



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 938

**Assembly Substitute
Amendment 1, as Amended by
Assembly Amendment 2**

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Under *current law*, a school district that meets the following criteria is eligible for supplemental state aid of \$350 per enrolled pupil: (1) has an area of at least 200 square miles; (2) has an enrollment of fewer than 500 pupils; and (3) at least 80% of the real property in the school district is either exempt from tax, taxed as forest cropland, held in trust by the United States for a federally recognized American Indian tribe, or owned by the federal government.

Assembly Substitute Amendment 1 to 2003 Assembly Bill 938, as amended by Assembly Amendment 2 to the substitute amendment (*the amended bill*), does the following:

1. Provides that if, in any fiscal year, the amount appropriated for this supplemental state aid is not fully expended, the Department of Public Instruction (DPI) must use the balance to pay \$350 per enrolled pupil to a school district that meets all of the following criteria (or a prorated amount if the balance is not sufficient to pay \$350 per pupil):
 - a. Is at least 475 square miles.
 - b. Had a membership (as used in state aid calculations) that declined more than 12% between the 2000-01 and 2003-04 school years.
2. Creates a separate categorical aid program under which a school district described in item 1., above, may apply to DPI by October 15 for a grant for additional aid equal to \$500 per pupil enrolled in the previous school year (or a prorated amount if the balance is not sufficient to pay \$500 per pupil). The annual appropriation for this additional aid, which begins in the 2004-05 fiscal year, is \$385,000. However, no such additional aid may be paid after June 30, 2009. DPI must promulgate administrative rules to implement and administer this additional aid grant program.

3. Provides that if a school district is described in item 1., above, by June 30, 2007, the school board of such a school district must submit to the Legislative Audit Bureau (LAB) information for the LAB to determine the solvency of the school district. Within 90 days after receiving this information, the LAB must determine whether the school district is financially solvent. If the LAB determines that the school district is insolvent, within 60 days after the determination, the school board must adopt a resolution ordering either: (a) consolidation with one or more other school districts; or (b) dissolution of the school district.

Legislative History

Assembly Substitute Amendment 1 to the 2003 Assembly Bill 938 was offered by Representative Seratti. Assembly Amendment 2 to the substitute amendment was offered by Representative Olsen. The Assembly adopted Assembly Amendment 2 to the substitute amendment on a voice vote. The Assembly adopted Assembly Substitute Amendment 1, as amended, on a voice vote. The Assembly passed the bill, as amended, on a vote of Ayes, 54; Noes, 45.

JLK:ksm