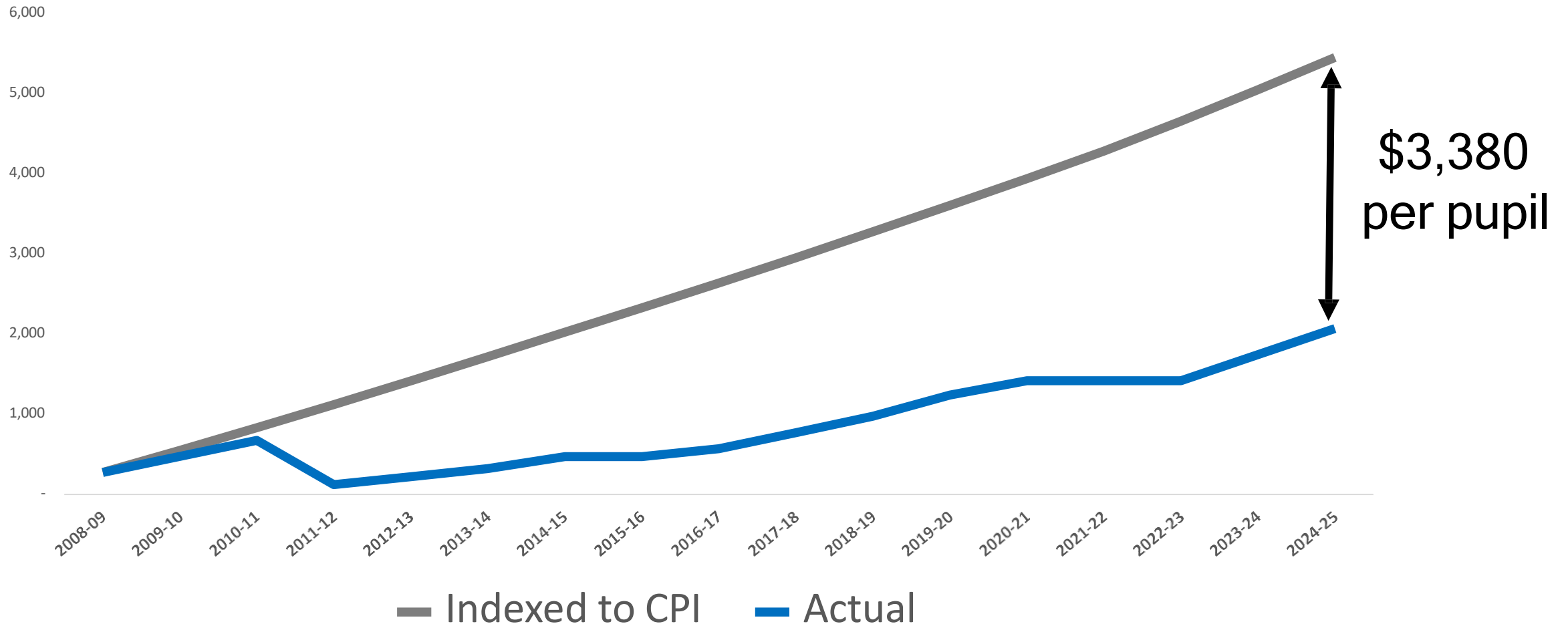


# 2024 Wisconsin School Funding

Including Operating Referendums Information

# General school district revenues per pupil lag inflation by more than \$3,300 since 2009



Source: Kava, Russ (January 9, 2023) Legislative Fiscal Bureau Memo

Revenue Limit Per Pupil Adjustment Indexed to Inflation

**\$325**  
**is not a**  
**game**  
**changer**

(beware of  
mental math)

Not a windfall compared to inflation: Even recent relatively lower CPI readings (4.12% for 2024 collective bargaining)

Still below LFB estimated inflationary per pupil adjustment (\$393 in 2023-24; \$403 in 2024-25)

Represents between 1.3% and 3.3% increase in 2023-24 school district base revenue limits

Impacts will vary by school district - affected by enrollment trends, share of eq. aid, impact on property tax

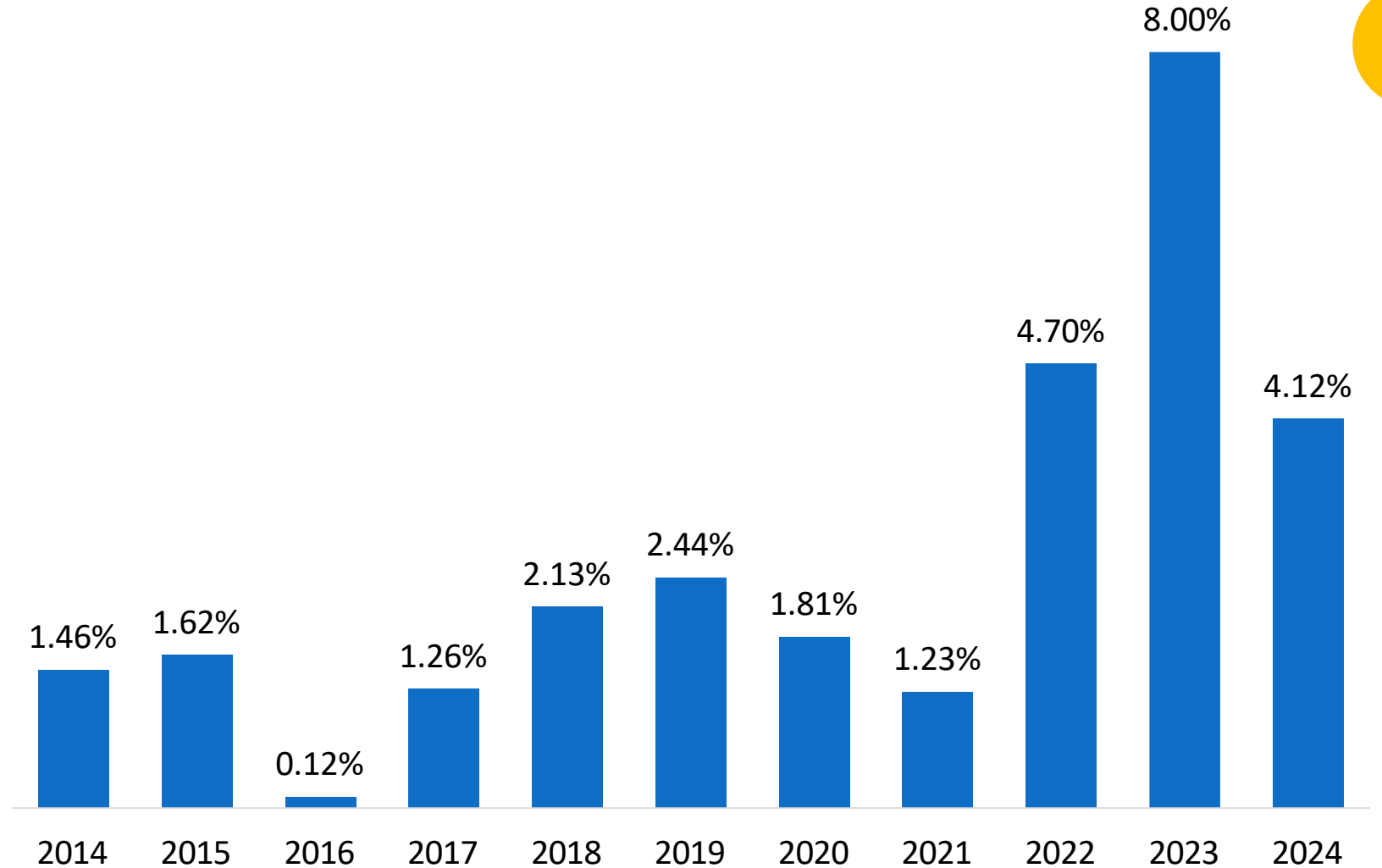
School districts already \$3,380 per pupil behind where inflationary adjustments would have put them

# Inflation

CPI down from dramatic spike in 2023 but still high, historically

Revenue limit only increased by 2.7% in 2023-24 - forces hard choices

## CPI-U for July 1 collective bargaining agreements (ceiling for base wage increases)



# Operating referendums

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82% of school districts in the state have called for a referendum since revenue limits were imposed (1994)

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Trend on track to continue: Takes risk, time, resources, political capital – away from the work of educating students

% of educational costs that were funded by referendums (2022):

- **Statewide: 5%**
- **For 100 districts: 10%**
- **For 14 districts: 25%**

Small, rural, declining enrollment districts – especially vulnerable

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“Is it good public policy to fund a significant portion of school revenues by referendum? It is unlikely that the creators of the revenue limit law anticipated such widespread use of the referendum option.”  
[Forward Analytics](#)

# Monroe's Operating Referenda

- 1998 Recurring Referendum \$797,500 Continuous
- 2016 Non-Recurring Referendum \$1,500,000
  - 3-Year Referendum
  - 2016-17, 2017-18, 2018-19
  - Expired/Ended
- 2018 Non-Recurring Referendum \$1,500,000
  - 5-Year Referendum
  - 2019-20, 2020-21, 2021-22, 2022-23, 2023-24
  - Expiring-Ending 6/30/2024
  - Structured to have slight surplus in early years and then larger deficits in later years
- \$1,500,000 Has Been Included in Levy since 2016

# Current Status of School District of Monroe Deficit

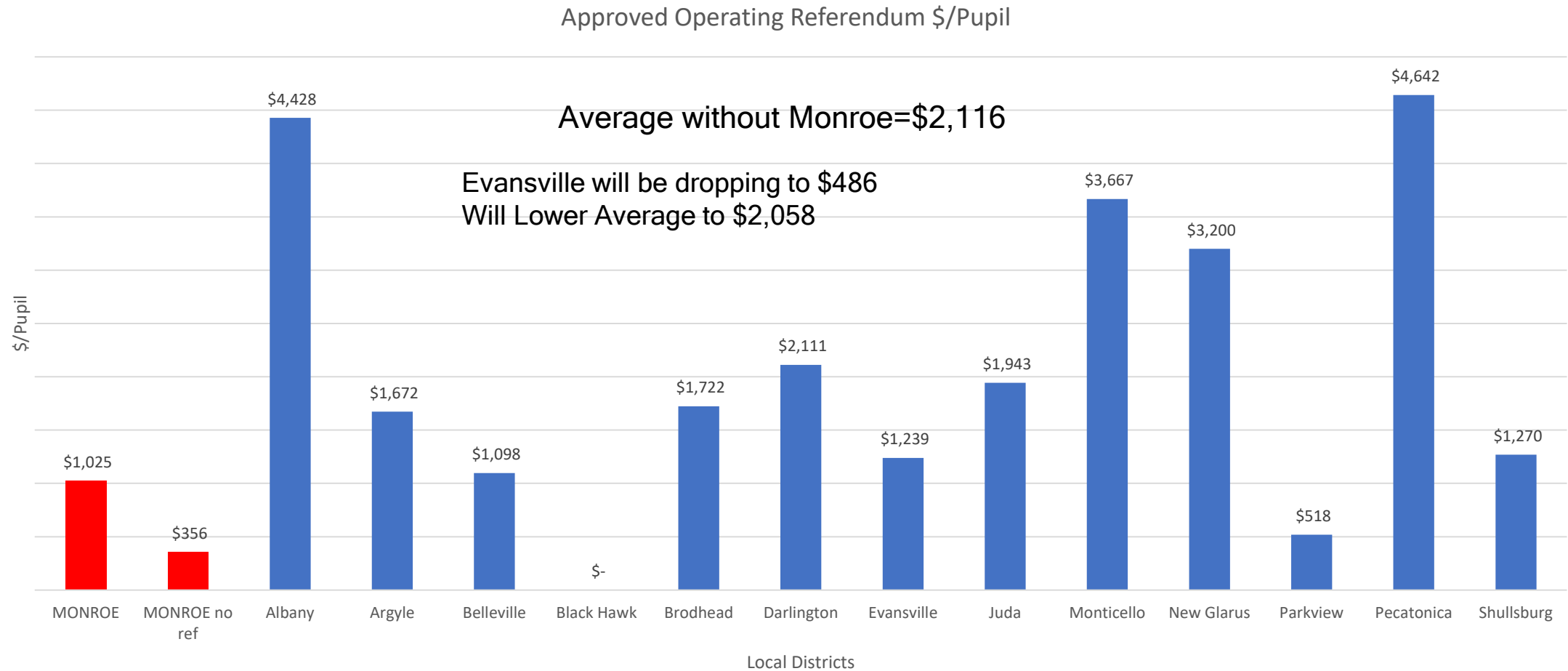
- Typical Annual Operating Budgeted Deficit inclusive of \$1,500,000 Operating Referendum
  - \$600,000 to \$900,000 Budgeted Deficit
  - Fund 10 Budget comes in 2-3% under budget so ends year close to balanced
- 2023-24 Operating Deficit
  - \$1.37M Budgeted Operating Deficit
  - Actual will be less
- Early (Winter/Spring) Projected 2024-25 Deficit (without \$1,500,000 Operating Referendum that is Expiring)
  - \$3.2M+
- 2024-25 Budget Reductions Approved
  - \$900,000+
- Current 2024-25 Projected Deficit (without referendum)
  - \$2.66M

# Deficit Impacts

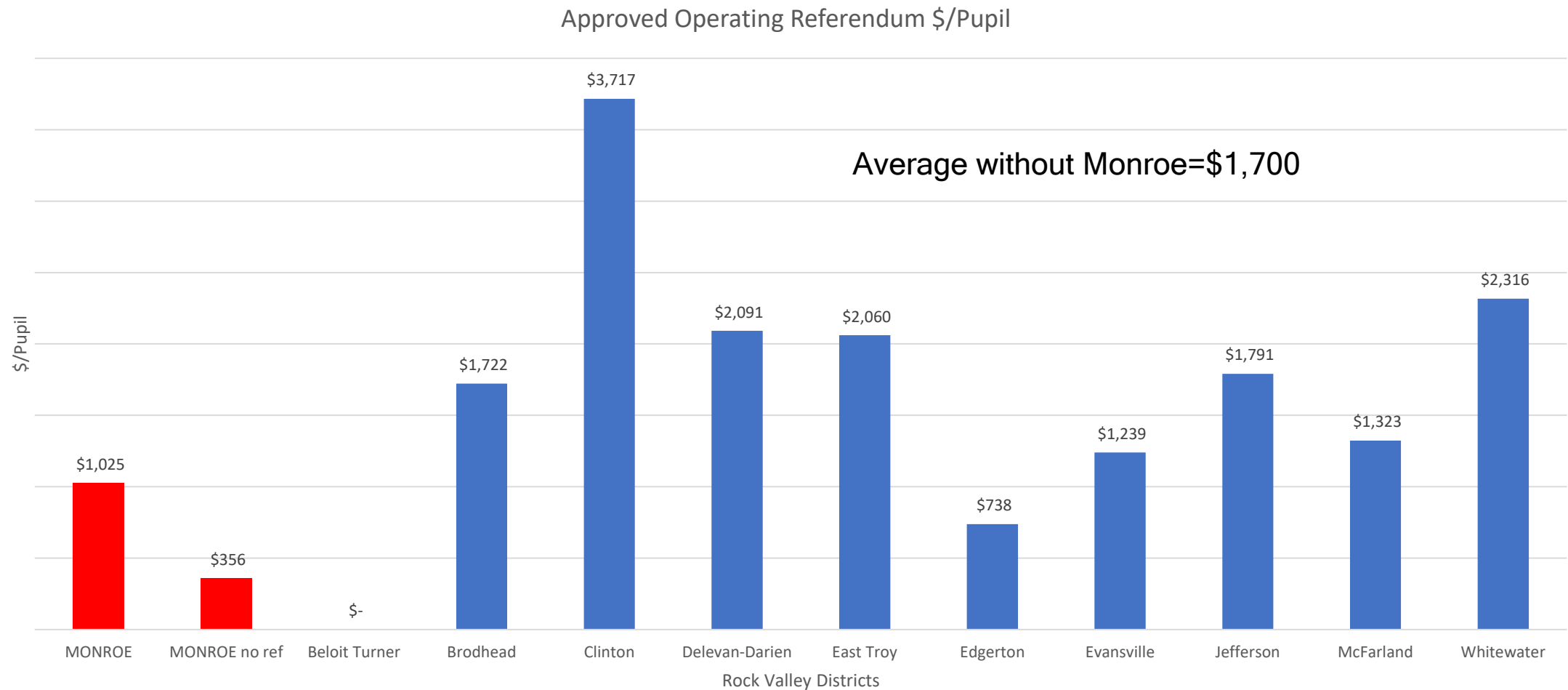
- Projected 2023-24 Ending Fund Balance (Approx \$8M)
- If simply run a \$2.66M Budgeted Deficit
  - Would likely have an actual approximate \$2M deficit each year
  - Depending on inflation rate and State Biennial Budget it could be more
  - In 1.5 to 2 years would likely be at the point where we may need to resume short-term cashflow borrowing
    - Typically need \$6M Fund 10 fund balance to avoid short-term cashflow borrowing
  - In 4 years would have used up entire fund balance
- Alternatives would be
  - Operating Referendum
  - Further Budget Cuts
  - Combination of Referendum and Cuts



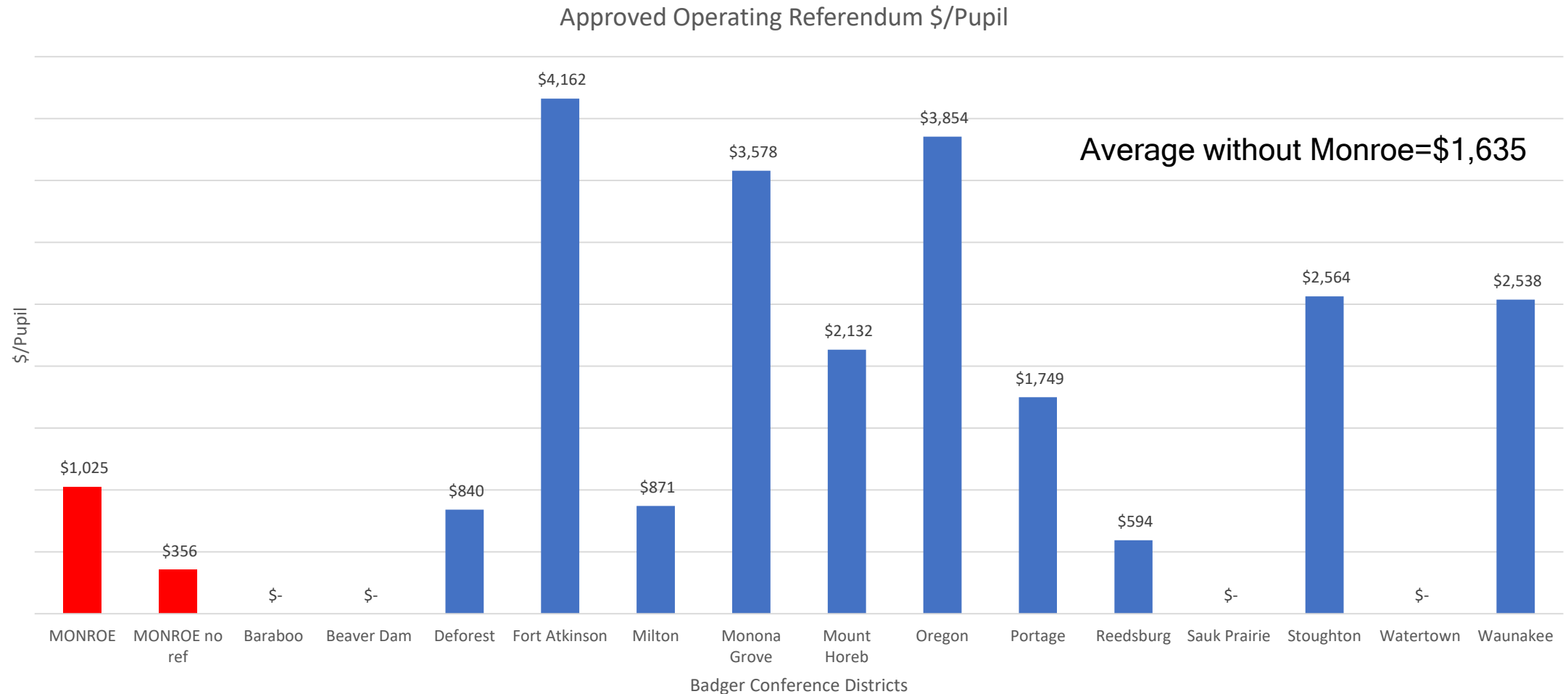
# Operating Referendum Accumulated Authority Local Districts—Referendum Authority per Pupil



# Operating Referendum Accumulated Authority Rock Valley Districts—Referendum Authority per Pupil



# Operating Referendum Accumulated Authority Badger Districts—Referendum Authority per Pupil



# Referendum Options

- To run or not run?
- When?
  - Presidential and Governor fall elections provide greatest turnout
- Recurring or Non-Recurring?
  - Pros and Cons to each
- Amount?
  - History would say the deficit likely to continue to grow based upon state-allowed funding levels vs inflation
  - \$1.5M would simply be continuation of current level—Community may understand and support that. However may not be a long-term solution.
- Timeline
  - Would need resolution passed by second meeting in August. Ideally would have legal language and resolution approval first meeting in August so could communicate at start of school year.