



## 1997 ASSEMBLY BILL 304

April 17, 1997 – Introduced by Representatives OLSEN, JESKEWITZ, ALBERS, DUFF, GROTHMAN, HAHN, HUEBSCH, JENSEN, M. LEHMAN, OTT and OWENS, cosponsored by Senators DARLING, HUELSMAN, SCHULTZ and WELCH. Referred to Committee on Education.

1     **AN ACT to renumber** 121.07 (6) (e) and 121.07 (7) (e); **to renumber and amend**  
2           117.30 (1), 120.06 (2), 121.90 (2), 121.905 (3) (a) and 121.905 (3) (b); **to amend**  
3           67.12 (12) (e) 2., 117.05 (1m), 117.05 (2) (a), 117.05 (4) (a) (intro.), 117.05 (5) (a),  
4           117.05 (8), 117.05 (9) (title), 117.05 (9) (a) (intro.), 117.05 (9) (b), 117.05 (10),  
5           117.14 (1) (b), 117.15 (2m), 117.15 (6), 117.17 (1) (a), 117.20 (1), 117.22 (2) (a) 1.,  
6           117.22 (2) (d), 120.42 (1) (a), 121.84 (1) (b) and 121.905 (4); and **to create** 67.05  
7           (6a) (bg), 67.05 (7) (j), 67.12 (12) (e) 2r., 67.12 (12) (h), 117.05 (4) (d), 117.05 (9)  
8           (a) 1. and 2., 117.105, 117.17 (1) (bm), 117.22 (2) (bm), 117.22 (3), 117.25 (4),  
9           117.30 (1) (b) and (c), 120.06 (2) (b), 120.42 (1) (c), 121.07 (6) (e) 2., 121.07 (7)  
10          (e) 2., 121.78 (2) (bm), 121.78 (2) (br), 121.90 (2) (b), 121.905 (3) (a) 2., 121.905  
11          (3) (b) 2., 121.91 (2m) (e), 121.91 (4) (c) 3. and 121.91 (4) (f) of the statutes;  
12          **relating to:** procedures to create a school district out of the territory of one or  
13          more existing school districts and information provided to persons filing a

**ASSEMBLY BILL 304**

- 1 petition for a referendum on the detachment of large territory from one school  
2 district and its attachment to another school district.
- 

***Analysis by the Legislative Reference Bureau***

This bill creates the following procedures under which a new school district may be created out of a portion or portions of the territory of one or more existing school districts and the following provisions applicable after the creation of the new school district.

**A. REORGANIZATION PROCEDURES*****1. Initiation of reorganization***

The reorganization may be initiated by either of the following:

(a) The adoption of resolutions to create the new school district by the school boards of all the affected school districts (school districts containing territory within the proposed district); or

(b) The filing of a petition to create the new school district signed by electors who include at least 20% of the total number of electors residing in all the affected school districts and 5% of the electors residing in each affected school district. The petition must include the approximate boundaries of the proposed school district.

***2. Public hearing, precise boundaries and allocation of assets and liabilities***

Each school board must hold a public hearing on the proposed reorganization. Two or more school boards of the affected school districts may hold a joint public hearing.

After the public hearing, the school boards of the affected school districts may agree on the precise boundaries and the allocation of assets and liabilities between the affected school districts and the new school district if the school boards of a majority of the affected school districts adopt resolutions by November 1 following the initiation of reorganization. If a majority of the school boards fails to agree on the precise boundaries and fails to allocate the assets and liabilities by that date, the school district boundary appeal board (SDBAB) must draw the precise boundaries and allocate the assets and liabilities. In addition, the department of public instruction (DPI) must charge the affected school boards a fee sufficient to reimburse DPI for the costs of SDBAB. In determining the precise boundaries, neither the school board nor SDBAB may detach territory from any additional school districts.

The assets and liabilities of the affected school districts must be allocated among the affected school districts and the new school district in proportion to the equalized valuations of all taxable property in the affected school districts and the new school district. The boards of the affected school districts may establish an alternative method to apportion assets and liabilities.

**ASSEMBLY BILL 304****3. *Decision of the school boards***

After the precise boundaries have been drawn and the assets and liabilities have been allocated, the school board of each affected school district must adopt a resolution granting or denying the reorganization. The resolution must state the school board's rationale and include an evaluation of the following factors:

(a) The geographical and topographical characteristics of the affected school districts, including the estimated travel time to and from school for pupils in the school districts.

(b) The educational needs of all the children residing in the affected school districts, the educational programs currently offered by each affected school district and the ability and commitment of each school district to meet those needs and continue to offer those educational programs.

(c) Whether the creation of the new school district will have any adverse effect on the programs currently offered by the affected school districts.

(d) The testimony of and written statements filed by the residents of the affected school districts.

(e) The estimated fiscal effect of the proposed reorganization on the affected school districts, including the effect of the apportionment of assets and liabilities.

(f) Whether the proposed creation of a new school district will make any part of an affected school district's territory noncontiguous.

(g) The socioeconomic level and racial composition of the pupils who reside or will reside in territory proposed to be included in the new school district; the proportion of the pupils who reside in such territory who are children at risk; and the effect that the pupils will have on the present and future socioeconomic level and racial composition of the affected school districts and on the proportion of the affected school district's enrollments that will be children at risk.

(h) Other appropriate factors.

The failure of a school board to adopt a resolution either ordering or denying the creation of the school district before the required date constitutes a denial of the creation of the school district by that school board. If any of the affected school boards denies the reorganization and no electors file a petition for review by SDBAB of the school boards' decision, the process ends and the reorganization does not occur. If all the affected school boards grant the reorganization and the electors do not file a petition for review, a referendum is held.

**4. *Review by SDBAB***

If all the affected school boards grant the reorganization, a petition for review by SDBAB may be filed if it is signed by 10% or more of the electors residing in the territory of the affected school districts that is not located within the proposed new school district. If any of the affected school districts denies the reorganization, a petition for review by SDBAB may be filed if it is signed by 10% or more of the electors residing in each affected school district.

If a petition for review is filed, SDBAB must hold a public hearing. After the hearing and after consulting with the affected school boards, SDBAB may modify the proposed boundaries and the allocation of assets and liabilities, unless SDBAB drew the boundaries and made the allocation. If SDBAB modifies the proposed boundaries

**ASSEMBLY BILL 304**

or allocation of assets and liabilities, the school boards of the affected school districts have another opportunity to vote on the proposed reorganization before SDBAB issues its decision.

SDBAB must issue a written decision granting or denying the reorganization, which states its rationale and evaluation of each of the factors listed in section A.3. If SDBAB does not grant the reorganization, there is no reorganization. If SDBAB grants the reorganization, a referendum of electors is held.

DPI may charge the person filing the petition for review a fee sufficient to reimburse DPI for the costs of SDBAB.

***5. Referendum for final approval; election of school board; effective date of reorganization; appeal to court***

If the affected school boards or SDBAB grants the reorganization, the proposed reorganization must also be approved at a referendum by electors residing in the territory of the proposed new school district. If the referendum fails to approve the reorganization, no reorganization occurs. If the referendum approves the reorganization, the reorganization takes effect either on the next July 1 or on the 2nd July 1, if the members of the new school board, who are elected at the spring election, choose to delay the effective date of the reorganization for one year. Members of the school board of the new school district who are elected at the first election must reside in the territory of the school district that will be created. If a person elected to the school board of the new school district is also a member of a school district from which territory was detached to create the new school district, he or she is not eligible to serve on the school board of the new school district unless he or she resigns as a member of the school board of the other school district.

Any person aggrieved by SDBAB's granting or denial of the proposed reorganization may appeal to circuit court.

***B. PROVISIONS APPLICABLE AFTER THE REORGANIZATION******1. Revenue limits and state aid***

School districts from which territory was detached to create the new school district receive state equalization aid based on their previous year's per member equalized valuations, enrollments and costs, as current law provides. In addition:

(a) In the school year in which the reorganization takes effect, the existing school districts' revenue limits are increased by an amount equal to 10% of their state aid; and

(b) In each of the following 4 school years, the school districts' primary and secondary cost ceilings per member and their primary, secondary and tertiary guaranteed valuations per member are multiplied by 1.1. The additional state aid generated by these 10% adjustments is not subject to revenue limits.

The 3-year rolling membership average used to reflect changes of membership under the current revenue limits applies to a school district's loss of membership due to the loss of territory to the new school district created by the reorganization.

The revenue limit for the new school district for its first year of operation is calculated by multiplying the previous year's per pupil revenue for each existing school district by the number of pupils enrolled in that school district during the previous school year who resided in territory that was detached from that school

**ASSEMBLY BILL 304**

district to create the new school district. The per pupil revenues of each existing school district are then added and the sum is divided by the total number of pupils residing in the detached territory who were enrolled in the previous school year in the school district from which the territory was detached. The allowable revenue increase for the current school year is added and the resulting sum is multiplied by the greater of:

(a) The total number of pupils residing in the detached territory who were enrolled in the previous school year in the school district from which the territory was detached; or

(b) The number of pupils enrolled in the new school district as determined by its 3rd Friday of September pupil count for the current school year.

After the first year of operation of the new school district, its revenue limit is computed as the revenue limit for other school districts is computed, with appropriate adjustments to reflect that pupil counts cannot be averaged over 3 years until a school district has been in operation for that long.

***2. Referenda for borrowing to finance the allocation of assets and liabilities***

Under current law, if a school district proposes to borrow through the issuance of promissory notes in excess of \$5,000 or through the issuance of bonds in any amount, a referendum may be required if the amount to be borrowed causes the school district's outstanding indebtedness incurred without a referendum (excluding debt incurred before August 9, 1989) to exceed the lesser of \$1,000,000 or 1.5% of the statewide average equalized valuation per member multiplied by the school district's membership.

This bill creates an exception to these referenda provisions that allows both the new school district and the school districts from which territory was detached, without holding a referendum, to issue bonds or promissory notes to finance any assets or liabilities apportioned to them under the reorganization or to finance any assets, including cash, apportioned to another school district. In addition, the revenue limits of the school districts issuing the notes or bonds is increased by the amount of the funds needed to pay the general obligation debt service on the borrowed amounts.

***3. Referenda for borrowing to finance new construction***

For the construction of a building or an addition to a building by a school district from which territory is detached to create the new school district, the \$1,000,000/1.5% limit described in section B.2. is increased by an amount calculated by determining the average number of pupils in each grade on the 3rd Friday of September and the 2nd Friday of January of the previous school year who both attended school in a building owned then by the school district that is allocated to another school district under the reorganization and who resided in the previous school year in territory that was not transferred to the new school district. The department of commerce then determines for each of the grades attended by a pupil in the building just described the average cost per square foot for, and the average number of square feet per pupil included in, 2 recently constructed school buildings, selected by the department of commerce, designed to serve pupils of that grade level.

**ASSEMBLY BILL 304**

The number of square feet per pupil for each grade level is then multiplied by the average number of pupils in each grade, as determined earlier.

**4. *Waivers***

Under current law, if a school district has failed to operate a school as required by law for 2 or more successive years, SDBAB must attach the school district's territory to one or more school districts that do operate schools.

This bill clarifies that failing to operate a school district as required by law means failing to operate sufficient classes in each grade to provide all pupils who reside in the school district an opportunity to attend class in the appropriate grade. The bill also provides that the school board of a school district created by the reorganization under the bill may request DPI to extend the 2-year time period by one year. DPI must grant the extension and may renew the extension for additional one-year periods if DPI determines that the school district has adequate plans and is making adequate progress toward operating sufficient classes in each grade to provide all pupils who reside in the school district an opportunity to attend class in the appropriate grade. The bill also provides that if a school district created under this bill fails to operate as required by law, SDBAB must reattach the territory of the school district to each of the school districts from which the territory was detached by the reorganization, unless the school district from which the territory was detached is no longer an operating school district.

**5. *Interim attendance of pupils and high school seniors***

The school boards of the new school district and a school district from which territory was detached to create the new school district must permit a pupil who resides in that territory to continue to attend school in that school district until the new school district begins offering instruction at the pupil's grade level. The new school district must pay tuition for the pupil. In addition, the school boards of the new school district and a school district from which territory was detached to create the new district must allow a pupil who resides in such territory and who has gained 12th grade status to continue to attend school in his or her old school district even though the pupil is no longer a resident of that school district. The school board of the new school district must pay tuition for the pupil.

**6. *Employes***

For 3 years after the effective date of the reorganization, any employe of a school district from which territory was detached to create the new school district who is laid off as a result of the reorganization has priority over other persons for new positions and vacant positions in the new school district for which the employe is qualified.

**C. *OTHER***

Unless an existing school district operates only elementary grades, a school district may not be created under this bill having the same boundaries as the existing school district would have if territory were detached from one or more other school districts and attached to the existing school district.

No school district created under this bill may be consolidated with or be attached to another school district within 10 years after the date of reorganization

**ASSEMBLY BILL 304**

unless the school district was created by detaching territory from a single school district, and the consolidation or attachment will consolidate the school district with, or reattach its territory to, the school district from which its territory was detached by the reorganization that created the school district.

No petition may be filed or resolution adopted for the creation of a new school district on or before the 5th July 1 following the filing of a petition to create a new school district or the adoption of a resolution to create a new school district for any reorganization that includes any of the same territory unless the school board of each affected school district adopts a resolution waiving this limitation. If a school board denies a request for a waiver of the limitation, the denial may not be appealed under the provisions governing school district reorganizations.

The school district clerk must provide a description, prepared by DPI, about reorganization procedures to any person filing a petition to initiate a reorganization under this bill, as well as to any person filing a petition for a referendum under this bill.

***D. TIMETABLE***

The following timetable applies to reorganizations under this bill:

1. *Before July 1:* Electors file a petition or school boards adopt resolutions to initiate the process.

2. *Before November 1:* School boards may draw precise boundaries and allocate assets and liabilities.

3. *Before February 1:* If school boards draw precise boundaries and allocate assets and liabilities, school boards must issue written decisions on the reorganization.

4. *Before March 1:* If school boards fail to draw precise boundaries and allocate assets and liabilities, SDBAB does so. If school boards have drawn precise boundaries, allocated assets and liabilities and issued written decisions on the reorganization, electors may appeal the school boards' decision.

5. *Before May 1:* If SDBAB draws precise boundaries and allocates assets and liabilities because the school boards failed to do so, the school boards must issue written decisions.

6. *Before June 1:* Electors may appeal the written decisions of school boards if SDBAB drew the precise boundaries and allocated assets and liabilities.

7. *Before July 1:* If electors appeal the written decision of school boards that have drawn precise boundaries and allocated assets and liabilities, SDBAB must notify school boards if it modifies proposed boundaries or allocation of assets and liabilities.

8. *Before August 1:* School boards vote again if SDBAB modifies proposed boundaries or allocation of assets and liabilities.

9. *Before October 1:* SDBAB issues its opinion if an appeal was filed.

10. *Before Tuesday following 1st Monday in November:* Referendum is held in the new school district if the school boards approve the reorganization or, if an appeal was filed, if SDBAB approves the reorganization.

11. *Before or at the spring election:* Election held for school board members for the new school district.

**ASSEMBLY BILL 304**

12. *July 1 or next July 1*: Effective date of the reorganization.

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.** 67.05 (6a) (bg) of the statutes is created to read:

2           67.05 **(6a)** (bg) For a school district from which territory is detached to create  
3 a new school district under s. 117.105, the amounts specified and calculated under  
4 par. (b) shall be increased, for the construction of a building or an addition to a  
5 building only, by the amount determined as follows:

6           1. Determine the number of pupils in each grade level who attended school in  
7 the previous school year in a building that was then owned by the school district and  
8 has been allocated to another school district by the reorganization and who resided  
9 in the previous school year in territory that was not transferred to the other school  
10 district. The number shall be the average of such pupils enrolled on the 3rd Friday  
11 of September and the 2nd Friday of January.

12           2. The department of commerce shall determine for each grade level in which  
13 pupils attended school in a building described in subd. 1., the average cost per square  
14 foot for, and the average number of square feet per pupil included in, 2 recently  
15 constructed school buildings that were designed to serve pupils of that grade level,  
16 as selected by that department.

17           3. For each grade level, multiply the number determined under subd. 1. by the  
18 product of the 2 numbers determined under subd. 2., and total the results.

19           **SECTION 2.** 67.05 (7) (j) of the statutes is created to read:

**ASSEMBLY BILL 304**

1           67.05 (7) (j) An initial resolution adopted by the school board of a school district  
2           created by a reorganization under s. 117.105, or adopted by the school board of a  
3           school district from which territory is detached to create a school district under s.  
4           117.105, for the purpose of financing any assets or liabilities apportioned to the  
5           school district or assets apportioned to another school district under s. 117.105 (1m)  
6           or (2m), is not subject to a referendum.

7           **SECTION 3.** 67.12 (12) (e) 2. of the statutes is amended to read:

8           67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been  
9           approved by the electors under s. 67.05 (6a) or deemed approved by the electors under  
10          s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the  
11          purpose is to pay unfunded prior service liability contributions under the Wisconsin  
12          retirement system if all of the proceeds of the note will be used for that purpose, the  
13          borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),  
14          (h) or (i), or subd. 2g. or par. (f) or (h) applies, the school district clerk shall, within  
15          10 days after a school board adopts a resolution under subd. 1. to issue a promissory  
16          note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch.  
17          985. Alternatively, the notice may be posted as provided under s. 10.05. The notice  
18          need not set forth the full contents of the resolution, but shall state the maximum  
19          amount proposed to be borrowed, the purpose thereof, that the resolution was  
20          adopted under this subsection, and the place where, and the hours during which, the  
21          resolution may be inspected. If, within 30 days after publication or posting, a petition  
22          conforming to the requirements of s. 8.40 is filed with the school district clerk for a  
23          referendum on the resolution signed by at least 7,500 electors of the district or at  
24          least 20% of the number of district electors voting for governor at the last general  
25          election, as determined under s. 115.01 (13), whichever is the lesser, then the

**ASSEMBLY BILL 304****SECTION 3**

1 resolution shall not be effective unless adopted by a majority of the district electors  
2 voting at the referendum. The referendum shall be called in the manner provided  
3 under s. 67.05 (6a), except that the question which appears on the ballot shall be  
4 “Shall .... (name of district) borrow the sum of \$.... for (state purpose) by issuing its  
5 general obligation promissory note (or notes) under section 67.12 (12) of the  
6 Wisconsin Statutes?”.

7 **SECTION 4.** 67.12 (12) (e) 2r. of the statutes is created to read:

8 67.12 (12) (e) 2r. For a school district from which territory is detached to create  
9 a new school district under s. 117.105, the amounts specified and calculated under  
10 subd. 2g. shall be increased, for the construction of a building or an addition to a  
11 building only, by the amount determined as follows:

12 a. Determine the number of pupils in each grade level who attended school in  
13 the previous school year in a building that was then owned by the school district and  
14 has been allocated to another school district by the reorganization and who resided  
15 in the previous school year in territory that was not transferred to the other school  
16 district. The number shall be the average of such pupils enrolled on the 3rd Friday  
17 of September and the 2nd Friday of January.

18 b. The department of commerce shall determine, for each grade level in which  
19 pupils attended school in a building described in subd. 2r. a., the average cost per  
20 square foot for, and the average number of square feet per pupil included in, 2  
21 recently constructed school buildings that were designed to serve pupils of that grade  
22 level, as selected by that department.

23 c. For each grade level, multiply the number determined under subd. 2r. a. by  
24 the product of the 2 numbers determined under subd. 2r. b., and total the results.

25 **SECTION 5.** 67.12 (12) (h) of the statutes is created to read:

**ASSEMBLY BILL 304**

1           67.12 (12) (h) Paragraph (e) 2. does not apply to borrowing by the school board  
2 of a school district created by a reorganization under s. 117.105, or by the school  
3 board from which territory is detached to create a school district under s. 117.105,  
4 for the purpose of financing any assets or liabilities apportioned to the school district  
5 or assets apportioned to another school district under s. 117.105 (1m) or (2m).

6           **SECTION 6.** 117.05 (1m) of the statutes is amended to read:

7           117.05 (1m) BOARD AND APPEAL PANEL MEETINGS. The secretary shall set the time  
8 and place for meetings of the board under ss. 117.10, 117.105 (2m), 117.12 (5) and  
9 117.132 and for meetings of appeal panels under ss. 117.12 (4) and 117.13.

10          **SECTION 7.** 117.05 (2) (a) of the statutes is amended to read:

11          117.05 (2) (a) *Board.* The ~~secretary~~ state superintendent shall appoint 7  
12 members of the board to perform any review under ss. 117.10, 117.105 (2m), 117.12  
13 (5) and 117.132. The 7 members shall include the ~~secretary~~ state superintendent or  
14 his or her designee on the board, 2 board members from school districts with small  
15 enrollments, 2 board members from school districts with medium enrollments and  
16 2 board members from school districts with large enrollments. Any action of the  
17 board under this chapter requires the affirmative vote of at least 4 of the 7 members  
18 appointed under this paragraph.

19          **SECTION 8.** 117.05 (4) (a) (intro.) of the statutes is amended to read:

20          117.05 (4) (a) *Pending proceedings.* (intro.) A reorganization proceeding is  
21 pending from the date that a petition is filed under s. 117.105 (1) (a), 117.11 (2) or  
22 117.12 (2) or a resolution is adopted under s. 117.08 (1), 117.09 (1), 117.10 (1), 117.105  
23 (1) (b), 117.13 (2) or 117.132 (2) until the date on which the latest of any of the  
24 following occurs:

25          **SECTION 9.** 117.05 (4) (d) of the statutes is created to read:

**ASSEMBLY BILL 304****SECTION 9**

1           117.05 (4) (d) *Four-year limitation on consideration of creation of a school*  
2 *district.* 1. Except as provided in subd. 2., no petition may be filed or resolution  
3 adopted for the creation of a new school district under s. 117.105 (1) (a) or (b) before  
4 the 5th July 1 following the filing of a petition under s. 117.105 (1) (a) or the adoption  
5 of a resolution under s. 117.105 (1) (b) for any reorganization that includes any of the  
6 same territory.

7           2. The limitation under subd. 1. does not apply if the school board of each  
8 affected school district adopts a resolution waiving the limitation. If a school board  
9 denies a request for a waiver under this subdivision, the denial may not be appealed  
10 under this chapter.

11           **SECTION 10.** 117.05 (5) (a) of the statutes is amended to read:

12           117.05 (5) (a) *Territory in district.* All territory within this state shall be  
13 included in a school district operating elementary school grades and a school district  
14 operating high school grades or in a school district operating both elementary and  
15 high school grades. No territory may be detached from a school district unless by the  
16 same order it is attached to another school district or included in a new school district  
17 created by the order. No territory may be detached from a school district that  
18 operates high school grades unless by the same order it is attached to or included in  
19 another school district that operates high school grades.

20           **SECTION 11.** 117.05 (8) of the statutes is amended to read:

21           117.05 (8) INFORMATION ON REORGANIZATION PROCEDURES. The department shall  
22 prepare a written description of the procedures for school district reorganizations  
23 under ss. 117.08 to 117.132 and distribute copies to school district clerks. A school  
24 district clerk shall give a copy of the description to any person, upon request, and to

**ASSEMBLY BILL 304**

1 any person filing a petition with the clerk under s. 117.08 (3) (a) 2., 117.09 (3) (a) 2.,  
2 117.105 (1) (a), 117.11 (2) or (4) (a) 2. or 117.12 (2), at the time the petition is filed.

3 **SECTION 12.** 117.05 (9) (title) of the statutes is amended to read:

4 117.05 (9) (title) APPEAL BOARD AND APPEAL PANEL FEES.

5 **SECTION 13.** 117.05 (9) (a) (intro.) of the statutes is amended to read:

6 117.05 (9) (a) (intro.) The department may charge the following persons a fee  
7 sufficient to reimburse the department for the costs of the board under ss. 117.10,  
8 117.105 and 117.132:

9 **SECTION 14.** 117.05 (9) (a) 1. and 2. of the statutes are created to read:

10 117.105 (9) (a) 1. The school boards of the affected school districts under s.  
11 117.105 if they fail to reach agreement under s. 117.105 (1m) (b).

12 2. A person who files a petition requesting review by the board under s. 117.105  
13 (2m).

14 **SECTION 15.** 117.05 (9) (b) of the statutes is amended to read:

15 117.05 (9) (b) The clerk of the school district ordering the dissolution or  
16 requesting review shall pay the fee under par. (a) 3. or 4. to the department. The clerk  
17 of each affected school district shall pay the fee under par. (a) 1. to the department.  
18 The department shall allocate the fee under par. (a) 1. among the school districts  
19 from which territory is being detached to create a new school district if there is more  
20 than one such school district. The secretary of the board shall forward the fee fees  
21 collected under par. (a) 1. and 5. to the department.

22 **SECTION 16.** 117.05 (10) of the statutes is amended to read:

23 117.05 (10) (title) SECRETARY STATE SUPERINTENDENT TO ADVISE. The ~~secretary~~  
24 state superintendent shall advise and consult with school boards regarding school  
25 district organization and reorganization. If, in the ~~secretary's~~ state superintendent's

**ASSEMBLY BILL 304****SECTION 16**

1 opinion, one or more school districts should be created, altered, consolidated or  
2 dissolved, he or she may make recommendations to the school boards of the affected  
3 school districts.

4 **SECTION 17.** 117.105 of the statutes is created to read:

5 **117.105 Creation of a school district. (1) INITIATION OF PROCEDURES.**

6 Procedures to create a school district from the territory of one or more existing school  
7 districts may be initiated by any of the following methods:

8 (a) Before July 1 of any year, a written petition requesting the creation of a  
9 school district may be filed with the clerk of the school district that has the highest  
10 equalized valuation of the affected school districts. The petition shall be signed by  
11 at least 20% of the total number of electors residing in the affected school districts  
12 and by at least 5% of the number of electors residing in each affected school district.  
13 The school district clerk with whom the petition is filed shall immediately send a  
14 certified notice of the petition to the school board of each affected school district and  
15 to the secretary of the board. The petition shall include the approximate boundaries  
16 of the proposed school district.

17 (b) Before July 1 of any year, the school board of each school district from which  
18 territory will be detached to create the proposed school district may adopt a  
19 resolution stating that the school board will consider the creation of the school  
20 district. The resolution shall include the approximate boundaries of the proposed  
21 school district. The school district clerk of each school board adopting a resolution  
22 under this paragraph shall send a certified copy of the resolution to the school boards  
23 of each of the other affected school districts and to the secretary of the board.

24 **(1m) HEARING; BOUNDARIES; ASSETS AND LIABILITIES.** (a) Upon receipt of a petition  
25 or notice under sub. (1) (a), or upon the adoption of a resolution and the receipt of

**ASSEMBLY BILL 304**

1 copies of resolutions adopted by the school board of each of the other affected school  
2 districts under sub. (1) (b), the school board shall hold a public hearing on the  
3 proposed reorganization.

4 (b) Before the November 1 following the receipt of a petition or notice under sub.  
5 (1) (a) or the adoption of resolutions under sub. (1) (b), the school boards of the  
6 affected school districts may, by the adoption of resolutions by the school boards of  
7 a majority of the affected school districts, agree on the precise boundaries of the  
8 proposed school district and the apportionment of the assets and liabilities between  
9 the affected school districts and the proposed school district according to the criteria  
10 under s. 66.03 (2c). The school boards may establish an alternative method to govern  
11 the assignment of assets and liabilities as provided in s. 66.03 (2c) (b). In  
12 determining the precise boundaries, the school boards may not detach territory from  
13 any additional school districts. The clerk of the school district that has the highest  
14 equalized valuation of the affected school districts shall notify the board of their  
15 agreement or their failure to reach agreement.

16 (c) If the school boards of a majority of the affected school districts fail to agree  
17 on the precise boundaries or on the apportionment of assets and liabilities by  
18 November 1 under par. (b), the board shall issue an order doing so by the following  
19 March 1. In determining the precise boundaries of the proposed school district, the  
20 board may not detach territory from any additional school districts.

21 **(2) SCHOOL BOARD ACTION.** Before the February 1 following the determination  
22 of the precise boundaries of the proposed school district and the apportionment of  
23 assets and liabilities under sub. (1m) (b), or before the May 1 following an order  
24 issued by the board under sub. (1m) (c), the school board of each affected school  
25 district shall adopt a resolution ordering or denying the creation of the school district.

**ASSEMBLY BILL 304****SECTION 17**

1 The resolution shall state the school board's rationale for ordering or denying the  
2 reorganization and include an evaluation of each of the factors specified in s. 117.15.  
3 Failure of a school board to adopt a resolution either ordering or denying the creation  
4 of the school district before the applicable date required under this subsection  
5 constitutes a denial of the creation of the school district by that school board. The  
6 school district clerk of each school board adopting a resolution under this subsection,  
7 either ordering or denying the reorganization, shall, within 5 days after the adoption  
8 of the resolution, send a certified copy of the resolution to the school boards of each  
9 of the other affected school districts and file a certified copy of the resolution as  
10 provided in s. 117.17 (2).

11 **(2m) BOARD REVIEW.** (a) The board shall review a proposed reorganization  
12 under this section if any of the following occurs:

13 1. The school board of each affected school district issues an order under sub.  
14 (2) granting the proposed reorganization, and a petition for board review of the  
15 proposed reorganization, signed by at least 10% of the number of electors residing  
16 in the territory of the affected school districts that is not within the proposed school  
17 district, is filed with the secretary of the board. The petition shall be filed by March  
18 1 following the school board action under sub. (2), or by June 1 following the school  
19 board action under sub. (2) if the board issued an order under sub. (1m) (c).

20 2. The school board of any of the affected school districts issues an order under  
21 sub. (2) denying the proposed reorganization, and a petition for board review of the  
22 proposed reorganization, signed by at least 10% of the number of electors residing  
23 in each affected school district, is filed with the secretary of the board. The petition  
24 shall be filed by March 1 following the school board action under sub. (2), or by June

**ASSEMBLY BILL 304**

1 1 following the school board action under sub. (2) if the board issued an order under  
2 sub. (1m) (c).

3 (b) Upon receipt of a petition for review under par. (a), the secretary of the board  
4 shall immediately notify the school board of each affected school district and the  
5 board shall hold a public hearing on the proposed reorganization. After the hearing  
6 and after consulting with the school boards of the affected school districts, but before  
7 July 1, the board may modify the boundaries of the proposed school district and the  
8 apportionment of assets and liabilities between the affected school districts and the  
9 proposed school district unless the board determined the boundaries and  
10 apportionment under sub. (1m) (c). The board may not modify the boundaries by  
11 detaching territory from any additional school districts.

12 (bm) If the board modifies the boundaries or the apportionment of assets and  
13 liabilities under par. (b), it shall immediately notify the school board of each affected  
14 school district, and before August 15, the school board of each affected school district  
15 may proceed under sub. (2) to issue an order either granting or denying the proposed  
16 reorganization, as modified by the board. The board shall then proceed under par.  
17 (c) without the filing of a new petition under par. (a) but may not issue an order under  
18 par. (c) before August 21.

19 (c) By October 1 following receipt of a petition for review under par. (a), the  
20 board shall issue an order either granting or denying the proposed reorganization.  
21 The order shall state the board's rationale and include an evaluation of each of the  
22 factors specified in s. 117.15. The board may overturn the decision of the school  
23 boards only if it finds that the school boards' conclusions regarding the factors  
24 specified in s. 117.15 are not supported by the facts or that the school boards did not  
25 properly apply these factors.

**ASSEMBLY BILL 304****SECTION 17**

1           **(3) REFERENDUM.** (a) A referendum shall be held under par. (b) if any of the  
2 following occurs:

3           1. The school boards of all of the affected school districts grant the proposed  
4 reorganization and there is no petition filed for board review.

5           2. The school boards of all of the affected school districts grant the proposed  
6 reorganization, a petition for board review is filed and the board grants the proposed  
7 reorganization.

8           3. The school board of one or more of the affected school districts denies the  
9 proposed reorganization, a petition for board review is filed and the board grants the  
10 proposed reorganization.

11           (b) If a referendum is required under par. (a), the board shall immediately  
12 notify the school boards of each of the affected school districts and the clerk of each  
13 city, village or town, any part of which is contained within an affected school district.  
14 The referendum shall be held in the territory of the school district proposed to be  
15 created by the reorganization.

16           **(4) ORDER OF REORGANIZATION IF APPROVED AT REFERENDUM.** If a majority of the  
17 votes cast in the territory of the school district proposed to be created by the  
18 reorganization is in favor of the creation of the proposed school district, at the time  
19 of canvassing the returns the school boards of the affected school districts shall make  
20 and file an order of school district reorganization under s. 117.17 (2). The  
21 reorganization shall take effect on the following July 1 unless the school board of the  
22 newly created school district adopts and files a resolution, as provided in s. 117.17  
23 (2), stating that the reorganization shall take effect on the 2nd July 1 following the  
24 order of reorganization.

**ASSEMBLY BILL 304**

1           **(5) APPLICABILITY.** This section does not apply to a reorganization that would  
2 result in the creation of a school district that has the same boundaries that an  
3 existing school district would have if territory were detached from one or more other  
4 school districts and attached to the existing school district under s. 117.12, 117.13 or  
5 117.132 unless the existing school district operates only elementary grades.

6           **(6) LIMITATION ON FURTHER REORGANIZATION.** No school district created by a  
7 reorganization under this section may consolidate with another school district under  
8 s. 117.08 or 117.09, or have all of its territory attached to another school district  
9 under s. 117.10, 117.11 or 117.132, within 10 years after the effective date of the  
10 reorganization under this section. This subsection does not apply if the school  
11 district was created by detaching territory from a single school district, and the  
12 consolidation under s. 117.08 or 117.09 or the attachment under s. 117.10, 117.11 or  
13 117.132 will consolidate the school district with, or reattach its territory to, the school  
14 district from which its territory was detached by the reorganization which created  
15 the school district.

16           **SECTION 18.** 117.14 (1) (b) of the statutes is amended to read:

17           117.14 **(1)** (b) If the order is issued under ss. ~~117.11~~ 117.105 to 117.132, the  
18 appeal shall be filed with the circuit court of any county in which any of the territory  
19 proposed to be detached from one school district and attached to, or included in,  
20 another school district is located or with the circuit court of any county in which any  
21 territory of the school district to which the territory is proposed to be attached, or the  
22 school district that is proposed to be created, is located.

23           **SECTION 19.** 117.15 (2m) of the statutes is amended to read:

24           117.15 **(2m)** If territory is proposed to be detached from one school district and  
25 attached to an adjoining school district or proposed to be included in a new school

**ASSEMBLY BILL 304****SECTION 19**

1 district under s. 117.105, whether the proposed detachment will have any adverse  
2 effect on the program currently offered by the school district from which the territory  
3 is proposed to be detached, including both curricular and extracurricular aspects of  
4 that program.

5 **SECTION 20.** 117.15 (6) of the statutes is amended to read:

6 117.15 (6) The socioeconomic level and racial composition of the pupils who  
7 reside or will reside in territory proposed to be detached from one school district and  
8 attached to an adjoining school district, in territory proposed to be included in a new  
9 school district under s. 117.105 or in school districts proposed to be consolidated or  
10 in a school district proposed to be dissolved; the proportion of the pupils who reside  
11 in such territory who are children at risk, as defined under s. 118.153 (1) (a); and the  
12 effect that the pupils described in this paragraph will have on the present and future  
13 socioeconomic level and racial composition of the affected school districts and on the  
14 proportion of the affected school districts' enrollments that will be children at risk.

15 **SECTION 21.** 117.17 (1) (a) of the statutes is amended to read:

16 117.17 (1) (a) Every order of school district reorganization under s. 117.08 ~~or~~,  
17 117.09 or 117.105 that creates a new school district shall state the school districts  
18 which are dissolved or from which territory is detached to create the new school  
19 district, name the new school district, state the type of school district and the grades  
20 to be taught by the new school district pursuant to s. 115.01 (2), (3) and (5), designate  
21 the number of school board members under s. 120.01 or 120.41, designate the terms  
22 of initial members of the school board under s. 120.02 (3) (a), designate the method  
23 of election of school board members under s. 120.06 or 120.42, direct the election of  
24 school board members under s. 120.06 or 120.42, insofar as applicable, designate the  
25 date of the first election of school board members, as provided under s. 117.22 (2) (b),

**ASSEMBLY BILL 304**

1 and fix the time and place for the first annual meeting of the new school district, if  
2 one is to be held. The secretary of the board shall give notice of the first annual  
3 meeting, if one is to be held, under s. 120.08 (1) (c), and shall designate a person to  
4 act as temporary chairperson of the annual meeting until a chairperson is elected.

5 **SECTION 22.** 117.17 (1) (bm) of the statutes is created to read:

6 117.17 (1) (bm) Every order of school district reorganization under s. 117.105  
7 shall describe the territory of the school districts from which territory is detached to  
8 create the new school district, state the school district created by the order and  
9 describe the territory of the school district created by the order.

10 **SECTION 23.** 117.20 (1) of the statutes is amended to read:

11 117.20 (1) If a referendum is required under ss. 117.08 to 117.11, it shall be held  
12 on the Tuesday after the first Monday in November following receipt of the petition  
13 or adoption of the resolution under s. 117.08 (3) (a), 117.09 (3) (a), 117.10 (3) (a) or  
14 117.11 (4) (a). If a referendum is required under s. 117.105, it shall be held on the  
15 Tuesday after the first Monday in the 2nd November following receipt of the petition  
16 or adoption of the resolution under s. 117.105 (1).

17 **SECTION 24.** 117.22 (2) (a) 1. of the statutes is amended to read:

18 117.22 (2) (a) 1. The clerk of the affected school district that has the highest  
19 equalized valuation, if an order of reorganization is issued under s. 117.08 or 117.105.

20 **SECTION 25.** 117.22 (2) (bm) of the statutes is created to read:

21 117.22 (2) (bm) If an order of reorganization is issued under s. 117.105, the first  
22 election of school board members shall be held at the spring election following the  
23 referendum under s. 117.105 (3).

24 **SECTION 23g.** 117.22 (2) (d) of the statutes is amended to read:

**ASSEMBLY BILL 304****SECTION 23g**

1           117.22 (2) (d) At least 12 weeks prior to the date of the election, the school  
2 district clerk shall publish a type A notice of the school board election, under s. 10.01  
3 (2) (a). No later than 5 p.m. on the date 10 weeks prior to the election, any qualified  
4 elector of the school district created by the reorganization may file with the school  
5 district clerk a sworn declaration of candidacy for the school board and, if required,  
6 nomination papers, as provided under s. 120.06 (6) (b). For purposes of this  
7 paragraph, a candidate who resides in the territory of the school district created  
8 pursuant to a reorganization under s. 117.105 and is otherwise a qualified elector  
9 shall be considered a qualified elector for a school board election under par. (bm). A  
10 candidate shall file an amended declaration with the school district clerk as provided  
11 in s. 120.06 (6) (b). Within 8 days after the first election in the newly created school  
12 district, the school district clerk shall notify the successful candidates of their  
13 election. On the 2nd Tuesday following the election, the clerk shall administer or  
14 receive the official oath and the newly elected members shall take office.

15           **SECTION 23r.** 117.22 (3) of the statutes is created to read:

16           117.22 (3) INELIGIBILITY. Any person elected to a school board in an election  
17 under sub. (2) (bm) who is also a member of the school board of an affected school  
18 district is not eligible to serve as a member of the school board for the school district  
19 created by the reorganization unless the person resigns as a member of the school  
20 board of the affected school district prior to receiving the official oath of office under  
21 sub. (2) (d).

22           **SECTION 26.** 117.25 (4) of the statutes is created to read:

23           117.25 (4) CREATIONS. When a school district is created under s. 117.105, all of  
24 the following apply:

**ASSEMBLY BILL 304**

1 (a) Any employe of a school district from which territory is detached by the  
2 reorganization who is laid off as a result of the reorganization has priority over other  
3 persons for 3 years after the effective date of the reorganization for new positions and  
4 vacant positions for which he or she is qualified in the school district that is created  
5 by the reorganization.

6 (b) Any person who wishes to exercise his or her priority under par. (a) shall  
7 notify the school district that is created by the reorganization, in writing, that he or  
8 she wishes to be considered for any new position or vacant position and shall include  
9 in the notice the address to be used by the school district to notify the person of such  
10 positions.

11 **SECTION 27.** 117.30 (1) of the statutes is renumbered 117.30 (1) (a) and  
12 amended to read:

13 117.30 (1) (a) If Except as provided under pars. (b) and (c), if a school district  
14 for 2 or more successive years has failed to operate a school as required by law  
15 sufficient classes at each grade level to provide all pupils who reside in the school  
16 district an opportunity to attend class at the appropriate grade level, the board shall  
17 attach the territory of the school district to one or more school districts that do  
18 operate schools so. Within 60 days of the date on which a school district becomes  
19 subject to this section, the department shall so notify the school district clerk and the  
20 clerk of each municipality in which part of the school district lies. Prior to August  
21 30 of the year in which the school district becomes subject to this section, the board  
22 shall issue an order of school district reorganization attaching the school district to  
23 one or more operating school districts. Orders issued under this section take effect  
24 upon being filed as provided in s. 117.17 (2). The school board of each district to which  
25 any territory is attached under this section shall levy and collect a special tax against

**ASSEMBLY BILL 304****SECTION 27**

1 the property in the territory so attached for such amount as is payable for tuition and  
2 transportation, at the time of the attachment, by the school district in which the  
3 attached territory was located prior thereto, in the proportion that the equalized  
4 valuation of the attached territory bears to the total equalized valuation of the school  
5 district in which such territory was located prior to such attachment.

6 **SECTION 28.** 117.30 (1) (b) and (c) of the statutes are created to read:

7 117.30 (1) (b) Before the end of the first school year beginning after the effective  
8 date of a reorganization under s. 117.105, the school board of the school district  
9 created by the reorganization may request the department to extend the 2-year time  
10 period under par. (a) by one year. The department may grant the extension, and may  
11 renew the extension for additional one-year periods, if the department determines  
12 that the school board has adequate plans and is making adequate progress toward  
13 operating sufficient classes at each grade level to provide all pupils who reside in the  
14 school district an opportunity to attend class at the appropriate grade level.

15 (c) If a school district created under s. 117.105 fails to operate sufficient classes  
16 at each grade level to provide all pupils who reside in the school district an  
17 opportunity to attend class at the appropriate grade level before the end of the first  
18 school year beginning after the effective date of the reorganization under s. 117.105,  
19 plus the period of any extension granted under par. (b), the board's order under par.  
20 (a) shall reattach the territory of the school district to each of the school districts from  
21 which the territory was detached by the reorganization under s. 117.105, unless the  
22 school district from which the territory was detached is no longer an operating school  
23 district.

24 **SECTION 26d.** 120.06 (2) of the statutes is renumbered 120.06 (2) (a) and  
25 amended to read:

**ASSEMBLY BILL 304****SECTION 26d**

1           120.06 (2) (a) School Except as provided under par. (b), school board members  
2 shall be electors of the school district and shall be elected at large by a plurality vote  
3 of the electors of the school district.

4           **SECTION 26h.** 120.06 (2) (b) of the statutes is created to read:

5           120.06 (2) (b) School board members elected to a school board in an election  
6 under s. 117.22 (2) (bm) shall reside in the territory of the school district created by  
7 the reorganization.

8           **SECTION 26p.** 120.42 (1) (a) of the statutes is amended to read:

9           120.42 (1) (a) ~~Except as provided in par.~~ par. (b) and (c), school board members  
10 in a unified school district shall be electors of the school district and shall be elected  
11 at large, at large to numbered seats or at large to an apportioned election district area  
12 by a plurality vote of the electors of the school district. School board members in a  
13 unified school district shall be elected under s. 120.06 at the spring election. All  
14 candidates for school board seats shall file a declaration of candidacy as provided in  
15 s. 120.06 (6) (b).

16           **SECTION 26t.** 120.42 (1) (c) of the statutes is created to read:

17           120.42 (1) (c) School board members elected to a school board in an election  
18 under s. 117.22 (2) (bm) shall reside in the territory of the school district created by  
19 the reorganization.

20           **SECTION 29.** 121.07 (6) (e) of the statutes is renumbered 121.07 (6) (e) 1.

21           **SECTION 30.** 121.07 (6) (e) 2. of the statutes is created to read:

22           121.07 (6) (e) 2. For a school district from which territory was detached to  
23 create a school district under s. 117.105, in each of the 4 school years beginning on  
24 the July 1 following the effective date of the reorganization under s. 117.105, the

**ASSEMBLY BILL 304****SECTION 30**

1 amounts under par. (b) and (d) shall be multiplied by 1.1 and rounded to the next  
2 lower dollar.

3 **SECTION 31.** 121.07 (7) (e) of the statutes is renumbered 121.07 (7) (e) 1.

4 **SECTION 32.** 121.07 (7) (e) 2. of the statutes is created to read:

5 121.07 (7) (e) 2. For a school district from which territory was detached to  
6 create a school district under s. 117.105, in each of the 4 school years beginning on  
7 the July 1 following the effective date of the reorganization under s. 117.105, the  
8 amounts under pars. (a) to (bm) shall be multiplied by 1.1 and rounded to the next  
9 lower dollar.

10 **SECTION 33.** 121.78 (2) (bm) of the statutes is created to read:

11 121.78 (2) (bm) The school board of a school district from which territory was  
12 detached to create a school district under s. 117.105 and the school board of the school  
13 district created under s. 117.105 shall permit a pupil who resides in the territory that  
14 was detached to continue to attend school in the school district from which the  
15 territory was detached until the school district created by the reorganization begins  
16 offering instruction at the pupil's grade level. The school board of the school district  
17 created by the reorganization shall pay tuition for the pupil.

18 **SECTION 34.** 121.78 (2) (br) of the statutes is created to read:

19 121.78 (2) (br) 121.78 (2) (br) The school board of a school district from which  
20 territory was detached to create a school district under s. 117.105 and the school  
21 board of the school district created under s. 117.105 shall permit a pupil who resides  
22 in the territory that was detached and has gained 12th grade status in the school  
23 district from which the territory was detached to continue to attend school in the  
24 school district from which the territory was detached. The school board of the school  
25 district created by the reorganization shall pay tuition for the pupil.

**ASSEMBLY BILL 304**

1           **SECTION 35.** 121.84 (1) (b) of the statutes is amended to read:

2           121.84 (1) (b) Upon request of a pupil's parent or guardian, a school board of  
3 a district operating high school grades shall permit a pupil who has gained 12th  
4 grade status in a high school under its jurisdiction and is a resident of the school  
5 district at the time of gaining such status to complete 12th grade at the high school  
6 without payment of tuition, even though the pupil is no longer a resident of the school  
7 district. This paragraph does not apply to a pupil to whom s. 121.78 (2) (br) applies.

8           **SECTION 36.** 121.90 (2) of the statutes is renumbered 121.90 (2) (intro.) and  
9 amended to read:

10           121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09, 121.10 and  
11 121.105 and subch. VI, as calculated for the current school year on October 15 under  
12 s. 121.15 (4), except that "state aid" excludes any all of the following:

13           (a) Any additional aid that a school district receives as a result of ss. 121.07 (6)  
14 (e) 1. and (7) (e) 1. and 121.105 (3) for school district consolidations that are effective  
15 on or after July 1, 1995, as determined by the department.

16           **SECTION 37.** 121.90 (2) (b) of the statutes is created to read:

17           121.90 (2) (b) Any additional aid that a school district receives as a result of s.  
18 121.07 (6) (e) 2. and (7) (e) 2. for school district reorganizations under s. 117.105, as  
19 determined by the department.

20           **SECTION 38.** 121.905 (3) (a) of the statutes is renumbered 121.905 (3) (a) 1. and  
21 amended to read:

22           121.905 (3) (a) 1. ~~Calculate~~ Except as provided under subd. 2., calculate the  
23 sum of the amount of aid received under ss. 121.08, 121.10 and 121.105 and subch.  
24 VI in the previous school year and property taxes levied for the previous school year,  
25 excluding funds described under s. 121.91 (4) (c), and the costs of the county

**ASSEMBLY BILL 304****SECTION 38**

1       handicapped children's education board program, as defined in s. 121.135 (2) (a) 2.,  
2       for pupils who were school district residents and solely enrolled in a special education  
3       program provided by a county handicapped children's education board in the  
4       previous school year.

5               **SECTION 39.** 121.905 (3) (a) 2. of the statutes is created to read:

6               121.905 (3) (a) 2. For a school district created under s. 117.105, for the school  
7       year beginning with the effective date of the reorganization, perform the following  
8       calculations:

9               a. Calculate the sum under subd. 1. for each of the school districts from which  
10       territory was detached to create the new school district.

11              b. For each of those school districts, divide the result in subd. 2. a. by the  
12       number of pupils enrolled in that school district in the previous school year.

13              c. For each of those school districts, multiply the result in subd. 2. b. by the  
14       number of pupils enrolled in that school district in the previous school year who  
15       resided in territory that was detached to create the new school district.

16              d. Calculate the sum of the amounts determined under subd. 2. c.

17               **SECTION 40.** 121.905 (3) (b) of the statutes is renumbered 121.905 (3) (b) 1. and  
18       amended to read:

19               121.905 (3) (b) 1. ~~Divide~~ Except as provided under subd. 2., divide the result  
20       in par. (a) 1. by the sum of the average of the number of pupils in the 3 previous school  
21       years and the number of pupils who were school district residents and solely enrolled  
22       in a special education program provided by a county handicapped children's  
23       education board program in the previous school year.

24               **SECTION 41.** 121.905 (3) (b) 2. of the statutes is created to read:

**ASSEMBLY BILL 304**

1           121.905 (3) (b) 2. For a school district created under s. 117.105, for the school  
2 year beginning with the effective date of the reorganization, divide the result in par.  
3 (a) 2. by the number of pupils who in the previous school year were enrolled in a  
4 school district from which territory was detached to create the new school district  
5 and who resided in the detached territory; for the school year beginning on the first  
6 July 1 following the effective date of the reorganization, divide the result in par. (a)  
7 2. by the number of pupils in the previous school year; and for the school year  
8 beginning on the 2nd July 1 following the effective date of the reorganization, divide  
9 the result in par. (a) 2. by the average of the number of pupils in the 2 previous school  
10 years.

11           **SECTION 42.** 121.905 (4) of the statutes is amended to read:

12           121.905 (4) A school district that is exempt from the revenue limits under ~~this~~  
13 ~~section~~ sub. (2) may not increase its base revenue per member to an amount that is  
14 greater than its revenue ceiling unless that school district follows the procedures  
15 prescribed in s. 121.91 (3).

16           **SECTION 43.** 121.91 (2m) (e) of the statutes is created to read:

17           121.91 (2m) (e) 1. Notwithstanding pars. (c) and (d), if a school district is  
18 created under s. 117.105, its revenue limit under this section for the school year  
19 beginning with the effective date of the reorganization shall be determined as follows  
20 except as provided under subs. (3) and (4):

21           a. Divide the result under s. 121.905 (3) (a) 2. by the total number of pupils who  
22 in the previous school year were enrolled in a school district from which territory was  
23 detached to create the new school district and who resided in the detached territory.

24           b. Add \$206 to the result under subd. 1. a.

**ASSEMBLY BILL 304****SECTION 43**

1           c. Multiply the result under subd. 1. b. by the number of pupils who in the  
2 previous school year were enrolled in a school district from which territory was  
3 detached to create the new school district and who resided in the detached territory,  
4 or by the number of pupils enrolled in the new school district in the current school  
5 year, whichever is greater.

6           2. If a school district is created under s. 117.105, the following adjustments to  
7 the calculations under pars. (c) and (d) apply for the 2 school years beginning on the  
8 July 1 following the effective date of the reorganization:

9           a. For the school year beginning on the first July 1 following the effective date  
10 of the reorganization the number of pupils in the previous school year shall be used  
11 under pars. (c) 1. and (d) 1. instead of the average of the number of pupils in the 3  
12 previous school years, and for the school year beginning on the 2nd July 1 following  
13 the effective date of the reorganization the average of the number of pupils in the 2  
14 previous school years shall be used under pars. (c) 1. and (d) 1. instead of the average  
15 of the number of pupils in the 3 previous school years.

16           b. For the school year beginning on the first July 1 following the effective date  
17 of the reorganization the average of the number of pupils in the current and the  
18 previous school years shall be used under pars. (c) 4. and (d) 4. instead of the average  
19 of the number of pupils in the current and the 2 preceding school years.

20           **SECTION 44.** 121.91 (4) (c) 3. of the statutes is created to read:

21           121.91 (4) (c) 3. Funds needed for the payment of any general obligation debt  
22 service, including debt service on debt issued or reissued to fund or refund  
23 outstanding municipal obligations, interest on outstanding municipal obligations or  
24 the payment of related issuance costs or redemption premiums, authorized by a  
25 resolution of the school board and secured by the full faith and credit of the school

**ASSEMBLY BILL 304**

1 district if the issuance of the debt was not subject to a referendum as a result of s.  
2 67.05 (6a) (bg) or (7) (j) or 67.12 (12) (e) 2r. or (h).

3 **SECTION 45.** 121.91 (4) (f) of the statutes is created to read:

4 121.91 (4) (f) The limit otherwise applicable to a school district from which  
5 territory is detached to create a school district under s. 117.105 is increased for the  
6 school year beginning with the effective date of the reorganization under s. 117.105  
7 by an amount equal to 10% of the school district's state aid.

8 (END)