

WASBO New School Administrator & Support Staff Conference
9 September 2021

Revenue Limit, State General Aid, and Tax Levy

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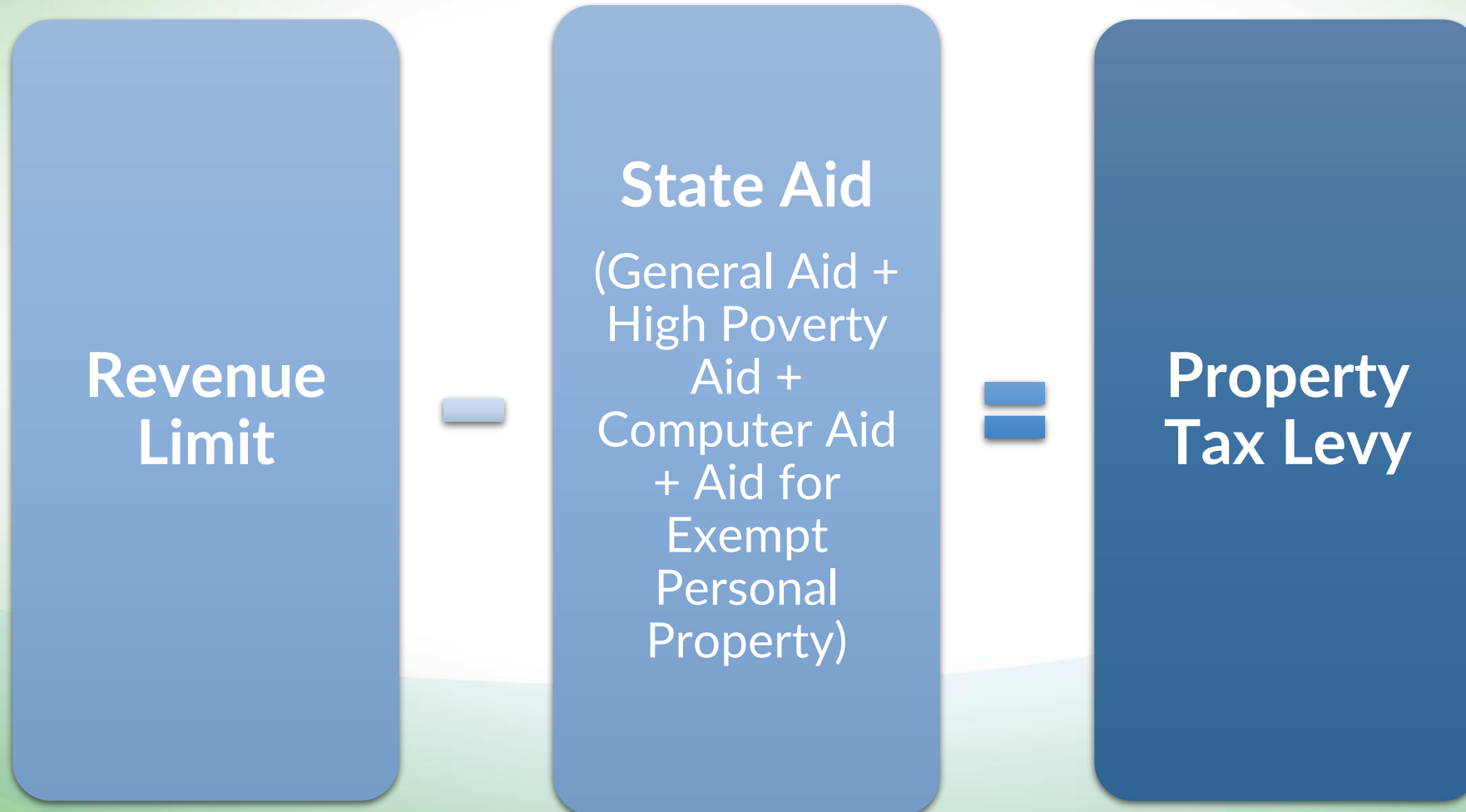


WISCONSIN DEPARTMENT OF
Public Instruction
Jill K. Underly, PhD, State Superintendent

Agenda

- **Basic Formula**
- **Revenue Limits**
- **Property Tax Levy**
- **State Aids**
- **Per Pupil Aid**
- **Questions**

Revenue Limits, School Aids, and Property Tax Levies



Revenue Limits and Property Tax Levies

Revenue Limit History and Overview

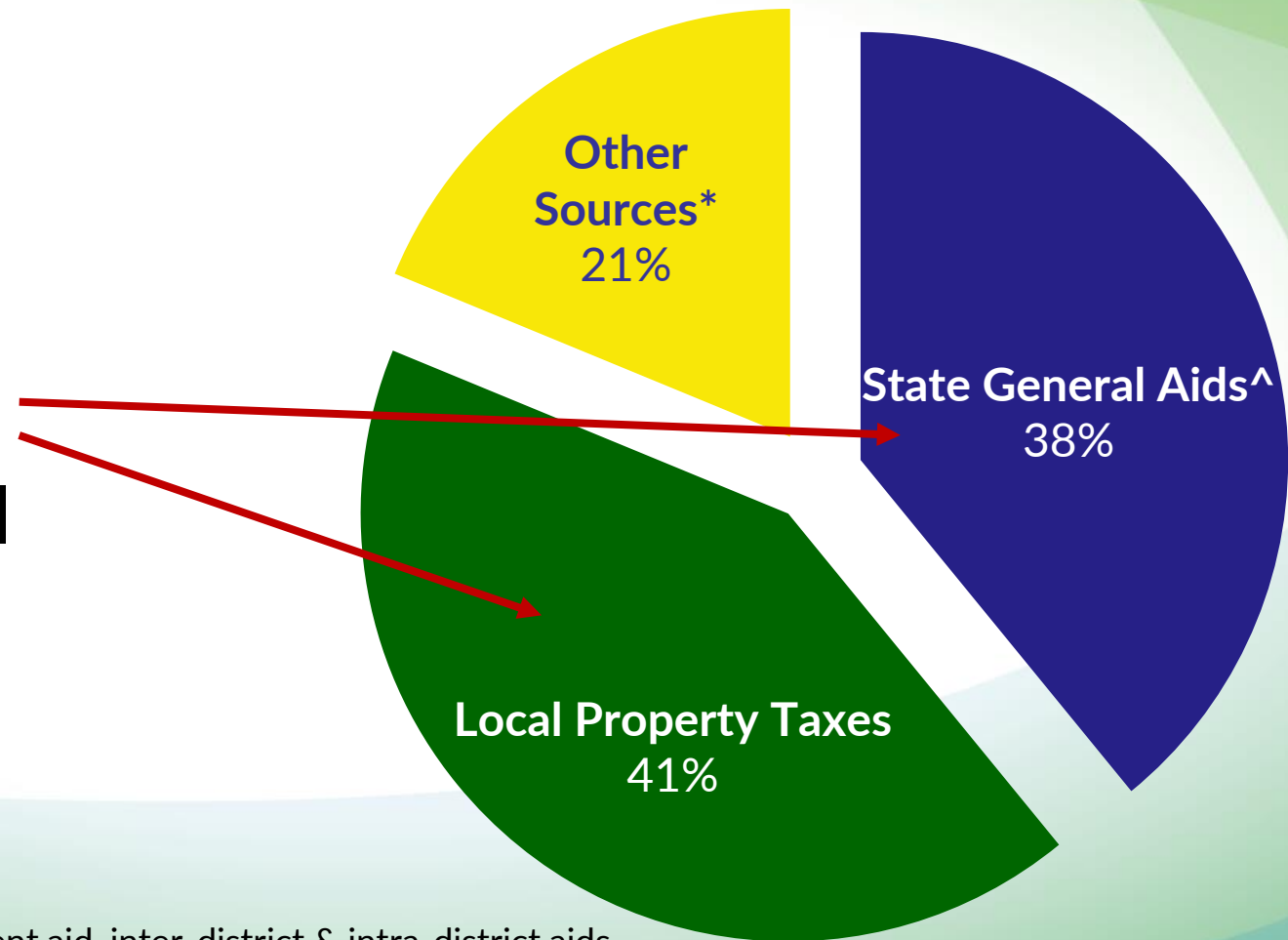
Revenue limits:

- Implemented in 1993-94.
- Designed to restrict the amount of revenue a school district can raise through local property taxes and state general school aids annually on a per pupil basis.
- Do not include state categorical aids, federal aids, local receipts, and most debt service tax levies.
- Use to increase annually on a per pupil basis; 6 of 8 most recent years is \$0.
- Calculated based upon a school district's three-year rolling membership average. Not dependent on changes in other districts.
- Allow for multiple adjustments for certain purposes.
- Can be exceeded if approved through local referendum.

State Totals - School District Revenues

CONTROLLED

Although the mix of aid and taxes is different across districts, the Revenue Limit can control 70-90% of the General Fund budget!



[^] State General Aids includes: equalization aid, special adjustment aid, inter-district & intra-district aids, and high poverty aid (i.e., state aids received under the districts' revenue limit caps).

^{*} Other Sources includes: state categorical aids, federal aid, and non-property tax local revenue (i.e., revenue received outside of the districts' revenue limit caps).

What is within Revenue Limits?

- **Regulates Revenues for Funds 10, 38 and 41**
 - **General Fund (10)**
 - **Property Tax Levy**
 - **General State Aid**
 - **Computer Aid**
 - **Non-Referendum Debt Service Fund (38)**
 - **Property Tax Levy**
 - **Capital Projects Fund (41)**
 - **Property Tax Levy**

What is outside the Revenue Limit?

These sources are not limited by the revenue limit formula

- Categorical Aids (Special Education, Per Pupil Aid, Library, Transportation, SAGE/AGR, Sparsity, etc.)
- State and Federal Grants
- Student Fees
- Gate Receipts
- Donations
- Tax Levy for Referendum Approved Debt Service Fund (39)
- Tax Levy for Community Service Fund (80)

Revenue Limits

Controlled Revenues

State General Aid

- Local property taxes (controlled levy)
- Department of Revenue Computer Aid
- Aid for Exempt Personal Property

Membership

- September Pupil Count FTE
- Summer School FTE (40%)

Four-Step Process:

Step 1: Build the Base Revenue Per Member

- (Worksheet lines 1-3)

Step 2: Calculate New Revenue Per Member

- (Worksheet lines 4-7)

Step 3: Determine Allowable Exemptions

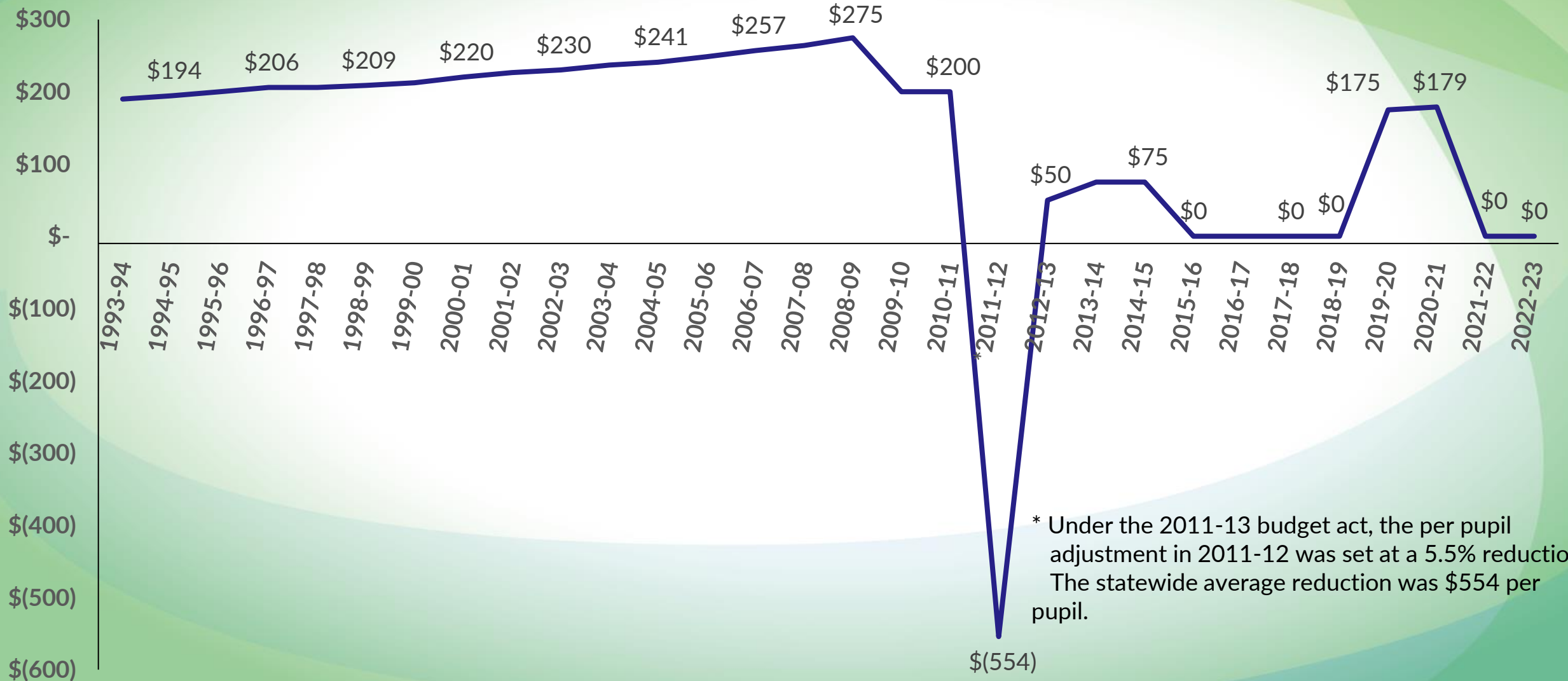
- (Worksheet lines 8-11)

Step 4: Determine Levy

- (Worksheet lines 13-16)

The revenue limit does not include all revenues and it is not a spending

Revenue Limits-Per Pupil Adjustment History



DATA AS OF 7/28/21, 1:29 PM

Line 1 Amount May Not Exceed (Line 11 - (Line 7B+Line 10)) of Final 20-21 Revenue Limit		
2020-21 General Aid Certification (20-21 Line 12A, src 621)	+	24,314,899
2020-21 Computer Aid Received (20-21 Line 12C, Src 691)	+	43,458
2020-21 Hi Pov Aid (20-21 Line 12B, Src 628)	+	0
2020-21 Aid for Exempt Personal Property (20-21 Line 12D, Src 691)	+	92,128
2020-21 Fnd 10 Levy Cert (20-21 Line 14A, Levy 10 Src 211)	+	18,328,446
2020-21 Fnd 38 Levy Cert (20-21 Line 14B, Levy 38 Src 211)	+	320,363
2020-21 Fnd 41 Levy Cert (20-21 Line 14C, Levy 41 Src 211)	+	0
2020-21 Aid Penalty for Over Levy (20-21 FINAL Rev Lim, May 2021)	-	0
2020-21 Total Levy for All Levied Non-Recurring Exemptions*	-	6,410,738
NET 2021-22 Base Revenue Built from 2020-21 Data (Line 1)	=	36,688,556

*For the Non-Recurring Exemptions Levy Amount, enter actual amount for which district levied; (7B Hold Harmless, Non-Recurring Referenda, Declining Enrollment, Energy Efficiency Exemption, Refunded/Rescinded Taxes, Prior Year Open Enrollment Pupils, Reduction for Ineligible Fund 80 Expenditures, Other Adjustments, Private School Voucher Aid Deduction, Private School Special Needs Voucher Aid Deduction)

September & Summer FTE Membership Averages

Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%.

Line 2: Base Avg:((18+.4ss)+(19+.4ss)+(20+.4ss)) / 3 =			
	2018	2019	2020
Summer FTE:	128	138	38
% (40,40,40)	51	55	15
Sept FTE:	3,716	3,686	3,476
New ICS - Independent	0.0	0	0
Charter Schools FTE			
Total FTE	3,767	3,741	3,491

Line 6: Curr Avg:((19+.4ss)+(20+.4ss)+(21+.4ss)) / 3 =			
	2019	2020	2021
Summer FTE:	138	38	0
% (40,40,40)	55	15	0
Sept FTE:	3,686	3,476	0
New ICS - Independent	0	0	0
Charter Schools FTE			
Total FTE	3,741	3,491	0

The Line 6 "Current Average" shown above is used for Revenue Limits. The average used for Per Pupil Aid does not include "New ICS - Independent Charter Schools FTE." The PPA average appears below after data is entered for 2021:

Line 10B: Declining Enrollment Exemption =	
Average FTE Loss (Line 2 - Line 6, if > 0)	
X 1.00 =	
X (Line 5, Maximum 2020-2021 Revenue per Memb) =	
Non-Recurring Exemption Amount:	

Fall 2021 Property Values	
2021 TIF-Out Tax Apportionment Equalized Valuation(estimate until Oct, 2021)	0

CELL COLOR KEY: Auto-Calc DPI Data District-Entered

Worksheet is available at: <http://dpi.wi.gov/sfs/limits/worksheets/revenue>

Calculation Revised: 8/5/2020. Rounding in Total FTE buckets.

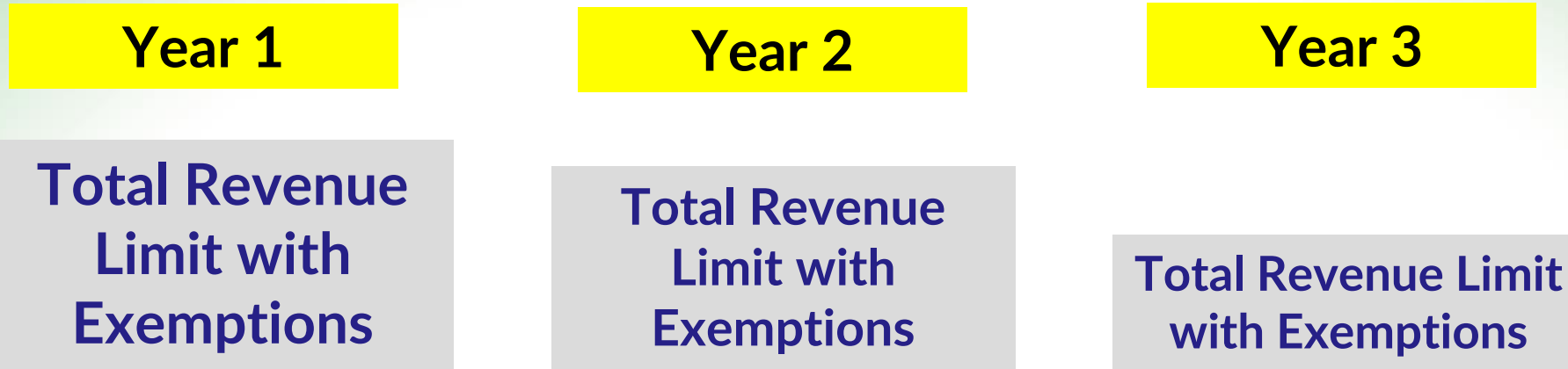
2021-2022 Revenue Limit Worksheet

1. 2021-22 Base Revenue (Funds 10, 38, 41)	(from left)	36,688,556
2. Base Sept Membership Avg (2018+.4ss, 2019+.4ss, 2020+.4ss)/3	(from left)	3,666
3. 2021-22 Base Revenue Per Member (Ln 1 / Ln2)	(with cents)	10,007.79
4. 2021-22 Per Member Change (A+B)		0.00
2021-22 Low Revenue Ceiling per s.121.905(1):		
	10,000.00	
A. Allowed Per-Member Change for 21-22		0.00
B. Low Rev Incr ((Low Rev Ceiling-(3+4A))-4C) NOT<0		0.00
C. Value of the CCDEB (21-22 DPI Computed-CCDEB Dists only)		0.00
5. 2021-22 Maximum Revenue / Member (Ln 3 + Ln 4)		10,007.79
6. Current Membership Avg (2019+.4ss, 2020+.4ss, 2021+.4ss)/3	(from left)	0
7. 2021-22 Rev Limit, No Exemptions (Ln7A + Ln 7B)	(rounded)	0
A. Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)		0
B. Hold Harmless Non-Recurring Exemption		0
8. Total 2021-22 Recurring Exemptions (A+B+C+D+E)	(rounded)	0
A. Prior Year Carryover		0
B. Transfer of Service		0
C. Transfer of Territory/Other Reorg (if negative, include sign)		0
D. Federal Impact Aid Loss (2019-20 to 2020-21)		0
E. Recurring Referenda to Exceed (If 2021-22 is first year)		0
9. 2021-22 Limit with Recurring Exemptions (Ln 7 + Ln 8)		0
10. Total 2021-22 Non-Recurring Exemptions (A+B+C+D+E+F+G+H+I)		3,714,771
A. Non-Recurring Referenda to Exceed 2021-22 Limit		3,700,000
B. Declining Enrollment Exemption for 2021-22 (from left)		0
C. Energy Efficiency Net Exemption for 2021-22 (see pg 4 for details)		0
D. Adjustment for Refunded or Rescinded Taxes, 2021-22		14,766
E. Prior Year Open Enrollment (uncounted pupil[s])		0
F. Reduction for Ineligible Fund 80 Expenditures (enter as negative)		0
G. Other Adjustments (Fund 39 Bal Transfer)		0
H. WPCP and RPCP Private School Voucher Aid Deduction		0
I. SNSP Private School Voucher Aid Deduction		5
11. 2021-22 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		3,714,771
12. Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		24,765,385
A. 2021-22 JULY 1 ESTIMATE OF GENERAL AID		24,765,385
B. State Aid to High Poverty Districts (not all districts)		0
C. State Aid for Exempt Computers (Source 691)		0
D. State Aid for Exempt Personal Property (Source 691)		0
LINE 12A IS THE JULY 1 AID EST. DISTRICTS MUST USE THE OCT 15 AID CERT WHEN SETTING THE DISTRICT LEVY.		
13. Allowable Limited Revenue: (Line 11 - Line 12)		0
(10, 38, 41 Levies)		
14. Total Limited Revenue To Be Used (A+B+C)	Not >line 13	0
Entries Required Below: Enter amnts needed by purpose and fund:		
A. Gen Operations: Fnd 10 Src 211	0	(Proposed Fund 10)
B. Non-Referendum Debt (inside limit) Fund 38 Src 211	0	(to Budget Rpt)
C. Capital Exp, Annual Meeting Approved: Fund 41 Src 211	0	(to Budget Rpt)
15. Total Revenue from Other Levies (A+B+C+D)		0
A. Referendum Apprvd Debt (Fund 39 Debt-Src 211)	0	
B. Community Services (Fund 80 Src 211)	0	(to Budget Rpt)
C. Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)		0
Line 16 is the total levy to be apportioned in the PI-401.		
	Levy Rate =	#DIV/0!

Districts are responsible for the integrity of their revenue limit data & computation. Data appearing here reflects information submitted to DPI and is unaudited.

Revenue Limits & Budget-Building

Watch Change Across Time – Line 11



Line 11 represents the total amount of resource your district will get from property tax, state general aids, and exempt computer aid. This will equal about 85-95% of general fund revenues.

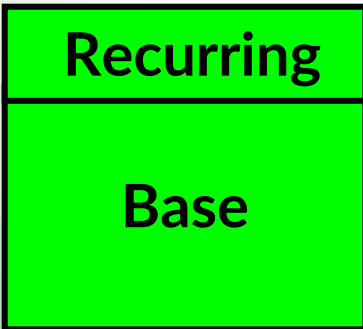
For budgeting purposes, it's very important to compare Line 11 with the previous year's Line 11. Major decreases in Line 11 from year to year can have serious implications for your budget. Watch for exemptions.

Know the Difference!

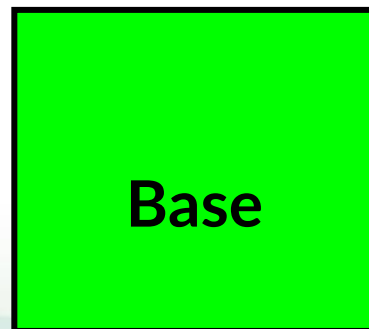
Line 8

Recurring Exemptions –
Permanently in Your Base

This Year



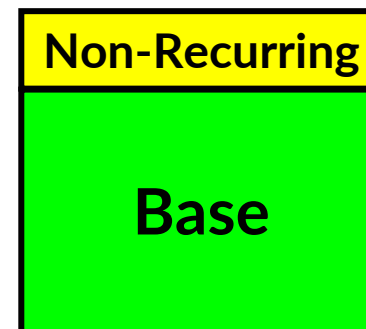
Next Year



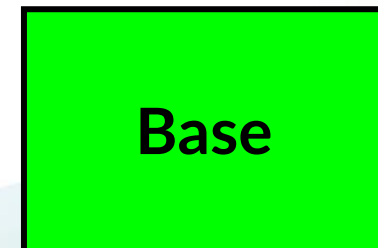
Line 10

Non-Recurring Exemptions –
One Year Only

This Year



Next Year



Revenue Limit Takeaways

- The Revenue Limit controls revenue from general state aid (including high poverty aid) and most of your local property tax revenues.
- Revenue Limits are calculated by multiplying the three-year rolling membership average times a per member dollar amount – and adding on any exemptions.
- Most districts are not restrained by their initial calculation but are eligible for various exemptions to increase their Revenue Limit. Exemptions result in additional taxation authority.
- It is very important to know the difference between recurring and non-recurring exemptions. This is especially true when planning a referendum.
- Calculating the property tax levy is a direct result of completing the

Setting the Levy

➤ Page 2 of the Revenue Limit Worksheet

2021-2022 Revenue Limit Worksheet			
1.	2021-22 Base Revenue (Funds 10, 38, 41)	(from left)	36,688,556
2.	Base Sept Membership Avg (2018+.4ss, 2019+.4ss, 2020+.4ss)/3	(from left)	3,666
3.	2021-22 Base Revenue Per Member (Ln 1 / Ln2)	(with cents)	10,007.79
4.	2021-22 Per Member Change (A+B)		0.00
	2021-22 Low Revenue Ceiling per s.121.905(1):	10,000.00	
A.	Allowed Per-Member Change for 21-22	0.00	
B.	Low Rev Incr ((Low Rev Ceiling-(3+4A))-4C) NOT<0	0.00	
C.	Value of the CCDEB (21-22 DPI Computed-CCDEB Dists only)	0.00	
5.	2021-22 Maximum Revenue / Member (Ln 3 + Ln 4)		10,007.79
6.	Current Membership Avg (2019+.4ss, 2020+.4ss, 2021+.4ss)/3	(from left)	0
7.	2021-22 Rev Limit, No Exemptions (Ln7A + Ln 7B)	(rounded)	0
A.	Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	0	
B.	Hold Harmless Non-Recurring Exemption	0	
8.	Total 2021-22 Recurring Exemptions (A+B+C+D+E)	(rounded)	0
A.	Prior Year Carryover	0	
B.	Transfer of Service	0	
C.	Transfer of Territory/Other Reorg (if negative, include sign)	0	
D.	Federal Impact Aid Loss (2019-20 to 2020-21)	0	
E.	Recurring Referenda to Exceed (If 2021-22 is first year)	0	
9.	2021-22 Limit with Recurring Exemptions (Ln 7 + Ln 8)		0
10.	Total 2021-22 Non-Recurring Exemptions (A+B+C+D+E+F+G+H+I)		3,714,771
A.	Non-Recurring Referenda to Exceed 2021-22 Limit	3,700,000	
B.	Declining Enrollment Exemption for 2021-22 (from left)		
C.	Energy Efficiency Net Exemption for 2021-22 (see pg 4 for details)	0	
D.	Adjustment for Refunded or Rescinded Taxes, 2021-22	14,766	
E.	Prior Year Open Enrollment (uncounted pupil[s])	0	
F.	Reduction for Ineligible Fund 80 Expenditures (enter as negative)	0	
G.	Other Adjustments (Fund 39 Bal Transfer)	0	
H.	WPCP and RPCP Private School Voucher Aid Deduction	0	
I.	SNSP Private School Voucher Aid Deduction	5	
11.	2021-22 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		3,714,771
12.	Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		24,765,385
A.	2021-22 JULY 1 ESTIMATE OF GENERAL AID	24,765,385	
B.	State Aid to High Poverty Districts (not all districts)	0	
C.	State Aid for Exempt Computers (Source 691)	0	
D.	State Aid for Exempt Personal Property (Source 691)	0	
LINE 12A IS THE JULY 1 AID EST. DISTRICTS MUST USE THE OCT 15 AID CERT WHEN SETTING THE DISTRICT LEVY.			
13.	Allowable Limited Revenue: (Line 11 - Line 12) (10, 38, 41 Levies)		0
14.	Total Limited Revenue To Be Used (A+B+C) Entries Required Below: Enter amnts needed by purpose and fund:	Not >line 13	0
A.	Gen Operations: Fnd 10 Src 211	0	(Proposed Fund 10)
B.	Non-Referendum Debt (inside limit) Fund 38 Src 211	0	(to Budget Rpt)
C.	Capital Exp, Annual Meeting Approved: Fund 41 Src 211	0	(to Budget Rpt)
15.	Total Revenue from Other Levies (A+B+C+D)		0
A.	Referendum Apprvd Debt (Fund 39 Debt-Src 211)	0	
B.	Community Services (Fund 80 Src 211)	0	(to Budget Rpt)
C.	Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D.	Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16.	Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15) <i>Line 16 is the total levy to be apportioned in the PI-401.</i>	Levy Rate =	#DIV/0!

The Basic Formula

- Line 11 - Total Revenue Limit
 - (minus)
 - Line 12 - State General Aid
 - (equals)
- Line 13 - Allowable Limited Tax Levy

11.	2021-22 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		3,714,771
12.	Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		24,765,385
A.	2021-22 JULY 1 ESTIMATE OF GENERAL AID	24,765,385	
B.	State Aid to High Poverty Districts (not all districts)	0	
C.	State Aid for Exempt Computers (Source 691)	0	
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LINE 12A IS THE JULY 1 AID EST. DISTRICTS MUST USE THE OCT 15 AID CERT WHEN SETTING THE DISTRICT LEVY.			
13.	Allowable Limited Revenue: (Line 11 - Line 12)		0
	(10, 38, 41 Levies)		

Wait! But That's Not All!

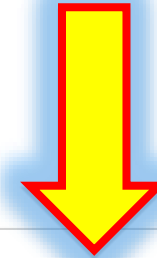
Levy by Fund

- The Line 13 Maximum Levy Amount only applies to three funds.
 - Fund 10 – General Fund
 - Fund 38 – Non-Referendum Debt Service
 - Fund 41 – Capitol Projects Sinking Fund
- On Line 14, you allocate your Line 13 amount among these three funds.

13. Allowable Limited Revenue: (Line 11 - Line 12)		0
(10, 38, 41 Levies)		
14. Total Limited Revenue To Be Used (A+B+C)	Not >line 13	0
Entries Required Below: Enter amnts needed by purpose and fund:		
A. Gen Operations: Fnd 10 Src 211	0	(Proposed Fund 10)
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D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)		0
<i>Line 16 is the total levy to be apportioned in the PI-401.</i>	Levy Rate =	#DIV/0!

Avoid the Over-Levy

- Line 14 CANNOT exceed Line 13.
- If it does, the worksheet will let you know.



13. Allowable Limited Revenue: (Line 11 - Line 12) (10, 38, 41 Levies)		16,775,262
	EXCEEDS LIMIT !!	
14. Total Limited Revenue To Be Used (A+B+C)	Not >line 13	16,800,000
Entries Required Below: Enter amnts needed by purpose and fund:		
A. Gen Operations: Fnd 10 Src 211	15,500,000	(Proposed Fund 10)
B. Non-Referendum Debt (inside limit) Fund 38 Src 211	1,000,000	(to Budget Rpt)
C. Capital Exp, Annual Meeting Approved: Fund 41 Src 211	300,000	(to Budget Rpt)
15. Total Revenue from Other Levies (A+B+C+D)		2,600,000
A. Referendum Apprvd Debt (Fund 39 Debt-Src 211)	2,500,000	
B. Community Services (Fund 80 Src 211)	100,000	(to Budget Rpt)
C. Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)		19,400,000
<i>Line 16 is the total levy to be apportioned in the PI-401.</i>	Levy Rate =	#DIV/0!

But There's More...Potentially

- Tax Levies for Funds Outside the Revenue Limit
- Line 15 allows you to ADD tax levies for other funds:
 - Fund 39 (and other non-Fund 38 funds) – Referendum Approved Debt Service
 - Fund 80 – Community Services Fund
 - Prior Year Levy Chargeback for Uncollectible Taxes (in Fund 10)
- Designed to recover costs related to approved revenues from prior years.

15. Total Revenue from Other Levies (A+B+C+D)		2,600,000
A. Referendum Apprvd Debt (Fund 39 Debt-Src 211)	2,500,000	
B. Community Services (Fund 80 Src 211)	100,000	(to Budget Rpt)
C. Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)		19,400,000
<i>Line 16 is the total levy to be apportioned in the PI-401.</i>	Levy Rate =	#DIV/0!

- These amounts are added to Line 14 to determine the gross total levy.

Gross Total Levy

But we're still not done.

- The amounts on Line 15 are added to Line 14 to determine the gross total levy on Line 16.

13. Allowable Limited Revenue: (Line 11 - Line 12)		16,775,262
(10, 38, 41 Levies)	EXCEEDS LIMIT !!	
14. Total Limited Revenue To Be Used (A+B+C)	Not >line 13	16,800,000
Entries Required Below: Enter amnts needed by purpose and fund:		
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16. Total Fall, 2021 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)		19,400,000
<i>Line 16 is the total levy to be apportioned in the PI-401.</i>	Levy Rate =	#DIV/0!

State Aid for Exempt Computer Property

- Line 12C
- State aid from the Department of Revenue.
- Replaces the tax revenue the District would have received if this property was still included on the taxable rolls.
- Calculation was changed as part of the 2017-19 Biennial Budget.
- Available around October 15th and paid directly by DOR

We're Done!

- Line 16 is your total all funds levy

Revenue Limits

How can I predict future limits?

- [SFS Home \(https://dpi.wi.gov/sfs\)](https://dpi.wi.gov/sfs)
- [Revenue Limits Overview](#)
- [Revenue Limit Worksheets for Budget Planning](#)
- [2021-22 Pre-Populated Revenue Limit Worksheet](#)

The screenshot shows the Wisconsin Department of Public Instruction website. The header includes the logo and a search bar. The main content area is titled "Revenue Limits" and includes an "Overview" section with a bar chart showing an upward trend. The text explains that in the fall of 1993, the Wisconsin legislature (s. 120.90) instituted a limit or control on the revenue a school district is entitled to receive each year. The control applies to revenue received from two sources: general state aid (equalization, special adjustment and integration aids); and select local levies (General Operations-Fund 10, Capital Projects-Fund 41 and Non-Referendum Debt-Fund 38). The results of this computation can have significant impact on district finances, as general state aids and the General Fund (Fund 10) tax levy can comprise anywhere from 70-90 percent of a district's total General Fund revenues. Below the overview, there are links for "Revenue Limit Formula", "Computer Aid", "Exemptions", "Revenue Limit Worksheets for Budget Planning", and "Final Revenue Limit Worksheets".

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Search

SCHOOL FINANCIAL SERVICES / REVENUE LIMITS

Revenue Limits

Overview

In the fall of 1993, the Wisconsin legislature (s. 120.90) instituted a limit or control on the revenue a school district is entitled to receive each year. The control applies to revenue received from two sources:

- general state aid (equalization, special adjustment and integration aids); and
- select local levies (General Operations-Fund 10, Capital Projects-Fund 41 and Non-Referendum Debt-Fund 38).

The results of this computation can have significant impact on district finances, as general state aids and the General Fund (Fund 10) tax levy can comprise anywhere from 70-90 percent of a district's total General Fund revenues.

Browse the following links for more details.

[Revenue Limit Formula](#)
Detailed, narrative explanation of the formula.

[Computer Aid](#)
Description of this state aid program that replaces a portion of the district's local levy.

[Exemptions](#)
Explanations of the additional revenue limit authority available to districts.

[Revenue Limit Worksheets for Budget Planning](#)
Excel spreadsheets available per year for appropriate budget planning.

[Final Revenue Limit Worksheets](#)
Prior-year district by district revenue limit computations.

Per Pupil Aid

- Categorical Aid – Outside the revenue limit calculation but based on the three-year rolling membership.
- Not restricted to a specific purpose. How is your district using the additional resources?
 - 2021-22 and after = \$742 per pupil

State School Aids

State General Aids

The fundamental purpose of the Equalization Aid formula is to “level the playing field” by providing assistance (distributing aid) to poorer districts (those with lower property value) to make up for what they can’t get from their property tax base.

Basic Equalization Aid Concepts

- Aid is inversely related to district property value per member.
- One pot of money is split over 421 school districts based on district values, membership, and shared costs. Changes in individual district data can affect every other district's aid.
- Depending on district value-per-member, some districts' aid is increased by increasing expenses, while others' aid is decreased by increasing expenses.
- Know where your district is in the formula and be aware of what is happening to your district over time so you can figure out why your aid has changed AND explain why.

Equalization Aid Factors

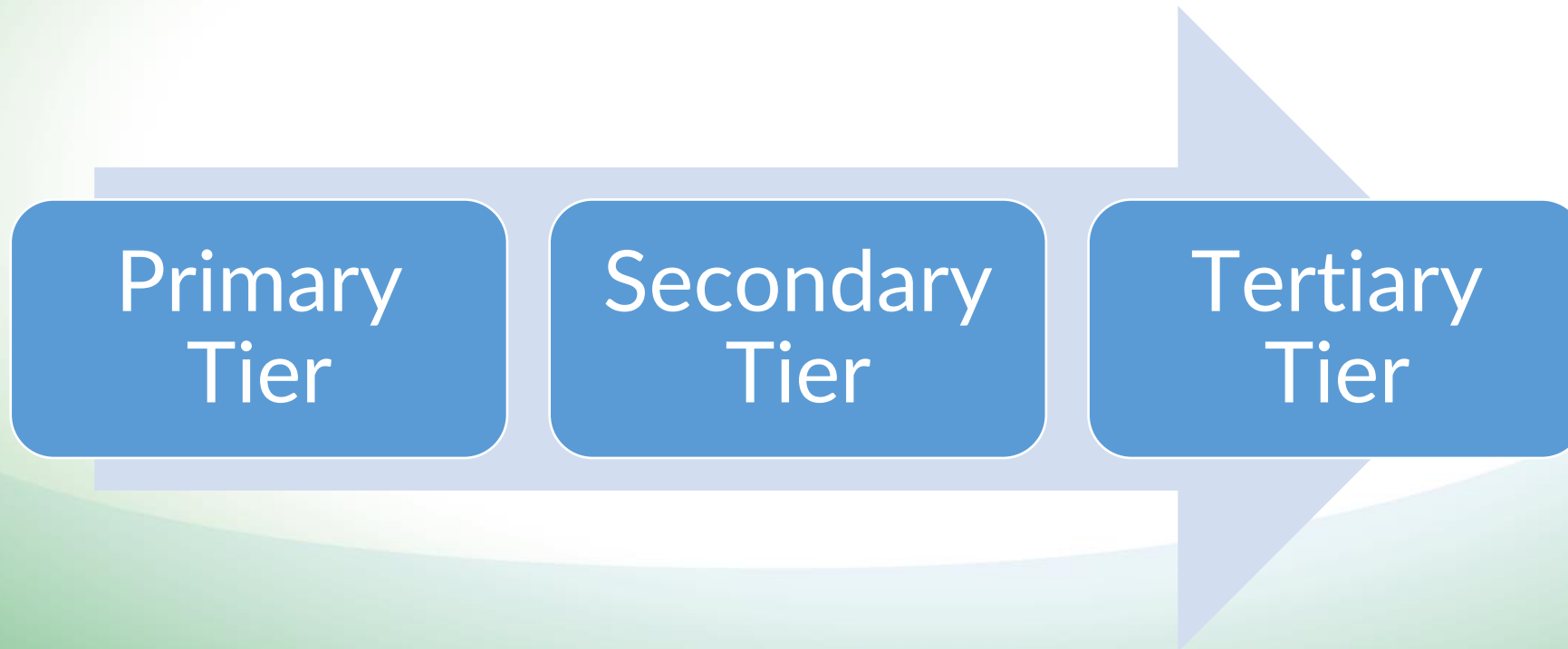
What affects the amount of a district's Equalization Aid?

- **District Factors (Prior Year Audited)**
 - Shared cost
 - Membership (Average of 3rd Friday in Sept + 2nd Friday in January FTE, plus 100% of Summer FTE, plus other adjustments)
 - Equalized property value
- **State Factors**
 - Cost ceilings
 - Guaranteed valuations per member
 - Amount of funding the State puts into the formula

How Equalized Aid Works

The aid computation is actually three individual computations...

The results of all three are summed to get the district's total Equalization Aid



How the Formula “Works in Theory”

Primary Tier & Aid

- 100% minus ($\$1,214,079 / \$1,930,000$) = **37.1%**
- Primary Aid: $37.1\% * \$5,328,000 = \$1,976,688$

Secondary Tier & Aid

- 100% minus ($\$1,214,079 / \$1,508,774$) = **19.5%**
- Secondary Aid: $19.5\% * \$53,636,976 = \$10,459,210$

Tertiary Tier & Aid

- 100% minus ($\$1,214,079 / \$715,289$) = **-69.7%**
- Tertiary Aid: $-69.7\% * \$8,454,029 = -\$5,892,458$

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION				
JULY 1 ESTIMATE OF 2021-22 GENERAL AID				
USING 2020-21 BUDGET REPORT DATA, 2020-21 AUDITED MEMBERSHIP				
2020 TIFOUT SCHOOL AID VALUE (CERT MAY 2021) & 2016 COMPUTER VALUE (CERT MAY 2017)				
Oconomowoc Area		4060		
GUARANTEES FOR JULY 1 AID		K-12	UHS	K-8
PRIMARY (G1)		1,930,000	5,790,000	2,895,000
SECONDARY (G6)		1,508,774	4,526,322	2,263,161
TERTIARY (G11)		715,289	2,145,867	1,072,933
2021-2022 JULY 1 ESTIMATE GENERAL AID				
PART E: 2020-21 SHARED COST - CONTINUED			E4 =	67,419,004.70
E6	PRIMARY COST CEILING PER MEMBER			1,000
E7	PRIMARY CEILING (A7 * E6)			5,328,000.00
E8	PRIMARY SHARED COST (LESSER OF E5 OR E7)			5,328,000.00
E9	SECONDARY COST CEILING PER MEMBER			11,067
E10	SECONDARY CEILING (A7 * E9)			58,964,976.00
E11	SECONDARY SHARED COST (LESSER OF E5 OR E10) - E8)			53,636,976.00
E12	TERTIARY SHARED COST (GREATER OF (E5 - E8 - E11) OR 0)			8,454,028.70
SHARED COST PER MEMBER =			\$12,654	
PART F: EQUALIZED PROPERTY VALUE				
F1	2020 TIFOUT VALUE (CERT MAY 21) + EXEMPT COMPUTER VALUE (CERT MAY 17)			6,468,612,694
VALUE PER MEMBER =			1,214,079	

2021-22 General Equalization Aid Data (From July 1st Aid Estimate)

2020-21 Property Wealth Data

Most Property Wealthy District

- North Lakeland: \$14,777,997 per pupil
- Equalization aid: \$0 per pupil

Least Property Wealthy District*

- Beloit: \$268,276 per pupil
- Equalization aid: \$8,188 per pupil

Statewide Average*

- \$761,609 per pupil
- Equalization aid: \$6,057 per pupil

2020-21 Shared Cost Data

Highest Overall District

- Washington Island: \$26,365 per pupil

Lowest Overall District

- Stanley-Boyd Area: \$10,058 per pupil

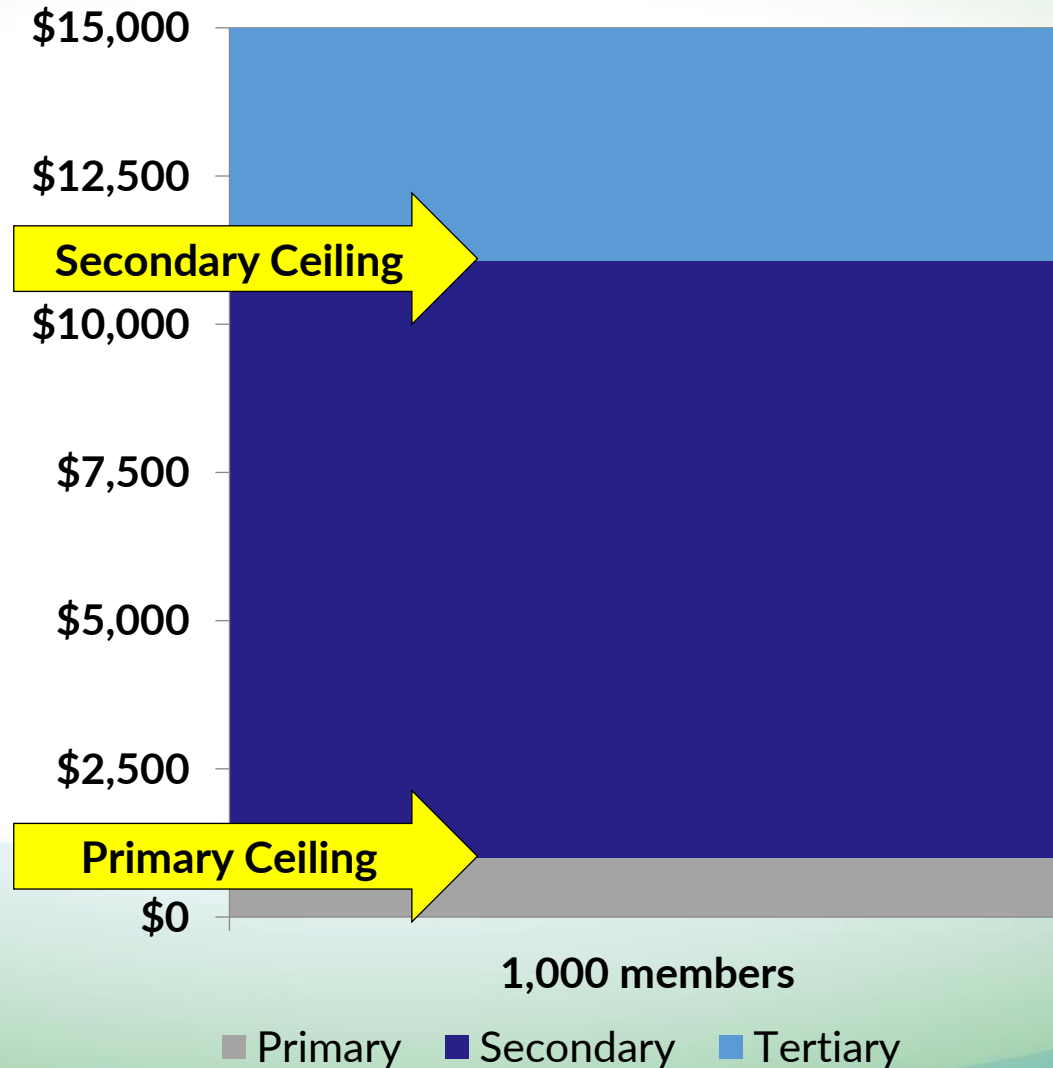
Statewide Average

- \$12,313 per pupil

* Excluding Norris

How The Formula Works

Shared Cost is
divided into 3 tiers
by the Cost Ceilings



How The Formula Works

A percentage of shared cost aided is calculated for each tier

$$\% \text{ Aided} = 100\% - \frac{\text{Your Value per Member}}{\text{Guaranteed Value per Member at that tier}}$$



How The Formula Works

Tertiary Tier

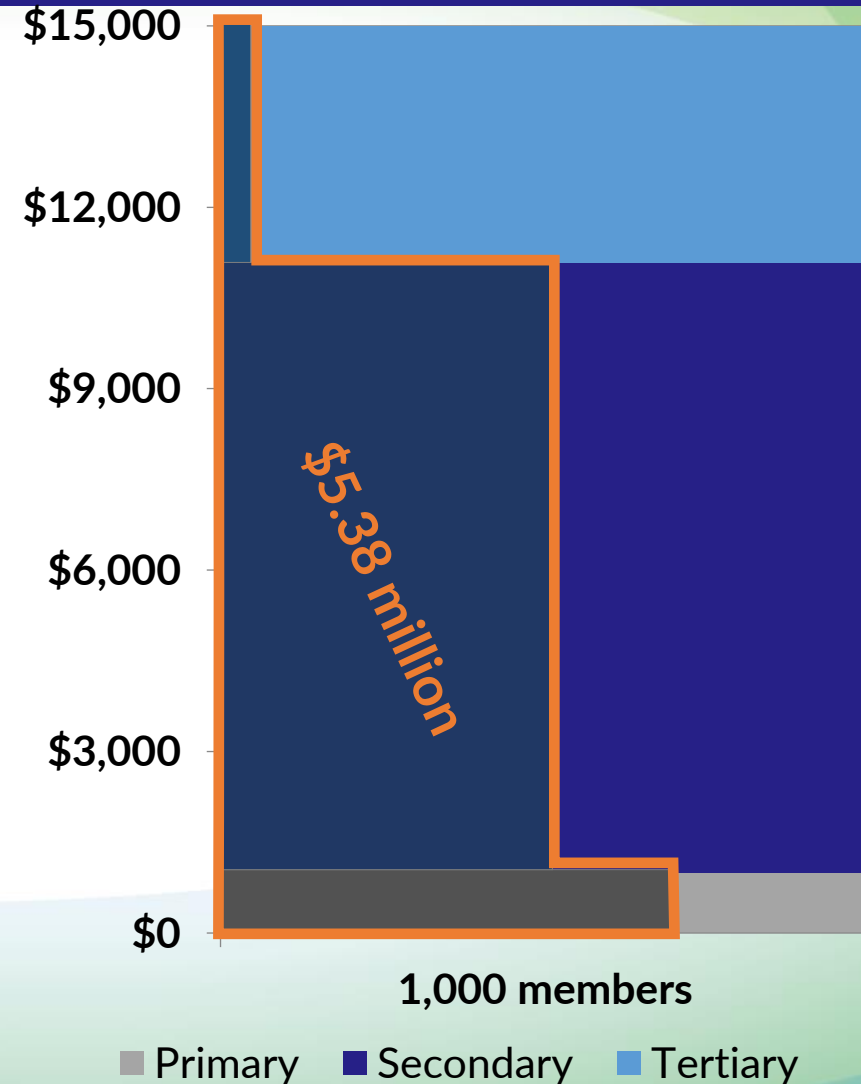
$$100\% - \frac{\$500,000}{\$715,289} \%$$

Secondary Tier

$$100\% - \frac{\$500,000}{\$1,508,774} \%$$

Primary Tier

$$100\% - \frac{\$500,000}{\$1,930,000} \%$$



But What About Negative Aid?

Tertiary Tier

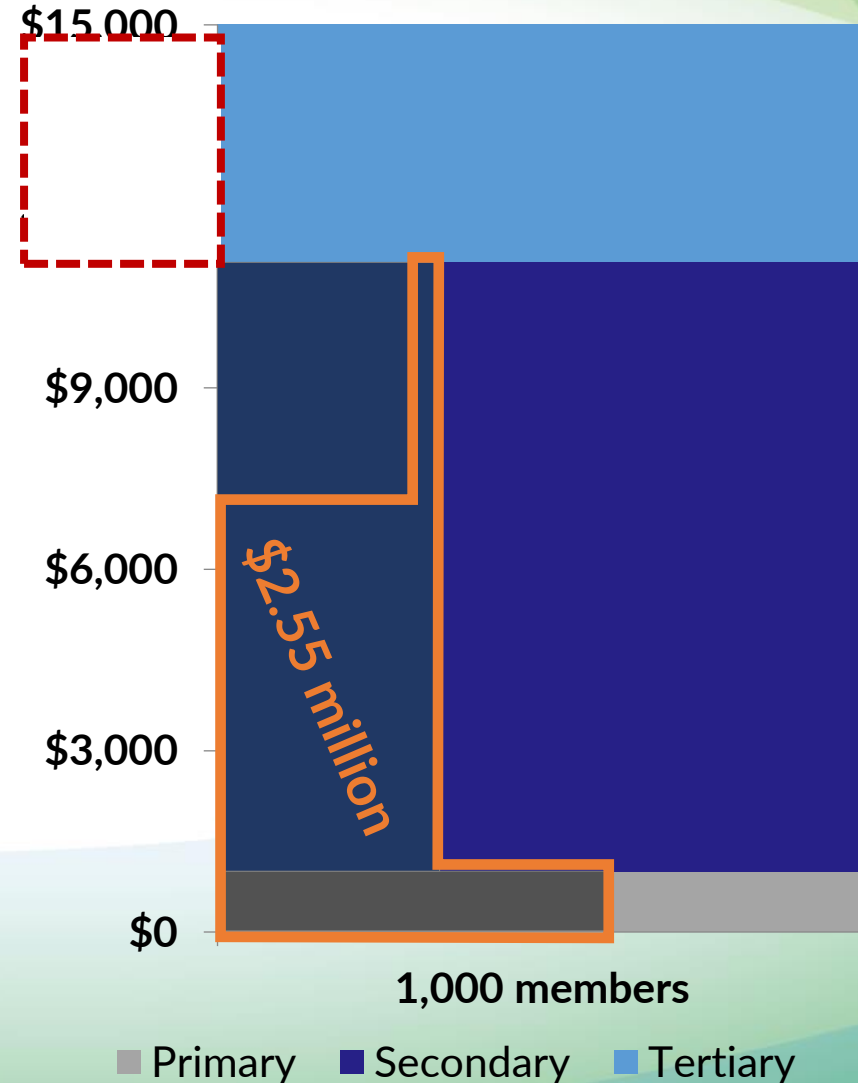
$$100\% - \frac{\$900,000}{\$715,289} = 21\%$$

Secondary Tier

$$100\% - \frac{\$900,000}{\$1,508,774} = 40\%$$

Primary Tier

$$100\% - \frac{\$900,000}{\$1,930,000} = 53\%$$



Equalization Aid

Sample District Values Per Member

	<u>District #1</u>	<u>District #2</u>
Shared Cost	\$ 12,000	\$ 12,000
Equalized Property	\$200,000	\$600,000
Equalization Aid		
Primary	\$ 900	\$ 900
Secondary	\$ 6,000	\$ 2,000
Tertiary	<u>\$ 1,500</u>	<u>\$ - 1,500</u>
Total	\$ 8,400	\$ 1,200
	70%	10%

Percent of total
shared cost - not
each additional
dollar of cost

Equalization Aid

How can I find out where my district is in the aid formula?

- SFS Home (<https://dpi.wi.gov/sfs>)
- State and Federal Aid
- General Aid
- Equalization Aid

Percentage Method or Aid Formula Position Excel files

<https://dpi.wi.gov/sfs/aid/general/equalization/overview>

Equalization Aid

POP QUIZ!

What happens when a district's value per member exceeds the guaranteed value per member?

NEGATIVE AID

116 districts are negatively aided at the tertiary level because their property value per member is greater than the tertiary guarantee.

From Gross Aid Eligibility to Actual Aid Payment (I5)

Reductions/adjustments to general aid eligibility (Lines H1 & I1 on Aid Certification):

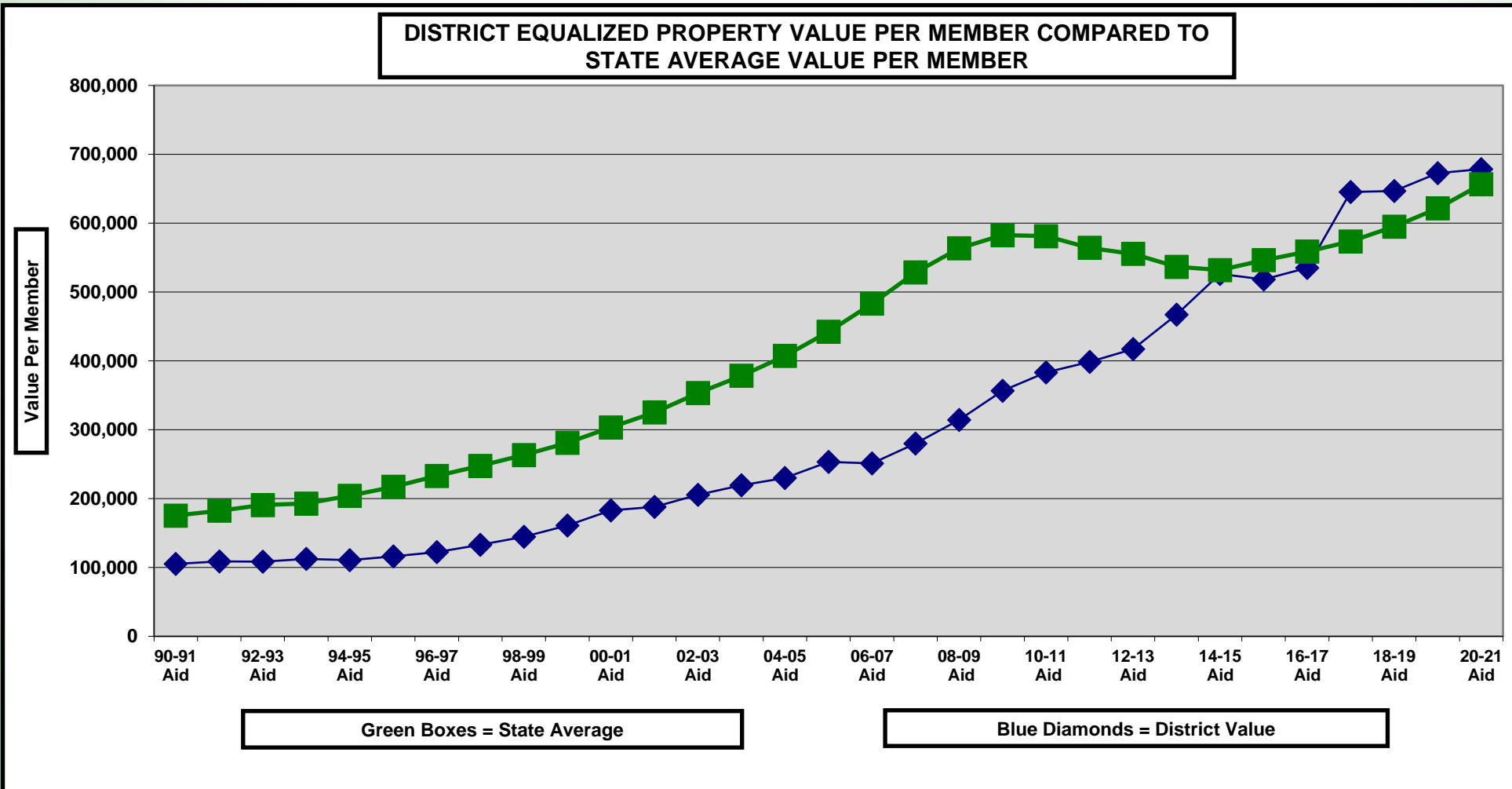
1. Effective in 2021-22, Independent (“2r”) Charter Schools are 100% GPR funded. Prior law spread the cost over all districts via an equal % reduction to gross general aid.
2. Prior Year (“October to June”) adjustment: the difference in general aid amounts calculated between the October 15th aid certification and the final aid run of the prior year (+ or – value).
3. Private School Vouchers (Statewide, Milwaukee, Racine & SNSP): reduction in aid to offset the cost of the program.

Special Adjustment Aid

- Provision in law that provides aid after equalization aid is calculated to ensure a district gets at least 85% of their aid eligibility from the previous year.
- Many times referred to as hold harmless aid due to the fact it backfills a district to 85% of the previous year

Watch Value Per Member Over Time

Blair-Taylor



Equalization Aid Recap

- One pot of money is split over 421 school districts based on district membership, shared costs and values; changes in individual district data affect every other district's aid.

October 15th!

- Aid Membership = Average of 3rd Friday in Sept + 2nd Friday in January FTE, plus 100% of Summer FTE, plus other adjustments

This is different from Revenue Limit Membership.

- Depending on district value per member, some districts increase their aid by increasing expenses, while others decrease their aid by increasing expenses (negative vs. positive tertiary aid).

Equalization Aid Recap

- Special Adjustment Aid ensures that districts receive at least 85% of the [gross] general aid eligibility the prior year.
- Reductions for the Private Voucher Schools (Statewide, Milwaukee, Racine and Special Needs Scholarship (SNSP)) impact the actual aid received by the district.
- Prior year aid adjustments impact the actual aid payment.
- Be aware of what is happening to your district over time...

Questions?

DPI School Financial Services Team Website:
<https://dpi.wi.gov/sfs>

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