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2017

Joint Committee on Finance

Paper #490

State Support for K-12 Education (Public Instruction -- General School Aid and Revenue Limits and Categorical Aids)

[LFB 2017-19 Budget Summary: Page 343, #1; Page 346, #2 and #5; Page 347 #2 (part)]

CURRENT LAW

Article X, Section 3, of Wisconsin's Constitution specifies that the Legislature is responsible for the establishment of public school districts which are to be "as nearly uniform as practicable" and "free and without charge for tuition to all children." Under s. 121.01 of Wisconsin Statutes, it is declared that it is "the policy of this state that education is a state function" and "that some relief should be afforded from the local general property tax as a source of public school revenue where such tax is excessive, and that other sources of revenue should contribute a larger percentage of the total funds needed." That section also states that "in order to provide reasonable equality of educational opportunity for all the children of this state, the state must guarantee that a basic educational opportunity be available to each pupil," with the state contributing to a district's educational program only if it meets state standards.

Under revenue limits, the amount of revenue a school district can raise from general school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. If there is a per pupil adjustment authorized under the law, it is added to the district's base revenue per pupil to arrive at current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit. Under current law, in 2016-17 and each year thereafter, no per pupil adjustment is made to each district's base revenue per pupil.

There are several adjustments that are made to the initial revenue limit, such as the low revenue adjustment, the base revenue hold harmless adjustment, and the declining enrollment

adjustment. These adjustments generally increase a district's limit, providing the district with more revenue authority within the calculated limit. A district can also exceed its revenue limit by receiving voter approval at a referendum.

Under the declining enrollment adjustment, if a district's current year three-year rolling average pupil enrollment is less than its prior year three-year rolling average, the district receives a nonrecurring adjustment to its revenue limit in a dollar amount equal to 100% of what the decline in the average enrollments would have generated in revenue limit authority. Under the low revenue adjustment, any district with base revenue per pupil that is below a statutorily-specified amount (\$9,100 per pupil in 2016-17 and each year thereafter) may increase its revenues up to that amount. Under the prior year base revenue hold harmless adjustment, if a district's initial revenue limit in the current year, after consideration of the per pupil adjustment and low revenue adjustment, but prior to any other adjustments, is less than the district's base revenue from the prior year, the district's initial revenue limit is set equal to its prior year base.

The general school aids appropriation funds equalization, integration, and special adjustment aid. (High poverty aid, which is also a form of general aid, is funded from a separate appropriation.) Almost all of the funding in the appropriation is distributed through the equalization aid formula. A major objective of the formula is tax base equalization. The formula operates under the principle of equal tax rate for equal per pupil expenditures. In pure form, this means that a school district's property tax rate does not depend on the property tax base of the district, but rather on the level of expenditures. The provision of state aid through the formula allows a district to support a given level of per pupil expenditures with a similar local property tax rate as other districts with the same level of per pupil expenditures, regardless of property tax wealth. There is an inverse relationship between equalization aid and property valuations. Districts with lower per pupil property values receive a larger share of their costs through the formula than districts with higher per pupil property values.

A sum sufficient per pupil aid appropriation was established in the 2013-15 biennial budget act. Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from this appropriation. Under the 2015-17 biennial budget act, each district receives a \$250 per pupil payment in 2016-17 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

One measure of state support of K-12 education is based on the concept of partial school revenues. The traditional definition of partial school revenues is the sum of state general and categorical aids and the gross school property tax levy, with certain exceptions. The traditional definition of state support is the sum of state general and categorical aids, the school levy and first dollar tax credits, and the general program operations appropriation for the Program for the Deaf and Center for the Blind.

GOVERNOR

Provide \$72,750,000 GPR in 2018-19 for general school aids. The general school aids

appropriation would remain at base level funding of \$4,584,098,000 in 2017-18 and increase to \$4,656,848,000 in 2018-19. This would represent an increase of 1.6% in 2018-19 compared to the prior year.

Provide \$167,859,500 GPR in 2017-18 and \$340,873,300 GPR in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to up to \$450 per pupil in 2017-18 and up to \$654 per pupil in 2018-19. Base level funding associated with the current \$250 per pupil amount is \$210,992,800.

To receive the increase in the per pupil aid payment, school boards would be required to make certifications related to employee payment of health care costs and pass-through of funding to school buildings. (This item is addressed in a separate issue paper.) Under the bill, \$12 of per pupil aid in 2017-18 and \$24 of per pupil aid in 2018-19 would be contingent upon funding being lapsed to the general fund related to self-insurance for state employees. (This item will be addressed in a subsequent issue paper.)

The bill would maintain current law as established in the 2013-15 biennial budget act under which there would be no per pupil adjustment under revenue limits in the 2017-18 and 2018-19 school years and each year thereafter.

The bill would increase the school levy tax credit distribution beginning in the 2017(18) property tax year by \$87.0 million, above base level funding of \$853.0 million. This item is addressed in a separate issue paper.

Table 1 shows the level of state support for K-12 education in 2016-17, using the traditional definitions of state support and partial school revenues, and the funding levels proposed by the Governor under the bill for each year of the 2017-19 biennium.

TABLE 1

**State Support for K-12 Education -- AB 64/SB 30
(\$ in Millions)**

<u>State Funding</u>	<u>2016-17 Base Year</u>	<u>Governor</u>		<u>Change to Base Year Doubled</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Amount</u>	<u>Percent</u>
General School Aids	\$4,600.9	\$4,600.9	\$4,673.7	\$72.8	0.8%
Categorical Aids	843.6	1,040.7	1,222.0	575.5	34.1
School Levy Tax Credit	853.0	940.0	940.0	174.0	10.2
First Dollar Credit	150.0	150.0	150.0	0.0	0.0
State Residential Schools	<u>11.2</u>	<u>10.9</u>	<u>10.9</u>	<u>-0.6</u>	<u>-2.7</u>
Total	\$6,458.7	\$6,742.5	\$6,996.6	\$821.7	6.4%
Estimated Partial School Revenues	\$10,158.4	\$10,400.0	\$10,610.0		
Estimated State Share	63.6%	64.8%	65.9%		

DISCUSSION POINTS

General Considerations

1. In the most recent Supreme Court case regarding the constitutionality of the school finance system in 2000 (Vincent v. Voight), the Court held that the state school finance system did not violate either the uniformity clause or the equal protection clause of the state Constitution. In the Vincent decision, the Court also reaffirmed that "the Legislature is entitled to deference in its legislative policy involving fiscal-educational decisions."

2. The Court also held that "so long as the Legislature is providing sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the Constitution, the state school finance system will pass constitutional muster." The decision also noted that this standard must take into account districts with disproportionate numbers of disabled students, economically-disadvantaged students, and students with limited-English proficiency.

3. Subject to this constitutional and statutory framework, the Legislature has the role of balancing the various policy goals for K-12 funding within the context of the overall state budget. The competing priorities for general fund revenues, as well as the overall size and condition of the state's general fund, must also be considered in determining the level of state support provided to K-12 education.

4. Within the legal framework, the Legislature must also balance competing goals in the allocation of funding for K-12 public schools with respect to equality and equity. Equality can be judged in terms of whether districts or pupils have the same overall amount of funding or receive the same funding increase. Equity generally attempts to take into account the differing situations and needs of pupils (such as the three classes of students mentioned in the Vincent decision) or districts (which can be measured by such things as property wealth, income wealth, historical spending levels, demographic characteristics, and geographic characteristics).

Methods of Providing State Support

5. Under the bill, it is estimated that the appropriations for state school aids and property tax credits identified in Table 1 above will make up 39% of state general fund appropriations in each year of the biennium. This would include the general school aid and school levy tax credit increases proposed by the Governor and the net changes in all categorical aid appropriations under the bill.

6. Traditionally, additional financial resources have been provided to school districts under revenue limits, either through the per pupil adjustment or through other adjustments to the revenue limit calculation. School boards have the ability to levy for any additional revenue limit authority, with the state providing support either through general school aids or the school levy tax credit to fund school district operations and reduce the local levy. This method allows for some combination of state and local contribution to K-12 funding.

7. The basic concept of equalizing the fiscal capacities of school districts has been

promoted through the equalization formula since 1949. The formula uses equalized property valuations per pupil to measure fiscal capacity. To equalize the tax bases of school districts, districts with lower per pupil property values receive a larger share of their costs through the formula than districts with higher per pupil property values. In the 2016-17 aid year, the district with the highest property value per pupil had 49 times the property value per pupil as that of the lowest district. The district at the 90th percentile had over three times the property value per pupil of the district at the 10th percentile. In the absence of a significant commitment to tax base equalization, it would be difficult, if not virtually impossible, for districts with the lowest property values per pupil to provide a reasonably equal educational opportunity for students as districts with the highest values could.

8. The school levy tax credit could be characterized as neutral with regard to equalization, given that the levy reduction under the credit generally is proportionate for all districts and produces a similar reduction in tax rates. Relative to general aid, school levy tax credit funding could be viewed as favoring taxpayers in districts with relatively higher spending levels and higher per pupil property values. Because these districts receive relatively less equalization aid, more of the cost of operating these districts is funded from property tax levies. Because the school levy tax credit is allocated based on each district's school levy in proportion to statewide levies, these districts receive relatively more school levy tax credit funding than districts that have more of their costs supported from general aid.

9. The first dollar credit was created in the 2007-09 biennial budget act. The first dollar credit is extended to each taxable parcel of real estate on which improvements are located. As a result, the first dollar credit is more focused on residential property than the school levy tax credit. The credit is calculated for each eligible parcel of property by multiplying the property's gross school tax rate by a credit base value determined by the Department of Revenue or the property's fair market value, whichever is less. The first dollar credit has represented a relatively small proportion of total state support since its creation.

10. Per pupil aid is a relatively new approach in providing state support to school districts. Per pupil aid could be viewed as a form of minimum aid, under which each district receives an equal, fully state-supported payment per pupil, regardless of the level of property wealth in the district. This could be viewed as a way to ensure that all pupils in the state receive some amount of state support for their education and that all taxpayers in the state receive some level of benefit from the state to support the operations of their school districts.

11. Other categorical aid programs allow for the provisions of additional resources for particular classes of pupils or districts. Three categorical aid programs are targeted to the classes of pupils recognized in the Vincent decision and are distributed on either a cost-reimbursement basis (special education and bilingual-bicultural aid) or on a per eligible pupil basis (the achievement gap reduction program). Separate categorical aid programs provide additional financial resources to particular classes of districts, such as the "small but necessary" districts (sparsity aid and high-cost transportation aid) or districts serving a relative large number of pupils who live in properties for which there is no parental property tax base support (tuition payments).

12. The attachment provides information on the relative allocation of funding between the major categories of state support for selected years since 1992-93. As shown in the attachment,

when the state had a statutory policy in the late 1990s and early 2000s of funding two-thirds of partial school revenues, the proportion of state support provided through general aid increased, as a result of the mechanism that was established to achieve that goal. In the decade after the repeal of the two-thirds funding commitment, increases in the school levy tax credit, the creation of the first dollar credit, and reductions to general aid funding moved the proportions closer to those prior to two-thirds funding. The creation of per pupil aid has led to an increase in the categorical aid proportion in recent years. Under the bill, the proportion of state support funding provided through general aid would be the lowest since at least 1992-93.

Gross School Levy

13. On March 14, this office distributed a memorandum to the Legislature on the estimated level of property taxes under the bill. In that memorandum, it was estimated that the statewide gross school levy would increase from \$4,858.1 million in 2016-17 to \$4,900.0 million in 2017-18 and \$4,880.0 million in 2018-19. These estimates represent year-over-year changes of \$41.9 million (0.9%) in 2017-18 and -\$20.0 million (-0.4%) in 2018-19. Even if there is no per pupil adjustment provided under revenue limits, the statewide school levy can increase due to changes in the other revenue limit adjustments, passage of school referenda, or changes in the levies that are outside of revenue limits.

14. Table 2 shows a summary of the estimated property tax levy under the bill, with the gross school levy shown separately from the combined gross levies for all other taxing jurisdictions. The table also shows funding for the property tax credits under the bill and the resulting net levy for each year. Finally, Table 2 shows that the estimated property tax on a median valued home would decline by \$20 in 2017-18 and by \$1 in 2018-19 under the bill compared to the prior years.

TABLE 2**Estimated Property Tax Levy
Under AB 64/SB 30**

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Gross School Levy (Millions)	\$4,858.1	\$4,900.0	\$4,880.0
Change to Prior Year		\$41.9	-\$20.0
All Other Levies (Millions)	\$5,933.8	\$5,977.6	\$6,125.0
Change to Prior Year		\$43.8	\$147.4
Total Gross Levy (Millions)	\$10,791.9	\$10,877.6	\$11,005.0
Change to Prior Year		\$85.7	\$127.4
School Levy Tax Credit	\$853.0	\$940.0	\$940.0
First Dollar Tax Credit	150.0	150.0	150.0
Lottery Tax Credit	<u>182.3</u>	<u>164.6</u>	<u>166.3</u>
Total Tax Credits (Millions)	\$1,185.3	\$1,254.6	\$1,256.3
Net Property Taxes (Millions)	\$9,606.6	\$9,623.0	\$9,748.7
Change to Prior Year		\$16.4	\$125.7
Estimated Tax on Median Valued Home	\$2,852	\$2,832	\$2,831
Change to Prior Year Amount		-\$20	-\$1
Percent		-0.7%	< -0.1%

15. The reduction in the estimated gross school levy in 2018-19 reflects the bill provision that would provide an additional \$72.8 million in general aid in that year. The increase in the school levy tax credit for both property tax years serves to reduce the estimated net levy. To achieve the same net levy as the bill without providing the additional general aid or levy credit funding, the per pupil adjustment under revenue limits would have to be set at -\$45 in 2017-18 and -\$95 in 2018-19, assuming the base revenue hold harmless adjustment were suspended.

Alternatives

16. The relatively large portion of the state general fund devoted to state support of K-12 education under the bill, along with the increases in the sum of state general aid and estimated gross school levy, as well as per pupil aid and other categorical aids, could be viewed as appropriate in light of the state's constitutional and statutory responsibilities with regard to K-12 education.

17. The Committee could also choose from a number of options to modify the school finance provisions of the bill, based on the overall level of partial school revenues, state aid, and statewide levy that is judged to be appropriate. The Committee could choose to modify the level of general aid and/or per pupil aid funding provided under the bill, provide financial resources to

school districts through the per pupil adjustment and/or the low revenue adjustment under revenue limits, or use a blended approach between the various options.

18. During public hearings on the budget bill, the Committee heard testimony from school district officials indicating support for the increase in the per pupil aid payment and the additional state-funded resources that would support their operations.

19. If the level of state and local funding provided to a particular district under the bill or any of the various alternatives would be viewed as insufficient by the school board, that board would have the option to prioritize the operating budget of the district to maintain the programming which is most important for students and other stakeholders in the district. Further, current law allows a school district to exceed its revenue limit through referendum. The referendum option would ensure that a majority of the voters support a district's decision to spend at higher levels.

20. Table 3 shows the funding changes relative to the bill and to the base for six alternatives for per pupil aid payments in the 2017-19 biennium, based on reestimated statewide revenue limit enrollment. For example, as shown in the third line of Table 3, if the per pupil aid payment were set at \$400 per pupil in 2017-18 and \$550 per pupil in 2018-19 and each year thereafter, estimated general fund expenditures would be reduced by \$42.7 million in 2017-18 and \$90.1 million in 2018-19 compared to the bill. Relative to the base, per pupil aid funding would increase by \$125.2 million in 2017-18 and \$250.8 million in 2018-19. The alternative in the second line of Table 3 for a per pupil payment of \$438 in 2017-18 and \$630 in 2018-19 show the funding amounts if funding is not lapsed related to self-insurance for state employees under the bill or if the Committee removes that provision.

TABLE 3
Per Pupil Aid Funding Under Options to Modify Payment Amount

	<u>Change to Bill (\$ in Millions)</u>			<u>Change to Base (\$ in Millions)</u>		
	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial</u>
\$450/\$654 (Governor, Alt. B1)	-\$0.7	-\$2.8	-\$3.5	\$167.2	\$338.1	\$505.3
\$438/\$630 (Alt. B2)	-10.8	-22.9	-33.7	157.1	318.0	475.1
\$400/\$550 (Alt. B3)	-42.7	-90.1	-132.8	125.2	250.8	376.0
\$350/\$450 (Alt. B4)	-84.7	-174.0	-258.7	83.1	166.8	249.9
\$300/\$350 (Alt. B5)	-126.7	-258.0	-384.7	41.1	82.9	124.0
\$250/\$250 (Current Law, Alt. B6)	-168.8	-342.0	-510.8	-0.9	-1.1	-2.0

21. A per pupil adjustment under revenue limits would provide a general increase in the financial resources of school districts. Table 4 lists the changes in statewide revenue limit authority in each year that would result under five options to modify the per pupil adjustment for the 2017-19 biennium only. For example, as shown in the first line of Table 4, if a \$50 per pupil adjustment were allowed in both 2017-18 and 2018-19, statewide revenue limit authority would increase by \$21 million in 2017-18 and \$65 million in 2018-19 compared to the bill. This additional revenue limit authority under any of the alternatives could be funded from some combination of state general aid

and local levy. The alternative for a \$255 per pupil adjustment in 2017-18 and a \$200 per pupil adjustment in 2018-19 would provide nearly the same increase in statewide partial school revenues as the per pupil aid funding under the bill.

TABLE 4
Revenue Limit Authority Under Options to Modify
Per Pupil Adjustment (Change to Bill)

	Change in Revenue Limit Authority		
	(\$ in Millions)		
	2017-18	2018-19	Biennial
\$50/\$50 per pupil (Alt. C1)	\$21	\$65	\$86
\$100/\$100 per pupil (Alt. C2)	48	139	187
\$150/\$150 per pupil (Alt. C3)	82	217	299
\$200/\$200 per pupil (Alt. C4)	122	298	420
\$255/\$200 per pupil (Alt. C5)	167	345	512

22. For declining enrollment districts, there would be an interaction between the base revenue hold harmless adjustment and any per pupil adjustment. If there is no per pupil adjustment and no change in the low revenue adjustment (as under current law and the bill), a district with declining enrollment would receive some additional revenue limit authority from the base revenue hold harmless adjustment, because its initial revenue limit would be lower than its base revenue as a result of the loss of pupils. Providing a per pupil adjustment would increase the initial revenue limit for eligible districts, which would result in a partially or fully offsetting reduction in the district's base revenue hold harmless adjustment. A per pupil adjustment, however, is a recurring adjustment which adds to an eligible district's base revenue, while the base revenue hold harmless adjustment is nonrecurring.

23. The Committee could also consider alternatives to increase the low revenue adjustment. This adjustment is intended to decrease the disparity between low-revenue and high-revenue districts in the state by providing additional revenue limit authority to low-revenue districts. In 2016-17, the district with the highest revenue limit authority per pupil, including all adjustments, had nearly 2.2 times the revenue limit authority per pupil of the lowest district. The district at the 90th percentile had nearly 1.3 times the revenue limit authority per pupil of the district at the 10th percentile.

24. Table 5 shows the changes in statewide revenue limit authority in each year of the biennium that would result under five alternatives related to the low revenue adjustment, which is currently \$9,100 per pupil. The per pupil amounts shown for the low revenue adjustment are set relative to the indicated per pupil adjustment to provide approximately \$25 to \$35 million in additional revenue limit authority, in total, to low-revenue districts over the biennium. For example, as shown in the second line of Table 5, if a \$50 per pupil adjustment and a \$9,350 per pupil low revenue adjustment were allowed in 2017-18 and a \$50 per pupil adjustment and a \$9,500 per pupil low revenue adjustment were allowed in 2018-19, statewide revenue limit authority would increase by \$28 million in 2017-18 and \$86 million in 2018-19 compared to the bill. As with the examples in

Table 4, this additional revenue limit authority could be funded from some combination of state general aid and the local levy. (For declining enrollment districts, there would be a similar interaction between any low revenue adjustment and the base revenue hold harmless adjustment as noted for the per pupil adjustments above.)

TABLE 5
Revenue Limit Authority Under Options to Modify
Per Pupil and Low Revenue Adjustments (Change to Bill)

	Change in Revenue Limit Authority (\$ in Millions)		
	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial</u>
\$0/\$0 per pupil, \$9,300/\$9,400 low revenue (Alt. D1)	\$5	\$18	\$23
\$50/\$50 per pupil, \$9,350/\$9,500 low revenue (Alt. D2)	28	86	114
\$100/\$100 per pupil, \$9,400/\$9,600 low revenue (Alt. D3)	55	161	216
\$150/\$150 per pupil, \$9,450/\$9,700 low revenue (Alt. D4)	91	240	331
\$200/\$200 per pupil, \$9,500/\$9,800 low revenue (Alt. D5)	131	322	453

25. The alternatives below related to the per pupil adjustment and the low revenue adjustment are presented using the assumption that an amount of general school aid funding equal to the increase in revenue limit authority in each year would be provided so as to have no change to the estimated gross school levy compared to the bill. The Committee could choose to provide a lesser amount of general school aid under any of the alternatives, with the difference representing the increase in the estimated gross school levy compared to the bill. The Committee could choose to instead provide an increase in school levy tax credit funding to offset the net levy under any of the alternatives. The fiscal effect of any alternatives involving the levy credit would have to account for the fact that the credit is paid on a delayed basis in the state fiscal year following the property tax year to which the credit applies.

26. The per pupil adjustment under revenue limits and the level of per pupil aid funding provided also affect payments under the private school choice programs, the independent charter school program, and the special needs scholarship program, as well as the aid transfer amounts under the open enrollment program. The respective per pupil payment under each of these programs in a given year is equal to the payment amount in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. If the Committee modifies the bill with respect to the per pupil adjustment or per pupil aid, the respective payments and aid reductions for these programs would need to be adjusted as well.

ALTERNATIVES

A. General School Aids

1. Approve the Governor's recommendation to provide \$72,750,000 in 2018-19 for

general school aids.

ALT A1	Change to	
	Base	Bill
GPR	\$72,750,000	\$0

2. Delete provision.

ALT A2	Change to	
	Base	Bill
GPR	\$0	- \$72,750,000

B. Per Pupil Aid

1. Approve the Governor's recommendation, as reestimated, to provide \$167,187,200 in 2017-18 and \$338,105,600 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to up to \$450 per pupil in 2017-18 and up to \$654 per pupil in 2018-19.

ALT B1	Change to	
	Base	Bill
GPR	\$505,292,800	- \$3,440,000

2. *\$188/\$380 Per Pupil Increases.* Delete \$10,757,100 in 2017-18 and \$22,918,100 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to \$438 per pupil in 2017-18 and \$630 in 2018-19 and each year thereafter.

ALT B2	Change to	
	Base	Bill
GPR	\$475,057,600	- \$33,675,200

3. *\$150 Per Pupil Annual Increase.* Delete \$42,692,300 in 2017-18 and \$90,086,100 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to \$400 per pupil in 2017-18 and \$550 per pupil in 2018-19 and each year thereafter.

ALT B3	Change to	
	Base	Bill
GPR	\$375,954,400	- \$132,778,400

4. *\$100 Per Pupil Annual Increase.* Delete \$84,712,300 in 2017-18 and \$174,046,100 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to \$350 per pupil

in 2017-18 and \$450 per pupil in 2018-19 and each year thereafter.

ALT B4	Change to	
	Base	Bill
GPR	\$249,974,400	- \$258,758,400

5. *\$50 Per Pupil Annual Increase.* Delete \$126,732,300 in 2017-18 and \$258,006,100 in 2018-19 in per pupil aid to increase the payment from \$250 per pupil in 2016-17 to \$300 per pupil in 2017-18 and \$350 per pupil in 2018-19 and each year thereafter.

ALT B5	Change to	
	Base	Bill
GPR	\$123,994,400	- \$384,738,400

6. *\$0 Per Pupil Annual Increase.* Delete \$168,752,300 in 2017-18 and \$341,966,100 in 2018-19 in per pupil aid and maintain the current law payment of \$250 per pupil and each year thereafter.

ALT B6	Change to	
	Base	Bill
GPR	- \$1,985,600	- \$510,718,400

C. Per Pupil Adjustments under Revenue Limits

1. Set the per pupil adjustment under revenue limits at \$50 in 2017-18 and an additional \$50 in 2018-19, and provide \$21,000,000 in 2017-18 and \$65,000,000 in 2018-19 for general school aids.

ALT C1	Change to	
	Base	Bill
GPR	\$86,000,000	\$86,000,000

2. Set the per pupil adjustment under revenue limits at \$100 in 2017-18 and an additional \$100 in 2018-19, and provide \$48,000,000 in 2017-18 and \$139,000,000 in 2018-19 for general school aids.

ALT C2	Change to	
	Base	Bill
GPR	\$187,000,000	\$187,000,000

3. Set the per pupil adjustment under revenue limits at \$150 in 2017-18 and an additional \$150 in 2018-19, and provide \$82,000,000 in 2017-18 and \$217,000,000 in 2018-19 for general school aids.

ALT C3	Change to	
	Base	Bill
GPR	\$299,000,000	\$299,000,000

4. Set the per pupil adjustment under revenue limits at \$200 in 2017-18 and an additional \$200 in 2018-19, and provide \$122,000,000 in 2017-18 and \$298,000,000 in 2018-19 for general school aids.

ALT C4	Change to	
	Base	Bill
GPR	\$420,000,000	\$420,000,000

5. Set the per pupil adjustment under revenue limits at \$255 in 2017-18 and an additional \$200 in 2018-19, and provide \$167,000,000 in 2017-18 and \$345,000,000 in 2018-19 for general school aids.

ALT C5	Change to	
	Base	Bill
GPR	\$512,000,000	\$512,000,000

6. Take no action.

D. Per Pupil and Low Revenue Adjustments under Revenue Limits

1. Set the low revenue adjustment at \$9,300 per pupil in 2017-18 and \$9,400 per pupil in 2018-19 and each year thereafter, and provide \$5,000,000 in 2017-18 and \$18,000,000 in 2018-19 for general school aids.

ALT D1	Change to	
	Base	Bill
GPR	\$23,000,000	\$23,000,000

2. Set the per pupil adjustment under revenue limits at \$50 in 2017-18 and an additional \$50 in 2018-19 and set the low revenue adjustment at \$9,350 per pupil in 2017-18 and \$9,500 per pupil in 2018-19 and each year thereafter, and provide \$28,000,000 in 2017-18 and \$86,000,000 in 2018-19 for general school aids.

ALT D2	Change to	
	Base	Bill
GPR	\$114,000,000	\$114,000,000

3. Set the per pupil adjustment under revenue limits at \$100 in 2017-18 and an additional \$100 in 2018-19 and set the low revenue adjustment at \$9,400 per pupil in 2017-18 and \$9,600 per pupil in 2018-19 and each year thereafter, and provide \$55,000,000 in 2017-18 and \$161,000,000 in 2018-19 for general school aids.

ALT D3	Change to	
	Base	Bill
GPR	\$216,000,000	\$216,000,000

4. Set the per pupil adjustment under revenue limits at \$150 in 2017-18 and an additional \$150 in 2018-19 and set the low revenue adjustment at \$9,450 per pupil in 2017-18 and \$9,700 per pupil in 2018-19 and each year thereafter, and provide \$91,000,000 in 2017-18 and \$240,000,000 in 2018-19 for general school aids.

ALT D4	Change to	
	Base	Bill
GPR	\$331,000,000	\$331,000,000

5. Set the per pupil adjustment under revenue limits at \$200 in 2017-18 and an additional \$200 in 2018-19 and set the low revenue adjustment at \$9,500 per pupil in 2017-18 and \$9,800 per pupil in 2018-19 and each year thereafter, and provide \$131,000,000 in 2017-18 and \$322,000,000 in 2018-19 for general school aids.

ALT D5	Change to	
	Base	Bill
GPR	\$453,000,000	\$453,000,000

6. Take no action.

Prepared by: Russ Kava
Attachment

