the mechanism that exists currently for the \$75 million delayed equalization aid payment under Wis. Stats. sec. 121.15 (1m).

When the two-thirds funding model was established in FY94 and implemented in FY97, the SLTC, and subsequently the FDC, were counted as part of the state's "state support for schools" calculation. Both tax credits were added to general equalization aids, categorical aids, and state residential schools appropriation amounts to determine the total amount of "state support" for all school districts, as a percentage of a state-determined figure identified as "partial school revenues".

While the two-thirds funding requirement expired in FY03, there is still occasional reference to these tax credits as "state support" for schools. Moving the SLTC and FDC into the state general equalization aid formula will actually direct these funds to what they have been called – state support for schools. Since these monies will be received by school districts under existing revenue limits, there is no net statewide property tax impact related to the proposed transfer of these funds.

State Minimum Aid per Pupil

In FY19 there are 21 districts that are essentially out of the state general equalization aid formula, due to their high property wealth per member. As a result, these districts receive no state equalization aid, with five of these 21 districts receiving no state general aid whatsoever. While the remaining 16 districts are eligible to receive Special Adjustment Aid ("hold harmless" aid), which provides them 85 percent of the amount of aid they received in the prior year, this is a very small amount of state general aid within the overall school aid formula. In addition, there are approximately 35 districts that receive aid only at the primary level, meaning they only receive a small amount of state general aid per member.

The state superintendent believes the state should be providing a minimum level of state aid to every public school student, regardless of where they live. Therefore, the Fair Funding proposal will establish a minimum level of state aid at \$3,000 per member. This minimum aid amount will be applied at the end of the formula, after all other adjustments to a district's aid amount have been calculated (with the exception of the reduction for the Independent Charter School Program, which is applied to all districts that are eligible for state general aid in proportion to each district's state aid eligibility).

Weighting for Poverty Using Economically Disadvantaged Data

Wisconsin's school aid formula operates under the principle of an "equal tax rate for equal per pupil expenditures." More simply, its goal is to "equalize" the property tax base across school districts. Conceptually, this means the formula uses property valuations as the basis for school district residents' ability to pay taxes to support local school district expenditures. As such, there is an inverse relationship between state general equalization aid and property value. In short, districts with lower property values per member receive a larger share of their costs through the state equalization aid formula than districts with higher property values per member.

The state superintendent believes that using property value alone is no longer adequate to measure Wisconsin citizen's ability to pay, as it unfairly penalizes areas with high-priced vacation homes and large populations of year-round residents living on modest incomes and those living in poverty. The state superintendent therefore proposes that a measure of local family income should also be a factor in measuring a district's "wealth" in determining the distribution of state general equalization aid.

Thus, the Fair Funding plan will include the number of economically disadvantaged students that reside in each school district to partially determine how much state general aid a district will receive. Specifically, the Fair Funding plan will add 20 percent, or 0.20 FTE, to each district's membership count for each

economically disadvantaged student (for purposes of calculating each district's property value per member only) regardless of whether the district participates in the National School Lunch Program (NSLP) or not. Increasing a district's membership count in this manner will generally reduce its property value per member, and more fairly reflect a district's "wealth" in the state general equalization aid formula.

Secondary Cost Ceiling

The state equalization aid formula reimburses school districts for prior year "shared costs" (expenditures paid for with state general aid and local property tax revenue), at three levels of expenditures. One of the three levels of state equalization aids is for shared costs per member that exceed \$1,000 but are less than the secondary cost ceiling, referred to as secondary shared costs. Under current law, the secondary cost ceiling is set to be equal to 90 percent of the prior year statewide average shared cost per member. For FY19 (July 1 aid estimate), the secondary cost ceiling is equal to \$9,881. Nearly 400 (95 percent) of the state's school districts have shared costs exceeding 90 percent of the statewide average, making it difficult to argue why the state school aid formula only recognizes such costs up to the 90th percentile statewide.

Under the Fair Funding proposal, the secondary cost ceiling will be raised to 100 percent of the statewide average shared cost per member, beginning in FY21, reducing the state aid penalty faced by over 110 districts that have above average property values per member.

Special Adjustment Aid

The state has long provided additional state general aid to districts as a way to cushion the impact of state aid reductions from one year to the next, commonly referred to as a "hold harmless" payment. Such aid benefits a wide variety of districts, including the 16 districts that receive no state equalization aid; but also those in declining enrollment and others with spikes in their property valuation.

Under current law, special adjustment aid ensures that a district's general school aid payment is no less than 85 percent of its prior year payment. In FY19 (July 1 aid estimate), 56 districts qualified for Special Adjustment Aid. The Fair Funding proposal raises the Special Adjustment Aid level to 90 percent of the prior year general aid payment, ensuring that no district's general aid would decrease by more than 10 percent from one year to the next. ✓

Repurpose Funding for High Poverty Aid

Appropriation under s. 20.255 (2) (bb)

FISCAL SUMMARY		
	2019-20 Request	2020-21 Request
Requested Aid	\$16,830,000	\$0
Less Base	\$16,830,000	\$16,830,000
Requested Change	\$0	-\$16,830,000

High poverty aid was created under 2007 Act 20 (the 2007-09 biennial budget) and funded at \$9 million in FY08 and \$12 million in FY09. At that time, 24 school districts were eligible for funding as they met the

statutory threshold of having 50 percent of their students being economically disadvantaged. The high poverty aid program was created as a compromise that provided Milwaukee Public Schools (MPS) with some additional property tax relief to offset their Milwaukee Parental Choice Program (MPCP) aid reduction, while at the same time helping other districts that also had higher percentages of economically disadvantaged students.

High poverty aid is received as a general aid by eligible districts under their revenue caps, so it must be used to reduce their gross property tax levy. In the case of MPS, state law requires MPS to use high poverty aid to offset a portion of the property tax levy that results from the MPCP aid reduction applied to MPS' equalization aid.

As described earlier, the department is proposing to reflect income and families' ability to pay in the state general equalization aid formula by weighting economically disadvantaged students in calculating property values per member. As a result, the department proposes to eliminate the High Poverty Aid program in FY21, and shift the funding to the state general equalization aid formula in that year. In addition, this proposal will eliminate the link between High Poverty Aid and MPS' school district property tax levy related to the MPCP.

Revenue Limit

Pupil Adjustment

During the first 18 years that revenue limits were in place, from FY94 through FY11, the state provided all school districts with the opportunity to increase their revenue limit authority per member by no less than \$190 (the figure in FY94). Since FY11, the maximum annual allowable per pupil adjustment has been \$75 in both FY14 and FY15. Most recently, the state has not allowed any increases to the per-pupil adjustment for four consecutive years (FY16 through FY19). Current law provides no increase in the per-pupil adjustment going forward.

In order to provide additional necessary resources to school districts and reduce their need to go to referenda, the department is proposing to restore the per pupil revenue limit adjustment to \$200 per member in FY20 and to \$204 per member in FY21. These figures represent increases of approximately two percent in annual state and local revenues for the average school district. The department further proposes that beginning in FY22, the change in the per pupil revenue limit adjustment be linked to the CPI, as it had been through FY11, to provide more budgeting predictability for local school officials in the future.

21,905
Chr.

Low-Revenue Ceiling Adjustment to Revenue Limit

Revenue limits were imposed in FY94 and have been in place for 26 years. One of the many concerns related to revenue limits has been that frugal, "low-spending" districts in FY93 have been "locked in" to relatively low-revenue authority, as revenue limits have been calculated on the basis of FTE membership since their inception. While some districts have passed referenda to increase their revenue limit authority, many others have not been able to do so, resulting in an ever-growing gap in revenue limit authority among districts throughout the state.

In FY96, the state established the low-revenue ceiling (LRC) adjustment, which allows districts to increase their revenues up to a state-determined figure per member without having to go to referenda. Use of the LRC adjustment is not required; rather, it is an option for school boards to increase their operating revenues if they so choose. Historically, the LRC adjustment was increased each year, as the revenue limit per pupil adjustment increased with the CPI; however, it was held constant at \$9,000 per member from

FY09 through FY13. After a \$100 increase was provided in in FY14, the low-revenue adjustment was again frozen, at \$9,100 per member, from FY14 through FY18.

In March 2018, the legislature enacted 2017 Act 141 (Act 141), which provided an increase to the low revenue ceiling for the first time in five years. Current law allows the low revenue ceiling threshold to increase by \$100 (per member) annually, for FY19 and for the subsequent four years (through FY23). However, Act 141 also created provisions that penalize districts by prohibiting them from utilizing it if they have a failed referendum in the three prior years (with some exceptions).

The low-revenue ceiling provides the state's lowest spending districts with the opportunity to narrow the disparity with the highest spending districts in the state. A review of the LRC threshold and the minimum and maximum revenue limit per member among districts, from FY96 through FY18, indicates that during periods of time when the LRC adjustment is held constant, there is significantly more volatility in the discrepancy between the districts with the lowest and highest revenue limit authority per member (see Figure 1, below). As demonstrated in Figure 2, in the first several years, the LRC adjustment appears to have reduced those discrepancies; but, as the LRC adjustment itself was held constant for several years, those discrepancies began to increase.

Figure 1.

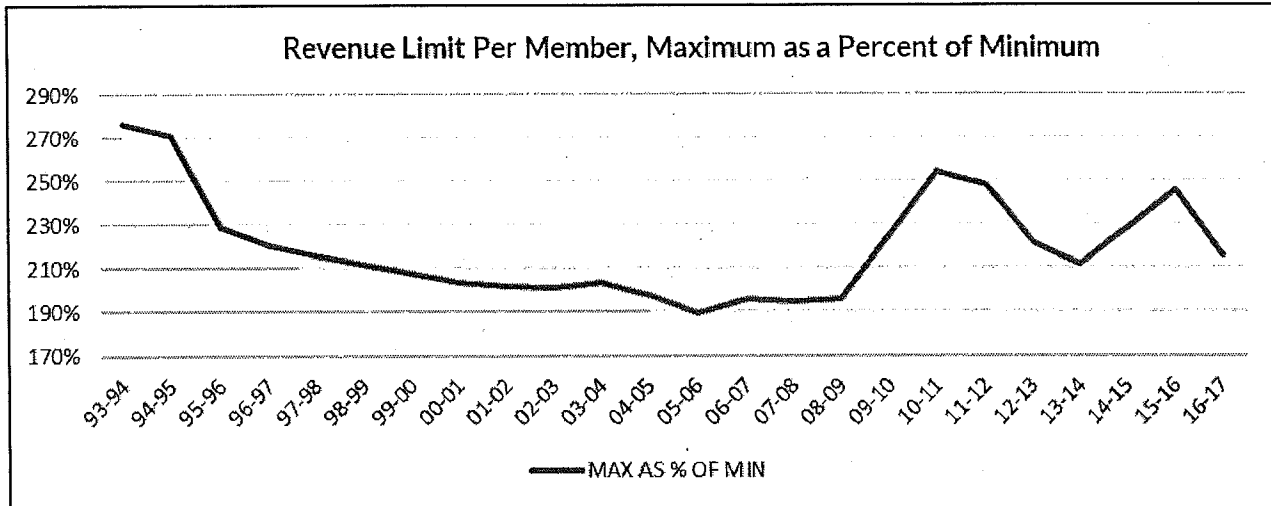
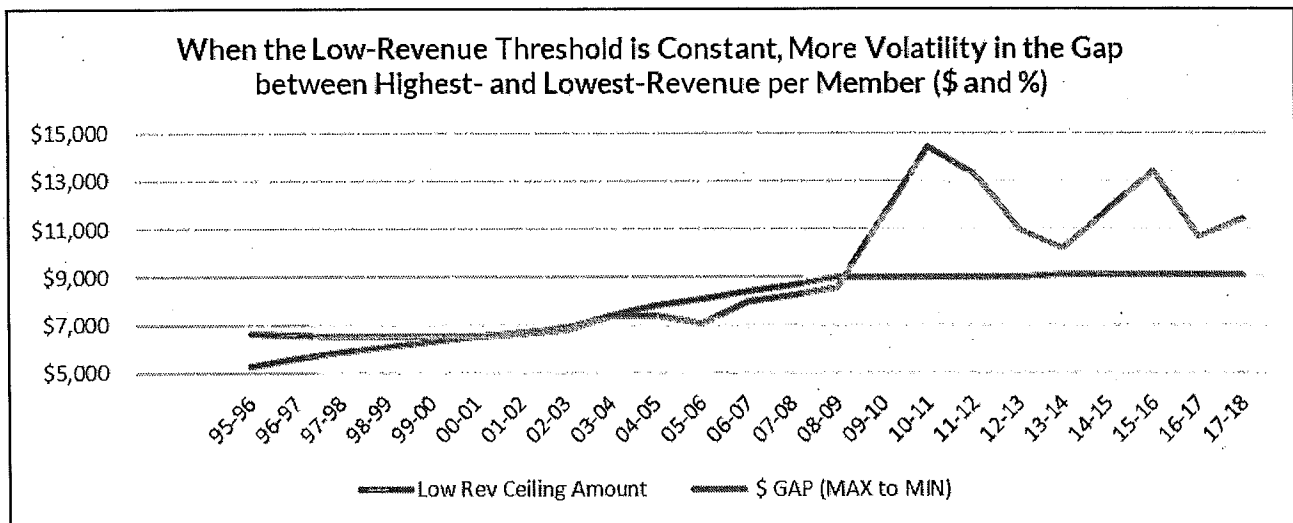


Figure 2.



Thus, the department proposes increasing the current low revenue ceiling from \$9,400 per member in FY19, to \$9,700 in FY20 and to \$10,000 in FY21. It is estimated that over 125 districts would be eligible to use this additional authority in both FY20 and FY21. This change to the low revenue ceiling, along with the proposed counting of 4K students (see next section) will advance revenue limit equity among school districts in the state.

The department also proposes repealing the statutory limitation currently in effect, under Wis. Stats. sec. 121.905 (1)(b), for districts that have a failed referenda, so that any district whose per-member revenue limit authority falls below the low revenue ceiling threshold can make use of the low-revenue adjustment as intended.

Four-Year-Old Kindergarten (4K) Membership Change

While not statutorily-required to do so, 404 (98.5 percent) of the state's 410 districts that could possibly offer programming for 4K students will do so in FY19. Under current law, a 4K student is counted as 0.5 FTE if the student attends a program providing at least 437 hours annually, and may be counted as 0.6 FTE if the program provides at least 87.5 additional hours of outreach activities.

There are some school districts, independent charter schools, and private schools in the state's various choice programs that have long provided full-day programming for 4K students; however, they are only able to count them as 0.5 or 0.6 FTE for state general aid and revenue limit membership purposes under current law. The department is proposing to allow those school districts, independent charter schools, and private schools in the state's parental choice programs choosing to provide full-day programming for 4K students as 1.0 FTE in their membership for state general aid and revenue limit purposes, beginning in FY21.

Lead Testing and Remediation Revenue Limit Exemption

Some school districts have discovered they have lead contamination issues within their buildings in recent years that need to be addressed. While not prevalent in all districts, lead contamination is a serious issue impacting the health and wellbeing of students, and as such, can detrimental impacts the academic outcomes. The department proposes to provide any school district that chooses to test and address its water quality with a revenue limit exemption (requiring approval of the school board by resolution) to do so, starting in FY21.

Statutory Language

The department is proposing statutory language related to this request.



State of Wisconsin
2017 - 2018 LEGISLATURE

0522/P1

LRB-4811/1
FFK&JK:emw

In 11-12
Out 11-15
(hand to me)

discard when done

2017 ASSEMBLY BILL 816

January 5, 2018 - Introduced by Representatives POPE, HEBL, GENRICH, CONSIDINE, BOWEN, VRUWINK, HESSELBEIN, ANDERSON, GOYKE, OHNSTAD, BILLINGS, ZEPNICK, BARCA, C. TAYLOR, SUBECK, SHANKLAND, SARGENT, KOLSTE, SPREITZER, CROWLEY, STUCK, RIEMER, ZAMARRIPA, BERCEAU, WACHS and SINICKI, cosponsored by Senators LARSON, BEWLEY, CARPENTER, VINEHOUT, RINGHAND and HANSEN. Referred to Committee on Education.

1 AN ACT *to repeal* 20.255 (2) (aq) and 115.437; *to consolidate, renumber and*
2 *amend* 121.15 (1m) (a) (intro.) and 3.; *to amend* 20.255 (2) (ac), 79.10 (4), 79.10
3 (5m), 79.14, 79.15, 121.004 (7) (a), 121.07 (6) (d), 121.105 (2) (am) 1., 121.105
4 (2) (am) 2. (intro.), 121.90 (2) (am) 1., 121.905 (1), 121.905 (3) (c) 6., 121.91 (2m)
5 (i) (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (r) 1. b., 121.91 (2m) (s) 1.
6 (intro.), 121.91 (2m) (s) 1. b. and 121.91 (2m) (t) 1. (intro.); and *to create* 20.255
7 (2) (bi), 121.004 (7) (g), 121.10, 121.105 (5), 121.136 (3), 121.15 (3m), 121.905
8 (3) (c) 7., 121.905 (3) (c) 8., 121.91 (2m) (im) and 121.91 (2m) (j) of the statutes;
9 **relating to:** counting low-income pupils for state school aid purposes;
10 calculating the amount to be appropriated for state general school aid; school
11 aid factors; special adjustment aids; hold harmless aid; per pupil aid; school

the budget

EDUCATION
PRIMARY AND
SECONDARY
EDUCATION

ASSEMBLY BILL 816

- 1 district revenue limits; the first dollar and school levy property tax credits; and
- 2 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill makes a number of changes in the laws relating to public school financing, including the following:

1. Currently, the amount appropriated each fiscal year for general school aid is a sum set by law. *Beginning in the 2020-21 school year* This bill directs the Department of Public Instruction, the Department of Administration, and the Legislative Fiscal Bureau annually to jointly certify to the Joint Committee on Finance an estimate of the amount necessary to appropriate in the following school year to ensure that state school aids equal the following percentage of partial school revenues (in general, the sum of state school aids and school property taxes):

- a. For the 2018-19 school year, 64.5 percent.
- b. For the 2019-20 school year, 65.2 percent.
- c. For the 2020-21 school year, 65.9 percent.
- d. For the 2021-22 school year and each school year thereafter, two-thirds.

Under the bill, JFC determines the amount appropriated as general school aids in each odd-numbered fiscal year (e.g., the 2018-19 fiscal year) and the amount is set by law in each even-numbered fiscal year.

2. For purposes of determining a school district's general school aid amount, in general this bill requires that each pupil who is eligible for a free or reduced-price lunch under the federal school lunch program be counted as an additional 0.3 pupil.

3. Currently, if a school district would receive less in general state aid in any school year than 85 percent of the amount it received in the previous school year, its state aid for the current school year is increased to 85 percent of the aid received in the previous school year. This bill increases the percentage to 90 percent.

4. This bill provides that a school district's state aid in any school year may not be less than an amount equal to the school district's membership multiplied by \$3,000.

5. Under current law, there is no per pupil adjustment for purposes of calculating a school district's revenue limit. This bill provides a per pupil adjustment of \$300 per pupil for the 2018-19 school year. Under the bill, in the 2019-20 school year and thereafter, the per pupil adjustment is the per pupil adjustment for the previous school year as adjusted for any increase in the consumer price index.

6. Current law provides a minimum per pupil revenue limit for school districts, known as the revenue ceiling. Under current law, the revenue ceiling is \$9,100. This bill increase the revenue ceiling to \$9,500 in the 2018-19 school year and \$9,900 in the 2019-20 school year. In the 2020-21 school year and each school year thereafter, the revenue ceiling is the revenue ceiling for the previous school year as adjusted for any increase in the consumer price index.

7. Currently, if at least 50 percent of a school district's enrollment is eligible for a free or reduced-price lunch under the federal school lunch program, the school

JCF DOA

NOA

\$200

Ins. Analysis
B

DPI ^

two-thirds

Ins. Analysis
A

0.2

2019-20 (and \$200 for the 2020-21 school year)

2021-22

ASSEMBLY BILL 816

district is eligible for a prorated share of the amount appropriated as high-poverty aid. This bill eliminates this aid beginning in the 2018-19 school year. The bill provides additional state aid for the 2018-19 school year to hold school districts harmless from the loss of high-poverty aid.

8. Under current law, the state annually pays each school district an amount equal to its average enrollment in the current and two preceding school years multiplied by \$450 in the 2017-18 school year, \$654 in the 2018-19 school year, and \$630 in each school year thereafter. This bill eliminates this per pupil aid after the 2017-18 school year.

9. Currently, \$75,000,000 in school aid payments is delayed until the following school year. Beginning in the 2018-19 school year, this bill delays \$972,400,000 in school aid payments until the following school year.

10. In the school district equalization aid formula, the guaranteed evaluations represent the amount of property tax base support that the state guarantees behind each pupil. There are three guaranteed valuations used; each applies to a different level of expenditures. The first level is for expenditures up to the primary cost ceiling of \$1,000 per pupil. The second level is for costs per pupil that exceed \$1,000 but are less than the secondary cost ceiling, which is set at 90 percent of the prior school year statewide shared cost per pupil. This bill changes the secondary cost ceiling to 100 percent of the prior school year statewide shared cost per pupil.

11. The bill eliminates the school levy property tax credit and the first dollar property tax credit.

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

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

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

2 20.255 (2) (ac) *General equalization aids.* The amounts in the schedule A sum
3 sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095,
4 121.105, 121.137 and subch. VI of ch. 121 equal to the amount determined by the joint
5 committee on finance under s. 121.15 (3m) (c) in the 2018-19 fiscal year and
6 biennially thereafter, and equal to the amount determined by law in the 2019-20
7 fiscal year and biennially thereafter.

8 SECTION 2. 20.255 (2) (aq) of the statutes is repealed.

9 SECTION 3. 20.255 (2) (bi) of the statutes is created to read:

(aq)

2020-21

2020-21

2020-21

\$1,090,000,000

SKT

2020-21

2021-22

per pupil aid

ASSEMBLY BILL 816

1 20.255 (2) (bi) ^(ag) *Hold harmless aid.* A sum sufficient for hold harmless aid to
2 school districts under s. 121.10.

3 **SECTION 4.** 79.10 (4) of the statutes is amended to read:

4 79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amount
5 appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
6 proportion to their share of the sum of average school tax levies for all municipalities.
7 No municipality shall receive a payment under this subsection after 2018. ²⁰²⁰

8 **SECTION 5.** 79.10 (5m) of the statutes is amended to read:

9 79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the
10 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
11 school tax rate by the estimated fair market value, not exceeding the value
12 determined under sub. (11) (d), of every parcel of real property with improvements
13 that is located in the municipality. No municipality shall receive a payment under
14 this subsection after 2018. ²⁰²⁰

15 **SECTION 6.** 79.14 of the statutes, as affected by 2017 Wisconsin Act 59, is
16 amended to read:

17 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
18 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
19 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
20 \$672,400,000 in 2008; \$747,400,000 in 2009; \$732,550,000 in 2010, 2011, and 2012;
21 \$747,400,000 in 2013, 2014, and 2015; \$853,000,000 in 2016 and 2017; and
22 \$940,000,000 in 2018 ⁽²⁰¹⁹⁾ and in each year thereafter. ²⁰²⁰

23 **SECTION 7.** 79.15 of the statutes is amended to read:

24 **79.15 Improvements credit.** The total amount paid each year to
25 municipalities from the appropriation account under s. 20.835 (3) (b) for the

ASSEMBLY BILL 816

1 payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and
2 \$150,000,000 ^{set each year beginning} in 2011, 2012, 2013, 2014, 2015, 2016, 2017, and in each year
3 thereafter ^{ending in 2020} 2018.

4 **SECTION 8.** 115.437 of the statutes, as affected by 2017 Wisconsin Act 59, is
5 repealed.

6 **SECTION 9.** 121.004 (7) (a) of the statutes is amended to read:

7 121.004 (7) (a) "Pupils enrolled" is the total number of pupils, as expressed by
8 official enrollments, in all schools of the school district, except as provided in pars.
9 (b) to (f) (g). If such total contains a fraction, it shall be expressed as the nearest whole
10 number. The same method shall be used in computing the number of pupils enrolled
11 for resident pupils, nonresident pupils or both.

12 **SECTION 10.** 121.004 (7) (g) of the statutes is created to read:

13 121.004 (7) (g) A pupil who satisfies the income eligibility criteria for a free or
14 reduced-price lunch under 42 USC 1758 (b) (1) shall be counted as the number
15 specified in this subsection for the pupil plus an additional ²⁰ 30 percent of that number.

16 **SECTION 11.** 121.07 (6) (d) of the statutes is amended to read:

17 121.07 (6) (d) The "secondary ceiling cost per member" in the 2001-02 ²⁰²⁰⁻²¹ 2018-19
18 school year and in each school year thereafter is an amount determined by dividing
19 the state total shared cost in the previous school year by the state total membership
20 in the previous school year and ~~multiplying the result by 0.90.~~

21 **SECTION 12.** 121.10 of the statutes is created to read:

22 **121.10 Hold harmless aid.** (1) In this section, "state aid" means the sum of
23 the following:

24 (a) The payments made to a school district under ss. 121.08 and 121.105 and
25 subch. VI.

Per pupil aid

Ins
Bill

ASSEMBLY BILL 816**SECTION 12**

1 (b) The payments that would be made to a school district under s. 121.136 if s.
2 121.136 were still applicable.

3 (c) The amount that would be received by a school district under s. 79.10 (4) and
4 (5m) if s. 79.10 (4) and (5m) were still applicable.

5 (2) (a) Except as provided in par. (b), in the 2018-19 school year, if a school
6 district would receive less in equalization aid under s. 121.08 in the current school
7 year before any adjustment is made under s. 121.15 (4) (b) than it would have
8 received in state aid in the current school year, the department shall pay to the school
9 district the amount equal to the difference.

10 (b) If a school district from which territory was detached to create a new school
11 district under s. 117.105 would receive in equalization aid under s. 121.08 in the
12 school year beginning on the first July 1 following the effective date of the
13 reorganization less than the amount determined as follows, the department shall
14 pay to the school district the difference between the former amount and the amount
15 determined as follows:

16 1. Divide the school district's membership in the preceding school year by the
17 school district's membership in the 2nd preceding school year.

18 2. Multiply the amount of state aid that would have been received by the school
19 district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current
20 school year, by the quotient under subd. 1.

21 (3) In the school year in which a school district consolidation takes effect under
22 s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated
23 school district's equalization aid is less than the aggregate state aid to which the
24 consolidating school districts would have been eligible in the school year prior to the

ASSEMBLY BILL 816

1 school year in which the consolidation takes effect, the department shall pay the
2 difference to the consolidated school district.

3 (4) Additional aid under this section shall be paid from the appropriation under
4 s. 20.255 (2) (bi) ^(am) ✓ No aid may be paid under this section after the 2018-19 ²⁰²⁰⁻²¹ school year.

IAS
7-4

5 **SECTION 13.** 121.105 (2) (am) 1. of the statutes is amended to read:

6 121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would
7 receive less in state aid in the current school year before any adjustment is made
8 under s. 121.15 (4) (b) than an amount equal to ~~85~~ 90 percent of the amount of state
9 aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in
10 the current school year, its state aid for the current school year shall be increased to
11 an amount equal to ~~85~~ 90 percent of the state aid received in the previous school year.

12 **SECTION 14.** 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

13 121.105 (2) (am) 2. (intro.) If a school district from which territory was detached
14 to create a new school district under s. 117.105 would receive in state aid in the school
15 year beginning on the first July 1 following the effective date of the reorganization
16 less than ~~85~~ 90 percent of the amount determined as follows, its state aid in the school
17 year beginning on the first July 1 following the effective date of the reorganization
18 shall be increased to an amount equal to ~~85~~ 90 percent of the amount determined as
19 follows:

20 **SECTION 15.** 121.105 (5) of the statutes is created to read:

21 121.105 (5) A school district's state aid in any school year may not be less than
22 an amount equal to \$3,000 multiplied by the school district's membership.

23 **SECTION 16.** 121.136 (3) of the statutes is created to read:

24 121.136 (3) No aid may be paid under this section after June 30, 2018 ²⁰²⁰

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7-19

ASSEMBLY BILL 816

SECTION 17

1 SECTION 17. 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
2 renumbered 121.15 (1m) (a) and amended to read:

3 121.15 (1m) (a) Notwithstanding subs. (1) and (1g), ~~a portion of state aid to~~
4 ~~school districts shall be distributed as follows:~~ 3. ~~Beginning beginning~~ in the
5 1999-2000 2018-19 ²⁰²⁰⁻²¹ school year, annually the state shall pay to school districts, from
6 the appropriation under s. 20.255 (2) (ac), \$75,000,000 \$972,400,000 on the 4th
7 Monday in July of the following school year. ✓

\$1,090,000,000

8 SECTION 18. 121.15 (3m) of the statutes is created to read:

9 121.15 (3m) (a) In this subsection: ✓

10 1. "Partial school revenues" means the sum of state school aids, property taxes
11 levied for school districts, and aid paid to school districts under s. 79.095 (4), less all
12 of the following:

13 a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a
14 school board's increasing the services that it provides by adding responsibility for
15 providing a service transferred to it from another school board. ✓

16 b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3. ✓

17 c. The amount of any revenue limit increase under s. 121.91 (4) (h). ✓

18 d. The amount of any property taxes levied for the purpose of s. 120.13 (19). ✓

19 e. An amount equal to the amount estimated to be paid under s. 119.23 (4) and
20 (4m) multiplied by the sum of the applicable percentages specified in s. 121.08 (4) (b)
21 1. and 2. ✓

22 f. The amount by which the property tax levy for debt service on debt that has
23 been approved by a referendum exceeds \$490,000,000. ✓

24 2. "State school aids" means the amounts appropriated under s. 20.255 (1) (b)
25 and (2), other than s. 20.255 (2) (aw), (az), (bb), (dg), (dj), (fm), (fp), (fq), (fr), (fs), (fu), ✓

ASSEMBLY BILL 816

1 (fv), (k), and (m), the amount appropriated under s. 20.505 (4) (es), and the amount,
 2 as determined by the secretary of administration, of the appropriation under s.
 3 20.505 (4) (s) allocated for payments to telecommunications providers under
 4 contracts with school districts and cooperative educational service agencies under s.
 5 16.971 (13), for grants to school district consortia under s. 16.997 (7), and to make
 6 educational technology teacher training grants under s. 16.996.

7 (b) By May 15, ~~2018~~²⁰²¹, and annually by May 15 thereafter, the department, the
 8 department of administration, and the legislative fiscal bureau shall jointly certify
 9 to the joint committee on finance an estimate of the amount necessary to appropriate
 10 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
 11 equal the following portion of partial school revenues: ^{two-thirds} (1) (2)

- 12 1. For the 2018-19 school year, 64.5 percent.
- 13 2. For the 2019-20 school year, 65.2 percent.
- 14 3. For the 2020-21 school year, 65.9 percent.
- 15 4. For the 2021-22 school year and each school year thereafter, two-thirds.

16 (c) By June 30, ~~2018~~²⁰²⁰, and biennially by June 30 thereafter, the joint committee
 17 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the
 18 following school year.

19 **SECTION 19.** 121.90 (2) (am) 1. of the statutes is amended to read:

20 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
 21 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
 22 (4) and including adjustments made under s. 121.15 (4).

23 **SECTION 20.** 121.905 (1) of the statutes is amended to read:

24 121.905 (1) In this section, "revenue ceiling" means \$9,000 in the 2011-12
 25 school year and in the 2012-13 school year and \$9,100 in the 2013-14 2017-18 school

ASSEMBLY BILL 816

SECTION 20

1 year, \$9,500 in the 2018-19 school year, \$9,900 in the 2019-20 school year, and in any
 2 subsequent each school year thereafter, the amount under this subsection for the
 3 previous school year multiplied by the sum of 1.0 plus the allowable rate of increase
 4 under s. 73.0305 expressed as a decimal.

5 **SECTION 21.** 121.905 (3) (c) 6. of the statutes is amended to read:

6 121.905 (3) (c) 6. For the limit for the 2015-16, 2016-17, and 2017-18 school
 7 year or any school year thereafter years, make no adjustment to the result under par.

8 (b).

9 **SECTION 22.** 121.905 (3) (c) 7. of the statutes is created to read:

10 121.905 (3) (c) 7. For the limit for the 2018-19 school year, add \$300 to the
 11 result under par. (b).

12 **SECTION 23.** 121.905 (3) (c) 8. of the statutes is created to read:

13 121.905 (3) (c) 8. For the limit for the 2019-20 school year and any school year
 14 thereafter, add the result under s. 121.91 (2m) (j) 2. to the result under par. (b).

15 **SECTION 24.** 121.91 (2m) (i) (intro.) of the statutes is amended to read:

16 121.91 (2m) (i) (intro.) Except as provided in subs. (3), (4), and (8), no school
 17 district may increase its revenues for the 2015-16, 2016-17, and 2017-18 school year
 18 or for any school year thereafter years to an amount that exceeds the amount
 19 calculated as follows:

20 **SECTION 25.** 121.91 (2m) (im) of the statutes is created to read:

21 121.91 (2m) (im) Except as provided in subs. (3), (4), and (8), no school district
 22 may increase its revenues for the 2018-19 school year to an amount that exceeds the
 23 amount calculated as follows:

24 1. Divide the sum of the amount of state aid received in the previous school year
 25 and property taxes levied for the previous school year, excluding property taxes

INS
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and 2018-19

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\$200

9.

2021-22

(j) 2.

and 2018-19

ASSEMBLY BILL 816

Handwritten note in a box: "Intro 11-5" with an arrow pointing to line 6.

1 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
2 (c), by the average of the number of pupils enrolled in the 3 previous school years.

3 2. Add ~~\$300~~^{\$200} to the result under subd. 1.

4 3. Multiply the result under subd. 2. by the average of the number of pupils
5 enrolled in the current school year and the 2 preceding school years.

6 **SECTION 26.** 121.91 (2m) (j) of the statutes is created to read:

7 121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district
8 may increase its revenues for the ~~2019-20~~²⁰²¹⁻²² school year or for any school year
9 thereafter to an amount that exceeds the amount calculated as follows:

10 1. Divide the sum of the amount of state aid received in the previous school year
11 and property taxes levied for the previous school year, excluding property taxes
12 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
13 (c), by the average of the number of pupils enrolled in the 3 previous school years.

14 2. Multiply the amount of the revenue increase per pupil allowed under this
15 subsection for the previous school year by the sum of 1.0 plus the allowable rate of
16 increase under s. 73.0305 expressed as a decimal.

17 3. Add the result under subd. 1. to the result under subd. 2.

18 4. Multiply the result under subd. 3. by the average of the number of pupils
19 enrolled in the current and the 2 preceding school years.

20 **SECTION 27.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

21 121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c) to (i) (j) if a school district
22 is created under s. 117.105, its revenue limit under this section for the school year
23 beginning with the effective date of the reorganization shall be determined as follows
24 except as provided under subs. (3) and (4):

25 **SECTION 28.** 121.91 (2m) (r) 1. b. of the statutes is amended to read:

ASSEMBLY BILL 816

SECTION 28

1 121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase
 2 per pupil allowed under this subsection for the previous school year multiplied by the
 3 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
 4 to the result under subd. 1. a., except that in calculating the limit for the 2013-14
 5 school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., and
 6 in calculating the limit for the 2015-16, 2016-17, and 2017-18 school year and any
 7 school year thereafter ^{years}, make no adjustment to the result under subd. 1. a. in
 8 calculating the limit for the 2018-19 school year, add \$300 to the result under subd.
 9 1. a., ^{in calculating the limit for the 2019-20 school year, add \$200} and in calculating the limit for the 2019-20 school year and any school year
 10 thereafter, add the amount calculated under par. (j) 3. for that school year to the ^{2020-21 school year, add \$204 to the result}
 11 result under subd. 1. a. ^{under} ^{Subd. 1. a.,}

12 **SECTION 29.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

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

18 **SECTION 30.** 121.91 (2m) (s) 1. b. of the statutes is amended to read:

19 121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase
 20 per pupil allowed under this subsection for the previous school year multiplied by the
 21 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
 22 to the result under subd. 1. a., except that in calculating the limit for the 2013-14
 23 school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., and
 24 in calculating the limit for the 2015-16, 2016-17, and 2017-18 school year and any
 25 school year thereafter ^{years}, make no adjustment to the result under subd. 1. a. in

and in calculating the limit for the 2020-21 school year, add \$204 to the result under subd. 1. a.

ASSEMBLY BILL 816

1 calculating the limit for the 2018-19 school year, add \$300 to the result under subd.
2 1. a., and in calculating the limit for the 2019-20 school year and any school year
3 thereafter, add the amount calculated under par. (j) 3. for that school year to the
4 result under subd. 1. a.

SECTION 31. 121.91 (2m) (t) 1. (intro.) of the statutes is amended to read:

6 121.91 (2m) (t) 1. (intro.) If 2 or more school districts are consolidated under
7 s. 117.08 or 117.09, except as follows, in the 2013-14 school year and the 2014-15
8 school year, the consolidated school district's revenue limit shall be determined as
9 provided under par. (hm), and in the 2015-16, 2016-17, and 2017-18 school year and
10 in each school year thereafter years, the consolidated school district's revenue limit
11 shall be determined as provided under par. (i), in the 2018-19 school year, the
12 consolidated school district's revenue limit shall be determined as provided under
13 par. (im), and in the 2019-20 school year and in each school year thereafter, the
14 consolidated school district's revenue limit shall be determined as provided under
15 par. (j).

SECTION 32. Nonstatutory provision.

16 (1) SECONDARY GUARANTEE. Notwithstanding section 121.07 (7) (b) of the
17 statutes, for the purpose of setting the secondary guaranteed valuation per member
18 in the 2018-19 school year, the department of public instruction shall treat the
19 appropriation under section 20.255 (2) (ac) of the statutes as if an additional
20 \$897,400,000 were appropriated in the 2018-19 fiscal year.

SECTION 33. Fiscal change.

21 (1) HIGH POVERTY AID. In the schedule under section 20.005 (3) of the statutes
22 for the appropriation to the department of public instruction under section 20.255

NOTE: Please confirm that this provision is consistent with your intent.

Ins 13-15

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S; Public Instruction

and 2018-19 shall be determined under par. (j)

2021-22

\$200

2019-20

2021-22

ASSEMBLY BILL 816

SECTION 33

(2) (bb) of the statutes, the dollar amount for fiscal year 2018-19 is decreased by \$16,830,000 for the purposes for which the appropriation is made.

SECTION 34. Initial applicability.

(1) STATE AID. The treatment of sections 20.255 (2) (ac), 121.004 (7) (a) and (g), 121.07 (6) (d), and 121.105 (2) (am) 1. and 2. (intro.) and (5) of the statutes first applies to the distribution of school aid in, and the calculation of revenue limits for, the 2018-19 school year.

(2) DELAYED PAYMENT. The treatment of section 121.15 (1m) (a) (intro.) and 3. of the statutes first applies to the payment made under section 121.15 (1m) (a) of the statutes on the 4th Monday in July 2019.

SECTION 35. Effective dates. This act takes effect on the day after publication, except as follows:

(1) PER PUPIL AID. The treatment of sections 20.255 (2) (aq) and 115.437 of the statutes takes effect on July 1, 2018.

(END)

2019-2020 DRAFTING INSERT
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ANALYSIS A

X This bill also changes the manner in which a pupil enrolled in a four-year-old full-day kindergarten program is counted by for purposes of general school aid from 0.5 pupil to one pupil.

END ANALYSIS A

ANALYSIS B

6. Current law provides a minimum per pupil revenue limit for school districts, known as the revenue limit ceiling. Under the bill, the revenue limit ceiling for school districts is \$9,700 in the 2019-20 school year and \$10,000 in the 2020-21 school year and each school year thereafter. Under current law, the revenue limit ceiling is \$9,500 in the 2019-20 school year, and increases by \$100 each school year until the ceiling reaches \$9,800 in the 2022-23 school year. Current law also provides that during the three school years following a school year in which an operating referendum fails in a school district, the school district's revenue limit ceiling is the revenue limit ceiling that applied in the school year during which the referendum was held. This bill eliminates the provision related to a failed operating referendum.

6. This bill creates a revenue limit adjustment for a school district that incurs costs to remediate lead contamination in drinking water in the school district, including costs to test for the presence of lead in drinking water, to provide safe drinking water, and to replace lead pipe water service lines to school buildings in the school district.

END ANALYSIS B

INS 5-11

****NOTE: Please note the changes related to counting 4-year-old kindergarteners and economically disadvantaged pupils are changes to the definition of "pupils enrolled" that applies to ch. 121. Please let me know if this is not consistent with your intent.

1

SECTION 1. 121.004 (7) (c) 1. a. of the statutes is amended to read:

2

121.004 (7) (c) 1. a. A pupil enrolled in a 5-year-old kindergarten program that

3

requires full-day attendance by the pupil for 5 days a week, but not on any day of

4

the week that pupils enrolled in other grades in the school do not attend school, for

5

an entire school term shall be counted as one pupil.

1 **SECTION 2.** 121.004 (7) (c) 2. of the statutes is amended to read:

2 121.004 (7) (c) 2. In subd. 1. a. and b., “full-day” means the length of the school
3 day for pupils in the first grade of the school district operating the 4-year-old or
4 5-year-old kindergarten program.

History: 1977 c. 29 ss. 1081, 1085e, 1085m; 1977 c. 418, 429; 1979 c. 34, 221; 1979 c. 346 s. 15; 1981 c. 20, 317; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1991 a. 39, 48; 1993 a. 16; 1997 a. 27, 164, 240; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16; 2007 a. 226; 2009 a. 28; 2013 a. 20, 257; 2017 a. 59, 151.

END INS 5-11

INS 7-4

5 **SECTION 3.** 121.105 (1) of the statutes is amended to read:

6 121.105 (1) ~~In~~ Except as provided in sub. (5), in this section “state aid” means
7 the sum of the payments provided to a school district under this section and ss.
8 121.08, 121.85 and 121.86.

History: 1985 a. 29, 251; 1987 a. 27; 1989 a. 31, 114, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1997 a. 27, 113; 1999 a. 9; 2001 a. 16, 104; 2005 a. 219, 222; 2013 a. 20; 2015 a. 55.

INS 7-4

INS 7-19

9 **SECTION 4.** 121.105 (5) of the statutes is created to read:

10 121.105 (5) (a) In this subsection, “state aid” means the sum of the payments
11 provided to a school district under this section and s. 121.08.

12 (b) If, after making the adjustments under subs. (2), (3), and (4), a school
13 district would receive less in state aid in the current school year before any
14 adjustment is made under s. 121.15 (4) (b) than an amount equal to \$3,000 multiplied

1 by the school district's membership, the school district's state aid shall be increased
2 to an amount equal to \$3,000 multiplied by the school district's membership.

END INS 7-19

INS 10-4

3 **SECTION 5.** 121.905 (1) (a) of the statutes is renumbered 121.905 (1) and
4 amended to read:

5 121.905 (1) Except as provided in par. (b), in this section, "revenue ceiling"
6 means \$9,100 in the 2017-18 school year, \$9,400 in the 2018-19 school year, \$9,500
7 \$9,700 in the 2019-20 school year, \$9,600 and \$10,000 in the 2020-21 school year,
8 \$9,700 in the 2021-22 school year, and \$9,800 in the 2022-23 school year and in any
9 subsequent each school year thereafter.

History: 1995 a. 27; 1997 a. 27, 113, 164, 286; 1999 a. 9, 32; 2001 a. 16; 2003 a. 33; 2005 a. 25, 219; 2007 a. 20; 2009 a. 28; 2011 a. 32; 2013 a. 20; 2017 a. 141.

10 **SECTION 6.** 121.905 (1) (b) of the statutes is repealed.

END INS 10-4

INS 10-11

11 **SECTION 7.** 121.905 (3) (c) 8. of the statutes is created to read:

12 121.905 (3) (c) 8. For the limit for the 2020-21 school year, add \$204 to the
13 result under par. (b).

END INS 10-11

INS 11-5

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

15 121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district
16 may increase its revenues for the 2020-21 school year to an amount that exceeds the
17 amount calculated as follows:

1 1. Divide the sum of the amount of state aid received in the previous school year
 2 and property taxes levied for the previous school year, excluding property taxes
 3 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
 4 (c), by the average of the number of pupils enrolled in the 3 previous school years.

5 2. Add \$204 to the result under subd. 1.

6 3. Multiply the result under subd. 2. by the average of the number of pupils
 7 enrolled in the current school year and the 2 preceding school years.

INS 11-5

INS 13-15

8 **SECTION 9.** 121.91 (4) (om) of the statutes is created to read:

9 121.91 (4) (om) Beginning in the 2020-21 school year, if a school board adopts
 10 a resolution to do so, the limit otherwise applicable to a school district under sub.
 11 (2m) in any school year is increased by the amount spent by the school district in that
 12 school year on a project, including the payment of debt service on a bond or note
 13 issued or a state trust fund loan obtained to finance the project, to remediate lead
 14 contamination in drinking water in the school district. In this paragraph, the
 15 amount spent by the school district includes costs incurred by the school district to
 16 test for the presence of lead in drinking water, to provide safe drinking water to
 17 affected school buildings during remediation, and, if necessary, to replace lead pipe
 18 water service lines to school buildings in the school district. The term of a bond or
 19 note issued or state trust fund loan obtained to finance the project under this
 20 subdivision may not exceed 20 years. If a school board issues a bond or note or obtains
 21 a state trust fund loan to finance a project described in this subdivision, a resolution

20

para graph
 A
para graph

paragraph

1 adopted by a school board under this subdivision is valid for each school year in which
2 the school board pays debt service on the bond, note, or state trust fund loan.

3 2. Any additional revenue received by a school district under this parágraph
4 shall not be included in the base for determining the school district's limit under sub.
5 (2m) for the following school year.

END INS 13-15

6



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0522/P1
FFK&JK:kjf

DOA:.....Kretschmann, BB0003 - DPI Fair Funding for Our Future Proposal
FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill makes a number of changes in the laws relating to public school financing, including the following:

1. Currently, the amount appropriated each fiscal year for general school aid is a sum set by law. Beginning in the 2020-21 school year, this bill directs DPI, DOA, and the Legislative Fiscal Bureau annually to jointly certify to JCF an estimate of the amount necessary to appropriate in the following school year to ensure that state school aids equal two-thirds of partial school revenues (in general, the sum of state school aids and school property taxes). Under the bill, JCF determines the amount appropriated as general school aids in each odd-numbered fiscal year (e.g., the 2020-21 fiscal year) and the amount is set by law in each even-numbered fiscal year.

2. For purposes of determining a school district's general school aid amount, in general this bill requires that each pupil who is eligible for a free or reduced-price lunch under the federal school lunch program be counted as an additional 0.2 pupil. This bill also changes the manner by which a pupil enrolled in a four-year-old full-day kindergarten program is counted for purposes of general school aid from 0.5 pupil to one pupil.

3. Currently, if a school district would receive less in general state aid in any school year than 85 percent of the amount it received in the previous school year, its

state aid for the current school year is increased to 85 percent of the aid received in the previous school year. This bill increases the percentage to 90 percent.

4. This bill provides that a school district's state aid in any school year may not be less than an amount equal to the school district's membership multiplied by \$3,000.

5. Under current law, there is no per pupil adjustment for purposes of calculating a school district's revenue limit. This bill provides a per pupil adjustment of \$200 per pupil for the 2019-20 school year and \$204 for the 2020-21 school year. Under the bill, in the 2021-22 school year and thereafter, the per pupil adjustment is the per pupil adjustment for the previous school year as adjusted for any increase in the consumer price index.

6. Current law provides a minimum per pupil revenue limit for school districts, known as the revenue limit ceiling. Under the bill, the revenue limit ceiling for school districts is \$9,700 in the 2019-20 school year and \$10,000 in the 2020-21 school year and each school year thereafter. Under current law, the revenue limit ceiling is \$9,500 in the 2019-20 school year, and increases by \$100 each school year until the ceiling reaches \$9,800 in the 2022-23 school year. Current law also provides that during the three school years following a school year in which an operating referendum fails in a school district, the school district's revenue limit ceiling is the revenue limit ceiling that applied in the school year during which the referendum was held. This bill eliminates ~~the provision related to a failed operating referendum.~~ *this consequence for*

7. This bill creates a revenue limit adjustment for a school district that incurs costs to remediate lead contamination in drinking water in the school district, including costs to test for the presence of lead in drinking water, to provide safe drinking water, and to replace lead pipe water service lines to school buildings in the school district.

8. Currently, if at least 50 percent of a school district's enrollment is eligible for a free or reduced-price lunch under the federal school lunch program, the school district is eligible for a prorated share of the amount appropriated as high-poverty aid. This bill eliminates this aid beginning in the 2020-21 school year. The bill provides additional state aid for the 2020-21 school year to hold school districts harmless from the loss of high-poverty aid. *general*

general 9. Currently, \$75,000,000 in school aid payments is delayed until the following school year. Beginning in the 2020-21 school year, this bill delays \$1,090,000,000 in school aid payments until the following school year.

10. In the school district equalization aid formula, the guaranteed evaluations represent the amount of property tax base support that the state guarantees behind each pupil. There are three guaranteed valuations used; each applies to a different level of expenditures. The first level is for expenditures up to the primary cost ceiling of \$1,000 per pupil. The second level is for costs per pupil that exceed \$1,000 but are less than the secondary cost ceiling, which is set at 90 percent of the prior school year statewide shared cost per pupil. This bill changes the secondary cost ceiling to 100 percent of the prior school year statewide shared cost per pupil.

11. The bill eliminates the school levy property tax credit and the first dollar property tax credit. *in 2021*

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

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

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

2 20.255 (2) (ac) *General equalization aids.* ~~The amounts in the schedule A sum~~
3 ~~sufficient~~ for the payment of educational aids under ss. 121.08, 121.09, 121.095,
4 121.105, ~~121.137~~ and subch. VI of ch. 121 ~~equal to the amount determined by the joint~~
5 ~~committee on finance under s. 121.15 (3m) (c) in the 2020-21 fiscal year and~~
6 ~~biennially thereafter, and equal to the amount determined by law in the 2021-22~~
7 ~~fiscal year and biennially thereafter.~~

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

9 20.255 (2) (ag) *Hold harmless aid.* A sum sufficient for hold harmless aid to
10 school districts under s. 121.10.

11 **SECTION 3.** 79.10 (4) of the statutes is amended to read:

12 79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amount
13 appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
14 proportion to their share of the sum of average school tax levies for all municipalities.
15 No municipality shall receive a payment under this subsection after 2020.

16 **SECTION 4.** 79.10 (5m) of the statutes is amended to read:

17 79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the
18 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
19 school tax rate by the estimated fair market value, not exceeding the value
20 determined under sub. (11) (d), of every parcel of real property with improvements

1 that is located in the municipality. No municipality shall receive a payment under
2 this subsection after 2020.

3 **SECTION 5.** 79.14 of the statutes is amended to read:

4 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
5 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
6 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
7 \$672,400,000 in 2008; \$747,400,000 in 2009; \$732,550,000 in 2010, 2011, and 2012;
8 \$747,400,000 in 2013, 2014, and 2015; \$853,000,000 in 2016 and 2017; and
9 \$940,000,000 in 2018, 2019, and ~~in each year thereafter~~ 2020.

10 **SECTION 6.** 79.15 of the statutes is amended to read:

11 **79.15 Improvements credit.** The total amount paid each year to
12 municipalities from the appropriation account under s. 20.835 (3) (b) for the
13 payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and
14 \$150,000,000 in each year beginning in 2011 and in each year thereafter ending in
15 2020.

16 **SECTION 7.** 121.004 (7) (a) of the statutes is amended to read:

17 121.004 (7) (a) "Pupils enrolled" is the total number of pupils, as expressed by
18 official enrollments, in all schools of the school district, except as provided in pars.
19 (b) to ~~(f)~~ (g). If such total contains a fraction, it shall be expressed as the nearest whole
20 number. The same method shall be used in computing the number of pupils enrolled
21 for resident pupils, nonresident pupils or both.

****NOTE: Please note the changes related to counting 4-year-old kindergarteners
and economically disadvantaged pupils are changes to the definition of "pupils enrolled"
that applies to ch. 121. Please let me know if this is not consistent with your intent.

22 **SECTION 8.** 121.004 (7) (c) 1. a. of the statutes is amended to read:

1 121.004 (7) (c) 1. a. A pupil enrolled in a 5-year-old kindergarten program that
2 requires full-day attendance by the pupil for 5 days a week, but not on any day of
3 the week that pupils enrolled in other grades in the school do not attend school, for
4 an entire school term shall be counted as one pupil.

5 **SECTION 9.** 121.004 (7) (c) 2. of the statutes is amended to read:

6 121.004 (7) (c) 2. In subd. 1. a. and b., "full-day" means the length of the school
7 day for pupils in the first grade of the school district operating the 4-year-old or
8 5-year-old kindergarten program.

9 **SECTION 10.** 121.004 (7) (g) of the statutes is created to read:

10 121.004 (7) (g) A pupil who satisfies the income eligibility criteria for a free or
11 reduced-price lunch under 42 USC 1758 (b) (1) shall be counted as the number
12 specified in this subsection for the pupil plus an additional 20 percent of that number.

13 **SECTION 11.** 121.07 (6) (d) of the statutes is amended to read:

14 121.07 (6) (d) The "secondary ceiling cost per member" ^{strike} ~~in the 2001-02 2020-21~~
15 ~~school year and in each school year thereafter~~ is an amount determined by dividing
16 the state total shared cost in the previous school year by the state total membership
17 in the previous school year ~~and multiplying the result by 0.90.~~

18 **SECTION 12.** 121.10 of the statutes is created to read:

19 **121.10 Hold harmless aid.** (1) In this section, "state aid" means the sum of
20 the following:

21 (a) The payments made to a school district under ss. 121.08 and 121.105 and
22 subch. VI.

23 (b) The payments that would be made to a school district under s. 121.136 if s.
24 121.136 were still applicable.

1 (c) The amount that would be received by a school district under s. 79.10 (4) and
2 (5m) if s. 79.10 (4) and (5m) were still applicable.

3 (2) (a) Except as provided in par. (b), in the 2020-21 school year, if a school
4 district would receive less in equalization aid under s. 121.08 in the current school
5 year before any adjustment is made under s. 121.15 (4) (b) than it would have
6 received in state aid in the current school year, the department shall pay to the school
7 district the amount equal to the difference.

8 (b) If a school district from which territory was detached to create a new school
9 district under s. 117.105 would receive in equalization aid under s. 121.08 in the
10 school year beginning on the first July 1 following the effective date of the
11 reorganization less than the amount determined as follows, the department shall
12 pay to the school district the difference between the former amount and the amount
13 determined as follows:

14 1. Divide the school district's membership in the preceding school year by the
15 school district's membership in the 2nd preceding school year.

16 2. Multiply the amount of state aid that would have been received by the school
17 district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current
18 school year, by the quotient under subd. 1.

19 (3) In the school year in which a school district consolidation takes effect under
20 s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated
21 school district's equalization aid is less than the aggregate state aid to which the
22 consolidating school districts would have been eligible in the school year prior to the
23 school year in which the consolidation takes effect, the department shall pay the
24 difference to the consolidated school district.

1 (4) Additional aid under this section shall be paid from the appropriation under
2 s. 20.255 (2) (ag). No aid may be paid under this section after the 2020-21 school year.

3 **SECTION 13.** 121.105 (1) of the statutes is amended to read:

4 121.105 (1) ~~In~~ Except as provided in sub. (5), in this section “state aid” means
5 the sum of the payments provided to a school district under this section and ss.
6 121.08, 121.85 and 121.86.

7 **SECTION 14.** 121.105 (2) (am) 1. of the statutes is amended to read:

8 121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would
9 receive less in state aid in the current school year before any adjustment is made
10 under s. 121.15 (4) (b) than an amount equal to 85 90 percent of the amount of state
11 aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in
12 the current school year, its state aid for the current school year shall be increased to
13 an amount equal to 85 90 percent of the state aid received in the previous school year.

14 **SECTION 15.** 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

15 121.105 (2) (am) 2. (intro.) If a school district from which territory was detached
16 to create a new school district under s. 117.105 would receive in state aid in the school
17 year beginning on the first July 1 following the effective date of the reorganization
18 less than 85 90 percent of the amount determined as follows, its state aid in the school
19 year beginning on the first July 1 following the effective date of the reorganization
20 shall be increased to an amount equal to 85 90 percent of the amount determined as
21 follows:

22 **SECTION 16.** 121.105 (5) of the statutes is created to read:

23 121.105 (5) (a) In this subsection, “state aid” means the sum of the payments
24 provided to a school district under this section and s. 121.08.

1 (b) If, after making the adjustments under subs. (2), (3), and (4), a school
2 district would receive less in state aid in the current school year before any
3 adjustment is made under s. 121.15 (4) (b) than an amount equal to \$3,000 multiplied
4 by the school district's membership, the school district's state aid shall be increased
5 to an amount equal to \$3,000 multiplied by the school district's membership.

6 **SECTION 17.** 121.136 (3) of the statutes is created to read:

7 121.136 (3) No aid may be paid under this section after June 30, 2020.

8 **SECTION 18.** 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
9 renumbered 121.15 (1m) (a) and amended to read:

10 121.15 (1m) (a) Notwithstanding subs. (1) and (1g), ~~a portion of state aid to~~
11 ~~school districts shall be distributed as follows:~~ 3. Beginning beginning in the
12 ~~1999-2000~~ 2020-21 school year, annually the state shall pay to school districts, from
13 the appropriation under s. 20.255 (2) (ac), ~~\$75,000,000~~ \$1,090,000,000 on the 4th
14 Monday in July of the following school year.

15 **SECTION 19.** 121.15 (3m) of the statutes is created to read:

16 121.15 (3m) (a) In this subsection:

17 1. "Partial school revenues" means the sum of state school aids, property taxes
18 levied for school districts, and aid paid to school districts under s. 79.095 (4), less all
19 of the following:

20 a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a
21 school board's increasing the services that it provides by adding responsibility for
22 providing a service transferred to it from another school board.

23 b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

24 c. The amount of any revenue limit increase under s. 121.91 (4) (h).

25 d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

1 e. An amount equal to the amount estimated to be paid under s. 119.23 (4) and
2 (4m) multiplied by the sum of the applicable percentages specified in s. 121.08 (4) (b)
3 1. and 2.

4 f. The amount by which the property tax levy for debt service on debt that has
5 been approved by a referendum exceeds \$490,000,000.

6 2. "State school aids" means the amounts appropriated under s. 20.255 (1) (b)
7 and (2), other than s. 20.255 (2) (aw), (az), (bb), (dg), (dj), (fm), (fp), (fq), (fr), (fs), (fu),
8 (fv), (k), and (m), the amount appropriated under s. 20.505 (4) (es), and the amount,
9 as determined by the secretary of administration, of the appropriation under s.
10 20.505 (4) (s) allocated for payments to telecommunications providers under
11 contracts with school districts and cooperative educational service agencies under s.
12 16.971 (13), for grants to school district consortia under s. 16.997 (7), and to make
13 educational technology teacher training grants under s. 16.996.

14 (b) By May 15, 2021, and annually by May 15 thereafter, the department, the
15 department of administration, and the legislative fiscal bureau shall jointly certify
16 to the joint committee on finance an estimate of the amount necessary to appropriate
17 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
18 equal two-thirds of partial school revenues.

19 (c) By June 30, 2020, and biennially by June 30 thereafter, the joint committee
20 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the
21 following school year.

22 **SECTION 20.** 121.90 (2) (am) 1. of the statutes is amended to read:

23 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
24 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
25 (4) and including adjustments made under s. 121.15 (4).

1 **SECTION 21.** 121.905 (1) (a) of the statutes is renumbered 121.905 (1) and
2 amended to read:

3 121.905 (1) Except as provided in par. (b), in this section, “revenue ceiling”
4 means ~~\$9,100 in the 2017-18 school year, \$9,400 in the 2018-19 school year, \$9,500~~
5 \$9,700 in the 2019-20 school year, \$9,600 and \$10,000 in the 2020-21 school year,
6 ~~\$9,700 in the 2021-22 school year, and \$9,800 in the 2022-23 school year~~ and in any
7 subsequent each school year thereafter.

8 **SECTION 22.** 121.905 (1) (b) of the statutes is repealed.

9 **SECTION 23.** 121.905 (3) (c) 6. of the statutes is amended to read:

10 121.905 (3) (c) 6. For the limit for the 2015-16, 2016-17, 2017-18, and 2018-19
11 ~~school year or any school year thereafter~~ years, make no adjustment to the result
12 under par. (b).

13 **SECTION 24.** 121.905 (3) (c) 7. of the statutes is created to read:

14 121.905 (3) (c) 7. For the limit for the 2019-20 school year, add \$200 to the
15 result under par. (b).

16 **SECTION 25.** 121.905 (3) (c) 8. of the statutes is created to read:

17 121.905 (3) (c) 8. For the limit for the 2020-21 school year, add \$204 to the
18 result under par. (b).

19 **SECTION 26.** 121.905 (3) (c) 9. of the statutes is created to read:

20 121.905 (3) (c) 9. For the limit for the 2021-22 school year and any school year
21 thereafter, add the result under s. 121.91 (2m) (k) 2. to the result under par. (b).

22 **SECTION 27.** 121.91 (2m) (i) (intro.) of the statutes is amended to read:

23 121.91 (2m) (i) (intro.) Except as provided in subs. (3), (4), and (8), no school
24 district may increase its revenues for the 2015-16, 2016-17, 2017-18, and 2018-19

1 school year or for any school year thereafter years to an amount that exceeds the
2 amount calculated as follows:

3 **SECTION 28.** 121.91 (2m) (im) of the statutes is created to read:

4 121.91 (2m) (im) Except as provided in subs. (3), (4), and (8), no school district
5 may increase its revenues for the 2019-20 school year to an amount that exceeds the
6 amount calculated as follows:

7 1. Divide the sum of the amount of state aid received in the previous school year
8 and property taxes levied for the previous school year, excluding property taxes
9 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
10 (c), by the average of the number of pupils enrolled in the 3 previous school years.

11 2. Add \$200 to the result under subd. 1.

12 3. Multiply the result under subd. 2. by the average of the number of pupils
13 enrolled in the current school year and the 2 preceding school years.

14 **SECTION 29.** 121.91 (2m) (j) of the statutes is created to read:

15 121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district
16 may increase its revenues for the 2020-21 school year to an amount that exceeds the
17 amount calculated as follows:

18 1. Divide the sum of the amount of state aid received in the previous school year
19 and property taxes levied for the previous school year, excluding property taxes
20 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
21 (c), by the average of the number of pupils enrolled in the 3 previous school years.

22 2. Add \$204 to the result under subd. 1.

23 3. Multiply the result under subd. 2. by the average of the number of pupils
24 enrolled in the current school year and the 2 preceding school years.

25 **SECTION 30.** 121.91 (2m) (k) of the statutes is created to read:

1 121.91 (2m) (k) Except as provided in subs. (3), (4), and (8), no school district
2 may increase its revenues for the 2021-22 school year or for any school year
3 thereafter to an amount that exceeds the amount calculated as follows:

4 1. Divide the sum of the amount of state aid received in the previous school year
5 and property taxes levied for the previous school year, excluding property taxes
6 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
7 (c), by the average of the number of pupils enrolled in the 3 previous school years.

8 2. Multiply the amount of the revenue increase per pupil allowed under this
9 subsection for the previous school year by the sum of 1.0 plus the allowable rate of
10 increase under s. 73.0305 expressed as a decimal.

11 3. Add the result under subd. 1. to the result under subd. 2.

12 4. Multiply the result under subd. 3. by the average of the number of pupils
13 enrolled in the current and the 2 preceding school years.

14 **SECTION 31.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

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

19 **SECTION 32.** 121.91 (2m) (r) 1. b. of the statutes is amended to read:

20 121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase
21 per pupil allowed under this subsection for the previous school year multiplied by the
22 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
23 to the result under subd. 1. a., except that in calculating the limit for ~~the 2013-14~~
24 ~~school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., and~~
25 ~~in calculating the limit for the 2015-16 school year and any school year thereafter,~~

1 ~~make no adjustment to the result under subd. 1. a. the 2019-20 school year, add \$200~~
2 ~~to the result under subd. 1. a., in calculating the limit for the 2020-21 school year,~~
3 ~~add \$204 to the result under subd. 1. a., and in calculating the limit for the 2021-22~~
4 ~~school year and any school year thereafter, add the amount calculated under par. (k)~~
5 ~~3. for that school year to the result under subd. 1. a.~~

6 **SECTION 33.** 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

7 121.91 (2m) (s) 1. (intro.) Notwithstanding pars. (e) to (i) (k), if territory is
8 detached from a school district to create a new school district under s. 117.105, the
9 revenue limit under this section of the school district from which territory is detached
10 for the school year beginning with the effective date of the reorganization shall be
11 determined as follows except as provided in subs. (3) and (4):

12 **SECTION 34.** 121.91 (2m) (s) 1. b. of the statutes is amended to read:

13 121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase
14 per pupil allowed under this subsection for the previous school year multiplied by the
15 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
16 to the result under subd. 1. a., except that in calculating the limit for ~~the 2013-14~~
17 ~~school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., and~~
18 ~~in calculating the limit for the 2015-16 school year and any school year thereafter,~~
19 ~~make no adjustment to the result under subd. 1. a. the 2019-20 school year, add \$200~~
20 ~~to the result under subd. 1. a., in calculating the limit for the 2020-21 school year,~~
21 ~~add \$204 to the result under subd. 1. a., and in calculating the limit for the 2021-22~~
22 ~~school year and any school year thereafter, add the amount calculated under par. (k)~~
23 ~~3. for that school year to the result under subd. 1. a.~~

24 **SECTION 35.** 121.91 (2m) (t) 1. (intro.) of the statutes is amended to read:

1 121.91 (2m) (t) 1. (intro.) If 2 or more school districts are consolidated under
2 s. 117.08 or 117.09, except as follows, in the 2013-14 school year and the 2014-15
3 school year, the consolidated school district's revenue limit shall be determined as
4 provided under par. (hm), ~~and~~ in the 2015-16, 2016-17, 2017-18, and 2018-19
5 school year ~~and in each school year thereafter years~~, the consolidated school district's
6 revenue limit shall be determined as provided under par. (i), in the 2019-20 school
7 year, the consolidated school district's revenue limit shall be determined as provided
8 under par. (im), in the 2020-21 school year, the consolidated school district's revenue
9 shall be determined under par. (j), and in the 2021-22 school year and in each school
10 year thereafter, the consolidated school district's revenue limit shall be determined
11 as provided under par. (k):

12 **SECTION 36.** 121.91 (4) (om) of the statutes is created to read:

13 121.91 (4) (om) 1. Beginning in the 2020-21 school year, if a school board adopts
14 a resolution to do so, the limit otherwise applicable to a school district under sub.
15 (2m) in any school year is increased by the amount spent by the school district in that
16 school year on a project, including the payment of debt service on a bond or note
17 issued or a state trust fund loan obtained to finance the project, to remediate lead
18 contamination in drinking water in the school district. In this paragraph, the
19 amount spent by the school district includes costs incurred by the school district to
20 test for the presence of lead in drinking water, to provide safe drinking water to
21 affected school buildings during remediation, and, if necessary, to replace lead pipe
22 water service lines to school buildings in the school district. The term of a bond or
23 note issued or state trust fund loan obtained to finance the project under this
24 subdivision may not exceed 20 years. If a school board issues a bond or note or obtains
25 a state trust fund loan to finance a project described in this subdivision, a resolution

1 adopted by a school board under this subdivision is valid for each school year in which
2 the school board pays debt service on the bond, note, or state trust fund loan.

3 2. Any additional revenue received by a school district under this paragraph
4 shall not be included in the base for determining the school district's limit under sub.
5 (2m) for the following school year.

6 **SECTION 9134. Nonstatutory provisions; Public Instruction.**

7 (1) SECONDARY GUARANTEE. Notwithstanding s. 121.07 (7) (b), for the purpose
8 of setting the secondary guaranteed valuation per member in the 2020-21 school
9 year, the department of public instruction shall treat the appropriation under section
10 20.255 (2) (ac) of the statutes as if an additional \$1,090,000,000 were appropriated
11 in the 2020-21 fiscal year.

****NOTE: Please confirm that this provision is consistent with your intent.

12 **SECTION 9334. Initial applicability; Public Instruction.**

13 (1) STATE AID. The treatment of ss. 20.255 (2) (ac), 121.004 (7) (a), (c) 1. a. and
14 2., and (g), ^{121.07 (b)(d)} and 121.105 (1), (2) (am) 1. and 2. (intro.), and (5) first applies to the
15 distribution of school aid in, and the calculation of revenue limits for, the 2020-21
16 school year.

17 (2) DELAYED PAYMENT. The treatment of s. 121.15 (1m) (a) (intro.) and 3. first
18 applies to the payment made under s. 121.15 (1m) (a) on the 4th Monday in July 2022.

19 (END)



Redraft Instructions from Kyle

① Low Income Weighting should apply only to calculating school districts value/member

remove sections 9c 10

② Initial App - change to July 2021
(not 2022)

③ OK to update all 121.91 references
internal x-references