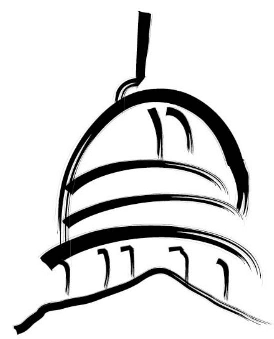
Shared Revenue Program
(Shared Revenue and County Mandate Relief)



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Shared Revenue Program

Through the shared revenue program, Wisconsin distributes state tax revenues to municipal and county governments for use at their discretion. In 2003, local governments will receive $970.3 million through this program ($776.8 million to municipalities and $193.5 million to counties, including $21.2 million in county mandate relief), which ranks as the fourth largest state general fund appropriation, behind general elementary and secondary school aids, medical assistance, and the University of Wisconsin system. The program is a fundamental element of Wisconsin's local finance structure and the state's overall program of property tax relief.

Wisconsin's practice of sharing state taxes with local governments dates back to 1911 when a share of the new state income tax was earmarked for local governments to compensate them for property tax exemptions for intangible property and household furnishings. Initially, the state employed a "return to origin" shared tax system where a percentage of certain state taxes was earmarked for return to local governments based on the taxpayer's residence or location. Through a number of law changes in the early 1970s, the current shared revenue program evolved in place of that system.

This paper describes the shared revenue program in detail and is divided into four sections. They include descriptions of modifications to the program that will occur in 2004 under 2001 Wisconsin Act 109, the current distribution formula, the program's funding level, and a discussion of tax base equalization, which is a primary objective of the shared revenue program.

2001 Wisconsin Act 109 Modifications

A number of changes will be made to several county and municipal state aid programs, including the shared revenue program, as a result of provisions included in 2001 Wisconsin Act 109 (the 2001-03 budget adjustment bill).

After the 2003 distributions under the shared revenue, small municipalities shared revenue, and mandate relief programs, the language authorizing those programs will remain in the state statutes, but payments under them will be suspended, except for the utility aid component of the shared revenue program. Payments under the utility aid component of the shared revenue program will continue in 2004 and beyond.

Beginning in 2004, the Act authorizes payments to municipalities and counties under a new program entitled "county and municipal aid." The program is authorized under s. 79.035 of the statutes and funded from a newly-created appropriation entitled "county and municipal aid account." Each municipality and county will receive a payment in 2004 based on the sum of its payments in 2003 under the shared revenue (except for utility aid), small municipalities shared revenue, and mandate relief programs. Payments will equal the 2003 amounts, reduced on a per capita basis, so that the sum of all reductions equals $40 million. Based on the state's current population, a per capita reduction rate of $3.67 is estimated. Total county and municipal aid payments are estimated at $912.8 million. This figure will change based on the actual 2003 utility aid payment.

Table 1 displays the statewide funding levels, as authorized under 2001 Acts 16 and 109, for each of the programs described above. The table also includes the expenditure restraint program, which was unaffected by the Act 109 changes. These figures are based on utility aid estimates used during deliberations on Act 109. Changes in actual utility aid payments will change these amounts. For example, 2003-05 agency budget requests included revised utility aid estimates that would result in 2004 shared revenue (utility aid) of $31,435,600 and 2004 county and municipal aid of $911,336,600, for total 2004 aid payments of $1,000,917,900.

Table 1: State Aid Funding for Counties and Municipalities in 2003-04

	2003	2004*
Shared Revenue	$949,162,000	$28,752,400**
Small Municipalities		
Shared Revenue	11,221,100	0
County Mandate Relief	21,181,100	0
County and Municipal Aid	0	912,811,800
Expenditure Restraint	58,145,700	58,145,700
TOTAL	$1,039,709,900	$999,709,900

*Estimated.

**2004 shared revenue payments include only amounts paid under the utility aid component.

In addition, Act 109 creates a second, new program that will provide "consolidation incentive payments" to municipalities and counties that agree to consolidate municipal or county services, beginning in 2004. Prior to September 1 of each year, local governments can apply to the Department of Revenue for payments in the succeeding year by submitting copies of their consolidation agreements and estimates of the savings resulting from the consolidations. Payments will be limited to the first year in which a consolidation agreement takes effect. Payments will equal 75% of the estimated savings, but total payments cannot exceed $45 million. If eligible applications result in payments in excess of that amount, payments will be prorated.

Consolidation incentive payments will be funded by reducing each government's "county and municipal aid" payment, as described above, on a proportional basis. Based on estimated county and municipal aid of $912.8 million, consolidation incentive payments of $45 million would require payment reductions of 4.9%, in addition to the per capita reduction described above. A smaller reduction rate would be applied if consolidation incentive payments are less than $45 million. For example, payments totaling $10 million would result in a reduction rate of 1.1%.

In 2005 and in each year thereafter, each municipality and county will receive a "county and municipal aid" payment equal to the amount calculated in 2004, as described above. Those amounts will subsequently be adjusted for any consolidation incentive payments for that year.

Current Shared Revenue Formula

The shared revenue program is comprised of two separate distributions and funding levels -- one for municipalities and one for counties. Each distribution is calculated under a formula that consists of four components: (1) aidable revenues; (2) per capita; (3) public utility; and (4) minimum guarantee/maximum growth. Provisions in 2001 Wisconsin Act 16 (the 2001-03 biennial budget) suspended this distribution formula for payments to municipalities in 2002 and 2003. Instead, each municipality's payment in 2002 and 2003 will equal 101% of the amount the municipality received in the prior year. Payments in 2002 and 2003 for counties continue to be calculated under the four components specified above. State law authorizes a 2003 distribution level of $970.3 million for municipalities and counties combined.

The estimated 2003 distribution includes payments of $776.8 million for municipalities and $193.5 million for counties. The county payments include $157.2 million in aidable revenues entitlements (81.2% of the total), $21.2 million in per capita entitlements under the mandate relief program (11.0%), and $15.1 million in public utility entitlements (7.8%). The minimum guarantee / maximum growth component will shift an estimated $22.1 million between counties. This will reduce payments for those counties with the highest growth in total entitlements to fund minimum guarantee payments to other counties.

Payments are made on the fourth Monday in July (15% of the total) and the third Monday in November (85% of the total). The Department of Revenue notifies local governments on or before September 15 of their estimated payment for the following calendar year. The rest of this section describes each component in detail. In addition, the appendix provides an example of the computation of a county's estimated 2003 shared revenue payment.

Aidable Revenues Component

Aidable revenues is the dominant component of the shared revenue program for counties and would be for municipalities if the formula was not suspended. The aidable revenues formula is based on the principle of tax base equalization and allocates state aid to counties and municipalities to offset variances in taxable property wealth. Entitlements are calculated using two factors: (1) per capita property wealth; and (2) net local revenue effort. The lower a local government's per capita property wealth and the higher its net revenue effort, the greater is the local government's aidable revenues entitlement. Per capita property wealth equals the local government's adjusted property value divided by its population. A local government's adjusted property value is comprised of the equalized value of all taxable property plus the value of tax-exempt computers. Also, the value of manufacturing real estate is excluded for municipalities, but not for counties.

A local government's net revenue effort is measured by its level of "aidable revenues." This equals 100% of the three-year average of "local purpose revenue" for municipalities and 85% of this average for counties. Local purpose revenue equals the sum of the local property tax (exclusive of school and other levies); county sales and use tax; local vehicle registration fees (wheel tax); mobile home fees; special assessments; various permit fees; various user charges and fees that represent general local burdens and are a substitute for the property tax; proxies for private sewer service costs, solid waste and recycling costs, and retail charges for fire protection purposes (included for municipalities only); equalization aids (aidable revenues entitlements); and computer aid payments.

The aidable revenues entitlement is determined by first comparing a local government's per capita adjusted property value to the standard valuation. For 2003, the standard valuation is estimated at $58,454 for counties. The proportion of the standard valuation that a local government lacks determines the percentage of aidable revenues to be reimbursed to the local government.

For 2003, a county with a per capita adjusted value of $39,164 has 67% of the "standard" and lacks 33%, generating an entitlement equal to 33% of its aidable revenues. Similarly, a county with a per capita adjusted value of $53,193 lacks 9% of the standard, generating an entitlement equal to 9% of its aidable revenues. A county with a per capita adjusted full value in excess of $58,454 is not eligible for a 2003 aidable revenues entitlement.

The standard valuation is not fixed, but "floats" to a level that generates aidable revenues entitlements equal to the total amount of available funds. If other factors are constant, a higher standard valuation increases statewide aidable revenues entitlements and a lower standard valuation decreases statewide entitlements.

Table 2 expresses the aidable revenues component as an equation.

Table 2: Computation of Aidable Revenues Component of Shared Revenue Formula

TOWN, VILLAGE OR CITY ENTITLEMENT

$$\text{Aidable Revenues Entitlement} = \left[1 - \frac{\text{Per Capita Adjusted Property Value}}{\text{Standard Valuation}} \right] \times \text{Aidable Revenues}$$

Where:

(a)	Per Capita Adjusted Property Value	=	Total full value of taxable property in the municipality, exclusive of the value of manufacturing real estate, plus the value of tax-exempt computers, divided by the municipality's population
(b)	Aidable Revenues	=	Average "local purpose revenue" over three preceding years
(c)	Local Purpose Revenue	=	General local taxes + special assessments + eligible regulation fees + eligible revenues for services to private parties + proxies for sewer service, solid waste, and fire protection + equalization aid + computer aid
(d)	Standard Valuation	=	A floating value per capita that will generate a statewide total of municipal aidable revenues entitlements that matches funding available for this component

COUNTY ENTITLEMENT

$$\text{Aidable Revenues Entitlement} = \left[1 - \frac{\text{Per Capita Adjusted Property Value}}{\text{Standard Valuation}} \right] \times \text{Aidable Revenues}$$

Where:

(a)	Per Capita Adjusted Property Value	=	Total full value of taxable property in the county, plus the value of tax-exempt computers, divided by the county's population
(b)	Aidable Revenues	=	85% of average "local purpose revenue" over three preceding years
(c)	Local Purpose Revenue	=	Same as for municipalities, except that the proxies for sewer service, solid waste, and fire protection are not included for counties
(d)	Standard Valuation	=	A floating value per capita that will generate a statewide total of county aidable revenues entitlements that matches funding available for this component

Per Capita Component

The per capita component provides a more broad-based aid distribution than aidable revenues. Without any adjustment for property wealth, expenditure needs, tax rate, or other factors, each city, town, and village would receive the same municipal per capita payment if the formula was not suspended and each county receives the same county per capita payment. Hence, rather than providing aid to jurisdictions with specific characteristics, the per capita component distributes aid on a universal basis.

The total municipal per capita distribution has been fixed at $142,706,480 since 1982. As the state's population grows, the per capita payment rate has decreased from $30 per person in 1982. If the per capita component was being administered for municipalities in 2003, the estimated reimbursement rate would be $25.95 per person. Per capita payments were made to counties prior to 1982, but were discontinued until 1994. In that year, initial payments totaling $4,725,200 under the mandate relief program were distributed to counties on a per capita basis. Between 1995 and 1999, mandate relief funding was set at $20,159,000. Annual funding was increased to $20,763,800 for 2000, $20,971,400 for 2002, and $21,181,100 for 2003. A reimbursement rate equal to $3.88 per capita is estimated for payments in 2003. County mandate relief payments are funded through a separate appropriation.

Public Utility Component

The public utility component compensates local governments for costs they incur in providing services to public utilities. These costs cannot be directly recouped through property taxation since utilities are exempt from local taxation and, instead, are taxed by the state. Although it is only 7.8% of the 2003 county shared revenue distribution, the public utility component can be a major part of the total payment for a county containing a large power plant.

In general, the public utility distribution for a particular unit of local government is computed by applying a mill rate to the net book value of qualifying, state-assessed public utility property. The value used cannot be less than the value used in 1990, unless property has been taken out of service. The major type of qualifying property is the electric power generating plant, although substations and general structures, such as office buildings, also qualify for payments. Effective with 1996 payments, Public Service Commission-licensed cogeneration facilities of qualified wholesale electric companies are included as qualifying utility property.

Beginning once again in 2004, payments to cities and villages will be computed at a rate of six mills ($6 per $1,000 of net book value), while payments to towns will be computed at a rate of three mills. Payments to counties currently are and will continue to be computed at three mills if the property is located in a city or village or at six mills if the property is located in a town. Therefore, a total rate of nine mills is applied to the value of all qualifying utility property.

Payments are subject to two limits. First, the value of utility property at a specific site is limited to $125 million. Second, payments cannot exceed a maximum of $300 per capita for municipalities or $100 per capita for counties.

Each municipality and county is guaranteed $75,000 if a utility plant with a capacity of 200 megawatts or greater is located within its borders. The $75,000 minimum guarantee for municipalities is phased-out at the rate of 10% per year when plants over 200 megawatts are decommissioned. The phase-out is terminated when the plant is returned to the local property tax roll.

Beginning in 1994, an additional distribution was added to the public utility component. Each municipality (except when the formula is suspended in 2002 and 2003) and county where spent nuclear fuel is stored receives an annual payment of $50,000. Currently, the state contains three storage sites located at current or former production plants, in the Town of Carlton (Kewaunee County), the Town of Two Creeks (Manitowoc County), and the Village of Genoa (Vernon County). Therefore, payments to counties under this distribution total $150,000 annually. Effective with 1996 payments, the municipal payment was shared with other municipalities within one mile of the storage facility. Under this provision, the Town of Genoa received $10,000 and the Village of Genoa, where the storage site is located, received $40,000.

Minimum Guarantee and Maximum Growth Components

The minimum guarantee and maximum growth components serve to prevent large decreases or increases in payments from occurring in a short period of time. The calculations for the minimum and maximum components exclude the distributions under the public utility and county per capita (mandate relief) components.

The minimum guarantee ensures that a local government receives a shared revenue payment that is equal to at least 95% of the prior year's payment. Thus, payments will not decline by more than 5% a year. In 2003, an estimated 47 of the state's 72 counties will receive minimum guarantee payments totaling $22.1 million.

The public utility component has its own minimum and maximum limits and, although it is part of the shared revenue formula, serves a distinct function that would be undercut to some degree if it were included in the computation of minimum guarantee payments. Because public utility entitlements are not included in the guarantee base, a local government's total shared revenue payment can decrease by more than 5%.

Minimum guarantee payments are internally funded by a floating maximum growth limit. Entitlement amounts for a local government in excess of the maximum limit are "skimmed off" to provide revenues for minimum guarantee payments. The maximum growth limit is set at a level that generates the exact amount needed for minimum guarantee payments. As under the minimum guarantee, the base for comparison is the prior year shared revenue amount, exclusive of the public utility and county mandate relief components. Since 1996, the maximum payment provision has not applied to counties that do not contain any incorporated municipalities (Florence and Menominee counties), and the maximum payment provision has not applied to Lafayette County since 2002.

For 2003, the maximum growth limit is estimated at 4.0% for counties. Thus, if a county's 2003 shared revenue entitlement exceeds 104.0% of the comparable 2002 total, that excess will be withheld and used to fund minimum guarantee payments. This provision will reduce entitlements for an estimated 20 counties in 2003.

Shared Revenue Funding Level

Table 3 reports shared revenue funding levels between 1993 and 2003. Over that period, funding has increased at an average, annual rate of 0.7%. Three periods distinguish the 11 years. Except for a $600,000 increase in mandate relief funding in 2000, the period from 1995 through 2001 is characterized by a constant funding level. This period was preceded by two years in which increases of 1.8% and 3.3% occurred, and succeeded by two years where annual increases of 1% occurred.

Funding of Shared Revenue Components

State law specifies the overall shared revenue funding level, as well as the amount of shared

Table 3: Total and Component Shared Revenue Payments (In Millions)

Year	Aidable Revenues	Per Capita	Utility Aid	Minimum / Maximum*	Total	Change in Funding
1993	$742.6	$142.7	$18.4	$26.9	$903.7	
1994	751.6	147.4	21.3	33.8	920.3	1.8%
1995	765.3	162.9	22.4	38.5	950.6	3.3
1996	765.3	162.9	22.4	44.9	950.6	0.0
1997	764.0	162.9	23.7	51.0	950.6	0.0
1998	764.2	162.9	23.5	51.0	950.6	0.0
1999	763.6	162.9	24.1	50.4	950.6	0.0
2000	761.6	163.5	26.1	49.4	951.2	0.1
2001	759.4	163.5	28.3	52.1	951.2	0.0
2002**	767.3	163.7	29.7	46.5	960.7	1.0
2003**	776.2	163.9	30.2	46.5	970.3	1.0
Annual Average						0.7%

*Minimum and maximum payments sum to zero; the reported figures reflect the amount of aid redistributed between local governments at the two extremes.
**Estimated, assuming the municipal distribution formula was not suspended.

revenue to be distributed annually to municipalities and to counties. The funding is divided between the four program components according to distribution formulas enumerated in state law. Table 3 provides information on the level of shared revenue funding by program component for the period from 1993 through 2003. Although state law suspends the 2002 and 2003 municipal distributions under the components and, instead, provides that each municipality receive 101% of the amounts received in the previous year, the table portrays the 2002 and 2003 amounts that would be distributed through each component in the absence of the suspension.

Since the distribution of entitlements under each component is different, there are important implications in how the growth in the overall level of funding for shared revenue was distributed among the various components.

For the per capita component, state law has established annual funding levels of $142.7 million for municipalities and $21.2 million for counties. Funding for the municipal distribution has not changed since 1982. Initial funding for the county mandate relief program was set at $4.7 million in 1994. Since then, the annual funding level has been increased four times, by $15.5 million in 1995 and by 3.0% in 2000, 1.0% in 2002, and 1.0% in 2003.

Funding for the public utility component depends upon the level of entitlements generated under the component's distribution formula. In general, the distribution formula causes entitlements to increase when eligible utility property is placed in operation and to decrease when eligible utility property depreciates or is retired.

The aidable revenues funding level equals the amount of overall funding that remains after the per capita and utility aid distributions have been determined. As a result, the aidable revenues funding level increased in 1994 and 1995, when the overall level of shared revenue funding increased. However, between 1996 and 2001, aidable revenues funding decreased because overall shared revenue funding remained almost constant and additional utility property caused utility aid payments to increase. If the municipal distribution formula had not been suspended, aidable revenues funding

Table 4: Distribution of Estimated 2003 Shared Revenue Payments (In Millions)

Type of Government	Aidable Revenues	Per Capita	Public Utility	Minimum	Maximum	Total
Towns*	$23.6	$44.8	$4.7	$5.4	-$4.6	$73.9
Villages*	59.7	18.5	2.8	5.5	-8.7	77.8
Cities*	535.7	79.4	7.5	13.5	-11.1	625.0
Counties	157.2	21.2	15.2	22.1	-22.1	193.6
TOTAL	$776.2	$163.9	$30.2	$46.5	-$46.5	$970.3

*Assumes the municipal distribution formula was not suspended.

would have increased in 2002 and 2003 in response to the 1% increases in total funding.

Between 1993 and 2001, the impact of the minimum guarantee and maximum growth provisions on shared revenue payments increased. During that period, the percentage of entitlements redistributed through the minimum/maximum component increased from 3.0% to 5.5%. This figure would drop to 4.8% for 2003 if the municipal formula had not been suspended.

Table 4 reports the 2003 distribution by program component and type of governmental unit, assuming the municipal distribution formula had not been suspended. Based on this information, several points can be noted. Although total per capita entitlements ($163.9 million) are considerably less than total aidable revenues entitlements ($776.2 million), towns fare better under the per capita component ($44.8 million versus $23.6 million). Cities receive 69% of all aidable revenues entitlements, but only 48% of per capita entitlements. Finally, the application of the 95% minimum guarantee provision shifts $46.5 million between units of local government, which reduces the amount of tax base equalization achieved through the aidable revenues component. This is particularly significant for counties because 14% of initial county aidable revenues entitlements are redistributed under the minimum guarantee and maximum growth provisions.

Tax Base Equalization

Tax base equalization is the major objective of the aidable revenues component of the shared revenue formula. This policy allows local governments with the same level of per capita expenditures to have identical local tax rates, regardless of their differences in tax base. Since the goal is equalization of tax base, as opposed to tax rates, local governments that choose to spend at higher per capita levels will have higher tax rates.

To achieve tax base equalization, it is necessary to establish a "standard" tax base measured in per capita terms. Each local government's per capita tax base is then compared to the standard, and its state aid equals the revenue that would be generated by the "missing" portion of the property tax base. The aidable revenues formula identifies all revenues that, in the absence of aidable revenues payments, would or could be provided by the property tax. If, for example, a local government is missing 20% of the guaranteed tax base (the "standard"), its aidable revenues entitlement will equal 20% of the identified revenues.

An equalizing formula may also be thought of as a "guaranteed yield" formula, in which each mill of the property tax rate produces revenues in the same amount as if levied in the "standard" local government. For example, if a property tax rate of seven mills ($7 per $1,000 of taxable property) yields $350 per person in a local government with a $50,000 "standard" value per capita, the combination of a seven mill property tax rate and state aid will also yield $350 per person in every local government with less than the standard. Thus, in a local government with a per capita tax base of $20,000, a seven mill property tax rate will yield $140 per person. However, equalization aid paid to the local government on the $30,000 per capita "missing" tax base will yield an additional $210 per person ($30,000 x seven mills). The total available in each case is $350 per person and the local tax rate in each case is seven mills. Note that, if the local government with a value of $20,000 per capita needed to raise $350 per person without equalization aid, a rate of 17.5 mills would be necessary.

Equalization aid offsets the effect that tax capacity has on the tax rate. The tax rate depends solely on the locally determined level of per capita spending.

Tax base equalization accomplishes several objectives. First, by reducing disparities among local governments, equalization should allow low tax base local governments to better maintain themselves as economically viable entities, thereby remaining attractive for further development and growth. Second, equalization allows each taxpayer's tax rate to be a function of the local government's spending, spreading the cost of services in low tax base local governments to the rest of the state. Third, equalization allows individuals and businesses to make locational decisions without distortions due to local government tax base differences. Finally, equalization should reduce tax base competition among local governments.

Equalization has been criticized on several points. First, it may remove the incentive for local governments to attract industry. Whether the employment incentive, without the financial incentive, is strong enough to encourage local officials to attract industry is an unanswered question. The exclusion of manufacturing real estate value in calculating aidable revenues entitlements for municipalities negates this argument in relation to manufacturing property. Increases or decreases in taxable manufacturing property values do not affect municipal aidable revenues entitlements.

Second, all else being equal, local governments with high per capita expenditures receive more aid than local governments with low per capita expenditures. Some argue that high-expenditure local governments enjoy higher levels of public services and should not be rewarded through a state aid formula. Others argue that higher expenditure levels indicate need--high costs and special problems, such as high crime rates--and that the higher need merits a higher aid payment.

Finally, an equalization aid system that results in partial reimbursement of local government expenditures may provide an incentive for increased local spending by reducing the long-term, effective price of additional expenditures. Due to time lags in incorporating local purpose revenue, the full cost of additional spending is borne locally in the short run.

APPENDIX

Computation of Estimated 2003 Shared Revenue Payment for Rock County

1. AIDABLE REVENUES COMPONENT

Data Needed: 2002 Population = 154,001
2002 Full Value of Taxable Property = $7,260,972,110
2002 Full Value of Exempt Computers = $33,198,400
85% of Average 1999, 2000, and 2001 Local Purpose Revenues = $39,686,402
2003 Standard Valuation = $58,454.457074

Computation:

$$\text{Aidable Revenues Entitlement} = \left[1 - \frac{\text{Per Capita Adjusted Full Value}}{\text{Standard Valuation}}\right] \times \text{Aidable Revenues}$$

$$= \left[1 - \frac{\dfrac{\$7{,}260{,}972{,}110 + \$33{,}198{,}400}{154{,}001}}{\$58{,}454.457074}\right] \times \$39{,}686{,}402$$

$$= \left[1 - \frac{\$47{,}364.436010}{\$58{,}454.457074}\right] \times \$39{,}686{,}402$$

$$= [1 - .8102792906] \times \$39{,}686{,}402$$

$$= .1897207094 \times \$39{,}686{,}402$$

$$= \$7{,}529{,}332$$

2. MANDATE RELIEF (PER CAPITA COMPONENT)

Data Needed: 2002 Population = 154,001
2003 Rate Per Capita = $3.88398169

Computation: Per Capita Payment = Rate Per Capita x Population
= $3.88398169 x 154,001
= $598,137

3. PUBLIC UTILITY COMPONENT

Data Needed: Net Book Value of Eligible Utility Property = $39,720,552 in towns and $19,456,775 in cities and villages
2003 Population = 154,786

Computation: Basic Payment = Net Book Value of Eligible Utility Property x 6/3 mills
= ($39,720,552 x .006) + ($19,456,775 x .003)
= $238,323 + $58,370 = $296,693

Maximum Limit = $100 x Population
= $100 x 154,786 = $15,478,600

Since basic payment falls below maximum limit, public utility payment = $296,693

4. MINIMUM GUARANTEE/MAXIMUM GROWTH LIMIT

Data Needed:

	2002 Guarantee Base	2003 Basic Entitlement
Aidable Revenues	$6,827,704	$7,529,332
Maximum Growth	- 2,005,462	
NET TOTAL	$4,822,242	$7,529,332

Computation of Minimum Guarantee

Minimum Guarantee = [.95 x 2002 Guarantee Base] – 2003 Basic Entitlement or $-0-; whichever is greater

= [.95 x $4,822,242] - $7,529,332 or $-0-

= $4,581,130 - $7,529,332 or $-0-

= - $2,948,202 or $-0-

= $-0-

Computation of Maximum Growth Limit

Maximum Growth Limit = [1.0396768* x 2002 Guarantee Base] – 2003 Basic Entitlement or $-0-; whichever is less

= [1.0396768 x $4,822,242] - $7,529,332 or $-0-

= $5,013,573 - $7,529,332 or $-0-

= - $2,515,759 or $-0-

= - $2,515,759

*Number determined to be that which will generate enough excess revenues to fund minimum guarantee payments.

5. TOTAL ESTIMATED 2003 SHARED REVENUE PAYMENT FOR ROCK COUNTY

Aidable Revenues	$7,529,332
Mandate Relief (Per Capita)	598,137
Public Utility	296,693
Maximum Growth	- 2,515,759
TOTAL	$5,908,403