

### State of Misconsin 2013 - 2014 LEGISLATURE



# ASSEMBLY SUBSTITUTE AMENDMENT 1, TO ASSEMBLY BILL 662

March 11, 2014 - Offered by Representative Steineke.

AN ACT to amend 120.13 (19), 120.14 (1) and 121.07 (6) (a) (intro.); and to create

121.91 (4) (r) of the statutes; relating to: school district expenditures for
community programs and services and requiring the exercise of rule-making
authority.

#### Analysis by the Legislative Reference Bureau

Under current law, a school district may establish community education, training, recreational, cultural, or athletic programs and services. The school board may collect fees to cover all or part of the costs of such community programs and services. Current law excludes such costs from the school district's shared cost and increases the school district's revenue limit by the amount of property taxes levied for community programs and services. The Department of Public Instruction (DPI) publishes guidelines regarding community service activities; see http://sfs.dpi.w.gov/sfs\_comm\_serv\_fund\_info.

This substitute amendment directs DPI to promulgate rules defining ineligible costs for community programs and services and provides that only those expenditures that are ineligible costs under the rules are excluded from a school district's shared cost. The substitute amendment also requires the annual school district audit to include information on expenditures for community programs and services. Finally, the substitute amendment decreases a school district's revenue

limit by the amount of its ineligible expenditures for community programs and services.

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

**Section 1.** 120.13 (19) of the statutes is amended to read:

120.13 (19) Community Programs and Services. Establish and maintain community education, training, recreational, cultural or athletic programs and services, outside the regular curricular and extracurricular programs for pupils, under such terms and conditions as the school board prescribes. The school board may establish and collect fees to cover all or part of the costs of such programs and services. Costs Ineligible costs associated with such programs and services shall not be included in the school district's shared cost under s. 121.07 (6). The department shall promulgate rules defining "ineligible costs" for the purposes of this subsection.

**Section 2.** 120.14 (1) of the statutes is amended to read:

120.14 (1) At the close of each fiscal year, the school board of each school district shall employ a licensed accountant to audit the school district accounts and certify the audit. The audit shall include information concerning the school district's self-insurance plan under s. 120.13 (2) (b), as specified by the commissioner of insurance, and information about expenditures for community programs and services under s. 120.13 (19). If required by the state superintendent under s. 115.28 (18), the audit shall include an audit of the number of pupils reported for membership purposes under s. 121.004 (5). The cost of the audit shall be paid from school district funds. Annually by September 15, the school district clerk shall file a financial audit statement with the state superintendent.

**Section 3.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

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121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund and, the net cost of the debt service fund, and eligible costs of the community service fund, except that "shared cost" excludes any costs, including attorney fees, incurred by a school district as a result of its participation in a lawsuit commenced against the state, beginning with such costs incurred in the fiscal year in which the lawsuit is commenced, excludes any expenditures from a capital improvement fund created under s. 120.135 and excludes the costs of transporting those transfer pupils for whom the school district operating under ch. 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s. 121.85 (6) (am). In this paragraph, "net cost of the debt service fund" includes all of the following amounts:

**Section 4.** 121.91 (4) (r) of the statutes is created to read:

121.91 (4) (r) The limit otherwise applicable to a school district under sub. (2m) in any school year is decreased by an amount equal to the sum of the school district's ineligible expenditures for community programs and services in the previous school year. The amount of the decrease under this paragraph shall not be deducted from the base for determining the school district's limit under sub. (2m) for the following school year.

#### SECTION 5. Initial applicability.

(1) This act first applies to state aid distributed in, and the calculation of a school district's revenue limit for, the 2015–16 school year.

21 (END)