



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-6473/1
FFK:cjs

2019 BILL

1 **AN ACT** *to amend* 118.40 (2r) (e) 2p. (intro.); *to repeal and recreate* 115.437 (2)
2 (b); and *to create* 118.40 (2r) (e) 2q., 120.137 (4) and 121.90 (1) (h) of the
3 statutes; **relating to:** the number of pupils enrolled in a school district in the
4 2020-21 school year for school district revenue limits, per pupil aid, and
5 indexing various per pupil payments; transportation aid in the 2021-22 school
6 year; and allowing transfers from a school district long-term capital
7 improvement trust fund in the 2020-21 and 2021-22 school years.

Analysis by the Legislative Reference Bureau

**NUMBER OF PUPILS ENROLLED IN THE 2020-21 SCHOOL YEAR; REVENUE LIMITS, PER
PUPIL AID, AND THE INDEXING MECHANISM FOR OTHER PER PUPIL PAYMENTS**

Under this bill, for purposes of school district revenue limits, per pupil aid, and the indexing mechanism for per pupil payments in various other programs, such as the parental choice programs and the open enrollment program, the number of pupils enrolled in a school district in the 2020-21 school year is the greater of the number of pupils enrolled in the school district in the 2020-21 school year or the 2019-20 school year.

School district revenue limits

Current law limits the total amount of revenue a school district may receive from general school aids and property taxes in a school year. One factor used to

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calculate a school district's revenue limit is a three-year rolling average of the school district's pupil enrollment. For example, both the average of a school district's 2017-18, 2018-19, and 2019-20 pupil enrollments and the average of the school district's 2018-19, 2019-20, and 2020-21 pupil enrollments will be used to calculate the school district's 2020-21 school year revenue limit. In each applicable school year, a school district's pupil enrollment is based on a pupil count that occurs on the third Friday in September and 40 percent of the school district's summer school enrollment.

Under the bill, for purposes of determining a school district's revenue limit in the 2020-21, 2021-22, 2022-23, and 2023-24 school years, a school district's pupil enrollment for the 2020-21 school year is the greater of the school district's pupil enrollment in the 2019-20 school year or the school district's pupil enrollment in the the 2020-21 school year, as calculated under current law.

Per pupil aid

Under current law, a school district's pupil enrollment is a factor in the per pupil aid calculation. Per pupil aid is a categorical aid paid to school districts. Per pupil aid is funded from a sum sufficient appropriation and is not considered for purposes of revenue limits.

The amount of per pupil aid paid to a school district is calculated using a three-year average of the number of pupils enrolled in the school district and a per pupil amount set by law. In the 2020-21 school year, the calculation for the amount of per pupil aid paid to a school district is \$742 times the average of the school district's pupil enrollment in the 2018-19, 2019-20, and 2020-21 years.

Under the bill, for purposes of calculating per pupil aid in the 2020-21, 2021-22, and 2022-23 school years, a school district's pupil enrollment in the 2020-21 school year is the school district's pupil enrollment in the 2019-20 or 2020-21 school year, whichever is greater.

Indexing mechanism for other per pupil payments

Under current law, the number of pupils enrolled statewide, as determined for school district revenue limits, is a factor in the indexing mechanism used to adjust the per pupil payment amounts under the parental choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program. The adjustment under the indexing mechanism is an amount equal to the sum of any positive per pupil revenue limit adjustment for the current year and any positive change in the amount of statewide categorical aid per pupil between the previous school year and the current school year. Under current law, the change in the amount of statewide categorical aid per pupil is determined by dividing the difference in categorical aid by the average of the number of pupils enrolled statewide in the three previous school years.

Under the bill, in the 2021-22, 2022-23, and 2023-24 school years, for the purpose of calculating the statewide categorical aid per pupil in the indexing mechanism formula, the number of pupils enrolled statewide in the 2020-21 school year is a) the sum of each school district's pupil enrollment in the 2020-21 school district, as determined for per pupil aid in the 2020-21 school year or b) the total number of pupils enrolled statewide in the 2019-20 school year, whichever is greater.

BILL**TRANSPORTATION AID; 2021-22 SCHOOL YEAR**

In the 2021-22 school year, this bill requires the Department of Public Instruction to pay a school district or independent charter school the greater of 1) the amount of transportation aid the school district or independent charter school is entitled to receive under current law or 2) the amount of transportation aid the school district or independent charter school received in the 2020-21 school year.

Under current law, transportation aid is paid to school districts, which are required to provide transportation to pupils, and to independent charter schools that opt to provide transportation to charter school pupils. Transportation aid is provided for transporting pupils during the previous school year to and from school during the regular school term and to and from summer classes. The amount of transportation aid paid to a school district or independent charter school is based on an annual amount set by law for each transported pupil. Current law requires DPI to prorate the amount of transportation aid owed to each school district and independent charter school if the amount appropriated for transportation aid is insufficient to pay the total amount of claims in a school year.

TRANSFERS FROM A LONG TERM CAPITAL IMPROVEMENT TRUST FUND; 2020-21 AND 2021-22 SCHOOL YEARS

During the 2020-21 and 2021-22 school years, this bill allows a school board that has a long-term capital improvement trust fund on the date the bill becomes law to transfer money in the trust fund to the school district's general fund.

Under current law, a school board that approves a long-term capital improvement plan for a minimum of ten years may create a long-term capital improvement trust fund for the purpose of financing the capital improvements included in the long-term plan. Current law prohibits a school board from spending any money deposited in a long-term capital improvement trust fund for a period of five years from the date the trust fund is created. After the initial five-year period, a school board is allowed to spend money in the trust fund only for the purposes described in the school board's long-term plan and is expressly prohibited from transferring money in the trust fund to any other school district fund.

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

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

- 1 **SECTION 1.** 115.437 (2) (b) of the statutes is repealed and recreated to read:
2 115.437 (2) (b) Notwithstanding sub. (1), for purposes of calculating aid paid
3 under par. (a) in the 2020-21, 2021-22, and 2022-23 school years, the number of

BILL**SECTION 1**

1 pupils enrolled in a school district in the 2020-21 school year is the greater of the
2 following:

3 1. The number of pupils enrolled, as defined in sub. (1), in the school district
4 in the 2019-20 school year.

5 2. The number of pupils enrolled, as defined in sub. (1), in the school district
6 in the 2020-21 school year.

7 **SECTION 2.** 118.40 (2r) (e) 2p. (intro.) of the statutes is amended to read:

8 118.40 (2r) (e) 2p. (intro.) In the 2015-16 school year and in each school year
9 thereafter, for a pupil attending a charter school established by or under a contract
10 with an entity under par. (b) 1. a. to f., from the appropriation under s. 20.255 (2) (fm),
11 the department shall pay to the operator of the charter school an amount equal to the
12 sum of the amount paid per pupil under this paragraph in the previous school year;
13 the amount of the per pupil revenue limit adjustment under s. 121.91 (2m) for the
14 current school year, if positive; and the change in the amount of statewide categorical
15 aid per pupil between the previous school year and the current school year, if positive.
16 The Subject to subd. 2q., the change in the statewide categorical aid per pupil shall
17 be determined as follows:

18 **SECTION 3.** 118.40 (2r) (e) 2q. of the statutes is created to read:

19 118.40 (2r) (e) 2q. In the 2021-22, 2022-23, and 2023-24 school years, for the
20 purpose of calculating the average of the number of pupils enrolled statewide in the
21 3 previous school years under subd. 2p. d., the number of pupils enrolled statewide
22 in the 2020-21 school year is the greater of the following:

23 a. The sum of the number of pupils enrolled in each school district in the
24 2020-21 school year, as determined under s. 115.437 (2) (b).

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1 b. The sum of the number of pupils enrolled in each school district in the
2 2019-20 school year.

3 **SECTION 4.** 120.137 (4) of the statutes is created to read:

4 120.137 (4) Notwithstanding sub. (3), during the 2020-21 and 2021-22 school
5 years, a school board that has a long-term capital improvement trust fund on the
6 effective date of this subsection ... [LRB inserts date], may transfer money from the
7 long-term capital improvement trust fund to the school district's general fund.

8 **SECTION 5.** 121.90 (1) (h) of the statutes is created to read:

9 121.90 (1) (h) In determining a school district's revenue limit for the 2020-21,
10 2021-22, 2022-23, and 2023-24 school years, the number of pupils enrolled in the
11 school district in the 2020-21 school year is the greater of the following:

12 1. The number of pupils enrolled in the school district in the 2019-20 school
13 year, as determined under this subsection.

14 2. The number of pupils enrolled in the school district in the 2020-21 school
15 year, as determined under this subsection except for this paragraph.

16 **SECTION 6. Nonstatutory provisions.**

17 (1) STATE AID FOR TRANSPORTATION IN THE 2021-22 SCHOOL YEAR.

18 (a) *Definition.* In this subsection, "transportation aid" means state aid under
19 s. 121.58.

20 (b) *Transportation aid payments; 2021-22 school year.* In the 2021-22 school
21 year, the department of public instruction shall pay a school district or operator of
22 a charter school authorized under s. 118.40 (2r) or (2x) that is entitled to
23 transportation aid the greater of the following:

BILL**SECTION 6**

1 1. The amount of transportation aid that the school district or operator of the
2 charter school is entitled to receive in the 2021-22 school year, as calculated under
3 s. 121.58.

4 2. The amount of transportation aid that the school district or operator of the
5 charter school received in the 2020-21 school year.

6 (c) *Proration or distribution of balance; 2021-22 fiscal year.*

7 1. If the appropriation under s. 20.255 (2) (cr) in the 2021-22 fiscal year is
8 insufficient to pay the full amount of transportation aid payments, as determined
9 under par. (b), transportation aid payments for school districts not participating in
10 the program under s. 121.575 shall be prorated as though the minimum amount
11 under s. 121.575 (3) had not been made and transportation aid payments for school
12 districts participating in the program under s. 121.575 shall be prorated after
13 deducting the minimum amount under s. 121.575 (3).

14 2. If the appropriation under s. 20.255 (2) (cr) in the 2021-22 fiscal year exceeds
15 the full amount of transportation aid payments under ss. 121.575 and 121.58, as
16 modified under par. (b), the department of public instruction shall distribute the
17 balance to those school districts and charter school operators entitled to
18 transportation aid, with each entitled recipient receiving a percentage of the balance
19 equal to its percentage of the total approved claims under s. 121.58.

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(END)