



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-1974/1

KMS:skw

## 2025 SENATE BILL 61

February 21, 2025 - Introduced by Senators BRADLEY and NASS, cosponsored by Representatives ALLEN, MAXEY, BEHNKE, BRILL, DITTRICH, GUNDRUM, KNODL, KREIBICH, O'CONNOR, PIWOWARCZYK, SORTWELL and WICHGERS. Referred to Committee on Education.

1     **AN ACT** *to amend* 121.07 (6) (a) (intro.) and 121.07 (6) (am); *to create* 121.07  
2           (6) (ap) of the statutes; **relating to:** excluding expenditures funded by  
3           referenda from shared costs for the purpose of determining equalization aid for  
4           school districts.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, a school district's shared cost is one of the factors used to calculate a school district's equalization aid. Generally, under current law, a school district's shared cost is the sum of the school district's expenditures from its general fund and its debt service fund.

Under this bill, expenditures from either a school district's general fund or debt service fund that are authorized by 1) an operating referendum held after the date on which this bill becomes law to exceed the school district's revenue limit by more than \$50,000,000 or 2) a capital referendum held after the date on which this bill becomes law to borrow more than \$50,000,000 are excluded from the school district's shared cost, unless the school district was a negative tertiary school district in the previous school year. A school district is a negative tertiary school district if its equalized valuation exceeds the tertiary guaranteed valuation per member.

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

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

**SECTION 1.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

121.07 (6) (a) (intro.) “~~Shared~~ Subject to pars. (am) and (ap), “shared cost” is the sum of the net cost of the general fund and the net cost of the debt service fund, except that “shared cost” excludes any costs, including attorney fees, incurred by a school district as a result of its participation in a lawsuit commenced against the state, beginning with such costs incurred in the fiscal year in which the lawsuit is commenced, excludes any expenditures from a capital improvement trust fund created under s. 120.137, excludes any debt service costs associated with an environmental remediation project under s. 67.05 (7) (er), and excludes the costs of transporting those transfer pupils for whom the school district operating under ch. 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s. 121.85 (6) (am). In this paragraph:

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

121.07 (6) (am) In par. (a), ~~for the purpose of calculating state aid paid to a school district in the 2006-07 and 2007-08 school years, “shared cost” excludes any the amount expended in the previous school year from the school district’s fund balance to pay the school district’s unfunded pension liability under the Wisconsin Retirement System or to pay debt service for debt issued to refinance the balance of the unfunded pension liability if the result of excluding such expenditures is an increase in state aid paid to the school district under s. 121.08 levied by a school~~

**SENATE BILL 61****SECTION 2**

1 district or levied for school purposes in the previous school year that was approved  
2 by a referendum held under s. 121.91 (3) after the effective date of this paragraph  
3 .... [LRB inserts date], to exceed the limit under s. 121.91 (2m) by at least  
4 \$50,000,000, unless, in the previous school year, the school district's equalized  
5 valuation exceeded the tertiary guaranteed valuation per member.

6 **SECTION 3.** 121.07 (6) (ap) of the statutes is created to read:

7 121.07 **(6)** (ap) In par. (a), "debt service" excludes debt service on debt  
8 authorized by a referendum held after the effective date of this paragraph .... [LRB  
9 inserts date], to borrow at least \$50,000,000, unless, in the previous school year, the  
10 school district's equalized valuation exceeded the tertiary guaranteed valuation per  
11 member.

12 **(END)**