



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-2711/1
FFK:wlj

2017 ASSEMBLY BILL 285

May 1, 2017 - Introduced by Representatives WEATHERSTON, BRANDTJEN, KREMER and MACCO, cosponsored by Senators STROEBEL and LASEE. Referred to Committee on Education.

1 **AN ACT to amend** 121.91 (2m) (i) (intro.), 121.91 (3) (c) and 121.91 (7); and **to**
2 **create** 121.93 of the statutes; **relating to:** creating a general school aid penalty
3 for increasing a school district's revenue limit by referendum and allowing
4 school boards to rescind revenue limit increases that have been approved by
5 referendum.

Analysis by the Legislative Reference Bureau

Current law generally limits the total amount of revenue a school district may receive from general school aids and property taxes in a school year. However, there are several exceptions to the revenue limit. One exception is for excess revenue approved by referendum for recurring and nonrecurring purposes. This type of referendum is often referred to as an operating referendum. If the operating referendum is for a nonrecurring purpose, a school district's authority to raise excess revenue is approved only for specific school years. If the operating referendum is for a recurring purpose, the school district's authority to raise excess revenue is permanent.

Under this bill, a school district's general school aid payment is reduced by a percentage of the excess revenue approved by operating referenda. The reduction in general school aid is 20 percent of the excess revenue approved by operating referenda approved after the date of the bill. Under the bill, the question presented for an operating referendum must include an estimate of any reduction in general school aid that will occur if the referendum is approved. The bill also allows a school

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board to reduce its revenue limit by adopting a resolution to rescind a portion or all of its authority to raise excess revenue that has been granted under an operating referendum.

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:

1 **SECTION 1.** 121.91 (2m) (i) (intro.) of the statutes is amended to read:

2 121.91 **(2m)** (i) (intro.) Except as provided in subs. (3), (4), and (8) and subject
3 to any reduction approved under s. 121.93 (5), no school district may increase its
4 revenues for the 2015-16 school year or for any school year thereafter to an amount
5 that exceeds the amount calculated as follows:

6 **SECTION 2.** 121.91 (3) (c) of the statutes is amended to read:

7 121.91 **(3)** (c) The referendum shall be held in accordance with chs. 5 to 12. The
8 school district clerk shall provide the election officials with all necessary election
9 supplies. The form of the ballot shall correspond substantially with the standard
10 form for referendum ballots prescribed by the elections commission under ss. 5.64 (2)
11 and 7.08 (1) (a). The question submitted shall be whether the limit under sub. (2m)
12 may be exceeded by a specified amount and shall indicate the estimated reduction
13 to state aid under s. 121.93 if the referendum is approved. If the resolution provides
14 that any of the excess revenue will be used for a nonrecurring purpose, the ballot in
15 the election shall so state and shall specify the amount that will be used for a
16 nonrecurring purpose. The limit otherwise applicable to the school district under
17 sub. (2m) is increased by the amount approved by a majority of those voting on the
18 question.

19 **SECTION 3.** 121.91 (7) of the statutes is amended to read:

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1 121.91 (7) Except as provided in subs. (4) (f) 2. and (n) to (qe) and (8), if an excess
2 revenue is approved under sub. (3) for a recurring purpose or allowed under sub. (4),
3 the excess revenue shall be included in the base for determining the limit for the next
4 school year for purposes of this section, unless the excess revenue has been rescinded
5 under s. 121.93 (5). If an excess revenue is approved under sub. (3) for a nonrecurring
6 purpose, the excess revenue shall not be included in the base for determining the
7 limit for the next school year for purposes of this section.

8 **SECTION 4.** 121.93 of the statutes is created to read:

9 **121.93 Penalty for increasing revenue limit by referendum.** (1) In this
10 section:

11 (a) “Excess levy authority” means the sum of the total amount that a school
12 district was authorized to exceed its revenue limit in the prior school year due to
13 operating referenda approved after the effective date of this paragraph [LRB
14 inserts date].

15 (b) “Operating referendum” means a referendum under s. 121.91 (3) to exceed
16 a school district’s revenue limit for a recurring or nonrecurring purpose or for both
17 recurring and nonrecurring purposes.

18 (c) “Revenue limit” means a school district’s limit under s. 121.91 (2m).

19 **(2)** (a) If a school district has excess levy authority, the state superintendent
20 shall decrease the school district’s state aid payment under s. 121.08 by an amount
21 determined by multiplying the amount of the school district’s excess levy authority
22 by 0.20.

23 (b) If, after making state aid adjustments under s. 118.51 (16) and (17) and all
24 of the reductions under ss. 115.7915 (4m) (f) 1., 118.40 (2r) (g) 1. and (2x) (f) 1., and
25 118.60 (4d) (b) 1., the state aid payment to a school district under s. 121.08 is

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1 insufficient to cover the reduction under par. (a), the state superintendent shall
2 decrease other state aid payments made by the state superintendent to the school
3 district by the remaining amount.

4 (3) The state superintendent shall make reductions under sub. (2) after
5 making state aid adjustments under s. 118.51 (16) and (17) and the reductions to
6 state aid under ss. 115.7915 (4m) (f) 1., 118.40 (2r) (g) 1. and (2x) (f) 1., and 118.60
7 (4d) (b) 1.

8 (4) If a school district does not have excess levy authority, the state
9 superintendent shall increase the amount of state aid that the school district is
10 eligible to receive under s. 121.08 by an amount determined as follows:

11 (a) Sum the amounts determined under sub. (2) (a) for all school districts in the
12 current school year.

13 (b) Calculate the total amount of state aid that all school districts that did not
14 have excess authority in the current year are eligible to be paid from the
15 appropriation under s. 20.255 (2) (ac).

16 (c) Divide the amount determined under par. (a) by the amount determined
17 under par. (b).

18 (d) Multiply the amount of state aid under par. (a) by the quotient under par.
19 (c).

20 (5) A school board may reduce its revenue limit by adopting a resolution to
21 rescind a portion or all of any increase to the school district's revenue limit approved
22 by an operating referendum. A school board shall include in a resolution under this
23 subsection the first school year for which the school district's revenue limit will be

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1 reduced. A school board shall notify the department of any resolution adopted under
2 this subsection.

3 (END)