



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2013 Senate Bill 478

**Senate Substitute Amendment
1, as Amended**

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Senate Bill 478 relates to school district community service funds.

Current Law

Under current law, school districts may establish a separate fund for community service activities. Specifically, s. 120.13 (19), Stats., authorizes a school board to establish and maintain community education, training, recreational, cultural, or athletic programs and services, outside the regular curricular and extracurricular programs for pupils, under such terms and conditions as the school board prescribes. The school board may establish and collect fees to cover all or part of the costs of such programs and services. After a school board has budgeted an amount for its community service fund, the school district may adopt a separate tax levy for this fund that is not counted toward the district's revenue limit or its shared cost. Generally, a school district may not levy more for community service activities in 2013-14 or 2014-15 than it did in 2012-13.

School districts have broad authority to determine the types of activities which may be paid for by a community service fund. The Department of Public Instruction (DPI) publishes guidelines regarding community service activities. [See http://sfs.dpi.w.gov/sfs_comm_serv_fund_info.]

Senate Bill 478

Senate Bill 478 requires DPI to promulgate rules defining the costs which are eligible for inclusion in the community service fund. Only eligible costs are excluded from a school district's shared cost, and a school district's revenue limit is reduced by the amount of any ineligible costs expended for community programs and services. School districts must report annually about expenditures for community programs and services to the Department of

Revenue (DOR). DOR must then determine whether any of a school district's expenditures were ineligible under DPI's rules.

The bill first applies to state aid distributed in, and the calculation of a school district's revenue limit for, the 2014-15 school year.

Senate Substitute Amendment 1

Senate Substitute Amendment 1 requires DPI to promulgate rules defining the costs which are eligible for inclusion in the community service fund. Under the amendment, only eligible costs are excluded from a school district's shared cost, and a school district's revenue limit is reduced by the amount of any ineligible costs expended for community programs and services. The amendment also requires school districts to include information about expenditures for community programs and services in their mandatory annual audit but does not require the school district to report its expenditures to DOR.

Under the substitute amendment, the bill first applies to state aid distributed in, and the calculation of a school district's revenue limit for, the 2015-16 school year.

Senate Amendment 1 to the Substitute Amendment

Senate Amendment 1 to the substitute amendment deletes the requirement for DPI to promulgate rules defining "eligible costs" for purposes of expenditures for community programs and services. Instead, the amendment provides that a school board may not expend moneys on **ineligible costs** for such programs and services, as defined by DPI by rule.

The amendment also specifies that the amount that a school district's revenue limit is reduced due to expenditures on ineligible costs for community programs and services is not deducted from the base for determining the school district's revenue limit in the following year.

Bill History

Senate Substitute Amendment 1 and Senate Amendment 1 to the substitute amendment were offered by Senator Cowles. On March 18, 2014, the Senate adopted Senate Amendment 1 to Senate Substitute Amendment 1 and Senate Substitute Amendment 1, as amended, on voice votes and passage of the bill, as amended, on a voice vote.

AS:ksm