



State of Wisconsin
2011 – 2012 LEGISLATURE



LRB-2664/3
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2011 SENATE BILL 251

October 21, 2011 – Introduced by Senators T. CULLEN, SCHULTZ and MOULTON.
Referred to Joint Committee on Finance.

1 **AN ACT** *to amend* 20.255 (2) (ac), 121.07 (6) (a) (intro.), 121.07 (7) (b) and 121.90
2 (2) (am) 1.; and *to create* 121.10 of the statutes; **relating to:** school district debt
3 service aid and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill provides additional state aid to certain school districts — those in which the equalized value per pupil is less than 50 percent of the statewide average — to assist in paying debt service on bond issues approved at a referendum held on or after July 1, 2011. Under the bill, annually the Department of Public Instruction pays an eligible school district the amount determined by multiplying the school district's levy for debt service on the bond by the percentage of the school district's primary shared cost that the school district received at the primary aid level of general state school aid in the previous school year. A school district's primary shared cost is that portion of the district's shared cost that is aided at the primary level of state aid.

The school district may receive such aid in any year only if it repays no more than 10 percent of the principal of the bond in that year. Aid is paid as a first draw from the general school aid appropriation, thus reducing the amount distributed as general school aid to other school districts.

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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 is amended to read:

2 20.255 (2) (ac) *General equalization aids.* The amounts in the schedule for the
3 payment of educational aids under ss. 121.08, 121.09, 121.095, 121.10, 121.105,
4 121.137 and subch. VI of ch. 121.

5 **SECTION 2.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

6 121.07 (6) (a) (intro.) “Shared cost” is the sum of the net cost of the general fund
7 and the net cost of the debt service fund, except that “shared cost” excludes any costs,
8 including attorney fees, incurred by a school district as a result of its participation
9 in a lawsuit commenced against the state, beginning with such costs incurred in the
10 fiscal year in which the lawsuit is commenced, ~~excludes;~~ any expenditures from a
11 capital improvement fund created under s. 120.135 ~~and excludes;~~ the costs of
12 transporting those transfer pupils for whom the school district operating under ch.
13 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
14 121.85 (6) (am); and any aid received under s. 121.10. In this paragraph, “net cost
15 of the debt service fund” includes all of the following amounts:

16 **SECTION 3.** 121.07 (7) (b) of the statutes is amended to read:

17 121.07 (7) (b) The “secondary guaranteed valuation per member” is an amount,
18 rounded to the next lower dollar, that, after subtraction of payments under ss.
19 121.09, 121.10, and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal
20 to the amount remaining in the appropriation under s. 20.255 (2) (ac).

21 **SECTION 4.** 121.10 of the statutes is created to read:

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1 **121.10 Debt service aid. (1)** In this section:

2 (a) “Eligible bond” means a bond that has been authorized by a referendum held
3 on or after July 1, 2011.

4 (b) “Eligible school district” means a school district in which the equalized
5 valuation per member that was used to distribute state aid to school districts in the
6 previous school year was less than 50 percent of the statewide average for all school
7 districts.

8 **(2)** Except as provided in sub. (3), if the school board of an eligible school district
9 issues an eligible bond, annually the department shall pay to the school district, from
10 the appropriation under s. 20.255 (2) (ac), the amount determined by multiplying the
11 school district’s levy for debt service on the eligible bond in the current school year
12 by the percentage of the school district’s primary shared cost that the school district
13 received in state aid under s. 121.08 (1) (a) in the previous school year.

14 **(3)** A school district may not receive aid under this section in any school year
15 in which the school district repays more than 10 percent of the principal of the bond.

16 **SECTION 5.** 121.90 (2) (am) 1. of the statutes is amended to read:

17 121.90 **(2)** (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
18 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
19 (4) and including adjustments made under s. 121.15 (4).

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(END)