



State of Wisconsin  
2023 - 2024 LEGISLATURE

LRB-1180/P2  
FFK:skw&wlj

DOA:.....Kretschmann, BB0199 - General Aid and Revenue Limits

**FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

***School district revenue limits; per pupil increase***

Current law generally limits the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to the amount of revenue allowed per pupil in the previous school year plus a per pupil adjustment, if any, as provided by law. Current law does not provide a per pupil adjustment in the 2021-22 school year and any school year thereafter.

For purposes of calculating school district revenue limits, this bill provides a per pupil increase of \$350 for the 2023-24 school year and \$650 for the 2024-25 school year. Under the bill, in the 2025-26 school year and thereafter, the per pupil adjustment is the per pupil increase for the previous school year as adjusted for any increase in the consumer price index.

***Low revenue ceiling; per pupil amount and restrictions***

Current law provides a minimum per pupil revenue limit for school districts, known as the revenue ceiling. Under current law, the per pupil revenue ceiling is \$10,000 in the 2020-21 school year and each school year thereafter. This bill increases the per pupil revenue ceiling to \$10,450 for the 2023-24 school year and to \$11,200 for the 2024-25 school year and, beginning in the 2025-26 school year, annually adjusts the revenue ceiling for any increase in the consumer price index.

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 ceiling is the revenue ceiling that applied in the school year during which the referendum was held. The bill eliminates the provision under which a school district's revenue ceiling is the revenue ceiling from a previous school year because an operating referendum failed in the school district.

***Counting pupils enrolled in four-year-old kindergarten; general aid and revenue limits***

This bill changes how a pupil enrolled in a four-year-old kindergarten is counted by a school district for purposes of state aid and revenue limits. Under current law, beginning with state aid paid in the 2024-25 school year and revenue limits calculated for the 2024-25 school year, a pupil enrolled in a four-year-old kindergarten program is counted as 0.5 pupil unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 pupil. Under the bill, if the four-year-old kindergarten program requires full-day attendance by pupils for five days a week, a pupil enrolled in the program is counted as one pupil.

***High poverty aid***

Under current law, 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. For school districts other than a first class city school district (currently, only Milwaukee Public Schools), high poverty aid is considered state aid for purposes of revenue limits. For MPS, high poverty aid must be used to reduce the school property tax levied for the purpose of offsetting the aid reduction attributable to the Milwaukee Parental Choice Program. This bill eliminates high poverty aid beginning in the 2023-24 school year.

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) (bb) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 2.** 118.40 (2r) (e) 2p. a. of the statutes is amended to read:

118.40 (2r) (e) 2p. a. Add the amounts appropriated in the current fiscal year under s. 20.255 (2), except s. 20.255 (2) (ac), (aw), (az), ~~(bb)~~ (db), (dj), (du), (fm), (fp), (fq), (fr), (fu), (k), and (m); and s. 20.505 (4) (es); and the amount, as determined by

the secretary of administration, of the ~~appropriation~~ appropriations under s. 20.505 (4) (c) and (s) allocated for payments to telecommunications providers under contracts with school districts and cooperative educational service agencies under s. 16.971 (13).

\*\*\*\*NOTE: This is reconciled s. 118.40 (2r) (e) 2p. a. This SECTION has been affected by drafts with the following LRB numbers: 1180/P1, 1213/P2, and 1226/P2.

**SECTION 3.** 119.46 (1) of the statutes is amended to read:

119.46 (1) As part of the budget transmitted annually to the common council under s. 119.16 (8) (b), the board shall report the amount of money required for the ensuing school year to operate all public schools in the city under this chapter, including the schools transferred to the superintendent of schools opportunity schools and partnership program under s. 119.33 and to the opportunity schools and partnership program under subch. II, to repair and keep in order school buildings and equipment, including school buildings and equipment transferred to the superintendent of schools opportunity schools and partnership program under s. 119.33 and to the opportunity schools and partnership program under subch. II, to make material improvements to school property, and to purchase necessary additions to school sites. The report shall specify the amount of net proceeds from the sale or lease of city-owned property used for school purposes deposited in the immediately preceding school year into the school operations fund as specified under s. 119.60 (2m) (c) or (5) and the net proceeds from the sale of an eligible school building deposited in the immediately preceding school year into the school operations fund as specified under s. 119.61 (5). The amount included in the report for the purpose of supporting the Milwaukee Parental Choice Program under s. 119.23 shall be reduced ~~by the amount of aid received by the board under s. 121.136~~

and by the amount specified in the notice received by the board under s. 121.137 (2). The common council shall levy and collect a tax upon all the property subject to taxation in the city, which shall be equal to the amount of money required by the board for the purposes set forth in this subsection, at the same time and in the same manner as other taxes are levied and collected. Such taxes shall be in addition to all other taxes which the city is authorized to levy. The taxes so levied and collected, any other funds provided by law and placed at the disposal of the city for the same purposes, and the moneys deposited in the school operations fund under ss. 119.60 (1), (2m) (c), and (5) and 119.61 (5) shall constitute the school operations fund.

**SECTION 4.** 121.004 (7) (c) 1. a. of the statutes is amended to read:

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

\*\*\*\*NOTE: This is reconciled s. 121.004 (7) (c) 1. a. This SECTION has been affected by drafts with the following LRB numbers: -1121/P2 and -1180/P1.

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

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

\*\*\*\*NOTE: This is reconciled s. 121.004 (7) (c) 2. This SECTION has been affected by drafts with the following LRB numbers: -1121/P2 and -1180/P1.

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

121.004 (7) (cm) A pupil enrolled in a 4-year-old kindergarten program, including a 4-year-old kindergarten program being phased in under s. 118.14 (3) (b), that provides the required number of hours of direct pupil instruction under s. 121.02

(1) (f) but requires less than full-day attendance by the pupil for 5 days a week shall be counted as 0.6 pupil if the program annually provides at least 87.5 additional hours of outreach activities. In this paragraph, “full-day” has the meaning given in par. (c) 2.

\*\*\*\*NOTE: This is reconciled s. 121.004 (7) (cm). This SECTION has been affected by drafts with the following LRB numbers: -1121/P2 and -1180/P1.

**SECTION 7.** 121.136 of the statutes is repealed.

**SECTION 8.** 121.90 (2) (am) 1. of the statutes is amended to read:

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

**SECTION 9.** 121.90 (2) (bm) 3. of the statutes is repealed.

**SECTION 10.** 121.905 (1) (a) of the statutes is amended to read:

121.905 (1) (a) Except as provided in par. (b), in this section, “revenue ceiling” means \$9,100 in the 2017-18 school year, \$9,400 in the 2018-19 school year, \$9,500 in the 2019-20 school year, \$9,600 in the 2020-21 school year, \$9,700 in the 2021-22 school year, and \$9,800 in the 2022-23 school year, \$10,450 in the 2023-24 school year, \$11,200 in the 2024-25 school year, and in the 2025-26 school year and any subsequent school year the amount under this paragraph for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal.

**SECTION 11.** 121.905 (1) (b) 1. to 3. of the statutes are repealed.

**SECTION 12.** 121.905 (3) (c) 6. of the statutes is amended to read:

121.905 (3) (c) 6. For the limit for each of the 2015-16 to 2018-19 school years, for the 2021-22 school year, and for any the 2022-23 school year thereafter, make no adjustment to the result under par. (b).

**SECTION 13.** 121.905 (3) (c) 9. of the statutes is created to read:

121.905 (3) (c) 9. For the limit for the 2023-24 school year, add \$350 to the result under par. (b).

**SECTION 14.** 121.905 (3) (c) 10. of the statutes is created to read:

121.905 (3) (c) 10. For the limit for the 2024-25 school year, add \$650 to the result under par. (b).

**SECTION 15.** 121.905 (3) (c) 11. of the statutes is created to read:

121.905 (3) (c) 11. For the limit for the 2025-26 school year and any school year thereafter, add the result under s. 121.91 (2m) (L) 2. to the result under par. (b).

**SECTION 16.** 121.91 (2m) (i) (intro.) of the statutes is amended to read:

121.91 (2m) (i) (intro.) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for any of the 2015-16 to 2018-19 school year or for any school year thereafter years, the 2021-22 school year, or the 2022-23 school year to an amount that exceeds the amount calculated as follows:

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

121.91 (2m) (im) (intro.) ~~Notwithstanding par. (i) and except~~ Except as provided in subs. (3), (4), and (8), a school district cannot increase its revenues for the 2019-20 school year to an amount that exceeds the amount calculated as follows:

**SECTION 18.** 121.91 (2m) (j) (intro.) of the statutes is amended to read:

121.91 (2m) (j) (intro.) ~~Notwithstanding par. (i) and except~~ Except as provided in subs. (3), (4), and (8), a school district cannot increase its revenues for the 2020-21 school year to an amount that exceeds the amount calculated as follows:

**SECTION 19.** 121.91 (2m) (k) of the statutes is created to read:

121.91 **(2m)** (k) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for the 2023-24 school year to an amount that exceeds the amount calculated as follows:

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

2. Add \$350 to the result under subd. 1.

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

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

121.91 **(2m)** (km) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for the 2024-25 school year to an amount that exceeds the amount calculated as follows:

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

2. Add \$650 to the result under subd. 1.

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

**SECTION 21.** 121.91 (2m) (L) of the statutes is created to read:

121.91 (2m) (L) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for the 2025-26 school year or for any school year thereafter to an amount that exceeds the amount calculated as follows:

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

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

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

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

**SECTION 22.** 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

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

**SECTION 23.** 121.91 (2m) (r) 1. b. of the statutes is amended to read:

121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for ~~the 2013-14 school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., in calculating the limit for the 2019-20 school year, add \$175 to the result under subd.~~



~~1. a., and in calculating the limit for the 2020-21 school year, add \$179 to the result under subd. 1. a. In the 2015-16 to 2018-19 school years, the 2021-22 school year, and any school year thereafter, make no adjustment~~ the 2023-24 school year, add \$350 to the result under subd. 1. a., and in calculating the limit for the 2024-25 school year, add \$650 to the result under subd. 1. a.

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

121.91 **(2m)** (r) 2. (intro.) If a school district is created under s. 117.105, the following adjustments to the calculations under pars. ~~(i) (k)~~ to ~~(j) (L)~~ apply for the 2 school years beginning on the July 1 following the effective date of the reorganization:

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

121.91 **(2m)** (r) 2. a. For the school year beginning on the first July 1 following the effective date of the reorganization the number of pupils in the previous school year shall be used under pars. ~~(i) (k)~~ 1., ~~(im) (km)~~ 1., and ~~(j) (L)~~ 1. instead of the average of the number of pupils in the 3 previous school years, and for the school year beginning on the 2nd July 1 following the effective date of the reorganization the average of the number of pupils in the 2 previous school years shall be used under pars. ~~(i) (k)~~ 1., ~~(im) (km)~~ 1., and ~~(j) (L)~~ 1. instead of the average of the number of pupils in the 3 previous school years.

**SECTION 26.** 121.91 (2m) (r) 2. b. of the statutes is amended to read:

121.91 **(2m)** (r) 2. b. For the school year beginning on the first July 1 following the effective date of the reorganization the average of the number of pupils in the current and the previous school years shall be used under pars. ~~(i) 2. (km) 3.~~ and ~~(j) 3 (L) 4.~~ instead of the average of the number of pupils in the current and the 2 preceding school years.

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

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

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

121.91 **(2m)** (s) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for ~~the 2013-14 school year and the 2014-15 school year, add \$75 to the result under subd. 1. a., in calculating the limit for the 2019-20 school year, add \$175 to the result under subd. 1. a., and in calculating the limit for the 2020-21 school year, add \$179 to the result under subd. 1. a. In the 2015-16 to 2018-19 school years, the 2021-22 school year, and any school year thereafter, make no adjustment~~ the 2023-24 school year, add \$350 to the result under subd. 1. a., and in calculating the limit for the 2024-25 school year, add \$650 to the result under subd. 1. a.

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

121.91 **(2m)** (s) 2. (intro.) If territory is detached from a school district to create a new school district under s. 117.105, the following adjustments to the calculations under pars. (i) ~~(k)~~ to (j) (L) apply to the school district from which territory is detached for the 2 school years beginning on the July 1 following the effective date of the reorganization:

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

121.91 **(2m)** (s) 2. a. For the school year beginning on the first July 1 following the effective date of the reorganization, the number of pupils in the previous school year shall be used under pars. (i) (k) 1., ~~(im)~~ (km) 1., and (j) (L) 1. instead of the average of the number of pupils in the 3 previous school years; and for the school year beginning on the 2nd July 1 following the effective date of the reorganization, the average of the number of pupils in the 2 previous school years shall be used under pars. (i) (k) 1., ~~(im)~~ (km) 1., and (j) (L) 1. instead of the average of the number of pupils in the 3 previous school years.

**SECTION 31.** 121.91 (2m) (s) 2. b. of the statutes is amended to read:

121.91 **(2m)** (s) 2. b. For the school year beginning on the first July 1 following the effective date of the reorganization the average of the number of pupils in the current and the previous school year shall be used under pars. ~~(i) 2.~~ (km) 3. and (j) ~~3~~ (L) 4. instead of the average of the number of pupils in the current and the 2 preceding school years.

**SECTION 32.** 121.91 (2m) (t) 1. (intro.) of the statutes is amended to read:

121.91 **(2m)** (t) 1. (intro.) If 2 or more school districts are consolidated under s. 117.08 or 117.09, in the ~~2019-20~~ 2023-24 school year, the consolidated school district's revenue limit shall be determined as provided under par. ~~(im)~~ (k), in the ~~2020-21~~ 2024-25 school year, the consolidated school district's revenue limit shall be determined as provided under par. (j) (km), and in each school year thereafter, the consolidated school district's revenue limit shall be determined as provided under par. (i) (L), except as follows:

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

(1) REVENUE CEILING; REFERENDA RESTRICTIONS. The treatment of s. 121.905 (1) (b) 1. to 3. first applies to the revenue ceiling for the 2023-24 school year.

(2) REVENUE LIMIT; HIGH POVERTY AID. The treatment of s. 121.90 (2) (am) 1. and (bm) 3. first applies to the calculation of revenue limits for the 2023-24 school year.

(3) COUNTING PUPILS IN FOUR-YEAR-OLD KINDERGARTEN. The treatment of s. 121.004 (7) (c) 1. a. and 2. and (cm) first applies to the distribution of school aid in, and the calculation of revenue limits for, the 2024-25 school year.

(END)