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**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

in 3/5/10 due 3/10

repeal

1 **AN ACT to repeal** 73.0305, 121.905 (3) (c) 3r. and 121.91 (2m) (g); **to amend**  
 2 20.255 (2) (ac), 111.70 (1) (b), 111.70 (1) (ne), 111.70 (4) (cm) 6. a., 111.70 (4) (cm)  
 3 6. am., 111.70 (4) (d) 2. a., 111.70 (4) (m) 6., 120.12 (24), 121.905 (3) (c) 4., 121.91  
 4 (2m) (d) 2., 121.91 (2m) (e) 2., 121.91 (2m) (h) (intro.), 121.91 (2m) (h) 2., 121.91  
 5 (2m) (r) 1. (intro.), 121.91 (2m) (r) 1. b., 121.91 (2m) (r) 2. (intro.), 121.91 (2m)  
 6 (s) 1. (intro.), 121.91 (2m) (s) 1. b., 121.91 (2m) (s) 2. (intro.) and 121.91 (8); and  
 7 **to create** 111.70 (1) (dm), 111.70 (1) (fm), 111.70 (1) (mc), 111.70 (4) (cm) 5s.,  
 8 111.70 (4) (cm) 8p. and 8s., 118.245 and 121.15 (3m) of the statutes; **relating**  
 9 **to:** creating a qualified economic offer for school district professional employees  
 10 in the arbitration process and INS rel

**Analysis by the Legislative Reference Bureau**

Under the Municipal Employment Relations Act (MERA), in local government employment other than law enforcement and fire fighting employment, if a dispute relating to the terms of a proposed collective bargaining agreement has not been settled after a reasonable period of negotiation and after mediation by the Wisconsin Employment Relations Commission (WERC), either party may petition WERC to initiate compulsory, final, and binding arbitration with respect to any dispute

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relating to wages, hours, and conditions of employment. An arbitrator must adopt the final offer of one of the parties, which is then incorporated into the collective bargaining agreement.

Under this bill, this process does not apply to a dispute over economic issues involving a collective bargaining unit consisting of school district professional employees if WERC determines that the employer has submitted a qualified economic offer (QEO). A QEO consists of a proposal to maintain the percentage contribution by the employer to the employees' existing fringe benefit costs and the employees' existing fringe benefits and to provide for an annual average salary increase having a cost to the employer at least equal to 1.4 percent of the existing total compensation and fringe benefit costs for the employees in the collective bargaining unit plus any fringe benefit savings. Fringe benefit savings is any amount by which 1.2 percent of the total compensation and fringe benefit costs for all municipal employees in a collective bargaining unit for any 12-month period covered by a proposed collective bargaining agreement exceeds the increased cost required to maintain the percentage contribution by the municipal employer to the municipal employees' existing fringe benefit costs and to maintain all fringe benefits provided to the municipal employees.

This bill also requires school district professional employees to be placed in a collective bargaining unit that is separate from the units of other school district employees. The bill creates a 2.6 percent cap on salary and fringe benefit annual cost increases for all nonrepresented school district professional employees.

Beginning in May 2011, and annually thereafter, this bill directs the Department of Public Instruction, the Department of Administration, and the Legislative Fiscal Bureau jointly to determine the amount necessary to appropriate as general school aids in the following fiscal year to pay for the following percentage of public school costs:

1. For the 2011-12 school year, 65.28 percent.
2. For the 2012-13 school year, 65.56 percent.
3. For the 2013-14 school year, 65.84 percent.
4. For the 2014-15 school year, 66.12 percent.
5. For the 2015-16 school year, 66.40 percent.
6. For the 2016-17 school year, 66.68 percent.

The bill directs the Joint Committee on Finance to determine the amount appropriated as general school aids for the 2012-13 fiscal year and biennially thereafter.

Current law limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in any school year. For the 2009-10 and 2010-11 school years, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$200 and the revenue increase allowed per pupil in the previous school year. For the 2011-12 school year, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$275 and the revenue increase allowed per pupil in the previous school year. For the 2012-13 school year and any school year thereafter, no school district may increase its revenues by an amount that exceeds the amount of revenue

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also

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and requires collective bargaining agreements covering school district professional employees to be for a term of two years

that results in the increases being identical to represented school district professional employees

increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

This bill provides that, beginning in the 2011-12 school year, no school district may increase its revenues by an amount that exceeds the amount of revenue increase allowed per pupil in the previous school year increased by 2.6 percent.

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:*

1           SECTION 1. 20.255 (2) (ac) of the statutes, as affected by 2009 Wisconsin Act 28,  
2 is amended to read:

3           20.255 (2) (ac) *General equalization aids*. ~~The amounts in the schedule A sum~~  
4 sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095,  
5 121.105, 121.137 and subch. VI of ch. 121 equal to \$4,652,500,000 in the 2010-11  
6 fiscal year, equal to the amount determined by law in the 2011-12 fiscal year and  
7 biennially thereafter, and equal to the amount determined by the joint committee on  
8 finance under s. 121.15 (3m) (c) in the 2012-13 fiscal year and biennially thereafter.

9           SECTION 2. 73.0305 of the statutes is repealed.

as affected by  
2009 Wisconsin Act 28,

10           SECTION 3. 111.70 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,  
11 is amended to read:

12           111.70 (1) (b) "Collective bargaining unit" means a unit consisting of municipal  
13 employees who are school district professional employees or of municipal employees  
14 who are not school district professional employees that is determined by the  
15 commission to be appropriate for the purpose of collective bargaining.

16           SECTION 4. 111.70 (1) (dm) of the statutes is created to read:

17           111.70 (1) (dm) "Economic issue" means salaries, overtime pay, sick leave,  
18 payments in lieu of sick leave usage, vacations, clothing allowances in excess of the

**SECTION 4**

1 actual cost of clothing, length-of-service credit, continuing education credit, shift  
 2 premium pay, longevity pay, extra duty pay, performance bonuses, health insurance,  
 3 life insurance, dental insurance, disability insurance, vision insurance, long-term  
 4 care insurance, worker's compensation and unemployment insurance, social  
 5 security benefits, vacation pay, holiday pay, lead worker pay, temporary assignment  
 6 pay, retirement contributions, supplemental retirement benefits, severance or other  
 7 separation pay, hazardous duty pay, certification or license payment, limitations on  
 8 layoffs that create a new or increased financial liability on the employer, and  
 9 contracting or subcontracting of work that would otherwise be performed by  
 10 municipal employees in the collective bargaining unit with which there is a labor  
 11 dispute.

12 **SECTION 5.** 111.70 (1) (fm) of the statutes is created to read:

13 111.70 (1) (fm) "Fringe benefit savings" means the amount, if any, by which 1.2  
 14 percent of the total compensation and fringe benefit costs for all municipal employees  
 15 in a collective bargaining unit for any 12-month period covered by a proposed  
 16 collective bargaining agreement exceeds the increased cost required to maintain the  
 17 percentage contribution by the municipal employer to the municipal employees'  
 18 existing fringe benefit costs and to maintain all fringe benefits provided to the  
 19 municipal employees, as determined under sub. (4) (cm) 8s.

20 **SECTION 6.** 111.70 (1) (mc) of the statutes is created to read:

21 111.70 (1) (mc) 1. "Qualified economic offer" means an offer made to a labor  
 22 organization by a municipal employer that includes all of the following, except as  
 23 provided in subd. 2.:

24 a. A proposal to maintain the percentage contribution by the municipal  
 25 employer to the municipal employees' existing fringe benefit costs as determined

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1 under sub. (4) (cm) 8s., and to maintain all fringe benefits provided to the municipal  
2 employees in a collective bargaining unit, as such contributions and benefits existed  
3 on the 90th day prior to expiration of any previous collective bargaining agreement  
4 between the parties, or the 90th day prior to commencement of negotiations if there  
5 is no previous collective bargaining agreement between the parties.

6 b. In any collective bargaining unit in which the municipal employee positions  
7 were on August 12, 1993, assigned to salary ranges with steps that determine the  
8 levels of progression within each salary range during a 12-month period, a proposal  
9 to provide for a salary increase of at least one full step for each 12-month period  
10 covered by the proposed collective bargaining agreement, beginning with the  
11 expiration date of any previous collective bargaining agreement, for each municipal  
12 employee who is eligible for a within range salary increase, unless the increased cost  
13 of providing such a salary increase, as determined under sub. (4) (cm) 8s., exceeds  
14 1.4 percent of the total compensation and fringe benefit costs for all municipal  
15 employees in the collective bargaining unit for any 12-month period covered by the  
16 proposed collective bargaining agreement plus any fringe benefit savings, or unless  
17 the increased cost required to maintain the percentage contribution by the municipal  
18 employer to the municipal employees' existing fringe benefit costs and to maintain  
19 all fringe benefits provided to the municipal employees, as determined under sub. (4)  
20 (cm) 8s., in addition to the increased cost of providing such a salary increase, exceeds  
21 2.6 percent of the total compensation and fringe benefit costs for all municipal  
22 employees in the collective bargaining unit for any 12-month period covered by the  
23 proposed collective bargaining agreement, in which case the offer shall include  
24 provision for a salary increase for each such municipal employee in an amount at  
25 least equivalent to that portion of a step for each such 12-month period that can be

**SECTION 6**

1 funded after the increased cost in excess of 1.4 percent of the total compensation and  
2 fringe benefit costs for all municipal employees in the collective bargaining unit plus  
3 any fringe benefit savings is subtracted, or in an amount equivalent to that portion  
4 of a step for each such 12-month period that can be funded from the amount that  
5 remains, if any, after the increased cost of such maintenance exceeding 1.2 percent  
6 of the total compensation and fringe benefit costs for all municipal employees in the  
7 collective bargaining unit for each 12-month period is subtracted on a prorated  
8 basis, whichever is the lower amount.

9 c. A proposal to provide for an average salary increase for each 12-month  
10 period covered by the proposed collective bargaining agreement, beginning with the  
11 expiration date of any previous collective bargaining agreement, for the municipal  
12 employees in the collective bargaining unit at least equivalent to an average cost of  
13 1.4 percent of the total compensation and fringe benefit costs for all municipal  
14 employees in the collective bargaining unit for each 12-month period covered by the  
15 proposed collective bargaining agreement plus any fringe benefit savings, beginning  
16 with the expiration date of any previous collective bargaining agreement, including  
17 that percentage required to provide for any step increase, as determined under sub.  
18 (4) (cm) 8s., unless the increased cost of providing such a salary increase, as  
19 determined under sub. (4) (cm) 8s., exceeds 1.4 percent of the total compensation and  
20 fringe benefit costs for all municipal employees in the collective bargaining unit for  
21 any 12-month period covered by the proposed collective bargaining agreement plus  
22 any fringe benefit savings, or unless the increased cost required to maintain the  
23 percentage contribution by the municipal employer to the municipal employees'  
24 existing fringe benefit costs and to maintain all fringe benefits provided to the  
25 municipal employees, as determined under sub. (4) (cm) 8s., in addition to the

1 increased cost of providing such a salary increase, exceeds 2.6 percent of the total  
2 compensation and fringe benefit costs for all municipal employees in the collective  
3 bargaining unit for any 12-month period covered by the collective bargaining  
4 agreement, in which case the offer shall include provision for a salary increase for  
5 each such period for the municipal employees covered by the agreement at least  
6 equivalent to an average of that percentage, if any, for each such period of the  
7 prorated portion of 1.4 percent of the total compensation and fringe benefit costs for  
8 all municipal employees in the collective bargaining unit plus any fringe benefit  
9 savings that remains, if any, after the increased cost of such maintenance exceeding  
10 1.2 percent of the total compensation and fringe benefit costs for all municipal  
11 employees in the collective bargaining unit for each 12-month period and the cost  
12 of a salary increase of at least one full step for each municipal employee in the  
13 collective bargaining unit who is eligible for a within range salary increase for each  
14 12-month period is subtracted from that total cost.

15 2. "Qualified economic offer" may include a proposal to provide for an average  
16 salary decrease for any 12-month period covered by a proposed collective bargaining  
17 agreement, beginning with the expiration date of any previous collective bargaining  
18 agreement, for the municipal employees covered by the agreement, in an amount  
19 equivalent to the average percentage increased cost of maintenance of the  
20 percentage contribution by the municipal employer to the municipal employees'  
21 existing fringe benefit costs, as determined under sub. (4) (cm) 8s., and the average  
22 percentage increased cost of maintenance of all fringe benefits provided to the  
23 municipal employees represented by a labor organization, as such costs and benefits  
24 existed on the 90th day prior to commencement of negotiations, exceeding 2.6  
25 percent of the total compensation and fringe benefit costs for all municipal employees

SECTION 6

1 in the collective bargaining unit required for maintenance of those contributions and  
2 benefits for that 12-month period if the increased cost of maintenance of those costs  
3 and benefits exceeds 2.6 percent of the total compensation and fringe benefit costs  
4 for all municipal employees in the collective bargaining unit for that 12-month  
5 period.

6 SECTION 7. 111.70 (1) <sup>ng</sup> ~~(a)~~ of the statutes, as affected by 2009 Wisconsin Act 28,  
is <sup>created</sup> amended to read:

7 111.70 (1) <sup>ng</sup> ~~(a)~~ "School district professional employee" means a <sup>school district</sup> ~~(municipal)~~  
8 employee who is a professional employee and who is employed to perform services  
9 for a school district. <sup>plain</sup>

11 SECTION 8. 111.70 (4) (cm) 5s. of the statutes is created to read:

12 111.70 (4) (cm) 5s. 'Issues subject to arbitration.' In a collective bargaining unit  
13 consisting of school district professional employees, the municipal employer or the  
14 labor organization may petition the commission to determine whether the municipal  
15 employer has submitted a qualified economic offer. The commission shall appoint an  
16 investigator for that purpose. <sup>commission</sup> If the investigator finds that the municipal employer  
17 has submitted a qualified economic offer, the investigator <sup>it</sup> shall determine whether  
18 a deadlock exists between the parties with respect to all economic issues. If the  
19 municipal employer submits a qualified economic offer applicable to any period  
20 beginning on or after July 1, 1993, no economic issues are subject to interest  
21 arbitration under subd. 6. for that period, except that only the impact of contracting  
22 out or subcontracting work that would otherwise be performed by municipal  
23 employees in the collective bargaining unit <sup>is</sup> is subject to interest arbitration under  
24 subd. 6.) In such a collective bargaining unit, economic issues concerning the wages,  
25 hours, or conditions of employment of the school district professional employees in

for that period

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1 the unit for any period prior to July 1, 1993, are subject to interest arbitration under  
2 subd. 6. for that period. In such a collective bargaining unit, noneconomic issues  
3 applicable to any period on or after July 1, 1993 are subject to interest arbitration  
4 after the parties have reached agreement and stipulate to agreement on all economic  
5 issues concerning the wages, hours, or conditions of employment of the school district  
6 professional employees in the unit for that period. In such a collective bargaining  
7 unit, if the commission's investigator finds that the municipal employer has  
8 submitted a qualified economic offer and that a deadlock exists between the parties  
9 with respect to all economic issues, the municipal employer may implement the  
10 qualified economic offer. On the 90th day prior to expiration of the period included  
11 within the qualified economic offer, if no agreement exists on that day, the parties are  
12 deemed to have stipulated to the inclusion of in a new or revised collective bargaining  
13 agreement of all provisions of any predecessor collective bargaining agreement  
14 concerning economic issues, or of all provisions of any existing collective bargaining  
15 agreement concerning economic issues if the parties have reopened negotiations  
16 under an existing agreement, as modified by the terms of the qualified economic offer  
17 and as otherwise modified by the parties. In such a collective bargaining unit, on and  
18 after that 90th day, a municipal employer that refuses to bargain collectively with  
19 respect to the terms of that stipulation, applicable to the 90-day period prior to  
20 expiration of the period included within the qualified economic offer, does not violate  
21 sub. (3) (a) 4. Any such unilateral implementation after August 11, 1993, during the  
22 90-day period prior to expiration of the period included within a qualified economic  
23 offer, operates as a full, final, and complete settlement of all economic issues between  
24 the parties for the period included within the qualified economic offer. The failure  
25 of a labor organization to recognize the validity of such a lawful qualified economic

1 offer does not affect the obligation of the municipal employer to submit economic  
2 issues to arbitration under subd. 6.

3 **SECTION 9.** 111.70 (4) (cm) 6. a. of the statutes, as affected by 2009 Wisconsin  
4 Act 28, is amended to read:

5 111.70 (4) (cm) 6. a. If in any collective bargaining unit a dispute relating to one  
6 or more issues, qualifying for interest arbitration under subd. 5s. in a collective  
7 bargaining unit to which subd. 5s. applies, has not been settled after a reasonable  
8 period of negotiation and after mediation by the commission under subd. 3. and other  
9 settlement procedures, if any, established by the parties have been exhausted, and  
10 the parties are deadlocked with respect to any dispute between them over wages,  
11 hours and conditions of employment to be included in a new collective bargaining  
12 agreement, either party, or the parties jointly, may petition the commission, in  
13 writing, to initiate compulsory, final and binding arbitration, as provided in this  
14 paragraph. At the time the petition is filed, the petitioning party shall submit in  
15 writing to the other party and the commission its preliminary final offer containing  
16 its latest proposals on all issues in dispute. Within 14 calendar days after the date  
17 of that submission, the other party shall submit in writing its preliminary final offer  
18 on all disputed issues to the petitioning party and the commission. If a petition is  
19 filed jointly, both parties shall exchange their preliminary final offers in writing and  
20 submit copies to the commission at the time the petition is filed.

21 **SECTION 10.** 111.70 (4) (cm) 6. am. of the statutes, as affected by 2009 Wisconsin  
22 Act 28, is amended to read:

23 111.70 (4) (cm) 6. am. Upon receipt of a petition to initiate arbitration, the  
24 commission shall make an investigation, with or without a formal hearing, to  
25 determine whether arbitration should be commenced. If in determining whether an

1       impasse exists the commission finds that the procedures set forth in this paragraph  
2       have not been complied with and such compliance would tend to result in a  
3       settlement, it may order such compliance before ordering arbitration. The validity  
4       of any arbitration award or collective bargaining agreement shall not be affected by  
5       failure to comply with such procedures. Prior to the close of the investigation each  
6       party shall submit in writing to the commission its single final offer containing its  
7       final proposals on all issues in dispute that are subject to interest arbitration under  
8       this subdivision or under subd. 5s. in collective bargaining units to which subd. 5s.  
9       applies. If a party fails to submit a single, ultimate final offer, the commission shall  
10      close the investigation based on the last written position of the party. The municipal  
11      employer may not submit a qualified economic offer under subd. 5s. after the close  
12      of the investigation. Such final offers may include only mandatory subjects of  
13      bargaining, except that a permissive subject of bargaining may be included by a  
14      party if the other party does not object and shall then be treated as a mandatory  
15      subject. No later than such time, the parties shall also submit to the commission a  
16      stipulation, in writing, with respect to all matters which are agreed upon for  
17      inclusion in the new or amended collective bargaining agreement. The commission,  
18      after receiving a report from its investigator and determining that arbitration should  
19      be commenced, shall issue an order requiring arbitration and immediately submit  
20      to the parties a list of 7 arbitrators. Upon receipt of such list, the parties shall  
21      alternately strike names until a single name is left, who shall be appointed as  
22      arbitrator. The petitioning party shall notify the commission in writing of the  
23      identity of the arbitrator selected. Upon receipt of such notice, the commission shall  
24      formally appoint the arbitrator and submit to him or her the final offers of the  
25      parties. The final offers shall be considered public documents and shall be available

**SECTION 10**

1 from the commission. In lieu of a single arbitrator and upon request of both parties,  
2 the commission shall appoint a tripartite arbitration panel consisting of one member  
3 selected by each of the parties and a neutral person designated by the commission  
4 who shall serve as a chairperson. An arbitration panel has the same powers and  
5 duties as provided in this section for any other appointed arbitrator, and all  
6 arbitration decisions by such panel shall be determined by majority vote. In lieu of  
7 selection of the arbitrator by the parties and upon request of both parties, the  
8 commission shall establish a procedure for randomly selecting names of arbitrators.  
9 Under the procedure, the commission shall submit a list of 7 arbitrators to the  
10 parties. Each party shall strike one name from the list. From the remaining 5  
11 names, the commission shall randomly appoint an arbitrator. Unless both parties  
12 to an arbitration proceeding otherwise agree in writing, every individual whose  
13 name is submitted by the commission for appointment as an arbitrator shall be a  
14 resident of this state at the time of submission and every individual who is  
15 designated as an arbitration panel chairperson shall be a resident of this state at the  
16 time of designation.

17 **SECTION 11.** 111.70 (4) (cm) 8p. and 8s. of the statutes are created to read:

18 111.70 (4) (cm) 8p. 'Professional school employee salaries.' In every collective  
19 bargaining unit covering municipal employees who are school district professional  
20 employees in which the municipal employee positions were, on July 29, 1995,  
21 assigned to salary ranges with steps that determine the levels of progression within  
22 each salary range, unless the parties otherwise agree, no new or modified collective  
23 bargaining agreement may contain any provision altering the salary range  
24 structure, the number of steps, or the requirements for attaining a step or  
25 assignment of a position to a salary range, except that if the cost of funding the

1 attainment of a step is greater than the amount required for the municipal employer  
2 to submit a qualified economic offer, the agreement may contain a provision altering  
3 the requirements for attaining a step to no greater extent than is required for the  
4 municipal employer to submit a qualified economic offer at the minimum possible  
5 cost to the municipal employer.

6 8s. 'Forms for determining costs.' The commission shall prescribe forms for  
7 calculating the total increased cost to the municipal employer of compensation and  
8 fringe benefits provided to school district professional employees. The cost shall be  
9 determined based upon the total cost of compensation and fringe benefits provided  
10 to school district professional employees who are represented by a labor organization  
11 on the 90th day before expiration of any previous collective bargaining agreement  
12 between the parties, or who were so represented if the effective date is retroactive,  
13 or the 90th day prior to commencement of negotiations if there is no previous  
14 collective bargaining agreement between the parties, without regard to any change  
15 in the number, rank, or qualifications of the school district professional employees.  
16 For purposes of such determinations, any cost increase that is incurred on any day  
17 other than the beginning of the 12-month period commencing with the effective date  
18 of the agreement or any succeeding 12-month period commencing on the  
19 anniversary of that effective date shall be calculated as if the cost increase were  
20 incurred as of the beginning of the 12-month period beginning on the effective date  
21 or anniversary of the effective date in which the cost increase is incurred. In each  
22 collective bargaining unit to which subd. 5s. applies, the municipal employer shall  
23 transmit to the commission and the labor organization a completed form for  
24 calculating the total increased cost to the municipal employer of compensation and

**SECTION 11**

1 fringe benefits provided to the school district professional employees covered by the  
2 agreement as soon as possible after the effective date of the agreement.

3 **SECTION 12.** 111.70 (4) (d) 2. a. of the statutes, as affected by 2009 Wisconsin  
4 Act 28, is amended to read:

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5 111.70 (4) (d) 2. a. The commission shall determine the appropriate collective  
6 bargaining unit for the purpose of collective bargaining and shall whenever possible,  
7 unless otherwise required under this subchapter, avoid fragmentation by  
8 maintaining as few collective bargaining units as practicable in keeping with the size  
9 of the total municipal workforce. In making such a determination, the commission  
10 may decide whether, in a particular case, the municipal employees in the same or  
11 several departments, divisions, institutions, crafts, professions, or other  
12 occupational groupings constitute a collective bargaining unit. Before making its  
13 determination, the commission may provide an opportunity for the municipal  
14 employees concerned to determine, by secret ballot, whether they desire to be  
15 established as a separate collective bargaining unit. The commission shall not  
16 decide, however, that any group of municipal employees constitutes an appropriate  
17 collective bargaining unit if the group includes both municipal employees who are  
18 school district professional employees and municipal employees who are not school  
19 district professional employees. The commission shall not decide, however, that any  
20 other group of municipal employees constitutes an appropriate collective bargaining  
21 unit if the group includes both professional employees and nonprofessional  
22 employees, unless a majority of the professional employees vote for inclusion in the  
23 unit. The commission shall not decide that any group of municipal employees  
24 constitutes an appropriate collective bargaining unit if the group includes both craft  
25 employees and noncraft employees unless a majority of the craft employees vote for

1 inclusion in the unit. The commission shall place the professional employees who are  
 2 assigned to perform any services at a charter school, as defined in s. 115.001 (1), in  
 3 a separate collective bargaining unit from a unit that includes any other professional  
 4 employees whenever at least ~~30%~~ 30 percent of those professional employees request  
 5 an election to be held to determine that issue and a majority of the professional  
 6 employees at the charter school who cast votes in the election decide to be  
 7 represented in a separate collective bargaining unit. Upon the expiration of any  
 8 collective bargaining agreement in force, the commission shall combine into a single  
 9 collective bargaining unit 2 or more collective bargaining units consisting of school  
 10 district employees if a majority of the employees voting in each collective bargaining  
 11 unit vote to combine. Any vote taken under this subsection shall be by secret ballot.

12 **SECTION 13.** 111.70 (4) (m) 6. of the statutes, as affected by 2009 Wisconsin Act  
 13 28, is amended to read:

14 111.70 (4) (m) 6. Solicitation of sealed bids for the provision of group health care  
 15 benefits for school district professional employees as provided in s. 120.12 (24).

16 **SECTION 14.** 118.245 of the statutes is created to read:

17 **118.245 Limitation on salary and fringe benefit costs for professional**  
 18 **employees.** (1) In this section:

19 (a) "Nonrepresented professional employee" means an employee who is a  
 20 professional employee as defined in s. 111.70 (1) (L), who is employed to perform  
 21 services for a school district, and whose position is not included in a collective  
 22 bargaining unit for which a representative is recognized or certified under subch. IV  
 23 of ch. 111.

24 (b) "Represented professional employee" has the meaning given for "school  
 25 district professional employee" in s. 111.70 (1) ~~2011~~.

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(2) No school district may provide to its nonrepresented professional employees for any 12-month period ending on June 30 an average increase for all such employees in the total cost to the school district of <sup>or salary</sup> ~~compensation~~ and fringe benefits for such employees having an average cost per employee exceeding 2.6 percent of the average total cost per employee of compensation and fringe benefits provided by the school district to its nonrepresented professional employees for the preceding 12-month period ending on June 30 or the average total percentage increased cost per employee of compensation and fringe benefits provided to its represented professional employees during the 12-month period ending on June 30 preceding the date that the increase becomes effective, whichever is greater. For purposes of this subsection, the average total percentage increased cost per employee of the compensation provided by a school district to its represented professional employees shall be determined in accordance with the method prescribed by the employment relations commission under s. 111.70 (4) (cm) 8s.

(3) For purposes of determination of the increased cost of any fringe benefits or compensation provided to a nonrepresented professional employee or represented professional employee, any cost increase that is incurred on any day other than the beginning of a 12-month period under sub. (2) shall be calculated as if the cost increase were incurred as of the beginning of the 12-month period.

SECTION 15. 120.12 (24) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

120.12 (24) HEALTH CARE BENEFITS. Prior to the selection of any group health care benefits provider for school district professional employees, as defined in s. 111.70 (1) (ne), solicit sealed bids for the provision of such benefits.

SECTION 16. 121.15 (3m) of the statutes is created to read:

INSERT 14-20A and B



1           121.15 (3m) (a) In this subsection:

2           1. "Partial school revenues" means the sum of state school aids, other than the  
3 amounts appropriated under s. 20.255 (2) (fv), property taxes levied for school  
4 districts, and aid paid to school districts under s. 79.095 (4), less all of the following:

5           a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a  
6 school board's increasing the services that it provides by adding responsibility for  
7 providing a service transferred to it from another school board.

8           b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

9           c. The amount of any revenue limit increase under s. 121.91 (4) (h).

10          d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

11          e. An amount equal to 45 percent of the amount estimated to be paid under s.  
12 119.23 (4) and (4m).

13          f. The amount by which the property tax levy for debt service on debt that has  
14 been approved by a referendum exceeds \$490,000,000.

15          2. "State school aids" means those aids appropriated under s. 20.255 (1) (b) and  
16 (2), other than s. 20.255 (2) (fm), (fu), (fv), (k), and (m), and under s. 20.285 (1) (r),  
17 (rc), and (rm), and those aids appropriated under s. 20.505 (4) (es) and (s) that are  
18 used to provide grants or educational telecommunications access to school districts  
19 under s. 16.995 or 16.997 (7).

20          (b) By May 15, 2011, and annually by May 15 thereafter, the department, the  
21 department of administration, and the legislative fiscal bureau shall jointly certify  
22 to the joint committee on finance an estimate of the amount necessary to appropriate  
23 under s. 20.255 (2) (ac) in the following school year to ensure that the sum of state  
24 school aids and the school levy tax credit under s. 79.10 (4) equals the following  
25 percentage of partial school revenues:

- 1           1. For the 2011-12 school year, 65.28 percent.
- 2           2. For the 2012-13 school year, 65.56 percent.
- 3           3. For the 2013-14 school year, 65.84 percent.
- 4           4. For the 2014-15 school year, 66.12 percent.
- 5           5. For the 2015-16 school year, 66.40 percent.
- 6           6. For the 2016-17 school year, 66.68 percent.

7           (c) By June 30, 2012, and biennially by June 30 thereafter, the joint committee  
8 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the  
9 following school year.

10           **SECTION 17.** 121.905 (3) (c) 3r. of the statutes <sup>✓</sup> is repealed.

*as created by 2009  
Wisconsin Act  
28,*

11           **SECTION 18.** 121.905 (3) (c) 4. of the statutes, as affected by 2009 Wisconsin Act  
12 28, is amended to read:

13           121.905 (3) (c) 4. For the limit for the ~~2012-13~~ 2011-12 school year or for any  
14 school year thereafter, add the result under s. 121.91 (2m) (h) 2. to the result under  
15 par. (b).

16           **SECTION 19.** 121.91 (2m) (d) 2. of the statutes is amended to read:

17           121.91 (2m) (d) 2. Multiply the amount of the revenue increase per pupil  
18 allowed under this subsection for the previous school year by the sum of 1.0 plus the  
19 allowable rate of increase under s. 73.0305, 2009 stats., expressed as a decimal.

20           **SECTION 20.** 121.91 (2m) (e) 2. of the statutes <sup>✓</sup> is amended to read:

21           121.91 (2m) (e) 2. Multiply the amount of the revenue increase per pupil  
22 allowed under this subsection for the previous school year by the sum of 1.0 plus the  
23 allowable rate of increase under s. 73.0305, 2009 stats., expressed as a decimal.

24           **SECTION 21.** 121.91 (2m) (g) of the statutes, <sup>✓</sup> as created by 2009 Wisconsin Act  
25 28, is repealed.

1           **SECTION 22.** 121.91 (2m) (h) (intro.) of the statutes, as created by 2009  
2 Wisconsin Act 28, is amended to read:

3           121.91 **(2m)** (h) (intro.) Except as provided in subs. (3), (4), and (8), no school  
4 district may increase its revenues for the ~~2012-13~~ 2011-12 school year or for any  
5 school year thereafter to an amount that exceeds the amount calculated as follows:

6           **SECTION 23.** 121.91 (2m) (h) 2. of the statutes, as created by 2009 Wisconsin Act  
7 28, is amended to read:

8           121.91 **(2m)** (h) 2. Multiply the amount of the revenue increase per pupil  
9 allowed under this subsection for the previous school year by ~~the sum of 1.0 plus the~~  
10 ~~allowable rate of increase under s. 73.0305 expressed as a decimal~~ 1.026.

11           **SECTION 24.** 121.91 (2m) (r) 1. (intro.) of the statutes, as affected by 2009  
12 Wisconsin Act 28, is amended to read:

13           121.91 **(2m)** (r) 1. (intro.) Notwithstanding pars. (c) to (f) and (h), if a school  
14 district is created under s. 117.105, its revenue limit under this section for the school  
15 year beginning with the effective date of the reorganization shall be determined as  
16 follows except as provided under subs. (3) and (4):

17           **SECTION 25.** 121.91 (2m) (r) 1. b. of the statutes, as affected by 2009 Wisconsin  
18 Act 28, is amended to read:

19           121.91 **(2m)** (r) 1. b. Add an amount equal to the amount of revenue increase  
20 per pupil allowed under this subsection for the previous school year multiplied by ~~the~~  
21 ~~sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal~~  
22 1.026 to the result under subd. 1. a., except that in calculating the limit for the  
23 2009-10 or 2010-11 school year, add \$200 to the result under subd. 1. a., ~~and in~~  
24 ~~calculating the limit for the 2011-12 school year add \$275 to the result under subd.~~  
25 ~~1. a.~~

✓

1           **SECTION 26.** 121.91 (2m) (r) 2. (intro.) of the statutes, as affected by 2009  
2 Wisconsin Act 28, is amended to read:

3           121.91 **(2m)** (r) 2. (intro.) If a school district is created under s. 117.105, the  
4 following adjustments to the calculations under pars. (c) to (f) and (h) apply for the  
5 2 school years beginning on the July 1 following the effective date of the  
6 reorganization:

✓

7           **SECTION 27.** 121.91 (2m) (s) 1. (intro.) of the statutes, as affected by 2009  
8 Wisconsin Act 28, is amended to read:

9           121.91 **(2m)** (s) 1. (intro.) Notwithstanding pars. (e) to (f) and (h), if territory  
10 is detached from a school district to create a new school district under s. 117.105, the  
11 revenue limit under this section of the school district from which territory is detached  
12 for the school year beginning with the effective date of the reorganization shall be  
13 determined as follows except as provided in subs. (3) and (4):

✓

14           **SECTION 28.** 121.91 (2m) (s) 1. b. of the statutes, as affected by 2009 Wisconsin  
15 Act 28, is amended to read:

16           121.91 **(2m)** (s) 1. b. Add an amount equal to the amount of revenue increase  
17 per pupil allowed under this subsection for the previous school year multiplied by ~~the~~  
18 ~~sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal~~  
19 1.026 to the result under subd. 1. a., except that in calculating the limit for the  
20 2009-10 or 2010-11 school year, add \$200 to the result under subd. 1. a., ~~and in~~  
21 ~~calculating the limit for the 2011-12 school year, add \$275 to the result under subd.~~  
22 ~~1. a.~~

✓

23           **SECTION 29.** 121.91 (2m) (s) 2. (intro.) of the statutes, as affected by 2009  
24 Wisconsin Act 28, is amended to read:

1           121.91 (2m) (s) 2. (intro.) If territory is detached from a school district to create  
 2 a new school district under s. 117.105, the following adjustments to the calculations  
 3 under pars. (e) to (f) and (h) apply to the school district from which territory is  
 4 detached for the 2 school years beginning on the July 1 following the effective date  
 5 of the reorganization:

6           **SECTION 30.** 121.91 (8) of the statutes, as affected by 2009 Wisconsin Act 28,  
 7 is amended to read:

8           121.91 (8) If a school district's initial revenue limit for the current school year,  
 9 as calculated under s. 121.905 or sub. (2m), whichever is appropriate, before making  
 10 any adjustments under sub. (3) or (4), is less than the amount determined by  
 11 multiplying the amount under sub. (2m) ~~(g) 1. or~~ (h) 1. by the average of the number  
 12 of pupils enrolled in the 3 preceding school years, the school district's initial revenue  
 13 limit for the current school year, before making any adjustments under sub. (3) or (4),  
 14 is the amount determined by multiplying the amount under sub. (2m) ~~(g) 1. or~~ (h) 1.  
 15 by the average of the number of pupils enrolled in the 3 preceding school years. Any  
 16 additional revenue received by a school district as a result of this subsection shall not  
 17 be included in the base for determining the school district's limit under sub. (2m) for  
 18 the following school year.

19           **SECTION 31. Initial applicability.**

20           (1) This act first applies to petitions for arbitration that relate to collective  
 21 bargaining agreements that ~~are~~ <sup>is</sup> filed on the effective date of this subsection.

22           **SECTION 32. Effective date.**

23           (1) This act takes effect on July 1, 2010.

24           (END)

INS  
21-21

apply  
1105  
21-20  
3

2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3576/P1ins  
CMH&TKK:kjf:md

1  
2  
3

Insert 21-20

*not* The treatment of section 111.70 (1) (b), ~~(dm)~~ (dm), (mc), and (ng) and (4) (cm) 5s. 6. *and*  
a. and am., 8p., and 8s. and (d) 2. a.

*of the statutes, the renumbering and amendment of section 111.70 (4) (cm) 8m. of the statutes, and the creation of section 111.70 (4) (cm) 8m. b. of the statutes*

**BILL**

VNS  
15-16 -2

1           **SECTION 1.** 111.70 (4) (m) 6. of the statutes, as affected by 2009 Wisconsin Act  
2 28, is amended to read:

3           111.70 (4) (m) 6. Solicitation of sealed bids for the provision of group health care  
4 benefits for school district employees and selection of the group health care benefits  
5 provider, as provided in s. 120.12 (24), and the impact of that selection on the wages,  
6 hours, or conditions of employment of the school district employees.

7           **SECTION 2.** 120.12 (24) of the statutes, as affected by 2009 Wisconsin Act 28,  
8 is renumbered 120.12 (24) (a).

9           **SECTION 3.** 120.12 (24) (b) of the statutes is created to read:

10           120.12 (24) (b) Select the group health care benefits provider for school district,  
11 employees, as defined in s. 111.70 (1) (ne), that is the lowest qualified responsible  
12 bidder under par. (a). This paragraph does not apply if the school board offers all of  
13 its employees a health care coverage plan through a program offered by the group  
14 insurance board under ch. 40.

15           **SECTION 4. Initial applicability.**

16           ~~#~~ The treatment of section 111.70 (4) (m) 6. of the statutes first applies to a  
17 collective bargaining agreement entered into, extended, modified, or renewed on the  
18 effective date of this subsection.

(END)

INSERT 16-20B

↗

VNS  
2.11-21

1 a collective bargaining agreement for any collective bargaining unit consisting of  
2 municipal employees subject to this paragraph other than school district employees  
3 be for a term exceeding 3 years nor may a collective bargaining agreement for any  
4 collective bargaining unit consisting of school district employees subject to this  
5 paragraph be for a term exceeding 4 years.

6 c. No arbitration award may contain a provision for reopening of negotiations  
7 during the term of a collective bargaining agreement, unless both parties agree to  
8 such a provision. The requirement for agreement by both parties does not apply to  
9 a provision for reopening of negotiations with respect to any portion of an agreement  
10 that is declared invalid by a court or administrative agency or rendered invalid by  
11 the enactment of a law or promulgation of a federal regulation.

History: 1971 c. 124, 246, 247, 307, 336; 1973 c. 64, 65; 1977 c. 178, 186, 272, 442, 449; 1979 c. 32 s. 92 (15); 1981 c. 20, 112, 187; 1983 a. 189, 192; 1985 a. 29; 1985 a. 182 s. 57; 1985 a. 318; 1987 a. 153, 399; 1991 a. 136; 1993 a. 16, 429, 492; 1995 a. 27, 225, 289; 1997 a. 27, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 2001 a. 16; 2005 a. 253; 2007 a. 20; 2009 a. 15, 21, 28, 34, 60; s. 13.92 (2) (i).

12 **SECTION 2.** 111.70 (4) (cm) 8m. b. of the statutes is created to read:

13 111.70 (4) (cm) 8m. b. Except for the initial collective bargaining agreement  
14 between the parties, every collective bargaining agreement covering school district  
15 professional employees shall be for a term of 2 years expiring on June 30 of the  
16 odd-numbered year. An initial collective bargaining agreement covering school  
17 district professional employees shall be for a term ending on June 30 of the first  
18 odd-numbered year following the effective date of the collective bargaining  
19 agreement.

20  
21 Insert 16-1

22 ~~no #~~ No school district may increase in any year the average of salary and fringe  
23 benefits of its nonrepresented professional employees in an amount that is more than  
24 the product of the percentage determined by the department under sub. (3)



1 multiplied by the average amount spent by the school district on represented  
2 professional employees' salary and fringe benefits in the existing school year or by  
3 more than the average amount that the school district increased the salary and  
4 fringe benefits of its represented professional employees, whichever is greater.  
5 Fifty-five percent of any increase shall be applied to salary and 45<sup>✓</sup> percent shall be  
6 applied to fringe benefits.

2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3576/p2insch  
CMH:.....

1 Ins Acmh

by a school district to its represented employees to increase the average salary and fringe benefits by a certain amount. The amount is the product that results from multiplying the average amount the school district spent on salary and fringe benefits in the existing school year by the state average of each district's per pupil revenue limit adjustment divided by its base revenue per pupil, as calculated by the department of public instruction (DPI). Of the proposed increase, 55 percent must be spent on salary and 45 percent must be spent on fringe benefits.

2

3 Insert 4-22

4 ~~not~~ to increase in each year that is covered by the collective bargaining agreement  
5 being negotiated the salary and fringe benefits of the represented municipal  
6 employees in an amount that is at least equal to the product of the percentage  
7 determined by the department of public instruction under s. 118.245 (3) multiplied  
8 by the average amount spent by the school district on school district professional  
9 employees' salary and fringe benefits in the existing school year. Of the increase, 55  
10 percent of it shall be applied to salary and 45 percent shall be applied to fringe  
11 benefits.

12

13 Insert 14-3

14 **SECTION 1.** 111.70 (4) (cm) 8m. of the statutes is renumbered 111.70 (4) (cm) 8m,  
15 a. and amended to read:

16 111.70 (4) (cm) 8m. a. Except as provided in subd. 8m. b., except for the initial  
17 collective bargaining agreement between the parties, and except as the parties  
18 otherwise agree, every collective bargaining agreement covering municipal  
19 employees subject to this paragraph shall be for a term of 2 years, but in no case may

55 percent of which  
must be spent on  
salary and 45  
percent on  
fringe benefits

1 **Insert TKK analysis A**

¶ Current law limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in any school year (statewide per pupil revenue limit adjustment). For the 2009-10 and 2010-11 school years, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$200 and the revenue increase allowed per pupil in the previous school year. For the 2011-12 school year, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$275 and the revenue increase allowed per pupil in the previous school year. For the 2012-13 school year and any school year thereafter, no school district may increase its revenues by an amount that exceeds the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

2 **Insert TKK analysis B**

no ¶ by a school district to its represented employees to increase the average salary and fringe benefits by a certain amount. The amount is the product that results from multiplying the average amount the school district spends on salary and fringe benefits in the current school year by the statewide per pupil revenue limit adjustment divided by the statewide average base revenue per pupil, as calculated by the Department of Public Instruction (DPI). To determine the statewide average base revenue per pupil, DPI must first determine the base revenue per pupil for each school district by dividing the sum of general school aids and property taxes received by the district by the district's enrollment. DPI must certify the amount calculated as required in the bill to WERC by January 1, 2011, and biennially thereafter. For the certification due to WERC by January 1, 2011, the department must use \$275 for the per pupil revenue limit adjustment.

3 **Insert TKK analysis C**

¶ This bill provides that, beginning in the 2011-12 school year, no school district may increase its revenues per pupil by an amount that exceeds the amount of revenue increase allowed per pupil in the previous school year increased by 2.6 percent.

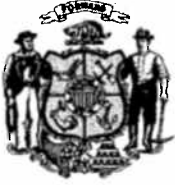
4 **Insert 16-20A**

5 (3) (a) By January 1, 2011, and biennially by January 1 thereafter, the  
6 department shall perform the following calculations and certify the result, expressed  
7 as a percentage, to the employment relations commission:

8 1. Except as provided in par. (b), determine the per pupil revenue limit  
9 adjustment under s. 121.91 (2m) for the current school year.

1           2. Divide the amount under subd. 1. by the statewide average base revenue per  
2 pupil, as calculated for the current school year under s. 121.905 (3).

3           (b) For the certification due by January 1, 2011, the department shall use \$275  
4 under par. (a) 1.



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-4095/1  
PG&CMH:kjf:jf

2009 BILL

1 AN ACT *to renumber* 120.12 (24); *to amend* 111.70 (4) (m) 6.; and *to create*  
2 120.12 (24) (b) of the statutes; **relating to:** school board selection of the group  
3 health benefits provider for school district employees.

INS  
REL

*Analysis by the Legislative Reference Bureau*

Current law requires each school board, prior to the selection of any group health care benefits provider for school district employees, to solicit sealed bids for the provision of the benefits. Current law also authorizes a school board to offer its employees a health care coverage plan through a program offered by the Group Insurance Board (GIB).

INS  
ABC

This bill directs the school board to select the group health care benefits provider that is the lowest qualified responsible bidder unless the school board offers its employees a health care coverage plan through a program offered by the GIB.

The bill provides that the selection of the provider and the impact of that selection on the wages, hours, or conditions of employment are prohibited subjects of collective bargaining.

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

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

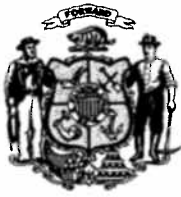
3/11/2010 LRB-3576/PL

Per Dave Loppnow, LRB:

p. 13, line 24 change "45" to "38.4"  
 p. 14, line 13 change "percentage" to "portion"  
 p. 14, line 19 add "and each school year thereafter"  
 " " change "66.68" to "two-thirds"

Eliminate all changes to per pupil revenue limit adjustment  
 (return to ~~the~~ current law as affected by acts of 2009)

- \* add Dave as email recipient
- \* Today if possible



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

3/11/2010  
TODAY  
Regen

1 AN ACT *to repeal* 73.0305, 121.905 (3) (c) 3r. and 121.91 (2m) (g); *to renumber*  
2 120.12 (24); *to renumber and amend* 111.70 (4) (cm) 8m.; *to amend* 20.255  
3 (2) (ac), 111.70 (1) (b), 111.70 (4) (cm) 6. a., 111.70 (4) (cm) 6. am., 111.70 (4) (d)  
4 2. a., 111.70 (4) (m) 6., 121.905 (3) (c) 4., 121.91 (2m) (d) 2., 121.91 (2m) (e) 2.,  
5 121.91 (2m) (h) (intro.), 121.91 (2m) (h) 2., 121.91 (2m) (r) 1. (intro.), 121.91 (2m)  
6 (r) 1. b., 121.91 (2m) (r) 2. (intro.), 121.91 (2m) (s) 1. (intro.), 121.91 (2m) (s) 1.  
7 b., 121.91 (2m) (s) 2. (intro.) and 121.91 (8); and *to create* 111.70 (1) (dm), 111.70  
8 (1) (mc), 111.70 (1) (ng), 111.70 (4) (cm) 5s., 111.70 (4) (cm) 8m. b., 118.245,  
9 120.12 (24) (b) and 121.15 (3m) of the statutes; **relating to:** creating a qualified  
10 economic offer for school district professional employees in the arbitration  
11 process and school board selection of the group health benefits provider for  
12 school district employees.

---

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

Current law limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in any

school year (statewide per pupil revenue limit adjustment). For the 2009-10 and 2010-11 school years, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$200 and the revenue increase allowed per pupil in the previous school year. For the 2011-12 school year, no school district may increase its revenues per pupil to an amount that exceeds the sum of \$275 and the revenue increase allowed per pupil in the previous school year. For the 2012-13 school year and any school year thereafter, no school district may increase its revenues by an amount that exceeds the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

Under the Municipal Employment Relations Act (MERA), in local government employment other than law enforcement and fire fighting employment, if a dispute relating to the terms of a proposed collective bargaining agreement has not been settled after a reasonable period of negotiation and after mediation by the Wisconsin Employment Relations Commission (WERC), either party may petition WERC to initiate compulsory, final, and binding arbitration with respect to any dispute relating to wages, hours, and conditions of employment. An arbitrator must adopt the final offer of one of the parties, which is then incorporated into the collective bargaining agreement.

Under this bill, this process does not apply to a dispute over economic issues involving a collective bargaining unit consisting of school district professional employees if WERC determines that the school district has submitted a qualified economic offer (QEO). A QEO consists of a proposal by a school district to its represented employees to increase the average salary and fringe benefits by a certain amount, 55 percent of which must be spent on salary and 45 percent on fringe benefits. The amount is the product that results from multiplying the average amount the school district spends on salary and fringe benefits in the current school year by the statewide per pupil revenue limit adjustment divided by the statewide average base revenue per pupil, as calculated by the Department of Public Instruction (DPI). To determine the statewide average base revenue per pupil, DPI must first determine the base revenue per pupil for each school district by dividing the sum of general school aids and property taxes received by the district by the district's enrollment. DPI must certify the amount calculated as required in the bill to WERC by January 1, 2011, and biennially thereafter. For the certification due to WERC by January 1, 2011, the department must use \$275 for the per pupil revenue limit adjustment. This bill requires school district professional employees to be placed in a collective bargaining unit that is separate from the units of other school district employees and requires collective bargaining agreements covering school district professional employees to be for a term of two years. The bill also creates a cap on salary and fringe benefit annual increases for all nonrepresented school district professional employees that results in the increases being identical to represented school district professional employees.

6 This bill provides that, beginning in the 2011-12 school year, no school district may increase its revenues per pupil by an amount that exceeds the amount of revenue increase allowed per pupil in the previous school year increased by 2.6 percent.



Beginning in May 2011, and annually thereafter, this bill directs DPI, the Department of Administration, and the Legislative Fiscal Bureau jointly to determine the amount necessary to appropriate as general school aids in the following fiscal year to pay for the following percentage of public school costs:

1. For the 2011-12 school year, 65.28 percent.
2. For the 2012-13 school year, 65.56 percent.
3. For the 2013-14 school year, 65.84 percent.
4. For the 2014-15 school year, 66.12 percent.
5. For the 2015-16 school year, 66.40 percent.
6. For the 2016-17 school year, 66.68 percent.

The bill directs the Joint Committee on Finance to determine the amount appropriated as general school aids for the 2012-13 fiscal year and biennially thereafter.

Current law requires each school board, prior to the selection of any group health care benefits provider for school district employees, to solicit sealed bids for the provision of the benefits. Current law also authorizes a school board to offer its employees a health care coverage plan through a program offered by the Group Insurance Board (GIB).

This bill directs the school board to select the group health care benefits provider that is the lowest qualified responsible bidder unless the school board offers its employees a health care coverage plan through a program offered by the GIB.

The bill provides that the selection of the provider and the impact of that selection on the wages, hours, or conditions of employment are prohibited subjects of collective bargaining.

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

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

1           **SECTION 1.** 20.255 (2) (ac) of the statutes, as affected by 2009 Wisconsin Act 28,  
2 is amended to read:

3           20.255 (2) (ac) *General equalization aids.* ~~The amounts in the schedule A sum~~  
4 sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095,  
5 121.105, 121.137 and subch. VI of ch. 121 equal to \$4,652,500,000 in the 2010-11  
6 fiscal year, equal to the amount determined by law in the 2011-12 fiscal year and  
7 biennially thereafter, and equal to the amount determined by the joint committee on  
8 finance under s. 121.15 (3m) (c) in the 2012-13 fiscal year and biennially thereafter.

1           **SECTION 2.** 73.0305 of the statutes, as affected by 2009 Wisconsin Act 28, is  
2 repealed.

3           **SECTION 3.** 111.70 (1) (b) of the statutes, as affected by 2009 Wisconsin Act 28,  
4 is amended to read:

5           111.70 (1) (b) "Collective bargaining unit" means a unit consisting of municipal  
6 employees who are school district professional employees or of municipal employees  
7 who are not school district professional employees that is determined by the  
8 commission to be appropriate for the purpose of collective bargaining.

9           **SECTION 4.** 111.70 (1) (dm) of the statutes is created to read:

10          111.70 (1) (dm) "Economic issue" means salaries, overtime pay, sick leave,  
11 payments in lieu of sick leave usage, vacations, clothing allowances in excess of the  
12 actual cost of clothing, length-of-service credit, continuing education credit, shift  
13 premium pay, longevity pay, extra duty pay, performance bonuses, health insurance,  
14 life insurance, dental insurance, disability insurance, vision insurance, long-term  
15 care insurance, worker's compensation and unemployment insurance, social  
16 security benefits, vacation pay, holiday pay, lead worker pay, temporary assignment  
17 pay, retirement contributions, supplemental retirement benefits, severance or other  
18 separation pay, hazardous duty pay, certification or license payment, limitations on  
19 layoffs that create a new or increased financial liability on the employer, and  
20 contracting or subcontracting of work that would otherwise be performed by  
21 municipal employees in the collective bargaining unit with which there is a labor  
22 dispute.

23          **SECTION 5.** 111.70 (1) (mc) of the statutes is created to read:

24          111.70 (1) (mc) 1. "Qualified economic offer" means an offer made to a labor  
25 organization by a municipal employer to increase in each year that is covered by the

1 collective bargaining agreement being negotiated the salary and fringe benefits of  
2 the represented municipal employees in an amount that is at least equal to the  
3 product of the percentage determined by the department of public instruction under  
4 s. 118.245 (3) multiplied by the average amount spent by the school district on school  
5 district professional employees' salary and fringe benefits in the existing school year.  
6 Of the increase, 55 percent of it shall be applied to salary and 45 percent shall be  
7 applied to fringe benefits.

8 **SECTION 6.** 111.70 (1) (ng) of the statutes is created to read:

9 111.70 (1) (ng) "School district professional employee" means a school district  
10 employee who is a professional employee.

11 **SECTION 7.** 111.70 (4) (cm) 5s. of the statutes is created to read:

12 111.70 (4) (cm) 5s. 'Issues subject to arbitration.' In a collective bargaining unit  
13 consisting of school district professional employees, the municipal employer or the  
14 labor organization may petition the commission to determine whether the municipal  
15 employer has submitted a qualified economic offer. If the commission finds that the  
16 municipal employer has submitted a qualified economic offer, it shall determine  
17 whether a deadlock exists between the parties with respect to all economic issues.  
18 If the municipal employer submits a qualified economic offer, no economic issues,  
19 except the impact of contracting out or subcontracting work that would otherwise be  
20 performed by municipal employees in the collective bargaining unit, is subject to  
21 interest arbitration under subd. 6. for that period. In such a collective bargaining  
22 unit, noneconomic issues are subject to interest arbitration after the parties have  
23 reached agreement and stipulate to agreement on all economic issues concerning the  
24 wages, hours, or conditions of employment of the school district professional  
25 employees in the unit for that period. In such a collective bargaining unit, if the

1 commission finds that the municipal employer has submitted a qualified economic  
2 offer and that a deadlock exists between the parties with respect to all economic  
3 issues, the municipal employer may implement the qualified economic offer. On the  
4 90th day prior to expiration of the period included within the qualified economic  
5 offer, if no agreement exists on that day, the parties are considered to have stipulated  
6 to include in a new or revised collective bargaining agreement all provisions of any  
7 predecessor collective bargaining agreement concerning economic issues, or all  
8 provisions of any existing collective bargaining agreement concerning economic  
9 issues if the parties have reopened negotiations under an existing agreement, as  
10 modified by the terms of the qualified economic offer and as otherwise modified by  
11 the parties. In such a collective bargaining unit, on and after that 90th day, a  
12 municipal employer that refuses to bargain collectively with respect to the terms of  
13 that stipulation, applicable to the 90-day period prior to expiration of the period  
14 included within the qualified economic offer, does not violate sub. (3) (a) 4. Any such  
15 unilateral implementation during the 90-day period prior to expiration of the period  
16 included within a qualified economic offer operates as a full, final, and complete  
17 settlement of all economic issues between the parties for the period included within  
18 the qualified economic offer. The failure of a labor organization to recognize the  
19 validity of a qualified economic offer does not affect the obligation of the municipal  
20 employer to submit economic issues to arbitration under subd. 6.

21 **SECTION 8.** 111.70 (4) (cm) 6. a. of the statutes, as affected by 2009 Wisconsin  
22 Act 28, is amended to read:

23 111.70 (4) (cm) 6. a. If in any collective bargaining unit a dispute relating to one  
24 or more issues, qualifying for interest arbitration under subd. 5s. in a collective  
25 bargaining unit to which subd. 5s. applies, has not been settled after a reasonable

1 period of negotiation and after mediation by the commission under subd. 3. and other  
2 settlement procedures, if any, established by the parties have been exhausted, and  
3 the parties are deadlocked with respect to any dispute between them over wages,  
4 hours and conditions of employment to be included in a new collective bargaining  
5 agreement, either party, or the parties jointly, may petition the commission, in  
6 writing, to initiate compulsory, final and binding arbitration, as provided in this  
7 paragraph. At the time the petition is filed, the petitioning party shall submit in  
8 writing to the other party and the commission its preliminary final offer containing  
9 its latest proposals on all issues in dispute. Within 14 calendar days after the date  
10 of that submission, the other party shall submit in writing its preliminary final offer  
11 on all disputed issues to the petitioning party and the commission. If a petition is  
12 filed jointly, both parties shall exchange their preliminary final offers in writing and  
13 submit copies to the commission at the time the petition is filed.

14 **SECTION 9.** 111.70 (4) (cm) 6. am. of the statutes, as affected by 2009 Wisconsin  
15 Act 28, is amended to read:

16 111.70 (4) (cm) 6. am. Upon receipt of a petition to initiate arbitration, the  
17 commission shall make an investigation, with or without a formal hearing, to  
18 determine whether arbitration should be commenced. If in determining whether an  
19 impasse exists the commission finds that the procedures set forth in this paragraph  
20 have not been complied with and such compliance would tend to result in a  
21 settlement, it may order such compliance before ordering arbitration. The validity  
22 of any arbitration award or collective bargaining agreement shall not be affected by  
23 failure to comply with such procedures. Prior to the close of the investigation each  
24 party shall submit in writing to the commission its single final offer containing its  
25 final proposals on all issues in dispute that are subject to interest arbitration under

**SECTION 9**

1     this subdivision or under subd. 5s. in collective bargaining units to which subd. 5s.  
2     applies. If a party fails to submit a single, ultimate final offer, the commission shall  
3     close the investigation based on the last written position of the party. The municipal  
4     employer may not submit a qualified economic offer under subd. 5s. after the close  
5     of the investigation. Such final offers may include only mandatory subjects of  
6     bargaining, except that a permissive subject of bargaining may be included by a  
7     party if the other party does not object and shall then be treated as a mandatory  
8     subject. No later than such time, the parties shall also submit to the commission a  
9     stipulation, in writing, with respect to all matters which are agreed upon for  
10    inclusion in the new or amended collective bargaining agreement. The commission,  
11    after receiving a report from its investigator and determining that arbitration should  
12    be commenced, shall issue an order requiring arbitration and immediately submit  
13    to the parties a list of 7 arbitrators. Upon receipt of such list, the parties shall  
14    alternately strike names until a single name is left, who shall be appointed as  
15    arbitrator. The petitioning party shall notify the commission in writing of the  
16    identity of the arbitrator selected. Upon receipt of such notice, the commission shall  
17    formally appoint the arbitrator and submit to him or her the final offers of the  
18    parties. The final offers shall be considered public documents and shall be available  
19    from the commission. In lieu of a single arbitrator and upon request of both parties,  
20    the commission shall appoint a tripartite arbitration panel consisting of one member  
21    selected by each of the parties and a neutral person designated by the commission  
22    who shall serve as a chairperson. An arbitration panel has the same powers and  
23    duties as provided in this section for any other appointed arbitrator, and all  
24    arbitration decisions by such panel shall be determined by majority vote. In lieu of  
25    selection of the arbitrator by the parties and upon request of both parties, the

1 commission shall establish a procedure for randomly selecting names of arbitrators.  
2 Under the procedure, the commission shall submit a list of 7 arbitrators to the  
3 parties. Each party shall strike one name from the list. From the remaining 5  
4 names, the commission shall randomly appoint an arbitrator. Unless both parties  
5 to an arbitration proceeding otherwise agree in writing, every individual whose  
6 name is submitted by the commission for appointment as an arbitrator shall be a  
7 resident of this state at the time of submission and every individual who is  
8 designated as an arbitration panel chairperson shall be a resident of this state at the  
9 time of designation.

10 **SECTION 10.** 111.70 (4) (cm) 8m. of the statutes is renumbered 111.70 (4) (cm)  
11 8m. a. and amended to read:

12 111.70 (4) (cm) 8m. a. Except as provided in subd. 8m. b., except for the initial  
13 collective bargaining agreement between the parties, and except as the parties  
14 otherwise agree, every collective bargaining agreement covering municipal  
15 employees subject to this paragraph shall be for a term of 2 years, but in no case may  
16 a collective bargaining agreement for any collective bargaining unit consisting of  
17 municipal employees subject to this paragraph other than school district employees  
18 be for a term exceeding 3 years nor may a collective bargaining agreement for any  
19 collective bargaining unit consisting of school district employees subject to this  
20 paragraph be for a term exceeding 4 years.

21 c. No arbitration award may contain a provision for reopening of negotiations  
22 during the term of a collective bargaining agreement, unless both parties agree to  
23 such a provision. The requirement for agreement by both parties does not apply to  
24 a provision for reopening of negotiations with respect to any portion of an agreement

1 that is declared invalid by a court or administrative agency or rendered invalid by  
2 the enactment of a law or promulgation of a federal regulation.

3 **SECTION 11.** 111.70 (4) (cm) 8m. b. of the statutes is created to read:

4 111.70 (4) (cm) 8m. b. Except for the initial collective bargaining agreement  
5 between the parties, every collective bargaining agreement covering school district  
6 professional employees shall be for a term of 2 years expiring on June 30 of the  
7 odd-numbered year. An initial collective bargaining agreement covering school  
8 district professional employees shall be for a term ending on June 30 of the first  
9 odd-numbered year following the effective date of the collective bargaining  
10 agreement.

11 **SECTION 12.** 111.70 (4) (d) 2. a. of the statutes, as affected by 2009 Wisconsin  
12 Act 28, is amended to read:

13 111.70 (4) (d) 2. a. The commission shall determine the appropriate collective  
14 bargaining unit for the purpose of collective bargaining and shall whenever possible,  
15 unless otherwise required under this subchapter, avoid fragmentation by  
16 maintaining as few collective bargaining units as practicable in keeping with the size  
17 of the total municipal workforce. In making such a determination, the commission  
18 may decide whether, in a particular case, the municipal employees in the same or  
19 several departments, divisions, institutions, crafts, professions, or other  
20 occupational groupings constitute a collective bargaining unit. Before making its  
21 determination, the commission may provide an opportunity for the municipal  
22 employees concerned to determine, by secret ballot, whether they desire to be  
23 established as a separate collective bargaining unit. The commission shall not  
24 decide, however, that any group of municipal employees constitutes an appropriate  
25 collective bargaining unit if the group includes both municipal employees who are



1 school district professional employees and municipal employees who are not school  
2 district professional employees. The commission shall not decide, ~~however,~~ that any  
3 other group of municipal employees constitutes an appropriate collective bargaining  
4 unit if the group includes both professional employees and nonprofessional  
5 employees, unless a majority of the professional employees vote for inclusion in the  
6 unit. The commission shall not decide that any group of municipal employees  
7 constitutes an appropriate collective bargaining unit if the group includes both craft  
8 employees and noncraft employees unless a majority of the craft employees vote for  
9 inclusion in the unit. The commission shall place the professional employees who are  
10 assigned to perform any services at a charter school, as defined in s. 115.001 (1), in  
11 a separate collective bargaining unit from a unit that includes any other professional  
12 employees whenever at least ~~30%~~ 30 percent of those professional employees request  
13 an election to be held to determine that issue and a majority of the professional  
14 employees at the charter school who cast votes in the election decide to be  
15 represented in a separate collective bargaining unit. Upon the expiration of any  
16 collective bargaining agreement in force, the commission shall combine into a single  
17 collective bargaining unit 2 or more collective bargaining units consisting of school  
18 district employees if a majority of the employees voting in each collective bargaining  
19 unit vote to combine. Any vote taken under this subsection shall be by secret ballot.

20 **SECTION 13.** 111.70 (4) (m) 6. of the statutes, as affected by 2009 Wisconsin Act  
21 28, is amended to read:

22 111.70 (4) (m) 6. Solicitation of sealed bids for the provision of group health care  
23 benefits for school district employees and selection of the group health care benefits  
24 provider, as provided in s. 120.12 (24), and the impact of that selection on the wages,  
25 hours, or conditions of employment of the school district employees.

1           **SECTION 14.** 118.245 of the statutes is created to read:

2           **118.245 Limitation on salary and fringe benefit costs for professional**  
3 **employees. (1)** In this section:

4           (a) "Nonrepresented professional employee" means an employee who is a  
5 professional employee as defined in s. 111.70 (1) (L), who is employed to perform  
6 services for a school district, and whose position is not included in a collective  
7 bargaining unit for which a representative is recognized or certified under subch. IV  
8 of ch. 111.

9           (b) "Represented professional employee" has the meaning given for "school  
10 district professional employee" in s. 111.70 (1) (ng).

11           **(2)** No school district may increase in any year the average of salary and fringe  
12 benefits of its nonrepresented professional employees in an amount that is more than  
13 the product of the percentage determined by the department under sub. (3)  
14 multiplied by the average amount spent by the school district on represented  
15 professional employees' salary and fringe benefits in the existing school year or by  
16 more than the average amount that the school district increased the salary and  
17 fringe benefits of its represented professional employees, whichever is greater.  
18 Fifty-five percent of any increase shall be applied to salary and 45 percent shall be  
19 applied to fringe benefits.

20           **(3)** (a) By January 1, 2011, and biennially by January 1 thereafter, the  
21 department shall perform the following calculations and certify the result, expressed  
22 as a percentage, to the employment relations commission:

23           1. Except as provided in par. (b), determine the per pupil revenue limit  
24 adjustment under s. 121.91 (2m) for the current school year.

1           2. Divide the amount under subd. 1. by the statewide average base revenue per  
2 pupil, as calculated for the current school year under s. 121.905 (3).

3           (b) For the certification due by January 1, 2011, the department shall use \$275  
4 under par. (a) 1.

5           **SECTION 15.** 120.12 (24) of the statutes, as affected by 2009 Wisconsin Act 28,  
6 is renumbered 120.12 (24) (a).

7           **SECTION 16.** 120.12 (24) (b) of the statutes is created to read:

8           120.12 (24) (b) Select the group health care benefits provider for school district  
9 employees, as defined in s. 111.70 (1) (ne), that is the lowest qualified responsible  
10 bidder under par. (a). This paragraph does not apply if the school board offers all of  
11 its employees a health care coverage plan through a program offered by the group  
12 insurance board under ch. 40.

13          **SECTION 17.** 121.15 (3m) of the statutes is created to read:

14          121.15 (3m) (a) In this subsection:

15          1. "Partial school revenues" means the sum of state school aids, other than the  
16 amounts appropriated under s. 20.255 (2) (fv), property taxes levied for school  
17 districts, and aid paid to school districts under s. 79.095 (4), less all of the following:

18           a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a  
19 school board's increasing the services that it provides by adding responsibility for  
20 providing a service transferred to it from another school board.

21           b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

22           c. The amount of any revenue limit increase under s. 121.91 (4) (h).

23           d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

24           e. An amount equal to <sup>45</sup> percent of the amount estimated to be paid under s.  
25 119.23 (4) and (4m). <sub>38.4  
3204</sub>

1 f. The amount by which the property tax levy for debt service on debt that has  
2 been approved by a referendum exceeds \$490,000,000.

3 2. "State school aids" means those aids appropriated under s. 20.255 (1) (b) and  
4 (2), other than s. 20.255 (2) (fm), (fu), (fv), (k), and (m), and under s. 20.285 (1) (r),  
5 (rc), and (rm), and those aids appropriated under s. 20.505 (4) (es) and (s) that are  
6 used to provide grants or educational telecommunications access to school districts  
7 under s. 16.995 or 16.997 (7).

8 (b) By May 15, 2011, and annually by May 15 thereafter, the department, the  
9 department of administration, and the legislative fiscal bureau shall jointly certify  
10 to the joint committee on finance an estimate of the amount necessary to appropriate  
11 under s. 20.255 (2) (ac) in the following school year to ensure that the sum of state  
12 school aids and the school levy tax credit under s. 79.10 (4) equals the following

13 <sup>a portion</sup> percentage of partial school revenues:

14 1. For the 2011-12 school year, 65.28 percent.

15 2. For the 2012-13 school year, 65.56 percent.

16 3. For the 2013-14 school year, 65.84 percent.

17 4. For the 2014-15 school year, 66.12 percent.

18 5. For the 2015-16 school year, ~~66.40 percent~~ and each school year thereafter

19 6. For the 2016-17 school year, ~~66.68 percent~~ two-thirds

20 (c) By June 30, 2012, and biennially by June 30 thereafter, the joint committee  
21 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the  
22 following school year.

23 **SECTION 18.** 121.905 (3) (c) 3r. of the statutes, as created by 2009 Wisconsin Act

24 28, is repealed.

1           **SECTION 19.** 121.905 (3) (c) 4. of the statutes, as affected by 2009 Wisconsin Act  
2 28, is amended to read:

3           121.905 (3) (c) 4. For the limit for the ~~2012-13~~ 2011-12 school year or for any  
4 school year thereafter, add the result under s. 121.91 (2m) (h) 2. to the result under  
5 par. (b). ✓

6           **SECTION 20.** 121.91 (2m) (d) 2. of the statutes is amended to read:

7           121.91 (2m) (d) 2. Multiply the amount of the revenue increase per pupil  
8 allowed under this subsection for the previous school year by the sum of 1.0 plus the  
9 allowable rate of increase under s. 73.0305, 2009 stats., expressed as a decimal.

10          **SECTION 21.** 121.91 (2m) (e) 2. of the statutes is amended to read:

11          121.91 (2m) (e) 2. Multiply the amount of the revenue increase per pupil  
12 allowed under this subsection for the previous school year by the sum of 1.0 plus the  
13 allowable rate of increase under s. 73.0305, 2009 stats., expressed as a decimal.

14          **SECTION 22.** 121.91 (2m) (g) of the statutes, as created by 2009 Wisconsin Act  
15 28, is repealed.

16          **SECTION 23.** 121.91 (2m) (h) (intro.) of the statutes, as created by 2009  
17 Wisconsin Act 28, is amended to read:

18          121.91 (2m) (h) (intro.) Except as provided in subs. (3), (4), and (8), no school  
19 district may increase its revenues for the ~~2012-13~~ 2011-12 school year or for any  
20 school year thereafter to an amount that exceeds the amount calculated as follows:

21          **SECTION 24.** 121.91 (2m) (h) 2. of the statutes, as created by 2009 Wisconsin Act  
22 28, is amended to read:

23          121.91 (2m) (h) 2. Multiply the amount of the revenue increase per pupil  
24 allowed under this subsection for the previous school year by the sum of 1.0 plus the  
25 allowable rate of increase under s. 73.0305 expressed as a decimal 1.026.

1           **SECTION 25.** 121.91 (2m) (r) 1. (intro.) of the statutes, as affected by 2009  
2       Wisconsin Act 28, is amended to read:

3           121.91 **(2m)** (r) 1. (intro.) Notwithstanding pars. (c) to (f) and (h), if a school  
4       district is created under s. 117.105, its revenue limit under this section for the school  
5       year beginning with the effective date of the reorganization shall be determined as  
6       follows except as provided under subs. (3) and (4):

7           **SECTION 26.** 121.91 (2m) (r) 1. b. of the statutes, as affected by 2009 Wisconsin  
8       Act 28, is amended to read:

9           121.91 **(2m)** (r) 1. b. Add an amount equal to the amount of revenue increase  
10       per pupil allowed under this subsection for the previous school year multiplied by the  
11       ~~sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal~~  
12       1.026 to the result under subd. 1. a., except that in calculating the limit for the  
13       2009-10 or 2010-11 school year, add \$200 to the result under subd. 1. a., and in  
14       ~~calculating the limit for the 2011-12 school year add \$275 to the result under subd.~~  
15       ~~1. a.~~

16           **SECTION 27.** 121.91 (2m) (r) 2. (intro.) of the statutes, as affected by 2009  
17       Wisconsin Act 28, is amended to read:

18           121.91 **(2m)** (r) 2. (intro.) If a school district is created under s. 117.105, the  
19       following adjustments to the calculations under pars. (c) to (f) and (h) apply for the  
20       2 school years beginning on the July 1 following the effective date of the  
21       reorganization:

22           **SECTION 28.** 121.91 (2m) (s) 1. (intro.) of the statutes, as affected by 2009  
23       Wisconsin Act 28, is amended to read:

24           121.91 **(2m)** (s) 1. (intro.) Notwithstanding pars. (e) to (f) and (h), if territory  
25       is detached from a school district to create a new school district under s. 117.105, the

6  
1 revenue limit under this section of the school district from which territory is detached  
2 for the school year beginning with the effective date of the reorganization shall be  
3 determined as follows except as provided in subs. (3) and (4):

4 **SECTION 29.** 121.91 (2m) (s) 1. b. of the statutes, as affected by 2009 Wisconsin  
5 Act 28, is amended to read:

6 121.91 **(2m)** (s) 1. b. Add an amount equal to the amount of revenue increase  
7 per pupil allowed under this subsection for the previous school year multiplied by the  
8 ~~sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal~~  
9 1.026 to the result under subd. 1. a., except that in calculating the limit for the  
10 2009-10 or 2010-11 school year, add \$200 to the result under subd. 1. a., ~~and in~~  
11 ~~calculating the limit for the 2011-12 school year, add \$275 to the result under subd.~~  
12 ~~1. a.~~

13 **SECTION 30.** 121.91 (2m) (s) 2. (intro.) of the statutes, as affected by 2009  
14 Wisconsin Act 28, is amended to read:

15 121.91 **(2m)** (s) 2. (intro.) If territory is detached from a school district to create  
16 a new school district under s. 117.105, the following adjustments to the calculations  
17 under pars. (e) to (f) and (h) apply to the school district from which territory is  
18 detached for the 2 school years beginning on the July 1 following the effective date  
19 of the reorganization:

20 **SECTION 31.** 121.91 (8) of the statutes, as affected by 2009 Wisconsin Act 28,  
21 is amended to read:

22 121.91 **(8)** If a school district's initial revenue limit for the current school year,  
23 as calculated under s. 121.905 or sub. (2m), whichever is appropriate, before making  
24 any adjustments under sub. (3) or (4), is less than the amount determined by  
25 multiplying the amount under sub. (2m) ~~(g) 1. or~~ (h) 1. by the average of the number

1 of pupils enrolled in the 3 preceding school years, the school district's initial revenue  
2 limit for the current school year, before making any adjustments under sub. (3) or (4),  
3 is the amount determined by multiplying the amount under sub. (2m) (g) 1. or (h) 1.  
4 by the average of the number of pupils enrolled in the 3 preceding school years. Any  
5 additional revenue received by a school district as a result of this subsection shall not  
6 be included in the base for determining the school district's limit under sub. (2m) for  
7 the following school year.

8 **SECTION 32. Initial applicability.**

9 (1) The treatment of section 111.70 (1) (b), (dm), (mc), and (ng) and (4) (cm) 5s.  
10 and 6. a. and am., and (d) 2. a. of the statutes, the renumbering and amendment of  
11 section 111.70 (4) (cm) 8m. of the statutes, and the creation of section 111.70 (4) (cm)  
12 8m. b. of the statutes first apply to a petition for arbitration that relates to a collective  
13 bargaining agreement that is filed on the effective date of this subsection.

14 (2) The treatment of section 111.70 (4) (m) 6. of the statutes first applies to a  
15 collective bargaining agreement entered into, extended, modified, or renewed on the  
16 effective date of this subsection.

17 **SECTION 33. Effective date.**

18 (1) This act takes effect on July 1, 2010.

19 (END)