



# DUEY STROEBEL

STATE SENATOR • 20<sup>TH</sup> 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

423 Linn Street  
Baraboo, WI 53913  
(608) 355-3950 · Fax (608) 355-3919  
to



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;

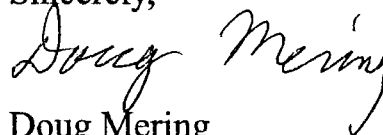
AB282- In the interest of transparency we hold our annual meeting after the third Friday count in September. Because of this additional bureaucratic interference of AB282 it would greatly complicate a referendum process when the referendum elections are held in November or April. In the case of a November 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.*

200 South Broadway | Green Bay, WI 54303  
Phone: (920) 448-2000 | [www.gbaps.org](http://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**

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**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.<sup>1</sup> Other studies place the burden Wisconsin imposes even higher, at the 5<sup>th</sup> worst in the country.<sup>2</sup>

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)<sup>3</sup>, 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 Carlin.**
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 Borchardt, 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**

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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  
kimkaukl@wirs.org



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.

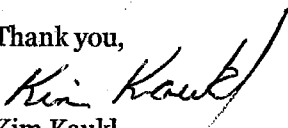
I am here today to register our opposition to AB 268, 269 and 282. These bills can be very damaging to public school districts especially the numerous rural districts in our state. With the financial constraints on public schools, referendums and community support are the keys that are keeping many of 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  
Executive Director  
Wisconsin Rural Schools Alliance  
608-553-0689  
kimkaukl@wirs.org



**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

**Post Office Box 440, Florence, Wisconsin 54121**

District Administrator

Ben Niehaus  
 715-528-1189  
 Fax 715-528-5338  
[nichausb@myflorence.org](mailto:nichausb@myflorence.org)

Director of Pupil Services

Vanessa Schimmelpfenning  
 715-528-1140  
 Fax 715-528-5338  
[schimmelpfenningv@myflorence.org](mailto:schimmelpfenningv@myflorence.org)

Principal - High School

Brandon Jerue  
 715-528-1150  
 Fax 715-528-5330  
[jerueb@myflorence.org](mailto:jerueb@myflorence.org)

Principal - Elementary

Neil Hall  
 715-528-1142  
 Fax 715-528-5910  
[halln@myflorence.org](mailto:halln@myflorence.org)

Financial Manager

Dawn Cote  
 715-528-1176  
 Fax 715-528-5338  
[coted@myflorence.org](mailto:coted@myflorence.org)

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?

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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.

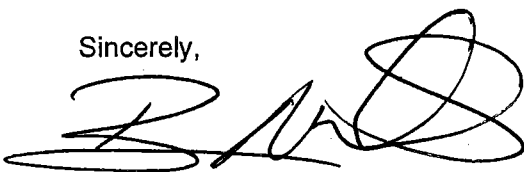
The same can be true for the issuance of a bond, even more so. We began the process of addressing our aging high school facility in January of 2015, two and one-half years ago. We began by posting RFP's to interview, and ultimately select an architect and construction manager...this alone was a four 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



# JANEL BRANDTJEN

STATE REPRESENTATIVE • 22<sup>ND</sup> ASSEMBLY DISTRICT

Thank you Chairman Thiesfeldt and the entire Assembly Committee on Education for holding a public hearing on AB 268.

The main purpose of this bill is to give taxpayers a voice on when and where their tax dollars are spent and for how long. Right now a political subdivision (school districts) can offer a referendum that allows that political subdivision to levy taxes over and above the allowable limits set by statute. Many of these types of referendums allow an increase in spending on a permanent basis. Many of you may have seen my recent press release titled "Forever is a Long, Long Time". That title is not misleading. The taxing entity can continue to tax at the higher rate forever. The taxing authority has no incentive to cut costs, eliminate waste or make tough choices. The higher tax goes on and on and on, in many cases long after the need for the increase revenue has disappeared.

The bill requires that taxing authorities, again, "school districts" renew their authority for the tax increase by going through the referendum process every five years.

The bill not only gives the taxpayers a voice every five years, the taxing authorities would need to demonstrate to the residents the continuing need for the increased revenue.

We here in the legislature along with the Governor have fought long hard tough battles in an attempt to keep taxes, including property taxes down. It has been our philosophy that we owe Wisconsin's citizens a voice in how their hard earned money is spent. This bill fits into that philosophy.

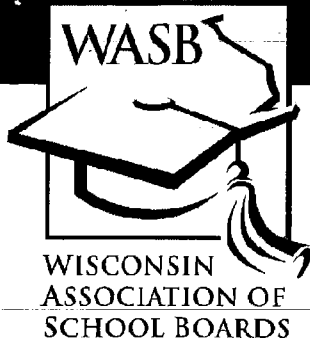
Thank you,

A handwritten signature in black ink, appearing to read "Janel Brandtjen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

State Representative Janel Brandtjen

**AB 260 - ELIMINATION OF "FOREVER" REFERENDA**

- 1) "Forever" referenda violate the most basic rule of democracy and representative government - that the elected representatives of the past cannot bind the representatives of the future. In other words, the people voting to spend the money forever will not be contributors forever. How can anyone construe such an arrangement of being fair?
- 2) All school systems are dynamic - they are constantly changing due to a wide variety of competing demographic factors. Enrollment projections today will undoubtedly be different certainly in five years and probably by next year. There is no way any body can assess with any accuracy or high degree of certainty the ongoing needs of any school district five years into the future, must less forever. These referenda can only be seen as tools for obtaining windfall tax dollars from the district.
- 3) Adding to the previous point, these "forever" referenda have been utilized as a trojan horse to ensure the passage of an accompanying referendum, getting the guilt vote from people that don't want to be perceived as being totally against education. This tactic was utilized by the MF school district in 2016 and it worked. Most taxpayers I have talked with have expressed the desire to restrict any school district to only one referendum in any specific election.
- 4) The "forever" option, should any pass, provides incentive for school administrators and school boards not to look at all ways to be fiscally prudent or pursue other options outside of taxation for generating funds for future projects. This is a very dangerous precedent which removes a large portion of accountability away from elected school board members.



"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 268**, relating to school board referendums to exceed revenue limit applicable to a school district.

The Wisconsin Association of School Boards (WASB), on behalf of all 422 public school boards in the state of Wisconsin, **strongly opposes** Assembly Bill 268.

When revenue limits were imposed on school boards in 1993, it was understood that if a school board did not receive adequate revenues under the revenue limit it could always ask its voters to approve a referendum to exceed the revenue limits by a given amount on either a temporary (non-recurring) or permanent (recurring) basis. This bill not only breaks faith with that promise and removes a local community's ability to determine its long-term destiny.

Assembly Bill 268 would limit a school board's ability to use the referendum process to request an increase in a school district's revenue limit authority. Such referendums are often referred to as operating referendums. The bill would limit operating referendums to a five-year lifespan and would eliminate the option for a school board to ask voters for recurring revenue limit authority.

The combined effect of these two changes means that a school board could not ask for authority to raise its revenue authority on a permanent (base-building) basis and would be limited to asking for a maximum of five consecutive years of revenue limit relief through a multi-year, non-recurring referendum. In other words, a board could ask for additional revenue authority for each of up to five consecutive years, but the additional authority would not remain in the district's base revenue. The district would have to ask voters to restore that budget authority at the end of the five-year period or lose that authority altogether.

Additionally, for those 130 school districts where voters have already approved a statewide total of \$178.5 million in recurring (permanent) revenue authority, the bill would override those local voter decisions and delete this referendum-approved revenue authority, beginning at the end of the fifth year after the bill becomes effective unless each district's voters approve a new non-recurring operating referendum in at least the same amount. This feature of the bill would not only substitute the Legislature's judgment for the judgment of local district voters, it would create a "cliff effect" that would suddenly lower a district's revenue limit (spendable revenue) upon the expiration of this five-year period unless the district's electors adopted a new non-recurring referendum in an equal amount before the expiration of the five-year period. A district would have to repeat this process every five years *in perpetuity* (or as long as revenue limits remain in place) or lose this budget authority.

For lawmakers who purport to be concerned about what they perceive to be an increasing number of school referendums, this bill is an odd response. By eliminating recurring referendums and by limiting the number of years an operating referendum can remain in effect, the result is likely to be more, not fewer referendums. In many districts, the likely impact of this bill will be to cause a referendum every five years (at a minimum), with increased uncertainty and dire consequences for the district's educational programs if the referendum fails.



Non-recurring referendums raise a district's revenue limit only for a fixed period in time, then the additional revenue limit authority expires. When that happens, the district's revenue limit (i.e., spending) authority reverts to its pre-referendum level. Faced with this situation, a school board will have two choices: either cut programs and staff or ask voters to approve a new referendum. To avoid being faced with a potentially dire situation at the end of year five, a prudent school board would likely ask for an operating referendum during year three or four just to be on the safe side. If the referendum doesn't pass they would likely try again before the existing authority expires. That is how this bill will actually produce more not fewer referendums.

Eliminating recurring referendums will not only negatively affect school district finances but children as well. Districts ask for recurring revenue limit authority for very practical reasons. Often, recurring referendums are associated with the construction of new facilities. A school board will ask voters to approve recurring revenue limit authority because the additional costs of operating (e.g., heating and lighting, insurance and snowplowing, etc.) and staffing the new facility are recurring (i.e., ongoing). If this ongoing revenue authority is suddenly taken away, as would happen under this bill, and voters don't approve a new referendum to replace the old referendum, the district faces some harsh choices. Do they turn off the lights and turn down the thermostat and stop plowing the snow or do they let teachers and other staff go? Once costs get built into a district's budget, it is hard to reduce them without causing harm.

This bill would have unintended consequences on school staffing in a challenging labor market. What would attract teachers to a district facing uncertain finances when they have the option of employment in a district with a more certain financial picture.

The provisions on the bill that would apply retroactively to place a limit on the number of years that a school district whose electors approved a recurring referendum prior to the effective date of this bill can keep that additional revenue in its base revenue per pupil amount to a legislatively imposed "veto." It is an anti-local control as you can get and replaces an individual community's decisions with those of individuals who do not have as direct an interest in that school district. We question whether rendering invalid the expressed will of the voters after the fact is even constitutional. We cite two reasons for this.

A substantive law, as opposed to a procedural one, that is intended to be applied retroactively must meet the standards of due process in order to be valid. In this case, it is arguable that a current or future student or parent has a private interest in a district's revenue limits. It's not as strong as the district's interest, to be sure, since the immediate impact is on a district, but it is an interest that this bill would deprive them of. A court could find the retroactive application of this bill to be unconstitutional.

In addition, Article 1, section 12 of the Wisconsin Constitution provides:

***Attainder; ex post facto; contracts. SECTION 12.*** *No bill of attainder, ex post facto law, nor any law impairing the obligation of contracts, shall ever be passed, and no conviction shall work corruption of blood or forfeiture of estate.*

The impairment of contract provision exists to prevent government from using its legislative power to relieve itself or individuals from debt. Its application is not automatic. The courts apply a 3-part test to determine if an impairment of a preexisting contract is unconstitutional:

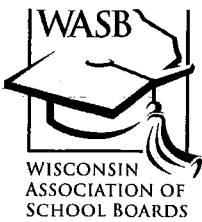
*In order to determine if a law violates either constitutional Contract Clause, we employ a three-part test, inquiring (1) whether the change in law substantially impairs the operation of a preexisting contract; (2) if it does, whether the legislation has a significant and legitimate public purpose; and (3) if it does, whether the legislation's impairment is reasonable and necessary to achieve that purpose. Metropolitan Milwaukee Association of Commerce v. City of Milwaukee, Wis. App., 2011.*

In sum, this bill would create a situation where our public schools will face a "cliff effect" every five years and uncertainty over what programs they will be able to offer if they face a cut in their operational revenue. As noted, it will make it harder to attract and retain quality teachers.

The option to ask voters to approve a recurring referendum under current law provides districts with certainty upon which they can rely when planning long term for the continuing needs of students. This bill guts that ability, meaning school district leaders will have to devote even more time and resources to referendum-related activities. This will leave them with less time to spend on the district's core mission: preparing our students for college and/or career and success in life beyond high school.

A bedrock principle of our membership and association is the belief that the locally-elected school board should have control of its local fiscal affairs. The state should provide maximum authority and flexibility to our local school board officials to manage the affairs of their school districts. This bill is anti-local control and does not show trust in either local voters or the locally-elected officials they elect.

For these reasons, today we must state our opposition to Assembly Bill 268. We will research the issues we have raised and provide you with an update as our findings warrant.



## Revenue Limit Referendums—A Primer

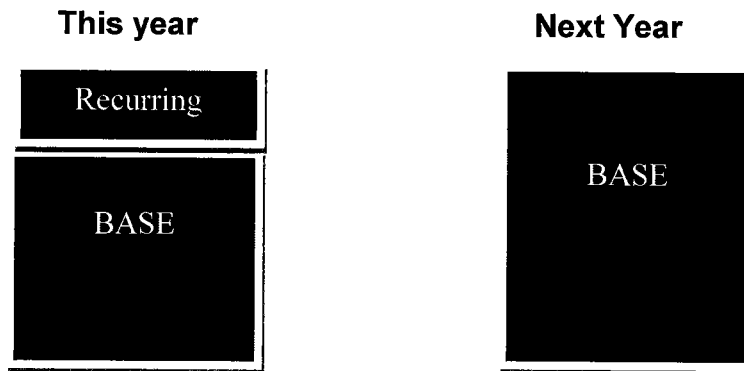
A school board can adopt a resolution to call for a referendum to get school district electors' approval to exceed the revenue limit. It must do so at least 70 days before the election at which the referendum will be on the ballot.

The resolution must state whether the referendum is to exceed the cap on a recurring or non-recurring basis and the amount(s) by which the revenue cap is to be exceeded.

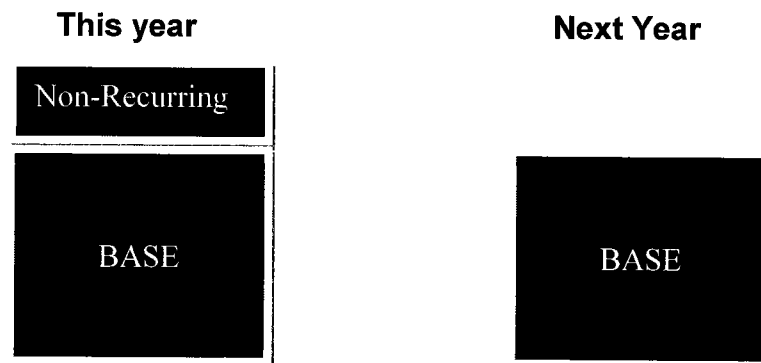
- If a recurring referendum is approved by district electors, the amount stated is added to the district's revenue cap once and then becomes a part of the district's revenue base.
- If a non-recurring referendum is approved by district electors, the amount for each year included in the referendum is added to the district's revenue cap each year and removed the next year.

### Recurring versus Non-Recurring

#### Recurring – Amount Approved Becomes Part of Permanent Base



#### Non-Recurring – One Year Only



**BRUCE QUINTON**  
District Administrator

**Jill Riesgraf**  
Lead Teacher Pre-K - 6  
**John Gayan**  
Lead Teacher 7 - 12

# PEPIN AREA SCHOOLS

*"Home of The Lakers and Eagles"*

510 PINE ST. P.O. BOX 128 • PEPIN, WISCONSIN 54759  
715-442-2391 • FAX 715-442-3607  
www.pepin.k12.wi.us

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Debra Larson, Clerk  
Gordon Riesgraf, Treasurer  
Ardyce Johnson, CESA Rep

6/15/17

To: Assembly Committee on Education Members

From: Bruce Quinton

Re: Testimony to the Assembly Committee on Education on AB-268

I would like to thank the Assembly Committee on Education members for giving me the opportunity to address your committee in regards to AB-268.

Pepin Area Schools strongly opposes the proposed legislative limits on our school district's ability to go to our local taxpayer for a referendum. We believe this violates the tenets of and represents the continuation of practices that deteriorate local control in our state. Our stance is firm on this matter. School referendums are a local matter and this should not be limited at the state government level. Pepin Area School District voters should be allowed to continue to determine their school district's fate as it relates to our local levy. Provisions in this bill could force the closure of our school if this bill is signed into law.

As a school district administrator, I am astonished that there have been multiple bills introduced that would not only remove a district's ability to run a recurring referendum, but also, at the same time, limit a school district's ability to go to referendum. While Governor Walker's budget proposal would allow new revenue, close to the rate of inflation in this budget cycle, it has been eight years since school districts saw an increase in funding in line with inflation. Many districts have had to go to referendum to be able to continue to provide their students with adequate educational opportunities in the absence of serious fiscal support from the state during those eight years. Referenda are the only way many districts can access desperately needed resources. I have attended listening sessions with numerous assembly representatives and senators who have specifically suggested the use of local referendums to address our local fiscal needs during a time when our state lawmakers have not provided public education with the revenue needed to make ends meet in our local districts. This bill and other proposals significantly impact declining enrollment districts, many of which are small rural districts that need referenda to maintain educational opportunities for children. AB-268 and the other referendum bills, if adopted, could have the effect of forcing districts to consider dissolving or consolidating if they cannot pass nonrecurring referenda every three to five years.

It begs the question, is the education of students in rural areas of the state less important than other areas of the state? Pepin was able to pass a referendum in the fall of 2006 to exceed the revenue limits on a recurring basis. Our local taxpayers supported this recurring referendum by

Pepin Area School's vision is "Encouraging a community of learners in a positive atmosphere where learning is a life long process which develops responsible citizens who value knowledge."

The Pepin Area School District does not discriminate on the basis of race, color, religion, sex, national origin, age or handicap.

an overwhelming margin. Our voters supported a recurring question because the structural deficit in our budget was recurring in nature and we needed those dollars every year to allow us to keep key programs in place, so that we could continue to provide our students with an adequate education. The expenses were not nonrecurring in nature. If we needed nonrecurring resources to build a school building or replace a boiler, Pepin Area Schools would have run a nonrecurring referendum question. The current bill would require Pepin Area Schools to continuously go back to our local taxpayers to continue to fund recurring expenses every five years. I have heard some in this room state that recurring questions are confusing. Can you imagine how confusing it is to a taxpayer who thinks they solved the funding issue five years ago, to have to revote on the same dollars repeatedly every five years? I know a number of schools who ran nonrecurring referendums for recurring needs. They go back to the local taxpayer every three to five years and ask for the previously approved money, plus whatever else they need. After a couple of cycles of this, they struggle to pass their non recurring referendum because the average citizen does not understand the difference between recurring and nonrecurring costs. The taxpayer's perception is that we gave them \$1 million last time, now they want \$1.5 million this time. What did they do with the \$1 million we gave them last time? The fact is that the \$1 million was not just needed for five years. It was needed to continue educational programs for as long as the school district exists, hence it is a recurring cost.

I am also very concerned that AB-268 has language in it that would force schools that have legally passed recurring referendums to sunset those questions after five years. I believe Pepin Area Schools would no longer exist if we had passed a nonrecurring referendum in 2006, that added \$750,000 to our base revenue and had to be passed again, every five years. In 2006 we had a fund balance of \$273,000 and an annual structural budget deficit of approximately \$180,000. Today, with hard work and fiscal discipline by the board of education and administration, we have a fund balance of \$1.4 million. Even after this hard work to build a strong fiscal foundation for our district, we would be one referendum from serious fiscal jeopardy and likely bankrupt and dissolved two years after a failed referendum. I, along with our district's legal counsel, seriously question whether such a provision will be able to survive a legal challenge that is sure to ensue if this bill, in its current form, is passed into law. Pepin, along with a long line of other school districts who passed recurring referendums in the past, will certainly challenge this provision in the law. Additionally, has anyone in this room seriously considered the number and scope of recurring referendums that have passed before this law would be enacted? We are a small rural district who would have to go back and ask for \$750,000 in five years. I can't even image what some of the larger districts in the state that have passed recurring referendums in the past might have to ask for in five years.

Further, why shouldn't our local voters have the right to vote for a recurring referendum question? Some legislators talked about "voter fatigue" as justification for supporting the bills in the six-bill referendum package. How exactly would "voter fatigue" be alleviated under this bill? Wouldn't this bill actually create more "voter fatigue" for local taxpayers? As a taxpayer, I would have to continuously re-vote to maintain the educational opportunities of a recurring nature every five years?

Next, where exactly is local control in this scenario? The last time I was in this building testifying

before the Senate education committee, I stated that I never thought I would be here lecturing Republicans about local control. State government telling the local municipalities when, if and what kind of referendums they can run does not strike me as Republican values.

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Finally, who is this bill protecting? If our local voters feel that the school board is abusing their local authority to go to referendum, it seems to me that the local voter will hold the local board members accountable at the next school board election. It seems to me that is the very definition of local control, right?

This bill will further exacerbate the trend of creating "Haves" who can pass referenda and "Have Nots" who cannot. Opportunities for students will further be determined by their zip code. Poorer districts will cut educational opportunities for their students as opposed to risking insolvency and the gap between the "Haves" and "Have Nots" will continue to grow wider and wider in our state.

I am asking the Assembly Committee on Education to let these matters be determined where they impact the lives of the people you represent. This is a matter for the local voter to decide at the ballot box of their own district! Please do not impose your will on those who are not asking for you to take away their right to vote for the self determination of their local school in rural Wisconsin.

Thank you for your time,

Bruce Quinton, District Administrator  
Pepin Area Schools

## Appleton comments on Assembly Bill #268

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- This legislation speaks to the benefit of revenue limits established in 1993. While revenue limits have placed controls on district spending they have also resulted in the maintenance of inequitable playing fields for school funding across Wisconsin. While school districts across the state all seek to educate all students to be college and career-ready there are considerable disparities in the level of per student spending. One way to mitigate these inequities is to conduct operational referenda. In fact, over the years, legislators have consistently suggested referenda as a means for budgetary relief if approved by their local constituents. This proposed legislation places an undue burden on school districts that seek to improve programming for students. If the AASD were funded even at the state average spending, the need for operational referenda would have been significantly reduced over the last 24 years.
- The proposed legislation does not allow a district to strategically plan for improvement efforts and sustaining those implemented improvements. In Appleton, we have used operational referenda for the addition of reading teachers, technology coaches for the integrated use of technology in classrooms, instructional material purchases, technology purchases including a replacement cycle, maintenance dollars to sustain our capital improvement plan and the ability to maintain, not necessarily reduce class sizes. These are not short-term needs that go away after a period of time, but rather ongoing initiatives that allow us to educate every child every day with adequate resources to maintain our buildings and furnish technology for our students. If the operational increase needs to be reapproved every five years this places the school district in a position of not being able to sustain important and effective programs for students.
- Operational referenda also frequently fund staff positions to support a particular aspect of the instructional program. Needing to return to referendum every five years to sustain these positions will create uncertainty for staff in these positions and the long term viability of the reform effort by a school district.
- In Appleton, we have had three successful recurring referenda over the past twenty years totaling \$12.5 million. The electorate was clear that the approved revenues would be permanent additions to the district revenue and would allow us to sustain the initiatives that necessarily are clearly articulated in the referendum questions. To retroactively negate the results of these referenda by starting a five year expiration clock would effectively take that vote away from the electorate in the Appleton Area School district and seems blatantly unfair to that electorate.
- The retro-active nature of this legislation will force districts to go back to referendum to re-approve initiatives that have already been approved by voters. Conducting a referendum places a tremendous stress on school district operations both in terms of time needed to run a successful referendum and the potential impact on a district budget if the referendum does not pass. To impose this burden on districts for questions that have already been approved by voters seems unnecessary and would clearly take away from efforts to educate every child every day as we aim to do in Appleton. The Appleton Area School District Board of Education and administration strongly oppose Assembly Bill #268.
- Thank you for your time and attention this morning.