



## **School Administrators Alliance**

*Representing the Interests of Wisconsin School Children*

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**TO:** Assembly Committee on Education  
**FROM:** John Forester, Executive Director  
**DATE:** December 19, 2019  
**RE:** AB 553 – School District Revenue Limit Adjustment for Energy Efficiency Projects

The School Administrators Alliance (SAA) supports Assembly Bill 553, relating to the school district revenue limit adjustment for energy efficiency projects. We greatly appreciate this opportunity to share the following thoughts regarding the bill.

The SAA believes AB 553, if passed, will allow school districts to undertake deferred projects to reduce energy consumption, upgrade critical energy systems and improve the learning environment for students. We also believe that the contracting, performance and accountability requirements currently in statute and administrative rule, along with the new requirements in this bill, provide significant transparency for district taxpayers to judge the appropriateness of the energy efficiency expenditures. AB 553 is also likely to reduce the need for referendums in some districts.

In anticipation of this hearing, I sought input from a broad cross-section of SAA members. I'd like to focus my testimony on the comments I received from four school districts.

### **School District of Janesville**

The School District of Janesville has 19 facilities. The buildings range in age from 21-140 years old. Of these 19 buildings, 16 range in age from 49-91 years old. All buildings were constructed to have more than 100-year life expectancies. All buildings can be expected to serve the next generation of students if they are properly maintained. The district has historically spent \$2-3 million annually to maintain facilities.

In the spring of 2017, a consultant conducted a comprehensive assessment of district facilities to detail maintenance needs of district buildings. Currently, recommended maintenance work still in need of completion, along with the consultant's priority classification, includes:

- Danger – None
- Alarm – \$27.4 million
- Alert – \$50.4 million
- Caution – \$41.3 million
- Acceptable – \$1.2 million

In the summer of 2018, the energy efficiency exemption was used for a \$13.5 million project, largely to perform comprehensive energy updates at Edison Middle School, along with less comprehensive updates at several other buildings. During the 2018-19 school year, electricity usage fell by 26% at Edison Middle School and natural gas usage dropped by 14% compared to the prior year, while the learning and teaching environment for students and staff was dramatically improved with better lighting and more comfortable room temperatures.

The School District of Janesville has per pupil spending below the state average and was locked in as a low revenue district when revenue limits went into place in 1993. The district is also a declining enrollment district. Therefore, even with recent state funding increases, the district continues to have decreasing revenue authority annually. Unfortunately, this results in high-level unmet needs being pitted against each other (i.e., instructional materials vs. building maintenance) in the annual budget decision-making process.

The district believes the passage of AB 553 would provide an effective solution to maintaining their buildings as much of the work yet to be completed are energy efficiency projects, such as replacing old windows, old lighting, old water heaters, old boilers, etc.

### **Oak Creek-Franklin School District**

Oak Creek High School, a school of about 2,100 students, operates from 6:00am to 10:00pm, six days a week. That is 96 hours a week. District middle schools are not far behind that level of usage; and the elementary schools are not too far behind the middle schools. That means that boilers, air exchangers, water heaters and pumps, variable speed drives, lights and many other energy systems, machines and devices are being run for long periods of time and, of course, are critical to the operation of the learning environment for children.

Unfortunately for Oak Creek-Franklin, and many other districts in the state of Wisconsin, paying for large-cost projects that can reduce district energy usage from the district operating budget is not a feasible option unless the district is willing to push elementary class sizes above 24, middle and high school class sizes above 28, forego curriculum or technology updates, freeze staff compensation, or cut any number of other normal district operating costs.

The ability to utilize a revenue limit exemption to fund large projects allows school districts to focus on the long-term efficiency of district facilities, provide a higher quality learning environment (by improving air quality, lighting, temperature and humidity) and to increase the life of existing buildings through proactive measures.

### **Clinton Community School District**

The Clinton Community School District provides a classic example of how effective the energy efficiency exemption can be for a school district. Two years ago, the district completed an LED lighting project for slightly more than \$600,000. Since then, the district has witnessed a 66% savings from those lighting units. The district has been fiscally responsible over the years. They no longer carry any debt. Two of the district's three buildings were built in the 1950s and have serious deficiencies, while the 20-year-old high school has the typical capital maintenance needs of a twenty-year-old building.

This past April, district voters rejected a \$42 million bond referendum for one new school and critical capital maintenance needs for the high school. The ability to utilize a revenue cap exemption for needed energy upgrades will improve the district's energy efficiency, the learning and teaching environment for students and staff and will reduce the amount needed for a future referendum attempt.

### **Green Bay Area Public Schools**

The school district has used the revenue limit adjustment for energy efficiency projects several times in the past to replace inefficient and outdated heating and air conditioning equipment, windows in poor condition and poor lighting. These projects could not be completed within the regular operating budget. These projects not only reduced energy usage significantly, they also improved the learning environment in schools by providing better heating and cooling comfort and improved lighting. GBAPS has 40 buildings. There is still a large amount of HVAC equipment, windows and lighting that need upgrading. It simply cannot be accomplished within the existing operating budget. Much of this equipment is long past its designed life.

Thank you for your consideration of our views. If you should have any questions on our thoughts on AB 553, please call me at 608-242-1370.