



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2439/5
PG/TKK/JK:kjf&jld:jf

2011 ASSEMBLY BILL 677

March 8, 2012 – Introduced by Representatives POPE-ROBERTS and CLARK,
cosponsored by Senator HOLPERIN. Referred to Committee on Education.

1 **AN ACT** *to repeal* 20.255 (2) (ap), 118.30 (1s) (b), 121.137 and 121.90 (2) (am) 4.;
2 *to renumber* 121.58 (6); *to amend* 20.255 (2) (ac), 20.255 (2) (bs), 79.10 (4),
3 79.10 (5m), 79.14, 79.15, 118.30 (1s) (a) (intro.), 118.60 (4) (b) 2., 118.60 (4r) (a),
4 119.23 (4) (b) 2., 119.23 (4r) (a) 2., 119.46 (1), 121.004 (7) (a), 121.07 (6) (d),
5 121.08 (4) (br), 121.105 (2) (am) 1., 121.105 (2) (am) 2. (intro.), 121.15 (1m) (a)
6 3., 121.54 (2) (b) 4., 121.55 (3) (b), 121.58 (6) (title), 121.90 (1) (intro.), 121.905
7 (3) (c) 4., 121.905 (3) (c) 5., 121.91 (2m) (h) 3., 121.91 (2m) (i) 2., 121.91 (2m) (r)
8 1. b. and 121.91 (2m) (s) 1. b.; *to repeal and recreate* 121.08 (4) (b); *to create*
9 20.255 (2) (bf), 117.40 (5), 119.23 (4r) (a) 3., 121.004 (7) (g), 121.10, 121.105 (4),
10 121.136 (3), 121.15 (3m), 121.58 (6) (b) and 121.91 (2m) (i) 1g. and 1r. of the
11 statutes; and *to affect* 2007 Wisconsin Act 20, section 9137 (3k) and 2011
12 Wisconsin Act 32, section 9137 (3r); **relating to:** counting low-income pupils
13 for state school aid purposes; calculating the amount to be appropriated for
14 state general school aid; aid to school districts in which parental choice

ASSEMBLY BILL 677

1 programs have been established; school aid factors; special adjustment aids;
2 hold harmless aid; school district revenue limits; payments to independent
3 charter schools and to private schools participating in a parental choice
4 program; grants to school districts for efficiency and consolidation feasibility
5 studies; transportation aid to school districts; transportation of private school
6 pupils; the first dollar and school levy property tax credits; granting
7 rule-making authority; and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the state supports the costs of kindergarten to 12th grade education through three different methods: unrestricted general school aid, also known as equalization aid; grants and categorical aids, which partially fund specific program costs; and the state school levy tax credit and the first dollar credit. The amount of equalization aid available to be distributed statewide each year is established in a sum certain appropriation, and equalization aid is distributed amongst school districts on the basis of the relative fiscal capacity of each school district as measured by the district's per pupil value of taxable property.

Beginning in May 2013, and annually thereafter, this bill directs the Department of Public Instruction (DPI), the Department of Administration, and the Legislative Fiscal Bureau jointly to certify to the Joint Committee on Finance the amount necessary to appropriate as general school aids in the following fiscal year to pay for the following portion of public school costs:

1. For the 2013-14 school year, 65.28 percent.
2. For the 2014-15 school year, 65.56 percent.
3. For the 2015-16 school year, 65.84 percent.
4. For the 2016-17 school year, 66.12 percent.
5. For the 2017-18 school year, 66.40 percent.
6. For the 2018-19 school year and each school year thereafter, two-thirds.

The bill directs the Joint Committee on Finance to determine the amount appropriated as general school aids for the 2014-15 fiscal year and biennially thereafter.

This bill also eliminates the first dollar and school levy property tax credits.

This bill specifies that a pupil who is eligible for a free or reduced-price lunch under the federal School Lunch Act is counted an additional 20 percent of what he or she would otherwise be counted for state aid purposes.

This bill modifies the secondary ceiling cost factor in the school aid formula. Currently, it is the amount determined by dividing the state total shared cost by the state total enrollment and multiplying the result by .90. This bill removes the 10 percent reduction.

ASSEMBLY BILL 677

Current law guarantees a school district at least 85 percent of the state aid it received in the previous school year. This bill increases the guarantee to 90 percent. This bill also provides that no school district may receive less in general state aid than \$3,000 per pupil.

Current law reduces the state aid of the school districts in which parental choice programs have been established (currently only Milwaukee Public Schools (MPS) and Racine Unified School District) by 38.4 percent of the amount paid to the private schools participating in the parental choice programs. This bill reduces the reduction to 30 percent.

This bill eliminates categorical state aid for high-poverty school districts.

Current law annually delays the payment of \$75,000,000 in school aid until July of the following fiscal year. This bill increases that amount to \$972,400,000.

Under current law, the per pupil revenue limit increase is \$50 in the 2012-13 school year. This bill raises that amount to \$200. Under current law, in succeeding years, the increase is zero. This bill provides an increase in succeeding years equal to the five-year rolling average increase in average total personal income in this state multiplied by the secondary cost ceiling per pupil used to distribute state school aid.

Under current law, a school district that levies the maximum amount allowed under revenue limits in the district's November 2012 certification of the district's levy is eligible to receive a per pupil adjustment of up to \$50 in the 2012-13 school year. This bill eliminates this per pupil adjustment and transfers the \$42,500,000 appropriated for the per pupil adjustment to the general state school aids appropriation for the 2012-13 fiscal year.

Beginning in the 2012-13 school year, this bill provides additional state aid to school districts to ensure that they receive at least the amount of general equalization aid that they received in the previous school year.

Under current law, beginning in the 2013-14 school year, the state pays to each private school participating in a parental choice program, for each pupil attending the private school under the program, the lesser of the school's educational cost per pupil or the amount paid in the previous school year increased by the percentage change in the total amount appropriated as general school aid.

Beginning in the 2013-14 school year, this bill provides for the payment to be the lesser of the school's educational cost per pupil or the amount paid in the previous school year plus the amount determined by multiplying the percentage increase in a five-year rolling average of this state's average total personal income by the secondary cost ceiling per pupil used to distribute state school aid.

This bill requires DPI to reduce payments to independent charter schools and to private schools participating in the parental choice programs in the 2012-13 fiscal year by 3.5 percent.

This bill authorizes DPI to award grants of up to \$10,000 to consortia of two or more school districts to study ways of improving efficiency and reducing costs by working cooperatively or to study the feasibility of consolidating the school districts. A consortium awarded a grant to study ways of improving efficiency must provide

ASSEMBLY BILL 677

an amount equal to 20 percent of the amount of the grant. The bill prohibits DPI from awarding more than one grant to the same consortium in the same school year.

Current law requires DPI to prorate state aid payments to school districts for transportation costs if the amount appropriated is insufficient to cover all eligible costs. Under this bill, beginning in the 2011-12 fiscal year, if there is a balance in the appropriation after DPI pays all approved claims, DPI must distribute the balance to school districts on a prorated basis.

Current law, with some exceptions, requires a school district to provide transportation to and from school for a pupil attending a private school that is located at least two miles from the pupil's residence. If the estimated cost of transporting a pupil to a private school is more than 1.5 times the school district's average cost per pupil for bus transportation, the school board may fulfill its obligation to transport the pupil by contracting with the pupil's parent or guardian. Except as provided below, the contract must provide for an annual payment for each pupil of at least \$5 times the number of miles between the pupil's residence and the private school, or the school district's average cost per pupil for bus transportation, whichever is greater.

In a first class city school district (currently, only MPS), if two or more pupils reside in the same household and attend the same private school, the contract may, at the discretion of the school board, provide for a total annual payment of the amount described above for all of the pupils instead of for each of the pupils. This bill extends this provision to all school districts.

Currently, annually by May 15 each private school must notify each school board of the names, grade levels, and locations of all pupils eligible to be transported by the school board during the succeeding school term. This bill changes the notification date to July 1.

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

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

1	SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert		
2	the following amounts for the purposes indicated:		
3		2011-12	2012-13
4	20.255 Public instruction, department of		
5	(2) AID FOR LOCAL EDUCATIONAL PROGRAMMING		
6	(bf) Hold harmless aid	GPR	A
		-0-	23,100,000

ASSEMBLY BILL 677

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

2 20.255 (2) (ac) *General equalization aids.* ~~The amounts in the schedule A sum~~
3 ~~sufficient~~ for the payment of educational aids under ss. 121.08, 121.09, 121.095,
4 121.105, ~~121.137~~ and subch. VI of ch. 121 ~~equal to \$4,261,954,000 in the 2011-12~~
5 ~~fiscal year, equal to \$4,685,888,000 in the 2012-13 fiscal year, equal to the amount~~
6 ~~determined by the joint committee on finance under s. 121.15 (3m) (c) in the 2014-15~~
7 ~~fiscal year and biennially thereafter, and equal to the amount determined by law in~~
8 ~~the 2013-14 fiscal year and biennially thereafter.~~

9 **SECTION 3.** 20.255 (2) (ap) of the statutes, as created by 2011 Wisconsin Act 32,
10 is repealed.

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

12 20.255 (2) (bf) *Hold harmless aid.* The amounts in the schedule for hold
13 harmless aid to school districts under s. 121.10.

14 **SECTION 5.** 20.255 (2) (bs) of the statutes is amended to read:

15 20.255 (2) (bs) *School district efficiency and consolidation grants.* The amounts
16 in the schedule for grants for school district efficiency and consolidation feasibility
17 studies under ~~2007 Wisconsin Act 20, section 9137 (3k).~~ ~~No funds may be~~
18 ~~encumbered from this appropriation after June 30, 2009 s. 117.40.~~

19 **SECTION 6.** 79.10 (4) of the statutes is amended to read:

20 79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amounts
21 appropriated under s. 20.835 (3) (b) and (qb) shall be distributed to municipalities
22 in proportion to their share of the sum of average school tax levies for all
23 municipalities. No municipality shall receive a payment under this subsection after
24 2012.

25 **SECTION 7.** 79.10 (5m) of the statutes is amended to read:

ASSEMBLY BILL 677

1 **79.10 (5m) FIRST DOLLAR CREDIT.** Each municipality shall receive, from the
2 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
3 school tax rate by the estimated fair market value, not exceeding the value
4 determined under sub. (11) (d), of every parcel of real property with improvements
5 that is located in the municipality. No municipality shall receive a payment under
6 this subsection after 2012.

7 **SECTION 8.** 79.14 of the statutes is amended to read:

8 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
9 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
10 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
11 \$672,400,000 in 2008; \$747,400,000 in 2009; and \$732,550,000 in 2010 ~~and in each~~
12 ~~year thereafter, 2011, and 2012.~~

13 **SECTION 9.** 79.15 of the statutes is amended to read:

14 **79.15 Improvements credit.** The total amount paid each year to
15 municipalities from the appropriation account under s. 20.835 (3) (b) for the
16 payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and
17 \$150,000,000 in 2011 ~~and in each year thereafter~~ 2012.

18 **SECTION 10.** 117.40 (5) of the statutes is created to read:

19 **117.40 (5)** The department shall promulgate rules to implement and
20 administer this section.

21 **SECTION 11.** 118.30 (1s) (a) (intro.) of the statutes is amended to read:

22 **118.30 (1s) (a) (intro.)** ~~Except as provided in par. (b), annually~~ Annually, the
23 governing body of each private school participating in the program under s. 119.23
24 shall do all of the following:

25 **SECTION 12.** 118.30 (1s) (b) of the statutes is repealed.

ASSEMBLY BILL 677

1 **SECTION 13.** 118.60 (4) (b) 2. of the statutes, as created by 2011 Wisconsin Act
2 32, is amended to read:

3 118.60 (4) (b) 2. The amount paid per pupil under this subsection in the
4 previous school year ~~multiplied by the sum of 1.0 plus an amount determined by~~
5 ~~multiplying~~ the percentage change from the previous school year to the current
6 school year in the total amount appropriated under s. 20.255 (2) (ac) expressed as a
7 decimal, but not less than zero increase in the average total personal income in this
8 state between the 5 years beginning with the 7th previous calendar year and the 5
9 years beginning with the 6th previous calendar year by the secondary cost ceiling per
10 member used to distribute state aid in the current school year. In this subdivision,
11 “average total personal income” means the average total personal income as reported
12 by the U.S. Bureau of Economic Analysis.

13 **SECTION 14.** 118.60 (4r) (a) of the statutes, as created by 2011 Wisconsin Act
14 32, is amended to read:

15 118.60 (4r) (a) ~~Multiply~~ In the 2011-12 school year, multiply the amount
16 determined under sub. (4) (b) or (bg) by 0.616; and in each school year thereafter,
17 multiply the amount determined under sub. (4) (b) or (bg) by 0.70.

18 **SECTION 15.** 119.23 (4) (b) 2. of the statutes is amended to read:

19 119.23 (4) (b) 2. The amount paid per pupil under this subsection in the
20 previous school year ~~multiplied by the sum of 1.0 plus an amount determined by~~
21 ~~multiplying~~ the percentage change from the previous school year to the current
22 school year in the total amount appropriated under s. 20.255 (2) (ac) expressed as a
23 decimal, but not less than zero increase in the average total personal income in this
24 state between the 5 years beginning with the 7th previous calendar year and the 5
25 years beginning with the 6th previous calendar year by the secondary cost ceiling per

ASSEMBLY BILL 677

1 member used to distribute state aid in the current school year. In this subdivision,
2 “average total personal income” means the average total personal income as reported
3 by the U.S. Bureau of Economic Analysis.

4 **SECTION 16.** 119.23 (4r) (a) 2. of the statutes is amended to read:

5 119.23 (4r) (a) 2. In the 2010-11 and 2011-12 school year ~~and in any school year~~
6 ~~thereafter~~ years, multiply the amount determined under sub. (4) (b) or (bg) by 0.616.

7 **SECTION 17.** 119.23 (4r) (a) 3. of the statutes is created to read:

8 119.23 (4r) (a) 3. In the 2012-13 school year and in any school year thereafter,
9 multiply the amount determined under sub. (4) (b) or (bg) by 0.70.

10 **SECTION 18.** 119.46 (1) of the statutes, as affected by 2011 Wisconsin Act 17,
11 is amended to read:

12 119.46 (1) As part of the budget transmitted annually to the common council
13 under s. 119.16 (8) (b), the board shall report the amount of money required for the
14 ensuing school year to operate all public schools in the city under this chapter, to
15 repair and keep in order school buildings and equipment, to make material
16 improvements to school property, and to purchase necessary additions to school sites.
17 The report shall specify the amount of net proceeds from the sale or lease of
18 city-owned property used for school purposes deposited in the immediately
19 preceding school year into the school operations fund as specified under s. 119.60
20 (2m) (c). The amount included in the report for the purpose of supporting the
21 Milwaukee Parental Choice Program under s. 119.23 shall be reduced by the amount
22 of aid received by the board under s. 121.136 ~~and by the amount specified in the~~
23 ~~notice received by the board under s. 121.137 (2).~~ The common council shall levy and
24 collect a tax upon all the property subject to taxation in the city, which shall be equal
25 to the amount of money required by the board for the purposes set forth in this

ASSEMBLY BILL 677

1 subsection, at the same time and in the same manner as other taxes are levied and
2 collected. Such taxes shall be in addition to all other taxes which the city is
3 authorized to levy. The taxes so levied and collected, any other funds provided by law
4 and placed at the disposal of the city for the same purposes, and the moneys deposited
5 in the school operations fund under s. 119.60 (1), (2m) (c), and (5), shall constitute
6 the school operations fund.

7 **SECTION 19.** 121.004 (7) (a) of the statutes is amended to read:

8 121.004 (7) (a) "Pupils enrolled" is the total number of pupils, as expressed by
9 official enrollments, in all schools of the school district, except as provided in pars.
10 (b) to ~~(f)~~ (g). If such total contains a fraction, it shall be expressed as the nearest whole
11 number. The same method shall be used in computing the number of pupils enrolled
12 for resident pupils, nonresident pupils or both.

13 **SECTION 20.** 121.004 (7) (g) of the statutes is created to read:

14 121.004 (7) (g) A pupil who is eligible for a free or reduced-price lunch under
15 42 USC 1758 (b) shall be counted as the number specified in this subsection for the
16 pupil plus an additional 20 percent of that number.

17 **SECTION 21.** 121.07 (6) (d) of the statutes is amended to read:

18 121.07 (6) (d) The "secondary ceiling cost per member" in the ~~2001-02~~ 2012-13
19 school year and in each school year thereafter is an amount determined by dividing
20 the state total shared cost in the previous school year by the state total membership
21 in the previous school year and multiplying the result by 0.90.

22 **SECTION 22.** 121.08 (4) (b) of the statutes is repealed and recreated to read:

23 121.08 (4) (b) The amount of state aid that the school district operating under
24 ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also

ASSEMBLY BILL 677

1 be reduced by the amount determined by multiplying the sum of the amounts paid
2 under s. 119.23 (4) and (4m) in the current school year by 30 percent.

3 **SECTION 23.** 121.08 (4) (br) of the statutes, as created by 2011 Wisconsin Act
4 32, is amended to read:

5 121.08 (4) (br) The amount of state aid that an eligible school district is eligible
6 to be paid from the appropriation under s. 20.255 (2) (ac) shall also be reduced by the
7 amount calculated by multiplying the amounts paid under s. 118.60 (4) and (4m) in
8 the first school year that begins after a school district is identified as an eligible
9 school district under s. 118.60 (1m) or 2011 Wisconsin Act 32, section 9137 (3u), and
10 in each school year thereafter by ~~38.4~~ 30 percent.

11 **SECTION 24.** 121.10 of the statutes is created to read:

12 **121.10 Hold harmless aid. (1)** In this section, “state aid” means the sum of
13 the following:

14 (a) The payments made to a school district under ss. 121.08 and 121.105 and
15 subch. VI.

16 (b) The payments that would be made to a school district under s. 121.136 if s.
17 121.136 were still applicable.

18 (c) The amount that would be received by a school district under s. 79.10 (4) and
19 (5m) if s. 79.10 (4) and (5m) was still applicable.

20 **(2)** (a) Except as provided in par. (b), beginning in the 2012–13 school year, if
21 a school district would receive less in equalization aid under s. 121.08 in the current
22 school year before any adjustment is made under s. 121.15 (4) (b) than it would have
23 received in state aid in the current school year, the department shall pay to the school
24 district the amount equal to the difference.

ASSEMBLY BILL 677

1 (b) If a school district from which territory was detached to create a new school
2 district under s. 117.105 would receive in equalization aid under s. 121.08 in the
3 school year beginning on the first July 1 following the effective date of the
4 reorganization less than the amount determined as follows, the department shall
5 pay to the school district the difference between the former amount and the amount
6 determined as follows:

7 1. Divide the school district's membership in the preceding school year by the
8 school district's membership in the 2nd preceding school year.

9 2. Multiply the amount of state aid that would have been received by the school
10 district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current
11 school year, by the quotient under subd. 1.

12 (3) In the school year in which a school district consolidation takes effect under
13 s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated
14 school district's equalization aid is less than the aggregate state aid to which the
15 consolidating school districts would have been eligible in the school year prior to the
16 school year in which the consolidation takes effect, the department shall pay the
17 difference to the consolidated school district.

18 (4) Additional aid under this section shall be paid from the appropriation under
19 s. 20.255 (2) (bf).

20 **SECTION 25.** 121.105 (2) (am) 1. of the statutes is amended to read:

21 121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would
22 receive less in state aid in the current school year before any adjustment is made
23 under s. 121.15 (4) (b) than an amount equal to ~~85%~~ 90 percent of the amount of state
24 aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in
25 the current school year, its state aid for the current school year shall be increased to

ASSEMBLY BILL 677

1 an amount equal to ~~85%~~ 90 percent of the state aid received in the previous school
2 year.

3 **SECTION 26.** 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

4 121.105 (2) (am) 2. (intro.) If a school district from which territory was detached
5 to create a new school district under s. 117.105 would receive in state aid in the school
6 year beginning on the first July 1 following the effective date of the reorganization
7 less than ~~85~~ 90 percent of the amount determined as follows, its state aid in the school
8 year beginning on the first July 1 following the effective date of the reorganization
9 shall be increased to an amount equal to ~~85~~ 90 percent of the amount determined as
10 follows:

11 **SECTION 27.** 121.105 (4) of the statutes is created to read:

12 121.105 (4) A school district's state aid in any school year may not be less than
13 an amount equal to \$3,000 multiplied by the school district's membership.

14 **SECTION 28.** 121.136 (3) of the statutes is created to read:

15 121.136 (3) No aid may be paid under this section after June 30, 2012.

16 **SECTION 29.** 121.137 of the statutes is repealed.

17 **SECTION 30.** 121.15 (1m) (a) 3. of the statutes is amended to read:

18 121.15 (1m) (a) 3. ~~Beginning in the 1999-2000 school year, annually~~ Annually
19 the state shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),
20 ~~\$75,000,000~~ \$972,400,000 on the 4th Monday in July of the following school year.

21 **SECTION 31.** 121.15 (3m) of the statutes is created to read:

22 121.15 (3m) (a) In this subsection:

23 1. "Partial school revenues" means the sum of state school aids, property taxes
24 levied for school districts, and aid paid to school districts under s. 79.095 (4), less all
25 of the following:

ASSEMBLY BILL 677

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

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

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

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

7 e. An amount equal to 30 percent of the amount estimated to be paid under ss.
8 118.60 (4) and (4m) and 119.23 (4) and (4m).

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

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

16 (b) By May 15, 2013, and annually by May 15 thereafter, the department, the
17 department of administration, and the legislative fiscal bureau shall jointly certify
18 to the joint committee on finance an estimate of the amount necessary to appropriate
19 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
20 equal the following portion of partial school revenues:

21 1. For the 2013-14 school year, 65.28 percent.

22 2. For the 2014-15 school year, 65.56 percent.

23 3. For the 2015-16 school year, 65.84 percent.

24 4. For the 2016-17 school year, 66.12 percent.

25 5. For the 2017-18 school year, 66.40 percent.

ASSEMBLY BILL 677

1 6. For the 2018-19 school year and each school year thereafter, two-thirds.

2 (c) By June 30, 2014, and biennially by June 30 thereafter, the joint committee
3 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the
4 following school year.

5 **SECTION 32.** 121.54 (2) (b) 4. of the statutes is amended to read:

6 121.54 (2) (b) 4. No later than ~~May 15~~ July 1 in each year, each private school
7 shall notify each school board of the names, grade levels and locations of all pupils,
8 if any, eligible to have transportation provided by such school board under this
9 paragraph and planning to attend such private school during the forthcoming school
10 term. The school board may extend the notification deadline.

11 **SECTION 33.** 121.55 (3) (b) of the statutes is amended to read:

12 121.55 (3) (b) Except as provided in par. (c), if 2 or more pupils reside in the
13 same household and attend the same private school, the contract under par. (a) may,
14 at the discretion of the school board of ~~the school district operating under ch. 119,~~
15 provide for a total annual payment for all such pupils of not less than \$5 times the
16 distance in miles between the pupils' residence and the private school they attend,
17 or the school district's average cost per pupil for bus transportation in the previous
18 year exclusive of transportation for kindergarten pupils during the noon hour and
19 for pupils with disabilities, whichever is greater.

20 **SECTION 34.** 121.58 (6) (title) of the statutes is amended to read:

21 121.58 (6) (title) ~~APPROPRIATION PRORATED;~~ PRORATION, DISTRIBUTION OF BALANCE.

22 **SECTION 35.** 121.58 (6) of the statutes is renumbered 121.58 (6) (a).

23 **SECTION 36.** 121.58 (6) (b) of the statutes is created to read:

24 121.58 (6) (b) If there is a balance in the appropriation under s. 20.255 (2) (cr)
25 in any fiscal year after the department has paid the full amount of approved claims

ASSEMBLY BILL 677

1 under this section and s. 121.575, the department shall distribute the balance to
2 those school districts entitled to state aid under this section, with each school district
3 receiving a percentage of the balance equal to its percentage of the total approved
4 claims.

5 **SECTION 37.** 121.90 (1) (intro.) of the statutes is amended to read:

6 121.90 (1) (intro.) “Number of pupils enrolled” means the number of pupils
7 enrolled on the 3rd Friday of September, including pupils identified in s. 121.05 (1)
8 (a) 1. to 11. and 13., and the number of pupils attending the Challenge Academy
9 program under s. 321.03 (1) (c) in the previous spring session, except that “number
10 of pupils enrolled” excludes the number of pupils attending public school under s.
11 118.145 (4) and the additional count of pupils described in s. 121.004 (7) (g) and
12 except as follows:

13 **SECTION 38.** 121.90 (2) (am) 4. of the statutes is repealed.

14 **SECTION 39.** 121.905 (3) (c) 4. of the statutes, as affected by 2011 Wisconsin Act
15 32, is amended to read:

16 121.905 (3) (c) 4. For the limit for the 2012–13 school year, add \$50 \$200 to the
17 result under par. (b).

18 **SECTION 40.** 121.905 (3) (c) 5. of the statutes, as created by 2011 Wisconsin Act
19 32, is amended to read:

20 121.905 (3) (c) 5. For the limit for the 2013–14 school year and any school year
21 thereafter, ~~make no adjustment~~ add the result under s. 121.91 (2m) (i) 1g. to the
22 result under par. (b).

23 **SECTION 41.** 121.91 (2m) (h) 3. of the statutes, as affected by 2011 Wisconsin
24 Act 32, is amended to read:

25 121.91 (2m) (h) 3. Add \$50 \$200 to the result under subd. 1.

ASSEMBLY BILL 677

1 **SECTION 42.** 121.91 (2m) (i) 1g. and 1r. of the statutes are created to read:

2 121.91 **(2m)** (i) 1g. Multiply the percentage increase in the average total
3 personal income in this state between the 5 years beginning with the 7th previous
4 calendar year and the 5 years beginning with 6th previous calendar year by the
5 secondary cost ceiling per member used to distribute state aid in the current school
6 year. In this subdivision, “average total personal income” means the average total
7 personal income as reported by the U.S. Bureau of Economic Analysis.

8 1r. Add the result under subd. 1. to the result under subd. 1g.

9 **SECTION 43.** 121.91 (2m) (i) 2. of the statutes, as created by 2011 Wisconsin Act
10 32, is amended to read:

11 121.91 **(2m)** (i) 2. Multiply the result under subd. ~~1.~~ 1r. by the average of the
12 number of pupils enrolled in the current and the 2 preceding school years.

13 **SECTION 44.** 121.91 (2m) (r) 1. b. of the statutes, as affected by 2011 Wisconsin
14 Act 32, is amended to read:

15 121.91 **(2m)** (r) 1. b. Add an amount equal to the amount of revenue increase
16 per pupil allowed under this subsection for the previous school year multiplied by the
17 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
18 to the result under subd. 1. a., except that in calculating the limit for the 2011-12
19 school year, multiply the result under subd. 1. a. by 0.945, in calculating the limit for
20 the 2012-13 school year, add ~~\$50~~ \$200 to the result under subd. 1. a., and in
21 calculating the limit for the 2013-14 school year and any school year thereafter,
22 ~~make no adjustment~~ add the result under par. (i) 1g. to the result under subd. 1. a.

23 **SECTION 45.** 121.91 (2m) (s) 1. b. of the statutes, as affected by 2011 Wisconsin
24 Act 32, is amended to read:

ASSEMBLY BILL 677

1 121.91 **(2m)** (s) 1. b. Add an amount equal to the amount of revenue increase
2 per pupil allowed under this subsection for the previous school year multiplied by the
3 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
4 to the result under subd. 1. a., except that in calculating the limit for the 2011-12
5 school year, multiply the result under subd. 1. a. by 0.945, in calculating the limit for
6 the 2012-13 school year, add \$50 \$200 to the result under subd. 1. a., and in
7 calculating the limit for the 2013-14 school year and any school year thereafter,
8 ~~make no adjustment~~ add the result under par. (i) 1g. to the result under subd. 1. a.

9 **SECTION 46.** 2007 Wisconsin Act 20, section 9137 (3k) is renumbered 117.40 of
10 the statutes and amended to read:

11 **117.40 Grants for school district efficiency and consolidation studies.**

12 **(1)** A consortium of 2 or more school districts may apply to the department of public
13 instruction for a grant to ~~conduct a school district consolidation feasibility study~~
14 ways for the school districts to improve efficiency and reduce costs by working
15 cooperatively or to study the feasibility of consolidating the school districts. The
16 consortium shall submit a plan identifying the school districts engaged in the study,
17 the issues the study will address, and how the grant funds will be expended. A school
18 district may not be a member of more than one consortium. The department shall
19 ensure that a consortium awarded a grant to study ways to improve efficiency and
20 reduce costs allocates an amount to the study equal to 20 percent of the amount of
21 the grant.

22 **(2)** ~~In the 2008-09 school year, the~~ The department of public instruction shall
23 award grants to consortia from the appropriation under section s. 20.255 (2) (bs) of
24 ~~the statutes, as created by this act.~~ The department may not award more than

ASSEMBLY BILL 677

1 \$10,000 to any consortium in the same school year nor award more than one grant
2 to any consortium in the same school year.

3 (3) The department of ~~public instruction~~ shall give priority to applications that
4 demonstrate prior attempts to address the underlying issues associated with
5 management and operation of the school districts' programs.

6 (4) A consortium awarded a grant under ~~paragraph (b)~~ sub. (2) shall submit
7 the results of the study to the department of ~~public instruction~~.

8 **SECTION 47.** 2011 Wisconsin Act 32, section 9137 (3r) is repealed.

9 **SECTION 48. Nonstatutory provisions.**

10 (1) GRANT ALLOCATIONS. Of the moneys appropriated to the department of public
11 instruction under section 20.255 (2) (bs) of the statutes, as affected by this act, in the
12 2012-13 fiscal year, the department of public instruction shall allocate \$100,000 for
13 studies on ways to improve efficiency and \$50,000 for consolidation feasibility
14 studies.

15 (2) PAYMENTS TO CHARTER AND CHOICE SCHOOLS. Notwithstanding sections 118.40
16 (2r) (e) 1m. and 3m., 118.60 (4), and 119.23 (4) of the statutes, as affected by 2011
17 Wisconsin Act 32, the department shall reduce each payment made to a charter
18 school or to a private school under those sections in the 2012-13 fiscal year by 3.5
19 percent.

20 (3) SECONDARY GUARANTEE. Notwithstanding section 121.07 (7) (b) of the
21 statutes, for the purpose of setting the secondary guaranteed valuation per member
22 in the 2012-13 school year, the department of public instruction shall treat the
23 appropriation under section 20.255 (2) (ac) of the statutes as if an additional
24 \$897,400,000 were appropriated in the 2012-13 fiscal year.

25 **SECTION 49. Fiscal changes.**

ASSEMBLY BILL 677

1 (1) FUNDING FOR GRANTS.

2 (a) In the schedule under section 20.005 (3) of the statutes for the appropriation
3 to the department of public instruction under section 20.255 (2) (cr) of the statutes,
4 as affected by the acts of 2011, the dollar amount is decreased by \$150,000 for the
5 second fiscal year of the fiscal biennium in which this paragraph takes effect for the
6 purposes for which the appropriation is made.

7 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation
8 to the department of public instruction under section 20.255 (2) (bs) of the statutes,
9 as affected by the acts of 2011, the dollar amount is increased by \$150,000 for the
10 second fiscal year of the fiscal biennium in which this paragraph takes effect for the
11 purpose for which the appropriation is made.

12 (2) HIGH POVERTY AID. In the schedule under section 20.005 (3) of the statutes
13 for the appropriation to the department of public instruction under section 20.255
14 (2) (bb) of the statutes, as affected by the acts of 2011, the dollar amount is decreased
15 by \$16,830,000 for the second fiscal of the fiscal biennium in which this subsection
16 takes effect to decrease funding for the purposes for which the appropriation is made.

17 (3) SPECIAL EDUCATION AID. In the schedule under section 20.005 (3) of the
18 statutes for the appropriation to the department of public instruction under section
19 20.255 (2) (b) of the statutes, as affected by the acts of 2011, the dollar amount is
20 increased by \$20,000,000 for the first fiscal year of the fiscal biennium in which this
21 subsection takes effect and the dollar amount is increased by \$20,000,000 for the
22 second fiscal year of the fiscal biennium in which this subsection takes effect to
23 increase funding for the purposes for which the appropriation is made.

24 (4) TRANSPORTATION AID. In the schedule under section 20.005 (3) of the statutes
25 for the appropriation to the department of public instruction under section 20.255

ASSEMBLY BILL 677

1 (2) (cr) of the statutes, as affected by the acts of 2011, the dollar amount is increased
2 by \$2,633,700 for the first fiscal year of the fiscal biennium in which this subsection
3 takes effect and the dollar amount is increased by \$2,633,700 for the second fiscal
4 year of the fiscal biennium in which this subsection takes effect to increase funding
5 for the purposes for which the appropriation is made.

SECTION 50. Initial applicability.

6 (1) TRANSPORTATION AID. The renumbering and amendment of section 121.58
7 (6) of the statutes, the amendment of section 121.58 (6) (title) of the statutes, and the
8 creation of section 121.58 (6) (b) of the statutes first applies to transportation aid paid
9 during the 2011-12 school year.
10

11 (2) TRANSPORTATION CONTRACTS. The treatment of section 121.55 (3) (b) of the
12 statutes first applies to contracts entered into under section 121.55 (3) of the
13 statutes, as affected by this act, on the effective date of this subsection.

14 (3) STATE AID. The treatment of sections 20.255 (2) (ac), 119.46 (1), 121.004 (7)
15 (a) and (g), 121.07 (6) (d), 121.08 (4) (b) and (br), 121.105 (4), 121.137, and 121.90 (1)
16 (intro.) and (2) (am) 4. of the statutes first applies to the distribution of school aid in,
17 and the calculation of revenue limits for, the 2012-13 school year.

18 (4) DELAYED PAYMENT. The treatment of section 121.15 (1m) (a) 3. of the statutes
19 first applies to the payment made under section 121.15 (1m) (a) 3. of the statutes on
20 the 4th Monday in July 2013.

21 (END)