

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/9/99**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Loppnow**

This file may be shown to any legislator: **NO**

Drafter: **mlief**

May Contact:

Alt. Drafters: **shoveme
champra**

Subject: **Education - MPS
Education - school finance
Bonding - municipal
Bonding - state**

Extra Copies: **PG, JTK**

Pre Topic:

LFB:.....Loppnow -

Topic:

Intradistrict integration aid for MPS and redevelopment authority bonding

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mlief 06/11/99	gilfokm 06/11/99	jfrantze 06/12/99	_____	lrb_docadmin 06/12/99		
/2	grantpr 06/14/99	gilfokm 06/14/99	martykr 06/14/99	_____	lrb_docadmin 06/15/99		
/3	grantpr 06/15/99	gilfokm 06/15/99	mclark 06/15/99	_____	lrb_docadmin 06/15/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **06/9/99**

Received By: **mlief**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Loppnow**

This file may be shown to any legislator: **NO**

Drafter: **mlief**

May Contact:

Alt. Drafters:

shoveme
champra

Subject: **Education - MPS
Education - school finance
Bonding - municipal
Bonding - state**

Extra Copies: **PG, JPK
KMG**

Pre Topic:

LFB:.....Loppnow -

Topic:

Intradistrict integration aid for MPS and redevelopment authority bonding

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mlief 06/11/99	gilfokm 06/11/99	jfrantze 06/12/99	_____	lrb_docadmin 06/12/99		
/2	grantpr 06/14/99	gilfokm 06/14/99	martykr 06/14/99	_____	lrb_docadmin 06/15/99		

FE Sent For:

13-6-15-99
KMG

MRC
6/15
MRC/IS
Colls
<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 06/9/99

Received By: mlief

Wanted: As time permits

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Loppnow

This file may be shown to any legislator: NO

Drafter: mlief

May Contact:

Alt. Drafters: shoveme
champra

Subject: Education - MPS
Education - school finance
Bonding - municipal
Bonding - state

Extra Copies: PG, ~~PK~~,
KMG

Pre Topic:

LFB:.....Loppnow -

Topic:

Intradistrict integration aid for MPS and redevelopment authority bonding

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	mlief	1-6-11-99 KMG	Jo 6/12	Jo KM 6/12			

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 6/9/99

DELIVER TO: Peter Grant

Addressee Fax #: 48522 Addressee Phone #: _____

of Pages, Including Cover: 7 Sender's Initials: DL & RH

From: Dave Loppnow & Ruth Hardy

Message: Attached are the motions the Committee adopted last night relating to the Chapter 220 program.

JFC adopted motion 1198, as amended by points 3 & 4 in motion 1191 (note date change in 1191#4).

We don't know who all will work on this, but with regard to the moral obligation pledge on the bonding, it's patterned after the stadium district language (s. 229.74).

Thanks!

Dave & Ruth

Representative Riley
Representative Duff
Senator Burke
Representative Ward

CHAPTER 220 INTEGRATION AID

Intra-District Aid and \$200 Million in Redevelopment Authority Bonding

Motion:

Move to:

Shared cost = less cost of pupil transported w/o consent
Aid may not be used for transporting child

121.58 (2) (a)
121.67 (6) (b)
change default sh. cost.
121.85 (7)

a. Limit the intra-district aid received by Milwaukee Public Schools (MPS) for transferring a pupil out of a pupil's neighborhood attendance area to another area unless MPS has obtained the written consent of the pupil's parent or guardian prior to the transfer, for pupils who exceed certain percentage thresholds under (b). If such consent is not obtained, specify that MPS would be ineligible for intra-district aid for that pupil. In addition, MPS could not receive aid for the transportation costs relating to that pupil under the state categorical transportation aid nor under state equalization aid.

b. Beginning in 1999-00, MPS would be required to annually collect and report to the Legislature on the number and percentage of students transferred outside of their attendance district without their parents' or guardians' permission. This data would be reported on an attendance area basis, indicating the pupils' race, sex and grade level. (ADD)

c. Establish the following percentage thresholds for the percentage of pupils transferred with written consent: school year 2000-01--75%; school year 2001-02--80%; school year 2002-03--90%; school year 2003-04--95%; and 2004-05 and thereafter--100%. Provide that MPS would not be eligible to receive aid as specified in (a) for each pupil by which MPS fails to attain these percentage goals.

d. Provide that MPS would be required to submit a plan to the Joint Finance Committee (JFC) on the following by May 1, 2000: P 6

1. How the target percentages will be met;
2. A facility plan specifying the neighborhood schools that would be needed, the location of specialty schools and the estimated cost of the facility plan;
3. Other means by which neighborhood school capacity could be expanded, including remodeling and use of nontraditional facilities; and
4. Specific plans for creating neighborhood schools and replicating or relocating specialty

5. Identify alternative settings to educate pupils that would meet pupil safety and AOA standards, schools throughout the City in a way that would increase neighborhood school attendance.

e. Specify that the plan under (c) would be subject to review and approval by JFC under s.13.10 no later than September 1, 2000. Provide that JFC could approve or modify the plan, and that the Department of Public Instruction (DPI) could not release any MPS intra-district transfer aid for 2000-01 until JFC has acted. PC

f. Require each neighborhood school in MPS to provide space for non-neighborhood transfer pupils beginning in school year 2000-01, to allow pupils to transfer between schools and attendance areas within the system. Provide that if this reserved space is not used by pupils from outside a school's attendance area, then pupils from within that school's attendance area could fill those reserved spaces. Specify that once pupils would be admitted to a school, they could continue in that school in future years and that their siblings would be given priority for attendance at that school in any selection process. Provide that MPS could use any intra-district aid to maintain prior neighborhood school attendance, allowing MPS to use this aid to transport pupils who move during the school year back to their original school, if the pupil so chooses. 119.24

g. Authorize up to \$200 million in bonding for the Redevelopment Authority of the City of Milwaukee to finance capital improvements at the request of MPS to implement the plan approved under (d). Specify that this bonding limitation would exclude obligations issued to refund outstanding bonds or notes under this authorization and that these bonds could be issued without referenda approval. Provide that the bonds could not have a maturity in excess of 20 years and that no bonds could be issued more than five years after the effective date of the bill. Specify that the intra-district aid received by MPS could be used to pay debt service on these bonds. Authorize DPI at the request of MPS to intercept state aid to MPS and remit it to the Authority in an annual amount agreed upon by MPS and the Authority. Specify that MPS could not levy to replace any aid that is used to pay debt service on these bonds. DADD

h. Establish a state moral obligation pledge for this \$200 million of bonding as follows:

Special Debt Service Reserve Fund. Provide that the Authority could create special debt service reserve funds by designating one or more accounts that would be used for amounts set aside for the payment of principal and interest and for the creation and maintenance of any required reserves. This reserve could only be created if, prior to each bond issue, the Secretary of Administration would determine that all of the following conditions would be met with respect to the bonds:

Purpose. The bond proceeds, other than refunding bonds, would be used for MPS school facilities.

Feasibility. There would have to be a reasonable likelihood that the bonds would be repaid without the necessity of drawing on funds in the reserve fund that secures the bonds. This likelihood would be determined by the Secretary of Administration after considering all of the following:

Am 12-1-85 (P) If pupil leaves, need school - can be housed back - Aid may be used who have moved during school year to previous school after.

1. Whether a pledge of MPS revenues is made under the bond resolution.
2. How the MPS revenues are pledged to the payment of the bonds, including any loan, lease or lease purchase agreement evidencing the obligation of MPS to make payments to the Redevelopment Authority of the City of Milwaukee.
3. The proposed interest rates of the bonds and the resulting cash-flow requirements.
4. The projected ratio of annual revenues to annual debt service of the Authority, taking into account capitalized interest.
5. Whether an understanding exists providing for repayment by the Authority to the state of all amounts appropriated to the reserve fund and whether the Authority has agreed to provide DOA with all financial reports and regular monthly statements of any trustee of the bonds on a direct and ongoing basis.
6. Whether the Authority has agreed that DOA would have direct and immediate access, at any time and without notice, to all records of the Authority relating to these bonds.

Refunding bonds. All refunding bonds secured by a special debt service reserve fund would have to meet all of the following conditions:

1. The refunding bonds would be issued to fund, refund or advance refund bonds secured by the reserve.
2. The refunding of bonds would not adversely affect the risk that the state would be called on to make a payment under its moral obligation pledge.

Approval of outstanding debt. All outstanding debt of the Authority from this \$200 million of the Authority would have to be reviewed and approved by the Secretary of Administration. In making this determination, the Secretary could consider any factor that would have a bearing on whether the state moral obligation pledge should be granted.

Payments to Reserve Fund. The Authority would pay into the reserve fund any monies provided by the state for the purpose of the fund, any proceeds of a sale of bonds as specified in the bond resolution and any other monies made available to the Authority for this purpose from any other source.

Use of Monies in the Special Debt Service Reserve Fund. The monies held in the reserve fund would be used solely for payment of the principal, interest or sinking fund payments on the bonds, or for the purchase, redemption or redemption premiums of the bonds, unless otherwise specifically provided. The Authority would be unable to use the fund for any optional purchase or redemption of bonds if the fund balance were to drop below the amount required in the bond resolution. Permit interest earned in the reserve funds to be transferred to other funds or accounts of the Authority relating to these bonds as long as the transfer would not reduce the fund balance below the reserve fund requirement.

Limitation on Bonds Secured by a Special Debt Service Reserve Fund. Require the Authority to maintain a fund balance in the reserve fund that would equal an amount stated for that purpose in the bond resolution. Additional bonds secured by this reserve fund could not be issued if the amount of reserve funds would be less than the required reserve amount.

Special Debt Service Reserve Fund Requirement. The reserve fund requirement, as of any particular date, would equal the amount provided in the bond resolution, such that it may not exceed the maximum annual debt service on the bonds for that or any future fiscal year. Bonds deemed to have been paid would not be included in bonds outstanding when computing annual debt service. The annual debt service would equal all principal, interest and specified sinking fund payments (based on the assumption that the bonds would cease to be outstanding by reason of the payment of the bonds when due and all of the sinking fund payments payable at the date of computation).

Valuation of Securities in Special Debt Service Reserve Fund. The securities in which the reserve fund is invested would be valued periodically at their fair market value when determining the amount of a reserve fund.

State Moral Obligation Pledge. Provide that if the value of the special debt service reserve fund were to drop below the bond resolution requirement, the Authority would certify to the Secretary of Administration, the Governor, the Joint Committee on Finance, the amount necessary to restore the reserve fund to the required amount. The Secretary would be required to include the certified amount in the budget compilation if the certification was received in an even numbered year prior to the completion of the budget compilation. In any case, the Committee would be required to introduce a bill in either house appropriating the certified amount to the appropriate reserve fund of the Authority. Specify that the Legislature recognizes a moral obligation to make this appropriation, and expresses its expectation and aspiration that if ever called upon to do so, it would make this appropriation.

i. Establish a hold harmless provision for the amount of intra-district aid received by MPS. Provide that beginning in 1999-00, the intra-district aid received by MPS would be the greater of the 1998-99 aid amount, adjusted for the change in the March-over-March Consumer Price Index or the actual amount generated under the intra-district aid program less any aid reduced under (a). Specify that this hold harmless provision would continue to apply until the state general obligation bonds are paid off. Provide that in the year following the last principal and interest payment on the state bonds, intra-district aid to MPS would decline to the actual aid entitlement of MPS under the intra-district program.

j. Create a commission to study the Chapter 220 interdistrict and intra-district transfer programs. Provide that the commission would be comprised of the following 15 members: (a) the Governor, or his designee, who would chair the commission; (b) one legislator from the majority and minority party in each house of the Legislature; (c) two members of the MPS School Board; (d) two parents of pupils who reside in the MPS school district, appointed by the MPS Superintendent; (e) two members of suburban school district school boards that participate in the Chapter 220 program, appointed by the Governor; (f) two parents of pupils who reside in a suburban school district that participates in the Chapter 220 program, appointed by the suburban school district

Chapter 220 council; and (g) two members who reside in one of the four non-MPS school districts that participate in the intradistrict transfer program, recommended by the school boards of these school districts and appointed by the Governor.

k. Provide that the commission would be required to study the future of the Chapter 220 program and report to the Joint Committee on Finance by January 1, 2000 with recommendations to: (a) reduce the transportation cost of the program to the state and the participating school districts; (b) maintain the goal of racial desegregation, where feasible; and (c) limit the impact of the program on other school districts in the state.

l. Modify the bill to restore current law treatment for resident school districts of pupils who transfer between school districts (sender aid) in 1999-00 and provided that these pupils would be counted by the school district in which the pupil resides as 0.50 pupil beginning in 2000-01. Provide \$4,400,000 GPR annually to maintain two-thirds funding of partial school revenues.

ADD

m. Delete \$6,590,000 GPR annually of aid to MPS for MPS extended-day preschool to grade six, full-day kindergarten and first grade programs. Provide \$2,196,600 GPR annually of equalization aid funding to maintain two-thirds funding of partial school revenues. Require MPS to continue operation of these programs at the same funding level as in 1998-99.

PG?

Note:

This motion would authorize \$200 million of bonding for the Redevelopment Authority of the City of Milwaukee. Under the motion, MPS could use intra-district aid to pay the debt service on these bonds.

[Change to Bill: \$13,200 GPR]

See next page

Senator Moore

CHAPTER 220 INTEGRATION AID

Amendment to Motion #1198

Motion:

Move to modify Motion #1198 as follows:

- ~~1. Delete a. and c. relating to the percentage thresholds of pupils transferred with written consent; U.C.~~
- ~~2. Delete d.(1) relating to how the target percentages will be met; U.C.~~

3. Add d. (5) to require that the plan identify alternative settings to educate pupils that would meet pupil safety and ADA standards;

4. Delete j. and k. relating to a commission and instead request that the Joint Legislative Council study the Chapter 220 program and report to the Legislature by January 1, 200~~X~~

O. U.C. X

m. Moore A N
s. Gard
 Decker
 14-2

as modified by unan. consent.

Motion 1198 as amended.

A N
Gard
Porter
Decker
Moore
Cowles
11-5

Motion #1191

6/10/99

TC w/ Paula Hanley

119.82

alt ed. → chief dep can center 119.72

2 TANF things → see 60508
funded fun

vbt MPS base revenues
i.e. no GPR (delete GPR
appropri)

see paper 1111

- ✓ ① 119.74 : \$ 430,000 annually
 - ✓ ② 119.75 : \$ 1,070,000 "
 - ✓ ③ 119.71 : \$ 5,090,000 "
- (beg. 59-w)

119.80

→ spending plan just for TANF \$

119.78 combined w/ 119.74



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0607/1

MJL: Kirey

mes, PAC + R

Due Sat., 6/12/99

LFB:.....Loppnow – Intradistrict integration aid for MPS and redevelopment authority bonding

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

INSRT-1
50

D-N
TO mt. 6/11, 5:40 pm

Beginning in the 2000-01 school year

At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 902, line 18: delete the material beginning with “for” and ending with
3 “s. 121.91 (2m) (d)” on line 19 and substitute “for the limit imposed ~~under s. 121.91 (2m) (d)~~
4 ~~under ss. 121.85 (6) (ar) and subch. VII of ch. 121~~”.

5 ✓ 2. Page 1007, line 4: after that line insert:
6 “SECTION 2113~~m~~^g. 119.24 of the statutes is amended to read:

7 **119.24 Admission of pupils.** ~~Each school under the jurisdiction of the board~~
8 ~~shall be open to pupils residing within the attendance district established for that~~
9 ~~school under s. 119.16 (2).~~ A pupil ~~residing in any such district~~ may attend a school
10 in another district with the written permission of the superintendent of schools. ~~The~~
11 board shall provide spaces in each school for pupils who reside outside the

an attendance

other than the one in which he or she resides

attends

1 attendance district for the school, but shall fill any unused spaces with pupils who
 2 reside in the attendance district. A pupil who ~~has been admitted to~~ a school may
 3 ~~remain at~~ ^{continue to attend} that school until he or she graduates from the school and each sibling of
 4 that pupil shall be given priority over other pupils in process of admission for that
school.

INS. (5)
2-5

History: 1985 a. 29

INS. 2-5-KAR [from next page]

3. Page 1014, line 7: after that line insert:

"SECTION 2142d. 121.58 (2) (a) of the statutes is amended to read:

121.58 (2) (a) A school district which provides transportation to and from a
 school under ss. 121.54 (1) to (3), (5) and (6) and 121.57, and the nonresident school
 district that a pupil attends under s. 118.51 which elects to provide transportation
 under s. 121.54 (10), shall be paid state aid for such transportation at the rate of \$30
 per school year per pupil so transported whose residence is at least 2 miles and not
 more than 5 miles from the school attended, \$45 per school year per pupil so
 transported whose residence is at least 5 miles and not more than 8 miles from the
 school attended, \$60 per school year per pupil so transported whose residence is at
 least 8 miles and not more than 12 miles from the school attended, \$68 per school year
 per pupil so transported whose residence is at least 12 miles and not more than 15
 miles from the school attended, \$75 per school year per pupil so transported whose
 residence is at least 15 miles and not more than 18 miles from the school attended,
 and \$85 per school year per pupil so transported whose residence is more than 18
 miles from the school attended. Such state aid shall be reduced proportionately in
 the case of a pupil transported for less than a full school year because of
 nonenrollment. State aid for transportation shall not exceed the actual cost thereof.
 No state aid of any kind may be paid to a school district which charges the pupil

1 transported or his or her parent or guardian any part of the cost of transportation
 2 provided under ss. 121.54 (1) to (3), (5), (6) and (10) and 121.57 or which wilfully or
 3 negligently fails to transport all pupils for whom transportation is required under
 4 s. 121.54. The school district operating under ch. 119 may not use aid received under
 5 this section to pay the ^{sub}transportation costs of ^{transporting} transfer pupils for whom the school
 6 district does not receive aid under s. 121.85 (6) (am). after that line insert:

INS. 2-5-KA

Page 1012, line 12: 2135E
 History: 1971 c. 125 s. 522 (1); 1973 c. 89, 333; 1975 c. 392; 1977 c. 29; 1979 c. 34 ss. 966d, 2102 (43) (a); 1979 c. 221; 1983 a. 27, 538; 1985 a. 29; 1993 a. 492; 1995 a. 27, 439; 1997 a. 27, 113, 164.

7 ((SECTION ~~2135E~~ 121.07 (6) (a) (intro.) of the statutes is amended to read:
 8 121.07 (6) (a) "Shared cost" is the sum of the net cost of the general fund and
 9 the net cost of the debt service fund, except that "shared cost" excludes any costs,
 10 including attorney fees, incurred by a school district as a result of its participation
 11 in a lawsuit commenced against the state, beginning with such costs incurred in the
 12 fiscal year in which the lawsuit is commenced and ^{the}excludes ~~transportation~~ costs of
 13 ^{transporting} those transfer pupils for whom the school district operating under ch. 119 does not
 14 receive aid under s. 121.85 (6) (am). In this paragraph, "net cost of the debt service
 15 fund" includes all of the following amounts:))

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286.

16 SECTION 2142m. 121.85 (6) (a) (intro.) of the statutes is amended to read:
 17 121.85 (6) (a) Intradistrict transfer. (intro.) The [✓]Except as provided under pars.
 18 (am) and (ar), the school district of attendance of pupils transferring from one
 19 attendance area to another under subs. (3) (b) and (4) shall be entitled to an amount
 20 determined as follows:"

History: 1975 c. 220; 1977 c. 29, 418; 1979 c. 34 ss. 966m, 2102 (43) (a); 1979 c. 221; 1981 c. 20, 385; 1983 a. 27 s. 2202 (42); 1983 a. 189; 1985 a. 29; 1987 a. 399; 1989 a. 31, 259, 336; 1991 a. 39, 48; 1993 a. 16; 1995 a. 27 ss. 4095m to 4098, 9145 (1); 1997 a. 27.

21 ✓ 4. Page 1014, line 10: after that line insert:
 22 "SECTION 2143m. 121.85 (6) (am) of the statutes is created to read:

1 121.85 (6) (am) *Reduction of intradistrict transfer aid.* The school district
2 operating under ch. 119 may not receive aid under par. (a) for the number of pupils,
3 calculated as follows: *if the calculation results in a positive number*

4 1. In the 2000-01 school year:

5 a. Subtract from 75% the percentage of pupils enrolled in the school district
6 whose parents or guardians have provided the board of school directors with written
7 consent to a pupil transfer to another attendance district.

8 b. ~~If the result under subd. 1. a. is greater than zero,~~ multiply ^{the} that result by *under subd. 1. a.*
9 the total number of transfer pupils under par. (a) in the current school year.

10 2. In the 2001-02 school year:

11 a. Subtract from 80% the percentage of pupils enrolled in the school district
12 whose parents or guardians have provided the board of school directors with written
13 consent to a pupil transfer to another attendance district.

14 b. ~~If the result under subd. 2. a. is greater than zero,~~ multiply ^{the} that result by *under subd. 2. a.*
15 the total number of transfer pupils under par. (a) in the current school year.

16 3. In the 2002-03 school year:

17 a. Subtract from 90% the percentage of pupils enrolled in the school district
18 whose parents or guardians have provided the board of school directors with written
19 consent to a pupil transfer to another attendance district.

20 b. ~~If the result under subd. 3. a. is greater than zero,~~ multiply ^{the} that result by *under subd. 3. a.*
21 the total number of transfer pupils under par. (a) in the current school year.

22 4. In the 2003-04 school year:

23 a. Subtract from 95% the percentage of pupils enrolled in the school district
24 whose parents or guardians have provided the board of school directors with written
25 consent to a pupil transfer to another attendance district.

under subd. 4. a. Δ

1 b. ~~If the result under subd. 4. a. is greater than zero,~~ multiply that result by
2 the total number of transfer pupils under par. (a) in the current school year.

3 ^{f. 5}
4 In the 2004-05 school year and each school year thereafter, the number of
5 pupils enrolled in the school district whose parents or guardians have not provided
6 the board of school directors with written consent to a pupil transfer to another
attendance district.

7 SECTION 2143n. 121.85 (6) (an) of the statutes is created to read:

8 121.85 (6) (an) Report. Annually, by May 1, the board of directors of the school
9 district operating under ch. 119 shall submit a report to the legislature under s.
10 13.172 that ~~contains~~ ^{specific} the number and percentage of pupils transferred outside their
11 attendance district without written consent under ~~s. 121.85 (6) (am).~~ ^{par.}

adjusted for the school years since the 1998-99 school year by

12 SECTION 2143p. 121.85 (6) (ar) of the statutes is created to read:

13 121.85 (6) (ar) Hold harmless. ^{department shall pay to the} The school district operating under ch. 119 shall
14 ~~receive~~ the amount of aid that it received in the ¹⁹⁹⁸⁻⁹⁹ previous school year under par. (a)

15 ~~multiplied by the sum of F.O. plus~~ the allowable rate of increase under s. 73.0305,
16 ~~expressed as a decimal,~~ ^{amount of} or the aid to which the school district is entitled under par. (a) ^{as}

~~(am),~~ ^{reduced by par. (am)} whichever is greater.

17 This paragraph does not apply beginning in the first
18 fiscal year following certification by the secretary of administration to the
19 department that the last principal and interest payment on the bonds issued under
20 s. 66.431 (5m) has been made. >>

21 5. Page 1014, line 16: after that line insert:

22 "SECTION 2146m. 121.85 (6m) of the statutes is created to read:

23 121.85 (6m) USE OF AID FOR DEBT SERVICE. The board of directors of the school
24 district operating under ch. 119 may use aid under sub. (6) ^(at) to pay debt service on

1 bonds issued under 66.431 (5m) . If the board of school directors decides to use the
 2 aid to pay the debt service, it shall request the department to remit the aid under sub.
 3 (6) ^(ar) to the redevelopment authority of the city of Milwaukee in an annual amount
 4 agreed to by the board of school directors and the department.

5 **SECTION 2146r.** 121.85 (7) of the statutes is amended to read:

6 121.85 (7) TRANSPORTATION. Transportation shall be provided to pupils
 7 transferring schools under this section if required under subch. IV. Transportation
 8 for a pupil attending a public school under sub. (3) (a) outside the pupil's school
 9 district of residence shall be provided pursuant to agreement between the school
 10 district of residence and the school district of attendance. If either the school district
 11 of residence or the school district of attendance operates a program of intradistrict
 12 transfers under sub. (3) (b), that school district shall be responsible for the cost of
 13 transportation. The school district may meet this responsibility either by
 14 contracting directly for provision of transportation or by reimbursing another school
 15 district for the cost of such a contract. Transportation for a pupil attending a public
 16 school under sub. (3) (b) outside his or her attendance area of residence may be
 17 provided by his or her school district. A school district providing transportation
 18 under this subsection may not claim transportation aid under subch. IV for pupils
 19 so transported. A school district that transports a pupil who moves outside his or her
 20 attendance district during the school year to the school in the pupil's former
 21 attendance district may use aid under sub. (6) ^(ar) to pay the costs of transporting the
 22 pupil."

History: 1975 c. 220; 1977 c. 29, 418; 1979 c. 34 ss. 966m, 2102 (43) (a); 1979 c. 221; 1981 c. 20, 385; 1983 a. 27 s. 2202 (42); 1983 a. 189; 1985 a. 29; 1987 a. 399; 1989 a. 31, 239, 336; 1991 a. 39, 48; 1993 a. 16; 1995 a. 27 ss. 4095m to 4098, 9145 (1); 1997 a. 27.

23 **6.** Page 1456, line 8: delete "2000-01" and substitute "2001-02".

INS.
6-22

INSERT 1 ✓

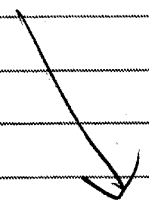
✓ # Page 393, line ³ 3: delete ^{lines} 3 to 13 ~~119.71~~

~~119.71~~ and substitute:

" SECTION 261m RP, 20-255(2)(^{ec}ec) "

✓ # Page 394, line ⁸ 8: delete " 119.71,
119.72, 119.75 " and substitute " ⁹119.72 " .

✓ # Page 701, line ¹⁵ 15: delete " 119.71,
119.72, 119.75 " and substitute " ⁹119.72 " .



1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0607/1ins
MES.....

Insert 1-11

1 ✓ 1. Page 817, line 23: after that line insert:

2 "SECTION 1628g. 66.431 (5) (a) 4. c. of the statutes is amended to read:

3 66.431 (5) (a) 4. c. To issue bonds in its discretion to finance its activities under
4 this section, including the payment of principal and interest upon any advances for
5 surveys and plans, and may issue refunding bonds for the payment or retirement of
6 such bonds previously issued by it. ~~Such~~ Except for bonds described under subd. ~~4. d.~~

7 4. d. such bonds shall be made payable, as to both principal and interest, solely from
8 the income, proceeds, revenues, and funds of the authority derived from or held in
9 connection with its undertaking and carrying out of projects or activities under this
10 section; provided that payment of such bonds, both as to principal and interest, may
11 be further secured by a pledge of any loan, grant or contribution from the federal
12 government or other source, in aid of any projects or activities of the authority under
13 this section, and by a mortgage of any such projects or activities, or any part thereof.
14 Bonds issued under this section shall not constitute an indebtedness within the
15 meaning of any constitutional or statutory debt limitation or restriction of the state,
16 city or of any public body other than the authority issuing the bonds, and shall not
17 be subject to any other law or charter relating to the authorization, issuance or sale
18 of bonds. Bonds issued under this section are declared to be issued for an essential
19 public and governmental purpose and, together with interest thereon and income
20 therefrom, shall be exempt from all taxes. Bonds issued under this section shall be
21 authorized by resolution of the authority and may be issued in one or more series and
22 shall bear such date, be payable upon demand or mature at such time, bear interest

1 at such rate, be in such denomination, be in such form either with or without coupon
2 or registered, carry such conversion or registration privileges, have such rank or
3 priority, be payable in such medium of payment, at such place, and be subject to such
4 terms of redemption, with or without premium, be secured in such manner, and have
5 such other characteristics, as is provided by the resolution, trust indenture or
6 mortgage issued pursuant thereto. Bonds issued under this section shall be executed
7 as provided in s. 67.08 (1) and may be registered under s. 67.09. The bonds may be
8 sold or exchanged at public sale or by private negotiation with bond underwriters as
9 the authority may provide. The bonds may be sold or exchanged at such price or
10 prices as the authority shall determine. If sold or exchanged at public sale, the sale
11 shall be held after a class 2 notice, under ch. 985, published prior to such sale in a
12 newspaper having general circulation in the city and in such other medium of
13 publication as the authority determines. Such bonds may be sold to the federal
14 government at private sale, without publication of any notice, at not less than par,
15 and, if less than all of the authorized principal amount of such bonds is sold to the
16 federal government, the balance may be sold at private sale at not less than par at
17 an interest cost to the authority of not to exceed the interest cost to the authority of
18 the portion of the bonds sold to the federal government. Any provision of any law to
19 the contrary notwithstanding, any bonds issued pursuant to this section shall be
20 fully negotiable. In any suit, action or proceeding involving the validity or
21 enforceability of any bond issued under this section or the security therefor, any such
22 bond reciting in substance that it has been issued by the authority in connection with
23 a project or activity under this section shall be conclusively deemed to have been

1 issued for such purpose and such project or activity shall be conclusively deemed to
2 have been planned, located and carried out in accordance with this section.

History: 1973 c. 172; 1975 c. 4, 94, 350; 1979 c. 89, 110, 221; 1981 c. 20, 112, 232; 1983 a. 24, 189; 1985 a. 219; 1987 a. 27, 403; 1989 a. 31, 89; 1991 a. 316; 1993 a. 16, 112, 172, 184, 268, 301; 1995 a. 27, 225.

3 SECTION 1628h. 66.431 (5) (a) 4. d. of the statutes is created to read:

4 66.431 (5) (a) 4. d. Subject to sub. (5m), the authority of a 1st class city may
5 issue up to \$200^{3,000,000} million in bonds to finance capital improvements at the request of

6 the Milwaukee public school system to implement the plan described in ^{report approved under} ~~the~~ ¹³² ~~the~~

7 \$200 million limit in this subdivision paragraph does not apply to obligations issued

8 to refund outstanding bonds or notes under this authorization. Bonds issued under

9 this ~~subdivision paragraph~~ ^{subd. 4. d.} may not have a maturity in excess of 20 years, and may

10 not be issued later than the ~~first~~ ^{first} day of the 60th month beginning after the effective

11 date of this ~~subdivision paragraph~~ ^{subd. 4. d.} [revisor inserts date]. Principal and interest

12 payments on bonds issued under this ~~subdivision paragraph~~ ^{subd. 4. d.} may be paid by the

13 Milwaukee public school system. **[this creates a possible public purpose**

14 **doctrine problem — the taxing jurisdiction that imposes a tax must be the**

15 **taxing jurisdiction that spends the tax's proceeds; Although MPS is**

16 **imposing the tax and spending the money, it's really the redevelopment**

17 **authority that has spent the money]**

board of school directors
of the school district
operating under
ch. 119

1999 Wisconsin Act
... (this act)
Section 9139 (7)(b)
section
TW

1628i 66.431 (5m)

Section # 229.114 of the statutes is amended to read:

created

66.431 (5m) CS, NO Bold

(a) NO CS

229.114 Special debt service reserve funds. DESIGNATION OF SPECIAL DEBT SERVICE RESERVE FUNDS.

A district may designate one or more accounts in funds created under s. 66.066 (2) (e) as special debt service reserve funds, if, prior to each issuance of bonds to be secured by the special debt service reserve fund, the secretary of administration determines that all of the following conditions are met with respect to the bonds: described under sub. (5)(a) 4. d.

1. Purpose. The proceeds of the bonds, other than refunding bonds, will be used for ^{plain} ~~public school~~ facilities in the school district operating under ch. 119

2. Feasibility. The proceeds of bonds, other than refunding bonds, will be used for ^{plain} ~~feasible~~ projects and there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund that secures the bonds. The secretary of administration may make ^{his determination of reasonable likelihood} the determinations required under this paragraph only after considering all of the following:

- a. Whether a pledge of the ~~tax~~ revenues of the ^{school} district is made under the bond resolution.
b. How the ~~tax~~ revenues of the ^{school} district are pledged to the payment of the bonds.

c. Revenue projections for the project to be financed by the bonds, including tax revenues, and the reasonableness of the assumptions on which these revenue projections are based.

d. The proposed interest rates of the bonds and the resulting cash-flow requirements.

e. The projected ratio of annual ~~tax~~ revenues ^{from the school district operating under ch. 119} to annual debt service of the ~~district~~ ^{authority}, taking into account capitalized interest.

f. Whether an understanding exists providing for repayment by the ~~district~~ ^{authority} to the state of all amounts appropriated to the special debt service reserve fund pursuant to ~~sub. (9)~~ par. (9)

g. Whether the ~~district~~ ^{authority} has agreed that the department of administration will have direct and immediate access, at any time and without notice, to all records of the ~~district~~ ^{authority relating to the bonds}

3. ^{plain} ~~Limit on bonds issued.~~ The amount of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the ~~district~~ ^{authority} will not exceed \$160,000,000 ^{\$200,000,000}. In determining compliance with the limitation under this paragraph, the secretary of administration need not include bonds that are secured by a special debt service reserve fund to the extent that proceeds of the bonds are for the following purposes:

1. To make a deposit into a special debt service reserve fund.
2. To pay issuance costs of bonds secured by a special debt service reserve fund.
3. To pay capitalized interest costs on bonds secured by a special debt service reserve fund.
4. To pay any original issue discount.

~~(d) Date of issuance.~~ The bonds, other than refunding bonds, will be issued no later than December 31, 2000 ^{the 1st day of the 60th month beginning after the effective date of this paragraph [redate]}

4. ^{plain} ~~Refunding bonds.~~ All refunding bonds to be secured by the special debt service reserve fund meet all of the following conditions:

- a. ~~3~~ The refunding bonds are to be issued to fund, refund or advance refund bonds secured by a special debt service reserve fund.
- b. ~~2~~ The refunding of bonds by the refunding bonds will not adversely affect the risk that the state will be called on to make a payment under ~~sub. (g)~~ ^{par. (g)}.

5. ^{plain} ~~Approval of outstanding debt.~~ All outstanding debt of the ~~district~~ ^{subdivision} has been reviewed and approved by the secretary of administration. In determining whether to approve outstanding debt under this ~~paragraph~~ ^{subdivision}, the secretary may consider any factor which the secretary determines to have a bearing on whether the state moral obligation pledge under ~~sub. (g)~~ ^{par. (g)} should be granted with respect to an issuance of bonds.

6. ^{plain} ~~Financial reports.~~ The ~~district~~ ^{authority} has agreed to provide to the department of administration, the legislative fiscal bureau and the legislative audit bureau all financial reports of the ~~district~~ ^{authority} and all regular monthly statements of any trustee of the bonds on a direct and ongoing basis.

(b) ^{(1) NO CS} PAYMENT OF FUNDS INTO A SPECIAL DEBT SERVICE RESERVE FUND. ^{The authority} A district shall pay into any special debt service reserve fund of the ^{authority} district any moneys appropriated and made available by the state for the purposes of the special debt service reserve fund, any proceeds of a sale of bonds ^{described under sub. (5)(a) 5 y.d.} to the extent provided in the bond resolution authorizing the issuance of the bonds and any other moneys that are made available to the ^{authority} district for the purpose of the special debt service reserve fund from any other source. ^{(1) NO CS}

(c) ^{(1) NO CS} USE OF MONEYS IN THE SPECIAL DEBT SERVICE RESERVE FUND. All moneys held in any special debt service reserve fund of a ^{authority} district, except as otherwise specifically provided, shall be used ~~only~~ ^{required} solely for the payment of the principal of bonds secured in whole or in part by the special debt service reserve fund, the making of sinking fund payments with respect to these bonds, the purchase or redemption of these bonds, the payment of interest on these bonds or the payment of any redemption premium required to be paid when these bonds are redeemed prior to maturity. If moneys in a special debt service reserve fund at any time are less than the special debt service reserve fund requirement under ^{par. (e)} sub. (5) for the special debt service reserve fund, the ^{authority} district may not use these moneys for any optional purchase or optional redemption of the bonds. Any income or interest earned by, or increment to, any special debt service reserve fund due to the investment of moneys in the special debt service reserve fund may be transferred by the ^{authority} district to other funds or accounts of the ^{authority relating to the bonds} district to the extent that the transfer does not reduce the amount of the special debt service reserve fund below the special debt service reserve fund requirement under ^{par. (e)} sub. (5) for the special debt service reserve fund. ^{(1) NO CS}

(d) ^{(1) NO CS} LIMITATION ON BONDS SECURED BY A SPECIAL DEBT SERVICE RESERVE FUND. ^{The authority} A district shall accumulate in each special debt service reserve fund an amount equal to the special debt service reserve fund requirement under ^{par. (e)} sub. (5) for the special debt service reserve fund. ^{The authority} A district may not at any time issue bonds secured in whole or in part by a special debt service reserve fund if upon the issuance of these bonds the amount in the special debt service reserve fund will be less than the special debt service reserve fund requirement under ^{par. (e)} sub. (5) for the special debt service reserve fund.

(i) NO CS

(2) (b) SPECIAL DEBT SERVICE RESERVE FUND REQUIREMENT. The special debt service reserve fund requirement for a special debt service reserve fund, as of any particular date of computation, is equal to an amount of money, as provided in the bond resolution authorizing the bonds with respect to which the special debt service reserve fund is established, that may not exceed the maximum annual debt service on the bonds of the ~~district~~ ^{authority} for that fiscal year or any future fiscal year of the ~~district~~ ^{authority} secured in whole or in part by that special debt service reserve fund. In computing the annual debt service for any fiscal year, bonds deemed to have been paid in accordance with the defeasance provisions of the bond resolution authorizing the issuance of the bonds shall not be included in bonds outstanding on such date of computation. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all of the following calculated on the assumption that the bonds will, after the date of computation, cease to be outstanding by reason, but only by reason, of the payment of bonds when due, and the payment when due, and application in accordance with the bond resolution authorizing those bonds, of all of the sinking fund payments payable at or after the date of computation:

- 1. (a) All interest payable during the fiscal year on all bonds that are secured in whole or in part by the special debt service reserve fund and that are outstanding on the date of computation.
- 2. (b) The principal amount of all of the bonds that are secured in whole or in part by the special debt service reserve fund, are outstanding on the date of computation and mature during the fiscal year.
- 3. (c) All amounts specified in bond resolutions of the ~~district~~ ^{authority} authorizing any of the bonds that are secured in whole or in part by the special debt service reserve fund to be payable during the fiscal year as a sinking fund payment with respect to any of the bonds that mature after the fiscal year.

(f) (d) VALUATION OF SECURITIES. In computing the amount of a special debt service reserve fund for the purposes of this ~~section~~ ^{NOES}, securities in which all or a portion of the special debt service reserve fund is invested shall be valued at par, or, if purchased at less than par, at their cost to the ~~district~~ ^{authority}

subsection

authoring

(i) NOCS

(9) ~~AM~~ STATE MORAL OBLIGATION PLEDGE. If at any time of valuation the special debt service reserve fund requirement under ~~sub (5)~~ ^{par. (2)} for a special debt service reserve fund exceeds the amount of moneys in the special debt service reserve fund, the ~~district board~~ ^{authority} shall certify to the secretary of administration, the governor ^{and} the joint committee on finance ~~and the governing body of each county in the district~~ the amount necessary to restore the special debt service reserve fund to an amount equal to the special debt service reserve fund requirement under ~~sub (5)~~ ^{par. (2)} for the special debt service reserve fund. If this certification is received by the secretary of administration in an even-numbered year prior to the completion of the budget compilation under s. 16.43, the secretary shall include the certified amount in the budget compilation. In any case, the joint committee on finance shall introduce in either house, in bill form, an appropriation of the amount so certified to the appropriate special debt service reserve fund of the ~~district~~ ^{authority}. Recognizing its moral obligation to do so, the legislature hereby expresses its expectation and aspiration that, if ever called upon to do so, it shall make this appropriation. // •

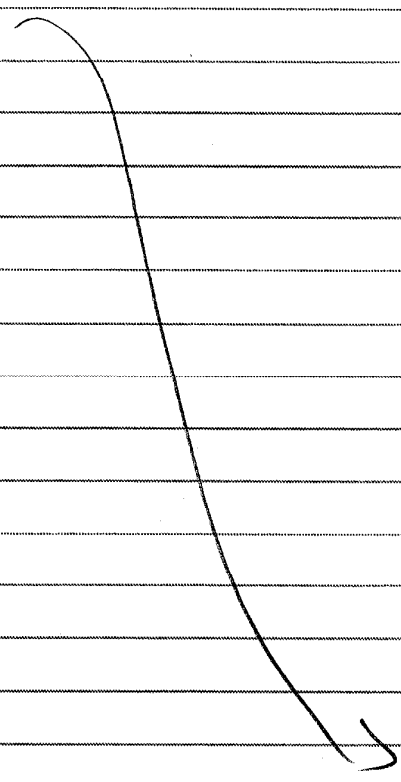
(8) INFORMATION TO JOINT COMMITTEE ON FINANCE. The district shall provide to the cochairpersons of the joint committee on finance information concerning the district's projected cashflows and security features underlying each issuance of bonds under this subchapter.

History: 1995 a. 56.

2-5:2

✓ #. Page 1008, line 20: delete lines
20 to 23 and substitute:

"SECTION 2118g. RP, 119.71 (2)



(2-5):1

~~# Page 1007 line 4: after that the amount.~~

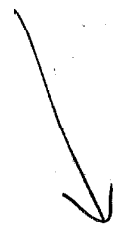
2113
Section #. 119.46 of the statutes is amended to read:

119.46 Taxes for school operations fund. As part of the budget transmitted annually to the common council under s. 119.16 (8) (b), the board shall report the amount of money required for the ensuing school year to operate all public schools in the city under this chapter, to repair and keep in order school buildings and equipment, to make material improvements to school property and to purchase necessary additions to school sites. The common council shall levy and collect a tax upon all the property subject to taxation in the city, which shall be equal to the amount of money required by the board for the purposes set forth in this section, at the same time and in the same manner as other taxes are levied and collected. Such taxes shall be in addition to all other taxes which the city is authorized to levy. The taxes so levied and collected, together with the other funds provided by law and placed at the disposal of the city for the same purposes, shall constitute the school operations fund.

History: 1975 c. 353; 1993 a. 437; 1995 a. 27.

^{ex}cluding an amount equal to the amount of
and received by the board, under s. 126.85 (6) (a)
that the board
used to pay debt service on
bonds issued under s. 66.431 (5m)

[Faint, illegible text]



2-5:3

2/18

Section # 119.71 (3) of the statutes is amended to read:

spend \$5,090,000

Annually, the

119.71 (3) (a) The board shall use the funds received under sub. (2) to expand its half-day 5-year-old kindergarten program to a full-day program, as provided under par. (b), and shall enroll in the expanded program only pupils who meet the income eligibility standards for a free lunch under 42 USC 1758 (b). The board shall select pupils for the expanded program based on the order in which the pupils register for the program.

specific par. (a)

(b) The board shall use the funds received under sub. (2) to pay the costs of teachers, aides and other support staff, transportation of staff to pupils' homes, in-service programs, parental involvement programs and instructional materials. The board may not use the funds to supplant or replace funding otherwise available for full-day 5-year-old kindergarten or to provide facilities to house the program or to pay pupil transportation or indirect administrative costs associated with the program.

History: 1987 a. 399; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.

✓ # Page 1009, line 4: delete lines 4 to 18 and substitute: .



2-5:4

2119 m

Section #. 119.74 (intro.) of the statutes is amended to read:

The
119.74 Extended-day elementary grade, 4-year-old kindergarten and alcohol and other drug abuse programs. (intro.) ~~From the appropriation under s. 20.255 (2) (cc), the state superintendent shall pay to the board the amounts specified in the spending plan under s. 119.80 for the following~~ programs in each school year:

History: 1987 a. 399; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.

shall spend \$430,000

2-5:5

Section #. 119.75 (2) ^{2120d} (a) of the statutes is ~~amended to read:~~ *repealed.*

SECTION 2120h. RA; 119.75 (2) (b); 119.75 (2) ✓

119.75 (2) (a) From the appropriation under s. 20.255 (2) (ec), the state superintendent shall pay to the board the amount specified in the spending plan under s. 119.80 in each school year.

119.75 (2) ~~The~~ ^{Annually, the} board shall use the funds received under par. (a) to pay the costs of teachers, aides and other support staff, transportation of staff to pupils' homes, in-service programs, parental involvement programs and instructional materials related to the programs under sub. (1). The board may not use the funds ~~to supplant or replace funding otherwise available for first grade programs or to provide facilities to house the programs under sub. (1) or to pay pupil transportation or indirect administrative costs associated with the programs under sub. (1).~~

History: 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27 s. 9145 (1); 1997 a. 27.

spend \$ 1,070,000

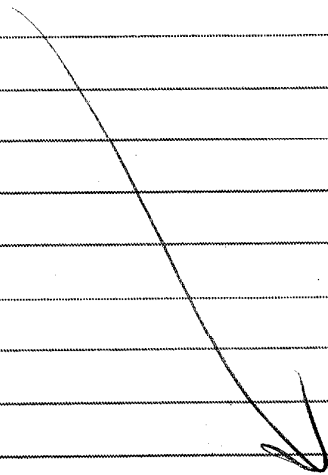


2-5:6

Page 1509, line 4 : delete line
4 to 18 and substitute.

SECTION 2120p. RN. 119.78(1), 119.78⁹

SECTION 2120t. RP. 119.78(2)

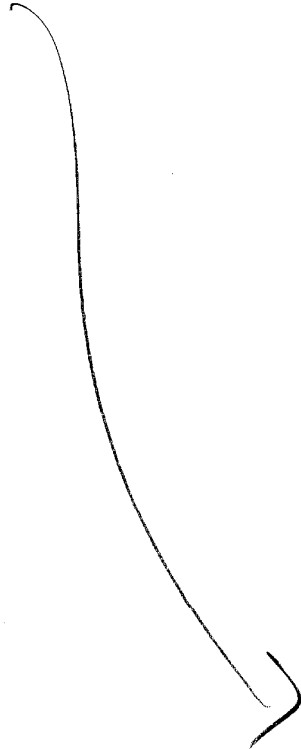


25:7

2121m
Section #. 119.80 (1) of the statutes is amended to read:

119.80 (1) The board shall submit to the ^(kp)governor a proposal for the expenditure of the funds in the appropriation under s. 20.255 (2) ~~(cc)~~ in each school year.

History: 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27; 1997 a. 113.



2-5:8

2122 m

Section #. 119.80 (1m) of the statutes is amended to read:

119.80 (1m) Annually by June 1, the governor shall submit to the joint committee on finance and to the appropriate standing committees of the legislature under s. 13.172 (3) a proposal for the expenditure of the funds in the appropriation under s. 20.255 (2) ~~(ec)~~ in the following school year. By June 15, each such standing committee may submit written recommendations on the proposal to the joint committee on finance.)

(kp)

History: 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27; 1997 a. 113.

✓ # Page 1009, line 20: substitute " ^{app} appropriation " for " appropriations " .

✓ # Page 1009, line 21: delete " (ec) or " .

chd 2-5

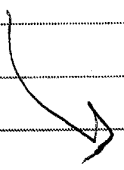
6-22:1 ✓

✓ # Page 1410, line 12: after that
line insert:

nonstat.

32
CS =

" (CS) STUDY OF SPECIAL TRANSFER PROGRAM. The joint legislative council is requested to conduct a study of the special transfer program under subchapter VI of chapter 121 of the statutes. If the joint legislative council conducts the study, it shall report its findings, conclusions and ~~recommendations~~ ^{recommendations} to the legislature in the manner provided under section 13.172 (2) of the statutes by January 1, 2000. "



6-22:2

✓ # Page 1438, line 8: after that line

insert:

" (7) ^{LW} ^(b) SPECIAL TRANSFER ^{AID} REPORT. (a) By

Warrant

May 1, 2000, the board of school directors of the school district operating under chapter 119 of the statutes shall submit a report to the joint committee on finance for its approval under paragraph (b) of section 121.85. The report shall include all of the following:

1. ~~The board~~ A strategy for achieving the specific percentage under section 121.85 ^{(b) (am)} of the statutes, as created by this act.

2. A facility plan specifying the neighborhood schools that are needed,

6-22:3

the location of specialty schools and
the estimated cost of the facility plan.

3. Other means by which the
pupil capacity of neighborhood schools
~~could~~ ^{will} be expanded, ~~including~~ ^{which will include} remodeling
and use of nontraditional facilities.

4. Specific plans for establishing
neighborhood schools and ^{replicating}
or ^{relocating} specialty schools in order
to increase the number of pupils
attending neighborhood schools.

5. A description of ^{the} alternative
~~that will be used~~
settings for the education of pupils, which
are in compliance, as defined in
section 115.33 (1)(a) of the statutes, that
will be used for the education of pupils.

6-22:4

(b) The joint committee on finance shall review the report under paragraph (a) and may modify the report. The committee shall approve the report ~~or~~, and any modifications to the report, ~~to the report~~ by September 1, 2000.

(c) Notwithstanding section 121.85 (6)(a) of the statutes, as ~~affected~~ ^{created} by this act, the department of public instruction may ^{under section 121.85 (6)(a)} not distribute any aid ~~to the board~~ ^{to the board} of school directors of the school district operating under chapter 119 of the statutes in the 2000-01 fiscal year until the report ~~under~~ is approved by the joint committee on finance under paragraph (b). "

of the statutes, as affected by this act,

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

June 10, 1999

607
LRBb0610/1dn
PC:km

MJL
kmq

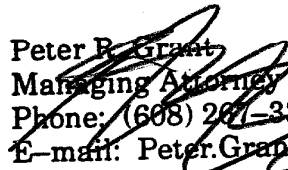
It is possible that a Wisconsin court would find that this legislation is a "private or local bill" which, under art. IV, sec. 18, of the Wisconsin Constitution, must be enacted as single-subject legislation. If so, this legislation cannot validly be enacted as part of the biennial budget, which clearly encompasses more than one subject.

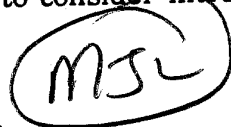
The Wisconsin Supreme Court has created two tests to determine whether a bill is "private or local". One test applies to bills that are specific as to persons, places or things. See *Milwaukee Brewers Baseball Club v. Wisconsin Dept. of Health and Social Services*, 130 Wis. 2d 79 (1986). The other test applies to legislation that is general on its face but applicable only to a particular class. See *City of Brookfield v. Milwaukee Metropolitan Sewerage District*, 144 Wis. 2d 896 (1988), and *Davis v. Grover*, 166 Wis. 2d 501 (1992).

This legislation is general on its face but applicable only to a particular class ~~of~~ ^{water} foundations located in certain counties. Under the *Brookfield* test, the legislation is unconstitutional unless all of the following are true:

1. The classification is based upon substantial distinctions that make one class really different from another.
2. The classification is germane to the purpose of the law.
3. The classification is open to additional members.
4. The law applies equally to all members of the class.
5. The characteristics of each class are so different from those of the other classes that substantially different treatment is justified.

In regard to the first part of the test, note that the *Brookfield* court and the *Davis* court both dealt with the classification of 1st class cities as opposed to other cities, but disagreed on whether there are substantial distinctions between these two classifications of cities. Therefore, it is difficult to predict the potential for and outcome of any court action on this legislation. You may wish to consider introducing the legislation as a separate bill.


Peter R. Grant
Managing Attorney
Phone: (608) 267-3369
E-mail: Peter.Grant@legis.state.wi.us



**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0607/1dn
MJL:kmg:jf

June 12, 1999

It is possible that a Wisconsin court would find that this legislation is a "private or local bill" which, under art. IV, sec. 18, of the Wisconsin Constitution, must be enacted as single-subject legislation. If so, this legislation cannot validly be enacted as part of the biennial budget, which clearly encompasses more than one subject.

The Wisconsin Supreme Court has created two tests to determine whether a bill is "private or local". One test applies to bills that are specific as to persons, places or things. See *Milwaukee Brewers Baseball Club v. Wisconsin Dept. of Health and Social Services*, 130 Wis. 2d 79 (1986). The other test applies to legislation that is general on its face but applicable only to a particular class. See *City of Brookfield v. Milwaukee Metropolitan Sewerage District*, 144 Wis. 2d 896 (1988), and *Davis v. Grover*, 166 Wis. 2d 501 (1992).

This legislation is general on its face but applicable only to a particular class. Under the *Brookfield* test, the legislation is unconstitutional unless all of the following are true:

1. The classification is based upon substantial distinctions that make one class really different from another.
2. The classification is germane to the purpose of the law.
3. The classification is open to additional members.
4. The law applies equally to all members of the class.
5. The characteristics of each class are so different from those of the other classes that substantially different treatment is justified.

In regard to the first part of the test, note that the *Brookfield* court and the *Davis* court both dealt with the classification of 1st class cities as opposed to other cities, but disagreed on whether there are substantial distinctions between these two classifications of cities. Therefore, it is difficult to predict the potential for and outcome of any court action on this legislation. You may wish to consider introducing the legislation as a separate bill.

Madelon J. Lief
Legislative Attorney
Phone: 608) 267-7380