



## 2019 SENATE BILL 327

July 23, 2019 - Introduced by Senators MARKLEIN and OLSEN, cosponsored by Representatives QUINN, KITCHENS, DUCHOW, KULP, SKOWRONSKI and TUSLER. Referred to Committee on Education.

1     **AN ACT to amend** 121.91 (4) (f) 1. and 121.91 (8) of the statutes; **relating to:** the  
2             school district revenue limit adjustment for declining enrollment and the prior  
3             year base revenue hold harmless adjustment.

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### *Analysis by the Legislative Reference Bureau*

This bill makes changes to the school district revenue limit adjustment for declining enrollment and terminates an adjustment establishing a minimum initial revenue limit, commonly known as the prior year base revenue hold harmless adjustment.

Current law generally limits the total amount of revenue per pupil a school district may receive from general school aids and property taxes in a school year to the amount of revenue received per pupil in the previous school year. Per pupil revenue is calculated using a three-year rolling average of pupil enrollment, comparing the average number of pupils enrolled in the three previous school years and the average of the number of pupils enrolled in the current and two preceding school years. There are several exceptions to the revenue limit, including a revenue limit adjustment for a school district with declining enrollment. If a school district's enrollment declines, its revenue limit is increased in the year of the decline by the amount of additional revenue that would have been allowed had there been no decline in enrollment.

This bill modifies the revenue limit adjustment for declining enrollment in two ways. First, a decline in enrollment is measured by comparing the three-year rolling average of pupil enrollment ending with the current school year against the

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three-year average of pupil enrollment for the 2016-17, 2017-18, and 2018-19 school years. Second, if a school district's enrollment declines, the school district receives an adjustment to its revenue limit equal to the allowable revenues that 90 percent of the decline in enrollment would have generated. However, there is a limit to this adjustment, as for purposes of the adjustment calculation a maximum 10 percent decline in enrollment is used.

Current law also provides that if a school district's initial revenue limit for the current school year, after consideration of certain factors, is less than the district's base revenue from the previous school year, the district's initial revenue limit is set equal to the prior year's base revenue. The bill terminates this adjustment, for the 2019-20 school year and each school year thereafter.

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

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

1           **SECTION 1.** 121.91 (4) (f) 1. of the statutes is amended to read:

2           121.91 (4) (f) 1. Except as provided in subd. 1m., for the ~~2007-08~~ 2019-20 school  
3 year or any school year thereafter, if the average of the number of pupils enrolled in  
4 the current and the 2 preceding school years is less than the average of the number  
5 of pupils enrolled in the ~~3 previous~~ 2016-17, 2017-18, and 2018-19 school years, the  
6 limit otherwise applicable under sub. (2m) is increased by the additional amount  
7 that would have been calculated had ~~there been no~~ the decline in average enrollment  
8 been 10 percent of what it was, except that, for a decline in average enrollment that  
9 is greater than 10 percent, the additional amount calculated under this subdivision  
10 shall be calculated as if the decline in average enrollment were 10 percent.

11           **SECTION 2.** 121.91 (8) of the statutes is amended to read:

12           121.91 (8) If a school district's initial revenue limit for the current school year,  
13 as calculated under s. 121.905 or sub. (2m), whichever is appropriate, before making  
14 any adjustments under sub. (3) or (4), is less than the amount determined by  
15 multiplying the amount under sub. (2m) (i) 1. by the average of the number of pupils

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1 enrolled in the 3 preceding school years, the school district's initial revenue limit for  
2 the current school year, before making any adjustments under sub. (3) or (4), is the  
3 amount determined by multiplying the amount under sub. (2m) (i) 1. by the average  
4 of the number of pupils enrolled in the 3 preceding school years. Any additional  
5 revenue received by a school district as a result of this subsection shall not be  
6 included in the base for determining the school district's limit under sub. (2m) for the  
7 following school year. This subsection does not apply to a school district's revenue  
8 limit calculated for the 2011-12 ~~and, 2012-13,~~ and 2019-20 school years or for any  
9 school year after the 2019-20 school year.

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(END)