



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1251/1
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2025 BILL

1 **AN ACT** *to amend* 121.90 (2) (am) 1.; *to create* 20.255 (2) (bq) and 121.134 of
2 the statutes; **relating to:** supplemental state aid for consolidated school
3 districts.

Analysis by the Legislative Reference Bureau

This bill creates a new aid program for certain consolidated school districts. To be eligible for this aid, the consolidation that created the consolidated school district must take effect on or after July 1, 2026, and the consolidated school district's maximum allowable levy rate must be greater than the lowest levy rate of the school districts that were consolidated to create the school district (underlying school districts). In general, the levy rate of a school district is the total amount of property taxes levied by the school district divided by the school district's equalized value. The bill does not provide funding for the new aid program.

An eligible consolidated school district is entitled in the first school year following the consolidation to aid in an amount equal to the consolidated school district's equalized value multiplied by the difference between the maximum allowable levy rate of the consolidated school district and the lowest levy rate of the underlying school districts (base aid amount). In the second school year following the consolidation, the consolidated school district is entitled to aid in an amount equal to 80 percent of the base aid amount. In the third school year following the consolidation, the consolidated school district is entitled to aid in an amount equal

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to 60 percent of the base aid amount. The amount of the aid continues to be reduced by 20 percent each school year so that in the sixth school year following the consolidation, the consolidated school district no longer receives this aid.

Current law limits the total amount of revenue a school district may receive from general state aids and property taxes in a school year. This limitation is known as a school district's revenue limit. The new aid provided under the bill is a general state aid for purposes of school district revenue limits. As a result, the new aid reduces the amount of property taxes that the consolidated school district is allowed to levy.

Additionally, under current law, a consolidated school district is eligible for state aid in the amount of \$150 per pupil for the five school years following the consolidation and a percentage of that amount in the sixth and seventh school years following the consolidation. The bill makes no changes to this consolidation state aid.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	2025-26	2026-27
20.255 Public instruction, department of		
(2) AID FOR LOCAL EDUCATIONAL PROGRAMMING		
(bq) Supplemental state aid for		
consolidated school districts	GPR A	-0- -0-

SECTION 2. 20.255 (2) (bq) of the statutes is created to read:

20.255 (2) (bq) *Supplemental state aid for consolidated school districts.* The amounts in the schedule for payments to consolidated school districts under s. 121.134.

SECTION 3. 121.134 of the statutes is created to read:

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1 **121.134 Supplemental state aid; consolidated school districts.** (1) In
2 this section:

3 (a) “Consolidated school district” means a school district created by a
4 consolidation under s. 117.08 or 117.09 that takes effect on or after July 1, 2026.

5 (b) “Levy rate” means the total amount of property taxes levied by a school
6 district divided by the school district’s equalized valuation.

7 (c) “Underlying school district” means a school district that is consolidated to
8 create a consolidated school district.

9 **(2)** The department shall determine whether a consolidated school district is
10 eligible for aid under this section as follows:

11 (a) Calculate the levy rate for each underlying school district in the school
12 year prior to the school year in which the consolidation takes effect.

13 (b) Identify the lowest levy rate calculated under par. (a).

14 (c) Calculate the levy rate for the consolidated school district for the school
15 year in which the consolidation takes effect, assuming that the consolidated school
16 district will levy the maximum amount allowable under s. 121.91 for that school
17 year and will not receive aid under this section for that school year.

18 (d) If the levy rate under par. (c) is equal to or less than the levy rate under
19 par. (b), the consolidated school district is not eligible for aid under this section.

20 (e) If the levy rate under par. (c) is more than the levy rate under par. (b), the
21 consolidated school district is eligible for aid under this section.

22 **(3)** Subject to sub. (4), the department shall pay a consolidated school district
23 that is determined to be eligible for aid under sub. (2) (e), the following amounts:

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1 (a) In the school year in which the consolidation takes effect, an amount
2 calculated as follows:

3 1. Subtract the levy rate identified under sub. (2) (b) from the levy rate
4 determined under sub. (2) (c).

5 2. Multiply the amount determined under subd. 1. by the consolidated school
6 district's equalized valuation for the school year in which the consolidation takes
7 effect.

8 (b) In the school year following the school year in which the consolidation
9 takes effect, 80 percent of the amount determined under par. (a).

10 (c) In the 2nd school year following the school year in which the consolidation
11 takes effect, 60 percent of the amount determined under par. (a).

12 (d) In the 3rd school year following the school year in which the consolidation
13 takes effect, 40 percent of the amount determined under par. (a).

14 (e) In the 4th school year following the school year in which the consolidation
15 takes effect, 20 percent of the amount determined under par. (a).

16 (4) If the amount appropriated for aid under this section in any fiscal year is
17 insufficient to pay the full amount under sub. (3), the department shall prorate the
18 payments among the consolidated school districts entitled to aid under this section.

19 **SECTION 4.** 121.90 (2) (am) 1. of the statutes is amended to read:

20 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.105, 121.134, and 121.136
21 and subch. VI, as calculated for the current school year on October 15 under s.
22 121.15 (4) and including adjustments made under s. 121.15 (4).

23 (END)