



## 1997 SENATE BILL 6

January 15, 1997 - Introduced by Senators PLACHE, CLAUSING, MOEN, WINEKE, CHVALA and JAUCH, cosponsored by Representatives KRUG, TURNER, BLACK, KREUSER, PLALE, R. YOUNG, NOTESTEIN, RILEY, HASENOHRL, MUSSER, SPRINGER and MEYER. Referred to Committee on Education.

1     **AN ACT to repeal** 121.07 (6) (am), 121.07 (6) (dg), 121.07 (6) (dr), 121.07 (7) (bm)  
2             and 121.07 (10) (d); **to amend** 121.07 (6) (e), 121.07 (7) (c), 121.07 (7) (d), 121.07  
3             (7) (e), 121.07 (8), 121.07 (10) (a), 121.08 (2) and 121.23 (2) (intro.); and **to**  
4             **repeal and recreate** 73.03 (46), 121.07 (6) (b), 121.07 (6) (d), 121.07 (7) (a),  
5             121.07 (7) (b) and 121.08 (1) of the statutes; **relating to:** calculation of school  
6             aid under the state school aid formula.

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### ***Analysis by the Legislative Reference Bureau***

Under the current state school aid formula, the guaranteed valuation is the amount of property tax base support that the state guarantees to each pupil. The formula establishes 3 guaranteed tax bases that apply to 3 different levels of expenditure. The primary guaranteed valuation applies to those costs that do not exceed the primary ceiling cost per pupil of \$1,000. The secondary guaranteed valuation applies to per pupil costs that exceed the primary ceiling. The tertiary guaranteed valuation applies to per pupil costs that exceed the secondary ceiling, which, in the 1997-98 school year and in each subsequent school year, is equal to the secondary ceiling cost per pupil in the previous school year increased by the percentage change in the consumer price index.

This bill eliminates the tertiary level of state support, resulting in a 2-level school aid formula. In addition, the bill provides that the primary ceiling is equal to the primary ceiling in the previous school year increased by the percentage change in the consumer price index.

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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1           **SECTION 1.** 73.03 (46) of the statutes is repealed and recreated to read:

2           73.03 (46) In each school year, to determine the rate for determining the  
3 primary ceiling cost per member under s. 121.07 (6) (b). The rate for any school year  
4 is the average percentage change in the consumer price index for all urban  
5 consumers, U.S. city average, for the calendar year ending on the 2nd preceding  
6 December 31, as computed by the federal department of labor.

7           **SECTION 2.** 121.07 (6) (am) of the statutes is repealed.

8           **SECTION 3.** 121.07 (6) (b) of the statutes is repealed and recreated to read:

9           121.07 (6) (b) The “primary ceiling cost per member” shall be the amount  
10 determined by multiplying the primary ceiling cost per member in the previous  
11 school year by the rate determined under s. 73.03 (46) and adding the result to the  
12 primary ceiling cost per member in the previous school year.

13           **SECTION 4.** 121.07 (6) (d) of the statutes is repealed and recreated to read:

14           121.07 (6) (d) The “secondary shared cost” is that portion of a district’s shared  
15 cost which is not included in the primary shared cost.

16           **SECTION 5.** 121.07 (6) (dg) of the statutes is repealed.

17           **SECTION 6.** 121.07 (6) (dr) of the statutes is repealed.

18           **SECTION 7.** 121.07 (6) (e) of the statutes is amended to read:

19           121.07 (6) (e) For a school district created by a consolidation under s. 117.08  
20 or 117.09, in the school year in which the consolidation takes effect and in each of the

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1 subsequent 4 school years, the amounts amount under ~~pars.~~ par. (b) and (d) shall be  
2 multiplied by 1.1 and rounded to the next lowest lower dollar.

3 **SECTION 8.** 121.07 (7) (a) of the statutes is repealed and recreated to read:

4 121.07 (7) (a) The “primary guaranteed valuation per member” is an amount,  
5 rounded to the next lower dollar, that, after subtraction of payments under ss.  
6 121.09, 121.105, 121.85 (6) (b) 2. and 3. and (c) and 121.86, fully distributes the sum  
7 of the amount remaining in the appropriation under s. 20.255 (2) (ac) for payments  
8 under ss. 121.08 and 121.85 (6) (a) and (g).

9 **SECTION 9.** 121.07 (7) (b) of the statutes is repealed and recreated to read:

10 121.07 (7) (b) The “secondary guaranteed valuation per member” shall be an  
11 amount rounded to the next lower dollar determined by multiplying the equalized  
12 valuation of the state by 1.06 and dividing the result obtained by the state total  
13 membership.

14 **SECTION 10.** 121.07 (7) (bm) of the statutes is repealed.

15 **SECTION 11.** 121.07 (7) (c) of the statutes is amended to read:

16 121.07 (7) (c) For districts operating only high school grades, the amounts in  
17 pars. (a) ~~to (bm)~~ and (b) shall be multiplied by 3 and rounded to the next lower dollar.

18 **SECTION 12.** 121.07 (7) (d) of the statutes is amended to read:

19 121.07 (7) (d) For districts operating only elementary grades, the amounts in  
20 pars. (a) ~~to (bm)~~ and (b) shall be multiplied by 1.5 and rounded to the next lower  
21 dollar.

22 **SECTION 13.** 121.07 (7) (e) of the statutes is amended to read:

23 121.07 (7) (e) For a school district created by a consolidation under s. 117.08  
24 or 117.09, in the school year in which the consolidation takes effect and in each of the

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1 subsequent 4 school years, the amounts under pars. (a) ~~to (bm)~~ and (b) shall be  
2 multiplied by 1.1 and rounded to the next lower dollar.

3 **SECTION 14.** 121.07 (8) of the statutes is amended to read:

4 121.07 (8) GUARANTEED VALUATION. A school district's primary, and secondary  
5 ~~and tertiary~~ guaranteed valuations are determined by multiplying the amounts in  
6 sub. (7) by the district's membership.

7 **SECTION 15.** 121.07 (10) (a) of the statutes is amended to read:

8 121.07 (10) (a) The "required levy rate" is the sum of the rates derived in pars.  
9 (b) ~~to (d)~~ and (c).

10 **SECTION 16.** 121.07 (10) (d) of the statutes is repealed.

11 **SECTION 17.** 121.08 (1) of the statutes is repealed and recreated to read:

12 121.08 (1) The state shall pay to the school district a sum equal to the amount  
13 by which the primary guaranteed valuation exceeds the school district equalized  
14 valuation, multiplied by the primary required levy rate, and a sum equal to the  
15 amount by which the secondary guaranteed valuation exceeds the school district  
16 equalized valuation, multiplied by the secondary required levy rate.

17 **SECTION 18.** 121.08 (2) of the statutes is amended to read:

18 121.08 (2) The aid computed under sub. (1) shall be reduced by the ~~sum of the~~  
19 amount by which the school district equalized valuation exceeds the secondary  
20 guaranteed valuation, multiplied by the secondary required levy rate, ~~and the~~  
21 amount by which the school district equalized valuation exceeds the tertiary  
22 guaranteed valuation, multiplied by the tertiary required levy rate. In no case may  
23 the aid under this section be less than ~~the amount under sub. (1) (a)~~ zero.

24 **SECTION 19.** 121.23 (2) (intro.) of the statutes is amended to read:

