

Wisconsin Policy Forum Media: November voters will decide over \$1 billion in state school spending

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WPF Report Examines Trends in School District Referenda

MADISON—Voters could set a new record if they approve all of the more than \$1.4 billion in school referenda questions on the Nov. 6 ballot, according to a report from the nonpartisan, independent Wisconsin Policy Forum.

Residents of 61 of the state's 421 school districts will vote on 82 questions to borrow money or exceed state-imposed revenue limits. Those questions include 44 questions to approve \$1.25 billion in debt, 24 non-recurring revenue limit exemptions totaling up to \$157 million over the time periods requested, and 14 recurring exemptions totaling \$26.1 million annually.

The November questions are in addition to 74 referenda that were on the February, April, and August ballots this year that sought \$752 million for schools, with \$648.1 million approved by voters. If the voters approve more than \$1.1 billion of the \$1.4 billion in fall referenda, this year would surpass the more than \$1.7 billion approved in 2016 and be the highest year since at least 1999 even after adjusting for inflation.

In the latest issue of The Wisconsin Taxpayer, "School Referenda on the Rise," WPF

researchers examined school district referenda over the past two decades and found the number of referenda on the ballot has tended to reflect the health of the economy. The share of referenda approved by voters has dipped during economic downturns and their aftermath but overall has increased since 1999.

For example, between 1999 and 2001, a period of economic growth and consumer confidence, school districts went to voters with more than 160 referenda questions each year. The number of voter issues declined sharply in 2002 following the recession and did not rise again until 2006.

Referenda questions again dropped from 2009 to 2013 during the worst of the Great Recession, even though state revenue limits declined \$443 million, or 5.5%, in the 2011-12 school year. Districts may have been able to absorb some of these revenue reductions by reducing employee salaries and benefits under 2011 Act 10.

Amid a recovering economy, favorable interest rates, and relatively tight funding levels set by the state, the number of referenda questions began to rise again in 2014. In 2016, 154 measures were on the ballot; this year, the total is set to hit 156, the highest since 2001.

Referenda amounts followed the same general pattern. Between 1999 and 2013, the total nominal value of passed referenda in any year did not exceed \$651 million, or \$1 billion in 2017 inflation-adjusted dollars. Before adjusting for inflation, the totals rose to \$873 million in 2014 and more than \$1.7 billion in 2016, the record to date. Similarly, voter approval of referenda has also trended upward since 2003, reaching a high of 79% in 2016.

School district referenda fall into two types: borrowing, which asks voters to issue debt for a specific period of time, and exemptions from state-imposed revenue limits. Those exemptions may be either recurring (permanent), or non-recurring, which last for a specific period, generally up to five years.

The state uses revenue limits to determine how much schools generally can spend per pupil from a combination of property taxes and state aid. School officials seek referenda to pay for expenses such as a new building or an increase in their operating budgets. The proposed increase must be approved by a majority of voters, who are deciding whether or not to raise their property taxes to provide the funding.

The full report can be found here:

<https://wispolicyforum.org/research/school-referenda-on-the-rise/>