

## 2001 ASSEMBLY BILL 637

November 13, 2001 – Introduced by Representatives UNDERHEIM, McCORMICK, KRAWCZYK, OWENS, F. LASEE and KREUSER. Referred to Committee on State and Local Finance (Select).

1     **AN ACT to amend** 121.07 (6) (a) (intro.) and 121.15 (3m) (a) 1. of the statutes;  
2             **relating to:** aid for school construction costs and granting rule-making  
3             authority.

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

Under current law, the state must determine how much general school aid to appropriate to ensure that partial school aid (general school aid and the property tax levy) equals two-thirds of state school aids (general school aid, certain categorical aids, and the school levy tax credit). In other words, the state must determine how much general school aid to appropriate to pay two-thirds of statewide school costs.

This bill excludes from the definitions of partial school revenues and shared cost (school district expenditures that are aidable through the general school aid formula) the amount of property taxes levied to pay debt service on debt incurred to finance construction other than the construction of academic classrooms. The effect of these provisions is to lower the amount of aid needed to meet two-thirds funding and to reduce the amount of general school aid paid to school districts who incur such debt service.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

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1           **SECTION 1.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

2           121.07 **(6)** (a) (intro.) “Shared cost” is the sum of the net cost of the general fund  
3 and the net cost of the debt service fund, except that “shared cost” excludes any costs,  
4 including attorney fees, incurred by a school district as a result of its participation  
5 in a lawsuit commenced against the state, beginning with such costs incurred in the  
6 fiscal year in which the lawsuit is commenced; ~~;~~ excludes any expenditures from a  
7 capital improvement fund created under s. 120.135 ~~and~~; excludes the costs of  
8 transporting those transfer pupils for whom the school district operating under ch.  
9 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.  
10 121.85 (6) (am); and excludes debt service on debt incurred to finance construction  
11 other than the construction of academic classrooms, as defined by the department  
12 by rule. In this paragraph, “net cost of the debt service fund” includes all of the  
13 following amounts:

14           **SECTION 2.** 121.15 (3m) (a) 1. of the statutes, as affected by 2001 Wisconsin Act  
15 16, is amended to read:

16           121.15 **(3m)** (a) 1. “Partial school revenues” means the sum of state school aids,  
17 other than the amounts appropriated under s. 20.255 (2) ~~and~~ (cv), property taxes  
18 levied for school districts and aid paid to school districts under s. 79.095 (4), less the  
19 amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a school board’s  
20 increasing the services that it provides by adding responsibility for providing a  
21 service transferred to it from another school board, less the amount of any revenue  
22 limit increase under s. 121.91 (4) (a) 3., less the amount of any revenue limit increase  
23 under s. 121.91 (4) (j), less the amount of any revenue limit increase under s. 121.91  
24 (4) (h), less the amount of any property taxes levied for the purpose of s. 120.13 (19),  
25 ~~and~~ less an amount equal to 45% of the amount estimated to be paid under s. 119.23

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1 (4) and (4m), and less the amount of property taxes levied to pay debt service on debt  
2 incurred to finance construction other than the construction of academic classrooms,  
3 as defined by the department by rule.

**SECTION 3. Nonstatutory provisions.**

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5 (1) The departments of administration and revenue, in consultation with the  
6 legislative fiscal bureau, shall determine the average cost of constructing public  
7 academic classrooms for kindergarten through 12th grade. By January 1, 2002, the  
8 departments shall jointly submit a report to the governor, and to the legislature in  
9 the manner provided under section 13.172 (2) of the statutes, recommending a  
10 formula for determining the percentage of academic classroom construction cost that  
11 should be included in a school district's shared cost and in partial school revenues,  
12 as defined in section 121.15 (3m) (a) 1. of the statutes.

**SECTION 4. Initial applicability.**

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14 (1) The treatment of sections 121.07 (6) (a) (intro.) and 121.15 (3m) (a) 1. of the  
15 statutes first applies to state aid distributed in the 2002–03 school year.

16 (END)