



2003 ASSEMBLY BILL 272

April 18, 2003 – Introduced by Representatives M. LEHMAN, W. WOOD, AINSWORTH, ZIEGELBAUER and GRONEMUS. Referred to Committee on Education.

1 **AN ACT** *to repeal* 111.70 (1) (dm), 111.70 (1) (fm), 111.70 (1) (nc), 111.70 (4) (cm)
2 5s., 111.70 (4) (cm) 7., 111.70 (4) (cm) 7g., 111.70 (4) (cm) 8m. b., 111.70 (4) (cm)
3 8p., 111.70 (4) (cn), 121.15 (1) (a) to (e), 121.15 (1g), 121.15 (3m) and 121.23 (2);
4 **to renumber** 121.23 (1); **to renumber and amend** 121.15 (1) (intro.); **to**
5 **consolidate, renumber and amend** 111.70 (4) (cm) 8m. a. and c. and 121.15
6 (1m) (a) (intro.) and 3.; **to amend** 20.255 (2) (ac), 67.03 (1) (a) and (b), 67.05 (6a)
7 (a) 2. (intro.), 71.08 (1) (intro.), 71.10 (4) (i), 77.52 (1), 77.52 (2) (intro.), 77.53
8 (1), 111.70 (1) (b), 111.70 (4) (cm) 5., 111.70 (4) (cm) 6. a., 111.70 (4) (cm) 6. am.,
9 111.70 (4) (cm) 7r. (intro.), 111.70 (4) (cm) 8s., 111.70 (4) (d) 2. a., 115.93, 118.255
10 (4), 118.40 (2r) (e) 1., 118.51 (16) (b), 118.51 (16) (d), 119.23 (4) (b) 2., 119.82 (5),
11 121.08 (1) (intro.), 121.08 (4) (a) (intro.), 2., 3. and (b), 121.09, 121.095 (1)
12 (intro.), 121.095 (2), 121.105 (3), 121.15 (1m) (b), 121.23 (title), 121.85 (6) (a) 1.,
13 121.85 (6) (e), 121.85 (6m), 121.85 (8), 121.85 (9) (c), 121.86 (2) (a) 1., 121.90 (2)
14 (intro.) and 121.91 (2m) (e) (intro.); and **to create** 15.375 (1), 20.255 (2) (t),

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1 20.835 (2) (cb), 25.90, 65.90 (7), 67.03 (1) (c), 71.07 (5d), 115.34 (3), 115.341 (3),
2 115.343 (6), 115.345 (10), 115.36 (4), 115.361 (3), 115.366 (3), 115.405 (4), 115.42
3 (5), 115.43 (3), 115.435 (4), 115.45 (11), 115.75 (4), 115.88 (10), 115.995 (3),
4 116.08 (6), 118.153 (8), 118.43 (9), 120.145, 121.085, 121.086, 121.105 (2) (c),
5 121.135 (4) and 121.41 (3) of the statutes; **relating to:** abolishing the general
6 equalization aid formula for distributing state school aid; creating a foundation
7 plan to fund school costs; creating a School Building Projects Board; providing
8 state aid to school districts for building projects; creating a school levy rate
9 limit; eliminating school district revenue limits; eliminating certain categorical
10 aids to school districts; modifying dispute settlement procedures in local
11 government employment other than law enforcement and fire fighting
12 employment; creating a refundable individual income tax credit for certain
13 sales and use taxes paid by a claimant; increasing the sales and use tax;
14 granting rule-making authority; and making appropriations.

Analysis by the Legislative Reference Bureau

School aid

Under the current school aid formula, the state establishes a guaranteed tax base, known as the guaranteed valuation. The rate at which a school district's costs are aided through the formula is determined by comparing the school district's per pupil tax base (or equalized valuation) to the guaranteed valuation. State aid is provided to make up the difference between the school district's actual tax base and that state guaranteed level. Thus, school districts with low property valuations per pupil generally receive a larger share of their costs through the formula than school districts with high property valuations per pupil.

Beginning in the 2004–05 school year, this bill eliminates the current school aid formula. Under the bill, in 2004–05 each school district is paid an amount per pupil that is determined by multiplying the district's prior year educational cost per pupil by the percentage rate that, when applied annually for 20 years, will result in a per pupil payment of \$19,000 in the 2023–24 school year. Beginning in the 2005–06 school year, each year the prior year per pupil payment is increased by the same

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annual percentage rate. In addition, the bill eliminates most formula-driven categorical aid programs (such as special education and children at risk).

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 a school year. This bill eliminates school district revenue limits beginning in the 2004-05 school year.

The bill creates a School Building Projects Board attached to the Department of Public Instruction (DPI). The bill prohibits a school board from issuing a bond to finance a capital project unless it adopts a resolution to do so by a three-fourths vote. A school board may then apply to the board for state aid for the project. The board provides aid for that portion of the project that it determines satisfies an educational need; the amount of aid is determined by multiplying the cost of the approved portion of the project by the percentage of the school district's costs that would have been paid under the former school aid formula or by 10%, whichever is greater.

The bill also prohibits a school board from levying a tax at a rate that exceeds three mills except to pay the principal of and interest on debt that is outstanding on the bill's effective date or unless DPI approves a higher levy rate to deal with an emergency. In addition, a school district may not incur indebtedness after the bill's effective date in an amount that would require it to levy a tax at a rate greater than three mills unless DPI approves a higher rate to deal with an emergency. The bill prohibits a school district from using revenue from its tax levy to fund employee salaries or benefits.

The bill provides that the total amount in a school district's fund balance in any fiscal year may not exceed 18% of the school district's budget in that fiscal year.

With certain exceptions, school districts currently receive 15% of their total school aid entitlement in September, 25% in December, 25% in March, and 35% in June. Beginning in the 2004-05 school year, this bill requires that school aid be distributed in four equal installments. The bill directs DPI to determine the payment schedule.

Sales and use taxes; public school aid fund

This bill increases the sales tax and use tax rates from 5% to 7.5% beginning on January 1, 2004. The bill also creates a segregated fund called the public school aid fund, consisting of 41% of all revenue from sales and use taxes. Beginning in the 2004-05 school year, money in that fund is used for state school aid. For school aid in the 2004-05 school year, the bill also transfers \$5,300,000,000 from the general fund to the public school aid fund.

Dispute settlement procedures

This bill does all of the following:

1. Under current law, 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, or the parties jointly, may petition WERC to initiate compulsory, final, and binding arbitration with respect to any dispute relating to wages, hours, and conditions of employment. If WERC determines, after

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investigation, that an impasse exists and that arbitration is required, WERC must submit to the parties a list of seven arbitrators, from which the parties alternately strike names until one arbitrator is left. As an alternative to a single arbitrator, WERC may provide for an arbitration panel that consists of one person selected by each party and one person selected by WERC. As a further alternative, WERC may also provide a process that allows for a random selection of a single arbitrator from a list of seven names submitted by WERC. Under current law, an arbitrator or arbitration panel must adopt the final offer of one of the parties on all disputed issues, which is then incorporated into the collective bargaining agreement.

Under current law, however, 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, subsequent to an investigation, that the employer has submitted a qualified economic offer (QEO). Under current law, 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 2.1% 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 that amount, if any, by which 1.7% 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 eliminates the QEO exception from the compulsory, final, and binding arbitration process.

2. Current law provides that in reaching a decision, the arbitrator or arbitration panel must give weight to many factors, including the lawful authority of the municipal employer, the stipulations of the parties, the interest and welfare of the public, and the financial ability of the unit of government to meet the costs of the proposed agreement, comparison of wages, hours, and conditions of employment with those of other public and private sector employees, the cost of living, the overall compensation and benefits that the employees currently receive, and other similar factors. But, under current law, the arbitrator is required to give greater weight to economic conditions in the jurisdiction of the employer and the greatest weight to any state law or directive that places expenditure or revenue limitations on an employer.

This bill eliminates the authorization for the arbitrator or arbitration panel to give any weight to economic conditions in the jurisdiction of the employer or to any state law or directive that places expenditure or revenue limitations on an employer.

3. Under current law, every collective bargaining agreement covering school district professional employees must expire on June 30 of the odd-numbered years. For all other local government employees, the term of a collective bargaining agreement must be two years, except for an initial agreement and except as the parties otherwise agree, and in no case may exceed three years. This bill treats the

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terms of collective bargaining agreements for school district professional employees the same as those of other local government employees.

4. Finally, under current law, school district professional employees are required to be placed in a collective bargaining unit that is separate from the units of other school district employees. This bill eliminates this requirement.

Income tax credit

This bill creates a refundable individual income tax credit for the sales and use taxes paid by an individual in the taxable year to which the claim relates. The maximum credit that may be claimed each year under the bill is \$500, or \$250 for each spouse if a married couple files separate tax returns. The amount of credit that may be claimed by a nonresident or part-year resident of this state is modified based on the ratio of the claimant's Wisconsin adjusted gross income (AGI) to his or her federal AGI.

Because this individual income tax credit is refundable, if the amount of the credit exceeds the taxpayer's income tax liability, the difference will be refunded to the taxpayer by check.

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.** 15.375 (1) of the statutes is created to read:

2 15.375 (1) SCHOOL BUILDING PROJECTS BOARD. There is created a school building
3 projects board attached to the department of public instruction under s. 15.03. The
4 board shall consist of the following members, appointed for 3-year terms:

5 (a) Three members appointed by the state superintendent of public instruction.

6 (b) Three members appointed by the governor.

7 **SECTION 2.** 20.255 (2) (ac) of the statutes is amended to read:

8 20.255 (2) (ac) *General equalization aids*. A sum sufficient for the payment of
9 educational aids under ss. 121.08, 121.09, 121.095, and 121.105 and subch. VI of ch.
10 121 equal to \$4,200,945,900 in the 2002-03 fiscal year, and equal to the amount
11 determined by law in the 2003-04 fiscal year and biennially thereafter, and equal to
12 ~~the amount determined by the joint committee on finance under s. 121.15 (3m) (c) in~~

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1 ~~the 2004–05 fiscal year and biennially thereafter. No moneys may be encumbered~~
2 ~~from this appropriation after the 2003–04 fiscal year.~~

3 **SECTION 3.** 20.255 (2) (t) of the statutes is created to read:

4 20.255 (2) (t) *State school aids.* From the public school aid fund, a sum
5 sufficient for state school aid under ss. 121.085, 121.086, 121.09, 121.095, and
6 121.105 (3), and subch. VI of ch. 121.

7 **SECTION 4.** 20.835 (2) (cb) of the statutes is created to read:

8 20.835 (2) (cb) *Sales and use tax individual income tax credit.* A sum sufficient
9 to make the payments under s. 71.07 (5d).

10 **SECTION 5.** 25.90 of the statutes is created to read:

11 **25.90 Public school aid fund.** There is established a separate nonlapsible
12 trust fund designated the public school aid fund consisting of 41% of all revenue from
13 sales and use taxes.

14 **SECTION 6.** 65.90 (7) of the statutes is created to read:

15 65.90 (7) The total amount in a school district's fund balance in any fiscal year
16 may not exceed an amount equal to 18% of the school district's budget in that fiscal
17 year. In this subsection, "fund balance" means the difference between fund assets
18 and fund liabilities, as determined by the department of public instruction.

19 **SECTION 7.** 67.03 (1) (a) and (b) of the statutes are amended to read:

20 67.03 (1) (a) Except as provided in s. 67.01 (9), municipalities may borrow
21 money and issue municipal obligations therefor only for the purposes and by the
22 procedure specified in this chapter. The aggregate amount of indebtedness,
23 including existing indebtedness, of any municipality shall not exceed 5% of the value
24 of the taxable property located in the municipality as equalized for state purposes
25 except that the aggregate amount of indebtedness of any school district that offers

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1 no less than grades 1 to 12 and that at the time of incurring the debt is eligible to
2 receive state aid under s. ~~121.08~~ 121.085 shall not exceed 10% of the equalized value
3 of the taxable property located in the school district.

4 (b) Any school district about to incur indebtedness may apply to the state
5 superintendent of public instruction for, and the state superintendent may issue, a
6 certificate as to the eligibility of the school district to receive state aid under s. ~~121.08~~
7 121.085, which certificate shall be conclusive as to such eligibility for 30 days, but
8 not beyond the next June 30.

9 **SECTION 8.** 67.03 (1) (c) of the statutes is created to read:

10 67.03 (1) (c) No municipality may incur indebtedness in an amount that would
11 require the governing body of the municipality to levy a tax for school purposes at a
12 rate that exceeds 3 mills unless the department of public instruction approves a
13 higher levy rate under s. 120.145 (1) (b).

14 **SECTION 9.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

15 67.05 (6a) (a) 2. (intro.) Except as provided under pars. (b) and (c) and, subs.
16 (7) and (15), and s. 121.086, if the board of any school district, or the electors at a
17 regularly called school district meeting, by a majority vote adopt an initial resolution
18 to raise an amount of money by a bond issue, the school district clerk shall, within
19 10 days, publish notice of such adoption as a class 1 notice under ch. 985 or post the
20 notice as provided under s. 10.05. The notice shall state the maximum amount
21 proposed to be borrowed, the purpose of the borrowing, that the resolution was
22 adopted under this subdivision and the place where and the hours during which the
23 resolution may be inspected. The school board shall also do one of the following:

24 **SECTION 10.** 71.07 (5d) of the statutes is created to read:

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1 71.07 (5d) SALES AND USE TAX INDIVIDUAL INCOME TAX CREDIT. (a) *Definition.* In
2 this subsection, “claimant” means an individual who files a claim under this
3 subsection.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
5 claimant may claim as a credit against the tax imposed under s. 71.02 the amount
6 of any sales taxes imposed under s. 77.52 and use taxes imposed under s. 77.53 that
7 the claimant paid in the taxable year to which the claim relates. If the allowable
8 amount of the claim under this subsection exceeds the income taxes otherwise due
9 on the claimant’s income, the amount of the claim that is not used to offset those taxes
10 shall be certified by the department of revenue to the department of administration
11 for payment by check, share draft, or other draft drawn from the appropriation under
12 s. 20.835 (2) (cb).

13 (c) *Limitations.* 1. Except as provided in subds. 2. and 3., the maximum credit
14 that may be claimed under this subsection by a claimant is \$500 in each year to which
15 the claim relates.

16 2. If a married couple files separately, except for a spouse who files as head of
17 household, each spouse may claim up to 50% of the amount specified in subd. 1.

18 3. If a part-year resident or a nonresident of this state files a claim under this
19 subsection, the maximum credit amounts in subd. 1. or 2. shall be multiplied by a
20 fraction, the numerator of which is the individual’s and his or her spouse’s Wisconsin
21 adjusted gross income and the denominator of which is the individual’s and his or her
22 spouse’s federal adjusted gross income. In this subdivision, for married persons
23 filing separately “adjusted gross income” means the separate adjusted gross income
24 of each spouse, and for married persons filing jointly “adjusted gross income” means
25 the total adjusted gross income of both spouses.

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1 4. No credit may be allowed under this subsection unless it is claimed within
2 the time period under s. 71.75 (2).

3 (d) *Administration.* The department may enforce the credit under this
4 subsection and may take any action, conduct any proceeding, and proceed as it is
5 authorized in respect to taxes under this chapter. The income tax provisions in this
6 chapter relating to assessments, refunds, appeals, collection, interest, and penalties
7 apply to the credit under this subsection.

8 **SECTION 11.** 71.08 (1) (intro.) of the statutes is amended to read:

9 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
10 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
11 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5d),
12 (6), (6s), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and
13 (3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and
14 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the
15 tax under this section, there is imposed on that natural person, married couple filing
16 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax
17 computed as follows:

18 **SECTION 12.** 71.10 (4) (i) of the statutes is amended to read:

19 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
20 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
21 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
22 71.07 (2fd), sales and use tax individual income tax credit under s. 71.07 (5d), earned
23 income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and
24 taxes withheld under subch. X.

25 **SECTION 13.** 77.52 (1) of the statutes is amended to read:

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1 77.52 (1) For the privilege of selling, leasing or renting tangible personal
2 property, including accessories, components, attachments, parts, supplies and
3 materials, at retail a tax is imposed upon all retailers at the rate of ~~5%~~ 7.5% of the
4 gross receipts from the sale, lease or rental of tangible personal property, including
5 accessories, components, attachments, parts, supplies and materials, sold, leased or
6 rented at retail in this state.

7 **SECTION 14.** 77.52 (2) (intro.) of the statutes is amended to read:

8 77.52 (2) (intro.) For the privilege of selling, performing or furnishing the
9 services described under par. (a) at retail in this state to consumers or users, a tax
10 is imposed upon all persons selling, performing or furnishing the services at the rate
11 of ~~5%~~ 7.5% of the gross receipts from the sale, performance or furnishing of the
12 services.

13 **SECTION 15.** 77.53 (1) of the statutes is amended to read:

14 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
15 on the use or consumption in this state of taxable services under s. 77.52 purchased
16 from any retailer, at the rate of ~~5%~~ 7.5% of the sales price of those services; on the
17 storage, use or other consumption in this state of tangible personal property
18 purchased from any retailer, at the rate of ~~5%~~ 7.5% of the sales price of that property;
19 and on the storage, use or other consumption of tangible personal property
20 manufactured, processed or otherwise altered, in or outside this state, by the person
21 who stores, uses or consumes it, from material purchased from any retailer, at the
22 rate of ~~5%~~ 7.5% of the sales price of that material.

23 **SECTION 16.** 111.70 (1) (b) of the statutes is amended to read:

24 111.70 (1) (b) "Collective bargaining unit" means a unit ~~consisting of municipal~~
25 ~~employees who are school district professional employees or of municipal employees~~

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1 ~~who are not school district professional employees~~ that is determined by the
2 commission to be appropriate for the purpose of collective bargaining.

3 **SECTION 17.** 111.70 (1) (dm) of the statutes is repealed.

4 **SECTION 18.** 111.70 (1) (fm) of the statutes is repealed.

5 **SECTION 19.** 111.70 (1) (nc) of the statutes is repealed.

6 **SECTION 20.** 111.70 (4) (cm) 5. of the statutes is amended to read:

7 111.70 (4) (cm) 5. 'Voluntary impasse resolution procedures.' In addition to the
8 other impasse resolution procedures provided in this paragraph, a municipal
9 employer and labor organization may at any time, as a permissive subject of
10 bargaining, agree in writing to a dispute settlement procedure, including
11 authorization for a strike by municipal employees or binding interest arbitration,
12 which is acceptable to the parties for resolving an impasse over terms of any
13 collective bargaining agreement under this subchapter. A copy of such agreement
14 shall be filed by the parties with the commission. If the parties agree to any form of
15 binding interest arbitration, the arbitrator shall give weight to the factors
16 enumerated under ~~subds. 7., 7g. and subd. 7r.~~

17 **SECTION 21.** 111.70 (4) (cm) 5s. of the statutes is repealed.

18 **SECTION 22.** 111.70 (4) (cm) 6. a. of the statutes is amended to read:

19 111.70 (4) (cm) 6. a. If in any collective bargaining unit a dispute ~~relating to one~~
20 ~~or more issues, qualifying for interest arbitration under subd. 5s. in a collective~~
21 ~~bargaining unit to which subd. 5s. applies,~~ has not been settled after a reasonable
22 period of negotiation and after mediation by the commission under subd. 3. and other
23 settlement procedures, if any, established by the parties have been exhausted, and
24 the parties are deadlocked with respect to any dispute between them over wages,
25 hours, and conditions of employment to be included in a new collective bargaining

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1 agreement, either party, or the parties jointly, may petition the commission, in
2 writing, to initiate compulsory, final, and binding arbitration, as provided in this
3 paragraph. At the time the petition is filed, the petitioning party shall submit in
4 writing to the other party and the commission its preliminary final offer containing
5 its latest proposals on all issues in dispute. Within 14 calendar days after the date
6 of that submission, the other party shall submit in writing its preliminary final offer
7 on all disputed issues to the petitioning party and the commission. If a petition is
8 filed jointly, both parties shall exchange their preliminary final offers in writing and
9 submit copies to the commission at the time the petition is filed.

10 **SECTION 23.** 111.70 (4) (cm) 6. am. of the statutes is amended to read:

11 111.70 (4) (cm) 6. am. Upon receipt of a petition to initiate arbitration, the
12 commission shall make an investigation, with or without a formal hearing, to
13 determine whether arbitration should be commenced. If in determining whether an
14 impasse exists the commission finds that the procedures set forth in this paragraph
15 have not been complied with and such compliance would tend to result in a
16 settlement, it may order such compliance before ordering arbitration. The validity
17 of any arbitration award or collective bargaining agreement shall not be affected by
18 failure to comply with such procedures. Prior to the close of the investigation each
19 party shall submit in writing to the commission its single final offer containing its
20 final proposals on all issues in dispute that are subject to interest arbitration under
21 this subdivision ~~or under subd. 5s. in collective bargaining units to which subd. 5s.~~
22 ~~applies.~~ If a party fails to submit a single, ultimate final offer, the commission shall
23 close the investigation based on the last written position of the party. ~~The municipal~~
24 ~~employer may not submit a qualified economic offer under subd. 5s. after the close~~
25 ~~of the investigation.~~ Such final offers may include only mandatory subjects of

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1 bargaining, except that a permissive subject of bargaining may be included by a
2 party if the other party does not object and shall then be treated as a mandatory
3 subject. No later than such time, the parties shall also submit to the commission a
4 stipulation, in writing, with respect to all matters which are agreed upon for
5 inclusion in the new or amended collective bargaining agreement. The commission,
6 after receiving a report from its investigator and determining that arbitration should
7 be commenced, shall issue an order requiring arbitration and immediately submit
8 to the parties a list of 7 arbitrators. Upon receipt of such list, the parties shall
9 alternately strike names until a single name is left, who shall be appointed as
10 arbitrator. The petitioning party shall notify the commission in writing of the
11 identity of the arbitrator selected. Upon receipt of such notice, the commission shall
12 formally appoint the arbitrator and submit to him or her the final offers of the
13 parties. The final offers shall be considered public documents and shall be available
14 from the commission. In lieu of a single arbitrator and upon request of both parties,
15 the commission shall appoint a tripartite arbitration panel consisting of one member
16 selected by each of the parties and a neutral person designated by the commission
17 who shall serve as a chairperson. An arbitration panel has the same powers and
18 duties as provided in this section for any other appointed arbitrator, and all
19 arbitration decisions by such panel shall be determined by majority vote. In lieu of
20 selection of the arbitrator by the parties and upon request of both parties, the
21 commission shall establish a procedure for randomly selecting names of arbitrators.
22 Under the procedure, the commission shall submit a list of 7 arbitrators to the
23 parties. Each party shall strike one name from the list. From the remaining 5
24 names, the commission shall randomly appoint an arbitrator. Unless both parties
25 to an arbitration proceeding otherwise agree in writing, every individual whose

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1 name is submitted by the commission for appointment as an arbitrator shall be a
2 resident of this state at the time of submission and every individual who is
3 designated as an arbitration panel chairperson shall be a resident of this state at the
4 time of designation.

5 **SECTION 24.** 111.70 (4) (cm) 7. of the statutes is repealed.

6 **SECTION 25.** 111.70 (4) (cm) 7g. of the statutes is repealed.

7 **SECTION 26.** 111.70 (4) (cm) 7r. (intro.) of the statutes is amended to read:

8 111.70 (4) (cm) 7r. ~~‘Other factors~~ Factors considered.’ (intro.) In making any
9 decision under the arbitration procedures authorized by this paragraph, the
10 arbitrator or arbitration panel shall also give weight to the following factors:

11 **SECTION 27.** 111.70 (4) (cm) 8m. a. and c. of the statutes are consolidated,
12 renumbered 111.70 (4) (cm) 8m. and amended to read:

13 111.70 (4) (cm) 8m. ‘Term of agreement; reopening of negotiations.’ Except for
14 the initial collective bargaining agreement between the parties and except as the
15 parties otherwise agree, every collective bargaining agreement covering municipal
16 employees subject to this paragraph ~~other than school district professional~~
17 ~~employees~~ shall be for a term of 2 years. ~~No, but in no case may a~~ collective
18 bargaining agreement for any collective bargaining unit consisting of municipal
19 employees subject to this paragraph ~~other than school district professional~~
20 ~~employees~~ shall be for a term exceeding 3 years. e. No arbitration award may
21 contain a provision for reopening of negotiations during the term of a collective
22 bargaining agreement, unless both parties agree to such a provision. The
23 requirement for agreement by both parties does not apply to a provision for
24 reopening of negotiations with respect to any portion of an agreement that is

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

3 **SECTION 28.** 111.70 (4) (cm) 8m. b. of the statutes is repealed.

4 **SECTION 29.** 111.70 (4) (cm) 8p. of the statutes is repealed.

5 **SECTION 30.** 111.70 (4) (cm) 8s. of the statutes is amended to read:

6 111.70 (4) (cm) 8s. 'Forms for determining costs.' The commission shall
7 prescribe forms for calculating the total increased cost to the municipal employer of
8 compensation and fringe benefits provided to school district professional employees.
9 The cost shall be determined based upon the total cost of compensation and fringe
10 benefits provided to school district professional employees who are represented by
11 a labor organization on the 90th day before expiration of any previous collective
12 bargaining agreement between the parties, or who were so represented if the
13 effective date is retroactive, or the 90th day prior to commencement of negotiations
14 if there is no previous collective bargaining agreement between the parties, without
15 regard to any change in the number, rank, or qualifications of the school district
16 professional employees. For purposes of such determinations, any cost increase that
17 is incurred on any day other than the beginning of the 12-month period commencing
18 with the effective date of the agreement or any succeeding 12-month period
19 commencing on the anniversary of that effective date shall be calculated as if the cost
20 increase were incurred as of the beginning of the 12-month period beginning on the
21 effective date or anniversary of the effective date in which the cost increase is
22 incurred. ~~In each collective bargaining unit to which subd. 5s. applies, the municipal~~
23 ~~employer shall transmit to the commission and the labor organization a completed~~
24 ~~form for calculating the total increased cost to the municipal employer of~~
25 ~~compensation and fringe benefits provided to the school district professional~~

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1 employees covered by the agreement as soon as possible after the effective date of the
2 agreement.

3 **SECTION 31.** 111.70 (4) (cn) of the statutes is repealed.

4 **SECTION 32.** 111.70 (4) (d) 2. a. of the statutes is amended to read:

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 work force. 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 or not 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

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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% of those professional employees request an election
5 to be held to determine that issue and a majority of the professional employees at the
6 charter school who cast votes in the election decide to be represented in a separate
7 collective bargaining unit. Any vote taken under this subsection shall be by secret
8 ballot.

9 **SECTION 33.** 115.34 (3) of the statutes is created to read:

10 115.34 (3) The department may not make any payments under this section
11 after June 30, 2004.

12 **SECTION 34.** 115.341 (3) of the statutes is created to read:

13 115.341 (3) The department may not make any payments under this section
14 after June 30, 2004.

15 **SECTION 35.** 115.343 (6) of the statutes is created to read:

16 115.343 (6) The department may not make any payments under this section
17 after June 30, 2004.

18 **SECTION 36.** 115.345 (10) of the statutes is created to read:

19 115.345 (10) The department may not make any payments under this section
20 after June 30, 2004.

21 **SECTION 37.** 115.36 (4) of the statutes is created to read:

22 115.36 (4) The department may not make any payments under this section
23 after June 30, 2004.

24 **SECTION 38.** 115.361 (3) of the statutes is created to read:

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1 115.361 (3) The department may not make any payments under this section
2 after June 30, 2004.

3 **SECTION 39.** 115.366 (3) of the statutes is created to read:

4 115.366 (3) The department may not make any payments under this section
5 after June 30, 2004.

6 **SECTION 40.** 115.405 (4) of the statutes is created to read:

7 115.405 (4) The department may not make any payments under this section
8 after June 30, 2004.

9 **SECTION 41.** 115.42 (5) of the statutes is created to read:

10 115.42 (5) The department may not make any payments under this section
11 after June 30, 2004.

12 **SECTION 42.** 115.43 (3) of the statutes is created to read:

13 115.43 (3) **TERMINATION OF SCHOLARSHIPS.** The department may not make any
14 payments under this section after June 30, 2004.

15 **SECTION 43.** 115.435 (4) of the statutes is created to read:

16 115.435 (4) The department may not make any payments under this section
17 after June 30, 2004.

18 **SECTION 44.** 115.45 (11) of the statutes is created to read:

19 115.45 (11) The department may not make any payments under this section
20 after June 30, 2004.

21 **SECTION 45.** 115.75 (4) of the statutes is created to read:

22 115.75 (4) The department may not make any payments under this section
23 after June 30, 2004.

24 **SECTION 46.** 115.88 (10) of the statutes is created to read:

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1 115.88 (10) TERMINATION OF STATE AID. The department may not make any
2 payments under this section after June 30, 2004.

3 **SECTION 47.** 115.93 of the statutes is amended to read:

4 **115.93 State aid.** If upon receipt of the reports under s. 115.92 (2) the state
5 superintendent is satisfied that the school age parents program has been maintained
6 during the preceding school year in accordance with the rules under s. 115.92 (3), the
7 state superintendent shall certify to the department of administration in favor of
8 each school district maintaining the program a sum equal to the amount expended
9 by the school district during the preceding school year for salaries of teachers and
10 instructional aides, special transportation and other expenses approved by the state
11 superintendent as costs eligible for reimbursement from the appropriation under s.
12 20.255 (2) (b). The department may not make any payments under this section after
13 June 30, 2004.

14 **SECTION 48.** 115.995 (3) of the statutes is created to read:

15 115.995 (3) The department may not make any payments under this section
16 after June 30, 2004.

17 **SECTION 49.** 116.08 (6) of the statutes is created to read:

18 116.08 (6) The department may not make any payments under this section
19 after June 30, 2004.

20 **SECTION 50.** 118.153 (8) of the statutes is created to read:

21 118.153 (8) The department may not make any payments under this section
22 after June 30, 2004.

23 **SECTION 51.** 118.255 (4) of the statutes is amended to read:

24 118.255 (4) If the state superintendent is satisfied that the health treatment
25 services program has been maintained during the preceding school year in

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1 accordance with law, the state superintendent shall certify to the department of
2 administration in favor of each school board, cooperative educational service agency
3 and county children with disabilities education board maintaining such health
4 treatment services, an amount equal to the amount expended for items listed in s.
5 115.88 (1m) by the school board, cooperative educational service agency and county
6 children with disabilities education board during the preceding year for these health
7 treatment services as costs eligible for reimbursement from the appropriation under
8 s. 20.255 (2) (b). The department may not make any payments under this subsection
9 after June 30, 2004.

10 **SECTION 52.** 118.40 (2r) (e) 1. of the statutes is amended to read:

11 118.40 (2r) (e) 1. From the appropriation under s. 20.255 (2) (fm), the
12 department shall pay to the operator of the charter school an amount equal to the
13 sum of the amount paid per pupil under this subdivision in the previous school year
14 and the amount of revenue increase per pupil that would be allowed under subch. VII
15 of ch. 121 in the current school year if subch. VII of ch. 121 were still applicable,
16 multiplied by the number of pupils attending the charter school. The department
17 shall pay 25% of the total amount in September, 25% in December, 25% in February,
18 and 25% in June. The department shall send the check to the operator of the charter
19 school.

20 **SECTION 53.** 118.43 (9) of the statutes is created to read:

21 118.43 (9) TERMINATION OF STATE AID. The department may not make any
22 payments under this section after June 30, 2004.

23 **SECTION 54.** 118.51 (16) (b) of the statutes is amended to read:

24 118.51 (16) (b) 1. If the number determined in par. (a) 1. is greater than the
25 number determined in par. (a) 2. for a school district, the department shall increase

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1 that school district's state aid payment under s. ~~121.08~~ 121.085 by an amount equal
2 to the difference multiplied by the amount determined under par. (a) 3.

3 2. If the number determined in par. (a) 1. is less than the number determined
4 in par. (a) 2. for a school district, the department shall decrease that school district's
5 state aid payment under s. ~~121.08~~ 121.085 by an amount equal to the difference
6 multiplied by the amount determined under par. (a) 3. If the state aid payment under
7 s. ~~121.08~~ 121.085 is insufficient to cover the reduction, the department shall decrease
8 other state aid payments made by the department to the school district by the
9 remaining amount. If the state aid payment under s. ~~121.08~~ 121.085 and other state
10 aid payments made by the department to the school district are insufficient to cover
11 the reduction, the department shall use the moneys appropriated under s. 20.255 (2)
12 (cg) to pay the balance to school districts under subd. 1.

13 **SECTION 55.** 118.51 (16) (d) of the statutes is amended to read:

14 118.51 (16) (d) The department shall ensure that the aid adjustment under par.
15 (b) does not affect the amount determined to be received by a school district as state
16 aid under s. ~~121.08~~ 121.085 for any other purpose.

17 **SECTION 56.** 119.23 (4) (b) 2. of the statutes is amended to read:

18 119.23 (4) (b) 2. The sum of the amount paid per pupil under this subsection
19 in the previous school year and the amount of revenue increase per pupil that would
20 be allowed under subch. VII of ch. 121 in the current school year if subch. VII of ch.
21 121 were still applicable.

22 **SECTION 57.** 119.82 (5) of the statutes is amended to read:

23 119.82 (5) The board shall use aid received under s. ~~121.08~~ 121.085 to continue
24 funding for children participating in a program under this section.

25 **SECTION 58.** 120.145 of the statutes is created to read:

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1 **120.145 School tax levy. (1)** Notwithstanding ss. 119.46, 120.10 (6) to (8),
2 (10m), and (11), and 120.12 (3), beginning in 2004, a school board may not levy a tax
3 at a rate that exceeds 3 mills except as follows:

4 (a) The levy rate may exceed 3 mills for the purpose of paying the principal and
5 interest on debt outstanding on the effective date of this paragraph [revisor
6 inserts date].

7 (b) The levy rate may exceed 3 mills if the department approves a higher levy
8 rate for the school district. The department may approve a higher levy rate only for
9 emergencies, as defined by the department by rule.

10 **(2)** The school board may not use revenue from the tax levy to fund employee
11 salaries or benefits.

12 **SECTION 59.** 121.08 (1) (intro.) of the statutes is amended to read:

13 121.08 **(1)** (intro.) ~~The~~ In the 2002-03 school year and the 2003-04 school year,
14 the state shall pay to the school district the sum of the following amounts:

15 **SECTION 60.** 121.08 (4) (a) (intro.), 2., 3. and (b) of the statutes are amended to
16 read:

17 121.08 **(4)** (a) (intro.) The amount of state aid that a school district is eligible
18 to be paid from the appropriation under s. 20.255 (2) ~~(ae)~~ (t) shall be reduced by the
19 amount determined as follows:

20 2. Divide the sum under subd. 1. by the total amount of state aid that all school
21 districts are eligible to be paid from the appropriation under s. 20.255 (2) ~~(ae)~~ (t),
22 calculated as if the reduction under par. (b) had not occurred.

23 3. Multiply the amount of state aid that the school district is eligible to be paid
24 from the appropriation under s. 20.255 (2) ~~(ae)~~ (t), calculated as if the reduction under
25 par. (b) had not occurred, by the quotient under subd. 2.

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1 (b) The amount of state aid that the school district operating under ch. 119 is
2 eligible to be paid from the appropriation under s. 20.255 (2) ~~(ae)~~ (t) shall also be
3 reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in the current school
4 year.

5 **SECTION 61.** 121.085 of the statutes is created to read:

6 **121.085 School aid. (1)** In this section:

7 (a) "Average membership" means the average membership of the 3 school years
8 out of the 5 preceding school years that have the highest membership.

9 (b) "Educational cost" means the total cost of instruction and instructional
10 support services that is attributable to pupils who reside in the school district, less
11 transportation costs, facility acquisition costs, food and community service costs, and
12 costs funded by any grant other than a state grant, as determined by the department.

13 (c) "Rate of increase" means the percentage rate that, when applied annually
14 for 20 years, results in an aid payment in the 2023-24 school year of \$19,000 per pupil
15 under sub. (2).

16 **(2)** (a) In the 2004-05 school year, the department shall pay to each school
17 district, from the appropriation under s. 20.255 (2) (t), the amount determined as
18 follows:

19 1. Divide the educational cost in the previous school year by the membership
20 in the 2003-04 school year, except that if the membership in the 2003-04 school year
21 is less than the membership in the 2002-03 school year, divide the educational cost
22 in the previous school year by the average membership.

23 2. Multiply the quotient under subd. 1. by the sum of 1.0 plus the rate of
24 increase expressed as a decimal.

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1 3. Multiply the product under subd. 2. by the membership in the 2003–04 school
2 year, except that if the membership in the 2003–04 school year is less than the
3 membership in the 2002–03 school year, multiplying the product under subd. 2. by
4 the average membership.

5 (b) Beginning in the 2005–06 school year and ending in the 2023–24 school
6 year, the department shall pay to each school district, from the appropriation under
7 s. 20.255 (2) (t), the amount determined as follows:

8 1. Divide the amount received under this subsection in the previous school year
9 by the membership or average membership used to determine aid under this
10 subsection in the previous school year.

11 2. Multiply the quotient under subd. 1. by the sum of 1.0 plus the rate of
12 increase expressed as a decimal.

13 3. Multiply the product under subd. 2. by the membership in the previous
14 school year, except that if the membership in the previous school year is less than the
15 membership in the second previous school year, multiplying the product under subd.
16 2. by the average membership.

17 **(3)** A school district that has an unanticipated increase in the costs of providing
18 special education under subch. V of ch. 115 may apply to the department for
19 additional state aid. If, after paying aid under sub. (2), the department determines
20 that funds are available in the appropriation under s. 20.255 (2) (t) and that
21 additional aid is justified, the department shall pay the additional aid from the
22 appropriation under s. 20.255 (2) (t). The department’s determinations are final and
23 may not be appealed.

24 **SECTION 62.** 121.086 of the statutes is created to read:

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1 **121.086 Aid for capital expenditures. (1)** In this section, “board” means
2 the school building projects board.

3 **(2)** Notwithstanding s. 67.05 (6a) (a) 2., a school board may not issue a bond
4 under s. 67.05 (6a) to finance a capital project unless it adopts a resolution to do so
5 by the affirmative vote of at least three-fourths of its members. If the school board
6 adopts such a resolution, it may apply to the board for state aid for the project.

7 **(3)** The board shall review the application submitted under sub. (2) and shall
8 provide state aid to the school district for that portion of the project determined by
9 the board to satisfy an educational need in the school district. The amount of aid to
10 be paid to the school district under this section shall be determined as follows:

11 (a) Determine the percentage of the school district’s shared cost that was paid
12 through general equalization aid under s. 121.08 in the previous school year, or that
13 would have been paid under that section in the previous school year if aid were paid
14 under that section in the previous school year.

15 (b) Multiply the portion of the project’s cost determined by the board to satisfy
16 an educational need in the school district by the percentage under par. (a) or by 10%,
17 whichever is greater.

18 **(4)** Aid under this section shall be paid from the appropriation under s. 20.255
19 (2) (t).

20 **SECTION 63.** 121.09 of the statutes is amended to read:

21 **121.09 State aid adjustment; redetermination of assessment. (1)** If, on
22 or after July 1, 1980, but before the effective date of this subsection [revisor inserts
23 date], the tax appeals commission or a court makes a final redetermination on the
24 assessment of property subject to taxation under s. 70.995 that is lower than the
25 previous assessment, or if, on or after January 1, 1982, but before the effective date

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1 of this subsection [revisor inserts date], the state board of assessors makes a final
2 redetermination on the assessment of property subject to taxation under s. 70.995
3 that is lower than the previous assessment, the school board of the school district in
4 which the property is located may, within 4 years after the date of the determination,
5 decision, or judgment, file the determination of the state board of assessors, the
6 decision of the tax appeals commission, or the judgment of the court with the state
7 superintendent, requesting an adjustment in state aid to the school district. If the
8 state superintendent determines that the determination, decision, or judgment is
9 final and that it has been filed within the 4-year period, the state shall pay to the
10 school district in the subsequent fiscal year, from the appropriation under s. 20.255
11 (2) ~~(a)~~ (t), an amount equal to the difference between the state aid computed under
12 s. 121.08 for the school year commencing after the year subject to the valuation
13 recertification, using the school district's equalized valuation as originally certified,
14 and the state aid computed under s. 121.08 for that school year using the school
15 district's equalized valuation as recertified under s. 70.57 (2).

16 **(2)** If, on or after May 3, 1984, but before the effective date of this subsection
17 [revisor inserts date], the state board of assessors, the tax appeals commission or
18 a court makes a final redetermination on the assessment of property subject to
19 taxation under s. 70.995 that is higher than the previous assessment, the state
20 superintendent shall notify the school district in which the property is located of the
21 recertification by the department of revenue under s. 70.57 (2). The state
22 superintendent shall, in the subsequent fiscal year, withhold from the school
23 district's state aid entitlement under s. ~~121.08~~ 121.085 an amount equal to the
24 difference between the state aid computed under s. 121.08 for the school year
25 commencing after the year subject to the valuation recertification, using the school

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1 district's equalized valuation as originally certified, and the state aid computed
2 under s. 121.08 for that school year, using the school district's equalized valuation
3 as recertified under s. 70.57 (2).

4 **SECTION 64.** 121.095 (1) (intro.) of the statutes is amended to read:

5 121.095 (1) (intro.) Annually the department shall reduce each school district's
6 state aid payment under s. ~~121.08~~ 121.085, or other state aid payments, if necessary,
7 by an amount calculated as follows:

8 **SECTION 65.** 121.095 (2) of the statutes is amended to read:

9 121.095 (2) From the appropriation under s. 20.255 (2) (~~ae~~) (t), annually the
10 department of public instruction shall pay to the department of military affairs an
11 amount equal to the sum of the reductions under sub. (1). The department of public
12 instruction shall ensure that the aid adjustment under sub. (1) does not affect the
13 amount determined to be received by a school district as state aid under s. ~~121.08~~
14 121.085 or for any other purpose.

15 **SECTION 66.** 121.105 (2) (c) of the statutes is created to read:

16 121.105 (2) (c) This subsection does not apply after the 2003-04 school year.

17 **SECTION 67.** 121.105 (3) of the statutes is amended to read:

18 121.105 (3) In the school year in which a school district consolidation takes
19 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
20 consolidated school district's state aid shall be an amount that is not less than the
21 aggregate state aid received by the consolidating school districts in the school year
22 prior to the school year in which the consolidation takes effect. The additional state
23 aid shall be paid from the appropriation under s. 20.255 (2) (~~ae~~) (t).

24 **SECTION 68.** 121.135 (4) of the statutes is created to read:

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1 121.135 (4) The department may not make any payments under this section
2 after June 30, 2004.

3 **SECTION 69.** 121.15 (1) (intro.) of the statutes is renumbered 121.15 (1) and
4 amended to read:

5 121.15 (1) ~~Except as provided under sub. (1g), state~~ State aid under s. 121.08
6 121.085 shall be paid to school districts ~~according to the following distribution~~
7 ~~schedule: in 4 equal installments.~~ The department shall determine the payment
8 schedule.

9 **SECTION 70.** 121.15 (1) (a) to (e) of the statutes are repealed.

10 **SECTION 71.** 121.15 (1g) of the statutes is repealed.

11 **SECTION 72.** 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
12 renumbered 121.15 (1m) (a) and amended to read:

13 121.15 (1m) (a) Notwithstanding ~~subs. sub. (1) and (1g), a portion of state aid~~
14 ~~to school districts shall be distributed as follows:~~, annually the state shall pay to
15 school districts, from the appropriation under s. 20.255 (2) (ac), \$75,000,000 on the
16 4th Monday in July of the following school year. No payment may be made under this
17 subdivision after July 2004.

18 **SECTION 73.** 121.15 (1m) (b) of the statutes is amended to read:

19 121.15 (1m) (b) The ~~percentages~~ payments under ~~subs. sub. (1) (a) and (1g) (a)~~
20 shall be reduced proportionally to reflect the payments made under par. (a). School
21 districts shall treat the payments made in July under par. (a) as if they had been
22 received in the previous school year.

23 **SECTION 74.** 121.15 (3m) of the statutes is repealed.

24 **SECTION 75.** 121.23 (title) of the statutes is amended to read:

25 **121.23 (title)** ~~Payment of aids in school~~ School district labor disputes.

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1 **SECTION 76.** 121.23 (1) of the statutes is renumbered 121.23.

2 **SECTION 77.** 121.23 (2) of the statutes is repealed.

3 **SECTION 78.** 121.41 (3) of the statutes is created to read:

4 121.41 **(3)** TERMINATION OF STATE AID. The department may not make any
5 payments under this section after June 30, 2004.

6 **SECTION 79.** 121.85 (6) (a) 1. of the statutes is amended to read:

7 121.85 **(6)** (a) 1. Divide the state aid received in the current school year under
8 s. ~~121.08~~ 121.085 by the membership used to compute state aid to the school district
9 ~~for the current~~ in the previous school year.

10 **SECTION 80.** 121.85 (6) (e) of the statutes is amended to read:

11 121.85 **(6)** (e) *Sources of aid payments.* State aid under this section shall be
12 paid from the appropriation under s. 20.255 (2) ~~(ae)~~ (t).

13 **SECTION 81.** 121.85 (6m) of the statutes is amended to read:

14 121.85 **(6m)** USE OF AID FOR LEASE OR LOAN PAYMENTS. If the board of directors
15 of the school district operating under ch. 119 leases buildings or sites from the
16 redevelopment authority of the city or borrows money from the redevelopment
17 authority of the city under s. 119.16 (3) (c), it may use intradistrict transfer aid under
18 sub. (6) to make lease payments or repay the loan. If the board of school directors
19 decides to use the aid to make lease payments or repay the loan, it may request the
20 department to remit the intradistrict transfer aid under sub. (6) to the
21 redevelopment authority of the city of Milwaukee in an annual amount agreed to by
22 the board of school directors and the department, and the department shall ensure
23 that the aid remittance does not affect the amount determined to be received by the
24 board of school directors as state aid under s. ~~121.08~~ 121.085 for any other purpose.

25 **SECTION 82.** 121.85 (8) of the statutes is amended to read:

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1 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
2 shall be subject to the same rules and regulations as resident pupils and shall have
3 the responsibilities, privileges, and rights of resident pupils in the school district or
4 attendance area. Subject to this subsection, a pupil transferring schools under either
5 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,
6 middle, or high school to which he or she transfers so long as full funding therefor
7 is available under s. 20.255 (2) ~~(ae)~~ (t).

8 **SECTION 83.** 121.85 (9) (c) of the statutes is amended to read:

9 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
10 apply only with regard to school terms for which full pupil transfer aids are
11 appropriated under s. 20.255 (2) ~~(ae)~~ (t) and planning council assistance funds are
12 appropriated under s. 20.255 (1) (a).

13 **SECTION 84.** 121.86 (2) (a) 1. of the statutes is amended to read:

14 121.86 (2) (a) 1. Divide the state aid received in the current school year under
15 s. ~~121.08~~ 121.085 by the membership used to compute state aid to the school district
16 ~~for the current~~ in the previous school year.

17 **SECTION 85.** 121.90 (2) (intro.) of the statutes is amended to read:

18 121.90 (2) (intro.) "State aid" means aid under ss. ~~121.08~~ 121.085, 121.086,
19 121.09 and 121.105 and subch. VI, as calculated for the current school year on
20 October 15 under s. 121.15 (4) and including adjustments made under s. 121.15 (4),
21 and amounts under s. 79.095 (4) for the current school year, except that "state aid"
22 excludes all of the following:

23 **SECTION 86.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

24 121.91 (2m) (e) (intro.) Except as provided in subs. (3) and (4), no school district
25 may increase its revenues for the 1999-2000, 2000-01, 2001-02, 2002-03, or

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1 ~~2003-04~~ school year ~~or for any school year thereafter~~ to an amount that exceeds the
2 amount calculated as follows:

3 **SECTION 87. Nonstatutory provisions.**

4 (1) PETITIONS FOR ARBITRATION. The employment relations commission may not
5 accept any petition for arbitration filed under section 111.70 (4) (cm) 6. of the
6 statutes, in any collective bargaining unit concerning a labor dispute about which
7 the commission has, prior to the effective date of this subsection, already accepted
8 a petition for arbitration filed under section 111.70 (4) (cm) 6. of the statutes.

9 (2) SCHOOL BUILDING PROJECTS BOARD. Of the initial members of the school
10 building projects board appointed under section 15.375 (1) of the statutes, as created
11 by this act, the terms of one member appointed by the state superintendent of public
12 instruction and of one member appointed by the governor shall expire on May 1,
13 2005; the terms of one member appointed by the state superintendent of public
14 instruction and of one member appointed by the governor shall expire on May 1,
15 2006; and the terms of one member appointed by the state superintendent of public
16 instruction and of one member appointed by the governor shall expire on May 1,
17 2007.

18 (3) TRANSFER TO PUBLIC SCHOOL AID FUND. On July 1, 2004, \$5,300,000,000 or the
19 amount appropriated under section 20.255 (2) (ac) of the statutes in the 2003-04
20 fiscal year, whichever is greater, is transferred from the general fund to the public
21 school aid fund.

22 **SECTION 88. Initial applicability.**

23 (1) The treatment of section 111.70 (1) (b), (dm), (fm), and (nc), (4) (cm) 5., 5s.,
24 6. a. and am., 7., 7g., 7r. (intro.), 8m. a., b. and c., 8p., and 8s., (cn), and (d) 2. a. of the

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1 statutes first applies to petitions for arbitration filed under section 111.70 (4) (cm)
2 6. of the statutes, as affected by this act, on the effective date of this subsection.

3 (2) The treatment of sections 71.08 (1) (intro.) and 71.10 (4) (i) of the statutes
4 and the creation of sections 20.835 (2) (cb) and 71.07 (5d) of the statutes first apply
5 to taxable years beginning on January 1 of the year in which this subsection takes
6 effect.

7 (3) The creation of section 67.03 (1) (c) of the statutes first applies to municipal
8 obligations issued on the effective date of this subsection.

9 **SECTION 89. Effective dates.** This act takes effect on July 1, 2004, except as
10 follows:

11 (1) The treatment of sections 77.52 (1) and (2) (intro.) and 77.53 (1) of the
12 statutes and the creation of section 25.90 of the statutes take effect on January 1,
13 2004.

14 (END)