

**Allowable Per-Member Increase**

Yearly, inflationary per-member increase used by all districts in the revenue limit computation. Determined by the legislature. Historically, tied to the Consumer Price Index (CPI).

**Base**

Starting point in a district’s “new year” revenue limit computation. Sum of the district’s prior year’s general aids received (equalization, special adjustment, and integrations aids), plus the prior year’s district levies for general operations (Fund 10), capital projects (Fund 41), and non-referendum debt (Fund 38), minus the value of the non-recurring exemptions actually levied in the prior year, minus any revenue limit penalty from the prior year.

**Base Membership**

Number of resident full-time equivalency pupils enrolled on the third Friday of September plus a portion (40%) of summer school FTE equivalent. The “base” membership computation averages the 3 prior years of data.

**Base Per Member**

Base divided by Base Membership.

**Computer Aid**

Payment from the State to the school district that replaces a portion of the district’s levy. Is calculated by applying the district’s levy rate to the value of the computer property in all the businesses within the school district boundaries.

**Current Membership**

Number of resident full-time equivalency pupils enrolled on the third Friday of

September plus a portion (40%) of summer school FTE equivalent. The “current” membership computation averages the current and prior 2 years of data.

**Exemptions**

Additional increases to a district’s Revenue Limit above the results derived from the base, membership and inflationary computations. State statutes govern the allowable exemptions. Districts must meet the eligibility criteria based on various factors occurring within the district. There are 2 types of exemptions:

- 1.) Recurring Exemptions are base-building – that is, if the district taxes for any of this additional authority, the levy amount is automatically included in the succeeding year’s base. Any unused Recurring Exemption is eligible for 100% carryover into the next year. (Examples include: prior year carryover, transfer of service, transfer of territory, federal impact aid loss, recurring referenda.)
- 2.) Non-Recurring Exemptions are not base-building – that is, if a district taxes for any of these exemptions, the amount is not included in the succeeding year’s base. In addition, any unused Non-Recurring Exemption is not eligible for carryover in the next year – districts have one, and only one opportunity to use non-recurring exemptions. (Examples include: non-recurring referenda and declining enrollment.)

**Maximum Revenue Per Member**

Base Per Member increased by the Allowable Per-Member Increase.

**Maximum Revenue Limit, No Exemptions**

Maximum Revenue Per Member multiplied by the Current Membership.

**October 15 General Aid Certification**

On or before October 15, the Department of Public Instruction certifies to each district the amount of State General Aid the district will receive in the current fiscal year. By law, the district must use this certified amount in their Revenue Limit computation to reduce the amount of property taxes levied.

**Revenue Limit**

District-specific limit on the revenue a school district is entitled to receive from general state aid (equalization, special adjustment, and integration aids) and certain (not all) local levies. A district’s Revenue Limit is computed through a series of mathematical calculations:

- 1.) The Base is divided by the Base Membership to get the Base Per Member.
- 2.) The Allowable Per-Member Increase is added to the Base Per Member to arrive at the new Maximum Revenue Per Member.
- 3.) The Maximum Revenue Per Member is multiplied by the Current Membership to get the Maximum Revenue Limit, No Exemptions.
- 4.) A district’s Revenue Limit may further be increased by approved Exemptions.
- 5.) The October 15 General Aid Certification is subtracted from the Revenue Limit With All Exemptions to determine the maximum amount the district can receive through the combination of Computer Aid and levies for Funds 10, 38, and 41.

**SAMPLE REVENUE LIMIT**

1.	Base	\$3,245,854
2.	Base Membership	362
3.	Base Per Member (Line 1 ÷ Line 2)	\$8,966.45
4.	Allowable Per-Member Increase	\$264.12
5.	Max Revenue Per-Member (Line 3 + Line 4)	\$9,230.57
6.	Current Membership	356
7.	Maximum Revenue Limit, No Exemptions (Line 5 x Line 6)	\$3,286,083
8.	Recurring Exemptions*	
	A. Prior Year Carryover	\$10,850
	B. Transfer of Service	\$7,050
	C. Transfer of Territory	\$0
	D. Federal Impact Aid Loss	\$0
	E. Recurring Referenda	\$0
10.	Non-Recurring Exemptions*	
	A. Non-Recurring Referenda	\$0
	B. Declining Enrollment	\$55,383
11.	Revenue Limit With All Exemptions (Line 7 + Lines 8A-E + Lines 10A-B)	\$3,359,366
12.	October 15 Certification	\$2,671,007
13.	Maximum Allowable Revenue** (Line 11 – Line 12)	\$688,359

\* Districts must meet specific eligibility criteria for these exemptions.

\*\* This is the limit on the amount of resources the district can receive through the combination of Computer Aid and levies for Funds 10, 38, and 41. By law, the DPI must remove from a district's final General Aid payment for that year the amount a district overlevies.

**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)

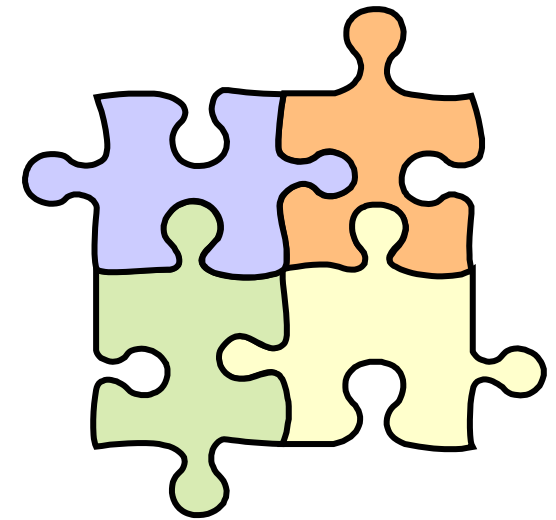
Wisconsin Association of School District  
Administrators  
4797 Hayes Road  
Suite 201  
Madison, Wisconsin 53704-3288  
(608) 242-1090  
[www.wasda.org](http://www.wasda.org)

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

**THE SCHOOL  
FINANCE PUZZLE:**

**HOW THE PIECES  
FIT TOGETHER**



**REVENUE LIMIT  
GLOSSARY**

2008 STATE EDUCATION  
CONVENTION  
MILWAUKEE, WISCONSIN  
JANUARY 22-25