



Berlin Journal Article
Point of Focus
Berlin Area School District

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Topic: Referendum - History and Rate of Operational Referendum

Title: School Referendum: We are Not Alone

In last week's column I wrote about the tax impact to the residents of the Berlin Area School District if the operational referendum question were to pass on November 5th. This week I will focus on the different types of referendum questions, the reason districts go to operational referendum, and the increasing need for school districts to go to operational referendum.

Let me begin by saying that the Berlin Area School District is not alone in seeking voter approval to exceed the revenue limit through an operational referendum. In fact, in Wisconsin there are 421 school districts and 367 (87%) of school districts have needed to go to the taxpayers through referendum to pay for operational expenses. We are not alone.

This fall there are 80 school districts asking voters an operational question in November. Of those 80, there are 59 non-recurring questions and 21 recurring. As a reminder, the Berlin Area School District's question on the ballot is a non-recurring question to exceed the revenue limit for four years. This authority will go away after the fourth year and revert back to the lower revenue limit imposed by the state.

In April there were 63 school districts that asked voters an operational question in. Of those 63, there were 43 non-recurring questions and 20 recurring. In total, in 2024, 131 unique school districts (31%) have or will ask an operational question. 16 districts asked questions both in spring and fall. We are not alone.

What is a non-recurring referendum question?

The most common type of school district operational referendum question is the non-recurring type. Over time the ratio of non-recurring to recurring questions is about 3:1. A non-recurring question is time limited. The voter is giving the school board permission to exceed the state imposed revenue limit for a specific number of years, most commonly between 3 and 5 years at

a time. After that period of time, the school district's revenue limit returns to the lower limit. This type of referendum question is typically more popular among voters, since it is time limited.

What is a recurring referendum question?

The other type of operational referendum question is recurring, which permanently increases the base revenue limit. This type of question is particularly popular in school districts located in growing communities where the taxpayer knows there will need to be future referendum questions for staffing and capital expenses.

Why do so many districts need to go to an operational referendum?

The short answer to this question is that the Wisconsin legislature and governors made decisions in the past that affected school district revenue. In the 1990s, Wisconsin imposed revenue limits on school districts based on expenditures at the time. Prior to that time, there was more local control given to school boards to determine taxation. In 2009, another major change occurred when the Wisconsin legislature decoupled annual increases to revenue limits based in part on inflation. That was the final straw and has led to the large number of operational referendum questions on the ballot.

The decoupling of inflationary increases to school districts gradually created the funding gaps we see today. If this change had never happened, an average size school district of approximately 1,000 students would have over 3.3 million dollars more revenue per year right now, eliminating most if not all operational referendum questions. In the Berlin Area School District we would have well over 4 million dollars more revenue a year.

The Berlin Area School District has historically been a low expense (cost per student), low revenue (revenue limit) district, and only recently was granted by the Department of Public Instruction some small reprieve from the exceptionally low revenue limit. Due to a history of fiscally conservative management of the school district budget by school boards and past superintendents, the school district has been able to hold off on joining the other districts in going to the public to pass an operational referendum.

Unfortunately, there is only so much juice we can squeeze from the turnip. The time has come to ask the public for additional funding to keep our public schools strong for our students, families, and community. We are not alone.

I encourage everyone to learn more about these topics through articles and videos contained on the Wisconsin Department of Instruction and Department of Revenue websites, as well as other online resources. Please watch for three postcards we are sending to your mailboxes, check out our Referendum 2024 webpages on the school district website, and continue to read my articles. If you have any questions, please feel free to reach out to me directly.

Thank you for your ongoing support for our students, schools, and community.