



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-4817/1
FFK:emw

2023 ASSEMBLY BILL 876

January 2, 2024 - Introduced by Representatives JOERS, C. ANDERSON, MADISON, CLANCY, RATCLIFF, CONLEY, J. ANDERSON, BALDEH, BARE, CONSIDINE, DRAKE, JACOBSON, NEUBAUER, PALMERI, SINICKI and STUBBS, cosponsored by Senators SPREITZER, ROYS and AGARD. Referred to Committee on Education.

- 1 **AN ACT** *to amend* 121.91 (7); and *to create* 121.91 (4) (m) of the statutes;
2 **relating to:** a school district revenue limit adjustment for the cost of unfunded
3 state mandates on school districts.

Analysis by the Legislative Reference Bureau

Current law generally limits the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to the amount of revenue allowed per pupil in the previous school year plus a per pupil increase, if any, as provided by law. However, current law also includes several adjustments to the general revenue limit. For example, if a school district increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit, the school district's revenue limit is increased by the cost of that service.

This bill creates a school district revenue limit adjustment for costs incurred to comply with an unfunded mandate. The bill defines an "unfunded mandate" as a state law requirement enacted after the date on which the bill becomes law for a school board to take an action or provide a service for which funding is not provided. To receive a revenue limit adjustment for an unfunded mandate, a school board must submit a request to the Department of Public Instruction that identifies the unfunded mandate and the costs incurred to comply with the unfunded mandate and DPI must approve the request. If a school district receives state funding to comply with an unfunded mandate, the amount of the revenue limit adjustment is reduced by the amount of state funding received by the district. The revenue limit

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adjustment is not available to a school district for any school year during which the school board receives state funding equal to or greater than the school district's costs incurred to comply with the unfunded mandate.

For further information see the 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:

1 **SECTION 1.** 121.91 (4) (m) of the statutes is created to read:

2 121.91 (4) (m) 1. In this paragraph, "unfunded mandate" means a requirement
3 created in a state law enacted after the effective date of this subdivision [LRB
4 inserts date], that requires a school board to perform an action or provide a service
5 and does not provide funding to the school district for costs incurred to comply with
6 the requirement.

7 2. The limit otherwise applicable to the school district under sub. (2m) in any
8 school year is increased by the amount of the costs incurred by the school district, as
9 certified by the department, for an unfunded mandate if all of the following apply:

10 a. The school board submits a request to the department to approve the costs
11 incurred by the school board in that school year due to the unfunded mandate.

12 b. The department approves the request under subd. 2. a. and certifies that the
13 basis for the costs is an unfunded mandate and that the costs incurred are due to the
14 unfunded mandate.

15 3. If a school district receives state funding to comply with an unfunded
16 mandate in a school year, the amount of the increase under subd. 2. is reduced by the
17 amount of state funding received to comply with the unfunded mandate in that
18 school year. If the state funding received is equal to or greater than the amount

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1 incurred by the school district to comply with the unfunded mandate, no adjustment
2 is made to the limit otherwise applicable to the school district under sub. (2m).

3 4. Any additional revenue received by a school district under this paragraph
4 shall not be included in the base for determining the school district's limit under sub.
5 (2m) for the following school year.

6 **SECTION 2.** 121.91 (7) of the statutes is amended to read:

7 121.91 (7) Except as provided in subs. (4) (f) 2. and ~~(m)~~ (m) to (qe) and (8), if an
8 excess revenue is approved under sub. (3) for a recurring purpose or allowed under
9 sub. (4), the excess revenue shall be included in the base for determining the limit
10 for the next school year for purposes of this section. If an excess revenue is approved
11 under sub. (3) for a nonrecurring purpose, the excess revenue shall not be included
12 in the base for determining the limit for the next school year for purposes of this
13 section.

14 **SECTION 3. Initial applicability.**

15 (1) This act first applies to the calculation of a school district's revenue limit
16 for the school year beginning after the effective date of this subsection.

17 (END)