

Q & A About School Referendums and Our Local Needs

Q- Why do we need to keep doing operational referendums here?

A- If we could keep it, our island would generate enough property taxes to pay for our school, but we do not get to keep that money. These taxes get pooled in our state. They are redistributed among all of Wisconsin's public schools via Wisconsin "funding formula." Having an extraordinarily small student population (62 students this year), having a high-functioning school system, and being located in a property-rich part of the state means we get almost nothing back from the state. It doesn't seem fair. We don't like it. We don't want it to be this way and we bring it up in every meeting we have with our state senators/representatives and our governor. If you'd like to join us in expressing your frustration with the system, we'll be more than happy to give you the contact information for our state's lawmakers! For now, however, it is what it is ... we have no control over not having enough money.

Q - What is the Wisconsin School Funding Formula?

A- Wisconsin funds public education through a complicated school funding formula. The state collects the money from our property taxes, adds some extra funds into the pot, and then reallocates that money as state aid to public school districts across the state. School districts have varying needs and there are wide gaps in the property wealth among Wisconsin's school districts. The formula was created to keep property taxes low and to create an equitable distribution of these financial resources. The formula includes:

1. **State Equalization Aid:** This is the largest source of state funding for schools. Its purpose is to reduce the gap in resources between property-rich and property-poor districts. It is calculated based on factors such as student enrollment, district property values, and local revenue limits. On Washington Island, our student enrollments and local revenue limits are very low and our district property values are very high. It's a really bad combination in terms of getting money from the state.
2. **Revenue Limits:** Revenue limits were introduced in the early 1990s to cap the amount of money a school district can raise through local property taxes and state aid combined. This measure is intended to keep our property taxes as low as possible. It has led to funding constraints for many districts all over the state and the problem is greatly compounded in our district due to our property values and low student enrollment.
3. **Categorical Aids:** These aids are funds provided for specific purposes, such as special education, transportation, and bilingual education, ensuring that districts can support students with additional needs. Since we have very few of these needs, we get very little of this funding.

Q - If Schools are Funded Through this Formula, Why Do We Need Operational Referendums?

A- In recent years, the combination of revenue limits and sparse state aid has left many Wisconsin school districts unable to meet their operational needs. As a result, operational referendums have become critical for districts that do not have enough funding. Although this is problematic for many districts across the state, it is much more difficult for a district like ours. We, like 68 other school districts last year, have to pass a Referendum asking voters for permission to exceed revenue limits for day-to-day expenses. This is NOT because we're overspending, but *because we're underfunded*. Many of our expenses are fixed costs (salaries, utilities, etc) that would cost us practically nothing extra even if we doubled our enrollment. We operate as responsibly as we can; we're committed to providing our community with the highest-value educational system possible.

Q - What's at Risk?

A - With revenue limits in place and state aid not keeping pace with rising costs, many districts face budget shortfalls. We are simply not given enough money to run a school for our Island youth. Operational referendums make it possible for Washington Island School District to educate our children. Without passing referendums, we could not maintain our Island school. Essential programming and services - the education of our youth - would suffer. Without adequate funding, our District will be forced to cut programs and/or teachers, which would have a huge negative impact on the education of Islander children. We are required by law to provide a free and appropriate public education and we are legally obligated to address diverse student needs, including mental health services, unfunded legislative mandates, special education, and extracurricular activities. Operational Referendums make it possible for our district to provide for the needs of our students.

Q - Can We Do Anything About This for Our District?

A- Our district currently makes two-year projections of what the state-support shortfalls will be, and then we go to referendums to ask our voters for their support of our students/school with a non-recurring referendum. If one of these referendums did not pass it would be catastrophic to our children's educations. We receive so little from the state that our district would not be able to operate without cutting staff, cutting pay, eliminating co-curriculars and athletics, etc. Right now, this is on the line with every single referendum, but it doesn't need to stay that way. Even if nothing about the funding formula changes there is something we can do to take the pressure off. We can pass a recurring referendum.

This year, instead of asking the voters to pass a non-recurring referendum, we are asking for your support in passing a recurring referendum. Doing so would effectively reset the base amount available for our school district at current spending levels, and the recurring amount would be available to the school every year. If something changed -an influx of federal funding,

for example- the district would not *have* to take that amount, but that amount would be available on an annual basis. We do not always use the full amount authorized by our taxpayers. For example, when federal COVID-19 money made it possible, we were able to reduce our tax levy by \$200,000. We will never spend more money just because we can. Every member of the school's board and our staff lives on the island (and pays taxes); none of us want to spend more money than we have to spend. One easy way to decrease how much additional money we have to use would be to have more students attend our school. Increased enrollment means more per pupil dollars from the state. Because most of our costs are fixed, we could double our student population at almost no additional cost. Doing so would nearly eliminate our shortfalls.

Q - Would a recurring Referendum Mean no more Referendums?

A -Wouldn't that be great!? When costs do inevitably go up, we will still need to bring forward referendums for the community's support, but those amounts would be reset so that all the district would be asking for is the projected increase in cost. Instead of needing to ask for a total of projected increases plus what is absolutely necessary to have a functioning educational system on the island, we will be able to ask for only the projected increases. We would then still need to find a way to garner community support and pass another referendum in the future, but we would not face the catastrophic impact of a failed referendum in our present position.