



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #765

School District Referenda Scheduling (DPI -- School District Operations)

[LFB 2001-03 Budget Summary: Page 557, #3]

CURRENT LAW

Referendum to Exceed Revenue Limit. In submitting a resolution to exceed the school district revenue limit to voters, a school board may call a special referendum, or a referendum at the next succeeding spring primary or election or September primary or general election, if such election is to be held not sooner than 42 days after the filing of the resolution of the school board.

School District Borrowing. In submitting a resolution to the voters for the purpose of borrowing, the school board is required to direct the school district clerk to call a special election for the purpose of submitting the resolution to the electors for approval or rejection or to submit the resolution at the next regularly scheduled primary or election to be held not earlier than 45 days after the adoption of the resolution.

State Trust Fund and Long-Term Loans. If any municipality, including a school district, is not empowered by law to incur indebtedness for a particular purpose without first submitting the question to its electors, the application for a state trust fund loan for that purpose would be required to be approved and authorized by a majority vote of the electors at a special election. The special election must be called, noticed and held in the manner provided for other special elections. The notice must state the amount of the proposed loan and the purpose for which it would be used. Every application for a long-term loan by a unified school district, the required repayment of which exceeds ten years, must be approved by a majority vote of the electors of the school district at a special election.

Milwaukee Public Schools. If the MPS School Board deems it necessary to exceed the statutory 0.6 mill levy rate for purposes of a school construction fund, it may by a two-thirds vote of the members-elect include a communication to the Common Council of the City of Milwaukee as part of the budget transmitted to the Council. Upon receipt of the communication,

the Council is required to cause the question of exceeding the levy rate to be submitted to the voters of the City at the September election or at a special election.

If the MPS School Board deems it necessary to construct buildings or additions to buildings, to remodel buildings or to purchase school sites or to provide funds for any such purpose as a participant in an intergovernmental contract, it may by a two-thirds vote of the members-elect send a communication to the Council requesting that the Council submit a question to the voters to issue school bonds. Upon the receipt of the communication, the Council is required to cause the question of issuing such school bonds in the stated amount and for the stated school purposes to be submitted to the voters at the next election held in the city.

GOVERNOR

Require that the following referenda and elections be held only at spring elections or general elections or at a special elections held on the Tuesday after the first Monday in November in an odd-numbered year, within the current law requirements for calling and noticing such referenda or elections: (a) any referendum held by a school district to exceed the district's revenue limit; (b) any election held by a school district for borrowing, for the application for a state trust fund loan and for certain joint contracts; and (c) any election held by MPS to exceed the statutory 0.6 mill levy rate for purposes of a school construction fund or to issue bonds for school construction or remodeling.

Provide that these modifications would first apply with respect to referenda called on or after the effective date of the bill.

DISCUSSION POINTS

1. Based on data collected by the Department of Public Instruction (DPI), since the imposition of school district revenue limits in 1993-94, school districts have offered a total of nearly 1,400 referenda. Of these referenda, 40.5% have been subject to a vote at an annual spring election or a November general election date or the equivalent Tuesday in an odd-numbered year, 20.9% have been put to voters during a spring or September primary election or the equivalent Tuesday in an odd-numbered year and 38.6% have been offered during a special election on another date. Table 1 provides a further breakdown of school district referenda vote scheduling, including referenda held through the 2001 spring general election.

TABLE 1

**Number of School District Referenda Offered
By Timing of Election Date**

<u>Election Date</u>	<u>Referenda Offered</u>	
	<u>Number</u>	<u>Percent</u>
Spring General	339	24.4%
November General	223	16.1
Spring Primary	141	10.1
September Primary	150	10.8
Other Dates	<u>536</u>	<u>38.6</u>
Total	1,389	100.0%

2. Under the Governor’s proposal, school districts could hold referenda two days per year, during the annual spring election, or the November general election in even-numbered years or the Tuesday after the first Monday in November in odd-numbered years. Administration staff indicate that the proposed limit on the number of days that school districts may hold a referendum vote is intended to encourage higher voter turnout for such referenda, and as such will provide a more accurate representation of the will of the voters in a school district on the question being posed in the referendum.

3. Generally, the best guarantee for higher voter turnout is citizen interest in an issue or race. While there is no central data source through which to analyze voter turnout for local school district referenda questions, voter turnout is normally highest during the November general election, generally followed by spring election dates and September primary elections. Local voter turnout figures likely vary significantly across the state, and cannot be predicted for special elections.

4. Proponents of the proposal believe that some school districts may be scheduling referenda during odd special election dates in an effort to suppress voter turnout and increase the likelihood of passage of their building or revenue limit referendum. Proponents also feel that, especially because of the enhanced financial benefits of a successful referendum due to both revenue limits and, for some districts, increased state equalization aid funding, school districts may have an increased incentive for scheduling referenda during a time when voter turnout is not at its peak.

5. Opponents of the Governor’s proposal assert that school districts generally schedule referenda during times when they feel they can attract the greatest local turnout and therefore, support. Because voter turnout is dependent on voter interest in a race, local school district questions may be able to garner significant voter turnout due to the importance of the referendum for local school programs and property tax levels, regardless of the date of the vote.

6. Table 2 provides an outline of referenda success rates by election date since the imposition of revenue limits in 1993-94. The table shows the total number and funding amount of referenda offered for spring and September primaries, spring regular elections, November general elections or the equivalent Tuesdays in odd-numbered years and all other dates, as well as approval rates based on the number of referenda and total funding requested. School district referenda have generally been approved at the highest rates when they have been before voters on the regular spring or fall election dates. Referenda that have been offered on special election dates have the next highest approval rates, followed by those that have been offered during a primary election.

TABLE 2

**School District Referenda Approval Rates by Election Date
(\$ in Millions)**

	<u>Spring Primary</u>	<u>Fall Primary</u>	<u>Spring General</u>	<u>Fall General</u>	<u>Other Dates</u>	<u>Total</u>
<u>Debt Referenda</u>						
Number Proposed	114	107	214	172	406	1,013
Number Passed	53	55	130	115	222	575
Percent of Referenda Passed	46.5%	51.4%	60.7%	66.9%	54.7%	56.8%
Bonding Proposed	\$992.3	\$808.1	\$1,486.2	\$1,475.7	\$3,164.6	\$7,926.9
Bonding Passed	\$509.8	\$345.0	\$803.9	\$840.6	\$1,606.0	\$4,105.2
Percent of Bonding Passed	51.4%	42.7%	54.1%	57.0%	50.8%	51.8%
<u>Referenda to Exceed Revenue Limit</u>						
Number Proposed	27	43	125	51	130	376
Number Passed	11	16	60	20	57	164
Percent of Referenda Passed	40.7%	37.2%	48.0%	39.2%	43.8%	43.6%
Funding Proposed	\$26.4	\$22.9	\$62.4	\$19.5	\$59.9	\$191.1
Funding Passed	\$11.4	\$6.6	\$23.9	\$6.2	\$26.6	\$74.7
Percent of Funding Passed	43.1%	28.6%	38.4%	32.0%	44.5%	39.1%

7. Based on this data, it appears that school district referenda are most likely to pass during elections that traditionally have higher voter turnout. However, it is difficult to speculate what the passage rate for all school district referenda would have been had they been scheduled during either the November general election or spring election, as proposed under the budget bill. Because it appears that higher voter turnout is beneficial for the passage of school district referenda, the overall approval rate may have been higher had all of the school district referenda been voted on during spring regular or November general elections. However, because school districts may currently schedule referenda during times when they believe they are most likely to pass, overall passage rates may be lower under the Governor's proposal.

8. Proponents of the Governor's proposal argue that because the outcome of a local school district referendum affects the amount of funding that is required to meet the state's two-thirds funding commitment, the state should be able to limit the dates upon which school districts are allowed to offer a referendum to voters. School districts would still have the ability to reallocate

resources within the revenue limits to respond to unanticipated situations, and districts may be covered by insurance for emergencies. Additionally, because the cost of administering a referendum vote is more expensive during a special election than during an active primary, spring or general election, because school districts are not able to share the costs with another municipality, referenda dates should be limited to times during which other elections are likely to occur.

9. Opponents assert that local school boards should maintain the authority to decide when a school district referendum is proposed to voters and that the Governor's proposal hinders the tradition of local control of school district policies and finances. Limiting referenda dates could also hinder a district's ability to respond to certain emergency situations. In addition, opponents argue that the imposition of revenue limits and the state's commitment to fund two-thirds of partial school revenues were predicated on the ability of local voters to increase local school revenues, if desired. They believe that limiting the number of dates on which local citizens can vote on a school district referendum diminishes both the state's commitment to two-thirds funding and local control of school district business.

10. Arguably, reducing the number of dates on which a school district may schedule a referendum from virtually any day of the year to two dates per year may be too restrictive. In order to provide school districts with more flexibility, the Committee may wish to extend the number of dates that school districts could schedule a referendum to include the spring primary, held in most election districts in each year, the September primary, held in even-numbered years, and the second Tuesday in September in odd-numbered years. Under this alternative, school districts would be provided four dates per year upon which they could schedule referenda. These dates covered 61.4% of all referenda scheduled since 1993-94.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to generally require that school district referenda and elections be held only at spring elections, general elections or special elections held on the Tuesday after the first Monday in November in an odd-numbered year.

2. Modify the Governor's recommendation to also permit school districts to schedule referenda on the spring primary, the September primary and the second Tuesday in September in odd-numbered years.

3. Maintain current law.

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