

### **Intra-District Aid**

State general aid given to districts for pupil transfers within a district resulting from a plan to reduce racial imbalance.

### **Pupil Count**

One of a variety of methods of determining the number of pupils in a class, school, or school district.

*Attendance* - Number of pupils present for instruction on a given school day.

*Enrollment* - Number of pupils officially enrolled as eligible to attend class, whether such pupils are actually in attendance on that day or not, plus pupils enrolled in home bound instruction.

*Membership* - Resident enrollment adjusted for full time equivalency (FTE).

### **Revenue Limit**

A cap on the revenue a district can receive from select local property tax levies (General Fund, Non-Referendum Debt Fund, and Fund 41) and state general aids (Equalization, Special Adjustment, Inter-District, Intra-District).

### **Shared Cost**

See Cost.

### **Special Adjustment Aid**

State general aid given to districts that receive less than 85% of the previous-year's state general aid. Often referred to as "hold harmless" or "parachute" aid, this aid program helps lessen the decrease of the Equalization Aid in districts where the value per member is increasing at a very fast rate.

## **RESOURCES**

### **Wisconsin Association of School Boards**

122 West Washington Avenue  
Suite 400  
Madison, Wisconsin 53703-2761  
(608) 257-2622  
[www.wasb.org](http://www.wasb.org)

### **Wisconsin Association of School District Administrators**

4797 Hayes Road  
Suite 201  
Madison, Wisconsin 53704-3288  
(608) 242-1090  
[www.wasda.org](http://www.wasda.org)

### **Wisconsin Association of School Business Officials**

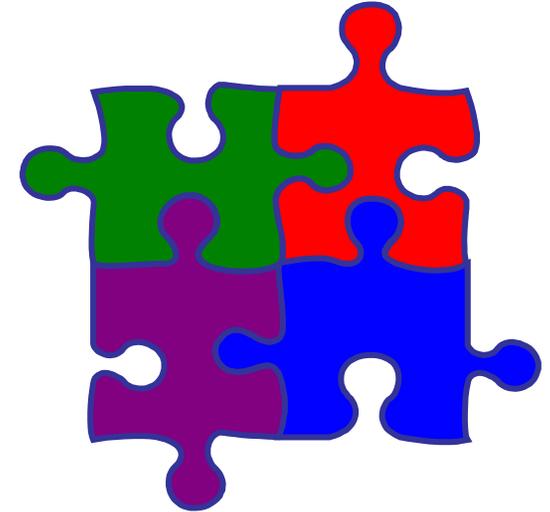
4797 Hayes Road  
Suite 101  
Madison, Wisconsin 53704-3288  
(608) 249-8588  
[www.WASBO.com](http://www.WASBO.com)

### **Department of Public Instruction School Financial Services**

125 South Webster Street  
Madison, Wisconsin 53702  
(608) 267-9114  
(800) 441-4563  
[dpi.wi.gov](http://dpi.wi.gov)

## **THE SCHOOL FINANCE PUZZLE:**

## **HOW THE PIECES FIT TOGETHER**



## **GENERAL AID GLOSSARY**

**2011 STATE EDUCATION  
CONVENTION  
MILWAUKEE, WISCONSIN  
JANUARY 19-21**

## **Aid Membership**

The calculation of a district's student counts from the previous year for the purposes of determining state aid in the current year. It equals the average of prior-year September 3<sup>rd</sup> Friday count and prior-year January 2<sup>nd</sup> Friday count, plus the summer school count from the previous year.  $[(\text{Sept} + \text{Jan})/2] + \text{Summer}$ .

## **Appropriation (or General Aid Appropriation)**

Amount of money allocated in the state budget designated for public school districts through the general aid formula.

## **Categorical Aids**

State aids for specific programs or services. These are not included in a district's revenue limit.

## **Cost**

In general, expenditures for goods (supplies, materials, equipment, land, buildings) or services (salaries, benefits, utilities, professional fees).

*Gross Cost* - The total of all expenditures within any given fund.

*Net Cost* - The gross cost of a fund, minus those costs paid for by specific revenues (typically federal aid, state categorical aid, and local non - tax receipts) of that fund.

*Shared Cost* - The cost used as the basis for determining state general aid. This cost is funded by property taxes and state general aid. It equals the net cost of the general fund plus the net cost of the debt service fund.

Primary Cost - That portion of a district's shared cost which is within the primary cost ceiling, and which the state

shares using the primary guaranteed valuation per member.

Secondary Cost - That portion of the shared cost which is between the primary cost ceiling and the secondary cost ceiling, and which the state shares using the secondary guaranteed valuation per member.

Tertiary Cost - That portion of the shared cost which is above the secondary cost ceiling and in which the state shares using the tertiary guaranteed valuation per member.

## **Cost Ceiling (Primary & Secondary)**

Levels of expenditure sharing within the Equalization Aid formula. The computation utilizes 2 cost ceilings which apply to all districts. The primary cost ceiling is set in statute at \$1,000 per pupil. The secondary cost ceiling is also set in statute at 90% of the state average shared cost per member.

## **Debt Service Funds**

Funds used to track the revenues and expenditures for the retirement of principal and payment of interest on debt.

## **Equalized Value**

The estimated full market value of all real and personal property in each taxation district. The October values, estimated by the Wisconsin Department of Revenue (DOR), are used to divide a school district's tax levy among the municipalities in the district. Final values, certified the following May by the DOR, are used by DPI in the subsequent year's Equalization Aid computation.

## **Equalization (or General) Aid**

State aid given to public school districts for use in funding district general operational expenditures. There are no restrictions on how this aid can be used. The Equalization Aid computation always uses prior-year shared cost data.

## **FTE**

Full-time-equivalency. How pupil count is adjusted for enrollment that is less than full-time. For example, kindergartners enrolled in a 1/2-day program are counted as 0.5 FTE each.

## **Fund**

An accounting designation that allows revenues and expenditures used for specific purposes to be segregated and tracked separately.

## **General Fund**

Fund that tracks the district's current general operations financial activities.

## **Guaranteed Value per Member**

The state guarantees minimum equalized property tax bases to support education costs for each pupil. If the district tax base is below the guaranteed amount, the state general aid formula supplements the local tax base up to the guaranteed level. The primary guarantee is used in combination with the primary cost to determine primary aid. The secondary guarantee is used in combination with the secondary cost to determine secondary aid. The tertiary guarantee is used with the tertiary cost to determine tertiary aid.

## **Inter-District Aid**

State general aid given to districts for pupil transfers between districts resulting from a plan to reduce racial imbalance.