




School District of the
Menomonie Area

Referendum Guide 2023-2024



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Referendum Guide 2023-2024

The Board of Education in the School District of the Menomonie Area (SDMA) unanimously passed a resolution on November 27, 2023 asking district residents to vote on an operational referendum during the election scheduled on February 20, 2024. This guide has been developed to provide the public with information about the upcoming referendum.

What is an Operational Referendum?

An operational referendum is a mechanism by which schools can ask voters to authorize the district to exceed the state imposed revenue limit for operational expenses. A revenue limit is a cap on the combined amount of tax revenue and state aid that a school district can receive in a year. Each school district is assigned its own unique revenue limit by the state, and the revenue limit set for the SDMA is well below the state average. More information about [revenue limits](#) and [referendums](#) is available on the Department of Public Instruction (DPI) website.

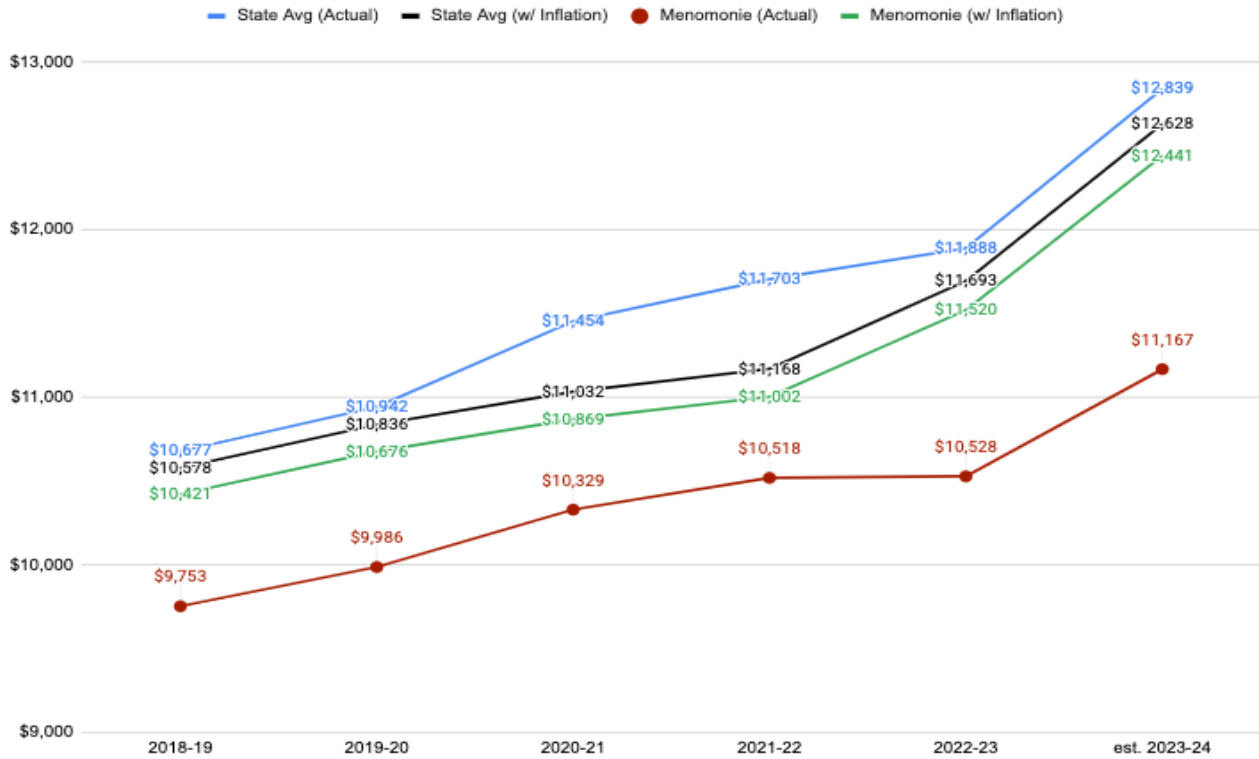
Why is a Referendum Being Considered in the SDMA?

There are many factors to consider when deciding on a referendum, but ultimately the SDMA cannot continue current programming and operations without additional revenue. Despite a long history in the SDMA of planning ahead, reducing debt, and saving for capital expenses, inequitable revenue limits and inadequate funding from the state have not allowed revenue in the SDMA to keep up with inflation.

This ongoing problem has become more challenging with the recently signed state biennial budget that did not include enough new revenue to replace federal pandemic funding or account for staffing shortages and historically high inflation. Without additional revenue or a significant reduction in expenditures, the SDMA budget will include deficits that are not sustainable into the future.

The Board considered a lot of input before making their decision, including a community survey. The results of the survey indicated that 55.4% of participants would probably or definitely vote yes on the referendum, 24.6% would probably or definitely vote no, and 20% were undecided.

SDMA Revenue Limit History (5-Year Actual vs. Indexed to Inflation) w/ Estimated 2023-24 Data

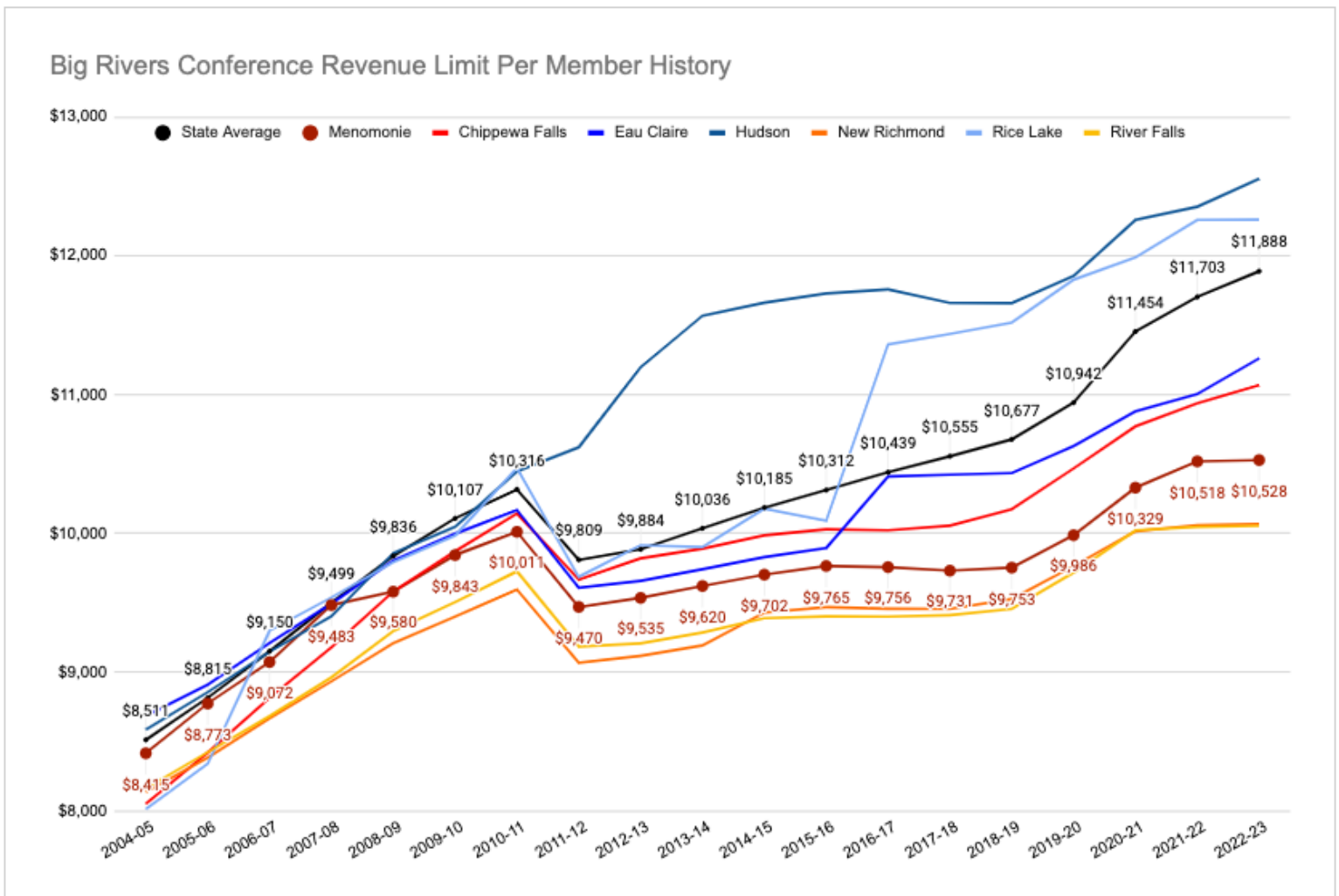


The chart above demonstrates how the amount of revenue allowed per pupil in the SDMA (maroon line) has lagged the state average (blue line), and the widening gaps demonstrate how funding comparisons with the SDMA have gotten worse. While the average revenue limit in the state (blue line) has outpaced inflation (black line), the revenue limit in the SDMA (maroon line) has consistently been less than what it would be if indexed to inflation (green line). According to analysis by the Wisconsin Association for Equity in Funding, the SDMA would have received more than \$30 million of additional revenue if the district’s revenue limit had been at the state average since 1993-1994.

It is estimated that the amount of revenue allowed per pupil in the SDMA during the 2023-2024 school year (\$11,167) will be \$1,274 less than what would have been allowed if the SDMA’s revenue limit had been indexed to inflation, and \$1,672 less than an estimate of the average revenue limit in the state. With a three-year enrollment average of approximately 3,300 students, projected total revenue limit authority in the SDMA will be \$4.2 million less than the SDMA’s inflation-adjusted index (green line) and \$5.5 million less than the state average (blue line).

This funding crossroads was discussed at length during the August 21, 2023 annual meeting. Despite careful and frugal use of federal pandemic funding to help balance SDMA budgets from 2020-2024, it would not be possible for the district to balance future budgets without additional revenue or the reduction of expenses.

Approval of a referendum is the funding mechanism that a majority of the school districts have already turned to, leaving the SDMA to fall further behind in per-pupil revenue (see the graph below). There have been 877 operating referendums passed in Wisconsin to exceed the revenue cap since 1993, which includes some Big Rivers Conference and neighboring schools: Eau Claire (1999, 2007, 2016), Durand (2012), Elmwood (2007), Hudson (2001), River Falls (1998), and Spring Valley (2016).



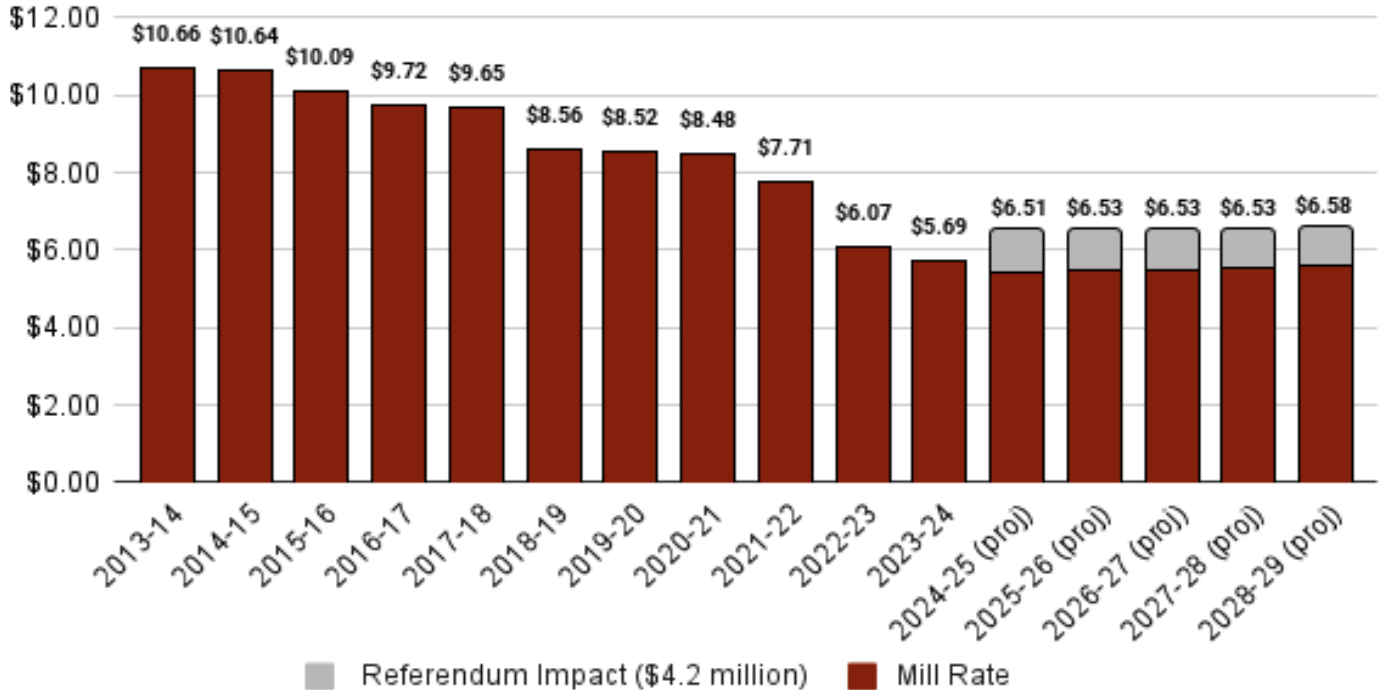
What Will Voters be Asked to Consider?

During a meeting held on November 27, the school board unanimously passed a resolution calling for a recurring \$4.2 million dollar operational referendum election ([click this link to view a sample ballot](#)). Passage of the recurring referendum would allow for a one-time increase in revenue limit authority that would continue into the future. An additional \$4.2 million of additional revenue limit authority would account for high inflation and help the school district continue with current programming.

When Will a School Referendum be on the Ballot?

The referendum election will be held on February 20, 2024. While it could have been possible to wait until April or November to hold a referendum, many decisions that impact the 2024-25 budget should have already been made by that time. Especially with the recent challenges schools are experiencing with staffing shortages, it would be difficult and perhaps damaging to district operations if a referendum is put off until April or November.

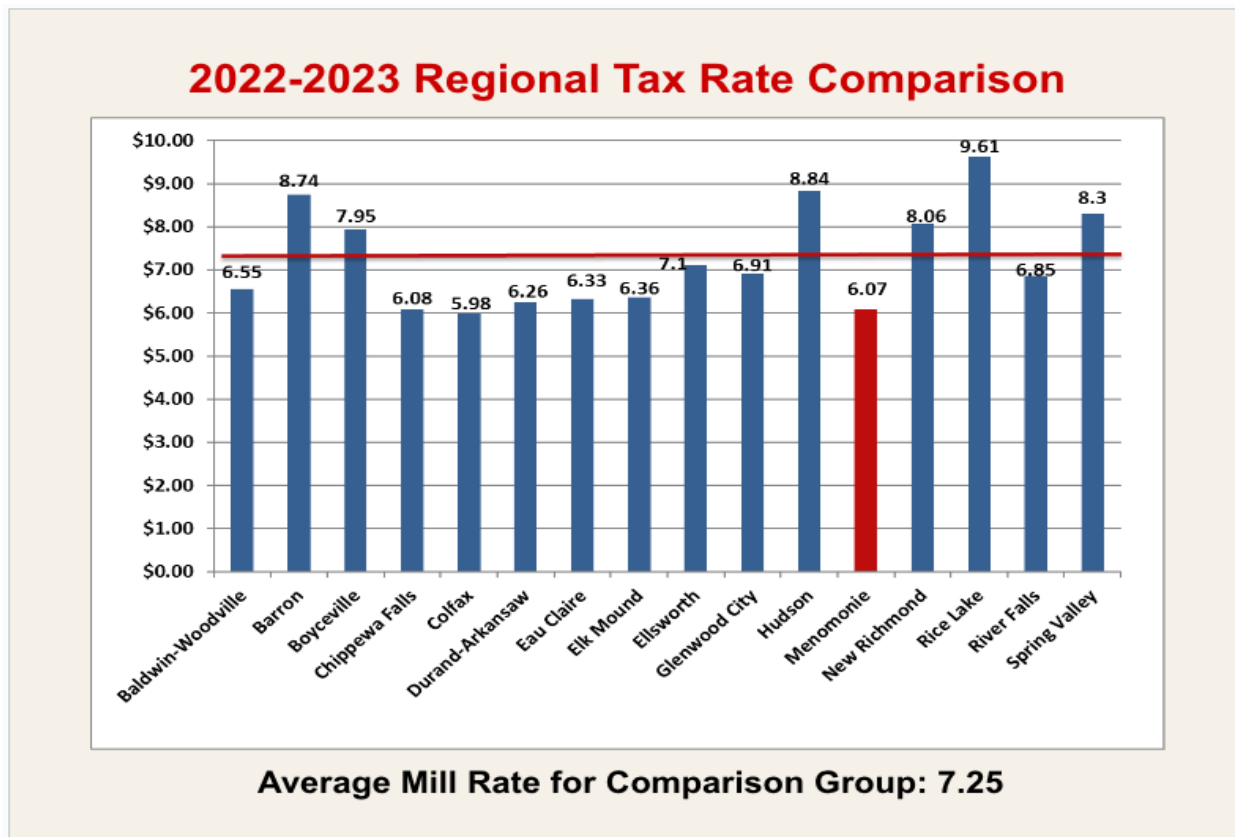
SDMA Property Tax Rates



What Happens if a Referendum Passes?

If a referendum is passed in 2024, the school district will be allowed to exceed the revenue limit for the 2024-2025 school year. The impact of a referendum on local taxes will vary based on state aid and assessed property values, but it is estimated that the property tax impact of a \$4.2 million referendum will be \$6.83/month or \$82/year for every \$100,000 of property valuation (see chart on previous page).

Even if a referendum is passed, it will still be up to the local school board to approve the budget and set the annual tax levy. District officials will attempt to minimize the impact on local taxpayers by maximizing state aid revenue, but local property taxes will increase if a referendum is passed. Local tax rates can vary greatly depending on spending, state aid, and district property values, but it is expected that the mill rate for a passed referendum would increase. It is anticipated that the resulting 2024-2025 tax rate would still be less than the average mill rate from the 2022-2023 Regional Tax Rate Comparison that was shared during the mid-year budget hearing in January 2023.



What Happens if a Referendum Fails?

Without a successful referendum in the SDMA, drastic steps may be needed to reduce expenses. Cuts would likely include a reduction in programming, services, and staff; the deferral of important capital maintenance and technology projects; the acquisition of debt; increased class sizes; and even the possible closure of some district schools. The school district could use fund balance to continue current operations for a short period of time, but depleting the district's fund balance would reduce interest income and add additional expenses to the budget for short-term borrowing and paying interest on a line of credit.

What Can Be Expected Next?

In addition to providing this referendum guide, the school district will be hosting a number of presentations and community informational sessions before the February 20 election. Dates for the presentations will be added to this guide after they are scheduled.

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