**WASBO Regional Meeting Updates**

**May - June 2017**

**School Finance Team**

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**IMPORTANT DATES:**

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* The 2016-17 Student Membership Audits have been assigned and the Audit reports were due on Monday, May 1, 2017. If SFS Team members have contacted you regarding issues, please make it a priority to provide the additional information. The final membership numbers will impact 2016-17 revenue limits and the 2017-18 July 1st general school aids estimate.
* Transfer of Service requests impacting the 2017-18 revenue limit opened May 3rd
* PI-7206 Achievement Gap Reduction (AGR) Claim is due on Friday May 12, 2017.

* WASBO Spring Conference **May 11 – 12.**
* Any changes to the 2016-2017 PI-1563 Pupil Count Report will be made by the district via the School Finance Reporting Portal. Send an e-mail to Bruce Anderson at [bruce.anderson@dpi.wi.gov](mailto:Bruce.Anderson@dpi.wi.gov) indicating:
* which count date;
* what changes are to be made;
* why the changes are required; and
* include your contact information

You will be contacted as to when the reporting portal will be open for you to make an amendment to the appropriate report. After amending the PI-1563 report, please be sure to press the “submit” button so the changes are official. If you have questions, please contact Bruce Anderson at [bruce.anderson@dpi.wi.gov](mailto:bruce.anderson@dpi.wi.gov) or 608-267-9707.

* PI 1547 Regular Transportation Report for the 2016-17 school year opens on May 15 and is due on July 6.
* PI 1547SS Summer/Interim Transportation Report for the 2017-2018 school year will open in early July and will be due on or before October 1, 2017.
* Report any change or addition to the district’s debt service repayment schedule within 10 days.

**SUMMER AND INTERIM SESSIONS:**

* You are strongly encouraged to begin completing the PI1804 Summer and Interim Session Membership Reporting excel workbook by listing courses before they begin so you know what to expect when it is time to complete the report. Changes were made to the workbook last summer.
* Effective May 1st, PI 17 administrative rules have been revised and the updated letter and 2017 guidance has been posted to the web <https://dpi.wi.gov/sfs/children/summer-school>.

**TRANSFER OF SERVICE:**

Transfer of Service Exemption portal opened May 3rd. A quick link to the Transfer of Service (TOS) -- Revenue Limits webpage will be provided on the right side of School Financial Services <http://dpi.wi.gov/sfs> homepage under “Reporting Portals”. Below the Program Description on the TOS webpage is a link to the PI-5000 Online Application. Before a request is entered into the PI-5000 a district staff member should review the “Points to Consider Before Submitting a Transfer of Service Request” use the “Decision Tree for 2017-2018 Revenue Limit Exemption” <https://dpi.wi.gov/sites/default/files/imce/sfs/pdf/TOS-Flowchart-05-2017.pdf> to determine if the student needs meet the standards to qualify for a Transfer of Service. The PI-5000 for 2017-2018 has been updated on a few pages to address concerns submitted by the district users in 2016-2017.

The 2017-18 exemption is only intended for students attending in the 2017-18 school year. You may not apply for an exemption for costs incurred in the 2016-17 year.

If you have questions, please contact Bruce W. Anderson at (608) 267-9707 or [bruce.anderson@dpi.wi.gov](mailto:bruce.anderson@dpi.wi.gov)

**SCHEDULED AID PAYMENTS:**

* **State Tuition Payments** (s. 121.72 Wis. Stats.); 1st Monday (June 05)
* **Special Ed. and School Age Parents Aids** (25% of amount due) (s. 115.88 Wis. Stats.); 2nd Monday (June 12)
* **SAGE Aid** (33% of amount due) (s. 118.43(6) Wis. Stats.); 2nd Monday (June 12)
* **Four Year Old Kindergarten** (s. 115.445 Wis. Stats.); 2nd Monday (June 12)
* **State Equalization and Special Adjustment Aid** (35% of certified amount, less estimated 1.75% delay); 3rd Monday (June 19)
* **Supplemental Special Education Aid** (s. 115.883 Wis. Stats.); 3rd Monday (June 19)
* **Aid for Transporting Pupils Over Ice** (s. 121.58(2)(d) Wis. Stats.); 3rd Monday (June 19)
* **General Transportation Aid** (2011 WI Act 105 - Residual Balance of Allocation); 3rd Monday (June 19) *Payment amounts were posted on the SFS website on May 2nd.*
* **High Cost Transportation** Aid (s. 121.59 Wis. Stats.); 3rd Monday (June 19) *Payment amounts will be posted on the SFS website in mid-May.*
* **Special Transfer Aid** (s. 121.85 Wis. Stats.); 3rd Monday (June 19)
* **CCDEB Aid**; 3rd Monday (June 19)
* **High Cost Special Ed. and School Age Parents Aids** (s. 115.881 Wis. Stats.), 3rd Monday (June 19)
* **SAGE Debt Service Aid** (June 19)
* **Aid for Special Education Transition Grants** (s. 20.255(2)(bf) / s.115.884) (June 19)

**JULY AID PAYMENTS:**

* Delayed Equalization Aid payment on **July 24** is booked as a **2016-17 revenue.**
* Computer Exemption Aid payment on **July 24** is booked as a **2016-17 revenue.**

**2017-19 BUDGET PROPOSAL – PER PUPIL AID AND THE 12% HEALTH CARE COVERAGE**

The 2017-19 state budget (2017 Senate Bill 30) proposed by the Governor includes the following language related to the categorical Per Pupil Aid payment:

**SECTION 9135. Nonstatutory provisions; Public Instruction.**

(1) PER PUPIL AID; HEALTH CARE COVERAGE. Notwithstanding section 115.437 (3) of the statutes, in each of the 2017-18 and 2018-19 school years, the department of public instruction may not pay per pupil aid under section 115.437 (3) of the statutes to a school district unless the school district certifies to the department of public instruction that employees of the school district will be required to pay at least 12 percent of all costs and payments associated with employee health care coverage plans in that school year.

The Joint Committee on Finance has begun deliberations on the 2017-19 budget and it is believed will be reviewing the Governor’s proposal. The method of calculating “… at least 12 percent of all costs and payments …“is not included in the bill language. However, the bill’s language state’s that “all costs and payments associated with employee health care coverage plans” are included in the calculation. We have received questions about what costs are included and there is not sufficient statutory language to answer. The bill language does not distinguish between districts that are on the state health insurance plan and those that are not. The bill states that the provision is effective for Per Pupil Aid received in both 2017-18 and 2018-19.

**2017-19 BUDGET PROPOSAL – REVENUE LIMITS ENERGY EFFICIENCY EXEMPTIONS (EEE)**

The 2017-19 state budget (2017 Senate Bill 30) proposed by the Governor includes the following language related to the energy efficiency exemption to the state imposed revenue limits:

SECTION 1641. 121.91 **(4)** (o) 1. of the statutes is amended to read:

[AB64,743,3](https://docs.legis.wisconsin.gov/document/proposaltext/2017/REG/AB64,743,3)121.91 **(4)** (o) 1. Except as provided in subd. 1m., if a school board adopts a resolution to do so before the effective date of this subdivision ... [LRB inserts date], the limit otherwise applicable to a school district under sub. (2m) in any school year is increased by the amount spent by the school district in that school year on a project to implement energy efficiency measures or to purchase energy efficiency products, including the payment of debt service on a bond or note issued, or a state trust fund loan obtained, to finance the project, if the project results in the avoidance of, or reduction in, energy costs or operational costs, the project is governed by a performance contract entered into under s. 66.0133, and the bond or note issued or state trust fund loan obtained to finance the project is issued for a term not exceeding 20 years. If a school board issues a bond or note or obtains a state trust fund loan to finance a project described in this subdivision, a resolution adopted by a school board under this subdivision is valid for each school year in which the school board pays debt service on the bond, note, or state trust fund loan.

The Joint Committee on Finance has begun deliberations on the 2017-19 budget and it is believed will be reviewing the Governor’s proposal. Under the Governor’s proposal, school boards would not be able to adopt a resolution to utilize the energy efficient (EE) exemption to the revenue limits after the effective date of the bill (generally assumed to be on or about July 1, 2017). We have received questions related to existing EE projects and would the current proposal allow changes to the exemption amounts already approved. There is not sufficient statutory language to answer these questions. If the EEE is removed from state law, school districts could still fund EE projects within their revenue limit, or seek voter approval through a referendum to exceed revenue limits.

The 2009-11 budget created a nonrecurring adjustment for energy efficiency measures. Under the adjustment, a school district's revenue limit is increased by the amount spent by the district in that year on a project to implement energy efficiency measures or to purchase energy efficient products. The project must result in the avoidance of, or reduction in, energy costs or operational costs, and be governed by a performance contract entered into under statutory municipal law provisions.

The adjustment may be used for the payment of debt service on bonds and notes issued or state trust fund loans obtained to finance the project. Such bonds or notes may not be issued or loans be obtained for a period exceeding 20 years, and the resolution adopted by a school board is valid for each year in which the board pays debt service on the bond, note, or state trust fund loan.

In 2016-17, 120 school districts were eligible for energy efficiency adjustments totaling $79.8 million.

**REVENUE LIMIT WORKSHEETS:**

* ****The 2016-17 pre-populated worksheet is available on our website. Any amendments, such as corrected membership will be reflected in the regularly scheduled updates.
* The 2017-18 pre-populated worksheet is also posted on our website for your use in budget preparation. Obviously, you will be estimating many of the values entered until Fall of 2017.
* The Special Needs Scholarship Program transfer equals $12,000 as an aid transfer from the resident school district. The private school students in this voucher programs ARE NOT counted in the district’s membership report (PI 1563). Instead, DPI provides the private school student counts. These students are included in the 3-year phase-in on the Revenue Limit calculation as well as the following year’s Equalization Aid calculation. **What financial impact will the SNSP have on public school districts?** 
  + Public school districts will have their resident SNSP students added by DPI to their membership counts for state aid and revenue limit purposes.
  + This results in a one year delay for impacts to state aids and a three year phase in for revenue limits. Participating private schools will receive $12,000 per full time equivalent for each SNSP student from the department.
  + The department will withhold the $12,000 per full time equivalent for each SNSP student from state equalization aid payments.
    - The residence district will code this voucher payment in
      * ***438000 General Voucher Amount—Parental Choice Private School Payments***
      * *Payments to the State for the District’s portion of voucher payments for students attending private schools under the parental choice program. Amount is withheld from the District’s final general aid payment. The general voucher amount is determined by law.*
    - It will be listed on the “*Calculation of Remaining School District Equalization Aid Payments for 2016-2017*” in June and July.
  + If the state equalization aid payments are insufficient to cover the SNSP cost, the department will decrease other state aid payments made by the department to the school district for the remaining

**DEBT PAYMENTS:**

* Tax levies for debt service are based on the CALENDAR year (not the fiscal year). Remember this when preparing to set a debt service tax levy later this fall. The November levy will need to include all debt service payments in the Calendar Year 2017.
* The law does allow a district to levy more for debt than the annual P&I in that calendar year, but only to speed up the payments and satisfy the debt issue earlier than scheduled.
* Tax revenues collected to make debt service payments are to be held in a segregated fund. This fund may only be used for the intended purpose of paying off debt. The balance of segregated funds should not be used to cover cash flow shortages or as collateral in operational borrowing.

**SPECIAL EDUCATION OPEN ENROLLMENT:**

* The Special Education OE transfer amount for the 2017-18 year is $12,000.

* A non-resident district can no longer deny a Special Ed OE application for undue financial burden. The only acceptable reason for denial is lack of space.
* A transfer of service to cover costs above the $12,000 for non-resident special education students **is not allowed**. If the student is eligible, the non-resident district may be able to claim High Cost Special Education Aid.
* For additional details or assistance with Special Education OE questions: <https://dpi.wi.gov/sites/default/files/imce/open-enrollment/pdf/qa-16-17-oe-changes.pdf> You can also contact Jen Danfield at [jennifer.danfield@dpi.wi.gov](mailto:jennifer.danfield@dpi.wi.gov)

**JUNE/JULY AID PAYMENT ADJUSTMENT EXPLAINATION worksheet**

The 2016-2017 worksheet explains your district’s June and July equalization aid payments and any adjustments due as a result of the: (a) public school open enrollment and tuition waiver programs; (b) revenue limit penalties; (c) Challenge Academy program; (d) the Wisconsin and Racine private school voucher programs (WPCP/RPCP State General Aid Reduction); and (e) new in FY 17, the Special Needs Scholarship Program for private school vouchers for students with special needs (SNSP State General Aid Reduction). NEW this year, each line item will be numbered and related information will be provided on a separate worksheet attached. Please use the instructions to Aid Payment adjustment explanations worksheet as questions arise while completing this process.

**OPEB ACTUARIAL STUDY:**

* Double check to affirm if you are required to complete an actuarial study this year on your OPEB benefits. If so, get it scheduled.
* Either a 2 or 3 year review schedule – your benefit administrator may have already notified you. GASB 75 requires new Actuarial studies to be completed every 2 years effective for years ending June 30, 2018.

**TAX BILL CERTIFICATION CHANGES:**

Beginning in 2016, ***municipal*** clerks were required to prepare tax bills highlighting the portion of the tax levy attributed to school districts’ non-permanent (non-recurring operating & debt*)* referenda.

* **Tax Bill Referendum Reporting (New in Fall 2016)**
* Property tax bills must show the levy impact of non-permanent referenda to exceed the district revenue limit passed after December 31, 2014.
* Includes referenda for:
  + Non-recurring operations; and
  + Debt
* Based on the date passed and year levied
* Reported by individual referendum
* **Reporting**
* Districts reporting to DPI
* New section of PI-401 Tax Levy Report
* Based on referendum reporting & debt schedule
* Must include the year in which the authorization to exceed the revenue limit no longer applies. For example, Fall 2017 is the last year you levy for payment in 2018. Enter 2018 as the year.
* Populates new section of PI-1508 Tax Levy Certification forms submitted to municipal clerks
* *Municipal Clerks reporting to Department of Revenue*
  + *Municipalities responsible for giving information to counties*
  + *Counties ultimately responsible for tax bills*

§74.09 (3)(db) *Indicate, in a section of the bill that is separate from the billing information, the total amount of tax levied by a taxing jurisdiction on all property of the taxing jurisdiction and on the property for which the bill is prepared that is the result of a referendum to exceed, on a nonpermanent basis, a school district revenue limit, a technical college district revenue limit, or a county or municipal levy limit and indicate the year in which the authorization to exceed the limit no longer applies. A separate listing is required for each such authorization.*

**STAY TUNED IN TO THE SCHOOL FINANCE TEAM:**

* Sign up for weekly List Serve bulletins

<http://dpi.wi.gov/sfs/communications/listserves/overview>

* Check newly posted topics under General Information on SFS homepage <http://dpi.wi.gov/sfs>
* Changes brought about from the 2017-19 state budget <http://dpi.wi.gov/policy-budget/biennial-budget/current>