

SCHOOL REFERENDA PASSAGE RATES REMAIN LOW

Voters across Wisconsin approved 62 of the 103 school district referenda placed on primary and general election ballots this spring. The 60.2% approval rate was the lowest in a midterm or presidential election year since 2010, with the most ballot questions for spring elections since at least 2000. More districts asked to increase property taxes for operations rather than capital needs, a sign of the stress they are facing from inflation, state caps on their revenues, declining enrollment, and the expiration of federal pandemic aid.

Wisconsin voters in February and April cast ballots for 103 school district referenda, approving 62 of them (60.2%).

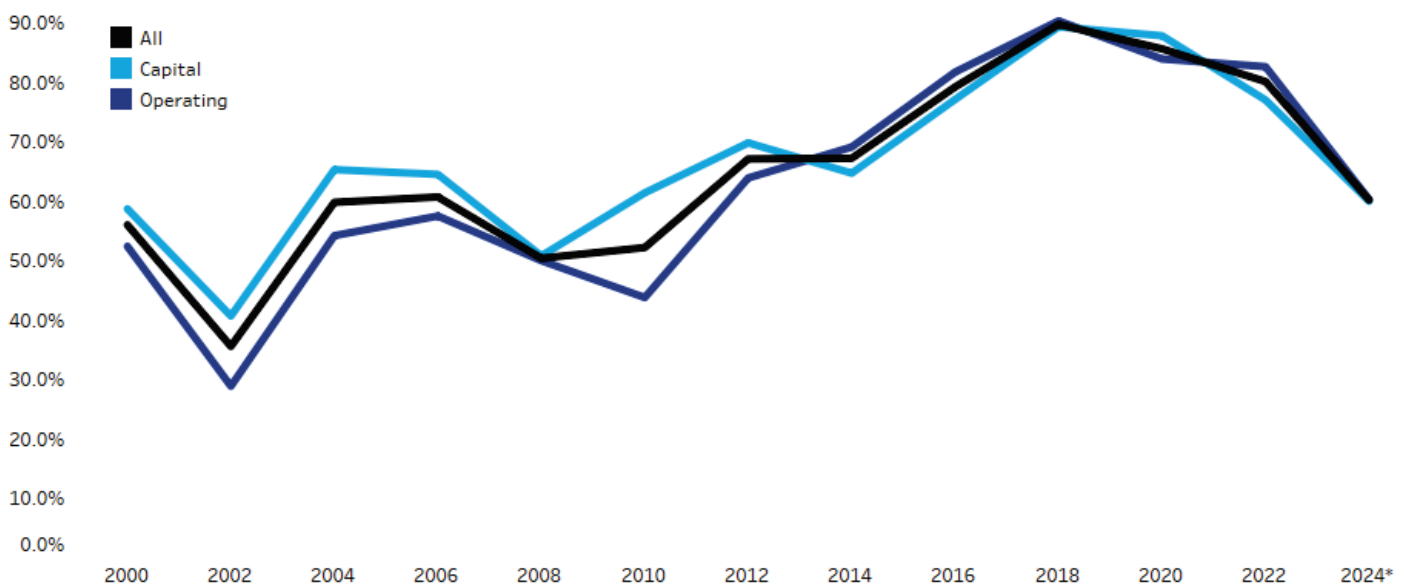
If fall 2024 referenda fare similarly, that passage rate would be an increase from last year’s 55.4% approval but the lowest in a midterm or presidential election year since 2010 (see Figure 1). Odd-numbered years – those in which midterm or presidential elections are not held – tend to have lower turnout elections, fewer school referenda, and lower passage rates for those referenda. For those reasons, we focus our analysis here on school referenda held in even-numbered years.

Despite passage rates declining, the 10 referenda held in February and the 93 held in April combined to total the most in the spring of even-numbered years since at least 2000. The referenda also authorized a total of up to \$534.2 million in new borrowing, \$199.6 million in temporary increases to school budgets, and \$293.3 million in permanent increases to annual budgets.

Voters in 56 districts approved one or more referenda, 21 of which will allow districts to borrow for capital projects and raise property taxes to pay off the debt. The remaining 41 will allow districts to raise levies to boost their operations.

Figure 1: School Referendum Passage Rates on the Decline

Wisconsin public school district referendum passage rate by type of question, 2000-2024, midterm or presidential election years



Source: Wisconsin Policy Forum analysis of statewide county clerk data. *Pending results from November 2024 elections.



In this brief, we provide an overview of unofficial statewide results for school district referenda on spring 2024 ballots in Wisconsin. We also touch on results for referenda in municipalities and counties throughout the state that would similarly allow officials to exceed state-imposed property tax levy limits.

WHY GO TO REFERENDUM?

Local governments in Wisconsin, including municipalities, counties, school districts, and technical colleges, are subject to limits set by the state that cap how much they can increase their property taxes from year to year. However, state law also gives them the authority to turn to voters to seek permission to exceed those state-imposed limits.

For school districts, state revenue limits cap the combined amount each district can receive from state general school aids and the local property tax. Each year, a district's revenue limit can be adjusted on a per pupil basis through the state budget process and a state formula – steps that are key to determining whether the growth in school funding keeps up with inflation.

To raise property taxes above the revenue limit, a district's board can approve a ballot question asking voters to authorize borrowing for a one-time capital project such as a new school. District officials can also

approve an operating referendum, in which voters decide whether to raise property taxes to pay for ongoing district costs such as teacher salaries. Recurring operating referenda increase property taxes permanently, while non-recurring referenda do so for only a certain number of years.

INCREASED NEED, WANING SUPPORT FOR SCHOOL REFERENDA?

With 103 referenda this spring, 2024 is already shaping up to be a year with an unusually large number of ballot questions. In 2022, there were 166 total school referenda – the most since 2001 – but only 82 in the spring. Since 2014, voters across Wisconsin have approved 881 school district referenda, which averages out to more than two per district (see Figure 2).

These increased numbers in 2024 indicate that many districts in Wisconsin are feeling financial pressure today. Many more referenda could appear on ballots in November.

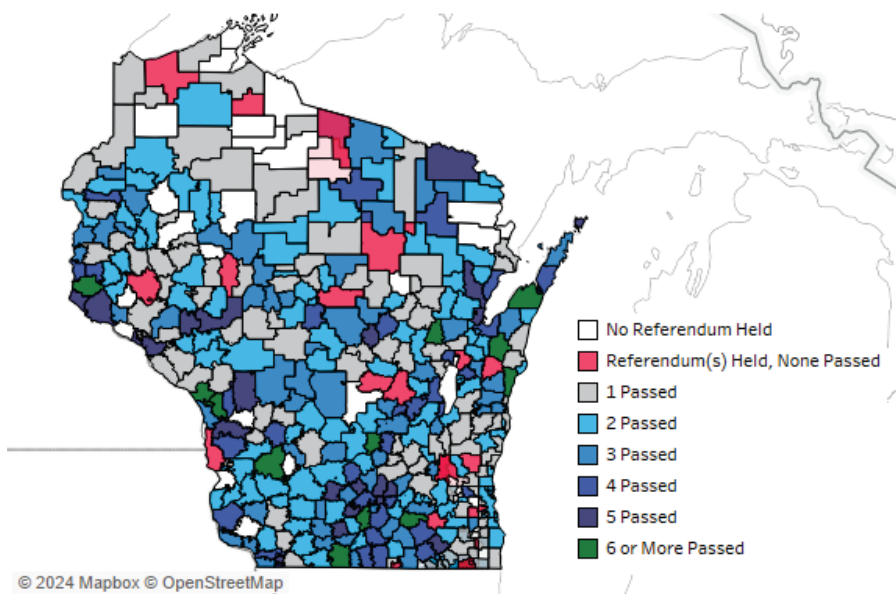
Across ballots from February and April, 66.0% of all referendum questions asked voters to raise property taxes to support school district operations. This represents the highest share of operating referenda since at least 2000 (see Figure 3 on the following page).

Yet as districts' requests for additional revenue have intensified, voter support for these requests appears to be waning. Voter approval rates of school district referenda hovered around 50% for most of the late 2000s and early 2010s. Starting in 2012, however, voters approved referenda in greater numbers, with the passage rate peaking at 89.7% in 2018.

Over the past several years, approval rates have trended downward. After slight declines in both 2020 and 2022, the 60.2% passage rate for 2024 school district referenda so far is the lowest in a midterm or presidential year since 2010. Moreover, the 41 failed referenda in 2024 so far already constitute the greatest number of no votes in a single year since 2010. It's possible the approval rates this

Figure 2: Most Districts Have Passed a Referendum in Last Decade

Number of referenda passed since beginning of 2014, by school district and type



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Sources: Wisconsin Department of Public Instruction and Wisconsin Policy Forum analysis of statewide county clerk data



November will be different, but in the past school referendum passage rates have tended to be similar in the spring and fall.

The most notable spring referendum took place in Milwaukee. By fewer than 2,000 votes, voters approved an operating referendum that allows Milwaukee Public Schools (MPS) to permanently exceed its revenue limit by \$252 million over four years, which is projected to increase the property tax levy by \$127.2 million over the December total. This referendum comes just four years after voters approved a permanent revenue limit increase of \$87 million, although these are the only two referenda that have been approved by district voters going back to the 1990s. Last month, we published a [brief](#) exploring this referendum in detail.

The other 62 referenda passed in February and April will authorize up to \$775.1 million in additional funds for districts. The majority of that – \$534.2 million – will come from debt to fund capital projects. The remaining \$240.9 million will allow districts to increase their operating budgets. The vast majority of that - \$199.6 million, or 82.9% - will be available only on a non-recurring basis.

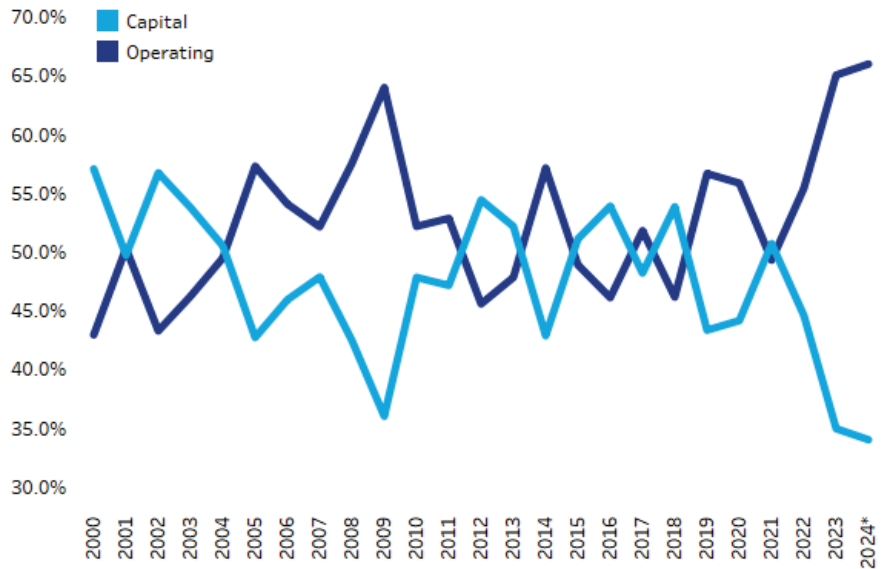
MPS was joined by 25 other districts in passing a referendum worth \$10 million or more. Two of those districts passed referenda worth more than \$50 million: voters in the New Richmond School District approved borrowing up to \$113.7 million for a variety of construction projects, and residents of the Freedom Area School District authorized \$62.5 million for additions and renovations to their combination middle and high school.

MUNICIPAL, COUNTY REFERENDA CONTINUE TO PASS

Property tax levy limits work differently for municipalities, counties, and technical colleges than for school districts. These governments can generally increase their levies used for operations only by the rate of net new construction. That is the property value

Figure 3: A High Share of Operating Referenda

Makeup of school district referendum questions by type, 2000-2024



Sources: Wisconsin Department of Public Instruction and Wisconsin Policy Forum analysis of statewide county clerk data. *Pending results from November 2024 elections.

created by new construction divided by the total property value in the jurisdiction.

To exceed their property tax levy limit through a referendum, these local governments [must let taxpayers know](#) how much they are requesting in additional revenue, what it will pay for, and whether the levy increase will be permanent or temporary.

Although municipal and county referenda are less common than school district referenda, they have [gained in popularity](#) since 2018. In 2022, 29 municipal and county referenda passed, authorizing around \$23.8 million in additional taxes, the most in a single year since levy limits were approved in 2005.

Spring 2024 data for municipal and county referenda to exceed property tax levy limits may be incomplete, but at least 11 passed in February and April authorizing up to \$9.9 million in new taxes. At least another eight failed. The only other years in which more municipal and county levy referenda succeeded were 2018 and 2022.

Of the at least 19 municipal or county referenda on the spring ballots, six involved municipalities in Ozaukee County asking voters to raise property taxes to hire and retain fire department and emergency medical services staff. All six passed, authorizing a total of up to \$5.2 million in new property taxes. (See our 2021 report, [First Response](#), for more details on the challenges



facing Ozaukee County fire departments that helped precipitate these referenda.)

Two county governments that went to referendum to raise property taxes also succeeded. St. Croix County can now raise up to \$896,000 for a bevy of public safety positions, and voters also approved \$790,000 for the Green County nursing home.

THE FUTURE OF REFERENDA

For school districts, a “perfect storm” of factors may help to explain the trends of more referenda – particularly for operations – and decreasing approval. The inflation rate in 2022 and much of 2023 was at its highest in nearly 40 years. Responding to these pressures, many school districts [raised teacher salaries](#) to keep real incomes stable, compete with other districts, and incentivize teachers to [stay in the field](#).

As schools’ costs increased, their major sources of revenue did not keep up. Since 2009, revenue limit increases have lagged inflation. Over time, school districts’ reliance on revenues from successful referenda has grown; in 2022, 100 districts drew on these dollars to fund more than 10% of their total education cost, according to [research from Forward Analytics](#).

In addition to the impact of inflation, many districts face financial pressure from enrollment declines. Statewide public school enrollment has been dropping steadily since 2014 and the decline has been [exacerbated by COVID-19](#). Over time, a decline in students means less money for districts. While enrollment losses allow districts to cut spending, it is difficult for school leaders to make up for the entire loss through cuts. Enrollment declines have been a particular challenge for MPS, but to a lesser degree are also affecting the vast majority of districts statewide.

Next year is also the first in which schools will be without the federal pandemic aid that began flowing in 2020, which amounted to an additional [\\$2.4 billion](#) for Wisconsin schools. While some districts used these funds only for one-time expenses, others used them to plug ongoing budget holes or fund permanent new spending.

In the face of these financial pressures, districts may choose to draw down reserves, cut staff and programs, close buildings, or attempt to increase revenues. The

high number of referenda – especially for operations – shows that many districts are turning to voters to address at least part of their challenges.

For their part, many voters have experienced financial challenges of their own due to inflation. They may also be less inclined to support referenda for their local district after being asked in some cases to do so only a few years prior.

Whatever the reason, passage rates have fallen somewhat from their peaks of several years ago. At the same time, voters are still approving referenda in large numbers and amounts and doing so at relatively high rates. Whether they will continue to do so is a question that should be top of mind for school leaders and state policymakers.

