



---

## WISCONSIN LEGISLATIVE COUNCIL

---

*Terry C. Anderson, Director*  
*Laura D. Rose, Deputy Director*

TO: MEMBERS OF THE JOINT LEGISLATIVE COUNCIL

FROM: Russ Whitesel, Senior Staff Attorney

RE: Legislation Proposed by the Joint Legislative Council's Special Committee on Review of State School Aid Formula; Changes to Reflect Provisions Enacted in Biennial Budget Bill [2007 Wisconsin Act 20]

DATE: December 3, 2007

The recommendations of the Joint Legislative Council's Special Committee on Review of State School Aid Formula are described in the Proposed Report to the Legislature, *Special Committee on Review of State School Aid Formula*, PRL 2007-12, dated April 30, 2007. The recommendations of the committee at that time were incorporated into LRB-2279/1. Subsequent to the conclusion of the committee's work and the drafting of the proposed legislation, the Legislature has enacted 2007 Wisconsin Act 20, the Biennial Budget Act, which affects a number of the provisions included in the committee's recommendations.

Therefore, the committee's recommendations have been redrafted as LRB-2279/3 to reflect those changes and has been distributed to the Joint Legislative Council. This memorandum briefly describes the revised bill and the changes to the original recommendations of the committee that it contains.

1. **Transportation.** The revised draft makes no changes in the recommendations by the committee relating to transportation. Therefore, the draft includes the requirement that the Department of Public Instruction (DPI) collect information from school boards on the miles driven to and from school for public and private pupils and report this information to the Legislature. It also authorizes DPI to fully expend the appropriations set aside for school transportation by increasing payments to districts on a prorated basis.
2. **Declining Enrollment.** The proposed draft extends the enrollment adjustment aid for school districts to three years. Under 2007 Wisconsin Act 20, as in the committee's original proposal, in the first year of an enrollment decline, a school district will receive 100% of the allowable revenues that the decline would have generated. The proposed draft maintains the 100% payment in the first year of the decline. In the second year after the decline, the district would receive an adjustment equal to 75% of the first year adjustment. In the third

year after the decline year, the district would receive an adjustment equal to 50% of the first year adjustment. Combined with the Wisconsin Act 20 provision described above, the effect is identical to the committee's original recommendation.

3. **Low Spending Districts.** The proposed draft increases the low-revenue ceiling for revenue limits. The committee recommended that the low-revenue ceiling for revenue limits be increased by \$400 per pupil in each of the 2007-08 and 2008-09 school years. The proposed draft applies the \$400 increases to the amounts appropriated for the 2008-09 and 2009-10 school years in Act 20. Thus, the 2008-09 low-revenue ceiling would be increased to \$9,100 from the \$8,700 per pupil included in Wisconsin Act 20. Subsequently, the ceiling in the 2009-10 school year would be increased to \$9,500.
4. **Revenue Limit Flexibility Option.** This provision remains the same as initially proposed. It provides school districts with revenue limit flexibility based on a percentage of statewide average allowable revenue per pupil.

As noted in the committee's report, the proposal allows a school board, by a 2/3 vote of its members, to increase its revenue limit, on a nonrecurring basis, by an amount equal to 1% of the statewide average allowable revenue per pupil in the previous year, multiplied by the districts current three-year rolling average pupil count. Under the proposal, the 1% would not be included in shared costs and would not be included in the determination of partial school revenues for purposes of calculating state aid.

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

5. **Grant Program for School Consolidation Feasibility Studies.** This provision was enacted in 2007 Wisconsin Act 20. Therefore, it has been removed from the draft.

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

If you have any questions regarding these issues, please feel free to contact me directly at the Legislative Council staff offices.

RW:ty