



Friday, July 20, 2018

## EDUCATION FUNDING PART III OF SERIES

### Referendums

In Wisconsin, current law limits the annual amount of revenue each school district can raise, this is called the Revenue Limit or Revenue Cap. What a school can spend on education for a year is a set limit, comprised of two factors, the state aid and the levy amounts (the amount the schools tax locally). If the state provides more state aid, the amount the locals can tax reduces to keep them under the revenue limit or cap. If the state provides less aid, the amount the schools can tax locally goes up. If a school wants to spend more money than what is allowed under their revenue cap they must go the local property tax owners and ask for permission to increase local taxes. For the purposes of this report, we will only discuss three types of referendum questions – questions to issue debt, questions to increase the revenue cap for a certain amount of time (non-recurring), and questions to increase the revenue cap on an on-going basis (recurring).

A referendum is an individual question, asking the voters if they will approve or disapprove the school district spending money beyond their revenue cap or to issue debt. While many people think of a referendum as an event, it is actually the individual question. The passing of [2017 Act 59](#) (the biennial budget) means that as of January 1, 2018, a school district can only hold two referendum questions in one calendar year to be held on regularly scheduled spring and fall election days, with the exception of districts who have faced a natural disaster. In the case of a natural disaster, a district may have a special referendum within the six months following the disaster but no sooner than 70 days after the adoption of the resolution.

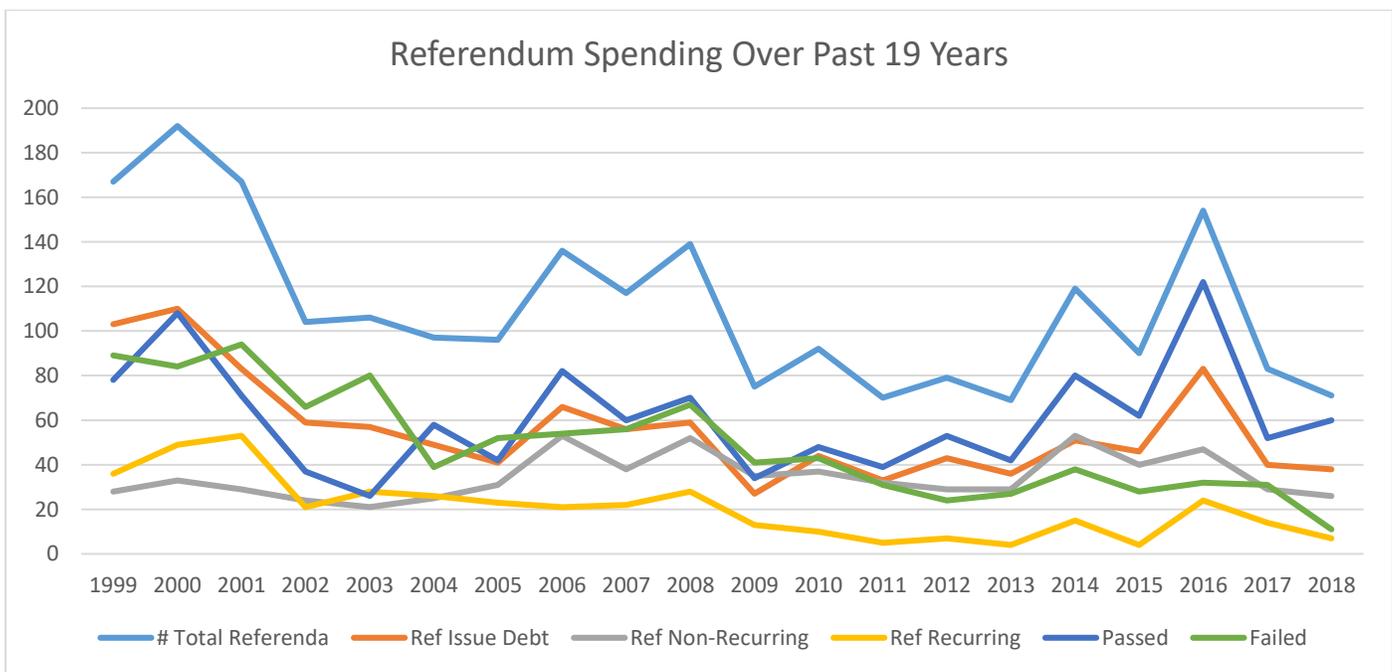
Schools hold referendum usually for two reasons, to exceed the revenue limit to maintain programs and staffing, or to issue debt, generally used for building or material needs like computers or equipment. From 1999 through July 1, 2018, Wisconsin residents approved \$9.7 billion in referendum questions. Most of those funds are issue debt by school districts. The average amount of money asked for in a referendum question, except for recurring referendum questions, has increased, with a spike in 2016.

Type of Referendum	# of Each Type Passed	\$ Amount Approved
Issue Debt	622	\$7,678,082,298
Recurring	172	\$179,811,594
Non-recurring	430	\$1,849,018,362
Total approved by taxpayers	1,224	\$9,706,912,254

A referendum may be held by a school district to exceed its revenue limit. The school board must approve of the resolution supporting inclusion of an amount in the school district budget that will exceed the revenue limit of the district (via Legislative Fiscal Bureau). A referendum may be recurring or non-recurring. If a recurring referendum is passed, then the revenue limit for the district will increase by that amount in the following year. If a non-recurring referendum is passed, the revenue limit is not increased the following year.

In order to hold a referendum, a school district must follow a series of guidelines set by the Wisconsin Statutes. To have a referendum on the spring or fall ballot to incur debt, a school board must adopt a resolution no less than 70 days before the election. They must publish the adoption of the resolution within 10 days of adoption and notify DPI about the resolution. For a resolution to be on the fall ballot, the resolution must be adopted and posted by about Labor Day, and to be on the spring ballot, it must be adopted and posted by about the end of January.

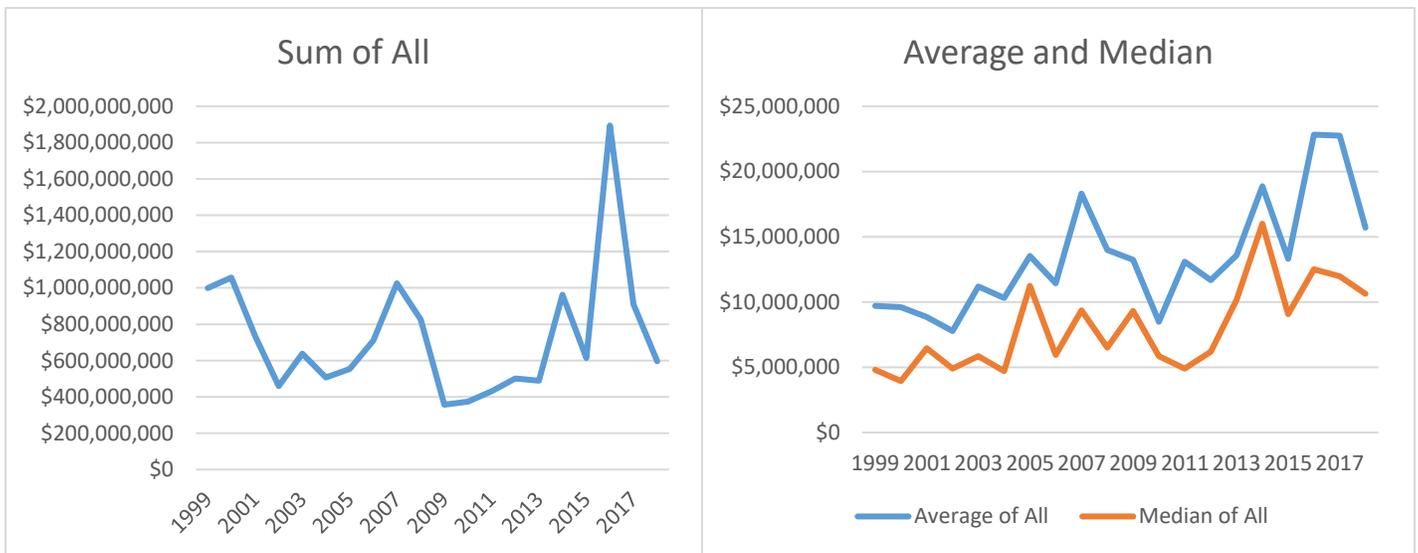
Calendar Year	Administration	# Total Referenda	Issue Debt	Non-Recurring	Recurring	Passed	Failed	Percentage Passed
2018 (To date)	Walker	71	38	26	7	60	11	84.5
2017	Walker	83	40	29	14	52	31	62.7
2016	Walker	154	83	47	24	122	32	79.2
2015	Walker	90	46	40	4	62	28	68.9
2014	Walker	119	51	53	15	80	38	67.2
2013	Walker	69	36	29	4	42	27	60.9
2012	Walker	79	43	29	7	53	24	67.1
2011	Walker	70	33	32	5	39	31	55.7
2010	Doyle	92	44	37	10	48	43	52.2
2009	Doyle	75	27	35	13	34	41	45.3
2008	Doyle	139	59	52	28	70	67	50.4
2007	Doyle	117	56	38	22	60	56	51.3
2006	Doyle	136	66	53	21	82	54	60.3
2005	Doyle	96	41	31	23	42	52	43.8
2004	Doyle	97	49	25	26	58	39	59.8
2003	Doyle	106	57	21	28	26	80	24.5
2002	McCallum	104	59	24	21	37	66	35.5
2001	McCallum	167	83	29	53	71	94	42.5
2000	Thompson	192	110	33	49	108	84	56.2
1999	Thompson	167	103	28	36	78	89	46.4



The percentage of referendums (all types) passed is going up, particularly for issue debt. The percentage of overall referendums passed in 2018 (up to July 1, 2018) is at 85%, with recent years having 60-80% of all referendums passed. In comparison, the early 2000s had a passing rate of 25-60%. Recurring and non-recurring referendums have been presented at a steady rate, not increasing or decreasing dramatically, and have been passing at a steady increase. The Walker Administration has seen more referendums passed than any other administration over 20 years.

## Issue Debt Referendum

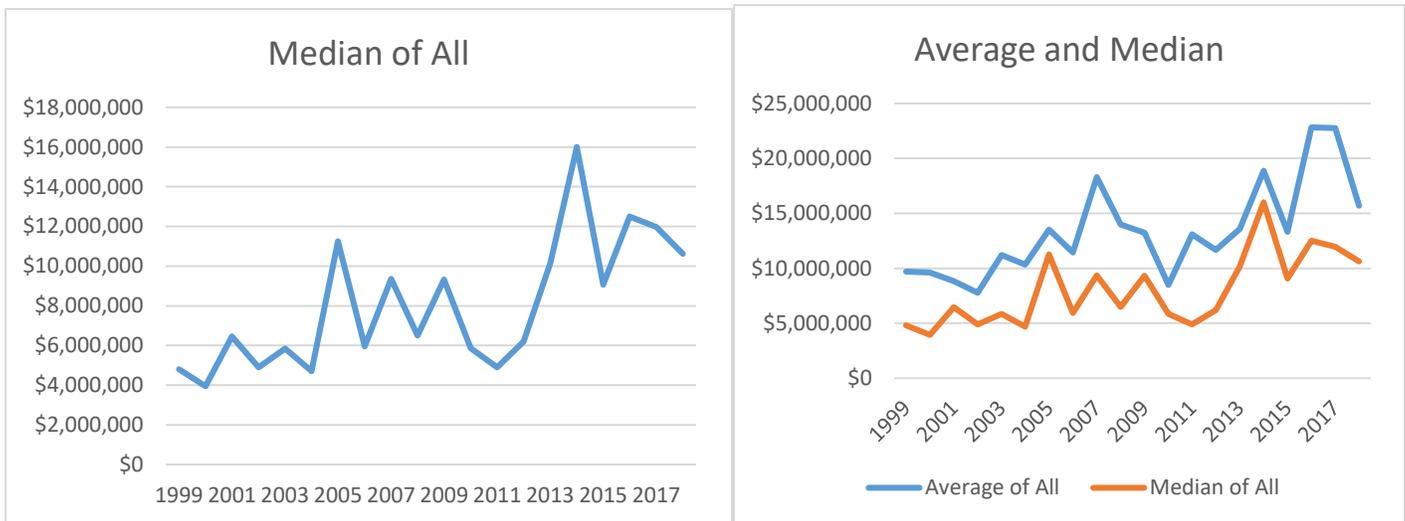
Year	Sum of All	Average of All	Median of All	# of Referendum	Number Passed
2018	\$596,760,000	\$15,704,211	\$10,625,000	38	31
2017	\$909,630,000	\$22,740,750	\$11,967,500	40	23
2016	\$1,893,958,000	\$22,818,771	\$12,500,000	83	64
2015	\$612,720,000	\$13,320,000	\$9,075,000	46	27
2014	\$962,245,000	\$18,867,549	\$16,000,000	51	33
2013	\$488,773,881	\$13,577,052	\$10,157,500	36	20
2012	\$502,070,000	\$11,676,047	\$6,200,000	43	30
2011	\$432,035,000	\$13,091,970	\$4,900,000	33	13
2010	\$373,783,000	\$8,495,068	\$5,852,500	44	27
2009	\$357,164,225	\$13,228,305	\$9,325,000	27	13
2008	\$825,403,000	\$13,989,881	\$6,500,000	59	30
2007	\$1,025,127,000	\$18,305,839	\$9,350,000	56	31
2006	\$709,625,566	\$11,445,574	\$5,950,000	62	40
2005	\$554,641,437	\$13,527,840	\$11,250,000	41	16
2004	\$505,873,000	\$10,323,939	\$4,700,000	49	32
2003	\$638,390,000	\$11,199,825	\$5,850,000	57	13
2002	\$458,714,000	\$7,774,814	\$4,900,000	59	24
2001	\$733,667,400	\$8,839,366	\$6,450,000	83	35
2000	\$1,056,497,537	\$9,604,523	\$3,945,000	110	65
1999	\$998,344,709	\$9,692,667	\$4,800,000	103	55



While the total amount of issue debt referendums, along with recurring and non-recurring referendums, being held each year is seeming to be on a downward trend, the amount of money per referendum is tending to increase. Districts are asking for more money less often. It is likely that districts would hold referendums more often if they could. The highest amount from an issue debt referendum was from Verona Area in April 2017 to construct a new high school and auditorium, renovate and reconfigure the current Verona Area High School and Badger Ridge Middle School, district-wide capital and building infrastructure improvements and repairs and related furnishings, fixtures and equipment. They had asked for \$162,760,000.00. The least asked for in an issue debt referendum was in 2006 by Tigerton to fund roof repairs on the elementary school and buy a new school bus.

## Recurring Referendum

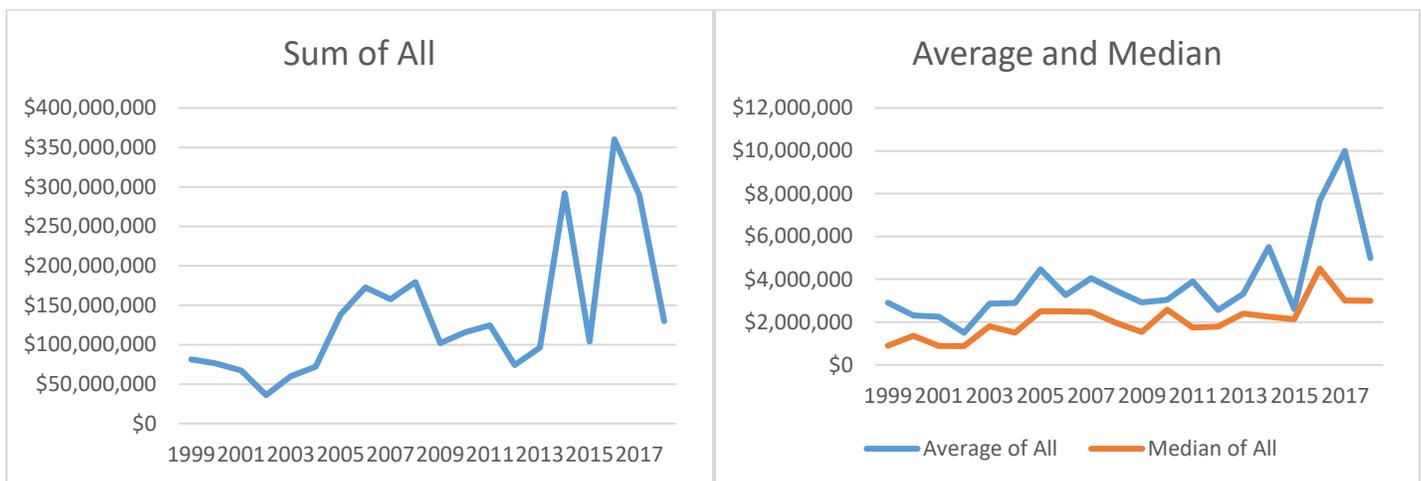
Year	Sum	Average	Median	# Recurring Referendum	Passed
2018	\$6,250,000.00	\$892,857.14	\$500,000	7	5
2017	\$17,983,583.00	\$1,284,613.07	\$750,000	14	8
2016	\$60,504,000.00	\$2,521,000.00	\$1,480,000	24	20
2015	\$2,303,500.00	\$575,875.00	\$467,500	4	4
2014	\$21,640,864.00	\$1,442,724.27	\$500,000	15	8
2013	\$1,120,000.00	\$373,333.33	\$370,000	4	1
2012	\$6,252,000.00	\$1,042,000.00	\$863,500	7	4
2011	\$1,935,000.00	\$483,750.00	\$287,500	5	4
2010	\$17,395,000.00	\$1,739,500.00	\$1,000,000	10	2
2009	\$22,393,000.00	\$1,722,438.46	\$610,000	13	3
2008	\$10,396,205.00	\$611,541.47	\$525,000	28	10
2007	\$19,389,446.00	\$881,338.45	\$750,000	22	9
2006	\$23,110,992.00	\$1,110,523.43	\$750,000	21	10
2005	\$36,957,000.00	\$1,539,875.00	\$700,000	23	10
2004	\$11,991,358.00	\$521,363.39	\$350,000	26	10
2003	\$15,862,764.00	\$566,527.29	\$330,500	28	5
2002	\$6,717,000.00	\$319,857.14	\$285,000	21	2
2001	\$30,602,370.00	\$566,710.56	\$375,000	53	20
2000	\$21,953,873.00	\$447,997.41	\$325,000	49	26



In 2016, the Madison Metropolitan School District asked a recurring referendum for \$26 million, the largest recurring debt in the last 20 years. The smallest recurring debt was \$19,250.00, asked by Stoughton in 1999. The average amount to be asked for in a recurring referendum has seen an increase, but not necessarily a consistent increase as it has gone down in the last few years. The number of recurring referendum passed has gone up exponentially since 1999.

## Non-Recurring Referendum

Year	Sum of All	Average of All	Median of All	# of Non-Recurring Referendum	Number Passed
2016	\$360,423,000	\$7,668,574	\$4,500,000	47	38
2015	\$104,100,270	\$2,602,507	\$2,125,000	40	31
2014	\$291,806,297	\$5,505,779	\$2,250,000	53	39
2013	\$96,162,615	\$3,315,952	\$2,400,000	29	21
2012	\$74,259,000	\$2,560,655	\$1,785,000	29	19
2011	\$124,652,600	\$3,895,394	\$1,750,000	32	22
2010	\$115,487,207	\$3,039,137	\$2,575,000	37	19
2009	\$101,930,000	\$2,912,286	\$1,540,000	35	18
2008	\$179,270,000	\$3,447,500	\$1,950,000	52	30
2007	\$157,686,763	\$4,043,250	\$2,475,000	38	20
2006	\$172,645,377	\$3,257,460	\$2,500,000	53	32
2005	\$138,282,436	\$4,460,724	\$2,500,000	31	16
2004	\$72,231,000	\$2,889,240	\$1,500,000	25	16
2003	\$59,941,000	\$2,854,333	\$1,800,000	21	8
2002	\$35,977,000	\$1,499,042	\$875,000	24	11
2001	\$67,256,615	\$2,241,887	\$880,000	29	16
2000	\$76,131,215	\$2,307,007	\$1,350,000	33	17
1999	\$81,139,320	\$2,897,833	\$902,500	28	12



The average and median amount of money asked for in a non-recurring referendum has seen an increase, along with the number of non-recurring referendums passed. In 2017, the Green Bay Area asked for \$165,000,000.00 to exceed their revenue limit by \$16,500,000 each year for 10 years, in order to approach the state average in educational programming and class sizes and to retain staff. The lowest amount asked for in a non-recurring question was \$45,000 by Phelps in 2009 to improve the school fitness facilities.

For additional information on school referendums, read the [FOCUS](#) by the [Wisconsin Policy Forum](#) (formerly the Wisconsin Taxpayers Alliance).

*Thank you to DPI and Legislative Fiscal Bureau for their assistance in gathering data and answering questions pertaining to school referendum.*