

Spotlight on Board of Commissioners of Public Lands



By: Keith Wohlfert, Contributing Writer

This is the first in a new series called Spotlight. It is an opportunity for readers to learn about partners that support and work closely with WTA member governments. This series will appear in the magazine quarterly.

Established in 1848 with the adoption of the State Constitution, the Board of Commissioners of Public Lands (BCPL) is Wisconsin's oldest state agency. As the Territory of Wisconsin became a state, BCPL was created to become, in effect, the state's first bank. Its mission was to sell land grants given by the federal government, and use the proceeds to create a school fund to support education in perpetuity. The sale of these surveyed lands also furthered the development of the new state. That pioneering commitment made by our state's earliest leaders is still at work today.

Nearly all of Wisconsin's publicly owned School Trust Lands were sold over 100 years ago. The proceeds were used to establish the School Trust Funds, which continue to grow with revenue from unclaimed property, clear proceeds of civil forfeitures and criminal fines, and timber production on School Trust Lands.



BCPL manages these funds and the remaining land assets for the benefit of public school libraries, the University of Wisconsin, and Wisconsin's citizens. They also maintain a rich archive of historical records related to the agency's past and its ongoing mission. Landowners, surveyors, and researchers consult it regularly as a source of historical information about Wisconsin's land and early settlers. BCPL is a lean agency; their services come at no cost to taxpayers. With only ten full-time employees, BCPL manages over \$1 billion in Trust Fund assets and some 77,000 acres of land remaining from the original land grants. By distributing over 96 cents on every dollar earned, the agency is unrivalled by any counterpart in either the public or private sector. "We like to think of ourselves as a statewide leader that pays local dividends," said Tom German, BCPL Deputy Secretary. BCPL's financial investments and land management practices benefit every citizen of the state. That claim is backed up by annual payments to Wisconsin's K-12 schools. In fiscal year 2018, BCPL distributed \$35.7 million as public-school aid. This is an incredible



Every school district in the state receives money from BCPL to support K-12 school libraries. In 2018, BCPL presented a check to the Wisconsin Educational Media and Technology Association in the amount of \$35,700,000. This is the agency's annual distribution of earnings, including those earnings coming from the Local Government Trust Fund Loan Program. Included in the presentation ceremony were Secretary of State Doug La Follette, and Attorney General Brad Schimel. Representing BCPL in the photo are Rich Sneider, Chief Investment Officer, Jonathan Barry, BCPL Executive Secretary, and Tom German, BCPL Deputy Secretary.

asset for local school districts facing always-tight fiscal budgets. If you're curious to learn how your local school district benefited, visit the BCPL website at <http://bcpl.wisconsin.gov>. You will find a link along the right margin of the homepage. Mention of the BCPL website reminds us of a wealth of interesting and helpful information available through this reader-friendly site. It is worth a few minutes of your time to visit the BCPL website. History enthusiasts will appreciate going back to the earliest days of statehood. In addition to historical information is a score of links detailing the agency's financial and tangible assets, and sustainable timber management practices.

BCPL Local Government Trust Fund Program

In 1871, the state legislature authorized BCPL to create the Local Government Trust Fund Program. Today, more than ever, one of the strengths of the BCPL is its constitutionally mandated obligation to serve as a source of competitively-priced financial loans for municipalities and school districts to support public projects. Beyond the annual distributions to local schools is the agency's ability to work hand-in-hand with boards of local government in every corner of our state. To give you an idea of the scope and relevance of the BCPL Local Government Trust Fund Program, consider that in the past two years, 378 new loans have been made. Of this total, 118 loans totaling \$51.2 million were made to

Wisconsin town governments. BCPL is not in competition with traditional banks. Their loan rates are published and available for anyone to see.



Tom German, BCPL Deputy Secretary, speaking to Unit Meeting in Ashland/Bayfield County.

Aside from competitively-priced interest rates, the BCPL Local Government Trust Fund Program is often attractive for reasons that make practical business sense. The loan process is about as easy as it can possibly be with minimal paperwork. Repayment schedules are flexible, as is the process of refinancing. There are no fees whatsoever and there is never a penalty for early payments.

Town governments generally do not have a bond rating, and it is a costly process to establish one. The BCPL Local Government Trust Fund Program allows towns to borrow money as if they had an A+ rating, and for good reason. In the long history of the loan program, not a single Wisconsin town has ever defaulted on a loan. Not even one...ever!

BCPL executives understand and appreciate the long and mutually beneficial ties between their agency and local government. They also understand that town government is going through a period of turnover in local leadership. There are new faces in the crowd who possibly have never heard of the agency or its mission. In an effort of ongoing education, BCPL employees make themselves available for meetings where town officials are in attendance. WTA Unit chairs should consider putting BCPL on the agenda. The BCPL website will be especially helpful for local



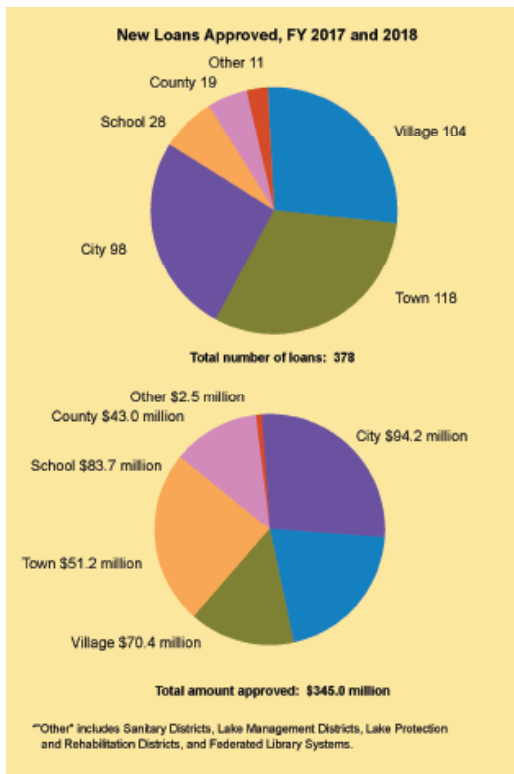
Wisconsin's town governments regularly use BCPL's Local Government Trust Fund Loan Program as a trusted and reliable source of funding for needed capital purchases. The Town of Woodruff in Oneida County financed the purchase of their plow truck and dump box package.

officials interested in securing financing through the BCPL Local Government Trust Fund Program. You will find helpful information on the loan application process: application forms, interest rates, loan terms, eligibility, worksheets, and contact information.

***BCPL's
financial investments,
land management practices,
and archive benefit every citizen
of the state.***

BCPL Under Attack

Town officials and regular readers of this magazine know that BCPL and the Local Government Trust Fund Program are currently under attack by some who want to abolish the agency and redirect its assets to other investment avenues. On the surface, they argue there is a possibility of a greater return by investing the state's financial resources elsewhere. Even if this were true, which has been questioned by the state's financial experts, at what cost? Is risking money for kids' books and eliminating the loan program in hopes for an already highly questionable outcome worth it?



There is currently a Legislative Council Study Committee examining BCPL that WTA is actively following. The committee includes a town representative and will hear invited testimony from several town officials. Town governments and individual officers are encouraged to follow the proceedings. Stay informed, stay involved, and communicate your support for BCPL.

BCPL Executive Secretary Jonathan Barry gets the last word as he comments on the agency's mission: "We are grateful for this opportunity to serve as stewards of the lands, moneys, and records we hold in trust for all of Wisconsin's citizens."

BCPL Local Government Trust Fund Loan Program Recap

- **Is a simple, easily accessible funding program with competitively-priced rates for municipalities' and school districts' public projects.**
- **Provides an avenue for constitutionally created educational trust funds to invest in public projects in Wisconsin communities.**
- **Works closely with local government boards in every corner of our state.**
- **In the past two years, 378 new loans have been made to Wisconsin municipalities. Of this total, 118 loans totaling \$51.2 million were made to Wisconsin town governments.**
- **The loan process is about as easy as it can possibly be with minimal paperwork. Repayment schedules are flexible, as is the process of refinancing. There are no fees whatsoever and there is never a penalty for early payments.**
- **In the long history of the loan program, not a single Wisconsin town has ever defaulted on a loan.**
- **For helpful loan information, visit the BCPL website at <http://bcpl.wisconsin.gov>.**