



2003 ASSEMBLY BILL 571

October 15, 2003 – Introduced by Representatives M. LEHMAN, W. WOOD, AINSWORTH
and GRONEMUS. Referred to Joint Committee on Finance.

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) and 121.23 (2); **to renumber**
4 121.23 (1); **to renumber and amend** 121.15 (1) (intro.); **to consolidate,**
5 **renumber and amend** 111.70 (4) (cm) 8m. a. and c. and 121.15 (1m) (a) (intro.)
6 and 3.; **to amend** 20.255 (2) (ac), 20.255 (2) (r), 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), 118.51 (16) (b), 118.51 (16) (d), 121.08 (1) (intro.), 121.08 (4) (a) (intro.), 2.,
11 3. and (b), 121.09 (1) and (2), 121.09 (2r), 121.095 (1) (intro.), 121.095 (2),
12 121.105 (3), 121.15 (1m) (b), 121.23 (title), 121.85 (6) (a) 1., 121.85 (6) (e), 121.85
13 (6m), 121.85 (8), 121.85 (9) (c), 121.86 (2) (a) 1., 121.90 (2) (intro.) and 121.91
14 (2m) (e) (intro.); and **to create** 15.375 (1), 20.255 (2) (t), 20.835 (2) (cb), 25.90,

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

With certain exceptions, school districts currently receive 15 percent of their total school aid entitlement in September, 25 percent in December, 25 percent in March, and 35 percent 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 percent to 7.5 percent beginning on January 1, 2004. The bill also creates a segregated fund called the public school aid fund, consisting of 41 percent 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 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 that amount, if any, by which 1.7 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 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 who rents his or her principal dwelling, in this state, for the entire taxable year to which the claim relates. The maximum credit that may be claimed for taxable years 2004 and 2005 is \$500, or \$250 for each spouse if a married couple files separate tax returns. The maximum credit that may be claimed for taxable year 2006 is \$250, or \$125 for each spouse if a married couple files separate tax returns. The maximum credit that may be claimed for taxable year 2007 is \$125, or \$62.50 for each spouse if a married couple files separate tax returns. If more than one renter of a principal dwelling is eligible to claim the credit, the renters must decide who may claim the credit. If they are unable to agree, the secretary of revenue will make the final decision.

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, as affected by 2003 Wisconsin Act 33,
8 is amended to read:

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1 20.255 (2) (ac) *General equalization aids*. The amounts in the schedule for the
2 payment of educational aids under ss. 121.08, 121.09, 121.095, and 121.105 and
3 subch. VI of ch. 121. No moneys may be encumbered from this appropriation after
4 the 2003–04 fiscal year.

5 **SECTION 3.** 20.255 (2) (r) of the statutes, as created by 2003 Wisconsin Act 33,
6 is amended to read:

7 20.255 (2) (r) *General equalization State school aids; transportation fund*.
8 From the transportation fund, the amounts in the schedule for the payment of aid
9 under s. ~~121.08~~ 121.085.

10 **SECTION 4.** 20.255 (2) (t) of the statutes is created to read:

11 20.255 (2) (t) *State school aids; public school fund*. From the public school aid
12 fund, a sum sufficient for state school aid under ss. 121.085, 121.086, 121.09,
13 121.095, and 121.105 (3), and subch. VI of ch. 121.

14 **SECTION 5.** 20.835 (2) (cb) of the statutes is created to read:

15 20.835 (2) (cb) *Sales and use tax individual income tax credit*. A sum sufficient
16 to make the payments under s. 71.07 (5d).

17 **SECTION 6.** 25.90 of the statutes is created to read:

18 **25.90 Public school aid fund.** There is established a separate nonlapsible
19 trust fund designated the public school aid fund consisting of 41 percent of all
20 revenue from sales and use taxes.

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

22 65.90 (7) The total amount in a school district's fund balance in any fiscal year
23 may not exceed an amount equal to 18 percent of the school district's budget in that
24 fiscal year. In this subsection, "fund balance" means the difference between fund
25 assets and fund liabilities, as determined by the department of public instruction.

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1 **SECTION 8.** 67.03 (1) (a) and (b) of the statutes are amended to read:

2 67.03 (1) (a) Except as provided in s. 67.01 (9), municipalities may borrow
3 money and issue municipal obligations therefor only for the purposes and by the
4 procedure specified in this chapter. The aggregate amount of indebtedness,
5 including existing indebtedness, of any municipality shall not exceed 5% of the value
6 of the taxable property located in the municipality as equalized for state purposes
7 except that the aggregate amount of indebtedness of any school district that offers
8 no less than grades 1 to 12 and that at the time of incurring the debt is eligible to
9 receive state aid under s. ~~121.08~~ 121.085 shall not exceed 10% of the equalized value
10 of the taxable property located in the school district.

11 (b) Any school district about to incur indebtedness may apply to the state
12 superintendent of public instruction for, and the state superintendent may issue, a
13 certificate as to the eligibility of the school district to receive state aid under s. ~~121.08~~
14 121.085, which certificate shall be conclusive as to such eligibility for 30 days, but
15 not beyond the next June 30.

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

17 67.03 (1) (c) No municipality may incur indebtedness in an amount that would
18 require the governing body of the municipality to levy a tax for school purposes at a
19 rate that exceeds 3 mills unless the department of public instruction approves a
20 higher levy rate under s. 120.145 (1) (b).

21 **SECTION 10.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

22 67.05 (6a) (a) 2. (intro.) Except as provided under pars. (b) and (c) ~~and~~, subs.
23 (7) and (15), and s. 121.086, if the board of any school district, or the electors at a
24 regularly called school district meeting, by a majority vote adopt an initial resolution
25 to raise an amount of money by a bond issue, the school district clerk shall, within

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1 10 days, publish notice of such adoption as a class 1 notice under ch. 985 or post the
2 notice as provided under s. 10.05. The notice shall state the maximum amount
3 proposed to be borrowed, the purpose of the borrowing, that the resolution was
4 adopted under this subdivision and the place where and the hours during which the
5 resolution may be inspected. The school board shall also do one of the following:

6 **SECTION 11.** 71.07 (5d) of the statutes is created to read:

7 71.07 (5d) SALES AND USE TAX INDIVIDUAL INCOME TAX CREDIT. (a) *Definition.* In
8 this subsection, "claimant" means an individual who files a claim under this
9 subsection and who rents his or her principal dwelling, in this state, for the entire
10 taxable year to which his or her claim relates.

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

20 (c) *Limitations.* 1. Except as provided in subd. 2., the maximum credit that may
21 be claimed under this subsection by a claimant in each year to which the claim relates
22 is one of the following amounts:

23 a. For taxable years beginning after December 31, 2003, and before January
24 1, 2006, \$500.

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1 b. For taxable years beginning after December 31, 2005, and before January
2 1, 2007, \$250.

3 c. For taxable years beginning after December 31, 2006, and before January
4 1, 2008, \$125.

5 2. If a married couple files separately, except for a spouse who files as head of
6 household, each spouse may claim up to 50 percent of the amount specified in subd.
7 1.

8 3. Only one claimant per household, as defined in s. 71.52 (4), per year, may
9 claim the credit under this subsection.

10 4. If more than one renter of a principal dwelling is eligible to claim the credit
11 under this subsection, the renters may determine between them as to who the
12 claimant is. If they are unable to agree, the matter shall be referred to the secretary
13 of revenue and the secretary's decision is final.

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

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

21 **SECTION 12.** 71.08 (1) (intro.) of the statutes is amended to read:

22 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
23 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
24 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (5d),
25 (6), (6s), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and

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1 (3) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and
2 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the
3 tax under this section, there is imposed on that natural person, married couple filing
4 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax
5 computed as follows:

6 **SECTION 13.** 71.10 (4) (i) of the statutes is amended to read:

7 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
8 preservation credit under subch. IX, homestead credit under subch. VIII, farmland
9 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.
10 71.07 (2fd), sales and use tax individual income tax credit under s. 71.07 (5d), earned
11 income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and
12 taxes withheld under subch. X.

13 **SECTION 14.** 77.52 (1) of the statutes is amended to read:

14 77.52 (1) For the privilege of selling, leasing or renting tangible personal
15 property, including accessories, components, attachments, parts, supplies and
16 materials, at retail a tax is imposed upon all retailers at the rate of ~~5%~~ 7.5 percent
17 of the gross receipts from the sale, lease or rental of tangible personal property,
18 including accessories, components, attachments, parts, supplies and materials, sold,
19 leased or rented at retail in this state.

20 **SECTION 15.** 77.52 (2) (intro.) of the statutes is amended to read:

21 77.52 (2) (intro.) For the privilege of selling, performing or furnishing the
22 services described under par. (a) at retail in this state to consumers or users, a tax
23 is imposed upon all persons selling, performing or furnishing the services at the rate
24 of ~~5%~~ 7.5 percent of the gross receipts from the sale, performance or furnishing of the
25 services.

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1 **SECTION 16.** 77.53 (1) of the statutes is amended to read:

2 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
3 on the use or consumption in this state of taxable services under s. 77.52 purchased
4 from any retailer, at the rate of ~~5%~~ 7.5 percent of the sales price of those services; on
5 the storage, use or other consumption in this state of tangible personal property
6 purchased from any retailer, at the rate of ~~5%~~ 7.5 percent of the sales price of that
7 property; and on the storage, use or other consumption of tangible personal property
8 manufactured, processed or otherwise altered, in or outside this state, by the person
9 who stores, uses or consumes it, from material purchased from any retailer, at the
10 rate of ~~5%~~ 7.5 percent of the sales price of that material.

11 **SECTION 17.** 111.70 (1) (b) of the statutes 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 18.** 111.70 (1) (dm) of the statutes is repealed.

17 **SECTION 19.** 111.70 (1) (fm) of the statutes is repealed.

18 **SECTION 20.** 111.70 (1) (nc) of the statutes is repealed.

19 **SECTION 21.** 111.70 (4) (cm) 5. of the statutes is amended to read:

20 111.70 (4) (cm) 5. ‘Voluntary impasse resolution procedures.’ In addition to the
21 other impasse resolution procedures provided in this paragraph, a municipal
22 employer and labor organization may at any time, as a permissive subject of
23 bargaining, agree in writing to a dispute settlement procedure, including
24 authorization for a strike by municipal employees or binding interest arbitration,
25 which is acceptable to the parties for resolving an impasse over terms of any

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1 collective bargaining agreement under this subchapter. A copy of such agreement
2 shall be filed by the parties with the commission. If the parties agree to any form of
3 binding interest arbitration, the arbitrator shall give weight to the factors
4 enumerated under ~~subds. 7., 7g. and subd. 7r.~~

5 **SECTION 22.** 111.70 (4) (cm) 5s. of the statutes is repealed.

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

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

23 **SECTION 24.** 111.70 (4) (cm) 6. am. of the statutes is amended to read:

24 111.70 (4) (cm) 6. am. Upon receipt of a petition to initiate arbitration, the
25 commission shall make an investigation, with or without a formal hearing, to

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

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

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

19 **SECTION 26.** 111.70 (4) (cm) 7g. of the statutes is repealed.

20 **SECTION 27.** 111.70 (4) (cm) 7r. (intro.) of the statutes is amended to read:

21 111.70 (4) (cm) 7r. ~~‘Other factors~~ Factors considered.’ (intro.) In making any
22 decision under the arbitration procedures authorized by this paragraph, the
23 arbitrator or arbitration panel shall also give weight to the following factors:

24 **SECTION 28.** 111.70 (4) (cm) 8m. a. and c. of the statutes are consolidated,
25 renumbered 111.70 (4) (cm) 8m. and amended to read:

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1 111.70 (4) (cm) 8m. 'Term of agreement; reopening of negotiations.' Except for
2 the initial collective bargaining agreement between the parties and except as the
3 parties otherwise agree, every collective bargaining agreement covering municipal
4 employees subject to this paragraph ~~other than school district professional~~
5 employees shall be for a term of 2 years. ~~No, but in no case may a collective~~
6 bargaining agreement for any collective bargaining unit consisting of municipal
7 employees ~~subject to this paragraph other than school district professional~~
8 employees shall be for a term exceeding 3 years. e. No arbitration award may
9 contain a provision for reopening of negotiations during the term of a collective
10 bargaining agreement, unless both parties agree to such a provision. The
11 requirement for agreement by both parties does not apply to a provision for
12 reopening of negotiations with respect to any portion of an agreement that is
13 declared invalid by a court or administrative agency or rendered invalid by the
14 enactment of a law or promulgation of a federal regulation.

15 **SECTION 29.** 111.70 (4) (cm) 8m. b. of the statutes is repealed.

16 **SECTION 30.** 111.70 (4) (cm) 8p. of the statutes is repealed.

17 **SECTION 31.** 111.70 (4) (cm) 8s. of the statutes is amended to read:

18 111.70 (4) (cm) 8s. 'Forms for determining costs.' The commission shall
19 prescribe forms for calculating the total increased cost to the municipal employer of
20 compensation and fringe benefits provided to school district professional employees.
21 The cost shall be determined based upon the total cost of compensation and fringe
22 benefits provided to school district professional employees who are represented by
23 a labor organization on the 90th day before expiration of any previous collective
24 bargaining agreement between the parties, or who were so represented if the
25 effective date is retroactive, or the 90th day prior to commencement of negotiations

ASSEMBLY BILL 571**SECTION 31**

1 if there is no previous collective bargaining agreement between the parties, without
2 regard to any change in the number, rank, or qualifications of the school district
3 professional employees. For purposes of such determinations, any cost increase that
4 is incurred on any day other than the beginning of the 12-month period commencing
5 with the effective date of the agreement or any succeeding 12-month period
6 commencing on the anniversary of that effective date shall be calculated as if the cost
7 increase were incurred as of the beginning of the 12-month period beginning on the
8 effective date or anniversary of the effective date in which the cost increase is
9 incurred. ~~In each collective bargaining unit to which subd. 5s. applies, the municipal
10 employer shall transmit to the commission and the labor organization a completed
11 form for calculating the total increased cost to the municipal employer of
12 compensation and fringe benefits provided to the school district professional
13 employees covered by the agreement as soon as possible after the effective date of the
14 agreement.~~

15 **SECTION 32.** 111.70 (4) (cn) of the statutes is repealed.

16 **SECTION 33.** 111.70 (4) (d) 2. a. of the statutes is amended to read:

17 111.70 (4) (d) 2. a. The commission shall determine the appropriate collective
18 bargaining unit for the purpose of collective bargaining and shall whenever possible,
19 unless otherwise required under this subchapter, avoid fragmentation by
20 maintaining as few collective bargaining units as practicable in keeping with the size
21 of the total municipal work force. In making such a determination, the commission
22 may decide whether, in a particular case, the municipal employees in the same or
23 several departments, divisions, institutions, crafts, professions, or other
24 occupational groupings constitute a collective bargaining unit. Before making its
25 determination, the commission may provide an opportunity for the municipal

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

21 **SECTION 34.** 115.34 (3) of the statutes is created to read:

22 115.34 (3) The department may not make any payments under this section
23 after June 30, 2004.

24 **SECTION 35.** 115.341 (3) of the statutes is created to read:

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1 115.341 (3) The department may not make any payments under this section
2 after June 30, 2004.

3 **SECTION 36.** 115.343 (6) of the statutes is created to read:

4 115.343 (6) The department may not make any payments under this section
5 after June 30, 2004.

6 **SECTION 37.** 115.345 (10) of the statutes is created to read:

7 115.345 (10) The department may not make any payments under this section
8 after June 30, 2004.

9 **SECTION 38.** 115.36 (4) of the statutes is created to read:

10 115.36 (4) The department may not make any payments under this section
11 after June 30, 2004.

12 **SECTION 39.** 115.361 (3) of the statutes is created to read:

13 115.361 (3) The department may not make any payments under this section
14 after June 30, 2004.

15 **SECTION 40.** 115.366 (3) of the statutes is created to read:

16 115.366 (3) The department may not make any payments under this section
17 after June 30, 2004.

18 **SECTION 41.** 115.405 (4) of the statutes is created to read:

19 115.405 (4) The department may not make any payments under this section
20 after June 30, 2004.

21 **SECTION 42.** 115.42 (5) of the statutes is created to read:

22 115.42 (5) The department may not make any payments under this section
23 after June 30, 2004.

24 **SECTION 43.** 115.43 (3) of the statutes is created to read:

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1 115.43 (3) TERMINATION OF SCHOLARSHIPS. The department may not make any
2 payments under this section after June 30, 2004.

3 **SECTION 44.** 115.435 (4) of the statutes is created to read:

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

6 **SECTION 45.** 115.45 (11) of the statutes is created to read:

7 115.45 (11) The department may not make any payments under this section
8 after June 30, 2004.

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

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

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

13 **115.93 State aid.** If upon receipt of the reports under s. 115.92 (2) the state
14 superintendent is satisfied that the school age parents program has been maintained
15 during the preceding school year in accordance with the rules under s. 115.92 (3), the
16 state superintendent shall certify to the department of administration in favor of
17 each school district maintaining the program a sum equal to the amount expended
18 by the school district during the preceding school year for salaries of teachers and
19 instructional aides, special transportation and other expenses approved by the state
20 superintendent as costs eligible for reimbursement from the appropriation under s.
21 20.255 (2) (b). The department may not make any payments under this section after
22 June 30, 2004.

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

24 115.995 (3) The department may not make any payments under this section
25 after June 30, 2004.

ASSEMBLY BILL 571**SECTION 49**

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

2 116.08 (6) The department may not make any payments under this section
3 after June 30, 2004.

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

5 118.153 (8) The department may not make any payments under this section
6 after June 30, 2004.

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

8 118.255 (4) If the state superintendent is satisfied that the health treatment
9 services program has been maintained during the preceding school year in
10 accordance with law, the state superintendent shall certify to the department of
11 administration in favor of each school board, cooperative educational service agency
12 and county children with disabilities education board maintaining such health
13 treatment services, an amount equal to the amount expended for items listed in s.
14 115.88 (1m) by the school board, cooperative educational service agency and county
15 children with disabilities education board during the preceding year for these health
16 treatment services as costs eligible for reimbursement from the appropriation under
17 s. 20.255 (2) (b). The department may not make any payments under this subsection
18 after June 30, 2004.

19 **SECTION 52.** 118.43 (9) of the statutes is created to read:

20 118.43 (9) TERMINATION OF STATE AID. The department may not make any
21 payments under this section after June 30, 2004.

22 **SECTION 53.** 118.51 (16) (b) of the statutes is amended to read:

23 118.51 (16) (b) 1. If the number determined in par. (a) 1. is greater than the
24 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 54.** 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 55.** 120.145 of the statutes is created to read:

18 **120.145 School tax levy. (1)** Notwithstanding ss. 119.46, 120.10 (6) to (8),
19 (10m), and (11), and 120.12 (3), beginning in 2004, a school board may not levy a tax
20 at a rate that exceeds 3 mills except as follows:

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

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

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

6 **SECTION 56.** 121.08 (1) (intro.) of the statutes is amended to read:

7 121.08 (1) (intro.) The In the 2002-03 school year and the 2003-04 school year,
8 the state shall pay to the school district the sum of the following amounts:

9 **SECTION 57.** 121.08 (4) (a) (intro.), 2., 3. and (b) of the statutes, as affected by
10 2003 Wisconsin Act 33, are amended to read:

11 121.08 (4) (a) (intro.) The amount of state aid that a school district is eligible
12 to be paid from the appropriations under s. 20.255 (2) ~~(ae)~~ and (r) and (t) shall be
13 reduced by the amount determined as follows:

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

17 3. Multiply the amount of state aid that the school district is eligible to be paid
18 from the appropriations under s. 20.255 (2) ~~(ae)~~ and (r) and (t), calculated as if the
19 reduction under par. (b) had not occurred, by the quotient under subd. 2.

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

24 **SECTION 58.** 121.085 of the statutes is created to read:

25 **121.085 School aid. (1)** In this section:

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1 (a) “Average membership” means the average membership of the 3 school years
2 out of the 5 preceding school years that have the highest membership.

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

7 (c) “Rate of increase” means the percentage rate that, when applied annually
8 for 20 years, results in an aid payment in the 2023–24 school year of \$19,000 per pupil
9 under sub. (2).

10 **(2)** (a) In the 2004–05 school year, the department shall pay to each school
11 district, from the appropriations under s. 20.255 (2) (r) and (t), the amount
12 determined as follows:

13 1. Divide the educational cost in the previous school year by the membership
14 in the 2003–04 school year, except that if the membership in the 2003–04 school year
15 is less than the membership in the 2002–03 school year, divide the educational cost
16 in the previous school year by the average membership.

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

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

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

ASSEMBLY BILL 571**SECTION 58**

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

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

6 3. Multiply the product under subd. 2. by the membership in the previous
7 school year, except that if the membership in the previous school year is less than the
8 membership in the second previous school year, multiplying the product under subd.
9 2. by the average membership.

10 **(3)** A school district that has an unanticipated increase in the costs of providing
11 special education under subch. V of ch. 115 may apply to the department for
12 additional state aid. If, after paying aid under sub. (2), the department determines
13 that funds are available in the appropriation under s. 20.255 (2) (r) or (t) and that
14 additional aid is justified, the department shall pay the additional aid from the
15 appropriation under s. 20.255 (2) (r) or (t). The department's determinations are
16 final and may not be appealed.

17 **SECTION 59.** 121.086 of the statutes is created to read:

18 **121.086 Aid for capital expenditures.** **(1)** In this section, "board" means
19 the school building projects board.

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

24 **(3)** The board shall review the application submitted under sub. (2) and shall
25 provide state aid to the school district for that portion of the project determined by

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1 the board to satisfy an educational need in the school district. The amount of aid to
2 be paid to the school district under this section shall be determined as follows:

3 (a) Determine the percentage of the school district's shared cost that was paid
4 through general equalization aid under s. 121.08 in the previous school year, or that
5 would have been paid under that section in the previous school year if aid were paid
6 under that section in the previous school year.

7 (b) Multiply the portion of the project's cost determined by the board to satisfy
8 an educational need in the school district by the percentage under par. (a) or by 10
9 percent, whichever is greater.

10 (4) Aid under this section shall be paid from the appropriation under s. 20.255
11 (2) (t).

12 **SECTION 60.** 121.09 (1) and (2) of the statutes are amended to read:

13 **121.09 State aid adjustment; redetermination of assessment.** (1) If, on
14 or after July 1, 1980, but before the effective date of this subsection ... [revisor inserts
15 date], the tax appeals commission or a court makes a final redetermination on the
16 assessment of property subject to taxation under s. 70.995 that is lower than the
17 previous assessment, or if, on or after January 1, 1982, but before the effective date
18 of this subsection ... [revisor inserts date], the state board of assessors makes a final
19 redetermination on the assessment of property subject to taxation under s. 70.995
20 that is lower than the previous assessment, the school board of the school district in
21 which the property is located may, within 4 years after the date of the determination,
22 decision, or judgment, file the determination of the state board of assessors, the
23 decision of the tax appeals commission, or the judgment of the court with the state
24 superintendent, requesting an adjustment in state aid to the school district. If the
25 state superintendent determines that the determination, decision, or judgment is

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1 final and that it has been filed within the 4-year period, the state shall pay to the
2 school district in the subsequent fiscal year, from the appropriation under s. 20.255
3 (2) ~~(ae)~~ (t), an amount equal to the difference between the state aid computed under
4 s. 121.08 for the school year commencing after the year subject to the valuation
5 recertification, using the school district's equalized valuation as originally certified,
6 and the state aid computed under s. 121.08 for that school year using the school
7 district's equalized valuation as recertified under s. 70.57 (2).

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

21 **SECTION 61.** 121.09 (2r) of the statutes, as created by 2003 Wisconsin Act 33,
22 is amended to read:

23 121.09 (2r) If after July 26, 2003, and before the effective date of this subsection
24 ... [revisor inserts date], the state board of assessors, the tax appeals commission,
25 or a court makes a final redetermination on the assessment of telephone company

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1 property subject to taxation under s. 70.112 (4) and subch. IV of ch. 76 that is lower
2 than the previous assessment, the school board of the school district in which the
3 property is located may, within 4 years after the redetermination, file the
4 redetermination with the state superintendent, requesting an adjustment in state
5 aid to the school district. If the state superintendent determines that the
6 redetermination is final and that it has been filed within the 4-year period, the state
7 shall pay to the school district in the subsequent fiscal year, from the appropriation
8 under s. 20.255 (2) (ac), an amount equal to the difference between the state aid
9 computed under s. 121.08 for the school year commencing after the year subject to
10 the valuation recertification, using the school district's equalized valuation as
11 originally certified, and the state aid computed under s. 121.08 for that school year
12 using the school district's equalized valuation as recertified under s. 70.57 (2).

13 **SECTION 62.** 121.095 (1) (intro.) of the statutes is amended to read:

14 121.095 (1) (intro.) Annually the department shall reduce each school district's
15 state aid payment under s. ~~121.08~~ 121.085, or other state aid payments, if necessary,
16 by an amount calculated as follows:

17 **SECTION 63.** 121.095 (2) of the statutes is amended to read:

18 121.095 (2) From the appropriation under s. 20.255 (2) (~~ae~~) (t), annually the
19 department of public instruction shall pay to the department of military affairs an
20 amount equal to the sum of the reductions under sub. (1). The department of public
21 instruction shall ensure that the aid adjustment under sub. (1) does not affect the
22 amount determined to be received by a school district as state aid under s. ~~121.08~~
23 121.085 or for any other purpose.

24 **SECTION 64.** 121.105 (2) (c) of the statutes is created to read:

25 121.105 (2) (c) This subsection does not apply after the 2003-04 school year.

ASSEMBLY BILL 571**SECTION 65**

1 **SECTION 65.** 121.105 (3) of the statutes is amended to read:

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

8 **SECTION 66.** 121.135 (4) of the statutes is created to read:

9 121.135 (4) The department may not make any payments under this section
10 after June 30, 2004.

11 **SECTION 67.** 121.15 (1) (intro.) of the statutes is renumbered 121.15 (1) and
12 amended to read:

13 121.15 (1) ~~Except as provided under sub. (1g), state~~ State aid under s. 121.08
14 121.085 shall be paid to school districts ~~according to the following distribution~~
15 ~~schedule: in 4 equal installments. The department shall determine the payment~~
16 schedule.

17 **SECTION 68.** 121.15 (1) (a) to (e) of the statutes are repealed.

18 **SECTION 69.** 121.15 (1g) of the statutes is repealed.

19 **SECTION 70.** 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
20 renumbered 121.15 (1m) (a) and amended to read:

21 121.15 (1m) (a) Notwithstanding subs. sub. (1) and ~~(1g)~~, a portion of state aid
22 ~~to school districts shall be distributed as follows:~~, annually the state shall pay to
23 school districts, from the appropriation under s. 20.255 (2) (ac), \$75,000,000 on the
24 4th Monday in July of the following school year. No payment may be made under this
25 subdivision after July 2004.

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1 **SECTION 71.** 121.15 (1m) (b) of the statutes is amended to read:

2 121.15 **(1m)** (b) The ~~percentages~~ payments under ~~subs. sub. (1) (a) and (1g) (a)~~
3 shall be reduced proportionally to reflect the payments made under par. (a). School
4 districts shall treat the payments made in July under par. (a) as if they had been
5 received in the previous school year.

6 **SECTION 72.** 121.23 (title) of the statutes is amended to read:

7 **121.23** (title) ~~Payment of aids in school~~ School district labor disputes.

8 **SECTION 73.** 121.23 (1) of the statutes is renumbered 121.23.

9 **SECTION 74.** 121.23 (2) of the statutes is repealed.

10 **SECTION 75.** 121.85 (6) (a) 1. of the statutes is amended to read:

11 121.85 **(6)** (a) 1. Divide the state aid received in the current school year under
12 s. ~~121.08~~ 121.085 by the membership used to compute state aid to the school district
13 for the current in the previous school year.

14 **SECTION 76.** 121.85 (6) (e) of the statutes is amended to read:

15 121.85 **(6)** (e) *Sources of aid payments.* State aid under this section shall be
16 paid from the appropriation under s. 20.255 (2) ~~(ae)~~ (t).

17 **SECTION 77.** 121.85 (6m) of the statutes is amended to read:

18 121.85 **(6m)** **USE OF AID FOR LEASE OR LOAN PAYMENTS.** If the board of directors
19 of the school district operating under ch. 119 leases buildings or sites from the
20 redevelopment authority of the city or borrows money from the redevelopment
21 authority of the city under s. 119.16 (3) (c), it may use intradistrict transfer aid under
22 sub. (6) to make lease payments or repay the loan. If the board of school directors
23 decides to use the aid to make lease payments or repay the loan, it may request the
24 department to remit the intradistrict transfer aid under sub. (6) to the
25 redevelopment authority of the city of Milwaukee in an annual amount agreed to by

ASSEMBLY BILL 571**SECTION 77**

1 the board of school directors and the department, and the department shall ensure
2 that the aid remittance does not affect the amount determined to be received by the
3 board of school directors as state aid under s. ~~121.08~~ 121.085 for any other purpose.

4 **SECTION 78.** 121.85 (8) of the statutes is amended to read:

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

12 **SECTION 79.** 121.85 (9) (c) of the statutes is amended to read:

13 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
14 apply only with regard to school terms for which full pupil transfer aids are
15 appropriated under s. 20.255 (2) ~~(ae)~~ (t) and planning council assistance funds are
16 appropriated under s. 20.255 (1) (a).

17 **SECTION 80.** 121.86 (2) (a) 1. of the statutes is amended to read:

18 121.86 (2) (a) 1. Divide the state aid received in the current school year under
19 s. ~~121.08~~ 121.085 by the membership used to compute state aid to the school district
20 ~~for the current~~ in the previous school year.

21 **SECTION 81.** 121.90 (2) (intro.) of the statutes is amended to read:

22 121.90 (2) (intro.) "State aid" means aid under ss. ~~121.08~~ 121.085, 121.086,
23 121.09 and 121.105 and subch. VI, as calculated for the current school year on
24 October 15 under s. 121.15 (4) and including adjustments made under s. 121.15 (4),

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1 and amounts under s. 79.095 (4) for the current school year, except that “state aid”
2 excludes all of the following:

3 **SECTION 82.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

4 121.91 **(2m)** (e) (intro.) Except as provided in subs. (3) and (4), no school district
5 may increase its revenues for the 1999-2000, 2000-01, 2001-02, 2002-03, or
6 2003-04 school year ~~or for any school year thereafter~~ to an amount that exceeds the
7 amount calculated as follows:

8 **SECTION 83. Nonstatutory provisions.**

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

14 (2) SCHOOL BUILDING PROJECTS BOARD. Of the initial members of the school
15 building projects board appointed under section 15.375 (1) of the statutes, as created
16 by this act, the terms of one member appointed by the state superintendent of public
17 instruction and of one member appointed by the governor shall expire on May 1,
18 2005; the terms of one member appointed by the state superintendent of public
19 instruction and of one member appointed by the governor shall expire on May 1,
20 2006; and the terms of one member appointed by the state superintendent of public
21 instruction and of one member appointed by the governor shall expire on May 1,
22 2007.

23 (3) TRANSFER TO PUBLIC SCHOOL AID FUND. On July 1, 2004, \$5,300,000,000 or the
24 amount appropriated under section 20.255 (2) (ac) of the statutes in the 2003-04

ASSEMBLY BILL 571**SECTION 83**

1 fiscal year, whichever is greater, is transferred from the general fund to the public
2 school aid fund.

3 **SECTION 84. Initial applicability.**

4 (1) The treatment of section 111.70 (1) (b), (dm), (fm), and (nc), (4) (cm) 5., 5s.,
5 6. a. and am., 7., 7g., 7r. (intro.), 8m. a., b. and c., 8p., and 8s., (cn), and (d) 2. a. of the
6 statutes first applies to petitions for arbitration filed under section 111.70 (4) (cm)
7 6. of the statutes, as affected by this act, on the effective date of this subsection.

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

10 **SECTION 85. Effective dates.** This act takes effect on July 1, 2004, except as
11 follows:

12 (1) The treatment of sections 77.52 (1) and (2) (intro.) and 77.53 (1) of the
13 statutes and the creation of section 25.90 of the statutes take effect on January 1,
14 2004.

15 (END)