



1995 SENATE BILL 608

March 7, 1996 – Introduced by Senators ROSENZWEIG, FARROW and DARLING, cosponsored by Representatives DUFF and GOETSCH. Referred to Committee on Education and Financial Institutions.

1 **AN ACT to amend** 121.07 (6) (a) (intro.); and **to create** 121.07 (6) (ag) of the
2 statutes; **relating to:** the effect on a school district's shared cost of making
3 certain capital expenditures.

Analysis by the Legislative Reference Bureau

Under current law, a school district's shared cost consists of those costs incurred by the school district that are shared by the state through the state aid formula.

This bill provides that if a school district's general fund balance on June 30, 1995, is greater than its general fund balance on June 30, 1993, and the school district makes an expenditure for a capital improvement from its general fund, the school district may choose to include in its shared cost only 10% of the amount of the expenditure (which may not exceed the difference between those general fund balances) in the school year of the expenditure and in each of the 9 succeeding school years. Under current law, the entire expenditure is included in the school district's shared cost in the school year in which it is made.

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.** 121.07 (6) (a) (intro.) of the statutes, as affected by 1995 Wisconsin
5 Act 27, is amended to read:

6 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
7 and the net cost of the debt service fund, except as provided in par. (ag) and except

1 that "shared cost" excludes any costs, including attorney fees, incurred by a school
2 district as a result of its participation in a lawsuit commenced against the state,
3 beginning with such costs incurred in the fiscal year in which the lawsuit is
4 commenced. In this paragraph, "net cost of the debt service fund" includes all of the
5 following amounts:

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

7 121.07 (6) (ag) If a school district's general fund balance on June 30, 1995, is
8 greater than its general fund balance on June 30, 1993, and the school district makes
9 an expenditure for a capital improvement from its general fund, the school district
10 may choose to include in its shared cost only 10% of the amount of the expenditure
11 in the school year of the expenditure and in each of the 9 succeeding school years, if
12 the total does not exceed the difference between those general fund balances and the
13 amount has not been so included under this paragraph in previous school years.

14 **SECTION 3. Initial applicability.**

15 (1) This act first applies to the payment of state aid to school districts in the
16 1996-97 school year.

17 (END)