



## Legislative Fiscal Bureau

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June 8, 2023

Joint Committee on Finance

Paper #630

### State Support for K-12 Education (DPI -- General School Aids and Revenue Limits and Categorical Aids)

[LFB 2023-25 Budget Summary: Page 481, #1; Page 484, #2;  
Page 484, #4; Page 485, #5; Page 492, #12]

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#### 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 "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.

*Revenue Limits.* Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aid 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. In 2022-23, no per pupil adjustment is made to each district's base revenue per pupil to determine its 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, there is no per pupil adjustment authorized in 2023-24 and each year thereafter.

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, that generally increase a district's limit. A district can also exceed its revenue limit by receiving voter approval at a referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the per pupil adjustment for a district is below a statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2022-23 is \$10,000 per pupil, and it will remain at that amount in future years under current law. Otherwise-eligible districts are generally restricted from any low revenue adjustment increases for three years after a failed operating referendum. Specifically, if the voters in a district reject an operating referendum, the low revenue adjustment amount for the district remains at the amount for the school year during which the referendum was held for the three following school years. If the voters in such a district subsequently approve an operating referendum during the three-year period, the district's low revenue adjustment amount is set at the amount that applies beginning in the school year after the referendum was held.

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 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 revenue amount.

*General School Aids.* 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.

*Per Pupil Aid.* Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from a sum sufficient per pupil aid appropriation. Under current law, each district receives a \$742 per pupil payment in 2022-23 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits, less the independent charter pupils included in those counts, is used to calculate the aid payment.

*State Support.* 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, less community service levies and a portion of the referenda-approved debt levy. 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.

## **DISCUSSION POINTS**

### **General Considerations**

1. While the Supreme Court has not ruled recently on the school finance system, in its most recent decision upholding its constitutionality (Vincent v. Voight in 2000), the Court 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, are also considerations in determining the level of state support provided to K-12 education.

4. A unique consideration for the 2021-23 biennial budget was the relatively large amount of federal revenue provided to K-12 schools under the three federal coronavirus relief acts. Attachment 1 lists the various programs through which funding was provided to K-12 schools under the three acts as well as the total amount of funds allocated under each program. Funds were allocated between fiscal years 2019-20 and 2022-23; however, depending on the program, schools have various timelines for expending funds. Under the federal acts, funds were allocated to school districts primarily based on the number of low income pupils residing in each district. Total per pupil allocations to school districts under the three acts range from approximately \$1,001 to \$13,932 (excluding Norris School District due to its unique characteristics), with a statewide per pupil average of \$2,715.

### **Methods of Providing State Support**

5. 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. Attachment 2 shows the history of the per pupil adjustment since 2003-04.

6. 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 2022-23 aid year, the district with the highest property value per pupil had 39 times the property value per pupil as that of the lowest district. The district at the 90<sup>th</sup> percentile had over three times the property value per pupil of the district at the 10<sup>th</sup> 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.

7. The school levy tax credit, which is provided to all taxable property, 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.

8. 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.

9. Per pupil aid is a more recent 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 aid 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. Attachment 2 shows the per pupil aid payment in each year since 2012-13 and the change in the payment to the prior year.

10. 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 districts with relatively large areas and small enrollments

(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).

11. Attachment 3 provides information on the relative allocation of funding between the major categories of state support for selected years since 1992-93. As shown in Attachment 3, 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 led to an increase in the categorical aid proportion in recent years.

12. Attachment 4 provides information on the level of state support for K-12 partial school revenues over the last decade, using the traditional definitions of state support and partial school revenues. As shown in Attachment 4, the state's share of partial school revenues has ranged from 61.99% to 67.81% over the last 10 years. (The largest exclusion to partial school revenues under the traditional definition, for a portion of referenda-approved debt, has the effect of adding three points to the support percentage in 2022-23.)

13. Under current law, it is estimated that the statewide gross school levy would increase from \$5,477.1 million in 2022-23 to \$5,575.0 million in 2023-24 and \$5,760.0 million in 2024-25. These estimates represent year-over-year changes of \$97.9 million (1.8%) in 2023-24 and \$185.0 million (3.3%) in 2024-25. Even if there is no per pupil adjustment provided under revenue limits, as under current law, the statewide school levy can increase due to changes in enrollment and in the other revenue limit adjustments, passage of additional school referenda, or changes in the levies that are outside of revenue limits.

14. On May 1, this office distributed a memorandum to the Legislature on the estimated level of property taxes under the budget bill. In that memorandum, it was estimated that the statewide gross school levy would increase from \$5,477.1 million in 2022-23 to \$5,605.0 million in 2023-24 and \$5,675.0 million in 2024-25. These estimates represent year-over-year changes of \$127.9 million (2.3%) in 2023-24 and \$70.0 million (1.2%) in 2024-25.

### **Alternatives**

15. The Committee could choose from a number of options related to school finance, 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, 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 among the various options.

16. A per pupil adjustment under revenue limits would provide a general increase in the financial resources of school districts. The statewide average base revenue per pupil for 2023-24 (the starting point for the 2023-24 revenue limit calculation) is estimated to be \$10,886. Under Assembly Bill 43/Senate Bill 70, the per pupil adjustment would be set at \$350 in 2023-24 and \$650 in 2024-25, and then adjusted by CPI in future years.

17. Table 1 lists the changes in statewide revenue limit authority in each year that would result under six options to provide a per pupil adjustment for the 2023-25 biennium. For example, as shown in the second line of Table 1, if the per pupil adjustment were set at \$100 in both 2023-24 and 2024-25, statewide revenue limit authority would increase by \$42 million in 2023-24 and \$115 million in 2024-25 compared to the base. This additional revenue limit authority under any of the alternatives could be funded from some combination of state general aid and/or the school levy tax credit and the local property tax levy.

**TABLE 1**  
**Revenue Limit Authority Under Options to Modify**  
**Per Pupil Adjustment**

	Change in Revenue Limit Authority		
	(\$ in Millions)		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial</u>
\$50/\$50 per pupil (Alt. A1)	\$17	\$54	\$71
\$100/\$100 per pupil (Alt. A2)	42	115	157
\$150/\$150 per pupil (Alt. A3)	72	183	255
\$200/\$200 per pupil (Alt. A4)	106	254	360
\$250/\$450 per pupil (Alt. A5)	140	486	626
\$350/\$650 per pupil (Alt. A6)	212	725	937

18. The Committee could also consider alternatives to increase the low revenue adjustment in conjunction with a per pupil adjustment. This adjustment is intended to decrease the disparity between low-revenue and high-revenue districts by providing additional revenue limit authority to low-revenue districts. The low revenue adjustment amount was set at \$9,100 per pupil from 2013-14 through 2017-18. Under 2017 Act 141, the low revenue adjustment was increased to \$9,400 per pupil in 2018-19 and the three-year lockout provision was enacted. Under the 2019-21 budget act, the low revenue adjustment increased to \$9,700 per pupil in 2019-20 and \$10,000 per pupil in 2020-21 and each year thereafter.

19. Under AB 43/SB 70, the low revenue adjustment would be set at \$10,450 per pupil in 2023-24 and \$11,200 per pupil in 2024-25, and then adjusted by CPI in future years. The bill would also repeal the three-year lockout provision under this adjustment for districts with a failed operating referendum. Based on current referenda results, 28 districts in 2023-24 and 27 districts in 2024-25 will be affected by this provision.

20. Table 2 shows the changes in statewide revenue limit authority in each year of the biennium that would result under seven alternatives that include an increase to the low revenue adjustment. The low revenue adjustment amounts are set relative to the indicated per pupil adjustments to provide an additional \$100 per pupil increase to low-revenue districts in each year of the biennium. For example, as shown in the second line of Table 2, if a \$50 per pupil adjustment and a \$10,150 per pupil low revenue adjustment were provided in 2023-24 and a \$50 per pupil adjustment and a \$10,300 per pupil low revenue adjustment were provided in 2024-25, statewide revenue limit

authority would increase by \$34 million in 2023-24 and \$90 million in 2024-25 compared to the base. As with the examples in Table 1, this additional revenue limit authority could be funded from some combination of state general aid/or the levy credit and the local levy.

**TABLE 2**  
**Revenue Limit Authority Under Options to Modify**  
**Per Pupil and Low Revenue Adjustments**

	Change in Revenue Limit Authority (\$ in Millions)		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial</u>
\$0/\$0 per pupil, \$10,100/\$10,200 low revenue (Alt. B1)	\$13	\$32	\$45
\$50/\$50 per pupil, \$10,150/\$10,300 low revenue (Alt. B2)	34	90	124
\$100/\$100 per pupil, \$10,200/\$10,400 low revenue (Alt. B3)	60	154	214
\$150/\$150 per pupil, \$10,250/\$10,500 low revenue (Alt. B4)	92	224	316
\$200/\$200 per pupil, \$10,300/\$10,600 low revenue (Alt. B5)	125	297	422
\$250/\$450 per pupil, \$10,350/\$10,900 low revenue (Alt. B6)	160	529	689
\$350/\$650 per pupil, \$10,450/\$11,200 low revenue (Alt. B7)	232	769	1,001

21. The alternatives at the end of this paper related to the per pupil adjustment and the low revenue adjustment indicate the estimated amount of revenue limit authority that would be generated by the respective amounts. In the absence of additional state funding, school boards would have the authority to levy, in total, those amounts. The levy impact could be reduced, in whole or in part, by providing an increase in general school aid or school levy tax credit funding. 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.

22. For declining enrollment districts, there would be an interaction between the base revenue hold harmless adjustment and any per pupil adjustment or low revenue adjustment increase. If there is no per pupil adjustment (as under current law in 2023-24) or increase in the low revenue adjustment, 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 or low revenue 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. The per pupil and low revenue adjustments, however, are recurring adjustments which add to an eligible district's base revenue, while the base revenue hold harmless adjustment is nonrecurring.

23. Under current law, a school board has the ability to propose a referendum if the level of ongoing state and local funding for that district under revenue limits under any of these alternatives is not viewed as sufficient. Using the referendum option would ensure that there is local support of the district's decision to make additional expenditures, before it can spend or tax at higher levels.

24. The Committee could also consider alternatives to increase the per pupil aid payment amount. In prior action, the Committee approved the sum sufficient reestimate of the per pupil aid

appropriation based on the current law \$742 per pupil payment and estimated enrollments in the 2023-25 biennium. Under AB 43/SB 70, the per pupil aid payment would be set at \$766 per pupil in 2023-24 and \$811 per pupil in 2024-25 and each year thereafter.

25. Table 3 shows the funding changes relative to the adjusted base for six alternatives for per pupil aid payments in the 2023-25 biennium. For example, as shown in the first line of Table 3, if the per pupil aid payment were set at \$792 per pupil in 2023-24 and \$842 per pupil in 2024-25 and each year thereafter, estimated general fund expenditures would increase by \$39.8 million in 2023-24 and \$79.2 million in 2024-25.

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

	<u>Change to Base (\$ in Millions)</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial</u>
\$792/\$842 (Alt. C1)	\$39.8	\$79.2	\$119.0
\$842/\$942 (Alt. C2)	79.7	158.4	238.1
\$892/\$1,042 (Alt. C3)	119.5	237.7	357.2
\$942/\$1,142 (Alt. C4)	159.3	316.9	476.2
\$992/\$1,442 (Alt. C5)	199.1	554.5	753.6
\$1,092/\$1,742 (Alt. C6)	278.8	792.2	1,071.0

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. Under current law, the respective per pupil payment under each of these programs in a given year increased by 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 per pupil adjustment or per pupil aid amount, the respective payments and aid reductions for these programs would need to be adjusted as well.

## ALTERNATIVES

### A. Per Pupil Adjustments under Revenue Limits

1. Set the per pupil adjustment under revenue limits at \$50 in 2023-24 and an additional \$50 in 2024-25. *[This would generate an estimated \$17 million in 2023-24 and \$54 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

2. Set the per pupil adjustment under revenue limits at \$100 in 2023-24 and an additional \$100 in 2024-25. *[This would generate an estimated \$42 million in 2023-24 and \$115 million in*



*2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

3. Set the per pupil adjustment under revenue limits at \$150 in 2023-24 and an additional \$150 in 2024-25. *[This would generate an estimated \$72 million in 2023-24 and \$183 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

4. Set the per pupil adjustment under revenue limits at \$200 in 2023-24 and an additional \$200 in 2024-25. *[This would generate an estimated \$106 million in 2023-24 and \$254 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

5. Set the per pupil adjustment under revenue limits at \$250 in 2023-24 and an additional \$450 in 2024-25. *[This would generate an estimated \$140 million in 2023-24 and \$486 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

6. Set the per pupil adjustment under revenue limits at \$350 in 2023-24 and an additional \$650 in 2024-25. *[This would generate an estimated \$212 million in 2023-24 and \$725 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

7. Take no action.

#### **B. Per Pupil and Low Revenue Adjustments under Revenue Limits**

1. Set the low revenue adjustment at \$10,100 per pupil in 2023-24 and \$10,200 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$13 million in 2023-24 and \$32 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

2. Set the per pupil adjustment under revenue limits at \$50 in 2023-24 and an additional \$50 in 2024-25, and set the low revenue adjustment at \$10,150 per pupil in 2023-24 and \$10,300 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$34 million in 2023-24 and \$90 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

3. Set the per pupil adjustment under revenue limits at \$100 in 2023-24 and an additional \$100 in 2024-25, and set the low revenue adjustment at \$10,200 per pupil in 2023-24 and \$10,400 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$60 million in 2023-24 and \$154 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

4. Set the per pupil adjustment under revenue limits at \$150 in 2023-24 and an additional \$150 in 2024-25, and set the low revenue adjustment at \$10,250 per pupil in 2023-24 and \$10,500

per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$92 million in 2023-24 and \$224 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

5. Set the per pupil adjustment under revenue limits at \$200 in 2023-24 and an additional \$200 in 2024-25, and set the low revenue adjustment at \$10,300 per pupil in 2023-24 and \$10,600 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$125 million in 2023-24 and \$297 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

6. Set the per pupil adjustment under revenue limits at \$250 in 2023-24 and an additional \$450 in 2024-25, and set the low revenue adjustment at \$10,350 per pupil in 2023-24 and \$10,900 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$160 million in 2023-24 and \$529 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

7. Set the per pupil adjustment under revenue limits at \$350 in 2023-24 and an additional \$650 in 2024-25, and set the low revenue adjustment at \$10,450 per pupil in 2023-24 and \$11,200 per pupil in 2024-25 and each year thereafter. *[This would generate an estimated \$232 million in 2023-24 and \$769 million in 2024-25 in statewide revenue limit authority, the levy impact of which can be offset in whole or in part by increased funding for general school aids or the school levy tax credit.]*

8. Take no action.

**C. Per Pupil Aid**

1. *\$50 Per Pupil Annual Increase.* Provide \$39,825,000 in 2023-24 and \$79,220,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$792 per pupil in 2023-24 and \$842 per pupil in 2024-25 and each year thereafter.

ALT C1	Change to Base
GPR	\$119,045,000

2. *\$100 Per Pupil Annual Increase.* Provide \$79,650,000 in 2023-24 and \$158,440,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$842 per pupil in 2023-24 and \$942 per pupil in 2024-25 and each year thereafter.

ALT C2	Change to Base
GPR	\$238,090,000

3. *\$150 Per Pupil Annual Increase.* Provide \$119,475,000 in 2023-24 and \$237,660,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$892 per pupil in 2023-24 and \$1,042 per pupil in 2024-25 and each year thereafter.

<b>ALT C3</b>	<b>Change to Base</b>
GPR	\$357,135,000

4. *\$200 Per Pupil Annual Increase.* Provide \$159,300,000 in 2023-24 and \$316,880,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$942 per pupil in 2023-24 and \$1,142 per pupil in 2024-25 and each year thereafter.

<b>ALT C4</b>	<b>Change to Base</b>
GPR	\$476,180,000

5. *\$250/\$450 Per Pupil Increase.* Provide \$199,125,000 in 2023-24 and \$554,540,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$992 per pupil in 2023-24 and \$1,442 per pupil in 2024-25 and each year thereafter.

<b>ALT C5</b>	<b>Change to Base</b>
GPR	\$753,665,000

6. *\$350/\$650 Per Pupil Increase.* Provide \$278,775,000 in 2023-24 and \$792,200,000 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$1,092 per pupil in 2023-24 and \$1,742 per pupil in 2024-25 and each year thereafter.

<b>ALT C6</b>	<b>Change to Base</b>
GPR	\$1,070,975,000

7. Take no action.

Prepared by: Russ Kava  
Attachments



## ATTACHMENT 1

### Federal Coronavirus Aid for K-12 Schools (\$ in Millions)

	<u>Amount</u>
<b>Coronavirus Aid, Relief, and Economic Security Act</b>	
Elementary and Secondary Emergency Relief*	\$174.8
Governor's Emergency Education Relief	46.6
Coronavirus Relief Fund	<u>110.0</u>
Subtotal	\$331.4
<b>Coronavirus Response and Relief Supplemental Appropriations Act</b>	
Elementary and Secondary Emergency Relief*	\$686.1
Emergency Assistance for Nonpublic Schools*	<u>77.5</u>
Subtotal	\$763.6
<b>American Rescue Plan Act</b>	
Elementary and Secondary Emergency Relief*	\$1,540.8
State Fiscal Recovery Fund General Allocation	75.0
State Fiscal Recovery Fund Mental Health Initiative	30.0
Education for Homeless Children and Youth	10.0
Individuals with Disabilities Education Act	42.6
Emergency Assistance for Nonpublic Schools*	<u>73.9</u>
Subtotal	\$1,772.4
Total	\$2,867.4

\*A portion of these funds (\$3.0 million) were approved for program administration.



## ATTACHMENT 2

### Per Pupil Adjustment and Per Pupil Aid

	<u>Per Pupil Adjustment</u>	<u>Per Pupil Aid</u>		<u>Combined Resource Change**</u>
		<u>Payment</u>	<u>Change to Prior Year</u>	
2003-04	\$236.98			
2004-05	241.01			
2005-06	248.48			
2006-07	256.93			
2007-08	264.12			
2008-09	274.68			
2009-10	200.00			
2010-11	200.00			
2011-12	-5.5%*			
2012-13	\$50.00	\$50		\$100
2013-14	75.00	75	\$25	100
2014-15	75.00	150	75	150
2015-16	0.00	150	0	0
2016-17	0.00	250	100	100
2017-18	0.00	450	200	200
2018-19	0.00	654	204	204
2019-20	175.00	742	88	263
2020-21	179.00	742	0	179
2021-22	0.00	742	0	0
2022-23	0.00	742	0	0

\* Average statewide reduction of \$554 per pupil.

\*\* Beginning in 2012-13.









## ATTACHMENT 4

### State Support for K-12 Partial School Revenues (\$ in Millions)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
State Aid	\$5,079.2	\$5,241.7	\$5,244.2	\$5,444.6	\$5,730.0	\$5,899.8	\$6,072.7	\$6,295.3	\$6,428.9	\$6,668.5
School Levy Credit	747.4	747.4	853.0	853.0	940.0	940.0	940.0	940.0	940.0	940.0
First Dollar Credit	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Program for the Deaf/ Center for the Blind	<u>10.8</u>	<u>10.8</u>	<u>11.2</u>	<u>11.2</u>	<u>10.9</u>	<u>10.9</u>	<u>11.9</u>	<u>11.9</u>	<u>12.9</u>	<u>12.9</u>
Total	\$5,987.4	\$6,149.9	\$6,258.4	\$6,458.8	\$6,830.9	\$7,000.7	\$7,174.6	\$7,397.2	\$7,531.8	\$7,771.4
Partial Revenues	\$9,658.6	\$9,872.5	\$9,975.5	\$10,158.4	\$10,525.0	\$10,712.3	\$10,993.6	\$11,348.0	\$11,377.6	\$11,461.0
State Share	61.99%	62.29%	62.74%	63.58%	64.90%	65.35%	65.26%	65.19%	66.20%	67.81%

