

Operating Referenda – Timelines, Planning, Harsh Realities, Approving Two Tax Levies, Two Budgets

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Roadmap

- What is an Operational Referendum?
- Legal Requirements
- Example Ballot Questions
- Limitations on Referenda
- Timeline of Legal Steps and Upcoming Primary and Election Dates
- Fairly Normal School District – November Referendum
 - History, Sense of Urgency, Tight Timelines, Harsh Realities, Be Prepared

What is an Operational Referendum?

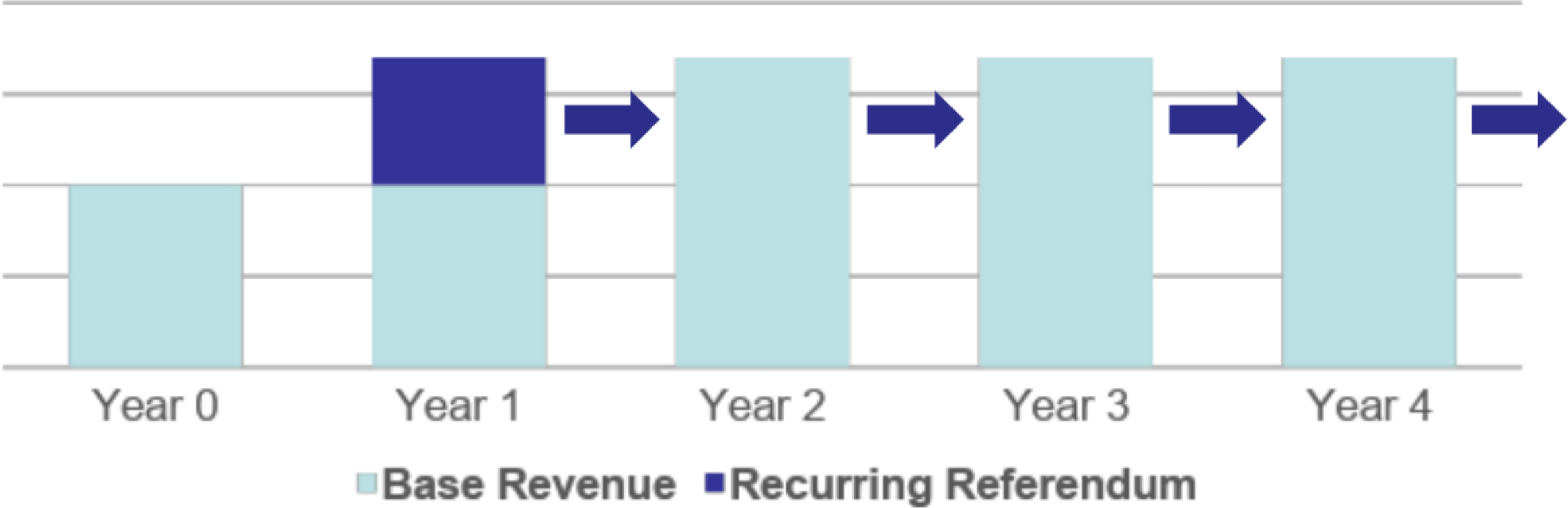
- An operational referendum provides authority for a school district to exceed the revenue limit for operational purposes.
 - Non-Recurring Versus Recurring Operational Referendum
 - A non-recurring operational referendum provides for a temporary increase in the revenue limit.
 - A recurring operational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

School District

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

School District

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).

Limitations on Referenda

- "...A school board may proceed under this subdivision and under s. 67.05 (6a) (a) 2. a. no more than 2 times in any calendar year..." (Wisconsin Statutes, Section 121.91(3)(a)1.)
 - No more than two board resolutions to authorize a referendum and no more than two resulting questions per a calendar year.

Possible Referendum Combinations

- Examples of Possible Referendum Combinations in One Calendar Year
 - Two revenue limit resolutions, resulting in two operational referendum questions.
 - Two initial resolutions, resulting in two capital borrowing questions.
 - One initial resolution and one revenue limit resolution, resulting in one capital borrowing question and one operational referendum question.

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 Primary and Election Dates

Election Dates	70 Day Ballot Filing Deadline
August 13, 2024	June 4, 2024
November 5, 2024	August 27, 2024
February 18, 2025	December 10, 2024
April 1, 2025	January 21, 2025
February 17, 2026	December 9, 2025
April 7, 2026	January 27, 2026
August 11, 2026	June 2, 2026
November 3, 2026	August 25, 2026
February 16, 2027	December 8, 2026
April 6, 2027	January 26, 2027



FAIRLY NORMAL SCHOOL DISTRICT

**Navigating through a necessary
November operating referendum...
Approving two tax levies, two budgets
and preparing for harsh realities**

FAIRLY NORMAL SCHOOL DISTRICT REFERENDUM HISTORY

OPERATING – NON-RECURRING

- April 2018 - \$1,725,000 – PASSED!
Exceed revenue limit: \$275,000- 2018-19
\$575,000- 2019-20
\$875,000- 2020-21
- November 2020 - \$4,500,000 – PASSED!
Exceed revenue limit: \$1,200,000- 2021-22
\$1,500,000- 2022-23
\$1,800,000- 2023-24

CAPITAL – ISSUE DEBT

- April 2018 - None
- November 2020 - \$11,950,000 PASSED!
For the public purpose of the cost of a District-wide school facility improvements project consisting of safety, security, and site improvements; building infrastructure and capital maintenance ...



FAIRLY NORMAL SCHOOL DISTRICT

WHAT MAKES SENSE TO HAPPEN NEXT?

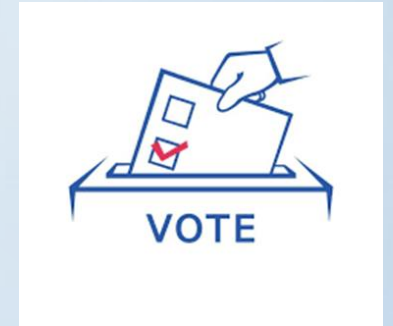
- **WHAT WE KNOW IN THE 2022-23 SCHOOL YEAR:**
 - **The 2023-24 school year will be the last year of the November 2020 non-recurring operating referendum.**
 - **The last year of the operating referendum will allow us to exceed the 2023-24 revenue limit by \$1,800,000.**
 - **We estimate we will need to exceed the revenue limit in years 2024-25, 2025-26, and 2026-27 by at least \$1,900,000 each year for operating expenses including wage increases for our staff.**
 - **We don't anticipate a failed operating referendum because our community has a history of supporting the District in the past.**
 - **But.....**



FAIRLY NORMAL SCHOOL DISTRICT

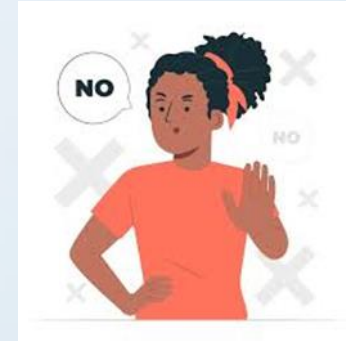
THE SCHOOL BOARD DECIDES:

- At least 70 days before the April 2023 election to put the following on the April 2023 ballot:



Actual Wording: BE IT RESOLVED by the School Board of the Fairly Normal School District, Fairly Normal County, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by **\$1,900,000** per year for three years beginning with the 2024-2025 school year and ending with the 2026-2027 school year, for non-recurring purposes to sustain educational programs and to operate the District.

FAIRLY NORMAL SCHOOL DISTRICT BUT IN APRIL 2023 THE VOTERS DECIDE:



Actual Wording: BE IT RESOLVED by the School Board of the Fairly Normal School District, Fairly Normal County, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by **\$1,900,000** per year for three years beginning with the 2024-2025 school year and ending with the 2026-2027 school year, for non-recurring purposes to sustain educational programs and to operate the District.

**FAIRLY NORMAL SCHOOL DISTRICT
SO IN APRIL 2023 THE SCHOOL BOARD SAYS:**



LET'S TRY AGAIN IN NOVEMBER 2023!

**AND THEN THE BUSINESS MANAGER REMINDS THEM THERE IS NO
GENERAL ELECTION IN NOVEMBER 2023! LET'S LOOK AT 2024!**

FAIRLY NORMAL SCHOOL DISTRICT THE SCHOOL BOARD DECIDES:

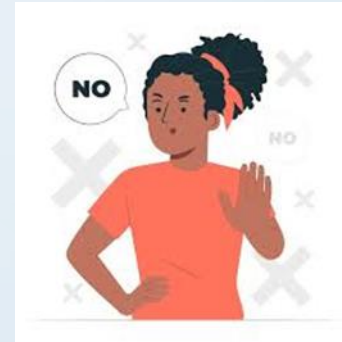
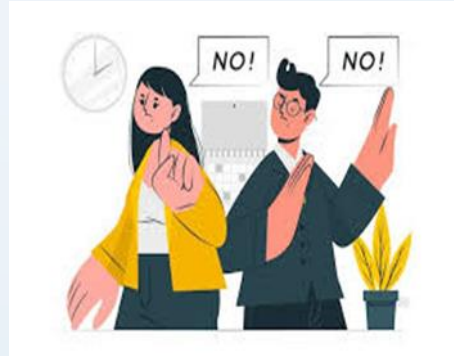
- At least 70 days before the April 2024 election to put the following on the April 2024 ballot:



Actual Wording: BE IT RESOLVED by the School Board of the Fairly Normal School District, Fairly Normal County, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by **\$1,500,000** per year for three years beginning with the 2024-2025 school year and ending with the 2026-2027 school year, for non-recurring purposes to sustain educational programs and to operate the District.

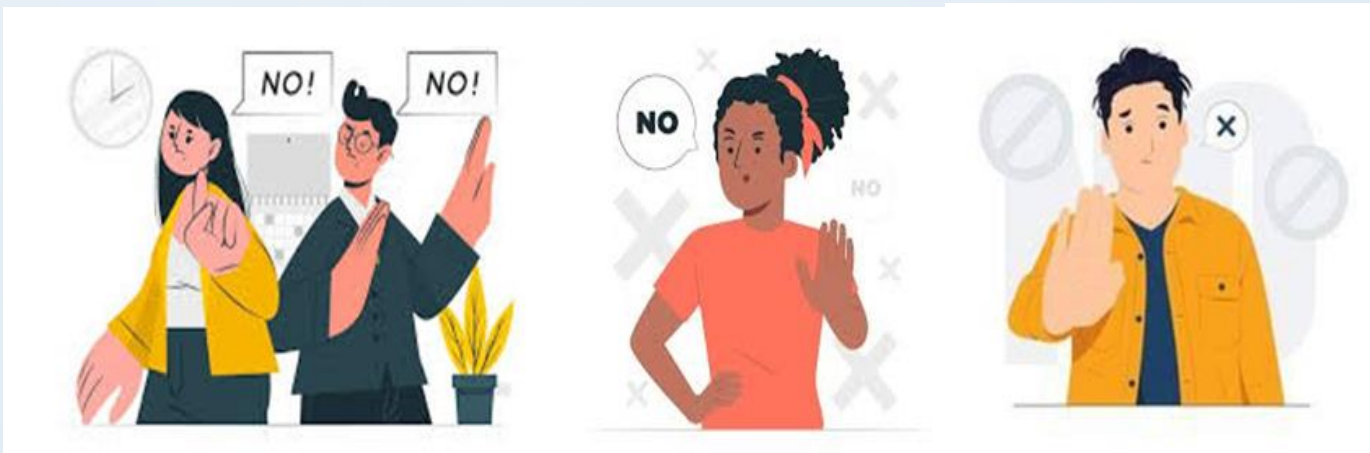
Note: The total for 3 years would be \$4,500,000 the same total amount approved by voters in 2020 but that referendum started at \$1,200,000 (Year 1), \$1,500,000 (Year 2) & \$1,800,000 (Year 3).

FAIRLY NORMAL SCHOOL DISTRICT BUT IN APRIL 2024 THE VOTERS DECIDE:



Actual Wording: BE IT RESOLVED by the School Board of the Fairly Normal School District, Fairly Normal County, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by **\$1,500,000** per year for three years beginning with the 2024-2025 school year and ending with the 2026-2027 school year, for non-recurring purposes to sustain educational programs and to operate the District.

FAIRLY NORMAL SCHOOL DISTRICT
ALSO
IN APRIL 2024 THE VOTERS CHOOSE
4 NEW MEMBERS



LOOK FAMILIAR?

FAIRLY NORMAL SCHOOL DISTRICT
THE NEW SCHOOL BOARD MEMBERS WANT TO
LEARN MORE ABOUT THE “WHY” BEFORE THEY
AGREE TO GOING TO THE VOTERS AGAIN



FAIRLY NORMAL SCHOOL DISTRICT THE BUSINESS MANAGER EXPLAINS



WHY?



AND EXPLAINS THE URGENCY

Two Resolution per Year Limit

These limitations on the ability of a school board to ask voters to exceed state imposed revenue limits prohibit a board from passing more than two resolutions per calendar year. A resolution (for operations or to issue debt) results in a referendum/ballot question that the voter is asked to approve or deny.

AND

If a district held a failed operating referendum (recurring or nonrecurring) during 2023-24, the per pupil LRC would be \$11,000 for the three years following the failed referendum: 2024-25, 2025-26, and 2026-27. If the district subsequently passes an operating referendum, the three-year freeze of the LRC is removed, effective the year after passage of the referendum.

FAIRLY NORMAL SCHOOL DISTRICT

THE NEW SCHOOL BOARD

- Missed the 70 day before August 2024 regularly scheduled election day to approve a resolution to authorize an August referendum ballot question.
- Did at least 70 days before the November 5, 2024 election approve a resolution to put the following on the November 2024 ballot:

Actual Wording: BE IT RESOLVED by the School Board of the Fairly Normal School District, Fairly Normal County, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by **\$1,200,000** per year for three years beginning with the 2024-2025 school year and ending with the 2026-2027 school year, for non-recurring purposes to sustain educational programs and to operate the District.

Note: The total for 3 years would be \$3,600,000 which is less than the total amount approved by voters in 2020 referendum \$4,500,000 \$1,200,000 (Year 1), \$1,500,000 (Year 2) & \$1,800,000 (Year 3).



FAIRLY NORMAL SCHOOL DISTRICT

Wait



- **Operating Referendum Results November 5th or Later?**
- **Class 1 Notice- Summary of the proposed budget:**
 - Common School District – 10 days prior to budget hearing**
 - Unified School District – 15 days prior to budget hearing**
- **Setting the Tax Levy: School Board must determine sufficient tax levy on or before November 1st.**
- **The school board clerk must set the levy and adopt an original budget on or before November 1st.**
- **The school board clerk must certify the levy to the municipalities on or before November 10th.**



FAIRLY NORMAL SCHOOL DISTRICT

- **STEP 1 - PREPARE TWO DIFFERENT REVENUE LIMIT CALCULATIONS AND LEVY CALCULATIONS THIS WILL HELP PREPARE FOR BOTH A PASSED REFERENDUM OR THE HARSH REALITIES OF A FAILED REFERENDUM**

REVENUE LIMIT AND LEVY DIFFERENCES HARSH REALITIES		FAIRLY NORMAL SCHOOL DISTRICT					
		2023-24	PASSED REF 2024-25	PASSED REF REDUCE 2024-25 BUDGET	FAILED REF 2024-25	FAILED REF REDUCE 2024-25 BUDGET	TOTAL REDUCTION FROM 2023-24 BUDGET IF REFERENDUM FAILS
Line 10A	Non-Recurring Referenda to Exceed 2023-24 Limit	\$ 1,800,000.00	\$ 1,200,000.00	\$ (600,000.00)	\$ 0.00	\$ (1,200,000.00)	\$ (1,800,000.00)
Line 11	Revenue Limit with all Exemptions	\$ 15,533,899.00	\$ 14,933,899.00	\$ (600,000.00)	\$ 13,733,899.00	\$ (1,200,000.00)	\$ (1,800,000.00)
Line 14A	Gen Operations: Fnd 10 Src 211	\$ 4,194,535.00	\$ 3,594,535.00	\$ (600,000.00)	\$ 2,394,535.00	\$ (1,200,000.00)	\$ (1,800,000.00)
Line 16	Total Fall, REPORTED All Fund Tax Levy	\$ 7,699,025.00	\$ 7,099,025.00	\$ (600,000.00)	\$ 5,899,025.00	\$ (1,200,000.00)	\$ (1,800,000.00)
	LEVY (MILL) RATE CHANGES	\$ 9.37	\$ 8.64	\$ (0.73)	\$ 7.18	\$ (1.46)	\$ (2.19)

FAIRLY NORMAL SCHOOL DISTRICT

- **STEP 2 - PREPARE TWO DIFFERENT BUDGETS BOTH WILL BE PUBLISHED FOR BUDGET HEARING**
- **Talking Points - Harsh Reality- If fails - Cut \$1.2 million for balanced budget or Use Fund Balance?**

**NOTICE OF BUDGET HEARING
FAIRLY NORMAL SCHOOL DISTRICT 2024-25**

	AUDITED 2022-23	UNAUDITED 2023-24	Successful Referendum BUDGET 2024-25	Unsuccessful Referendum BUDGET 2024-25
GENERAL FUND				
Beginning Fund Balance	1,991,247.90	2,031,610.89	2,055,762.96	2,055,762.96
Ending Fund Balance	2,031,610.89	2,055,762.96	2,055,762.96	2,055,762.96
REVENUES & OTHER FINANCING SOURCES				
Transfers-In (Source 100)	0.00	0.00	0.00	0.00
Local Sources (Source 200)	3,530,499.00	4,194,535.00	3,594,535.00	2,394,535.00
Inter-district Payments (Source 300 + 400)	426,075.35	472,653.22	435,000.00	435,000.00
Intermediate Sources (Source 500)	770.00	0.00	0.00	0.00
State Sources (Source 600)	9,512,792.92	9,514,746.93	9,547,859.00	9,547,859.00
Federal Sources (Source 700)	523,245.74	1,013,634.76	1,015,635.00	1,015,635.00
All Other Sources (Source 800 + 900)	94,503.18	104,959.83	107,500.00	107,500.00
TOTAL REVENUES & OTHER FINANCING SOURCES	14,087,886.19	15,300,529.74	14,700,529.00	13,500,529.00
EXPENDITURES & OTHER FINANCING USES				
Instruction (Function 100 000)	5,760,859.05	6,115,063.80	5,760,859.00	5,360,859.00
Support Services (Function 200 000)	5,583,877.12	6,255,832.46	6,155,832.00	5,755,832.00
Non-Program Transactions (Function 400 000)	2,702,787.03	2,905,481.41	2,783,838.00	2,383,838.00
TOTAL EXPENDITURES & OTHER FINANCING USES	14,047,523.20	15,276,377.67	14,700,529.00	13,500,529.00

PROPOSED PROPERTY TAX LEVY

FUND	AUDITED 2022-23	UNAUDITED 2023-24	BUDGET 2024-25	BUDGET 2024-25
General Fund	3,530,499.00	4,194,535.00	3,594,535.00	2,394,535.00
Referendum Debt Service Fund	2,223,388.00	2,129,029.00	2,129,029.00	2,129,029.00
Non-Referendum Debt Service Fund	263,294.00	1,375,461.00	1,375,461.00	1,375,461.00
Capital Expansion Fund	0.00	0.00	0.00	0.00
Community Service Fund	0.00	0.00	0.00	0.00
TOTAL SCHOOL LEVY	6,017,181.00	7,699,025.00	7,099,025.00	5,899,025.00
LEVY PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR	-3.96%	27.95%	-7.79%	-23.38%
Mill Rate	\$ 10.68	\$ 9.37	\$ 8.64	\$ 7.18
Mill Rate Increase (Decrease) from Prior Year		\$ (1.31)	\$ (0.73)	\$ (2.19)

FAIRLY NORMAL SCHOOL DISTRICT

- **STEP 3 - Board will need to approve two tax levies and adopt two budgets on or before November 1**

Sufficient Tax Amount

Section [120.12\(3\)\(a\)](#) and [\(c\)](#) require that on or before November 1, a school board must determine if the tax voted at the annual meeting is sufficient to operate and maintain the schools for the school year. If the amount so determined is not sufficient, the school board shall raise the tax. The board may lower the tax if the amount so determined exceeds requirements. The tax levy shall not exceed limits established by [s. 121.91](#). The taxes levied must be certified to municipalities on or before November 10.

Step #4

The school board shall adopt a budget at a school board meeting scheduled after the public hearing on the proposed budget and no later than the meeting in which the school board sets the annual tax levy amount. This adopted budget is commonly referred to as the legally adopted original budget.

FAIRLY NORMAL SCHOOL DISTRICT

➤ **STEP 4 - After Nov. 5 election results are known, the correct tax levy must be certified to municipalities on or before November 10th.**

Each year, per Wis. Stats. [120.12 \(3\)\(a\)](#), prior to November 1, each school board must vote a levy necessary to operate and maintain the schools of the school district. In addition, by November 10 the district clerk must deliver to the clerk of each municipality a statement showing the proportion of tax to be collected from the property in the school district lying within that municipality ([s.120.17\(8\)\(a\)](#) Wis. Stats). This application collects school district tax levy information and replaces all prior paper reporting processes. Levy amounts are entered by fund. Once data is submitted, the program automatically apportions the total levy across municipalities, creates individual municipal tax certification pages and reports information to both the Department of Public Instruction (DPI) and the Department of Revenue (DOR). The PI-401 tax levy data is used by DPI to determine district compliance with the revenue limit statute Wis Stat §[121.92](#).

Please note that if the PI-401 is due before the election date, be sure to contact DPI

In closing.....

Keep in mind that this does not often happen, but it could, and now we hope you can be aware, prepared, and not scared!

