



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on Senate Bills 191 & 195

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.

SB 191

Senate Bill 191 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 SB 191 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.

SB 195

Senate Bill 195 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.

SB 195 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.



JANEL BRANDTJEN

STATE REPRESENTATIVE • 22ND ASSEMBLY DISTRICT

Thank you Chairman Stroebel and the entire Senate Committee on Government Operations, Technology and Consumer Protection for holding a public hearing on SB 195.

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 blue ink that reads "Janel Brandtjen". The signature is fluid and cursive, with a large initial "J" and "B".

State Representative Janel Brandtjen

Senate Committee on Government Operations, Technology and Consumer Protection
 June 15, 2017

Department of Public Instruction
 Testimony in Opposition to Senate Bills 191 and 195

I want to thank Chairman Stroebel and members of the committee for the opportunity to testify before you today. My name is Jeff Pertl, Senior Policy Advisor for the Department of Public Instruction (DPI) and with me today is Erin Fath, Director of Policy and Budget. We are here today to testify in opposition to Senate Bills 191 and 195. As you know, Wisconsin school districts have increasingly turned to referendums as their budgets were squeezed by a combination of revenue caps, declining enrollments, and cuts to state aid in recent years – limiting a school district’s ability to raise resources for their kids.

Background

Student demographics and enrollment have changed significantly in last 15 years. While statewide student enrollment has remained steady, today’s students are significantly more diverse, lower income, and more concentrated in suburban and urban districts.

Geographic Enrollment: Wisconsin has a large number of small, often rural school districts. In fact, **55 percent of districts enroll fewer than 1,000 students.**

In 2001, **one-third of districts** were in **declining enrollment**, but by 2010, nearly **two-thirds of districts** were in **declining enrollment**.

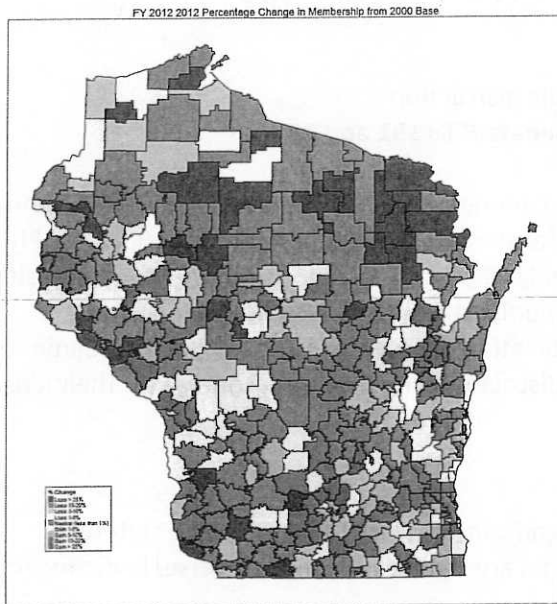
While many districts are declining in enrollment, statewide enrollment has been stable—concentrating enrollment in a smaller number of mostly suburban and urban districts. Today, **75 percent of students** are located in just **30 percent of districts**.

Cumulative Enrollment	Percentile	# of Districts	% of Districts
209,535	25%	8	2%
419,387	50%	41	11%
626,834	75%	114	30%
871,551	100%	424	100%

District Enrollment	% of Districts
Under 1,000	55%
Under 3,000	83%
Under 10,000	98%

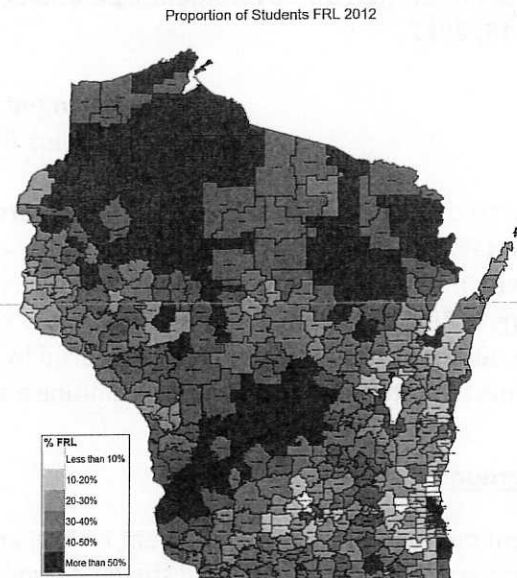
Over the same period, statewide student **eligibility for Free and Reduce Lunch (FRL)** more than **doubled, from 21 percent to 43 percent** (see maps, following page).

Declining enrollment has concentrated students
in fewer districts...



Key Takeaway: Number of districts in declining enrollment doubles (grows from $\frac{1}{3}$ to $\frac{2}{3}$)

and those small, rural districts are facing
growing poverty



Key Takeaway: Percent of FRL students doubles from 21% in 2001 to 43% in 2012

Enrollment by Sector: Wisconsin's educational landscape offers students and families an intricate ecosystem of schools and systems. These myriad options are particularly prevalent in urban and suburban areas and include neighborhood schools, open enrollment between districts, several types of charter schools, as well as parental choice programs for students to attend private schools.

Looking across Wisconsin's enrollment landscape by sector:

- Wisconsin's 2,100 traditional public schools enroll nearly 830,000 students (92 percent), nearly 50,000 of these students open enroll between districts;
- Almost 30,000 students (three percent) enroll in one of the 242 district charter schools;
- About 8,500 students (one percent) enroll in independent charter schools;
- Around 7,000 students (one percent) enroll in one of 30 virtual charter schools; and
- Approximately 30,000 (three percent) students receive a voucher to attend school under a parental choice program.

Referendum Results

Over the last three elections, over one million citizens have voted to raise their own taxes to support their strong schools, teachers, and students.

- Taxpayers have voted in referenda 380 times since July 2011, approving two-thirds of them.
- There has been a shift toward a greater share of operating (non-recurring) referenda.
- The pass rate of referendum has increased significantly.
- 80 percent of referenda are in rural schools.
- There have been almost 2,800 referenda since the 1990s.

1993-2010	Count	Passed	% Passed	Amount Passed	Failed	% Failed	Amount Failed
Debt			54%	\$ 6,783,998,951		46%	\$ 8,041,735,578
	1,607	867			740		
Recurring			34%	\$ 97,530,513		66%	\$ 188,571,518
	414	140			274		
Non-recurring			53%	\$ 648,451,303		47%	\$ 592,588,593
	427	227			200		
Non-recurring Energy Efficiency	60	60	100%	\$ 12,141,137	-	0%	0
Total			52%	\$ 7,542,121,904		48%	\$ 8,822,895,689
	2,508	1,294			1,214		
Total without Energy Efficiency	2,448	1,234	50%	\$ 7,529,980,767	1,214	50%	\$ 8,822,895,689

2011-2016	Count	Passed	% Passed	Amount Passed	Failed	% Failed	Amount Failed
Debt			61%	\$ 2,252,848,881		39%	\$ 1,475,218,000
	249	153			96		
Recurring			64%	\$ 36,621,364		36%	\$ 17,915,000
	47	30			17		
Non-recurring			73%	\$ 676,639,782		27%	\$ 211,034,000
	217	158			59		
Non-recurring Energy Efficiency	322	322	100%	\$ 442,316,855	-	0%	0
Total			79%	\$ 3,408,426,882		21%	\$ 1,704,167,000
	835	663			172		
Total without Energy Efficiency	513	341	66%	\$ 2,966,110,027	172	34%	\$ 1,704,167,000

Analysis of Senate Bill 191

Senate Bill 191 (SB 191) prohibits a school board from voting on a resolution to exceed a school district's revenue limit at a school board meeting that is not a regularly scheduled monthly meeting. The bill also provides that the electors of common and Unified High School (UHS) districts may vote upon an initial resolution to raise money through a bond issue **only** at the school district's annual meeting.

The bill provides one exception to the prohibition – in cases of “natural disaster” – but does not define the term or reference an existing definition in current law. Absent an explicit definition, a school board would have to determine the appropriateness of scheduling a referendum under the natural disaster exception and would have to defend that determination should it be challenged.

Given the restrictions contained in SB 191, school boards would be limited in their ability to address other emergency situations that arise that are not “natural disasters” such as building code violations, water main breaks, and boiler explosions. A school board's ability to address those types of issues in a timely manner ultimately protects the health, welfare, and safety of students.

Analysis of Senate Bill 195

This bill would prohibit Wisconsin voters from being able to vote to permanently increase their property taxes to raise their district state imposed budget cap. SB 195 eliminates recurring operating referendums and limits the duration of successful non-recurring (temporary) operating referendums to five years. It also converts all previously approved permanent operating expense referendums to non-recurring operating referendums with a duration of five years.

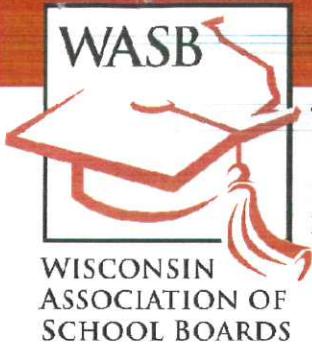
Our state has rural school districts that are relying increasingly on permanent referenda to address financial hardships caused by declining enrollment and state imposed levy limits from 1993. Passing a referendum can be an important tool for rural taxpayers who want to ensure that their school district is able to make investments in students. Since 2012, rural schools have passed referenda that have provided \$11.4 million in increased resources on a permanent basis. Passage of this bill would create a “cliff effect” and could force rural school districts to make deep cuts to academic programming or services that are currently being funded by those extra resources.

Conclusion

Imposing greater restrictions during which districts cannot ask voters to approve new resources would reduce, or at least delay, the number of successful referenda, and reduce resources for students in public schools. While two of the proposals allow narrow exceptions for natural disasters or fire, they limit a school district's ability to address unforeseen circumstances that may arise relating to the health, safety, and welfare of students.

The proposed measures have the potential to harm rural school districts, many of which are struggling to manage the financial effects of declining enrollments. The combination of proposals ignore the fact

that each school district has unique challenges and should have the flexibility to work with their taxpayers to address those, and do what is best for their community. You will hear many testify today in opposition to these provisions which limit local control and the flexibility of school boards. It is the belief of many here that current law already grants taxpayers the ability to balance the power of their local elected school board.



"Leadership in Public School Governance"

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JOHN H. ASHLEY, EXECUTIVE DIRECTOR

TO: Members, Senate Committee on Government Operations, Technology and Consumer Protection
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: June 15, 2017
RE: **OPPOSITION to SENATE BILL 195**, 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** Senate Bill 195.

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.

Senate Bill 195 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 Senate Bill 195. We will research the issues we have raised and provide you with an update as our findings warrant.



Revenue Limit Referendums—A Primer

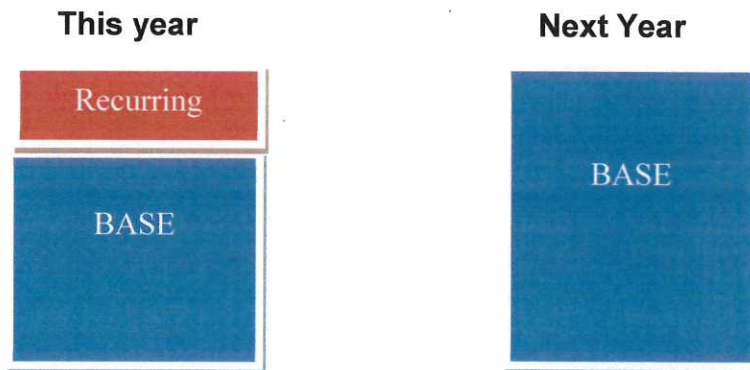
A school board can adopt a resolution to call for a referendum to get school district electors' approval to exceed the revenue limit. It must do so at least 70 days before the election at which the referendum will be on the ballot.

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.

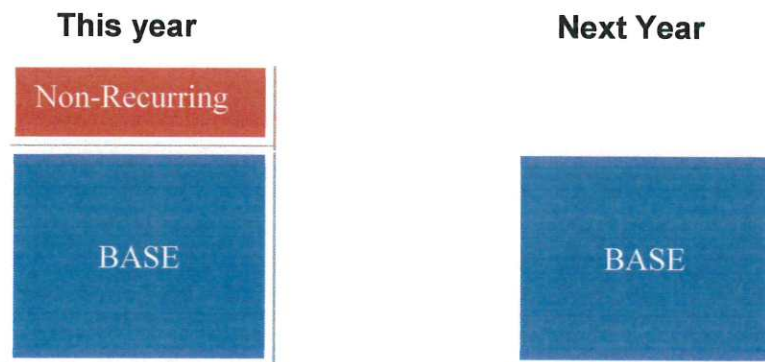
- If a recurring referendum is approved by district electors, the amount stated is added to the district's revenue cap once and then becomes a part of the district's revenue base.
- If a non-recurring referendum is approved by district electors, the amount for each year included in the referendum is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





School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Senate Committee on Government Operations, Technology and Consumer Protection
FROM: John Forester, Executive Director
DATE: June 15, 2017
RE: SB 191 – Relating to resolution to issue bond by high school districts and prohibit voting to exceed the revenue limit of a school district at a special meeting.

The School Administrators Alliance (SAA) opposes Senate Bill 191, relating to the consideration of a resolution to issue bond by common and union high school districts and prohibiting voting on a resolution to exceed the revenue limit of a school district at a special meeting.

As justification for their introduction of the six-bill Referendum Reform Initiative, the authors of several of the bills sought to paint a picture of school referenda and school borrowing run amuck and out of control.

I would like to begin my testimony using a different brush to paint a picture with a much broader perspective than that provided by these authors.

The information I am using to paint that broader perspective comes from a presentation made by representatives of Robert W. Baird & Company earlier this month at the Wisconsin Association of School Business Officials (WASBO) Spring Conference. The actual data used in the Baird presentation is from the Wisconsin Department of Public Instruction (DPI). I have attached six charts to my testimony.

The first chart shows historical annual bond authorizations from 1995-2017 (year-to-date). This chart replicates the inflation-adjusted data the Wisconsin Taxpayers Alliance used in one of their recent publications on school referenda. The biggest takeaway from this chart is the amount authorized in the 8 years from 1995-2002 (\$6.0 billion) is more than the amount authorized in the past 15 years from 2003-2017 (\$5.9 billion). And regarding the spike in 2016, it is important to note that 49% of the amount authorized went to 10 larger school districts.

The second chart highlights the annual bond authorizations and debt levies since 1995. It shows that despite the peaks and valleys in annual bond authorizations, the annual debt levies have been relatively level each of the past 18 years.

The third chart highlights the level of future debt service. It shows that even with the larger 2016 bond authorizations, the future annual referendum debt service (Fund 39) is showing a significant

drop in payments going forward. This is to be expected as we approach the end of the 20-year payment periods for debt authorized in the last major facility funding cycle from 1995-2000. Clearly, this is one big reason many school districts have been evaluating long-range facility needs in recent years. Other reasons include low interest rates, construction cost inflation, deferred capital investment post-Act 10 and the impact of the 2008-09 economic downturn.

In contrast to a school debt referendum picture with an endless runaway upward trend line, these charts illustrate a process that when viewed over a 20+ year time period is very cyclical in nature. It also appears to be a process that has been carefully managed over that time period as well.

The next three pages in the packet provide a breakdown of Wisconsin school district referendum history from 2000 to 2017 year-to-date. It shows the number of each question type (debt issue, nonrecurring operational and recurring operational) and pass/fail rates for each election date. Some important takeaways from this chart relate to special elections. Over the past 10 years (2008-2017), there have only been 90 referendum questions decided on a special election date. In the previous 8-year period (2000-2007), there were 264 referendum questions decided on a special election date. From what I understand, the late 1990s saw even heavier use of special election dates.

Why the major change in the usage of special election dates? A couple of reasons come readily to mind. First, as the fiscal situation tightened under revenue caps, paying the costs of a special election became prohibitive for more and more school districts. Second, recent data is pretty clear that referendum pass percentage rates are higher in higher turnout elections.

The final attachment to my testimony highlights the total number of operational referendums from 1995-2017. The takeaways from operational referendums decided in this period include:

- 336 districts statewide have needed to seek additional funding via operational referendum. 254 have been successful.
- 418 of 689 nonrecurring operational questions were approved by voters (61%)
- 189 of 489 recurring operational questions were approved by voters (39%)

Despite the time and energy spent to inform the public and place 1,178 operational referendum questions on the ballot since 1995, there are only about \$300 million worth of authorizations that were active in 2016-17. This act of local control represents only about 3% of the total statewide revenue limit authority including all exemptions.

In anticipation of this hearing, I sought input on SB 191 from a cross-section of SAA members with an emphasis on school superintendents and school business officials. I also discussed the bill with one of the finest school attorneys in the state. In general, we found the bill, as drafted, confusing. We are also left asking a couple of questions. What problem is the bill intended to solve? Is the bill drafted accurately to address that objective? We have the following concerns:

- It appears that the authors intended to require that the adopting of an initial resolution to raise money through a bond issue by common and union high school districts must be made

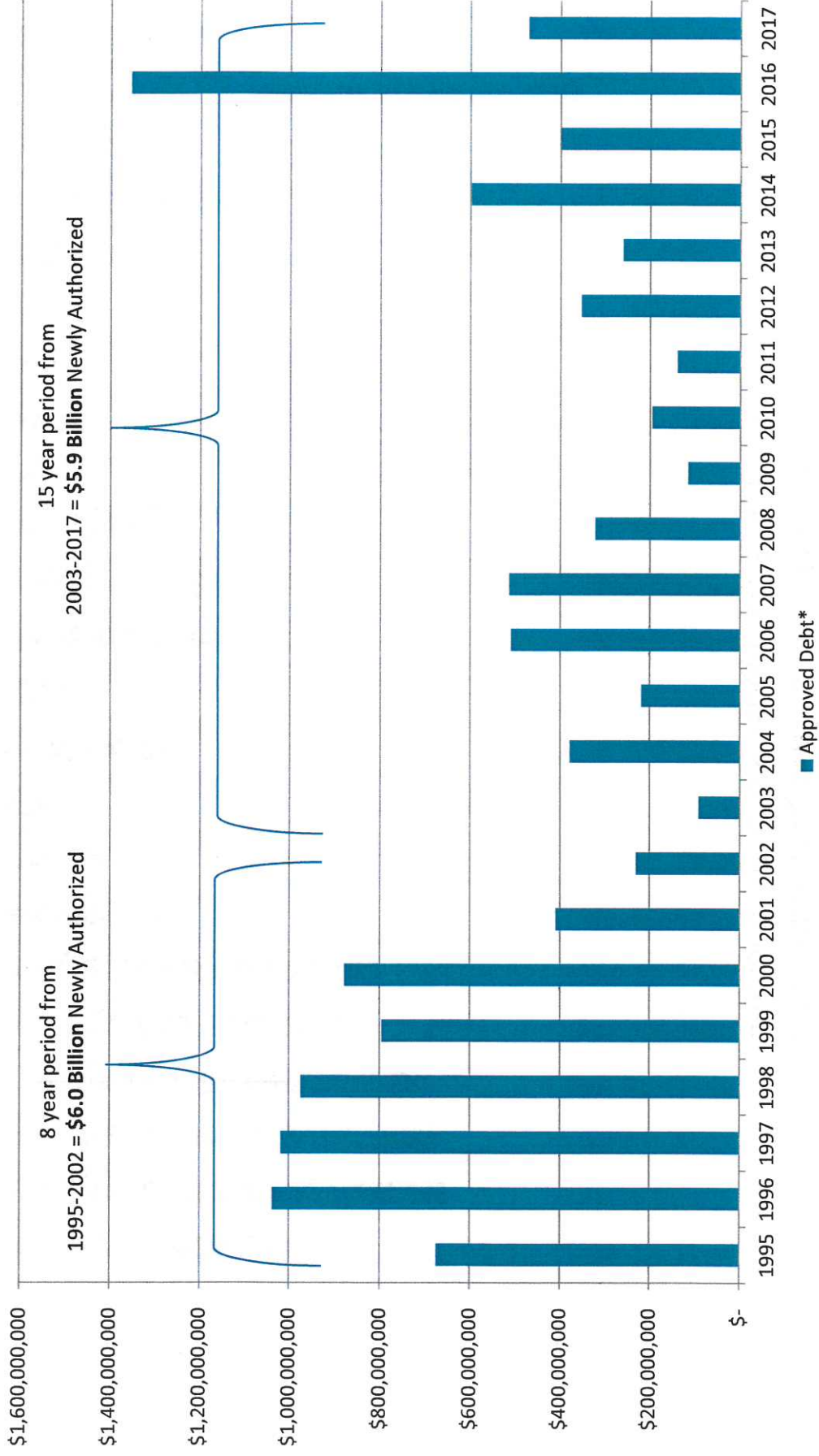
at the district's annual meeting. Yet the bill, as drafted, does not remove or change the authority of the school boards in these school districts to adopt such an initial resolution. It isn't clear why we would view this proposed change as a wise amendment to state law. Under current law, elected officials decide whether to pass an initial resolution and are held accountable to the electorate for deciding to do so. But the proposed change leaves a situation where a bond resolution can start a referendum process any time an annual meeting chooses to, in circumstances where the overwhelming majority of annual meetings are not well attended and likely are not as representative of the electorate as the elected board of education.

- The bill, as drafted, would limit a unified school district board to adopt an initial resolution to raise money through a bond issue at a school board meeting during a very narrow window – between the third Monday in July and the third Monday in August.
- As drafted, SB 191 would prohibit the electors of a common school district or union high school district from voting on a resolution to exceed the revenue limit at a **special district meeting**. We wonder if the authors intended instead to prohibit such a school board from voting on such a resolution at a **special board meeting**. But, this assumption also appears a bit confusing. Why? School board “regular” and “special” meetings are noticed to the public in essentially the same manner. Once the news media finds out that the school board is holding a special meeting to consider an initial resolution to exceed the revenue limit, it seems reasonable to assume that that meeting would draw greater public attention than a regular meeting.
- The legislation tries to account for situations where a natural disaster causes a school district's costs to increase by stating that such a district can have a special meeting authorize a resolution within 6 months of the natural disaster. However, the school board would not be able to do it. A natural disaster would ordinarily seem to be the very circumstance where empowering governing bodies that can take more immediate action would seem the best course of action. Instead, under the legislation only a special meeting would be able to respond to a natural disaster if raising money through bonding is required.

The confusion regarding the bill drafting aside, we simply believe the intent of the bill is an unwarranted intrusion into the affairs of the local school district and a micromanagement of the authority of the local school board.

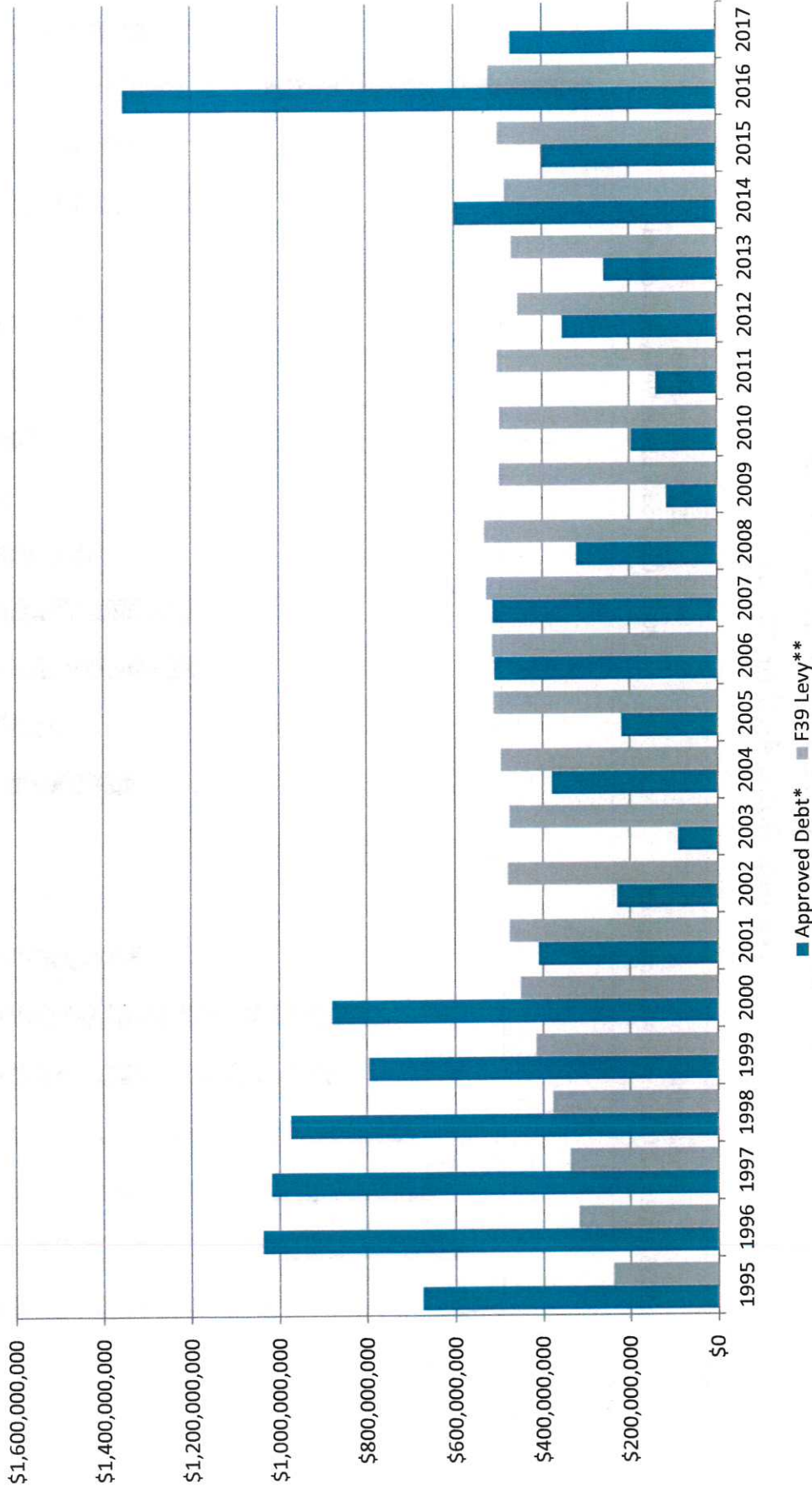
Thank you for your consideration of our views. If you should have any questions on our position on SB 191, please call me at 608-242-1370.

Wisconsin School District Referendum Approved Debt Since 1995 Annual Bond Authorizations



* Approved amounts have been adjusted for inflation using Consumer Price Index Data (CPI) and have been modified to reflect the fiscal year
Source: Department of Public Instruction

Wisconsin School District Referendum Approved Debt Since 1995 Annual Bond Authorizations and Debt Levies

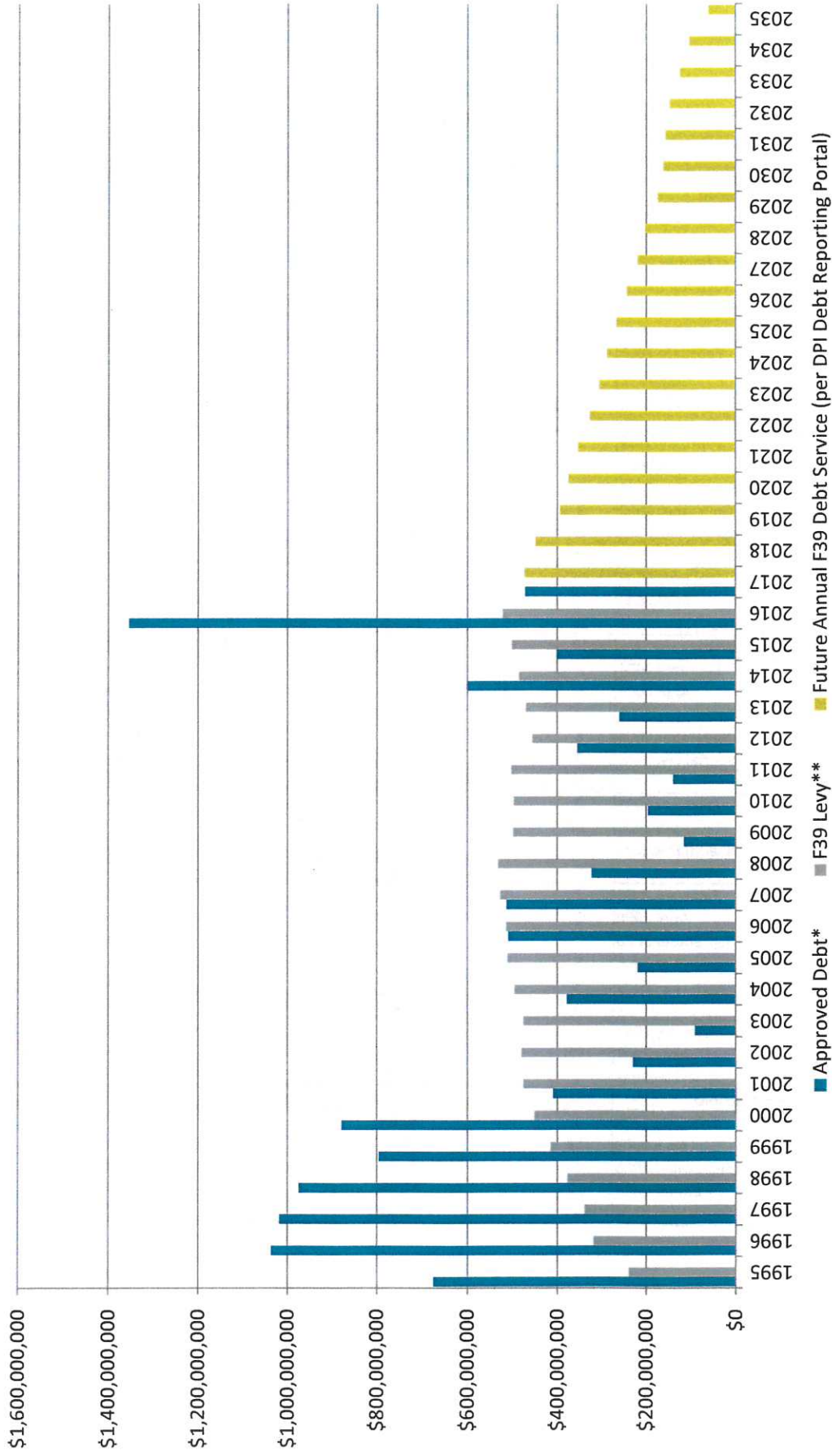


* Approved amounts have been adjusted for inflation using Consumer Price Index Data (CPI) and have been modified to reflect the fiscal year

**Levy reflects fall of each year, payments due following year

Source: Department of Public Instruction

Wisconsin School District Referendum Approved Debt Since 1995 Annual Bond Authorizations, Debt Levies and Future Debt Service



* Approved amounts have been adjusted for inflation using Consumer Price Index Data (CPI) and have been modified to reflect the fiscal year

** Levy reflects fall of each year, payments due following year

Source: Department of Public Instruction

Wisconsin School District Referendum History Breakdown by Election Date 2000 through 2017

Year	Date	Issue Debt			Nonrecurring			Recurring		
		Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
2000	(Presidential Election)	45	67	59.8%	16	17	51.5%	23	26	53.1%
	February 2000	2	5	71.4%	0	0	0.0%	0	1	100.0%
	April 2000	11	16	59.3%	7	6	46.2%	8	10	55.6%
	September 2000	8	5	38.5%	1	4	80.0%	4	3	42.9%
	November 2000	6	27	81.8%	4	7	63.6%	4	5	55.6%
	Special Elections	18	14	43.8%	4	0	0.0%	7	7	50.0%
2001		49	35	41.7%	13	16	55.2%	33	20	37.7%
	February 2001	14	6	30.0%	1	3	75.0%	4	2	33.3%
	April 2001	16	12	42.9%	8	8	50.0%	10	9	47.4%
	Special Elections	19	17	47.2%	4	5	55.6%	19	9	32.1%
2002		35	24	40.7%	13	11	45.8%	18	2	10.0%
	February 2002	1	4	80.0%	0	0	0.0%	0	0	0.0%
	April 2002	17	11	39.3%	7	4	36.4%	12	1	7.7%
	September 2002	2	1	33.3%	2	2	50.0%	1	0	0.0%
	November 2002	9	7	43.8%	3	3	50.0%	3	0	0.0%
	Special Elections	6	1	14.3%	1	2	66.7%	2	1	33.3%
2003		44	13	22.8%	13	8	38.1%	24	5	17.2%
	February 2003	11	3	21.4%	1	1	50.0%	8	0	0.0%
	April 2003	17	5	22.7%	8	3	27.3%	11	0	0.0%
	Special Elections	16	5	23.8%	4	4	50.0%	5	5	50.0%
2004	(Presidential Election)	17	32	65.3%	9	16	64.0%	13	10	43.5%
	February 2004	2	10	83.3%	1	1	50.0%	3	2	40.0%
	April 2004	5	8	61.5%	4	7	63.6%	2	5	71.4%
	September 2004	2	4	66.7%	1	1	50.0%	0	0	0.0%
	November 2004	8	10	55.6%	1	4	80.0%	3	1	25.0%
	Special Elections	0	0	0.0%	2	3	60.0%	5	2	28.6%
2005		25	17	40.5%	14	16	53.3%	13	10	43.5%
	February 2005	2	7	77.8%	3	1	25.0%	2	6	75.0%
	April 2005	14	3	17.6%	9	7	43.8%	6	2	25.0%
	Special Elections	9	7	43.8%	2	8	80.0%	5	2	28.6%
2006		22	40	64.5%	22	32	59.3%	11	10	47.6%
	February 2006	2	5	71.4%	2	5	71.4%	1	1	50.0%
	April 2006	9	9	50.0%	13	12	48.0%	4	5	55.6%
	September 2006	3	4	57.1%	3	1	25.0%	1	1	50.0%
	November 2006	5	19	79.2%	3	8	72.7%	4	2	33.3%
	Special Elections	3	3	50.0%	1	6	85.7%	1	1	50.0%
2007		25	31	55.4%	18	22	55.0%	14	9	39.1%
	February 2007	1	8	88.9%	3	3	50.0%	1	2	66.7%
	April 2007	17	16	48.5%	10	14	58.3%	10	5	33.3%
	Special Elections	7	7	50.0%	5	5	50.0%	3	2	40.0%
2008	(Presidential Election)	27	30	52.6%	23	32	58.2%	19	10	34.5%
	February 2008	1	3	75.0%	4	2	33.3%	3	1	25.0%
	April 2008	13	15	53.6%	9	14	60.9%	9	1	10.0%
	September 2008	1	3	75.0%	1	5	83.3%	2	0	0.0%
	November 2008	10	8	44.4%	7	7	50.0%	3	8	72.7%
	Special Elections	2	1	33.3%	2	4	66.7%	2	0	0.0%

Wisconsin School District Referendum History
Breakdown by Election Date
2000 through 2017

Year	Date	Issue Debt			Nonrecurring			Recurring		
		Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
2009		14	13	48.1%	17	19	52.8%	10	3	23.1%
	February 2009	2	0	0.0%	5	0	0.0%	2	0	0.0%
	April 2009	5	7	58.3%	10	14	58.3%	7	2	22.2%
	Special Elections	7	6	46.2%	2	5	71.4%	1	1	50.0%
2010		16	26	61.9%	18	19	51.4%	8	2	20.0%
	February 2010	0	4	100.0%	1	4	80.0%	1	0	0.0%
	April 2010	8	14	63.6%	10	10	50.0%	6	0	0.0%
	September 2010	2	1	33.3%	3	1	25.0%	0	1	100.0%
	November 2010	6	7	53.8%	3	3	50.0%	1	1	50.0%
	Special Elections	0	0	0.0%	1	1	50.0%	0	0	0.0%
2011		20	13	39.4%	10	22	68.8%	1	4	80.0%
	February 2011	0	0	0.0%	3	4	57.1%	0	1	100.0%
	April 2011	11	6	35.3%	6	12	66.7%	1	1	50.0%
	Special Elections	9	7	43.8%	1	6	85.7%	0	2	100.0%
2012	(Presidential Election)	11	29	72.5%	10	19	65.5%	3	4	57.1%
	February 2012	1	0	0.0%	0	1	100.0%	2	0	0.0%
	April 2012	3	10	76.9%	5	10	66.7%	0	1	100.0%
	August 2012	0	0	0.0%	2	1	33.3%	0	0	0.0%
	November 2012	7	17	70.8%	3	7	70.0%	1	3	75.0%
	Special Elections	0	2	100.0%	0	0	0.0%	0	0	0.0%
2013		16	19	54.3%	11	21	65.6%	3	1	25.0%
	February 2013	1	1	50.0%	0	5	100.0%	0	1	100.0%
	April 2013	13	12	48.0%	8	15	65.2%	3	0	0.0%
	Special Elections	2	6	75.0%	3	1	25.0%	0	0	0.0%
2014		18	33	64.7%	15	39	72.2%	7	8	53.3%
	February 2014	1	3	75.0%	2	4	66.7%	0	3	100.0%
	April 2014	5	12	70.6%	8	15	65.2%	2	1	33.3%
	August 2014	1	2	66.7%	1	3	75.0%	0	0	0.0%
	November 2014	9	15	62.5%	4	16	80.0%	5	4	44.4%
	Special Elections	2	1	33.3%	0	1	100.0%	0	0	0.0%
2015		19	27	58.7%	9	31	77.5%	0	4	100.0%
	February 2015	0	1	100.0%	0	3	100.0%	0	0	0.0%
	April 2015	16	23	59.0%	9	25	73.5%	0	2	100.0%
	Special Elections	3	3	50.0%	0	3	100.0%	0	2	100.0%
2016	(Presidential Election)	18	64	78.0%	9	38	80.9%	5	20	80.0%
	February 2016	0	4	100.0%	2	6	75.0%	1	0	0.0%
	April 2016	10	26	72.2%	3	20	87.0%	3	9	75.0%
	August 2016	0	0	0.0%	1	1	50.0%	0	0	0.0%
	November 2016	8	34	81.0%	3	11	78.6%	1	10	90.9%
	Special Elections	0	0	0.0%	0	0	0.0%	0	1	100.0%
2017		15	17	53.1%	6	18	75.0%	6	8	57.1%
	February 2017	2	1	33.3%	0	0	0.0%	0	2	100.0%
	April 2017	13	16	55.2%	6	18	75.0%	6	6	50.0%
	Special Elections	0	0	0.0%	0	0	0.0%	0	0	0.0%
TOTAL (2000-2017)		421	513		240	378		205	148	

Wisconsin School District Referendum History Breakdown by Election Date 2000 through 2017

Summary

Election Month	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
February	43	65	60.2%	28	43	60.6%	28	22	44.0%
April	203	221	52.1%	140	214	60.5%	100	60	37.5%
August/September	19	20	51.3%	15	19	55.9%	8	5	38.5%
November	68	144	67.9%	31	66	68.0%	25	34	57.6%
Special	103	80	43.7%	32	54	62.8%	50	35	41.2%
Total	436	530	54.9%	246	396	61.7%	211	156	42.5%

Election Year	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
Presidential Election									
2000	45	67	59.8%	16	17	51.5%	23	26	53.1%
2004	17	32	65.3%	9	16	64.0%	13	10	43.5%
2008	27	30	52.6%	23	32	58.2%	19	10	34.5%
2012	11	29	72.5%	10	19	65.5%	3	4	57.1%
2016	18	64	78.0%	9	38	80.9%	5	20	80.0%
Total	118	222	65.3%	67	122	64.6%	63	70	52.6%
Non-Presidential Election									
2001	49	35	41.7%	13	16	55.2%	33	20	37.7%
2002	35	24	40.7%	13	11	45.8%	18	2	10.0%
2003	44	13	22.8%	13	8	38.1%	24	5	17.2%
2005	25	17	40.5%	14	16	53.3%	13	10	43.5%
2006	22	40	64.5%	22	32	59.3%	11	10	47.6%
2007	25	31	55.4%	18	22	55.0%	14	9	39.1%
2009	14	13	48.1%	17	19	52.8%	10	3	23.1%
2010	16	26	61.9%	18	19	51.4%	8	2	20.0%
2011	20	13	39.4%	10	22	68.8%	1	4	80.0%
2013	16	19	54.3%	11	21	65.6%	3	1	25.0%
2014	18	33	64.7%	15	39	72.2%	7	8	53.3%
2015	19	27	58.7%	9	31	77.5%	0	4	100.0%
2017	15	17	53.1%	6	18	75.0%	6	8	57.1%
Total	318	308	49.2%	179	274	60.5%	148	86	36.8%

Please note that the Election Month Summary includes all 2017 Results.

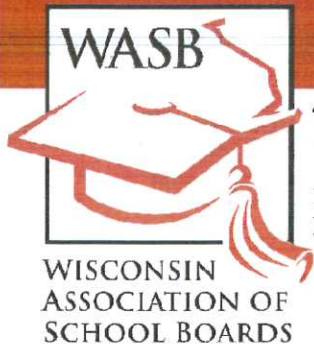
Operational Referendum Trend

Non –Recurring Operational Referendum History

- Since 1995,
 - 418/689 (61%) **NR Referendum Questions** have passed totaling \$1,705,601,847
 - 178/233 (76%) **Districts** have successfully passed NR Ref Questions.
 - The 102 Districts that went for more than one NR Question over this time were only counted once
- In 2016-17,
 - 106 Districts have active authorizations
 - **Totaling \$120 million**

Recurring Operational Referendum History

- Since 1995,
 - 189/489 (39%) **RR Referendum Questions** have passed totaling \$183,257,624
 - 131/236 (56%) **Districts** have successfully passed RR Ref Questions.
 - The 35 Districts that went for more than one RR Question over this time were only counted once
 - 55 of the 131 Districts also received approval for a Non-Recurring Question



"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, Senate Committee on Government Operations, Technology and Consumer Protection
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: June 15, 2017
RE: **OPPOSITION to SENATE BILL 191**, relating to restricting consideration of resolutions to issue bonds by common and union high school districts and prohibiting voting on a resolution to exceed the revenue limit of a school district at a special meeting.

The Wisconsin Association of School Boards (WASB), on behalf of all 422 public school boards in the state of Wisconsin, **has strong concerns about** Senate Bill 191.

First some background. There are two types of school district referendums in Wisconsin: 1) Bonding – asking authority to borrow for capital projects; and 2) Operational – asking to exceed the revenue limits to pay for school district operations. There are also four types of school districts in Wisconsin: common (*most fall under this category*); union high school (*these 10 districts operate a high school with separate K-8 feeder districts and are most common in SE Wisconsin*) and unified (46). Milwaukee is a First Class City district, its own unique classification. Common school districts and union high school districts have an annual meeting at which district electors have certain powers. District electors may attend, speak and vote on certain matters, including voting to approve the tax levy, at this meeting. Unified districts do not have annual meetings and the school board, which is directly responsible to the electors, has the powers and duties of the annual meeting in common and union districts. The powers of the annual meeting are unified in these boards, hence the name.

Our attorneys raised several issues with the drafting of the bill:

- Section 3 of the bill appears to be drafted in a way that limits unified districts to a one-month window in July and August for approving an initial resolution to begin the bonding referendum process but imposes no similar limit on common or union high school district school boards. It does, however, limit the electors of a common or union school district from directly initiating a bonding referendum, outside of the annual meeting. We are not aware of a referendum ever being directly initiated by the electors.
- The added text in Section 5 appears to prohibit the electors of common or union high school districts from voting at a special district meeting on an operational referendum. This provision is odd since electors at an annual meeting have no statutory authority to initiate operational referenda. That authority is given to school boards.

Drafting issues aside, we do not support this bill either as drafted or as intended on policy grounds. Senate Bill 191 is an attempt by lawmakers' to "micromanage" school districts and school boards. The bill infringes on local control by attempting to dictate to locally elected school board members when they may discuss and vote on issues that are the integral to the core duties of school board members, the "care, control and management of the property and affairs of the school district." It tries to stack the deck and make the referendum process more difficult for school districts by limiting when referendum resolutions may be voted on.

The logic of restricting special board meetings on school district referenda is puzzling. Special meetings are subject to the same open meetings notification requirements as regular meetings. They can better highlight a referendum question when that is the only item on the agenda of a special meeting as opposed to being one item amid a host of regular school district business items at a regular meeting.

The 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.

For these reasons, today we must state our opposition to Senate Bill 191.



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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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.

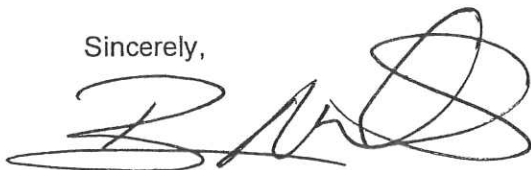
The same can be true for the issuance of a bond, even more so. We began the process of addressing our aging high school facility in January of 2015, two and one-half years ago. We began by posting RFP's to interview, and ultimately select an architect and construction manager...this alone was a four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

SCHOOL DISTRICT OF BARABOO

423 Linn Street
Baraboo, WI 53913
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To: Senate Committee on Government Operations,
Technology and Consumer Protection

June 15, 2017

From: Doug Mering Baraboo School Board Member

Subject: Referendum Bills SB191 and SB195 Against

Thank you Chairman Stroebel and members of the Senate Committee on Government Operations, Technology and Consumer Protection

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 Senate should not legislate against local control and hope that you vote against SB-191 and SB195;

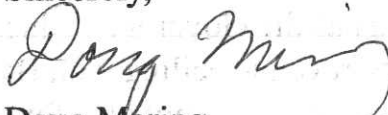
SB191- In the interest of transparency we hold our annual meeting after the third Friday count in September. Because of this additional bureaucratic interference of SB191 it would greatly complicate a referendum process when the referendum elections are held in November or April. In the case of a November 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 what 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 SB195 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, I want to note as school board members if we are irresponsible with how we manage referendums 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, neither 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 Senate Committee on Government Operations, Technology and Consumer Protection should vote down these two referendum bills.

Sincerely,



Doug Mering

Vice President

Baraboo School Board

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Treasurer, Jerry Walters CESA11
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June 15, 2017

Members of the Senate Committee on Government Operations, Technology and Consumer Protection:

Thank you for allowing me to testify on SB 191 and 195. 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 SB 191 and 195. 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 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 initial referendum resolutions 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?

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 SB 191 and 195. Thank you for listening.

Thank you,

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