



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0607/7
MJL/MES/RAC/PG:kmg:jf

See Today

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

*that line and substitute
"operating under ch. 119 under
ss. 119.72 and 119.82, \$1,410,000
in".*

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 393, line 3: delete lines 3 to 13 and substitute:
- 3 **"SECTION 261m.** 20.255 (2) (ec) of the statutes is repealed."
- 4 **2.** Page 394, line 8: delete ~~"119.71, 119.72, 119.75"~~ and substitute "119.72".
- 5 **3.** Page 701, line 15: delete ~~"119.71, 119.72, 119.75"~~ and substitute "119.72".
- 6 **4.** Page 817, line 23: after that line insert:
- 7 **"SECTION 1628g.** 66.431 (5) (a) 4. c. of the statutes is amended to read:
- 8 66.431 (5) (a) 4. c. To issue bonds in its discretion to finance its activities under
- 9 this section, including the payment of principal and interest upon any advances for
- 10 surveys and plans, and may issue refunding bonds for the payment or retirement of

1 such bonds previously issued by it. ~~Such~~ Except for bonds described under subd. 4.
2 d., such bonds shall be made payable, as to both principal and interest, solely from
3 the income, proceeds, revenues, and funds of the authority derived from or held in
4 connection with its undertaking and carrying out of projects or activities under this
5 section; provided that payment of such bonds, both as to principal and interest, may
6 be further secured by a pledge of any loan, grant or contribution from the federal
7 government or other source, in aid of any projects or activities of the authority under
8 this section, and by a mortgage of any such projects or activities, or any part thereof.
9 Bonds issued under this section shall not constitute an indebtedness within the
10 meaning of any constitutional or statutory debt limitation or restriction of the state,
11 city or of any public body other than the authority issuing the bonds, and shall not
12 be subject to any other law or charter relating to the authorization, issuance or sale
13 of bonds. Bonds issued under this section are declared to be issued for an essential
14 public and governmental purpose and, together with interest thereon and income
15 therefrom, shall be exempt from all taxes. Bonds issued under this section shall be
16 authorized by resolution of the authority and may be issued in one or more series and
17 shall bear such date, be payable upon demand or mature at such time, bear interest
18 at such rate, be in such denomination, be in such form either with or without coupon
19 or registered, carry such conversion or registration privileges, have such rank or
20 priority, be payable in such medium of payment, at such place, and be subject to such
21 terms of redemption, with or without premium, be secured in such manner, and have
22 such other characteristics, as is provided by the resolution, trust indenture or
23 mortgage issued pursuant thereto. Bonds issued under this section shall be executed
24 as provided in s. 67.08 (1) and may be registered under s. 67.09. The bonds may be
25 sold or exchanged at public sale or by private negotiation with bond underwriters as

1 the authority may provide. The bonds may be sold or exchanged at such price or
2 prices as the authority shall determine. If sold or exchanged at public sale, the sale
3 shall be held after a class 2 notice, under ch. 985, published prior to such sale in a
4 newspaper having general circulation in the city and in such other medium of
5 publication as the authority determines. Such bonds may be sold to the federal
6 government at private sale, without publication of any notice, at not less than par,
7 and, if less than all of the authorized principal amount of such bonds is sold to the
8 federal government, the balance may be sold at private sale at not less than par at
9 an interest cost to the authority of not to exceed the interest cost to the authority of
10 the portion of the bonds sold to the federal government. Any provision of any law to
11 the contrary notwithstanding, any bonds issued pursuant to this section shall be
12 fully negotiable. In any suit, action or proceeding involving the validity or
13 enforceability of any bond issued under this section or the security therefor, any such
14 bond reciting in substance that it has been issued by the authority in connection with
15 a project or activity under this section shall be conclusively deemed to have been
16 issued for such purpose and such project or activity shall be conclusively deemed to
17 have been planned, located and carried out in accordance with this section.

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

19 66.431 (5) (a) 4. d. Subject to sub. (5m), the authority of a 1st class city may
20 issue up to \$200,000,000 in bonds to finance capital improvements at the request of
21 the board of school directors of the school district operating under ch. 119 to
22 implement the report approved under 1999 Wisconsin Act (this act), section 9139
23 (7tw) (b). Bonds issued under this subd. 4. d. may not have a maturity in excess of
24 20 years, and may not be issued later than the first day of the 60th month beginning
25 after the effective date of this subd. 4. d. [revisor inserts date]. Principal and

1 interest payments on bonds issued under this subd. 4. d. may be paid by the board
2 of school directors of the school district operating under ch. 119.

3 **SECTION 1628i.** 66.431 (5m) of the statutes is created to read:

4 66.431 (5m) SPECIAL DEBT SERVICE RESERVE FUNDS. (a) *Designation of special*
5 *debt service reserve funds.* The authority may designate one or more accounts in
6 funds created under s. 66.066 (2) (e) as special debt service reserve funds if, prior to
7 each issuance of bonds to be secured by the special debt service reserve fund, the
8 secretary of administration determines that all of the following conditions are met
9 with respect to the bonds described under sub. (5) (a) 4. d.:

10 1. 'Purpose.' The proceeds of the bonds, other than refunding bonds, will be
11 used for public school facilities in the school district operating under ch. 119.

12 2. 'Feasibility.' There is a reasonable likelihood that the bonds will be repaid
13 without the necessity of drawing on funds in the special debt service reserve fund
14 that secures the bonds. The secretary of administration may make this
15 determination of reasonable likelihood only after considering all of the following:

16 a. Whether a pledge of the revenues of the school district operating under ch.
17 119 is made under the bond resolution.

18 b. How the revenues of the school district operating under ch. 119 are pledged
19 to the payment of the bonds.

20 c. The proposed interest rates of the bonds and the resulting cash-flow
21 requirements.

22 d. The projected ratio of annual revenues from the school district operating
23 under ch.119 to annual debt service of the authority, taking into account capitalized
24 interest.

1 e. Whether an understanding exists providing for repayment by the authority
2 to the state of all amounts appropriated to the special debt service reserve fund
3 pursuant to par. (g).

4 f. Whether the authority has agreed that the department of administration will
5 have direct and immediate access, at any time and without notice, to all records of
6 the authority relating to the bonds.

7 3. 'Limit on bonds issued.' The amount of all bonds, other than refunding
8 bonds, that would be secured by all special debt service reserve funds of the authority
9 will not exceed \$200,000,000.

10 4. 'Refunding bonds.' All refunding bonds to be secured by the special debt
11 service reserve fund meet all of the following conditions:

12 a. The refunding bonds are to be issued to fund, refund or advance refund bonds
13 secured by a special debt service reserve fund.

14 b. The refunding of bonds by the refunding bonds will not adversely affect the
15 risk that the state will be called on to make a payment under par. (g).

16 5. 'Approval of outstanding debt.' All outstanding debt of the authority relating
17 to the bonds has been reviewed and approved by the secretary of administration. In
18 determining whether to approve outstanding debt under this subdivision, the
19 secretary may consider any factor which the secretary determines to have a bearing
20 on whether the state moral obligation pledge under par. (g) should be granted with
21 respect to an issuance of bonds.

22 6. 'Financial reports.' The authority has agreed to provide to the department
23 of administration all financial reports of the authority and all regular monthly
24 statements of any trustee of the bonds on a direct and ongoing basis.

1 (b) *Payment of funds into a special debt service reserve fund.* The authority
2 shall pay into any special debt service reserve fund of the authority any moneys
3 appropriated and made available by the state for the purposes of the special debt
4 service reserve fund, any proceeds of a sale of bonds described under sub. (5) (a) 4.
5 d. to the extent provided in the bond resolution authorizing the issuance of the bonds
6 and any other moneys that are made available to the authority for the purpose of the
7 special debt service reserve fund from any other source.

8 (c) *Use of moneys in the special debt service reserve fund.* All moneys held in
9 any special debt service reserve fund of the authority, except as otherwise specifically
10 provided, shall be used solely for the payment of the principal of bonds secured in
11 whole or in part by the special debt service reserve fund, the making of sinking fund
12 payments with respect to these bonds, the purchase or redemption of these bonds,
13 the payment of interest on these bonds or the payment of any redemption premium
14 required to be paid when these bonds are redeemed prior to maturity. If moneys in
15 a special debt service reserve fund at any time are less than the special debt service
16 reserve fund requirement under par. (e) for the special debt service reserve fund, the
17 authority may not use these moneys for any optional purchase or optional
18 redemption of the bonds. Any income or interest earned by, or increment to, any
19 special debt service reserve fund due to the investment of moneys in the special debt
20 service reserve fund may be transferred by the authority to other funds or accounts
21 of the authority relating to the bonds to the extent that the transfer does not reduce
22 the amount of the special debt service reserve fund below the special debt service
23 reserve fund requirement under par. (e) for the special debt service reserve fund.

24 (d) *Limitation on bonds secured by a special debt service reserve fund.* The
25 authority shall accumulate in each special debt service reserve fund an amount equal

1 to the special debt service reserve fund requirement under par. (e) for the special debt
2 service reserve fund. The authority may not at any time issue bonds secured in whole
3 or in part by a special debt service reserve fund if upon the issuance of these bonds
4 the amount in the special debt service reserve fund will be less than the special debt
5 service reserve fund requirement under par. (e) for the special debt service reserve
6 fund.

7 (e) *Special debt service reserve fund requirement.* The special debt service
8 reserve fund requirement for a special debt service reserve fund, as of any particular
9 date of computation, is equal to an amount of money, as provided in the bond
10 resolution authorizing the bonds with respect to which the special debt service
11 reserve fund is established, that may not exceed the maximum annual debt service
12 on the bonds of the authority for that fiscal year or any future fiscal year of the
13 authority secured in whole or in part by that special debt service reserve fund. In
14 computing the annual debt service for any fiscal year, bonds deemed to have been
15 paid in accordance with the defeasance provisions of the bond resolution authorizing
16 the issuance of the bonds shall not be included in bonds outstanding on such date of
17 computation. The annual debt service for any fiscal year is the amount of money
18 equal to the aggregate of all of the following calculated on the assumption that the
19 bonds will, after the date of computation, cease to be outstanding by reason, but only
20 by reason, of the payment of bonds when due, and the payment when due, and
21 application in accordance with the bond resolution authorizing those bonds, of all of
22 the sinking fund payments payable at or after the date of computation:

23 1. All interest payable during the fiscal year on all bonds that are secured in
24 whole or in part by the special debt service reserve fund and that are outstanding on
25 the date of computation.

1 2. The principal amount of all of the bonds that are secured in whole or in part
2 by the special debt service reserve fund, are outstanding on the date of computation
3 and mature during the fiscal year.

4 3. All amounts specified in bond resolutions of the authority authorizing any
5 of the bonds that are secured in whole or in part by the special debt service reserve
6 fund to be payable during the fiscal year as a sinking fund payment with respect to
7 any of the bonds that mature after the fiscal year.

8 (f) *Valuation of securities.* In computing the amount of a special debt service
9 reserve fund for the purposes of this subsection, securities in which all or a portion
10 of the special debt service reserve fund is invested shall be valued at par, or, if
11 purchased at less than par, at their cost to the authority.

12 (g) *State moral obligation pledge.* If at any time of valuation the special debt
13 service reserve fund requirement under par. (e) for a special debt service reserve fund
14 exceeds the amount of moneys in the special debt service reserve fund, the authority
15 shall certify to the secretary of administration, the governor and the joint committee
16 on finance the amount necessary to restore the special debt service reserve fund to
17 an amount equal to the special debt service reserve fund requirement under par. (e)
18 for the special debt service reserve fund. If this certification is received by the
19 secretary of administration in an even-numbered year prior to the completion of the
20 budget compilation under s. 16.43, the secretary shall include the certified amount
21 in the budget compilation. In any case, the joint committee on finance shall introduce
22 in either house, in bill form, an appropriation of the amount so certified to the
23 appropriate special debt service reserve fund of the authority. Recognizing its moral
24 obligation to do so, the legislature hereby expresses its expectation and aspiration
25 that, if ever called upon to do so, it shall make this appropriation.”

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

4 **6.** Page 1007, line 4: after that line insert:

5 “**SECTION 2113g.** 119.24 of the statutes is amended to read:

6 **119.24 Admission of pupils.** ~~Each school under the jurisdiction of the board~~
7 ~~shall be open to pupils residing within the attendance district established for that~~
8 ~~school under s. 119.16 (2). A pupil residing in any such district may attend a school~~
9 ~~in another an attendance district other than the one in which he or she resides with~~
10 ~~the written permission of the superintendent of schools. Beginning in the 2000–01~~
11 ~~school year, the board shall provide spaces in each school for pupils who reside~~
12 ~~outside the attendance district for the school, but shall fill any unused spaces with~~
13 ~~pupils who reside in the attendance district. A pupil who attends a school may~~
14 ~~continue to attend that school until he or she graduates from the school and each~~
15 ~~sibling of that pupil shall be given priority over other pupils in ^{the} process of admission~~
16 ~~for that school.~~ ”

17 **SECTION 2113r.** 119.46 of the statutes is amended to read:

18 **119.46 Taxes for school operations fund.** As part of the budget transmitted
19 annually to the common council under s. 119.16 (8) (b), the board shall report the
20 amount of money required for the ensuing school year to operate all public schools
21 in the city under this chapter, to repair and keep in order school buildings and
22 equipment, to make material improvements to school property and to purchase
23 necessary additions to school sites, ~~excluding an amount equal to the amount of~~ ^{and}
24 ~~received by the board under s. 121.85 (6) (ar) that the board used to pay debt service~~

1 ~~on bonds issued under s. 66.431 (5m). The common council shall levy and collect a~~
 2 ~~tax upon all the property subject to taxation in the city, which shall be equal to the~~
 3 ~~amount of money required by the board for the purposes set forth in this section, at~~
 4 ~~the same time and in the same manner as other taxes are levied and collected. Such~~
 5 ~~taxes shall be in addition to all other taxes which the city is authorized to levy. The~~
 6 ~~taxes so levied and collected, together with the other funds provided by law and~~
 7 ~~placed at the disposal of the city for the same purposes, shall constitute the school~~
 8 ~~operations fund.”.~~

9 **7.** Page 1008, line 20: delete lines 20 to 23 and substitute:

10 **“SECTION 2118g.** 119.71 (2) of the statutes is repealed.

11 **SECTION 2118r.** 119.71 (3) of the statutes is amended to read:

12 119.71 (3) (a) ~~The Annually, the board shall use the funds received under sub-~~
 13 ~~(2) spend \$5,090,000~~ ^{at least} to expand its half-day 5-year-old kindergarten program to a
 14 full-day program, as provided under par. (b), and shall enroll in the expanded
 15 program only pupils who meet the income eligibility standards for a free lunch under
 16 42 USC 1758 (b). The board shall select pupils for the expanded program based on
 17 the order in which the pupils register for the program.

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

1 **8.** Page 1009, line 4: delete lines 4 to 18 and substitute:

2 “**SECTION 2119m.** 119.74 (intro.) of the statutes is amended to read:

3 **119.74 Extended-day elementary grade, 4-year-old kindergarten and**
4 **alcohol and other drug abuse programs.** (intro.) ~~From the appropriation under~~
5 ~~s. 20.255 (2) (ee), the state superintendent shall pay to the~~ The board the amounts
6 ~~specified in the spending plan under s. 119.80 shall spend~~ at least \$430,000 for the following
7 programs in each school year:

8 **SECTION 2120d.** 119.75 (2) (a) of the statutes is repealed.

9 **SECTION 2120h.** 119.75 (2) (b) of the statutes is renumbered 119.75 (2) and
10 amended to read:

11 119.75 (2) ~~The~~ Annually, ~~the board shall use the funds received under par. (a)~~
12 ~~spend~~ at least \$1,070,000 to pay the costs of teachers, aides and other support staff,
13 transportation of staff to pupils' homes, in-service programs, parental involvement
14 programs and instructional materials related to the programs under sub. (1). The
15 board may not use the funds ~~to supplant or replace funding otherwise available for~~
16 ~~first grade programs or to provide facilities to house the programs under sub. (1) or~~
17 to pay pupil transportation or indirect administrative costs associated with the
18 programs under sub. (1).

19 **SECTION 2120p.** 119.78 (1) of the statutes is renumbered 119.78.

20 **SECTION 2120t.** 119.78 (2) of the statutes is repealed.

21 **SECTION 2121m.** 119.80 (1) of the statutes is amended to read:

22 119.80 (1) The board shall submit to the governor a proposal for the
23 expenditure of the funds in the appropriation under s. 20.255 (2) (ee) (kp) in each
24 school year.

1 **SECTION 2122m.** 119.80 (1m) of the statutes is amended to read:

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

8 **9.** Page 1009, line 20: substitute “appropriation” for “appropriations”.

9 **10.** Page 1009, line 21: delete “(ec) or”.

10 **11.** Page 1012, line 12: after that line insert:

11 **“SECTION 2135t.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

12 121.07 (6) (a) “Shared cost” is the sum of the net cost of the general fund and
13 the net cost of the debt service fund, except that “shared cost” excludes any costs,
14 including attorney fees, incurred by a school district as a result of its participation
15 in a lawsuit commenced against the state, beginning with such costs incurred in the
16 fiscal year in which the lawsuit is commenced and excludes the costs of transporting
17 those transfer pupils for whom the school district operating under ch. 119 does not
18 receive aid under s. 121.85 (6) (am). In this paragraph, “net cost of the debt service
19 fund” includes all of the following amounts:”

20 **12.** Page 1014, line 7: after that line insert:

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

22 121.58 (2) (a) A school district which provides transportation to and from a
23 school under ss. 121.54 (1) to (3), (5) and (6) and 121.57, and the nonresident school
24 district that a pupil attends under s. 118.51 which elects to provide transportation

(X)
Insert
12-20
intradistrict
intradistrict
transp.

as a result of s. 121.85 (6)
as a result of s. 121.85 (6)

1 under s. 121.54 (10), shall be paid state aid for such transportation at the rate of \$30
 2 per school year per pupil so transported whose residence is at least 2 miles and not
 3 more than 5 miles from the school attended, \$45 per school year per pupil so
 4 transported whose residence is at least 5 miles and not more than 8 miles from the
 5 school attended, \$60 per school year per pupil so transported whose residence is at
 6 least 8 miles and not more than 12 miles from the school attended, \$68 per school year
 7 per pupil so transported whose residence is at least 12 miles and not more than 15
 8 miles from the school attended, \$75 per school year per pupil so transported whose
 9 residence is at least 15 miles and not more than 18 miles from the school attended,
 10 and \$85 per school year per pupil so transported whose residence is more than 18
 11 miles from the school attended. Such state aid shall be reduced proportionately in
 12 the case of a pupil transported for less than a full school year because of
 13 nonenrollment. State aid for transportation shall not exceed the actual cost thereof.
 14 No state aid of any kind may be paid to a school district which charges the pupil
 15 transported or his or her parent or guardian any part of the cost of transportation
 16 provided under ss. 121.54 (1) to (3), (5), (6) and (10) and 121.57 or which wilfully or
 17 negligently fails to transport all pupils for whom transportation is required under
 18 s. 121.54. The school district operating under ch. 119 may not use aid received under
 19 this subsection to pay the costs of transporting transfer pupils for whom the school
 20 district does not receive aid under s. 121.85 (6) (am).

21 **SECTION 2142m.** 121.85 (6) (a) (intro.) of the statutes is amended to read:
 22 121.85 (6) (a) *Intradistrict transfer.* (intro.) The Except as provided under pars.
 23 (am) and (ar), the school district of attendance of pupils transferring from one
 24 attendance area to another under subs. (3) (b) and (4) shall be entitled to an amount
 25 determined as follows:”.

Intradistrict transfer

*Except as provided under
 s. 121.85 (6)*

1 **13.** Page 1014, line 10: after that line insert:

2 “**SECTION 2143m.** 121.85 (6) (am) of the statutes is created to read:

3 121.85 (6) (am) *Reduction of intradistrict transfer aid.* The school district

4 operating under ch. 119 may not receive aid under par. (a) for the number of pupils,

5 calculated as follows, if the calculation results in a positive number:

6 1. In the 2000–01 school year:

7 a. Subtract from 75% the percentage of pupils ~~enrolled in the school district~~

8 whose parents or guardians have provided the board of school directors with written

9 consent to a pupil transfer to another attendance ~~district~~ ^{area}

10 b. Multiply the result under subd. 1. a. by the total number of transfer pupils

11 under par. (a) in the current school year.

12 2. In the 2001–02 school year:

13 a. Subtract from 80% the percentage of pupils ~~enrolled in the school district~~

14 whose parents or guardians have provided the board of school directors with written

15 consent to a pupil transfer to another attendance ~~district~~ ^{area}

16 b. Multiply the result under subd. 2. a. by the total number of transfer pupils

17 under par. (a) in the current school year.

18 3. In the 2002–03 school year:

19 a. Subtract from 90% the percentage of pupils ~~enrolled in the school district~~

20 whose parents or guardians have provided the board of school directors with written

21 consent to a pupil transfer to another attendance ~~district~~ ^{area}

22 b. Multiply the result under subd. 3. a. by the total number of transfer pupils

23 under par. (a) in the current school year.

24 4. In the 2003–04 school year:

1 a. Subtract from 95% the percentage of pupils ~~enrolled in the school district~~
 2 whose parents or guardians have provided the board of school directors with written
 3 consent to a pupil transfer to another attendance ~~district~~ *area*

4 b. Multiply the result under subd. 4. a. by the total number of transfer pupils
 5 under par. (a) in the current school year.

6 5. In the 2004-05 school year and each school year thereafter, the number of
 7 pupils ~~enrolled in the school district~~ whose parents or guardians have not provided
 8 the board of school directors with written consent to a pupil transfer to another
 9 attendance ~~district~~ *area*

10 **SECTION 2143n.** 121.85 (6) (an) of the statutes is created to read:
 11 121.85 (6) (an) *Report*. Annually, by May 1, the board of ^{school} directors of the school
 12 district operating under ch. 119 shall submit a report to the legislature under s.
 13 13.172 ⁽²⁾ that specifies the number and percentage of pupils transferred outside their
 14 attendance ~~district~~ *area* without ^{the} written consent ~~under paragraph~~ *of their parents or guardians*

15 **SECTION 2143p.** 121.85 (6) (ar) of the statutes is created to read:
 16 121.85 (6) (ar) *Hold harmless*. The department shall pay to the school district
 17 operating under ch. 119 the amount of aid that it received in the 1998-99 school year
 18 under par. (a), adjusted for the school years since the 1998-99 school year by the
 19 allowable rate of increase under s. 73.0305 ^{less (am)} or the amount of aid to which the school
 20 district is entitled under par. (a) as reduced by par. (am), whichever is greater. This
 21 paragraph does not apply beginning in the first fiscal year following certification by
 22 the secretary of administration to the department that the last principal and interest
 23 payment on the bonds issued under s. 66.431 (5m) has been made."

INS.
15-22

24 ✓ 14. Page 1014, line ¹³ 16: after that line insert:

delete line 13 to 16 and substitute

intradistrict transfer

1

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

2

121.85 (6m) USE OF AID FOR DEBT SERVICE. The board of directors of the school

3

district operating under ch. 119 may use aid under sub. (6) ~~may~~ to pay debt service

4

on bonds issued under s. 66.431 (5m). If the board of school directors decides to use

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the aid to pay the debt service, it ~~may~~ ^{may} request the department to remit the aid under

6

sub. (6) ~~may~~ to the redevelopment authority of the city of Milwaukee in an annual

7

amount agreed to by the board of school directors and the department.

INS. 16-7

8

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

9

121.85 (7) TRANSPORTATION. Transportation shall be provided to pupils

10

transferring schools under this section if required under subch. IV. Transportation

11

for a pupil attending a public school under sub. (3) (a) outside the pupil's school

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district of residence shall be provided pursuant to agreement between the school

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district of residence and the school district of attendance. If either the school district

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of residence or the school district of attendance operates a program of intradistrict

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transfers under sub. (3) (b), that school district shall be responsible for the cost of

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transportation. The school district may meet this responsibility either by

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contracting directly for provision of transportation or by reimbursing another school

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district for the cost of such a contract. Transportation for a pupil attending a public

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school under sub. (3) (b) outside his or her attendance area of residence may be

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provided by his or her school district. A school district providing transportation

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under this subsection may not claim transportation aid under subch. IV for pupils

22

so transported. A school district that transports a pupil who moves outside his or her

23

attendance district during the school year to the school in the pupil's former

24

attendance district may use aid under sub. (6) ~~may~~ to pay the costs of transporting

25

the pupil.

intradistrict transfer

INS. 16-25

1 **15.** Page 1410, line 12: after that line insert:

2 “(3z) STUDY OF SPECIAL TRANSFER PROGRAM. The joint legislative council is
3 requested to conduct a study of the special transfer program under subchapter ~~E~~^{VI} of
4 chapter 121 of the statutes. If the joint legislative council conducts the study, it shall
5 report its findings, conclusions and recommendations to the legislature in the
6 manner provided under section 13.172 (2) of the statutes by January 1, 2000.”

7 **16.** Page 1438, line 8: after that line insert:

8 “(7tw) SPECIAL TRANSFER AID REPORT.

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

13 1. A strategy for achieving the percentages specified under section 121.85 (6)
14 (am) of the statutes, as created by this act.

15 2. A facility plan specifying the neighborhood schools that are needed, the
16 location of specialty schools and the estimated cost of the facility plan.

17 3. Other means by which the pupil capacity of neighborhood schools will be
18 expanded, which could include remodeling and use of nontraditional facilities.

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

22 5. A description of the alternative settings, which are in compliance, as defined
23 in section 115.33 (1) (a) of the statutes, that will be used for educating pupils.

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

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

10 ~~17~~ Page 1456, line 8. delete "2000-01" and substitute "2001-02".

11

(END)

Insert 12-20 *

2142d.
Section #. 121.58 (5) of the statutes is amended to read:

121.58 (5) STATE SUPERINTENDENT APPROVAL. If the state superintendent is satisfied that transportation or board and lodging was provided in compliance with law, the state superintendent shall certify to the department of administration the sum due the school district. In case of differences concerning the character and sufficiency of the transportation or board and lodging, the state superintendent may determine such matter and his or her decision is final.

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.

The state superintendent may not certify payment of state aid under sub. (2) for the number of pupils calculated under s. 121.85(6)(am).
am

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB
.....

Insert
15-22.1 ✓

1. In the 1999-2000 school year,

121.85 (6) (ar) *Hold harmless.* The department shall pay to the school district operating under ch. 119 the following amounts:

~~1. In the 1999-2000 school year,~~ the greater of the following :

a. The amount of aid received in the 1998-99 school year under par. (a) multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305.

b. The amount of aid to which the school district is entitled under par. (a),

~~reduced by par. (am).~~

2. In the 2000-01 school year, the greater of the following:

a. The amount of aid received in the ~~1999-2000~~ 1998-99 school year under par. (a),

~~reduced by par. (am),~~ multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305, less the reduction under par. (am).

b. The amount of aid to which the school district is entitled under par. (a),

~~reduced by~~ less the reduction under par. (am).

3. In the 2001-02 school year and in each school year thereafter, the greater of the following:

a. The amount of aid received in the previous school year under par. (a), as reduced by par. (am), multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305.

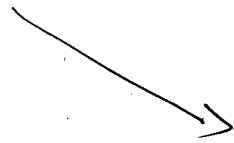
b. The amount of aid to which the school district is entitled under par. (a), as reduced by par. (am).

Except as provided in subd. 3,

and in each school year thereafter

department shall pay to the school district operating under ch. 119 the

adjusted for the school years since 1998-99 by



(15-22-12)

¶ 3. a. If one or more ^{o d} bonds are issued under s. 66.431(5)(a)4., subd. 2. [✓] does not apply beginning ~~in~~ in the first ^{fiscal} year following certification by the secretary of administration to the department that the last principal and interest payment on the bonds has [✓] been made.

¶ b. If no bonds are issued under s. 66.431(5)(a)4. by the date specified in that section, subd. 2. does not apply beginning in the first fiscal year following that date. ».

16-7 ✓

~~Section #. 118.51 (16) (d) of the statutes~~

~~118.51 (16) (d)~~ *and the* The department shall ensure that the aid adjustment under ~~par. (b)~~ *remittance* does not affect the amount determined to be received by ~~each school district~~ as state aid under s. 121.08 for any other purpose.

the board of school directors

History: 1997 a. 27, 41, 164.

16-25:1 ✓

SECTION 2145^W, CR, 121.87(3)

121.87(3) In addition to the report under sub. (1), annually by May 1 the board of school directors of the school district operating under ch. 119 shall submit a report to the legislature under s. 13.172(2) that specifies the number, percentage, race, sex, grade ~~and~~ and attendance area of pupils transferred outside their attendance area ~~and~~ without written consent under s. 121.85(6)(am).^s.

1k

1k + 1% CPI

Amt under

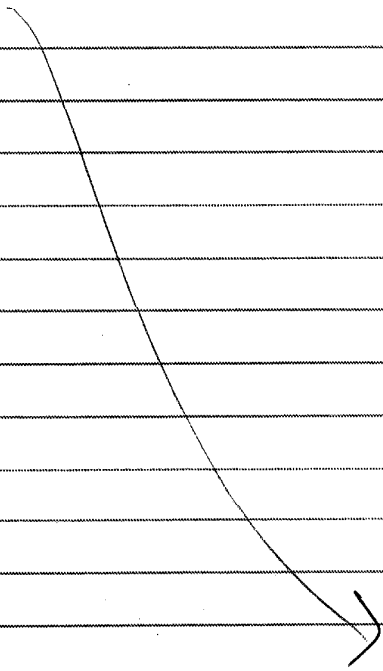
plus CPI

Amt under

ref

16-25:2 ✓

Page 1014, line ²⁰ 20: substitute
"2000-01" for "1999-2000".





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

Today

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 393, line 3: delete lines 3 to 13 and substitute:
- 3 “SECTION 261m. 20.255 (2) (ec) of the statutes is repealed.”
- 4 **2.** Page 394, line 8: delete “119.71, 119.72, 119.75” and substitute “119.72”.
- 5 **3.** Page 701, line 15: delete that line and substitute “operating under ch. 119
- 6 under ss. 119.72 and 119.82, \$1,410,000 in”.
- 7 **4.** Page 817, line 23: after that line insert:
- 8 “SECTION 1628g. 66.431 (5) (a) 4. c. of the statutes is amended to read:
- 9 66.431 (5) (a) 4. c. To issue bonds in its discretion to finance its activities under
- 10 this section, including the payment of principal and interest upon any advances for

1 surveys and plans, and may issue refunding bonds for the payment or retirement of
2 such bonds previously issued by it. ~~Such~~ Except for bonds described under subd. 4.
3 d., such bonds shall be made payable, as to both principal and interest, solely from
4 the income, proceeds, revenues, and funds of the authority derived from or held in
5 connection with its undertaking and carrying out of projects or activities under this
6 section; provided that payment of such bonds, both as to principal and interest, may
7 be further secured by a pledge of any loan, grant or contribution from the federal
8 government or other source, in aid of any projects or activities of the authority under
9 this section, and by a mortgage of any such projects or activities, or any part thereof.
10 Bonds issued under this section shall not constitute an indebtedness within the
11 meaning of any constitutional or statutory debt limitation or restriction of the state,
12 city or of any public body other than the authority issuing the bonds, and shall not
13 be subject to any other law or charter relating to the authorization, issuance or sale
14 of bonds. Bonds issued under this section are declared to be issued for an essential
15 public and governmental purpose and, together with interest thereon and income
16 therefrom, shall be exempt from all taxes. Bonds issued under this section shall be
17 authorized by resolution of the authority and may be issued in one or more series and
18 shall bear such date, be payable upon demand or mature at such time, bear interest
19 at such rate, be in such denomination, be in such form either with or without coupon
20 or registered, carry such conversion or registration privileges, have such rank or
21 priority, be payable in such medium of payment, at such place, and be subject to such
22 terms of redemption, with or without premium, be secured in such manner, and have
23 such other characteristics, as is provided by the resolution, trust indenture or
24 mortgage issued pursuant thereto. Bonds issued under this section shall be executed
25 as provided in s. 67.08 (1) and may be registered under s. 67.09. The bonds may be

1 sold or exchanged at public sale or by private negotiation with bond underwriters as
2 the authority may provide. The bonds may be sold or exchanged at such price or
3 prices as the authority shall determine. If sold or exchanged at public sale, the sale
4 shall be held after a class 2 notice, under ch. 985, published prior to such sale in a
5 newspaper having general circulation in the city and in such other medium of
6 publication as the authority determines. Such bonds may be sold to the federal
7 government at private sale, without publication of any notice, at not less than par,
8 and, if less than all of the authorized principal amount of such bonds is sold to the
9 federal government, the balance may be sold at private sale at not less than par at
10 an interest cost to the authority of not to exceed the interest cost to the authority of
11 the portion of the bonds sold to the federal government. Any provision of any law to
12 the contrary notwithstanding, any bonds issued pursuant to this section shall be
13 fully negotiable. In any suit, action or proceeding involving the validity or
14 enforceability of any bond issued under this section or the security therefor, any such
15 bond reciting in substance that it has been issued by the authority in connection with
16 a project or activity under this section shall be conclusively deemed to have been
17 issued for such purpose and such project or activity shall be conclusively deemed to
18 have been planned, located and carried out in accordance with this section.

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

20 66.431 (5) (a) 4. d. Subject to sub. (5m), the authority of a 1st class city may
21 issue up to \$200,000,000 in bonds to finance capital improvements at the request of
22 the board of school directors of the school district operating under ch. 119 to
23 implement the report approved under 1999 Wisconsin Act (this act), section 9139
24 (7tw) (b). Bonds issued under this subd. 4. d. may not have a maturity in excess of
25 20 years, and may not be issued later than the first day of the 60th month beginning

1 after the effective date of this subd. 4. d. [revisor inserts date]. Principal and
2 interest payments on bonds issued under this subd. 4. d. may be paid by the board
3 of school directors of the school district operating under ch. 119.

4 **SECTION 1628i.** 66.431 (5m) of the statutes is created to read:

5 **66.431 (5m) SPECIAL DEBT SERVICE RESERVE FUNDS.** (a) *Designation of special*
6 *debt service reserve funds.* The authority may designate one or more accounts in
7 funds created under s. 66.066 (2) (e) as special debt service reserve funds if, prior to
8 each issuance of bonds to be secured by the special debt service reserve fund, the
9 secretary of administration determines that all of the following conditions are met
10 with respect to the bonds described under sub. (5) (a) 4. d.:

11 1. 'Purpose.' The proceeds of the bonds, other than refunding bonds, will be
12 used for public school facilities in the school district operating under ch. 119.

13 2. 'Feasibility.' There is a reasonable likelihood that the bonds will be repaid
14 without the necessity of drawing on funds in the special debt service reserve fund
15 that secures the bonds. The secretary of administration may make this
16 determination of reasonable likelihood only after considering all of the following:

17 a. Whether a pledge of the revenues of the school district operating under ch.
18 119 is made under the bond resolution.

19 b. How the revenues of the school district operating under ch. 119 are pledged
20 to the payment of the bonds.

21 c. The proposed interest rates of the bonds and the resulting cash-flow
22 requirements.

23 d. The projected ratio of annual revenues from the school district operating
24 under ch.119 to annual debt service of the authority, taking into account capitalized
25 interest.

1 e. Whether an understanding exists providing for repayment by the authority
2 to the state of all amounts appropriated to the special debt service reserve fund
3 pursuant to par. (g).

4 f. Whether the authority has agreed that the department of administration will
5 have direct and immediate access, at any time and without notice, to all records of
6 the authority relating to the bonds.

7 3. 'Limit on bonds issued.' The amount of all bonds, other than refunding
8 bonds, that would be secured by all special debt service reserve funds of the authority
9 will not exceed \$200,000,000.

10 4. 'Refunding bonds.' All refunding bonds to be secured by the special debt
11 service reserve fund meet all of the following conditions:

12 a. The refunding bonds are to be issued to fund, refund or advance refund bonds
13 secured by a special debt service reserve fund.

14 b. The refunding of bonds by the refunding bonds will not adversely affect the
15 risk that the state will be called on to make a payment under par. (g).

16 5. 'Approval of outstanding debt.' All outstanding debt of the authority relating
17 to the bonds has been reviewed and approved by the secretary of administration. In
18 determining whether to approve outstanding debt under this subdivision, the
19 secretary may consider any factor which the secretary determines to have a bearing
20 on whether the state moral obligation pledge under par. (g) should be granted with
21 respect to an issuance of bonds.

22 6. 'Financial reports.' The authority has agreed to provide to the department
23 of administration all financial reports of the authority and all regular monthly
24 statements of any trustee of the bonds on a direct and ongoing basis.

1 (b) *Payment of funds into a special debt service reserve fund.* The authority
2 shall pay into any special debt service reserve fund of the authority any moneys
3 appropriated and made available by the state for the purposes of the special debt
4 service reserve fund, any proceeds of a sale of bonds described under sub. (5) (a) 4.
5 d. to the extent provided in the bond resolution authorizing the issuance of the bonds
6 and any other moneys that are made available to the authority for the purpose of the
7 special debt service reserve fund from any other source.

8 (c) *Use of moneys in the special debt service reserve fund.* All moneys held in
9 any special debt service reserve fund of the authority, except as otherwise specifically
10 provided, shall be used solely for the payment of the principal of bonds secured in
11 whole or in part by the special debt service reserve fund, the making of sinking fund
12 payments with respect to these bonds, the purchase or redemption of these bonds,
13 the payment of interest on these bonds or the payment of any redemption premium
14 required to be paid when these bonds are redeemed prior to maturity. If moneys in
15 a special debt service reserve fund at any time are less than the special debt service
16 reserve fund requirement under par. (e) for the special debt service reserve fund, the
17 authority may not use these moneys for any optional purchase or optional
18 redemption of the bonds. Any income or interest earned by, or increment to, any
19 special debt service reserve fund due to the investment of moneys in the special debt
20 service reserve fund may be transferred by the authority to other funds or accounts
21 of the authority relating to the bonds to the extent that the transfer does not reduce
22 the amount of the special debt service reserve fund below the special debt service
23 reserve fund requirement under par. (e) for the special debt service reserve fund.

24 (d) *Limitation on bonds secured by a special debt service reserve fund.* The
25 authority shall accumulate in each special debt service reserve fund an amount equal

1 to the special debt service reserve fund requirement under par. (e) for the special debt
2 service reserve fund. The authority may not at any time issue bonds secured in whole
3 or in part by a special debt service reserve fund if upon the issuance of these bonds
4 the amount in the special debt service reserve fund will be less than the special debt
5 service reserve fund requirement under par. (e) for the special debt service reserve
6 fund.

7 (e) *Special debt service reserve fund requirement.* The special debt service
8 reserve fund requirement for a special debt service reserve fund, as of any particular
9 date of computation, is equal to an amount of money, as provided in the bond
10 resolution authorizing the bonds with respect to which the special debt service
11 reserve fund is established, that may not exceed the maximum annual debt service
12 on the bonds of the authority for that fiscal year or any future fiscal year of the
13 authority secured in whole or in part by that special debt service reserve fund. In
14 computing the annual debt service for any fiscal year, bonds deemed to have been
15 paid in accordance with the defeasance provisions of the bond resolution authorizing
16 the issuance of the bonds shall not be included in bonds outstanding on such date of
17 computation. The annual debt service for any fiscal year is the amount of money
18 equal to the aggregate of all of the following calculated on the assumption that the
19 bonds will, after the date of computation, cease to be outstanding by reason, but only
20 by reason, of the payment of bonds when due, and the payment when due, and
21 application in accordance with the bond resolution authorizing those bonds, of all of
22 the sinking fund payments payable at or after the date of computation:

23 1. All interest payable during the fiscal year on all bonds that are secured in
24 whole or in part by the special debt service reserve fund and that are outstanding on
25 the date of computation.

1 2. The principal amount of all of the bonds that are secured in whole or in part
2 by the special debt service reserve fund, are outstanding on the date of computation
3 and mature during the fiscal year.

4 3. All amounts specified in bond resolutions of the authority authorizing any
5 of the bonds that are secured in whole or in part by the special debt service reserve
6 fund to be payable during the fiscal year as a sinking fund payment with respect to
7 any of the bonds that mature after the fiscal year.

8 (f) *Valuation of securities.* In computing the amount of a special debt service
9 reserve fund for the purposes of this subsection, securities in which all or a portion
10 of the special debt service reserve fund is invested shall be valued at par, or, if
11 purchased at less than par, at their cost to the authority.

12 (g) *State moral obligation pledge.* If at any time of valuation the special debt
13 service reserve fund requirement under par. (e) for a special debt service reserve fund
14 exceeds the amount of moneys in the special debt service reserve fund, the authority
15 shall certify to the secretary of administration, the governor and the joint committee
16 on finance the amount necessary to restore the special debt service reserve fund to
17 an amount equal to the special debt service reserve fund requirement under par. (e)
18 for the special debt service reserve fund. If this certification is received by the
19 secretary of administration in an even-numbered year prior to the completion of the
20 budget compilation under s. 16.43, the secretary shall include the certified amount
21 in the budget compilation. In any case, the joint committee on finance shall introduce
22 in either house, in bill form, an appropriation of the amount so certified to the
23 appropriate special debt service reserve fund of the authority. Recognizing its moral
24 obligation to do so, the legislature hereby expresses its expectation and aspiration
25 that, if ever called upon to do so, it shall make this appropriation.”.

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

4 **6.** Page 1007, line 4: after that line insert:

5 “**SECTION 2113g.** 119.24 of the statutes is amended to read:

6 **119.24 Admission of pupils.** ~~Each school under the jurisdiction of the board~~
7 ~~shall be open to pupils residing within the attendance district established for that~~
8 ~~school under s. 119.16 (2). A pupil residing in any such district may attend a school~~
9 ~~in another an attendance district other than the one in which he or she resides with~~
10 ~~the written permission of the superintendent of schools. Beginning in the 2000–01~~
11 ~~school year, the board shall provide spaces in each school for pupils who reside~~
12 ~~outside the attendance district for the school, but shall fill any unused spaces with~~
13 ~~pupils who reside in the attendance district. A pupil who attends a school may~~
14 ~~continue to attend that school until he or she graduates from the school and each~~
15 ~~sibling of that pupil shall be given priority over other pupils in the process of~~
16 ~~admission for that school.”.~~

17 **7.** Page 1008, line 20: delete lines 20 to 23 and substitute:

18 “**SECTION 2118g.** 119.71 (2) of the statutes is repealed.

19 **SECTION 2118r.** 119.71 (3) of the statutes is amended to read:

20 119.71 (3) (a) ~~The Annually, the board shall use the funds received under sub-~~
21 ~~(2) spend at least \$5,090,000 to expand its half-day 5-year-old kindergarten~~
22 ~~program to a full-day program, as provided under par. (b), and shall enroll in the~~
23 ~~expanded program only pupils who meet the income eligibility standards for a free~~

1 lunch under 42 USC 1758 (b). The board shall select pupils for the expanded program
2 based on the order in which the pupils register for the program.

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

10 **8.** Page 1009, line 4: delete lines 4 to 18 and substitute:

11 “**SECTION 2119m.** 119.74 (intro.) of the statutes is amended to read:

12 **119.74 Extended-day elementary grade, 4-year-old kindergarten and**
13 **alcohol and other drug abuse programs.** (intro.) ~~From the appropriation under~~
14 ~~s. 20.255 (2) (cc), the state superintendent shall pay to the~~ The board the amounts
15 specified in the spending plan under s. 119.80 shall spend at least \$430,000 for the
16 following programs in each school year:

17 **SECTION 2120d.** 119.75 (2) (a) of the statutes is repealed.

18 **SECTION 2120h.** 119.75 (2) (b) of the statutes is renumbered 119.75 (2) and
19 amended to read:

20 119.75 (2) The ~~Annually, the~~ board shall use the funds received under par. (a)
21 spend at least \$1,070,000 to pay the costs of teachers, aides and other support staff,
22 transportation of staff to pupils' homes, in-service programs, parental involvement
23 programs and instructional materials related to the programs under sub. (1). The
24 board may not use the funds to ~~supplant or replace funding otherwise available for~~

1 ~~first grade programs~~ or to provide facilities to house the programs under sub. (1) or
2 to pay pupil transportation or indirect administrative costs associated with the
3 programs under sub. (1).

4 **SECTION 2120p.** 119.78 (1) of the statutes is renumbered 119.78.

5 **SECTION 2120t.** 119.78 (2) of the statutes is repealed.

6 **SECTION 2121m.** 119.80 (1) of the statutes is amended to read:

7 119.80 (1) The board shall submit to the governor a proposal for the
8 expenditure of the funds in the appropriation under s. 20.255 (2) ~~(ee)~~ (kp) in each
9 school year.

10 **SECTION 2122m.** 119.80 (1m) of the statutes is amended to read:

11 119.80 (1m) Annually by June 1, the governor shall submit to the joint
12 committee on finance and to the appropriate standing committees of the legislature
13 under s. 13.172 (3) a proposal for the expenditure of the funds in the appropriation
14 under s. 20.255 (2) ~~(ee)~~ (kp) in the following school year. By June 15, each such
15 standing committee may submit written recommendations on the proposal to the
16 joint committee on finance.”.

17 **9.** Page 1009, line 20: substitute “appropriation” for “appropriations”.

18 **10.** Page 1009, line 21: delete “(ec) or”.

19 **11.** Page 1012, line 12: after that line insert:

20 **“SECTION 2135t.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

21 121.07 (6) (a) “Shared cost” is the sum of the net cost of the general fund and
22 the net cost of the debt service fund, except that “shared cost” excludes any costs,
23 including attorney fees, incurred by a school district as a result of its participation
24 in a lawsuit commenced against the state, beginning with such costs incurred in the

1 fiscal year in which the lawsuit is commenced and excludes the costs of transporting
2 those transfer pupils for whom the school district operating under ch. 119 does not
3 receive intradistrict transfer aid under s. 121.85 (6) as a result of s. 121.85 (6) (am).
4 In this paragraph, “net cost of the debt service fund” includes all of the following
5 amounts:”.

6 **12.** Page 1014, line 7: after that line insert:

7 “**SECTION 2142d.** 121.58 (5) of the statutes is amended to read:

8 121.58 (5) STATE SUPERINTENDENT APPROVAL. If the state superintendent is
9 satisfied that transportation or board and lodging was provided in compliance with
10 law, the state superintendent shall certify to the department of administration the
11 sum due the school district. The state superintendent may not certify payment of
12 state aid under sub. (2) for the number of pupils calculated under s. 121.85 (6) (am).

13 In case of differences concerning the character and sufficiency of the transportation
14 or board and lodging, the state superintendent may determine such matter and his
15 or her decision is final.

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:”.

21 **13.** 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 whose parents or guardians have
6 provided the board of school directors with written consent to a pupil transfer to
7 another attendance area.

8 b. Multiply the result under subd. 1. a. by the total number of transfer pupils
9 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 whose parents or guardians have
12 provided the board of school directors with written consent to a pupil transfer to
13 another attendance area.

14 b. Multiply the result under subd. 2. a. by the total number of transfer pupils
15 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 whose parents or guardians have
18 provided the board of school directors with written consent to a pupil transfer to
19 another attendance area.

20 b. Multiply the result under subd. 3. a. by the total number of transfer pupils
21 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 whose parents or guardians have
24 provided the board of school directors with written consent to a pupil transfer to
25 another attendance area.

1 b. Multiply the result under subd. 4. a. by the total number of transfer pupils
2 under par. (a) in the current school year.

3 5. In the 2004–05 school year and each school year thereafter, the number of
4 pupils whose parents or guardians have not provided the board of school directors
5 with written consent to a pupil transfer to another attendance area.

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

7 121.85 (6) (ar) *Hold harmless.* 1. In the 1999–2000 school year, the department
8 shall pay to the school district operating under ch. 119 the greater of the following:

9 a. The amount of aid received in the 1998–99 school year under par. (a)
10 multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305.

*expressed
as a
decimal*

11 b. The amount of aid to which the school district is entitled under par. (a).

12 2. Except as provided in subd. 3., in the 2000–01 school year and in each school
13 year thereafter, the department shall pay to the school district operating under ch.
14 119 the greater of the following:

15 a. The amount of aid received in the 1998–99 school year under par. (a),
16 adjusted ^{annually} for the school years since 1998–99 by the allowable rate of increase under
17 s. 73.0305, _{as described under subd. 1. a.} less the reduction under par. (am).

18 b. The amount of aid to which the school district is entitled under par. (a), less
19 the reduction under par. (am).

20 3. a. If one or more bonds are issued under s. 66.431 (5) (a) 4., subd. 2. does not
21 apply beginning in the first fiscal year following certification by the secretary of
22 administration to the department that the last principal and interest payment on the
23 bonds has been made.

24 b. If no bonds are issued under s. 66.431 (5) (a) 4. by the date specified in that
25 section, subd. 2. does not apply beginning in the first fiscal year following that date.”

1 **14.** Page 1014, line 13: delete lines 13 to 16 and substitute:

2 “**SECTION 2146g.** 121.85 (6m) of the statutes is created to read:

3 121.85 (6m) USE OF AID FOR DEBT SERVICE. The board of directors of the school
4 district operating under ch. 119 may use intradistrict transfer aid under sub. (6) to
5 pay debt service on bonds issued under s. 66.431 (5m). If the board of school directors
6 decides to use the aid to pay the debt service, it may request the department to remit
7 the intradistrict transfer aid under sub. (6) to the redevelopment authority of the city
8 of Milwaukee in an annual amount agreed to by the board of school directors and the
9 department, and the department shall ensure that the aid remittance does not affect
10 the amount determined to be received by the board of school directors as state aid
11 under s. 121.08 for any other purpose.

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

13 121.85 (7) TRANSPORTATION. Transportation shall be provided to pupils
14 transferring schools under this section if required under subch. IV. Transportation
15 for a pupil attending a public school under sub. (3) (a) outside the pupil's school
16 district of residence shall be provided pursuant to agreement between the school
17 district of residence and the school district of attendance. If either the school district
18 of residence or the school district of attendance operates a program of intradistrict
19 transfers under sub. (3) (b), that school district shall be responsible for the cost of
20 transportation. The school district may meet this responsibility either by
21 contracting directly for provision of transportation or by reimbursing another school
22 district for the cost of such a contract. Transportation for a pupil attending a public
23 school under sub. (3) (b) outside his or her attendance area of residence may be
24 provided by his or her school district. A school district providing transportation

1 under this subsection may not claim transportation aid under subch. IV for pupils
2 so transported. A school district that transports a pupil who moves outside his or her
3 attendance district during the school year to the school in the pupil's former
4 attendance district may use intradistrict transfer aid under sub. (6) to pay the costs
5 of transporting the pupil.

6 **SECTION 2146w.** 121.87 (3) of the statutes is created to read:

7 121.87 (3) In addition to the report under sub. (1), annually by May 1 the board
8 of school directors of the school district operating under ch. 119 shall submit a report
9 to the legislature under s. 13.172 (2) that specifies the number, percentage, race, sex,
10 grade and attendance area of pupils transferred outside their attendance area
11 without written consent under s. 121.85 (6) (am)."

12 **15.** Page 1014, line 20: substitute "2000-01" for "1999-2000".

13 **16.** Page 1410, line 12: after that line insert:

14 "(3z) STUDY OF SPECIAL TRANSFER PROGRAM. The joint legislative council is
15 requested to conduct a study of the special transfer program under subchapter VI of
16 chapter 121 of the statutes. If the joint legislative council conducts the study, it shall
17 report its findings, conclusions and recommendations to the legislature in the
18 manner provided under section 13.172 (2) of the statutes by January 1, 2000."

19 **17.** Page 1438, line 8: after that line insert:

20 "(7tw) SPECIAL TRANSFER AID REPORT.

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

✓ #. Page 1014, line 18: substitute "2000-01" for
"1999-2000".

1 1. A strategy for achieving the percentages specified under section 121.85 (6)
2 (am) of the statutes, as created by this act.

3 2. A facility plan specifying the neighborhood schools that are needed, the
4 location of specialty schools and the estimated cost of the facility plan.

5 3. Other means by which the pupil capacity of neighborhood schools will be
6 expanded, which could include remodeling and use of nontraditional facilities.

7 4. Specific plans for establishing neighborhood schools and replicating or
8 relocating specialty schools throughout the school district in order to increase the
9 number of pupils attending neighborhood schools.

10 5. A description of the alternative settings, which are in compliance, as defined
11 in section 115.33 (1) (a) of the statutes, that will be used for educating pupils.

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

15 (c) Notwithstanding section 121.85 (6) (ar) of the statutes, as created by this
16 act, the department of public instruction may not distribute any aid under section
17 121.85 (6) (ar) of the statutes, as created by this act, to the board of school directors
18 of the school district operating under chapter 119 of the statutes in the 2000-01 fiscal
19 year until the report is approved by the joint committee on finance under paragraph
20 (b).".

21

✓ # Page 1456⁶, line 6: after "Pupils" insert
~~insert~~ (CS)
" AND REVENUE LIMITS ".

✓ # Page 1456⁶, line 8: delete that line and
substitute " applies^s to the ^{dis}tribution of state aid in, and
to the revenue limits for, the 2000-01 school year.".
(End)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0607/3
MJL/MES/RAC/PG:kmg:mrc

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

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 393, line 3: delete lines 3 to 13 and substitute:

3 “SECTION 261m. 20.255 (2) (ec) of the statutes is repealed.”.

4 **2.** Page 394, line 8: delete “119.71, 119.72, 119.75” and substitute “119.72”.

5 **3.** Page 701, line 15: delete that line and substitute “operating under ch. 119
6 under ss. 119.72 and 119.82, \$1,410,000 in”.

7 **4.** Page 817, line 23: after that line insert:

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

9 66.431 (5) (a) 4. c. To issue bonds in its discretion to finance its activities under
10 this section, including the payment of principal and interest upon any advances for

1 surveys and plans, and may issue refunding bonds for the payment or retirement of
2 such bonds previously issued by it. Such Except for bonds described under subd. 4.
3 d., such bonds shall be made payable, as to both principal and interest, solely from
4 the income, proceeds, revenues, and funds of the authority derived from or held in
5 connection with its undertaking and carrying out of projects or activities under this
6 section; provided that payment of such bonds, both as to principal and interest, may
7 be further secured by a pledge of any loan, grant or contribution from the federal
8 government or other source, in aid of any projects or activities of the authority under
9 this section, and by a mortgage of any such projects or activities, or any part thereof.
10 Bonds issued under this section shall not constitute an indebtedness within the
11 meaning of any constitutional or statutory debt limitation or restriction of the state,
12 city or of any public body other than the authority issuing the bonds, and shall not
13 be subject to any other law or charter relating to the authorization, issuance or sale
14 of bonds. Bonds issued under this section are declared to be issued for an essential
15 public and governmental purpose and, together with interest thereon and income
16 therefrom, shall be exempt from all taxes. Bonds issued under this section shall be
17 authorized by resolution of the authority and may be issued in one or more series and
18 shall bear such date, be payable upon demand or mature at such time, bear interest
19 at such rate, be in such denomination, be in such form either with or without coupon
20 or registered, carry such conversion or registration privileges, have such rank or
21 priority, be payable in such medium of payment, at such place, and be subject to such
22 terms of redemption, with or without premium, be secured in such manner, and have
23 such other characteristics, as is provided by the resolution, trust indenture or
24 mortgage issued pursuant thereto. Bonds issued under this section shall be executed
25 as provided in s. 67.08 (1) and may be registered under s. 67.09. The bonds may be

1 sold or exchanged at public sale or by private negotiation with bond underwriters as
2 the authority may provide. The bonds may be sold or exchanged at such price or
3 prices as the authority shall determine. If sold or exchanged at public sale, the sale
4 shall be held after a class 2 notice, under ch. 985, published prior to such sale in a
5 newspaper having general circulation in the city and in such other medium of
6 publication as the authority determines. Such bonds may be sold to the federal
7 government at private sale, without publication of any notice, at not less than par,
8 and, if less than all of the authorized principal amount of such bonds is sold to the
9 federal government, the balance may be sold at private sale at not less than par at
10 an interest cost to the authority of not to exceed the interest cost to the authority of
11 the portion of the bonds sold to the federal government. Any provision of any law to
12 the contrary notwithstanding, any bonds issued pursuant to this section shall be
13 fully negotiable. In any suit, action or proceeding involving the validity or
14 enforceability of any bond issued under this section or the security therefor, any such
15 bond reciting in substance that it has been issued by the authority in connection with
16 a project or activity under this section shall be conclusively deemed to have been
17 issued for such purpose and such project or activity shall be conclusively deemed to
18 have been planned, located and carried out in accordance with this section.

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

20 66.431 (5) (a) 4. d. Subject to sub. (5m), the authority of a 1st class city may
21 issue up to \$200,000,000 in bonds to finance capital improvements at the request of
22 the board of school directors of the school district operating under ch. 119 to
23 implement the report approved under 1999 Wisconsin Act (this act), section 9139
24 (7tw) (b). Bonds issued under this subd. 4. d. may not have a maturity in excess of
25 20 years, and may not be issued later than the first day of the 60th month beginning

1 after the effective date of this subd. 4. d. [revisor inserts date]. Principal and
2 interest payments on bonds issued under this subd. 4. d. may be paid by the board
3 of school directors of the school district operating under ch. 119.

4 **SECTION 1628i.** 66.431 (5m) of the statutes is created to read:

5 66.431 (5m) SPECIAL DEBT SERVICE RESERVE FUNDS. (a) *Designation of special*
6 *debt service reserve funds.* The authority may designate one or more accounts in
7 funds created under s. 66.066 (2) (e) as special debt service reserve funds if, prior to
8 each issuance of bonds to be secured by the special debt service reserve fund, the
9 secretary of administration determines that all of the following conditions are met
10 with respect to the bonds described under sub. (5) (a) 4. d.:

11 1. 'Purpose.' The proceeds of the bonds, other than refunding bonds, will be
12 used for public school facilities in the school district operating under ch. 119.

13 2. 'Feasibility.' There is a reasonable likelihood that the bonds will be repaid
14 without the necessity of drawing on funds in the special debt service reserve fund
15 that secures the bonds. The secretary of administration may make this
16 determination of reasonable likelihood only after considering all of the following:

17 a. Whether a pledge of the revenues of the school district operating under ch.
18 119 is made under the bond resolution.

19 b. How the revenues of the school district operating under ch. 119 are pledged
20 to the payment of the bonds.

21 c. The proposed interest rates of the bonds and the resulting cash-flow
22 requirements.

23 d. The projected ratio of annual revenues from the school district operating
24 under ch.119 to annual debt service of the authority, taking into account capitalized
25 interest.

1 e. Whether an understanding exists providing for repayment by the authority
2 to the state of all amounts appropriated to the special debt service reserve fund
3 pursuant to par. (g).

4 f. Whether the authority has agreed that the department of administration will
5 have direct and immediate access, at any time and without notice, to all records of
6 the authority relating to the bonds.

7 3. 'Limit on bonds issued.' The amount of all bonds, other than refunding
8 bonds, that would be secured by all special debt service reserve funds of the authority
9 will not exceed \$200,000,000.

10 4. 'Refunding bonds.' All refunding bonds to be secured by the special debt
11 service reserve fund meet all of the following conditions:

12 a. The refunding bonds are to be issued to fund, refund or advance refund bonds
13 secured by a special debt service reserve fund.

14 b. The refunding of bonds by the refunding bonds will not adversely affect the
15 risk that the state will be called on to make a payment under par. (g).

16 5. 'Approval of outstanding debt.' All outstanding debt of the authority relating
17 to the bonds has been reviewed and approved by the secretary of administration. In
18 determining whether to approve outstanding debt under this subdivision, the
19 secretary may consider any factor which the secretary determines to have a bearing
20 on whether the state moral obligation pledge under par. (g) should be granted with
21 respect to an issuance of bonds.

22 6. 'Financial reports.' The authority has agreed to provide to the department
23 of administration all financial reports of the authority and all regular monthly
24 statements of any trustee of the bonds on a direct and ongoing basis.

1 (b) *Payment of funds into a special debt service reserve fund.* The authority
2 shall pay into any special debt service reserve fund of the authority any moneys
3 appropriated and made available by the state for the purposes of the special debt
4 service reserve fund, any proceeds of a sale of bonds described under sub. (5) (a) 4.
5 d. to the extent provided in the bond resolution authorizing the issuance of the bonds
6 and any other moneys that are made available to the authority for the purpose of the
7 special debt service reserve fund from any other source.

8 (c) *Use of moneys in the special debt service reserve fund.* All moneys held in
9 any special debt service reserve fund of the authority, except as otherwise specifically
10 provided, shall be used solely for the payment of the principal of bonds secured in
11 whole or in part by the special debt service reserve fund, the making of sinking fund
12 payments with respect to these bonds, the purchase or redemption of these bonds,
13 the payment of interest on these bonds or the payment of any redemption premium
14 required to be paid when these bonds are redeemed prior to maturity. If moneys in
15 a special debt service reserve fund at any time are less than the special debt service
16 reserve fund requirement under par. (e) for the special debt service reserve fund, the
17 authority may not use these moneys for any optional purchase or optional
18 redemption of the bonds. Any income or interest earned by, or increment to, any
19 special debt service reserve fund due to the investment of moneys in the special debt
20 service reserve fund may be transferred by the authority to other funds or accounts
21 of the authority relating to the bonds to the extent that the transfer does not reduce
22 the amount of the special debt service reserve fund below the special debt service
23 reserve fund requirement under par. (e) for the special debt service reserve fund.

24 (d) *Limitation on bonds secured by a special debt service reserve fund.* The
25 authority shall accumulate in each special debt service reserve fund an amount equal

1 to the special debt service reserve fund requirement under par. (e) for the special debt
2 service reserve fund. The authority may not at any time issue bonds secured in whole
3 or in part by a special debt service reserve fund if upon the issuance of these bonds
4 the amount in the special debt service reserve fund will be less than the special debt
5 service reserve fund requirement under par. (e) for the special debt service reserve
6 fund.

7 (e) *Special debt service reserve fund requirement.* The special debt service
8 reserve fund requirement for a special debt service reserve fund, as of any particular
9 date of computation, is equal to an amount of money, as provided in the bond
10 resolution authorizing the bonds with respect to which the special debt service
11 reserve fund is established, that may not exceed the maximum annual debt service
12 on the bonds of the authority for that fiscal year or any future fiscal year of the
13 authority secured in whole or in part by that special debt service reserve fund. In
14 computing the annual debt service for any fiscal year, bonds deemed to have been
15 paid in accordance with the defeasance provisions of the bond resolution authorizing
16 the issuance of the bonds shall not be included in bonds outstanding on such date of
17 computation. The annual debt service for any fiscal year is the amount of money
18 equal to the aggregate of all of the following calculated on the assumption that the
19 bonds will, after the date of computation, cease to be outstanding by reason, but only
20 by reason, of the payment of bonds when due, and the payment when due, and
21 application in accordance with the bond resolution authorizing those bonds, of all of
22 the sinking fund payments payable at or after the date of computation:

23 1. All interest payable during the fiscal year on all bonds that are secured in
24 whole or in part by the special debt service reserve fund and that are outstanding on
25 the date of computation.

1 2. The principal amount of all of the bonds that are secured in whole or in part
2 by the special debt service reserve fund, are outstanding on the date of computation
3 and mature during the fiscal year.

4 3. All amounts specified in bond resolutions of the authority authorizing any
5 of the bonds that are secured in whole or in part by the special debt service reserve
6 fund to be payable during the fiscal year as a sinking fund payment with respect to
7 any of the bonds that mature after the fiscal year.

8 (f) *Valuation of securities.* In computing the amount of a special debt service
9 reserve fund for the purposes of this subsection, securities in which all or a portion
10 of the special debt service reserve fund is invested shall be valued at par, or, if
11 purchased at less than par, at their cost to the authority.

12 (g) *State moral obligation pledge.* If at any time of valuation the special debt
13 service reserve fund requirement under par. (e) for a special debt service reserve fund
14 exceeds the amount of moneys in the special debt service reserve fund, the authority
15 shall certify to the secretary of administration, the governor and the joint committee
16 on finance the amount necessary to restore the special debt service reserve fund to
17 an amount equal to the special debt service reserve fund requirement under par. (e)
18 for the special debt service reserve fund. If this certification is received by the
19 secretary of administration in an even-numbered year prior to the completion of the
20 budget compilation under s. 16.43, the secretary shall include the certified amount
21 in the budget compilation. In any case, the joint committee on finance shall introduce
22 in either house, in bill form, an appropriation of the amount so certified to the
23 appropriate special debt service reserve fund of the authority. Recognizing its moral
24 obligation to do so, the legislature hereby expresses its expectation and aspiration
25 that, if ever called upon to do so, it shall make this appropriation.”

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

4 **6.** Page 1007, line 4: after that line insert:

5 “**SECTION 2113g.** 119.24 of the statutes is amended to read:

6 **119.24 Admission of pupils.** ~~Each school under the jurisdiction of the board~~
7 ~~shall be open to pupils residing within the attendance district established for that~~
8 ~~school under s. 119.16 (2).~~ A pupil residing in any such district may attend a school
9 in another an attendance district other than the one in which he or she resides with
10 the written permission of the superintendent of schools. Beginning in the 2000–01
11 school year, the board shall provide spaces in each school for pupils who reside
12 outside the attendance district for the school, but shall fill any unused spaces with
13 pupils who reside in the attendance district. A pupil who attends a school may
14 continue to attend that school until he or she graduates from the school and each
15 sibling of that pupil shall be given priority over other pupils in the process of
16 admission for that school.”.

17 **7.** Page 1008, line 20: delete lines 20 to 23 and substitute:

18 “**SECTION 2118g.** 119.71 (2) of the statutes is repealed.

19 **SECTION 2118r.** 119.71 (3) of the statutes is amended to read:

20 119.71 (3) (a) ~~The Annually, the board shall use the funds received under sub.~~
21 (2) spend at least \$5,090,000 to expand its half-day 5-year-old kindergarten
22 program to a full-day program, as provided under par. (b), and shall enroll in the
23 expanded program only pupils who meet the income eligibility standards for a free

1 lunch under 42 USC 1758 (b). The board shall select pupils for the expanded program
2 based on the order in which the pupils register for the program.

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

10 **8.** Page 1009, line 4: delete lines 4 to 18 and substitute:

11 “**SECTION 2119m.** 119.74 (intro.) of the statutes is amended to read:

12 **119.74 Extended-day elementary grade, 4-year-old kindergarten and**
13 **alcohol and other drug abuse programs.** (intro.) ~~From the appropriation under~~
14 ~~s. 20.255 (2) (cc), the state superintendent shall pay to the~~ The board the amounts
15 specified in the spending plan under s. 119.80 shall spend at least \$430,000 for the
16 following programs in each school year:

17 **SECTION 2120d.** 119.75 (2) (a) of the statutes is repealed.

18 **SECTION 2120h.** 119.75 (2) (b) of the statutes is renumbered 119.75 (2) and
19 amended to read:

20 119.75 (2) ~~The~~ Annually, the board shall use the funds ~~received under par. (a)~~
21 spend at least \$1,070,000 to pay the costs of teachers, aides and other support staff,
22 transportation of staff to pupils' homes, in-service programs, parental involvement
23 programs and instructional materials related to the programs under sub. (1). The
24 board may not use the funds ~~to supplant or replace funding otherwise available for~~

1 ~~first grade programs~~ or to provide facilities to house the programs under sub. (1) or
2 to pay pupil transportation or indirect administrative costs associated with the
3 programs under sub. (1).

4 **SECTION 2120p.** 119.78 (1) of the statutes is renumbered 119.78.

5 **SECTION 2120t.** 119.78 (2) of the statutes is repealed.

6 **SECTION 2121m.** 119.80 (1) of the statutes is amended to read:

7 119.80 (1) The board shall submit to the governor a proposal for the
8 expenditure of the funds in the appropriation under s. 20.255 (2) ~~(ee)~~ (kp) in each
9 school year.

10 **SECTION 2122m.** 119.80 (1m) of the statutes is amended to read:

11 119.80 (1m) Annually by June 1, the governor shall submit to the joint
12 committee on finance and to the appropriate standing committees of the legislature
13 under s. 13.172 (3) a proposal for the expenditure of the funds in the appropriation
14 under s. 20.255 (2) ~~(ee)~~ (kp) in the following school year. By June 15, each such
15 standing committee may submit written recommendations on the proposal to the
16 joint committee on finance.”.

17 **9.** Page 1009, line 20: substitute “appropriation” for “appropriations”.

18 **10.** Page 1009, line 21: delete “(ec) or”.

19 **11.** Page 1012, line 12: after that line insert:

20 **“SECTION 2135t.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

21 121.07 (6) (a) “Shared cost” is the sum of the net cost of the general fund and
22 the net cost of the debt service fund, except that “shared cost” excludes any costs,
23 including attorney fees, incurred by a school district as a result of its participation
24 in a lawsuit commenced against the state, beginning with such costs incurred in the

1 fiscal year in which the lawsuit is commenced and excludes the costs of transporting
2 those transfer pupils for whom the school district operating under ch. 119 does not
3 receive intradistrict transfer aid under s. 121.85 (6) as a result of s. 121.85 (6) (am).
4 In this paragraph, “net cost of the debt service fund” includes all of the following
5 amounts:”.

6 **12.** Page 1014, line 7: after that line insert:

7 “**SECTION 2142d.** 121.58 (5) of the statutes is amended to read:

8 121.58 (5) STATE SUPERINTENDENT APPROVAL. If the state superintendent is
9 satisfied that transportation or board and lodging was provided in compliance with
10 law, the state superintendent shall certify to the department of administration the
11 sum due the school district. The state superintendent may not certify payment of
12 state aid under sub. (2) for the number of pupils calculated under s. 121.85 (6) (am).
13 In case of differences concerning the character and sufficiency of the transportation
14 or board and lodging, the state superintendent may determine such matter and his
15 or her decision is final.

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:”.

21 **13.** 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 whose parents or guardians have
6 provided the board of school directors with written consent to a pupil transfer to
7 another attendance area.

8 b. Multiply the result under subd. 1. a. by the total number of transfer pupils
9 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 whose parents or guardians have
12 provided the board of school directors with written consent to a pupil transfer to
13 another attendance area.

14 b. Multiply the result under subd. 2. a. by the total number of transfer pupils
15 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 whose parents or guardians have
18 provided the board of school directors with written consent to a pupil transfer to
19 another attendance area.

20 b. Multiply the result under subd. 3. a. by the total number of transfer pupils
21 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 whose parents or guardians have
24 provided the board of school directors with written consent to a pupil transfer to
25 another attendance area.

1 b. Multiply the result under subd. 4. a. by the total number of transfer pupils
2 under par. (a) in the current school year.

3 5. In the 2004–05 school year and each school year thereafter, the number of
4 pupils whose parents or guardians have not provided the board of school directors
5 with written consent to a pupil transfer to another attendance area.

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

7 121.85 (6) (ar) *Hold harmless.* 1. In the 1999–2000 school year, the department
8 shall pay to the school district operating under ch. 119 the greater of the following:

9 a. The amount of aid received in the 1998–99 school year under par. (a)
10 multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305
11 expressed as a decimal.

12 b. The amount of aid to which the school district is entitled under par. (a).

13 2. Except as provided in subd. 3., in the 2000–01 school year and in each school
14 year thereafter, the department shall pay to the school district operating under ch.
15 119 the greater of the following:

16 a. The amount of aid received in the 1998–99 school year under par. (a),
17 adjusted annually for the school years since 1998–99 by the allowable rate of increase
18 under s. 73.0305 as described under subd. 1. a., less the reduction under par. (am).

19 b. The amount of aid to which the school district is entitled under par. (a), less
20 the reduction under par. (am).

21 3. a. If one or more bonds are issued under s. 66.431 (5) (a) 4., subd. 2. does not
22 apply beginning in the first fiscal year following certification by the secretary of
23 administration to the department that the last principal and interest payment on the
24 bonds has been made.

1 b. If no bonds are issued under s. 66.431 (5) (a) 4. by the date specified in that
2 section, subd. 2. does not apply beginning in the first fiscal year following that date.”.

3 **14.** Page 1014, line 13: delete lines 13 to 16 and substitute:

4 “**SECTION 2146g.** 121.85 (6m) of the statutes is created to read:

5 **121.85 (6m) USE OF AID FOR DEBT SERVICE.** The board of directors of the school
6 district operating under ch. 119 may use intradistrict transfer aid under sub. (6) to
7 pay debt service on bonds issued under s. 66.431 (5m). If the board of school directors
8 decides to use the aid to pay the debt service, it may request the department to remit
9 the intradistrict transfer aid under sub. (6) to the redevelopment authority of the city
10 of Milwaukee in an annual amount agreed to by the board of school directors and the
11 department, and the department shall ensure that the aid remittance does not affect
12 the amount determined to be received by the board of school directors as state aid
13 under s. 121.08 for any other purpose.

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

15 **121.85 (7) TRANSPORTATION.** Transportation shall be provided to pupils
16 transferring schools under this section if required under subch. IV. Transportation
17 for a pupil attending a public school under sub. (3) (a) outside the pupil’s school
18 district of residence shall be provided pursuant to agreement between the school
19 district of residence and the school district of attendance. If either the school district
20 of residence or the school district of attendance operates a program of intradistrict
21 transfers under sub. (3) (b), that school district shall be responsible for the cost of
22 transportation. The school district may meet this responsibility either by
23 contracting directly for provision of transportation or by reimbursing another school
24 district for the cost of such a contract. Transportation for a pupil attending a public

1 school under sub. (3) (b) outside his or her attendance area of residence may be
2 provided by his or her school district. A school district providing transportation
3 under this subsection may not claim transportation aid under subch. IV for pupils
4 so transported. A school district that transports a pupil who moves outside his or her
5 attendance district during the school year to the school in the pupil's former
6 attendance district may use intradistrict transfer aid under sub. (6) to pay the costs
7 of transporting the pupil.

8 **SECTION 2146w.** 121.87 (3) of the statutes is created to read:

9 121.87 (3) In addition to the report under sub. (1), annually by May 1 the board
10 of school directors of the school district operating under ch. 119 shall submit a report
11 to the legislature under s. 13.172 (2) that specifies the number, percentage, race, sex,
12 grade and attendance area of pupils transferred outside their attendance area
13 without written consent under s. 121.85 (6) (am).”

14 **15.** Page 1014, line 18: substitute “2000–01” for “1999–2000”.

15 **16.** Page 1014, line 20: substitute “2000–01” for “1999–2000”.

16 **17.** Page 1410, line 12: after that line insert:

17 “(3z) STUDY OF SPECIAL TRANSFER PROGRAM. The joint legislative council is
18 requested to conduct a study of the special transfer program under subchapter VI of
19 chapter 121 of the statutes. If the joint legislative council conducts the study, it shall
20 report its findings, conclusions and recommendations to the legislature in the
21 manner provided under section 13.172 (2) of the statutes by January 1, 2000.”

22 **18.** Page 1438, line 8: after that line insert:

23 “(7tw) SPECIAL TRANSFER AID REPORT.

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

5 1. A strategy for achieving the percentages specified under section 121.85 (6)
6 (am) of the statutes, as created by this act.

7 2. A facility plan specifying the neighborhood schools that are needed, the
8 location of specialty schools and the estimated cost of the facility plan.

9 3. Other means by which the pupil capacity of neighborhood schools will be
10 expanded, which could include remodeling and use of nontraditional facilities.

11 4. Specific plans for establishing neighborhood schools and replicating or
12 relocating specialty schools throughout the school district in order to increase the
13 number of pupils attending neighborhood schools.

14 5. A description of the alternative settings, which are in compliance, as defined
15 in section 115.33 (1) (a) of the statutes, that will be used for educating pupils.

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

19 (c) Notwithstanding section 121.85 (6) (ar) of the statutes, as created by this
20 act, the department of public instruction may not distribute any aid under section
21 121.85 (6) (ar) of the statutes, as created by this act, to the board of school directors
22 of the school district operating under chapter 119 of the statutes in the 2000–01 fiscal
23 year until the report is approved by the joint committee on finance under paragraph
24 (b).”.

1 **19.** Page 1456, line 6: after "PUPILS" insert "AND REVENUE LIMITS".

2 **20.** Page 1456, line 8: delete that line and substitute "applies to the
3 distribution of state aid in, and to the revenue limits for, the 2000–01 school year."

4 (END)