



Wednesday, March 29, 2017

REFERENDUM BILLS CIRCULATED

Legislators are circulating six bills to reform school referendum. Stroebel said he is frustrated with the current system which seems to encourage and reward schools for passing referenda. Stroebel emphasized that construction companies are being paid to consult and he believes pushing schools to build. Stroebel said, "I believe there is more harm being done to our tax climate via school referendum than anyone realizes."

The Wheeler Report reported last week on the 65 referenda which are on the ballot for April 4. Stroebel said if everything passed Wisconsin property taxes would be \$63 million higher next year just from the operating referenda, and over \$2 billion in school debt would have been approved in a thirteen-month period. Stroebel said at a time when Republicans are arguing over the appropriate amount of borrowing for Wisconsin's transportation, the referenda are four times higher than the transportation discussion. Stroebel highlighted that Gov. Walker has proposed adding funds to school aids, and the legislature must reform how schools are using referenda. "I am tired of being a high tax state, and I'm especially tired of pushing for lower taxes and limited spending only to have the efforts undone in school referenda."

The bills being introduced are:

- [LRB-0871](#). (Stroebel/Murphy) Provides that the electors of common and union high school districts may vote upon an initial resolution to raise money through a bond issue only at the school district's annual meeting. Prohibits a common and union high school district from voting on a resolution to exceed a revenue limit for a school district at a special meeting.
- [LRB-0811](#). (Stroebel/Schraa) Requires that school referendum be scheduled for the spring election or the fall general election (First Tuesday in April, or the first Tuesday following the first Monday in November).
- [LRB-0470](#). (Stroebel/Brandtjen) Limits the number of years a school board may seek approval for a revenue increase to five years.
- [LRB-0829](#). (Stroebel/Weatherston) Creates a general school aid penalty of 20% for increasing a school district's revenue limit by referendum, and allows a school board to rescind revenue limit increases approved by referendum.
- [LRB-0868](#). (Stroebel/Sanfelippo) Requires DPI to provide matching funds for deposits that a school board makes a long-term capital improvement trust fund.
- [LRB-2629](#). (Kapenga/Macco) Requires a school board to include the total amount of debt to be issued, the total amount of interest and related debt service costs to be incurred, the sum of the principal, interest and related debt service costs in a resolution adopted by the board.

The co-sponsorship memo for LRB-0829 says, "Current law provides local control for school districts to go to referendum to override revenue limits designed to keep our historically high property taxes in check. As state resources are always scarce, communities that have the means and desire to pay higher property taxes for schools do not need the same proportion of state aid as districts unable or unwilling to do likewise." If a school district passes an operating referendum to exceed revenue limits, after the passage of the bill, the district would have its equalized aid reduced by 20% of the total amount approved in the referendum. The change is to state aid and not revenue limits, so the school district would be able to spend the amount approved by voters. The memo says the total allocation of equalized aid is not altered by the bill, the bill changes how the aid is allocated among districts. The bill requires that the operating referendum question must state the amount of state aid the district would lose if the referendum was approved. The bill does not apply to issue debt referendum used for capital projects like buildings or renovations. The bill also allows a school board to rescind, at any time by resolution, its authority to exceed state revenue limits and return to receiving the full amount of state aid it would have received had it not passed the referendum.

Bill, LRB-0868, addresses Fund 46 which are long-term trust funds established for capital improvement planning. Current law allows a school district to set aside money in a Fund 46 to be used for capital improvements if the district has an approved capital improvements plan. The money placed in the fund may only be used for capital improvements. This bill would require DPI to provide a 50% match contribution to a school district's Fund 46 based on the previous year's contribution to that fund by the district. If the school district decides to go to referendum to increase its levy limit or borrow money for a capital expenditure before the funds are spent the district must pay back the 50% match contribution. If the district does not pay back the match, DPI may reduce state aid payments to the district until the balance is repaid.