

School Referenda Reach New Heights

Voters this month approved school referenda at rates not seen previously, making 2018 the highest year on record with more than \$2 billion in additional school spending passed, according to Department of Public Instruction data. Here we update readers on the results as the governor-elect and legislature prepare to take up K-12 funding and state-imposed caps on school revenues in the 2019-21 state budget.

Just before the recent election, the Wisconsin Policy Forum reported that 2018 was shaping up to be the highest year on record for school referenda in terms of both dollar value and percentage passed. (See Taxpayer #8–2018.) On Nov. 6, voters set records for both by passing measures to exceed state-imposed revenue caps and increase their property taxes.

The stage was set by an improving economy and indications that larger numbers of voters now favor spending more money for schools. We found that since 1999, the number of referenda on the ballot and the share of referenda approved have dipped during economic downturns and their aftermath, and risen during times of economic recovery. In addition, polling by the Marquette Law School has found that since 2015 a majority of respondents have said increasing school spending is more important than reducing property taxes.

Record-Setting Results

Heading into the election, 82 questions totaling more than \$1.4 billion in debt and revenue increases were on ballots across 61 school districts statewide. According to unofficial results, voters approved 77 (94%) ballot questions worth \$1.37 billion across 57 school districts. Forty-two are to issue debt totaling \$1.2 billion; 21 are for non-recurring revenue limit exemptions adding up to \$140.6 million over the time periods requested; and 14 are for recurring, or permanent, revenue limit exemptions totaling \$26.1 million per year.

When combined with results from earlier in the year, these figures bring the passage rate for 2018 to 90% and total dollars approved to more than \$2 billion. That makes 2018 the highest year on record in terms of the total dollar value as well

as share of ballot questions passed. The number of referenda (157) is also the highest seen since 2001. As shown in Figure 1, 2016 held the previous record for highest dollar value of referenda approved, when voters passed an inflation-adjusted \$1.76 billion in additional school district spending.

Referenda Recap

The successful school referenda came amid a robust economy and record midterm election turnout. Unofficial returns from the Associated Press show more than 2.6 million Wisconsin voters—more than in any past midterm—and equal to 59% of the state’s voting-age population.

Some referendum results were determined by a narrow margin, such as the 33 votes that decided Big Foot Union High School District’s \$7.8 million referendum. Goodman-Armstrong School District’s bid for a non-recurring referendum of \$750,000 per year failed by 17 votes. In all, there were 16 questions in which the outcome was determined by less than 200 votes.

The high dollar value approved is due in large part to the number of referenda designated for building new schools or significant facility renovations. Fifteen districts approved referenda in amounts totaling \$30 million or more and only one of that size failed, a \$36.8 million debt issue sought by the Viroqua Area School District. The 10 districts with the largest amounts approved are shown in Table 1 on page 2.

The largest referenda were in Middleton-Cross Plains (\$143.7 million) and Wauwatosa (\$124.9 million). Both districts sought the funds to build schools and undertake renovations. The \$143.7 million in Middleton-Cross Plains is mainly for debt, although it also includes \$4.8 million in recurring revenue limit increases for operations. Property taxes on a \$250,000 home will increase by \$498 in Middleton-Cross Plains and \$470 a year in Wauwatosa.

Looking Back and Ahead

More than 3,100 referenda have been placed before voters since the 1993-94 school year, when the state first imposed

Figure 1: Referenda Totals Reach New Heights in Recent Years

Approved Referenda Value in 2017\$, 1999-2018

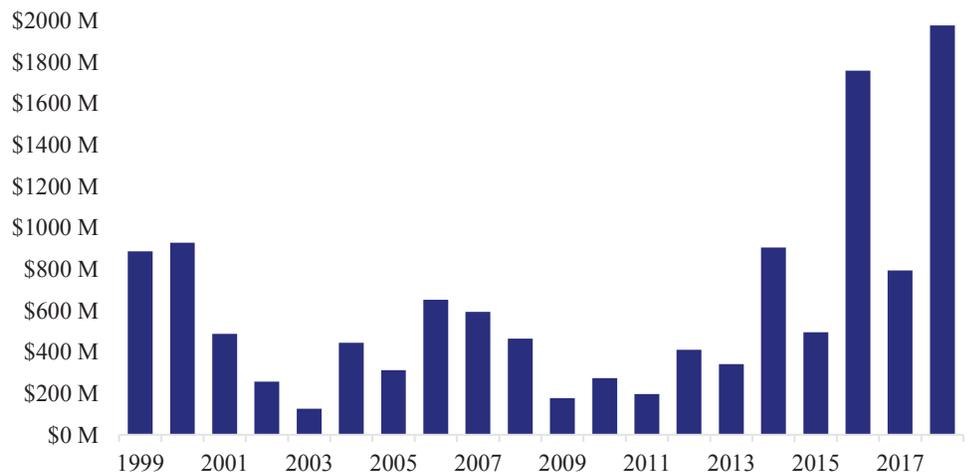


Table 1: Largest Referenda All Succeed

School District	Amount Passed
Middleton-Cross Plains	\$143,700,000
Wauwatosa	\$124,900,000
Stevens Point Area	\$79,400,000
West De Pere	\$74,700,000
Oak Creek-Franklin	\$60,935,000
Waukesha	\$60,000,000
Cedarburg	\$59,800,000
Monona Grove	\$57,930,000
Oregon	\$47,018,487
Burlington Area	\$43,655,000

property taxes. Of these ballot questions, 61% were for debt, 23% for non-recurring increases to the revenue limit, and 16% for recurring revenue limit increases.

Since 1993, roughly 60% of all referenda involving debt and non-recurring revenue limit increases have been approved. Conversely, only 41% of referenda seeking permanent revenue limit increases have passed. (See Table 2.) In total, the inflation-adjusted value of all approved school district referenda since 1993 is \$16.9 billion. Thirty-five percent (\$5.9 billion) of this total has passed since 2014.

As in the previous legislative session, lawmakers next year likely will consider

Table 2: Passage Rate by Referendum Type

Referendum	Passed	Failed
Non-recurring	63%	37%
Recurring	41%	59%
Debt	57%	43%

legislation to add to state funding for schools, raise state revenue limits, and restrict when referenda can be held. These proposals all could affect the frequency and value of future referenda. The direction of the economy also will play an important role. Should an economic downturn occur, referenda numbers and dollar values may again fall as they have done in the past.

per pupil caps on the amount of money districts can raise through state aid and local

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Policy notes

■ *The legislature's budget committee met on Nov. 13 and unanimously approved Governor-elect Tony Evers' transition budget. The Joint Finance Committee signed off on the \$94,600 request, which will help the Evers administration start its work ahead of his inauguration in January. The money will cover seven positions, equipment, supplies, legal services, and travel. Gov. Scott Walker received \$82,723 for his transition in 2010 and former Gov. Jim Doyle received \$87,500*

in 2002, according to the Associated Press.

■ *The campaign manager for Governor-elect Evers will take on a new role as the top aide in his office. Starting in January, Maggie Gau will serve as Evers' chief of staff after leading his campaign. In addition, JoAnne Anton, a former aide to then U.S. Sen. Herb Kohl, is serving as transition director for Evers. The transition team co-chairs are: Chuck Pruitt, a*

co-managing director of ABD Direct in Milwaukee and former University of Wisconsin System regent; Amy Traynor, an Eau Claire educator and former middle school teacher of the year; Jan Allman, the chief executive officer of Marinette Marine Corp.; Veronica Gunn, a pediatrician and chief executive officer of Genesis Health Consulting in Milwaukee; and Kevin Conroy, the Madison CEO of the rapidly growing cancer screening company, Exact Sciences Corp.