



2005 SENATE BILL 668

March 15, 2006 - Introduced by Senator HARSDORF, cosponsored by Representatives VOS and MCCORMICK. Referred to Committee on Education.

1 **AN ACT** *to amend* 119.44 (2) (c); and *to create* 120.18 (1) (h) and 121.10 of the
2 statutes; **relating to:** requiring a school district to spend at least 65 percent of
3 its operating expenses on direct classroom expenditures.

Analysis by the Legislative Reference Bureau

This bill requires each school district to spend at least 65 percent of its operating expenditures in each school year on direct classroom expenditures. If a school district fails to do so in any school year, it must increase the amount spent on direct classroom expenditures by two percent in each succeeding school year until the 65 percent level is reached. In addition, in the school year following a school year in which a school district fails to do so, the bill directs the Department of Public Instruction to reduce the school district's state aid payments by the difference between what the school district spent on direct classroom expenditures and what it should have spent on direct classroom expenditures, and prohibits the school district from levying additional property taxes to compensate for the reduction.

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:

4 **SECTION 1.** 119.44 (2) (c) of the statutes is amended to read:

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1 119.44 (2) (c) The information specified under s. 120.18 (1) (gm), (h), and (i).

2 **SECTION 2.** 120.18 (1) (h) of the statutes is created to read:

3 120.18 (1) (h) The percentage of the school district's total operating
4 expenditures that were spent during the school year on direct classroom
5 expenditures, as defined in s. 121.10 (1) (a).

6 **SECTION 3.** 121.10 of the statutes is created to read:

7 **121.10 Classroom expenditures. (1)** In this section:

8 (a) "Direct classroom expenditures" means expenditures for salaries and
9 benefits of teachers and teacher aides, instructional supplies, tuition, athletic
10 programs, and cocurricular activities.

11 (b) "Excess expenditures" means the amount determined as follows, if a
12 positive number:

13 1. Multiply the school district's total operating expenditures by 0.65.

14 2. Subtract from the product under subd. 1. the amount spent by the school
15 district for direct classroom expenditures.

16 **(2)** (a) Annually the school board shall spend at least 65 percent of a school
17 district's total operating expenditures on direct classroom expenditures.

18 (b) If in any school year a school board spends less than 65 percent of its total
19 operating expenditures on direct classroom expenditures, it shall increase the
20 percentage spent on direct classroom expenditures by at least 2 percent each
21 succeeding school year until the 65 percent level is attained.

22 **(3)** The state superintendent shall do all of the following:

23 (a) Deduct from the state aid payment to a school district under s. 121.08 in the
24 school year following any school year in which the school district violated sub. (2) (a)

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1 an amount equal to the excess expenditures for the school district or the amount of
2 those aids, whichever is less.

3 (b) If the amount of the deduction under par. (a) is insufficient to cover the
4 excess expenditures, deduct from the other state aid payments to the school district
5 in the school year following the school year in which the school district violated sub.
6 (2) (a) an amount equal to the remaining excess expenditures or the amount of those
7 payments, whichever is less.

8 (c) If the amount of the deductions under pars. (a) and (b) is insufficient to cover
9 the excess expenditures, order the school board to reduce the property tax obligations
10 of its taxpayers by an amount that represents the remainder of the excess
11 expenditures. The school district's refunds to taxpayers who have already paid their
12 taxes shall be increased by interest at the rate of 0.5 percent per month. If the school
13 board violates the order, any resident of the school district may seek injunctive relief.
14 This paragraph does not apply to property taxes levied for the purpose of paying the
15 principal and interest on valid bonds or notes issued by the school board.

16 (d) Ensure that the amount of the aid deductions under this subsection does
17 not affect the amount determined to be received by a school district as state aid under
18 s. 121.08 for any other purpose.

19 **SECTION 4. Effective date.**

20 (1) This act takes effect on July 1, 2006.

21 (END)