



"Leadership in Public School Governance"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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