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# OPERATIONAL REFERENDUM



## PLUM CITY SCHOOL DISTRICT

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### April 5th, 2022 Referendum Information

## Commonly Asked Questions

#### **What is the purpose of this referendum?**

This operational referendum is necessary to continue to offer a comprehensive 4K-12 program and address deferred maintenance items at both buildings. The last levy override authority of \$300,000 per year for five years granted by the local residents in 2016 expired at the end of the 2020-2021 school year.

#### **What is the amount and time frame of the referendum?**

The Plum City School District is seeking approval to exceed the state-imposed revenue limit for the next three years as follows:

- 2022-23 - \$1 million
- 2023-24 - \$1.1 million
- 2024-25 - \$1.2 million

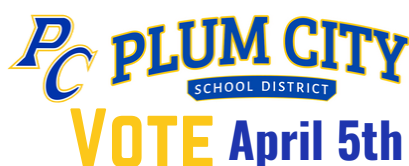
After the 2024-25 school year, the long-range plan is to ask the community for a Levy override that is less than what is being asked for now.

#### **How is the amount and time frame determined?**

Most operational levies are three to five years in duration. There are many factors involved in the budget forecast, including state educational budget projections, past budgetary history, and specific local factors. The proposed three year timeframe allows the district to address the budget deficit and balance the budget, in preparation for the state biennial budget that will take effect from 2025-2027.

#### **Why do we need this money? How did we get into this predicament?**

The district's Revenue Limit authority three years ago in 2018-19 was \$3,237,000 and in 2021-22 it was \$2,716,000. That \$521,000 reduction in the district's revenue represents a 16% reduction in authority to raise revenue to pay for expenses. Meanwhile, despite active cost-reducing actions by the Board, expenses to run the school district have increased during that time by \$357,000. This represents a budget shortfall of \$878,000. Without additional revenue-raising authority from the community, this funding gap will continue to widen in future years based on the current state budget.



### **How will the referendum impact property taxes?**

Local school district property taxes are expected to decrease from current levels in large part to an increase in state equalized aid for the 2022-23 school year that lowered property taxes at the local level rather than funding school district operations.

### **How does the Revenue Limit imposed by the state of Wisconsin impact our District?**

The Revenue Limit is mandated by the state and limits the amount of revenue that a school district can receive from state aid and local property taxes. This limit was imposed in 1993, and districts that were fiscally responsible prior to 1993 were identified as “low spending districts”, and this was factored into the state formula. In essence, districts that were spending below the state average per pupil prior to the formula taking effect were penalized for this in future years and limited in the amount of revenue they could generate to meet their local school needs. The revenue limit was not increased at the state level in the latest biennial budget.

### **Is this type of referendum common in other Districts?**

Operational referendums have become much more common around the state of Wisconsin. There will be 49 such referendums in April around the state, and 40 of them will be non-recurring, which is comparable to what our residents will be asked to approve.

### **Has the school district passed a referendum like this before?**

In 2016, residents approved a one-time project to upgrade heating and ventilation systems, roof, lighting, electrical, science and technology education spaces, technology infrastructure, phone system, and acquiring two buses. District residents also approved exceeding the revenue limit by \$300,000 for five years to address curricular materials, educational programming, technology, and operational expenses, and that expired at the end of the 2020-21 school year.

