

Operational Referendum Planning



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Agenda

- Operational Referendum Background & Legal Requirements
- Nicolet Union High School's Experience
- Middleton-Cross Plains Area School District's Experience

What is an operational referendum?

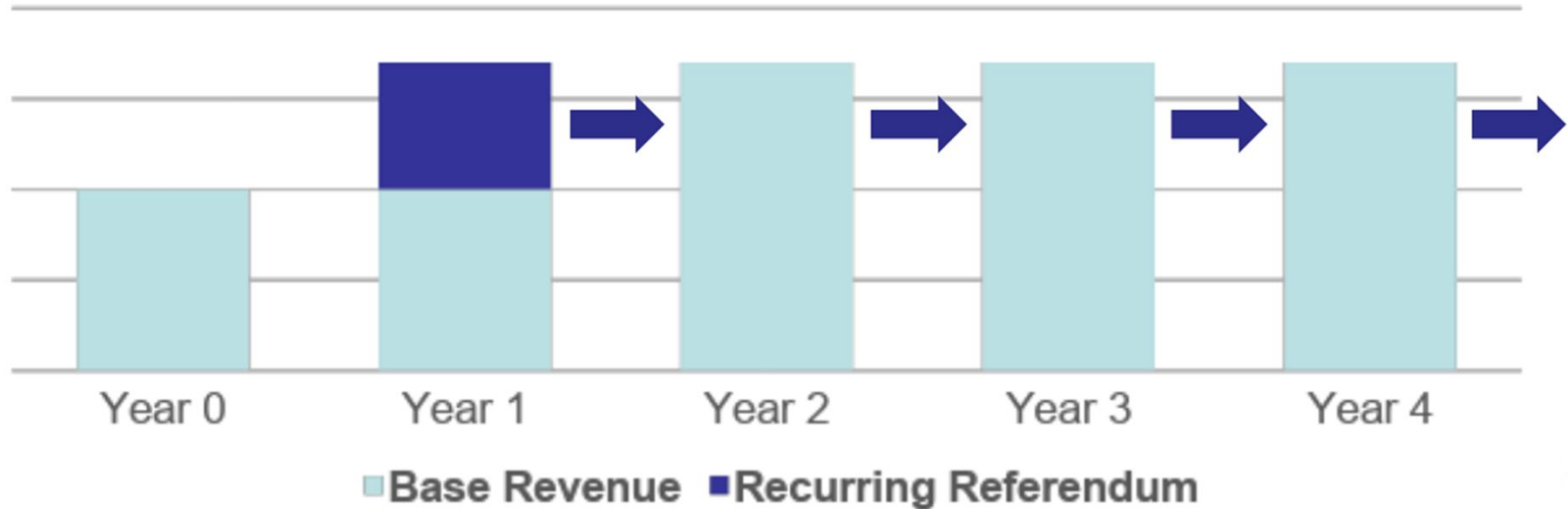
- An operational referendum provides authority for a school district to exceed the revenue limit for operational purposes.
- Non-Recurring Versus Recurring Operational Referendum
 - ◆ A non-recurring operational referendum provides for a temporary increase in the revenue limit.
 - ◆ A recurring operational referendum provides for an ongoing or permanent increase in the revenue limit.

A Non-Recurring Operational Referendum



Source: graph is from DPI "The Formal Side of School Finance" Presentation, January 2022

A Recurring Operational Referendum



Source: graph is from DPI "The Formal Side of School Finance" Presentation, January 2022

Legal Requirements

- Operational referenda – governed by Wisconsin Statutes, Section 121.91(3)
- A school board must adopt a revenue limit resolution that includes:
 - ◆ the amount(s) of the proposed excess revenue to be included in the school district budget; and
 - ◆ whether the operational referendum is for a recurring or non-recurring purpose or both (and the amount for each if both a recurring and non-recurring purpose).

Legal Requirements

- The school board shall schedule the referendum to be held at the next regularly scheduled primary or election (as long as it is at least 70 days after the resolution adoption and ballot filing).
- The referendum must be held in compliance with Chapters 5-12 of the Wisconsin Statutes.
- The form of the ballot question shall be whether the revenue limit may be exceeded by a specified amount.

Example Ballot Questions

→ Non-Recurring Operational Referendum Example

Question: Shall the _____ School District, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$ _____ per year beginning with the 2024-2025 school year and ending with the 2028-2029 school year, for non-recurring purposes consisting of operational and maintenance expenses?

Example Ballot Questions

→ Recurring Operational Referendum Example

Question: Shall the _____ School District, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$ _____ beginning with the 2024-2025 school year, for recurring purposes consisting of operational and maintenance expenses?

Limitations on Referenda

- 2017 Act 59 added restrictions on school district referenda.
 - ◆ Limitations on the number of referenda that can be held by a school district in a calendar year.
 - ◆ In addition, a school district also can no longer hold a special election for a referendum (except in a very limited circumstance).
- Low Revenue Ceiling

Timeline of Legal Steps

Action	Timing	Notes
Adopt revenue limit & referendum resolutions	At least 70 days prior to the election date	Plan ahead
File ballot with County Clerk(s)	At least 70 days prior to the election date	Make sure the County Clerk(s) receive the ballot to get the question(s) included
Notify DPI	Within 10 days of adoption of the resolutions	
Information campaign	Ongoing through election date	
Publish first notice	On the 4 th Tuesday prior to the election	Type A Notice
Publish second notice	On the day prior to the election	Type B, C & D Notice (Municipal Clerks typically publish the Type E Notice)
Election day	Regularly scheduled primary or election	
Report preliminary results to DPI	Night of election	
Board of canvassers meet	By 9:00 a.m. on the Tuesday after the election date	Meeting must be noticed and open to the public
Report final referendum results	Within 10 days of the referendum being held	Report to DPI upon completion of board of canvassers meeting

Upcoming 2024 Election Dates

Election Dates	70 Day Ballot Filing Deadline
February 20, 2024	December 12, 2023
April 2, 2024	January 23, 2024
August 13, 2024	June 4, 2024
November 5, 2024	August 27, 2024



NICOLET
UNION HIGH SCHOOL

2021 \$3.9m/year Operational Referendum

Nicolet Background Information

- High Spending District (Approximately \$20k/student)
- Needs beyond what Taxes/State/Feds provide
 - ◆ High Compensation Levels
 - ◆ High Staffing Levels (14.5 FTE/teacher)
 - ◆ Large Budgets
 - ◆ Unique Programming (FEAR; Student Supports Program; Theatre Programming, etc.)
- Extremely Supportive Community
- Third Operational Referendum
 - ◆ 2011-2016: \$2.15M/year for five years
 - ◆ 2016-2022: \$3.15M/year for six years
 - ◆ 2022-2028: \$3.9M/year for six years

All non-recurring referendums.

Timing and Strategy

Strategy

- Planning began in 2019
 - ◆ Initially had linked with facility referendum (severed the two to delay facility referendum)
 - ◆ COVID was controversial, wanted to remove as much controversy from operational referendum as possible
 - ◆ Garnered more support and made messaging easier
 - ◆ Reduced stress to avoid “financial catastrophe”
- Going in 2021 gave us a buffer (avoid catastrophe)
 - ◆ Determined the amount and type of operational referendum in Fall, ‘20
 - ◆ If Spring, ‘21 failed, had another opportunity in Spring, ‘22 to come back
 - ◆ Felt we had the information we needed to go early
- While you can’t “sell” a referendum, set it up for success
- Make financial decisions that garner future support

Determining the Amount

Strategy

- Nicolet: Six Year Financial Cycle
- Work with Board to gain “Buy In”
 - ◆ Board Approved Assumptions
 - ◆ District Fund Balance Policy - 30% (Starting Point: Over 33%)
 - Great messaging for community (We are kicking in too)
 - ◆ Baird Model to project
- Determined that to meet financial objectives of the Board, Nicolet would need to replace the \$3.15M/year non-recurring referendum with a \$3.9M/year non-recurring referendum
- This information would then be weaved into survey

Recurring vs. Non-Recurring Referendum

Strategy

- Besides the timing and amount, this is one of the biggest decisions surrounding the operational referendum
 - ◆ Recurring: Amount to exceed cap is exemption in year one and flows into the base in year 2 (forever) - Line 8 of Revenue Limit Worksheet
 - ◆ Non-Recurring: Amount to exceed the cap is listed within the non-recurring exceptions - Line 10 of Revenue Limit Worksheet
- Nicolet explored switching to a recurring and BOE was not interested
 - ◆ Non-Recurring makes this business manager very nervous
 - ◆ Community likes a touch point every 4-6 years, per Board members
 - ◆ Survey results also indicated community agrees with our Board
- Non-recurring also made sense with what we are currently funding
 - ◆ OPEB Funding - Close to fully funded at the time (now there)
 - ◆ Did not want excess dollars in our request due to this funding being unnecessary
- Each District must decide what is best for them
- This information was determined and weaved into a survey

Survey

Option 1: If voters do not support any referendum, the District would need to cut approximately \$3.9 million from the operating budget, beginning in the 2022-23 school year.

Option 2: If voters support a referendum providing \$3.7 million per year, the District would need to reduce its budget by \$1.2 million over six years from current programs and services to balance the budget, beginning in the 2022-23 school year.

Option 2 would increase yearly taxes over current levels by approximately \$13 on each \$100,000 of home value for six years.

Option 3: If voters support a referendum providing \$3.9 million per year, the District could maintain current programs and services.

Option 3 would increase yearly taxes over current levels by approximately \$17 on each \$100,000 of home value for six years.

Option 4: If voters support a referendum providing \$4.1 million per year, the District could maintain current programs and services and contribute \$200,000 annually to fund maintenance projects on our campus.

Option 4 would increase yearly taxes over current levels by approximately \$22 on each \$100,000 of home value for six years.

Success and Ongoing Financial Management

ID	Vote Date	Amount	Type	Yes	No	Result	Performance Clause
5076	04/06/2021	2022-2023 \$3,900,000 2023-2024 \$3,900,000 2024-2025 \$3,900,000 2025-2026 \$3,900,000 2026-2027 \$3,900,000 2027-2028 \$3,900,000 Total: \$23,400,000	NR - 2022	3,629	1,794	Passed Cert Received	

- Financial results - stronger than anticipated when referendum passed
- Ideas:
 - ◆ Fully funded OPEB plan in 2022-23
 - ◆ Start OPEB for other retirement benefits due
 - ◆ Scale back amount being requested annually (increase Fund 39 to plan to prepay debt)
 - ◆ Maintain \$3.9M and drive fund balance up to set up next six year operational cycle
 - Build story for next time....
- Be transparent, solicit feedback, and make collaborative decisions
 - ◆ Builds trust / Builds buy-in / Ensures future success



Middleton–Cross Plains Area School District

inclusive. innovative. inspiring.

\$24.9 Million 4-Year Non-Recurring Operational Referendum

- This was the 1st stand alone operational referendum in the last 10 years - prior referendums were related to the need of a new school(s)
- Student growth was growing annually but a major shift since the pandemic (have lost over 300 students)
- Ensure that we offer a wide range of academic and co-curricular offerings for our students
- Keep talented staff working in our schools and facilities
- Attract new staff to our district
- Address inflationary pressures on all aspects of district operations

Engaging Our Community

- 5 community and 2 staff engagement sessions held
- Community-wide survey information sent to every household within our boundaries; survey copies made available in all schools and in our community libraries. **1,925 survey responses received.**

\$20 million	\$24.9 million	\$30 million
64%	58%	52%

Structure of Referendum

→ \$24.9 Million 4-Year Non-Recurring Operational Referendum

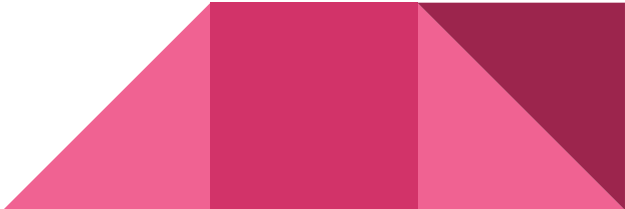
School Year	2023-2024	2024-2025	2025-2026	2026-2027
Projected Deficit	\$7,345,000	\$13,790,000	\$19,435,000	\$24,900,000

Ballot Question

Shall the Middleton-Cross Plains Area School District, Dane County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$7,345,000 for the 2023-2024 school year, by \$13,790,000 for the 2024-2025 school year, by \$19,435,000 for the 2025-2026 school year and by \$24,900,000 for the 2026-2027 school year, for non-recurring purposes consisting of expenses related to ongoing educational and extracurricular programming, and compensation, and other operational expenses?

Results

District ^A _Z ↓	Vote Date	Amount	Type	Yes	No	Result	Brief Description
Middleton-Cross Plains (3549)	11/08/2022	2023-2024 \$7,345,000 2024-2025 \$13,790,000 2025-2026 \$19,435,000 2026-2027 \$24,900,000 Total: \$65,470,000	NR 2026-2027	14,596	8,607	Passed	Exceed Revenue Limits for four years, non-recurring for the expenses related to ongoing educational and extracurricular programming, and compensation, and other operational expenses. EXCEED REVENUE LIMIT FOR FOUR YEARS FOR NON-RECURRING PURPOSES



Tips to Stay on Track

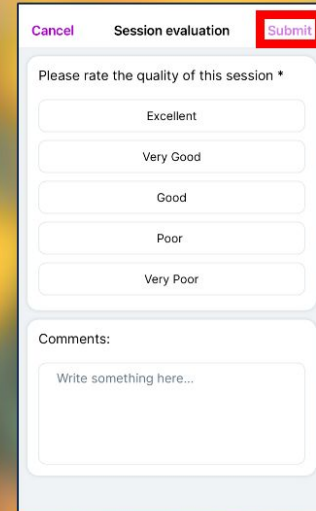
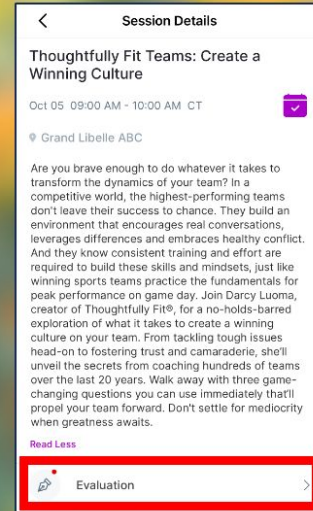
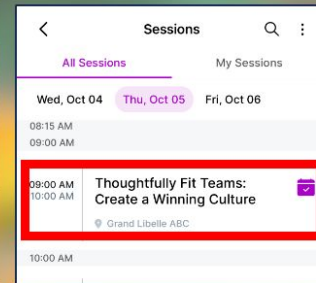
- Plan ahead and do your homework.
- Reach out to your legal counsel and other referendum partners to keep them involved throughout the process.
- Use your timelines.
- Watch for reminders about notice publication dates and other steps.
- Don't hesitate to reach out with questions.

Questions???

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1. IN THE WASBO GO APP, GO TO THE FALL CONFERENCE AFTER VISITING THE CALENDAR TAB.
2. GO TO “SESSIONS” AND CLICK THIS SESSION.
3. CLICK THE EVALUATION LINK AT THE BOTTOM OF THE SESSION LISTING.
4. PROVIDE YOUR FEEDBACK ON THE SESSION (LESS THAN ONE MINUTE!) AND CLICK “SUBMIT.” (SEE EXAMPLE TO RIGHT).



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