

Incentivizing Broadband Projects: *Board of Commissioners of Public Lands*



Extension
UNIVERSITY OF WISCONSIN-MADISON

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By the end of this webinar

- Understand how to apply for the Board of Commissioners of Public Lands (BCPL) state loan program
- Learn how one community has applied the program to their broadband needs
- Understand how the BCPL program benefits school libraries by interest earned



Your Extension Broadband Team



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Contact Us

Not sure where to start? Contact any one of us and we'll make sure you get to the right person.

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UW-Madison Extension is committed to helping Wisconsin communities and their partners navigate broadband expansion so that all Wisconsin residents can realize the economic, health, and social benefits of connectivity.



UW Extension Broadband Webinar August 15, 2024



But first, a little history...



**Chaos at the 1846
Wisconsin Constitutional Convention**

1846 CONSTITUTIONAL DEBATES



BITTER FIGHTS

- Women's right to own property
- Immigrants' right to vote
- Banking
- Boundaries of the State

ONE IDEA FROM THE FIRST CONSTITUTIONAL CONVENTION...

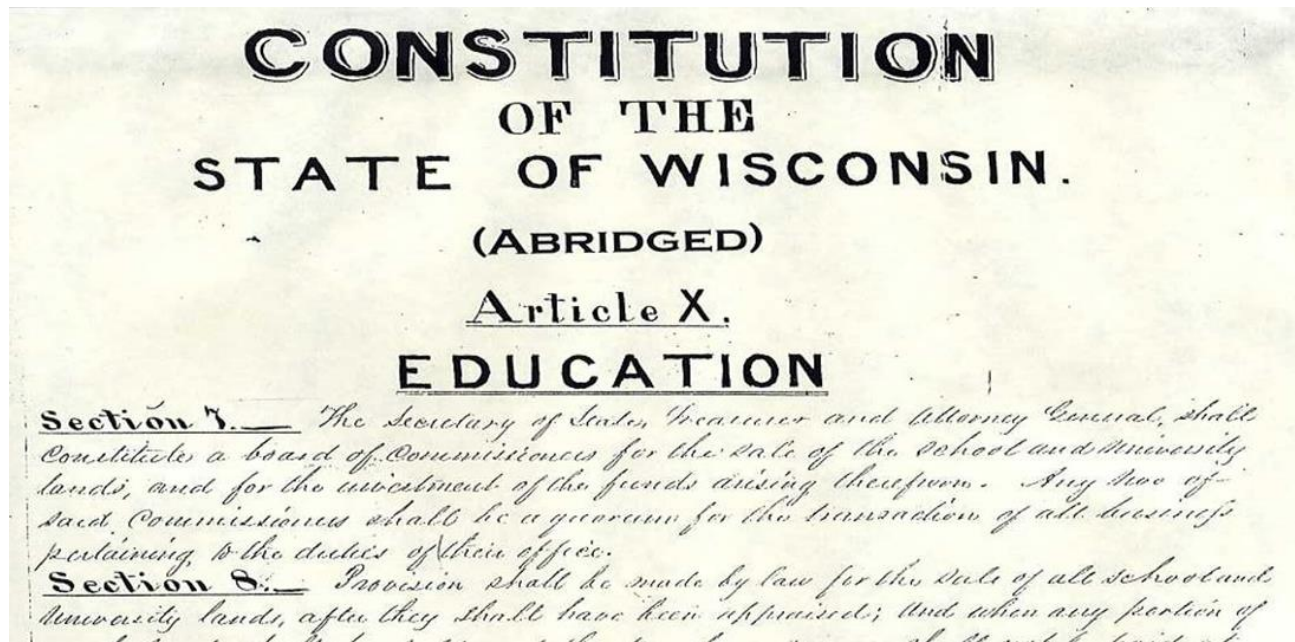


Sole Area of Agreement at the dawn of Statehood



WANTED!!

PERMANENT ENDOWMENT FOR PUBLIC EDUCATION



But how to Structure the Fund? Constitutional Protections



- The fund should be permanent.

It should help educate children of today and tomorrow.

- Founding Fathers had concerns about concentration of power.

Did not want Governor or Legislature to control the fund

- **Solution written into Article X of Wisconsin Constitution:**

- Created Agency to manage the Fund
- Comprised of 3 separate constitutional officers.
 - ✓ Attorney General – should know about law
 - ✓ State Treasurer – should know about money
 - ✓ Secretary of State – should know about keeping records

CURRENT COMMISSIONERS



Sarah Godlewski
Secretary of State



John Leiber
State Treasurer



Josh Kaul
Attorney General

Initial Funding of Endowments - Federal Land Grants



BOARD OF
COMMISSIONERS
OF **PUBLIC LANDS**



1848

Managing Wisconsin's trust assets for public education.

LAND GRANTS FOR PUBLIC EDUCATION



- Section 16 in each Township (1 million acres)
- Other Land Grants:
 - Internal Improvement Grant (half million acres)
 - Swamp Land Act of 1850 was used to fund the Normal School Fund
 - University Land Grants
 - Morrill Act – land grants for colleges that taught “Agricultural and Mechanical Arts”
- Eventually, about 10 million acres (~1/3 of state) was granted to the State by the Federal Government.

1850s LAND RUSH PROCEEDS...



Selling millions of acres at \$1.25 per acre

COMMON SCHOOL FUND

has grown to
\$1.4 Billion



Thank You For Your Support



Where to Invest?



Loans to Wisconsin citizens ...did not work out very well



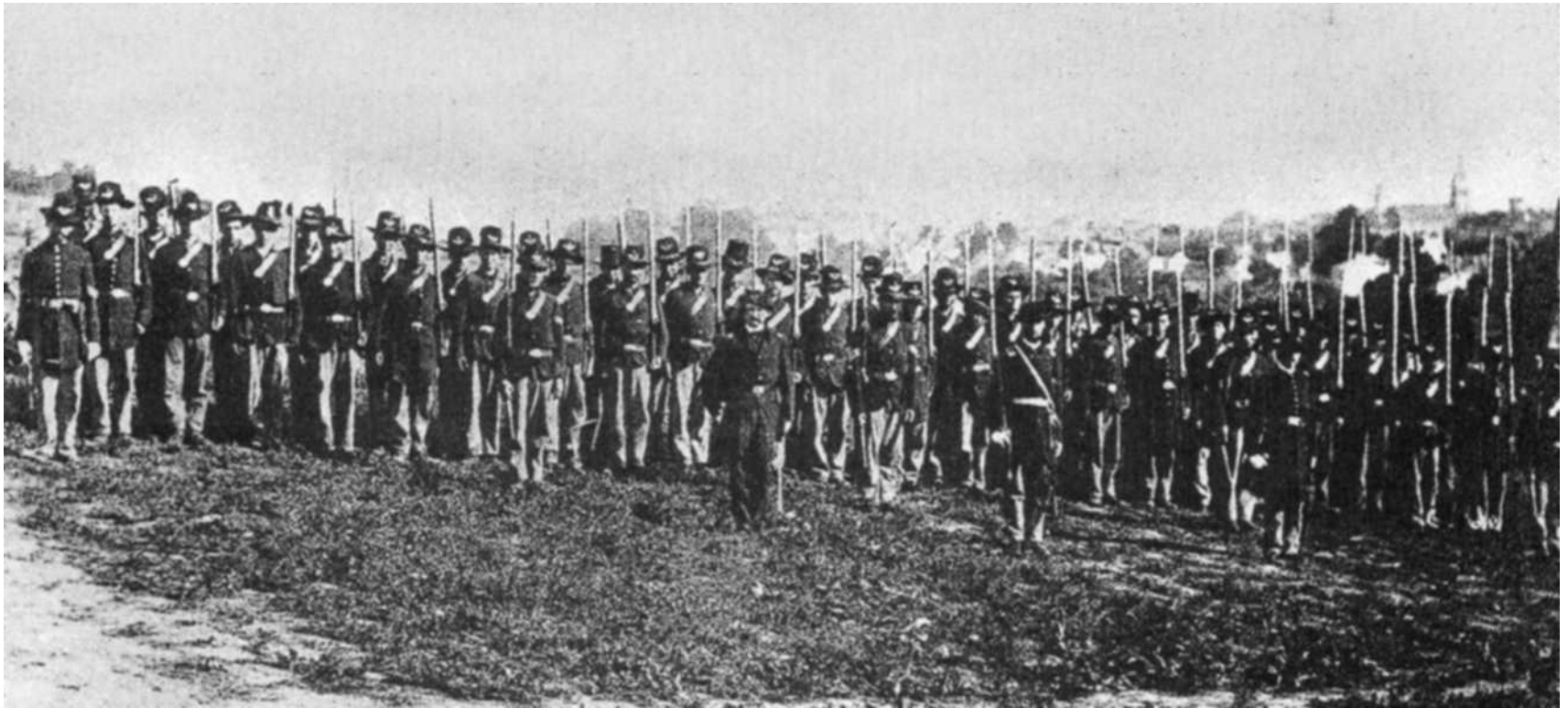
Remember...

In early 1850s:

- **Wisconsin was mostly undeveloped wilderness**
- **There were few (if any) banks**

Lack of Institutional Control,
Fraud and Inflated Appraisals
led to big losses

Invested in State Bonds (1861)



Paid back....in 1941

A Better Idea...



BCPL STATE TRUST FUND LOAN PROGRAM **Created and Authorized by State Legislature in 1871**

- Eligible Borrowers to include Wisconsin Municipalities and School Districts
- Goals:
 1. Simple Alternative to Bonding for Borrowers
 2. Prudent investment for the trust funds
 - low risk with reasonable rate of return

SUCCESS!



BCPL State Trust Fund Loan Program has been a success by any measure:

1. No defaults in 150+ year history – GREAT customers!
2. \$300 Million in loans outstanding
3. Loans can be used to fund ANY public purpose
4. Funding provided for thousands of WI projects
5. Saved \$ Millions in Fees
6. Provided \$ Hundreds of Millions to Public Schools

Loan Program is Unique to Wisconsin

How to Qualify For a Loan

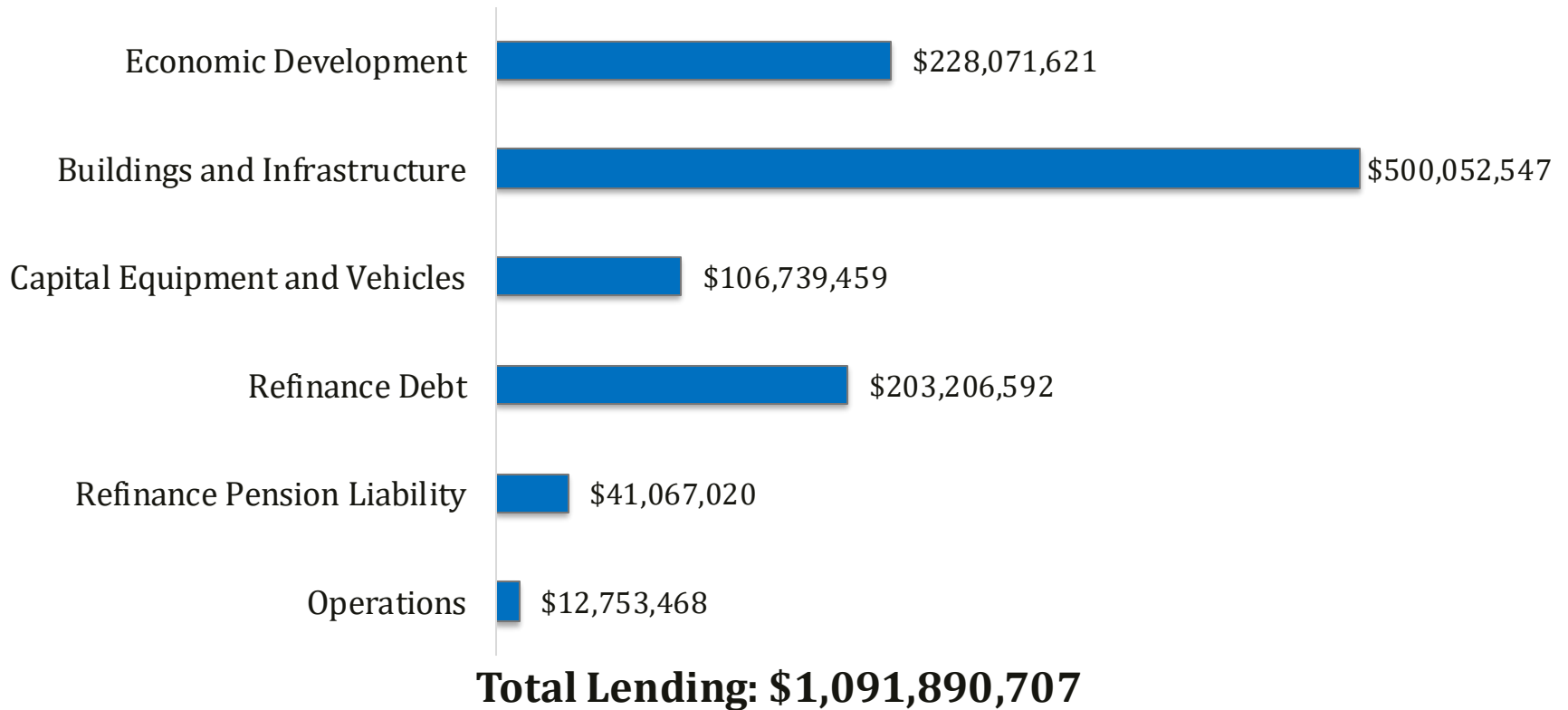


Two Simple Criteria

- 1. Do you represent a Wisconsin Municipality or School District?**
 - Includes towns, villages, cities, counties, lake districts, sanitary districts, and sewerage districts and systems.

- 2. Are you borrowing for a public purpose?**
 - Buildings and Infrastructure
 - Economic Development
 - Capital Equipment and Vehicles
 - Debt Refunding

Loan Disbursement by Purpose 2014 – 2023*



*July 1, 2014 – June 30, 2023

BCPL Application Request



BCPL Loan Application Request Form	
Municipal General Obligation Loan	
Date	
Municipality	County
<small>Include type of municipality (e.g. Town of Lake Tomahawk)</small>	
Municipal Mailing Address	
Overnight Mail Address	
<small>If different from above (no P.O. Box)</small>	
Head of Municipality	Phone (w)
Mailing Address	(h)
	(c)
Email	
Municipal Clerk	Phone (w)
Mailing Address	(h)
	(c)
Email	
Finance Dir/Treasurer	Phone (w)
Mailing Address	(h)
	(c)
Email	
Financial Advisor/Firm	Phone (w)
Email	(c)
Loan Purpose	
Loan Amount	\$
Loan Term	Years
	Estimated Date Funds Needed:
	Dates of Next Two Board/Council Meetings:
12/2018	Clerk Signature

BCPL Loan Process – Simple and Fast



➤ Loan Approval Process

- Simple Request Form, available at www.bcpl.wisconsin.gov
- Easy Fill-In-The-Blank Application, includes Borrower Resolution
- Fast Approval (average time to fund is 45-60 days, record = 17 days)

➤ Following Approval

- Four Months to Draw Funds
- No review of plans/invoices/expenditures

➤ How is it possible to maintain this Simple Process and Have NO Defaults?

- BCPL retains right to audit borrowers
- BCPL relies on borrower compliance with Statutes

➤ Consider the 1881 penalty for using Trust Fund loan dollars on something other than the approved loan purpose....

5 Years Hard Labor in State Prison



Interception!



Current Interest Rates



<u>General Obligation Loans</u>	<u>Rate</u>
1 to 2 Years	5.50%
3 to 5 Years	5.50%
6 to 10 Years	5.50%
11 to 20 Years	6.00%

Revenue Loans

- 5 years or less
- 6 to 10 Years
- 11 to 20 Years
- 21 to 30 years

Rates depend on deal.
Strong deals will qualify for rates only slightly higher than G.O.

WHY BORROW FROM BCPL?



- Simple Process with Fast Approval
- Competitive Fixed Interest Rates
- No Fees
- Up to 6 Month Rate Lock at No Additional Cost
- Custom Amortization Schedules Available
- Flexibility to Restructure, if necessary
- No Prepayment Penalties
- No Interference in Local Decision Making

Best part: Loan Interest pays for public school library materials and helps reduce local property taxes

WHAT REALLY SETS US APART?

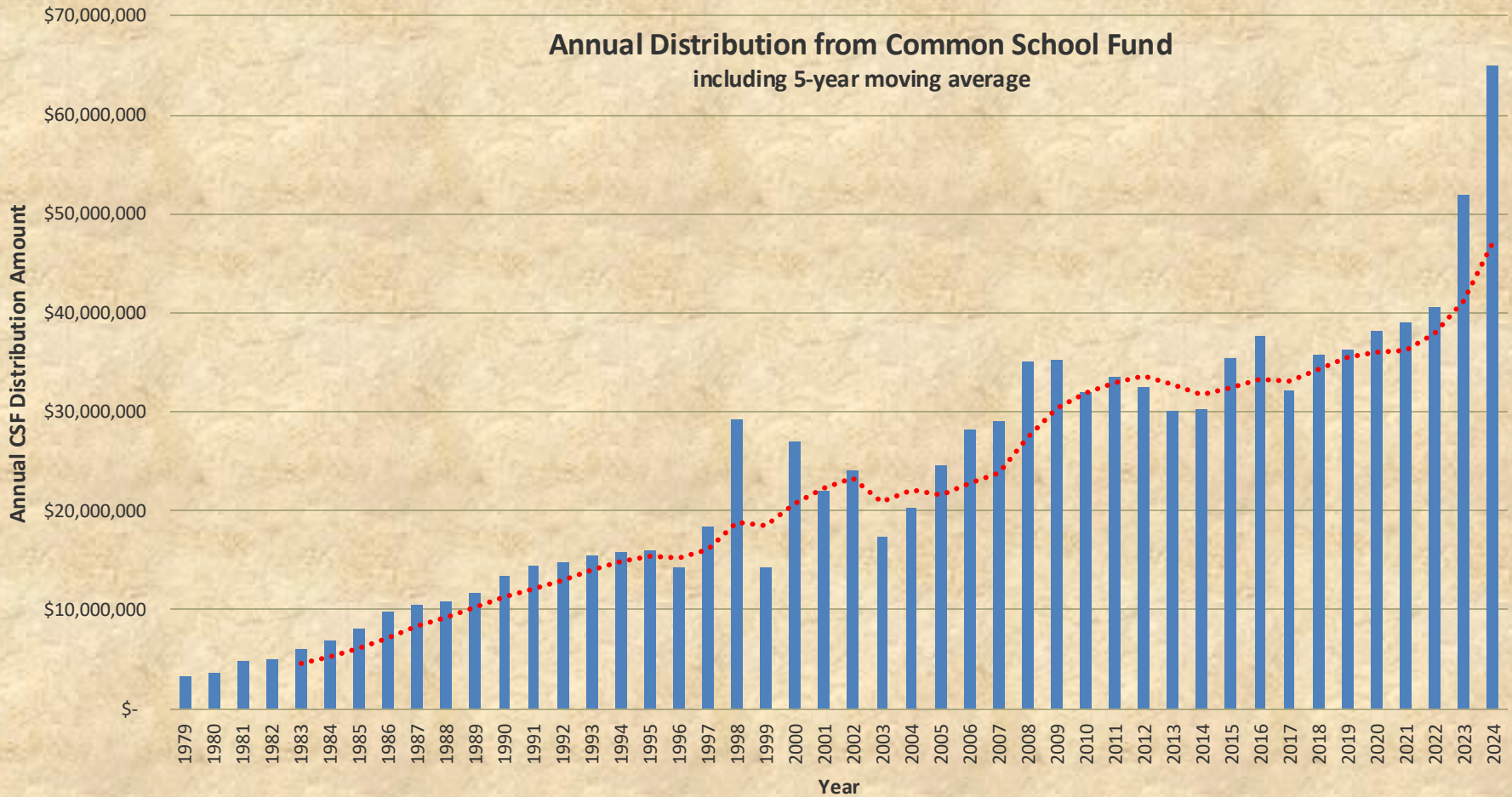


**Beneficiaries:
Wisconsin's K-12 public school students**

© 2009 JupiterImages Corporation

100% of the interest paid on BCPL State Trust Fund Loans is returned to Wisconsin communities in the form of aid to public school libraries.

Over the last 10 years alone, BCPL distributed over \$420 Million to K-12 public school libraries



Economic Development Examples



Oneida County

1. County borrowed funds on GO basis from BCPL
2. County re-lent those funds to Oneida County Economic Development Corporation (OCEDC)
3. OCEDC purchased property, build-to-suit facility
4. Long-term lease from manufacturer flows backs through OCEDC and County to BCPL

Two separate projects:

ABX – plastic film producer employs ~60 (Omaha Steaks).

Expera Specialty Solutions – 2nd location required by Boeing for specialty paper used in carbon fiber process. Supported hundreds of jobs at location #1, created ~20 jobs at location #2, renovated the empty Print-Pak building.



Town of Rome (Adams County)

1. Town borrowed \$12 million on G.O. basis from BCPL.
2. Loan funded an economic development incentive for the construction of the Sand Valley Golf Resort. Opened in May 2017 and was named Best New Course by both Golf Magazine and Golf Digest.
3. Success of this project is illustrated by the subsequent need to expand the nearby airport in Wisconsin Rapids to accommodate the number of private aircraft carrying guests to Sand Valley.



Mount Pleasant (Racine County)

1. Village borrowed \$20 million as interim construction financing for TID infrastructure.
2. Village sold bonds last week. Proceeds to payoff BCPL and fund additional infrastructure.
3. BCPL utilized for speed, flexibility on re-payment schedule, No Fees.

RACINE COUNTY

20

94

Mount Pleasant

31

Racine

11

Future Foxconn development

H

Sturtevant

11

Kilbourn Road Ditch

BRAUN RD.

90TH ST.

31

Foxconn site

Wetlands*

Construction staging and future development

3 Miles

KR

*Identified by the Wisconsin Department of Natural Resources and Southeastern Wisconsin Regional Planning Commission as part of the Wisconsin Wetland Inventory in Southeastern Wisconsin.

Community Examples

Hear from Wisconsinites:

- **David Bogan:** Presque Isle Broadband Committee
- **Monica Treptow:** Department of Public Instruction



Common School Funds for School Libraries: Essential and Uniquely Wisconsin

Monica Treptow
School Library Education Consultant

Incentivizing Broadband Projects Webinar
August 2024

Our Common School Fund Library Book Purchases are Critical to Student Success!



According to a WEMTA 2020 Member Survey, **92%** of respondents rely solely on the CSF to fund their school libraries.

Common School Funds are Used for Many Items



Tablets and Computers



Robots and Coding Tools



A Giant Map of Wisconsin!

The Possibilities are Endless...



A Library Program Brings Life to These Purchases



VR GOGGLES NOW IN CLASSROOMS

During a recent in-service on January 23rd, Middle/High School staff learned how to integrate virtual reality into their curriculums. The pictures below show both students and staff using the VR (Virtual Reality) goggles.

This class set of 24 virtual reality goggles was purchased with Common School Fund dollars and will be used in classrooms district wide.



We use iPads, “...to play Kahoot, scan QR codes of book trailers for book tasting, conduct research with PebbleGo, and create Lego green screen scenes and write about them, ... and study the American Revolutionary War by exploring some artifacts of the time period using Augmented Reality in Google Expeditions.”

Books from CSF Come in Many Forms to Meet the Diverse Needs of Learners



- Ebooks
- Audiobooks
- Read-aloud Apps
- ...and Print



Common School Funds

- Common School Fund spending is outlined in Wisconsin Statute 43.70
- The DPI provides guidelines for spending
- Library budgeting is a part of library program planning required through Wisconsin Administrative Code PI8.01(2)(h)
- This infographic, found on the [Common School Fund home page](#), provides a summary useful for talking points

[Find your 2023-24 District Distribution Amount](#)

WISCONSIN School Libraries

Common School Fund

Supporting Public School Libraries
The Common School Fund is a constitutionally created trust fund administered by the Board of Commissioners of Public Lands to benefit all public school libraries in Wisconsin. Distributions of the Fund's interest are used by school librarians to purchase library program materials accessible to all students.

Purchasing Items
According to Statute, Common School Fund purchases must be for the school library program. This includes library books and instructional materials, as well as computers and related software for school libraries. Purchases require consultation with the district's licensed library media specialist.

Monitoring and Distributing Funds
Allotments are determined by population reported in the district census. In January, estimates for allocations are made, and funds are distributed to districts by May 1. Library plans and other records of purchases must be kept for reports made to the State Superintendent.

Learn More
Common School Fund - <https://dpi.wi.gov/common-school-fund>
Board of Commissioners of Public Lands - <https://bcpl.wisconsin.gov>

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Important Partners



- The [Board of Commissioners of Public Lands](#) manages the Common School Fund
- The [Wisconsin Educational Media and Technology Association](#) monitors legislation advocates for school libraries

Questions?



Thank you for your time!

Please reach out with any questions

monica.treptow@dpi.wi.gov

Link to slides: <https://bit.ly/BroadbandCSF24>





Questions



Thank you!

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