



JERRY PETROWSKI

WISCONSIN STATE SENATOR

Testimony on Assembly Bill 382

September 25, 2013

Good morning Mr. Chairman and committee members, thank you for this opportunity to discuss Assembly Bill 382. I would like to thank Chairman Kestell for adding the bill to today's hearing as this is a very time sensitive issue.

We introduced this bill to correct what we believe was an unintended consequence of language included in the state budget to address abuses by certain school districts of the community service levy, often referred to as the "Fund 80" levy.

I do not dispute that there are some districts which may have been excessive or abusive in the way they have used their Fund 80 levy, but I do not want to see districts who have been handling their levy responsibly be punished for the actions of others. I support the reporting requirements included in the budget and believe we will all get a clearer picture of what has been done by districts around the state. Further, I expect to support future legislation to more clearly define the allowable uses of the Fund 80 levy once we are able to review the data the budget requires school districts to report.

That said, in order to prevent districts who have acted in a fiscally responsible manner from being adversely impacted in the short term Assembly Bill 382 will make two adjustments to the limits placed on Fund 80 levies for the coming year.

First, the budget as passed capped the Fund 80 levy for any district at the amount they levied in 2012. Some districts, including Mosinee in my area, had general funds available from their regular levy, and decided to lower their Fund 80 levy on a one time basis. The budget provision would essentially punish these districts for being fiscally conservative by limiting them to this lower amount. The bill would set the cap at the higher of the district's 2011 or 2012 levy to allow districts which lowered their levy on a one time basis to return to their former level.

Second, prior to passage of the budget some school boards had voted on plans for their Fund 80 levy. Passage of the budget language then effectively retroactively changed these plans. The second provision of the bill would allow a district whose school board voted on a Fund 80 plan prior to the budget taking effect to set their levy at the level included in the plan.

I have distributed two simple amendments I would like to see added to the bill to avoid possible concerns for some members. One would limit the size of the levy the bill would apply to only those districts whose total fund 80 levy is under one million dollars. I would ask that you

29TH SENATE DISTRICT

consider adding this change due to the fact that it is largely districts with very high levies that generated the concern the budget provision was intended to address.

The other would change the date by which a district would have had to pass a plan for their fund 80 levy from July first this year to June first. The July date was included as that is when the budget took effect. The June date reflects the inclusion of the provision by the Joint Finance Committee.

Finally, I want to make sure the committee is aware of the time sensitive nature of this bill. DPI will be certifying local districts aid amounts in mid-October and districts must certify their levy shortly thereafter. To function as intended this bill needs to be on the Governor's desk on or around October 15th.

Thank you for your time and I would be happy to answer any questions.



School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Assembly Committee on Education
FROM: John Forester, Director of Government Relations
DATE: September 25, 2013
RE: Assembly Bill 382 – Community Services Levy

The School Administrators Alliance (SAA) strongly supports Assembly Bill 382, relating to the school district levy for community programs and services (often referred to as Fund 80 levy). I would also like to thank Senator Petrowski and Representative Spiros for bringing this bill forward and for allowing the SAA to participate in the bill development process.

The 2013-15 state budget limited the amount a school district may levy for community programs and services in 2013 and 2014 to the amount it levied in the most recent year prior to 2013 in which it levied for community services and programs.

Subsequent to the adoption of these budget provisions, we received calls from numerous school districts highlighting two problems with the budget limits that we believe may have been unintentional.

First, the budget language clearly accounts for those school districts that did not, on a one-time basis, levy for community programs and services in 2012 by allowing these districts to go back to the most recent year prior to 2013 in which it had levied for community programs and services to establish its levy limit. The budget language however, made no such exception for those districts that lowered their Fund 80 levy on a one time basis in 2012. We believe that the budget language effectively punishes those districts for being fiscally conservative and sensitive to their taxpayers.

Second, prior to state budget action on the Fund 80 levy, some school boards had voted to approve an increase in their Fund 80 levy to meet local needs. Subsequent budget action then effectively changed these plans retroactively.

AB 382 makes exceptions to the Fund 80 levy limits to account for these two issues.

Finally, I would like to highlight the time sensitive nature of this bill. In order for the bill to solve these two problems as intended for 2013, it must be signed by the Governor in mid-October. DPI will certify school district state aid amounts on October 15th and districts must certify their levies in early November.

Thank you for your consideration of our position on AB 382.

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School Administrators

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