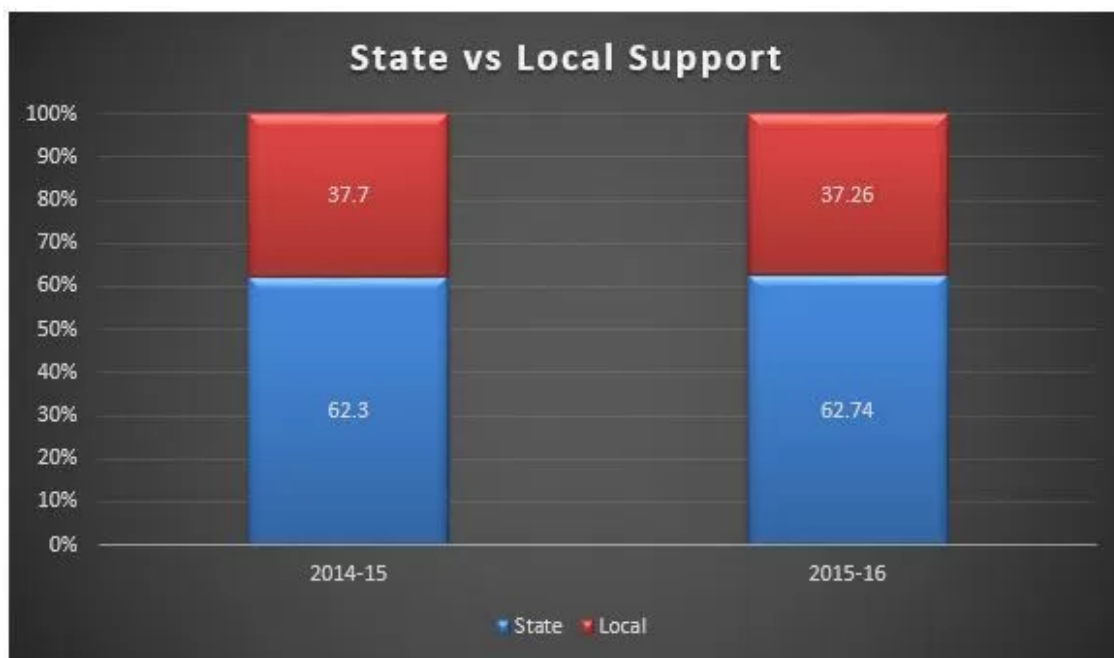


LFB Memo: Increased State Support Equals Tax Shift; Not Additional Resources for Schools

🕒 October 4, 2016 📁 State Budget, State Issue 📌 K-12 Funding, Legislative Fiscal Bureau, Per-Pupil Aid, State Aid 👤 Chris Kulow

The nonpartisan Legislative Fiscal Bureau (LFB) released a memorandum providing information on the estimated level of state support for K-12 education statewide and to individual school districts in the 2015-16 school year. According to the memo, the state share of K-12 education in 2015-16 was 62.74% of partial school revenues. That's up from 62.3% in 2014 and 62% in 2013. The state's commitment to funding two-thirds of schools' costs was eliminated in 2003.

Zero adjustment to revenue limits and no increase in per pupil aid in 2015-16 means increased state support amounted to a tax shift away from the local property tax (See chart). To be clear, unless a district passed an operating referendum, they saw no increase in per pupil resources in 2015-16.



State support for school districts includes:

- General school aids, which are unrestricted aids that are under a district's revenue limit. The majority is equalization aid, which is distributed based on the district's per pupil value of taxable property. Integration aid, special adjustment aid, and high poverty aid are also considered general aids.
- Categorical aids, including per pupil aid, special education, achievement gap reduction, and pupil transportation are outside of a district's revenue limit.

- The school levy tax credit, which is distributed based on each municipality's share of statewide levies for school purposes during the preceding three years and allocated proportionately to reduce individual owners' property tax bills.
- The first dollar credit, which is extended to each taxable parcel of real estate on which improvements are located, and calculated by multiplying the property's gross school tax rate by the lesser of a credit base value or the property's fair market value.
- The general program operations appropriation for the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and the Wisconsin Center for the Blind and Visually Impaired.

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For LFB Memo visit https://docs.legis.wisconsin.gov/misc/lfb/misc/165_2015_16_estimated_state_support_for_school_districts_10_4_16