



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on Assembly Bills 282, 268 & 269

Good morning. Thank you Chairman Thiesfeldt for hearing testimony on the Referendum Reform Initiative in your committee. As a group, the bills that make up the Referendum Reform Initiative seek to codify best practices, increase referendum transparency and raise public participation in these important issues in school districts throughout Wisconsin.

Today, this committee will hear testimony on three of these bills. All of the bills in the Referendum Reform Initiative rebalance the incentives to go to referendum.

In 2016 and the spring of 2017 elections, Wisconsin voters approved approximately \$2 billion of debt issuance for school projects. Total taxpayer cost to repay the debt will likely total \$3 billion or more. This is a staggering amount of debt, dwarfing the \$500 million in proposed transportation debt over the entire biennium, which has sparked intense reflection and debate. The state taxpayers fund a large portion of the revenue for our school districts; therefore, the state has enough skin in the game to ensure best practices.

You will hear a lot about “local control” today from opponents and I would like for you to consider what “local control” really means. Whether to take on debt or spend above a revenue limit is a decision for the local voters in a school district. This has been the case for decades. Increasing voter awareness, turnout and input in the referendum process enhances local control, especially when you consider voter turnout for a referendum held on a general election could be far higher than the turnout that elected the school board members attempting to assert local control.

A special election in December, put on the ballot at a special meeting of the school board, to spend above the revenue limits forever, is not a good process yet currently allowed. I encourage you to ask opponents of these bills to defend the current process, because this is the kind of “local control” they want to defend.

AB 282

Assembly Bill 282 brings additional transparency and public participation on the front end of the referendum process. While high turnout in the election is very important, the deliberation process should start before this time. The bill requires a resolution to place a capital referendum question on the ballot must be entertained at a high turnout annual meeting. Specifically, the bill requires consideration at the annual meeting for issue debt referenda and at a regular monthly meeting for revenue limit override referenda.

Any responsible school board member will tell you your chances of successfully convincing the voters of a district to pass a referendum go dramatically up if there is community engagement and buy-in. This should include an open and robust discussion at a meeting that will be well attended. The annual meeting is the gold standard for public participation and a decision as important as borrowing substantial sums of money should be discussed here first.

Due to the logistics of levy formulation and school aid payments, operating referenda would benefit from more flexibility and the bill allows them to be considered at any regular monthly meeting. I submit

opposition to AB 282 encourages lower public participation and poor planning by the school board. If administrators and board members know they need to plan and get their referendum resolution done on a particular timeline, the end product will be better.

AB 268

~~Assembly Bill 268 improves accountability to the taxpayers in the long run by taking away the vehicle in current law where a tax increase can be hidden from the public via baseline budgeting. Currently a recurring operating referendum is a 'forever' referendum. A majority of any size, on any election date, for a tax increase of any size, raises taxing authority forever and cannot be undone.~~

Let me repeat, a recurring referendum tax increase cannot be undone by the school board or electorate.

Recurring referendum authorization is built into future revenue limit numbers and becomes indistinguishable from what was the former revenue limit. This makes no sense. All other referendum questions have an end date in sight, either when the debt service is completed or when the operating referendum question expires. Recurring referendums serve one purpose, to be a one-way ratchet wherein levy limits get irrevocably increased despite potential changes in circumstance.

AB 268 would impose a five year limit on operating referenda and convert previously passed recurring referenda into five year nonrecurring referenda. Returning to the taxpayers every five years to show the results of the increased levy authority and seek a fresh mandate will serve to produce a better product and efficient school district finances.

AB 269

Spring and fall general elections are when all final decisions in our democracy are made. We elect constitutional officers, the legislature and local government officials at these elections, even when they are unopposed. The only major decision not bound by this common sense policy is school referenda. They may currently be placed on low turnout primaries or on special elections. The bill provides an exception for natural disasters or other emergencies.

According to the Wisconsin Elections Commission, the average voter turnout (2004 – 2016) in a November general election is 60.58%. For a spring general election the voter turnout rate has recently gotten as high as 47%. Special elections and primaries are lower, sometimes substantially so. Recent voter turnout in spring primaries have averaged 12%-17%.

Seeking maximum voter participation in a referendum is a best practice and I struggle to think of a good reason to avoid a general election. One is left with the impression that the goal of a school board putting a major borrowing decision on a primary or special election isn't to seek the consent of the public, but to more easily circumvent the requirement to gather that consent.

Taken as a package the Referendum Reform Initiative is an opportunity to bring unprecedented transparency and public participation to this area of the law. Taxpayers, teachers and students all benefit from active community involvement and financial support of our public schools. The best way to foster this cooperation and involvement is to codify best practices.

Thank you for considering testimony this morning. My Assembly colleague coauthors and I will be happy to answer any questions.



SCHOOL DISTRICT OF BARABOO

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10



To: Assembly Education Committee

June 15, 2017

From: Doug Mering Baraboo School Board Member

Subject: Referendum Bills AB282, AB268 and AB269 Against

Thank you Chairman Thiesfeldt and members of the Assembly Education Committee.

Today, I want to tell you of a Wisconsin success story that has been achieved through referendums. In 2014 after a fairly lengthy community discussion and education campaign Baraboo passed a maintenance, safety, and building upgrade referendum. Then last November 2016 after another fairly lengthy community discussion and education campaign we passed another referendum this time for the renovation and upgrade of our high school facility. This will involve significant upgrades to our Family Consumer Science, **STEM**(Science, Tech, Engineering and Math) and Technical Education classrooms. The Baraboo community has shown a commitment to investing in all of our students. It is Baraboo's belief that those investments will help not only our students but also many of the School Districts' local businesses in the hospitality and manufacturing industries who are in need of a qualified workforce.

Baraboo is one of the lowest twenty percent in spending per student in the State of Wisconsin. What I have always said is that I want our Baraboo students to be above average but we could do a better job of achieving that goal if our spending was only average. We have avoided going to referendum for operational purposes but I know we are at the end of our rope with any tools or methods to reduce costs without reducing staff. Until the state approves such things as the Governor's education budget and the Assembly's proposal to lift the low revenue ceiling then Baraboo will need to continue to rely on referendums not only for maintenance but also for operational purposes too.

School districts do not go to referendum lightly and for the following reasons I believe the Assembly should not legislate against local control and hope that you vote against AB282, AB268 and AB269;

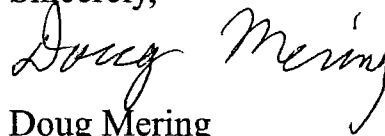
AB282- In the interest of transparency we hold our annual meeting after the third Friday count in September. Because of this additional bureaucratic interference of AB282 it would greatly complicate a referendum process when the referendum elections are held in November or April. In the case of a November referendum the public would have to wait 11 months before bonds could be issued and a April referendum would have to wait 5 months. The voters have already made their decision so why hold up this bond issuing process. Let the locally elected school board make the decision on how to get the most competitive bonds possible. That is what the public elected us to do.

Rather than create another infringement on local control it would be better if school funding formula would actually be reformed. This would be a better use of the legislatures' time than the continuous tweaking of the education portion of the state budget or creating additional barriers to locally elected school boards.. This has been a Democratic and a Republican problem which is one school districts across the State of Wisconsin face when figuring out their budgets every two years. Recurring referendums have oftentimes occurred because the legislature has not confronted this issue. These referendum bills including AB268 do not solve this issue of the school funding formula which needs to be reformed. Without that reform action then school districts will need to go to referendum to continue to function for even the most basic of educational staffing and maintenance needs.

Lastly, AB269 of when we can set the referendum votes is another infringement on local control. Note as school board members if we are irresponsible with how we create referendums and when we have them, then the voters have the opportunity to vote its members out of office. This happened in Baraboo after two failed referendums in 2006 which resulted in major turnover in the Baraboo School Board membership over the next three years.

Referendums are passing at high levels because communities have been convinced that these funds are required to meet the needs of their community and students. The level of referendums will drop significantly if the State of Wisconsin will get behind real school funding reform. Unfortunately, none of these bills address this reform and only creates further bureaucratic big government restriction of local government. Because of these reasons it is my belief that the Assembly Education Committee should vote down these three referendum bills.

Sincerely,



Doug Mering
Vice President
Baraboo School Board



**Green Bay Area
Public School District**

Engagement. Equity. Excellence.

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Phone: (920) 448-2000 | www.gbaps.org

June 15, 2017

Hello. I'm Brenda Warren, School Board President for the Green Bay Area Public School District. Today I'm **speaking against Assembly Bill 282 (and AB 268 below)**.

This past April, the Green Bay Area Public School District passed two referendum questions. The first was a non-recurring, \$16.5 million operational referendum for ten years so that we will have the resources to continue the programs, services and course offerings that have shown to be successful and necessary for the success of our diverse student population. This was our district's very first operational referendum.

The second question asked voters to support a \$68.25 million referendum for a variety of construction projects in 18 of our school buildings to address overcrowding, security, and adequate space for programs.

I want to describe for you the process we used to successfully pass these referenda. After conducting a facilities master plan over the course of 2016, our work began in earnest last September. Board members, District administration and staff held four community listening sessions attended by several hundred people. This was followed by a citizen-led Facility Task Force that met through the months of October and into November. The results of both the listening session feedback and citizen led task force were posted on our website. In January we held three widely publicized school board meetings which were preceded by an open forum. At these meetings our board discussed all of the options pertaining to both referendum questions. These meetings were very much working meetings and all of our discussions were held in open session.

Two of these meetings were our regularly scheduled January board meetings and then we held a special board meeting on January 23 to vote on the final resolutions. We did this so that we would have ample time earlier in January to discuss all our options and get timely community feedback on the options put on the table after each meeting. Again, this final board meeting was very well publicized throughout the month of January and all three were very well attended.

Beginning in February, Board members, district administration and staff spent countless hours providing tours for community members, conducting interviews with the media, and attending many community and school functions. In addition, we presented details and answered questions about our 2 referendum questions at more than 70 community meetings.

In addition to this work, our community members and parents worked tirelessly to support the referenda. In the end, our community supported both questions by 63% (operational) and 70% (facilities).

I've provided a link below to an April 2017 editorial by the *Green Bay Press-Gazette*. The editorial takes a position against the proposed legislation that would limit and/or modify successfully passed referenda and points to Green Bay Area Public Schools as an example of why the changes are unnecessary. The editorial states, "Green Bay School Board did an excellent job of letting the public know that it was interested in putting a school referendum on the April ballot. It discussed the matter with the public for over a month, adjusting ~~what~~ [sic] the details of the referendum before the School Board approved it. There was no surprise... vote."

School districts across the state have been managing school district finances and facility needs under the rules set by the Legislature. The requirements placed on school districts (not on cities or counties) to have to seek voter approval to increase revenue or for borrowing to address major facility projects have made the work of school boards and administrators more challenging as evidenced by my description of the hundreds of hours of work (and resources) it took to educate and convince our community to support our referendum questions.

We request to be allowed to make decisions that are best for our local school district. We know that our referenda will not pass without extensive community engagement especially in a large district like ours, so limiting when we can make these decisions will have no impact on our voter participation. We made sure we had excellent voter engagement throughout our process.

Thank you.

Assembly Bill 268—speaking against

I would also like to briefly comment on Assembly bill 268. I hope my testimony about the enormous effort it takes to get referenda passed, and the financial and human resource investment that is required, has helped you understand why we are opposed to AB 268. Our community very clearly supported our District referenda and supported our operational referendum for 10 years. It does not seem right that the legislature in Madison should have the power to usurp our community's voice, especially when going to referendum more often (every five years) just takes resources out of our classrooms.

Thank you very much for your time.

Brenda Warren
bbwarren@gbaps.org
(920) 246-1503

Link to Green Bay Press Gazette article April 22, 2017:

<http://www.greenbaypressgazette.com/story/opinion/editorials/2017/04/22/keep-school-referendum-decisions-local/100763680/>

From: Kevin M. Bobolz 10600 S Richard Rd Oak Creek, WI 53154

To: Wisconsin Senate and Assembly members

Cc: Jesse Rodriguez, Assembly District 21

Re: Support of, and testimony for WI SB 195/AB 268, SB 191/AB 282, and SB 194/AB 269

About me:

Originally from the Clinton, WI area, I will most likely return there when I retire from my current occupation in Milwaukee. Currently a current resident of Oak Creek, WI, I have lived and worked in several states, and have witnessed the tactics and bending of the rules by local school boards both where I grew up and own property, and where I currently reside, to pass school referenda. In both examples, referenda were voted down, but various tactics were used to simply keep bringing back the vote until they were able to get it to pass.

SB 195/AB 268 – Eliminating Recurring Referendum Question

Wisconsin, despite improvements in state taxes and spending over the past few years, remains a place that burdens its' residents by taking a larger share of their hard earned income than 39 of other states.¹ Other studies place the burden Wisconsin imposes even higher, at the 5th worst in the country.²

A key driver of this our state's numerous layers of local government that may individually impose taxes upon its residents, without regards to the aggregate effect. In addition, local governmental bodies operate outside the realm of reality when it comes to budgeting and spending. Add to that, the near lack of media spotlights and government watchdogs upon local and school government that state and national governmental bodies experience and you have a system begging to be abused.

As we see in the current discussions over transportation funding in this state, funding public services and having everyone agree is hard. It is meant to be. It is not supposed to be easy to proclaim government's "right" to the hard work that others have performed.

Despite over \$11,000 per year in pupil finding (from state and local sources)³, most school districts simply refuse to keep their fiscal house in order. Find any business that is allowed to impose a price increase on all of its' customers because some customers said that it is OK. Better yet, find any other instance in the real world that utilizes baseline budgeting that simply assumes an increase in revenue, or in this case, that revenue increases will be permanent, and will continue to build upon one another into perpetuity.

These are the assumptions that continue to make our great state a tax hell. It is not supposed to be easy to take someone else's money. To make it easy contributes to profligate spending and a lack of accountability. Every day in my business, sales people need to convince customers to buy our product. That sale now entitles me to return to our customer next week to again convince them of the value of our products and purchase more of them. Our government should be held to no lower standard. They need to convince us of the value of the services they provide, and ask that we support them. If not every week, then at least every year.

Against my better judgment, the state of Wisconsin allows school districts to exceed local revenue limits through local referenda. This should not, however, be considered the ability to permanently impose a burden on all future generations. While I would prefer that every local school district should be required to renew requests to over spend revenue limits each year, this proposal to require that they sunset in five years is the next best thing.

For the above reasons, I would like to register my support for SB 195/AB 268, and thank Sen. Stroebel for his insightfulness in drafting them, and you for supporting them.

1. <https://wallethub.com/edu/states-with-highest-lowest-tax-burden/20494/>
2. <https://www.forbes.com/pictures/emeg45ehhij/no-47-wisconsin/#6ec4ad4b2d1d>
3. <http://watchdog.org/270963/wisconsin-per-pupil-spending-still-national-average/>

SB 191/AB 282 – Operating Referendum called only at Regular Meeting & Issue Debt Referendum called only at Annual Meeting

On a regular basis, we hear the drumbeat that higher levels of participation by the electorate, is a benefit to our society. That societal benefit seems to end at the ballot box however, as once in office, most elected (and non-elected) government officials would quite frankly prefer that they only hear from those that support their lines of thinking.

I can only imagine how annoying it must be to receive comments and communications from your masses of constituents, especially if they do not agree with you.

There are two school districts that I have had involvement in over my time in Wisconsin. The first, where I grew up, and the second where I reside currently, in Oak Creek WI.

Over the years, I have watched district referenda come up for a vote either in the spring after general elections, or over the summer, during sparsely attended summer meetings. These allowed each school board to begin planning on how to best “present” these to the public without serious public scrutiny and discussion on the merits of the referenda. Special meetings are the next vehicle. Special meetings, away from the prying eyes of the public and nearly non-existent local media, have provided the perfect space to bring up and approve spending or bonding referenda without having to be subjected to public scrutiny.

Most annual meetings occur in the late fall, and for any governmental organization interested in truly serving the public and maintain transparency, the annual meeting or its equivalent, are the only places that decisions of significant local fiscal impact should be considered.

**NOTICE OF SPECIAL MEETING OF THE ELECTORATE
OF THE
OAK CREEK-FRANKLIN JOINT SCHOOL DISTRICT, OAK CREEK, WI**

**Monday, October 12, 2015
5:30 p.m.**

**District Administration Building
7630 South Tenth Street
Oak Creek, WI 53154**

AGENDA

1. **Special Meeting Called to Order by School Board President Frank Carini.**
2. **Election of Chairperson for the Special Meeting.**
3. **Resolution on Purchase of Real Estate Property:**

Be it resolved by the electors of the Oak Creek-Franklin School District that, pursuant to section 120.08(2), Wisconsin Statutes and section 120.10(5m) of the Wisconsin statutes, the Oak Creek-Franklin School Board ("Board") is authorized to acquire, by purchase or condemnation under ch. 32, real estate and structures and facilities appurtenant to such real estate necessary for school district purposes..

The specification and identification of the property is as follows:

Parcel 2 of Certified Map No. 6874, being a part of the Northeast ¼ of the Northeast ¼ of Section 33, in Township 5 North, Range 22 East, in the City of Oak Creek, County of Milwaukee, Wisconsin, dated August 14, 2000 and recorded in the Register of Deeds Office for Milwaukee County on October 12, 2000 in Vol. 4923 of Certified Survey Maps, on Pages 345192 to 345198 including, as Document No. 7975166.

Further be it resolved by the electors of the Oak Creek-Franklin School District that the authorization to purchase the property described above is at the terms and conditions authorized by the Oak Creek-Franklin School District for the purpose of implementing a home construction project and such authorization shall not exceed a cost of \$64,000.00.
4. **Adjournment**

Kathleen Borchart, School Board Clerk

For the above reasons, I would like to register my support for SB 191/AB 282, and thank Sen. Stroebel for his insightfulness in drafting them, and you for supporting them.

SB 194/AB 269 –General Election Dates for Referendum Questions

In 1998, I returned to my family farm near Clinton, WI to help develop a plan to oppose a local school referendum. The district planned and held a referendum for a new high school (in a district of declining enrollment) for the fall general election in 1998. The referendum failed. They returned sometime later to repeat a slight revised version of the referendum to be held during a special election, where it passed.

Items of importance should be held when the largest number of taxpayers has the opportunity to weigh in. Common strategy for school districts, especially upon losing a referendum ballot is to reschedule the vote for a time when the calculation is that the lowest number of people will vote. This allows them to best mobilize their constituent audience (teachers and other school employees) in the district to begin their own “get out the vote effort”. If it is important, there is no reason that a governmental body needs to call a special election in order to time a vote to benefit their own interests.

Wisconsin special elections average around 12-17% participation of eligible voters, while general elections range from 47-60%. Initiatives to raise our taxes deserve at least the same consideration given to electing our government officials.

For the above reasons, I would like to register my support for SB 194/AB 269, and thank Sen. Stroebel for his insightfulness in drafting them, and you for supporting them.

I thank you for your time in reading this and your vote to support all of these initiatives.

Sincerely,

Kevin M. Bobolz

Oak Creek, WI

Kim Kaukl
Executive Director
1755 Oakwood Circle
Plain, WI 53577
Cell Phone: (608) 553-0689
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President, Ken Kasinski CESA12
President-Elect, Robert Smudde
Secretary, Diana Bohman,
Regional Public Library Rep
Treasurer, Jerry Walters CESA11
Past President, Jeremy Biehl CESA 5

June 15, 2017

Members of the Assembly Education Committee:

Thank you for allowing me to testify on AB 268, 269 and 282. I am Kim Kaukl the Executive Director of the Wisconsin Rural Schools Alliance (WIRSA) an organization of 200 plus members with 150 school districts and several CESAs, technical colleges, universities, business and individual members. WIRSA represents the students, administrators, teachers, school board members and community of our rural schools.

I am here today to register our opposition to AB 268, 269 and 282. These bills can be very damaging to public school districts especially the numerous rural districts in our state. With the financial constraints on public schools, referendums and community support are the keys that are keeping many of the rural districts alive. In our rural communities, referendums have become a part of the school's budgeting cycle due to the limited funding at the State level. The proposed dollars in the Governors education budget are helpful, but this funding would only bring us back to 2011 levels meaning many districts will still need to run referendums. Therefore, it is important for legislators to leave referendums up to local control and let each district decide what is best for them. In recent years, referenda have been supported locally with over 70% success. This rate shows how important and valued public education is to each of these communities. With the limitations on borrowing along with the proposed restrictions in these bill, this could virtually put some districts and communities in a precarious state. So, ask yourself, what is the need and reason for these three proposed bills? Is it to restrict local control or is this to protect certain special interest groups?

It is our belief that the points below need to be considered:

- These bills are anti-local control.
- With limited funding, referenda are the way many districts can access resources. These proposals will significantly impact declining enrollment districts which are often small rural school districts many of which need referenda to maintain educational opportunities for children. These bills, if adopted, could have the effect of forcing districts to consider dissolving or consolidating if they cannot pass a referendum and would dictate when they could go to voters.
- This bill will further exacerbate the trend of creating "Haves" and "Have Nots". Opportunities for students will further be determined by their zip code.
- These bills are restrictive and inflexible for school boards.
- Limiting referendum date selection for capital projects such as new buildings, renovations or additions will reduce the effective planning of these projects to meet the needs of students and citizens. What's more, a poorly-timed referendum date could add to the construction time-frame and possibly increase costs to taxpayers.
- We also find it interesting that when you look at the co-sponsors for these bills there are no truly rural legislators showing support. Could that be that they understand the negative impact these restrictions will have on their districts?

You have heard from many educators and board members. You have heard the concerns that they have with these bills. As we have testified in the past, referendums are about local control and should be left that way. Local voters know what is best for their communities. We ask that you support the right to local control and oppose AB 282, 268 and 269. Thank you for listening.

Thank you,

Kim Kaukl
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SCHOOL DISTRICT OF FLORENCE COUNTY
WE POSITIVELY AFFECT THE LIVES OF CHILDREN



June 15, 2017

School Board
 Don Dumke, President
 Jim Gehlhoff, Vice-President
 Ron Yadro, Clerk
 Jim Churchill, Treasurer
 Tom Jonet, Member
 Shawn McLain, Member
 Linda Opsahl, Member

Members of the Assembly Education Committee:

Thank you for the opportunity to speak before you today on Assembly Bills 268, 269 and 282. I am Ben Niehaus, District Administrator for the School District of Florence County.

I commend you and your colleagues on the proposed measures of support in the funding of our schools in the upcoming budget. Unfortunately, none of the proposed referendum bills will help our students, and will only create more red tape for boards of education and school administrators to dance around in the referendum process. These bills will further erode local control of elected officials that represent their public.

To illustrate the detrimental impact of these bills, I will provide a synopsis of the story of the School District of Florence County. In 2005, as many throughout this state know, Florence Schools nearly dissolved. Many of the reasons for this were due to matters beyond local control. Florence County saw an exodus local industries, which further compounded declining enrollments that all schools were experiencing; Florence schools lost more than 200 of their 800 students in a two-year window. Florence County, arguably the most conservative county in the state of Wisconsin, had seen its boards levy conservatively prior to revenue caps, and therefore is challenged yet to this day because of these decisions. There is complete transparency, and openness, within the borders of Florence County. It's no secret that this proposed legislation is being driven due to what some propose as the abuse of the referendum process beyond northern Wisconsin. If this is the perception elsewhere, then I suggest that local control and the process of democracy should prevail. Too often it is not just Florence County, but all of northern Wisconsin, that is forgotten in decisions that are made due to matters "south of Hwy 29" as northern Wisconsin residents refer to, and we deal with the fallout of unintended consequences...this entire conversation is just another example. Please think about how any of the referendum bills could impact northern Wisconsin schools and students. Schools in northern Wisconsin have a disproportionate reliance on referendums due to the diseconomies of scale of operating small schools over sparsely populated areas.

If Assembly Bill 269 existed in 2005, the School District of Florence County, the county's lone school district, would not be here today. The seven (7) School of Recognition Awards earned, a *US News Best High School in America Award*, the implementation of a Fab Lab in partnership with UW-Stout, the establishment of a regional learning center with Northeast Wisconsin Technical College to provide post-secondary options for Florence and three other regional schools, 296 postsecondary credits

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District Administrator

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earned by the 30 graduates of the class of 2017, in addition to School Report Cards that do not just meet, but exceed, state expectations, would not have happened if this bill existed in 2005. Can anyone guarantee that there could not be another Florence, where due to matters beyond a board's control, a school and community would be hindered in when, and how, it could address the needs of its local school district?

Assembly Bill 282 would limit school boards when it could go before its voters to authorize a resolution for the issuance of a bond or when to vote on a resolution to proceed to referendum. I find this perplexing, so let me share two timelines for illustration of how this bill would impede an already thorough and transparent process.

First, of what's before Florence County right now -- we are planning for our fourth, consecutive upcoming operating referendum that our taxpayers are expecting at this coming fall's, special election; our four most recent referendums have been passed at fall elections, whether regular or special. The reason for this is that even a fall special for Florence County provides better opportunity for its taxpayers to voice their opinion, as numerous residents are retired and leave after Thanksgiving or Christmas, and some do not return until later in April; more residents are in Florence County to go to the polls in early November than early April. The Florence County School Board desires going to the polls when voters can best voice their opinion.

If AB 282 limits us to only passing resolutions at regular meetings we will have a conundrum in the moment. This is due to what is before you as our state representatives right now, the state budget process. Even if I could leave Madison today with the assurance of what the next state budget will be, we will not pass a resolution without the utilization of our August special meeting. I'll explain.

We are anxiously awaiting for the state budget, so at our August 2 budget committee meeting, we can best determine what our financial needs are. It's best for us to wait until our fiscal year is done, along with our audit which is in mid-July, so we can be as accurate and transparent as possible to our public of our financial status. We are looking to pass a resolution at our August special meeting, two weeks after our budget committee meeting, so as to be sure we have our resolution submitted more than 70 days in advance. If we wait until our August regular meeting, we'd be within 24 hours of the 70 day timeline; we don't desire to risk such an important decision in the case that something beyond the Board's control occurred. There is a very transparent timeline for the consideration of a resolution for referendum. These decisions are not taken lightly in Florence County, or in any other school district I would assume, and don't just happen overnight.

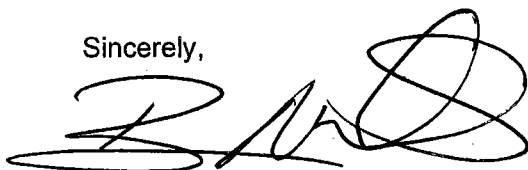
The same can be true for the issuance of a bond, even more so. We began the process of addressing our aging high school facility in January of 2015, two and one-half years ago. We began by posting RFP's to interview, and ultimately select an architect and construction manager...this alone was a four month process. We then formed a community task force of nearly 20 individuals that met 13 times over a 10 month period, then created a community survey over two months, distributing the survey,

compiling results and finally representatives of the community task force making a recommendation back to the school board for what to propose for a capital project. Subsequently a resolution was passed at a special meeting of the board, and Florence County passed a \$14.5 million capital referendum to renovate our high school at the fall, Presidential election. Only then, did we then begin the bond rating process. Our bond rating was the best that could be achieved by a small, rural district at AA- via Standards and Poor's. Hence, along with ideal market conditions, we secured bonding at an interest rate that will see Florence County taxpayers save \$600,000 in interest paid over the 20 year amortization versus our best pre-referendum estimates. This illustrates why another proposed referendum bill, Assembly Bill 187, is irrelevant, and simply creates more red tape and confusion; we can't accurately predict interest rates due to final bond ratings and markets. *What I just shared is two and one-half years of work.* Resolutions needs to be passed when best determined locally. If AB 282 existed during this process, we would have had to pass an initial resolution at an annual meeting the year prior to a vote; we didn't even have a scope of the project in any form at that time, let alone any idea of a project cost. I ask, what would this have accomplished?

Thank you for the opportunity to speak today and share Florence County's story. These bills simply create more red tape for school administration and locally elected boards to dance around, and will do nothing short of creating confusion for voters. Any referendum process is already grueling enough, that when done right, takes months and months of planning and seeing through specific and intricate processes in timelines, all balanced against many other responsibilities in the operation of a public school. Please let locally elected boards of education have the flexibility they desire, the same as you desire, when the federal government tries to impose upon our great state of Wisconsin. I ask that you oppose all the referendum bills, specifically AB 268, 269 and 282.

Thank you all for your time and service to Wisconsin, and the numerous supportive initiatives that are being proposed from the Assembly in helping all Wisconsin schools Positively Affect the Lives of Children.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ben Niehaus', with a large, stylized flourish at the end.

Ben Niehaus, District Administrator

To:

June 15, 2017

Senator Dewey Stroebel

Sub: SB 184 / AB 269

Dear Senator Stroebel

There is a problem with current regulations regarding school referendums that needs to be addressed.

School boards know the best time to get a referendum passed is when the fewest voters turn out for the options set forth by the boards, and therefore use odd dates and spring elections. All referendums should be voted on when the greatest number of electors are present. Just like the Legislature needs a Quorum to pass any legislation, so it should be for taxation issues and the Wisconsin taxpayer ! The current laws are too loose and this was quite evident very recently in Green Bay when two referendums were passed for what is most likely the highest dollar referendum cost ever passed in State history according to the Department of Public Instruction. The turnout for the Green Bay District was about 16 % (approx. 16,000) whereas the General Election in November 2016 had 68 % ~ of voter participation. The favorable votes were 10,400 versus 6,200 opposed. When you consider the impact of two things that affect this result, it's obvious that something must be done. The first is low voter turnout and the second consideration is that the Green Bay School District is the largest employer in the county with 3600* employees. Because of the school year, most of these employees are in full attendance during a spring referendum date whereas older residents may be out of the area or are more easily affected by weather. When you consider that over 3,000 employees have spouses and families that help facilitate a favorable vote, the odds of ordinary taxpayers expressing their reluctance to the proposal is overwhelming. In the instant case only 10 % of the voters caused a 30 % tax increase to occur. The Local levy for the Green Bay School District is roughly 80 million and calculating it for 10 years you have a 800~ Million dollar figure and the recent school referendums for the same period of time was for 233.5 million dollars, which results in almost a 30 % "Local" tax increase by a minority 10 % of voters.

It's not even close to a quorum!

AB 194/AB 269- Brings some value to the average taxpayer in Wisconsin by ridding the flagrant use of non-general elections to stage referendums that impact the ultimate taxes paid by Wisconsin residents. It is our opinion that having referendums posed only during November General elections makes the law even more equitable, and reflective of the true wishes of the electorate and taxation.

Thank You

Richard Carlstedt

Brown County Taxpayers Association - Schools Committee

*https://en.wikipedia.org/wiki/Green_Bay_Area_Public_School_District

*<https://blog.uwgb.edu/careers/the-30-largest-employers-in-brown-county/>



MICHAEL SCHRAA

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Testimony on AB 269

Thank you, Chairman Thiesfeldt and members of the committee, for giving me the opportunity to provide testimony on this legislation to reform school district referenda elections.

We all have a vested interest in great public schools for students across the state. Making sure they are funded is important. Whether it's the children in our own family or for the benefit of society as a whole, we want the best education possible for each student in Wisconsin.

It is also important, as legislators, to balance the needs of K-12 education with the increasing demands on taxpayers across the state. You don't need to be reminded of that burden, since Wisconsin continues to be one of the highest property tax states in the nation. In fact, of the 154 referenda that went to a vote in 2016, 122 of them passed at a total cost of over 1.7 billion dollars.

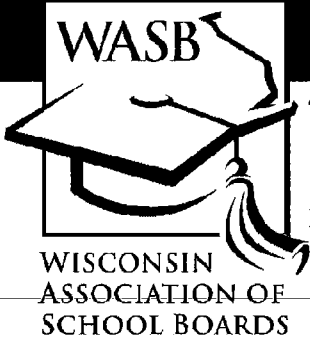
This is a simple bill that allows a school board to schedule a referendum only with a spring or fall general election. This provides two benefits to taxpayers. First, it avoids the expense of a special election. Second, voter turnout is highest in general elections, so more citizens will be involved in the decision.

Instead of requiring clerks to run completely separate elections, holding these referenda with other regularly scheduled general elections will save time, effort, and money for local governments. This is the reasonable and sensible thing to do.

Of course, there are special situations that call for special elections. If a school district has increased expenses because of damage from a natural disaster or a fire, this bill allows for a special election within six months. This gives them a reasonable length of time to go to referendum for extra funds necessary to deal with the disaster.

Personally, I am pleased that the State of Wisconsin continues to increase funding for our students. In addition to state funding, school districts often use referenda for capital improvement and other projects. While this is appropriate, referenda which are scheduled during low-turnout primaries or special elections can give the impression that they are intended to bypass all but the most politically active voters. More individuals in a community going to the polls to voice their opinion on a referenda is a positive thing.

We all want vibrant, effective public schools, and we also want the community to be involved and supportive. It just makes sense to avoid the expense of special elections and to involve more voters by including school funding referenda in the general elections.



"Leadership in Public School Governance"

JOHN H. ASHLEY, EXECUTIVE DIRECTOR

122 W. WASHINGTON AVENUE, MADISON, WI 53703
PHONE: 608-257-2622 FAX: 608-257-8386

TO: Members, Assembly Committee on Education
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: June 15, 2017
RE: **OPPOSITION to ASSEMBLY BILL 269**, relating to restricting the scheduling of school district referendums to exceed revenue limits.

The Wisconsin Association of School Boards (WASB), on behalf of all 422 public school boards in the state of Wisconsin, **strongly opposes** Assembly Bill 269.

Based on resolutions adopted by our membership, specifically: **Resolution 1.25 Authority to Schedule Referenda**: The WASB opposes limits on scheduling referenda.

School districts usually go to referendum for two reasons: 1) to issue bonds (incur borrowing debt) to fund construction projects and 2) to exceed state-imposed revenue limits. Assembly Bill 269 would restrict a school board's ability to go to referendum for either of these reasons.

The bill would permit a school board to schedule a referendum for either of these purposes only in conjunction with (i.e., concurrent with) a spring election or with the general election. State statutes define "spring election" as the election held on the first Tuesday in April each year and define the "general election" as the election held in even-numbered years on the Tuesday after the first Monday in November.

The bill is restrictive and inflexible for school boards—in an odd-numbered year, boards will only have one opportunity to go to referendum (in the spring) because there is no November general election in an odd-numbered year. If that referendum fails, a board will have to wait a full year before it can go back to voters.

Because the first Tuesday in April can fall anywhere from April 1 to April 7, and because a school board must adopt its resolution to request a referendum at least 70 days before the date of the election, a board would have to make its decision sometime in late January to get a question on the April ballot. Because state budgets are passed in odd-numbered years, a district facing reduced revenues would likely have place an operating referendum question on the ballot before the governor announces his budget plans. This year, for example, Governor Walker's budget was not introduced until February 8; however, a board would have had to vote by January 24 in order to place a question on the April 4 ballot.

Thus, a district facing reduced revenues or potentially reduced revenues would either have to make the decision to go to referendum to raise its revenue authority without actual knowledge of what the governor will propose or it would have to wait until the following spring to react to funding decisions made in the budget act. These options mean a board would either have to make its best guess and hope it is correct or it would be left with no opportunity to increase its revenue limit in response to the state budget. And because a school district sets its levy only once a year, in November, as a practical matter, it would have wait nearly two full years to see any increased revenue even if it referendum it held the following April spring election is successful.

Revenue limits or caps were imposed in 1993 and limit the budget resources available to each school district by limiting the amount of state general aid and local property taxes that can be collected by a district. Districts are penalized by a loss of state equalization aid if they exceed their revenue limit.

School boards initially, grudgingly, supported revenue limits because: a) they were part of a deal that also included caps on teacher union settlements and a state promise to pay two-thirds of the overall expenses of Wisconsin public schools; and equally importantly, b) it was understood that if a school board did not receive adequate revenues it could always ask its voters to approve a referendum to exceed the revenue limits.

Indeed, whenever school boards or districts would complain about revenue limits the first response has always been, "You can always go to referendum."

By limiting when school districts may schedule referendum votes and imposing a moratorium on additional referenda if a vote fails, Assembly Bill 269 will significantly impact declining enrollment districts, many of which are small rural school districts that rely upon passing referenda to allow them the revenue to maintain programming.

We are concerned this bill will further exacerbate the trend of creating "Haves"—districts that are able to pass referenda to increase allowable revenues and "Have Nots" who cannot pass such referendums. The result is that opportunities for students will be determined by their zip code more than ever.

The authors of this bill have argued in the past that by ensuring the referenda questions occur on general elections, more of the voting population will be "tuned into" the process. This is debatable. With higher turnout elections come higher profile statewide and national races where television advertising is likely to play a major role in informing and influencing voters. School referendums seldom involve advertising and media coverage about them is often meager.

Our experience is that fewer and fewer school referendums are being held as special elections that do not coincide with a spring election or general election. In most cases, these referendums are held concurrent with the spring primary held in February, four weeks before the spring election, or concurrent with the partisan primary, held on the second Tuesday in August of even-numbered years. Nevertheless, there may be a variety of reasons why a school board might want more control over the timing of a referendum vote. In the case of a borrowing referendum, it may be to get shovels in the ground before it freezes, or to ensure that a construction project is completed before the school year begins so children are not exposed to construction hazards. In a rising interest rate environment, it may be to allow the district to get the best deal on borrowing costs. Consider that interest rates rose nearly 80 basis points in the period between last November's General Election and the President Trump's inauguration alone. My earlier comments speak to why timing is important in the case of referendums to raise a district's revenue limit authority.

In sum, this bill is anti-local control and does not show trust in local voters or the locally-elected officials they elect.

For all these reasons, we oppose Assembly Bill 269. We thank you for the opportunity to bring these concerns to your attention.

AB 267 - RESTRICTING SCHOOL REFERENDA TO SPRING OR FALL MAJOR ELECTIONS

9

- 1) Since all taxpayers will be shouldering the financial burden for all referenda, requiring referenda to be voted on only during the most widely publicized and attended elections allows for the most comprehensive endorsement or rejection of any proposed referendum by the constituent population. Therefore the November mid-term or presidential elections ought to be the only time referenda can be presented. On off years the April election would be the only other time. Primary and special elections ought to be off limits for referenda voter evaluation due to low turnout, unusual timing and limited public knowledge that they are occurring.
- 2) The dates of the major elections are always the same - first Tuesday in November except when November 1st (then November 8th) or first Tuesday in April. This surety of timing provides all sides of the issue adequate time to prepare and publicize their case to the constituency.
- 3) There exists a natural political advantage to those who perceive themselves to be direct beneficiaries of the referenda, i.e. school administrators, teachers, parents of current students. Because these people are engaged in the school system day-to-day, information can be provided and disseminated quickly, with a specific message orientation and, by extension, a specific stigma for those in opposition. Allowing referenda to be presented only during these higher turnout elections levels the political playing field considerably. Statements from administrators in my own school district understand this advantage for they vocalized a strategy of doing exactly that - putting forth the referendum being crafted during a low turnout election.

I fought against the Oconomowoc November 2016 referendum.

Back in 2013, I saw large dumpsters behind the high school filled with new desks and beautiful large, glass basketball backboards in fine condition and became concerned about school district waste.

About a year later, after pulling my kids out to a local Lutheran school (because of the lack of spelling tests, lax of cursive writing instruction, failure to demand students learn basic math facts and an absence of homework at the Oconomowoc elementary school) I saw the school district was creating a "Facility Advisory Committee" (FAC) to get the community input on possible building needs for our schools. I signed up!

We met 25 times over the next year and a half. I made it to 23 meetings. I objected at the first meeting that representatives from Eppstein Uhen Architects were in attendance. I said "isn't this a conflict of interest, we haven't even decided if we are going to build anything or if so, what?" Superintendent Rindo said "no" that they (EUA) were there to "guide us through the process." So the meetings went downhill from there to get a stamp of approval for the predetermined outcome. Ideas and alternate solutions from community members were given a fake nod. I asked "I've been attending these meetings for over a year and not once has anyone suggested a place to cut the budget. isn't there anywhere we can cut?" -- Superintendent Rindo's angry answer was "no. We have no place we can cut our budget."

Eppstein Uhen Architects celebrated with cake and excitement at a FAC meeting when it was clear the referendum wouldn't be in April but at the Presidential election. They said it is more likely to pass. This makes me question [SB 194/ AB 269 Require referendums be schedule for regular general elections] because it seems like it could backfire.

I believe this could also backfire because of the false information the districts put forward with taxpayer dollars about the referendums to the (mostly not paying attention) community goes unchecked. I filed a Wisconsin Elections Board complaint against both the School Board President and the Superintendent for putting out false "impact" numbers but complaints were denied. It did help get some truth in the newspaper but it was very disappointing the WEC denied the complaint. The district advertised, I mean "gave information" that the referendum's "impact" would only be \$40 per \$100k of property value when this is only true for the first 10 years of the twenty year loan. Between years 11-20, the impact is \$61 per \$100k property value because that is when the balloon type debt structure the district chose for the referendum debt comes into effect This balloon structure allows the district to put forward falsely low impact numbers to help sell the referendum but is costing the citizens of Oconomowoc Area School District an extra \$8,000,000 in interest compared to 20 equal payments for the referendum debt.

This false advertising and number fudging was probably EUA "helping" them pitch the referendum along with the bond sellers PMA. The district spent at least \$14,000 of taxpayers money "giving information" about the referendum.... which was advertising in any non-Orwellian environment. And, yes, EUA then went on to have their representative be the leader in the "vote yes" campaign.

In my opinion, there isn't enough in this proposed legislation to stop the abusive situation against property taxpayers with these rampant referendums. Seeing clearly how districts work, I can hear "the state allows us to go to referendum every five years" and, may in some sick way, inspire districts now going every ten years or so to go every five years and go for more to make up for the loss of state aid.

I'd like to see a "truth in advertising,"-- I mean "truth in information" bill -- where ANY material the district puts out clearly states the TOTAL interest expected to be paid on any referendum debt. \$54,900,000 referendum "information" put out by the district didn't once mention the \$25,000,000 in interest that will be paid on top of that \$54,900,000.

I'd also like to see that any referendum debt must be paid in equal annual payments or have no future annual payment be bigger than any previous years payment. This would save, in my guess, well over \$100,000,000 in interest costs statewide.

Thank you for your efforts. It is a start and hopefully a launchpad to other reforms to referendum slush funds -- such as I suggest above.

Please contact me with any questions or concerns. I'd be happy to elaborate on these and many other issues I saw when trying to fight the Oconomowoc Area School District referendum which passed 55-45 last November.

For all those that say act local think global- few are engaged in local goings-on and there is no local press. Action by state reps is necessary.

Sincerely,
Erica DeGlopper
431 E Harvard St
Oconomowoc, WI 53066
815-908-8605

Appleton comments on Assembly Bill #269

- This proposed legislation reduces school district flexibility. For example, the rationale for a spring primary referendum is to provide greater opportunity for capital projects planning and completion over the summer without construction disrupting the start of the following school year.
- Let me give you an example of the importance of my suggestion. In February of 2014, the Appleton Area School district presented two referendum questions to the voters in the District and both were successful. One of the questions was for capital projects in the amount of \$25 million. Projects that were targeted included remodeling of science rooms at three middle schools and a high school, remodeling of technology education space at three high schools, more secure entrances at two high schools, a middle school and ten elementary schools, more energy efficient windows at a high school, three middle schools and four elementary schools, electric service upgrades at two schools and additions at three schools. With the exception of the three additions, every one of these projects, involving eighteen different school buildings, was completed by August of 2014 in time for start of the 2014-15 school year.
- Had we been required to wait until April in order to hold the referendum, it would not have been possible to solicit proposals and coordinate multiple contractors for the summer work to be completed. Good contractors are fully scheduled for summer work far in advance of April or May. However, because of the extra two months and because of the incredible response of community minded contractors such as Boldt, Hoffman, Miron, McMahon and others, we were able to complete nearly all of the targeted projects in time for the following school year. I have to repeat that none of this would have been possible with an April referendum date and the projects would have been delayed by a full year after approval by District voters. Such a delay would be disappointing to voters and the school community and a year's delay would certainly also add to the cost of the projects because of inflation.
- The Appleton Area School District strongly opposes Assembly Bill 269 because it significantly reduces much needed flexibility to obtain approval of our communities to make improvements to our schools and the program improvements that are needed to deliver quality education.

Thank you for your time and attention this morning.