



## Operational Referendum Frequently Asked Questions

---

What will the operational referendum question look like on the ballot?

RESOLUTION TO EXCEED REVENUE CAP  
COMMENCING WITH  
THE 2023-24 SCHOOL YEAR

BE IT RESOLVED by the School Board of the School District of Fort Atkinson, Jefferson and Rock Counties, Wisconsin, that the final school district budget beginning with the 2023-24 school year shall include amounts not to exceed \$3,000,000 each year (on a recurring basis) and \$5,000,000 each year (on a non-recurring basis for a period of four years through the 2026-27 school year) in excess of the revenue limits imposed by Section 121.91 of the Wisconsin Statutes for the purpose of paying District operating costs.

---

Question

Shall the School Board of the School District of Fort Atkinson be authorized to exceed the revenue limit under Section 121.91 of the Wisconsin Statutes beginning with the 2023-24 school year by amounts not to exceed \$3,000,000 each year (on a recurring basis) and \$5,000,000 each year (on a non-recurring basis for a period of four years through the 2026-27 school year) for the purpose of paying District operating costs as provided in the foregoing resolution?

YES

NO

---

What does a “Yes” vote mean and what does a “No” vote mean?

The referendum question on the ballot is asking taxpayers permission to levy an additional tax above the revenue limit for operational purposes. Therefore, a

“Yes” vote means that you support the District’s ability to levy that tax and a “No” vote means you do not support the District’s ability to levy that tax.

## Why is this question so complicated?

There are statutory requirements related to how a ballot question must be structured.

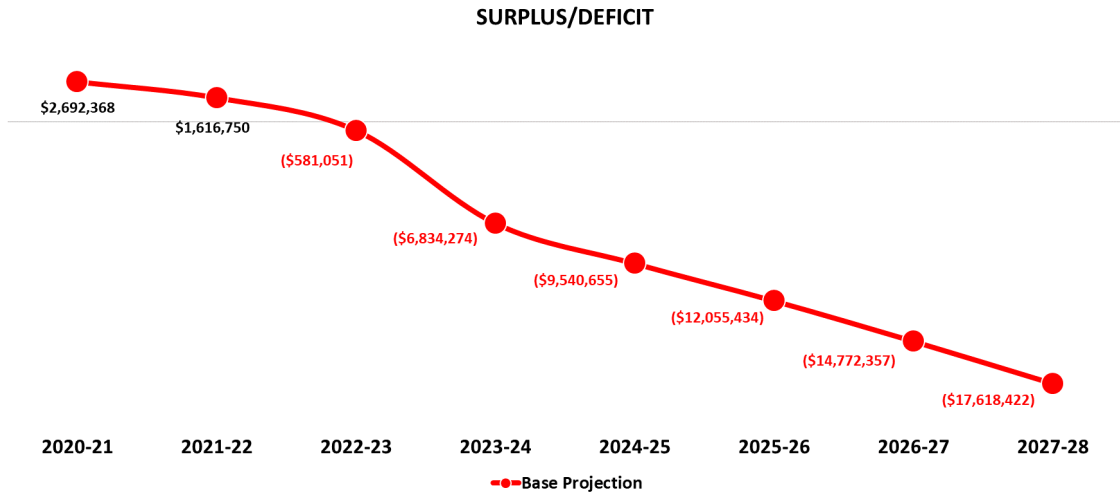
## Are you closing two elementary schools if this doesn’t pass?

To help taxpayers understand what \$6.8 million ‘buys you’ in a school district, examples were given to help put the dollar amount into perspective.

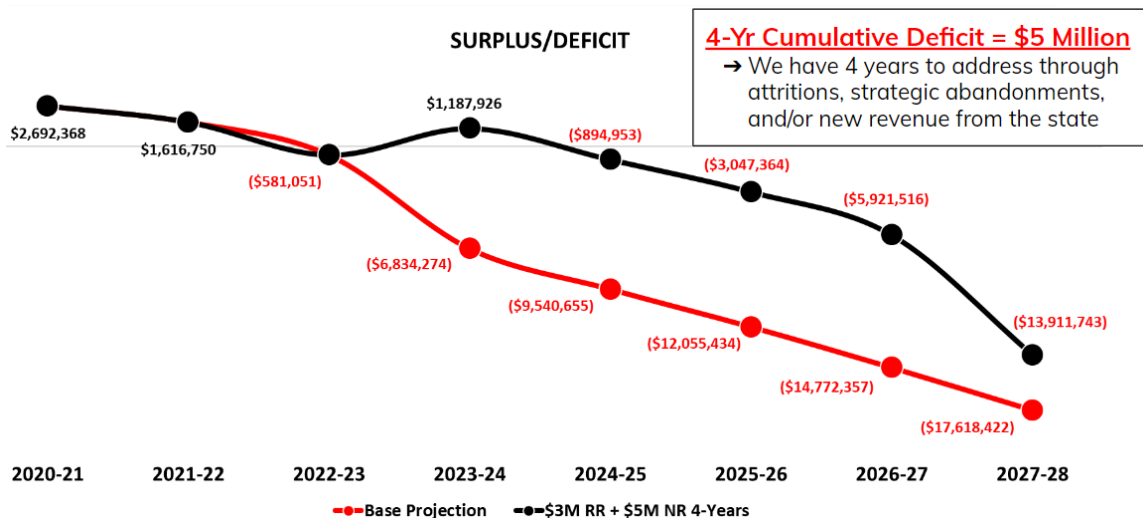
We cannot function with fully closing two elementary schools, or fully closing the middle school, or laying off 95% of the teaching staff at the high school. These are simply reference points.

## Why are you asking for \$8 million when in your graphic it says \$6.8 million deficit?

The \$6.8 million deficit is only for the 2023-24 school year. The referendum spans four years, 2023-24 through 2026-27 and over the course of those four years costs will continue to increase but the amount of the referendum does not. Therefore, the \$8 million in referendum funding paired with right-sizing staff to enrollment is needed to make it through all four years. Below are the projected future deficits as shared at the [January 17, 2023 Board of Education meeting](#):



With the referendum passing, there will still be a need to make strategic abandonments to District operation to make it through the next four years as illustrated in the graphic below that was shared at the [January 17, 2023 Board of Education meeting](#):



## Impact on my taxes

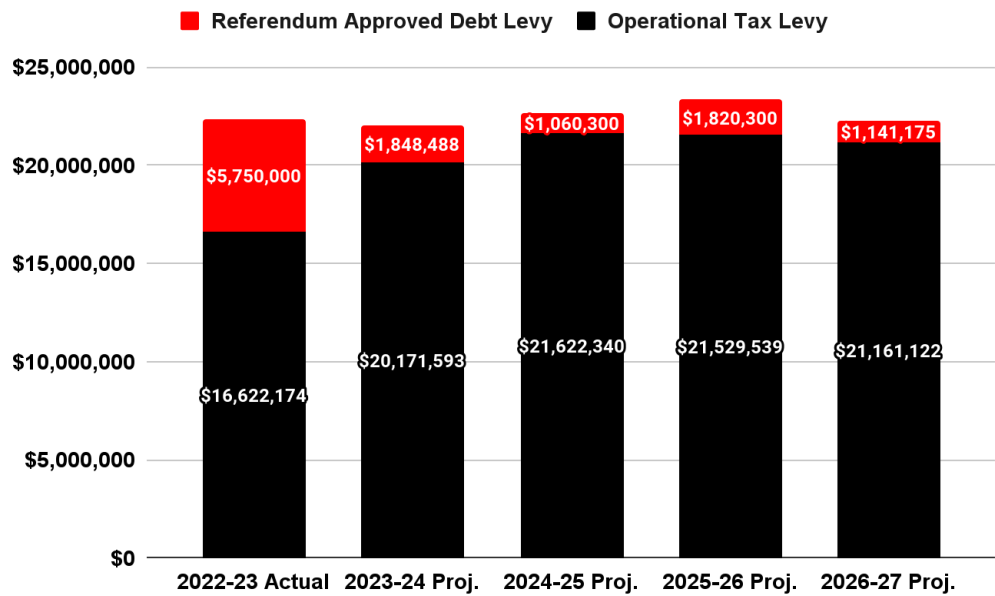
What is going to happen to my taxes if this referendum passes?

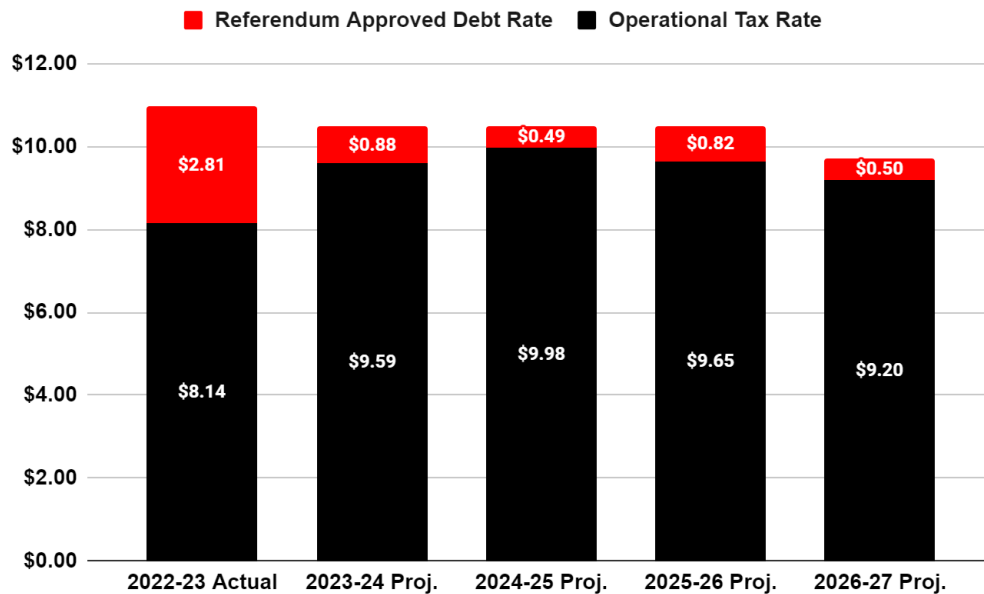
Keeping in mind that school district taxes are the only part of your property taxes that the school district can determine, the referendum currently projects **for the public school tax rate to be at, or below, the current tax rate.**

Wondering how this can happen? See the next question!

How can the referendum amount increase, but my school district tax rate won't?

The District has been planning towards this referendum for several years by restructuring and prepaying debt in an effort to keep the tax rate stable over the long term and minimize the tax impact. When the operational referendum failed in Fall 2022 the Board decided to keep the tax rate at the same level as the prior year and use the tax funds to prepay a large portion of the \$22 million capital referendum. By doing this the Board paid off over \$5.5 million of the \$22 million cost right away and only ended up borrowing \$16.45 million long-term. The long-term bonds were then structured in a way that could provide the Board flexibility in the tax rate by allowing it to decrease should this operational referendum be successful.





## Why did my 2022 property tax bill increase?

The school district tax rate is based on equalized fair market value, not assessed value like municipalities. That value is calculated by the State and given to us, unfortunately they don't print that value on the tax bill anywhere. The value we use more closely aligns with market values each year, unlike assessed value which doesn't change until the municipality does a reassessment when they get too far below fair market value.

You might be wondering why the tax rate is not a 1:1 comparison to an increase in your property value change. School district taxes are based on your property's equalized value which differs from assessed value in three ways.

1. It does not measure the value of individual properties; it measures the value of groups of properties, often an entire municipality.
2. Equalized values are estimated by the Wisconsin Department of Revenue, not by local assessors.
3. Equalized values are estimates of current fair-market value, while assessed values can be several years out of date. Equalized values are estimated as of January 1 and reported on August 15 of each year.

The calculation of your tax bill is quite lengthy. For more information on this, check out page 5, "Equalized Value" on [this resource from the Wisconsin Taxpayers Alliance](#).

## What about open enrollment information?

For questions pertaining to enrollment data, please visit:

<https://dpi.wi.gov/open-enrollment/funding>

## If the referendum question fails, will my taxes go down?

If the operational referendum question were to fail, the Board of Education could then determine whether to further prepay the remaining long-term debt by keeping taxes stable - providing for more flexibility in the next operational referendum in Spring 2024 - or the Board could decide to decrease taxes, or some combination of both.

## Why are you not offering a calculator to help determine my tax impact?

While the tax rate is about the same, how that impacts a property tax bill is not something we wanted to try to estimate given the variables that play into that bill, especially property value and the volatility associated with it over the past year or two and how it varies from one property to another. Such volatility and variation was not present when we had gone to referendum in the past.

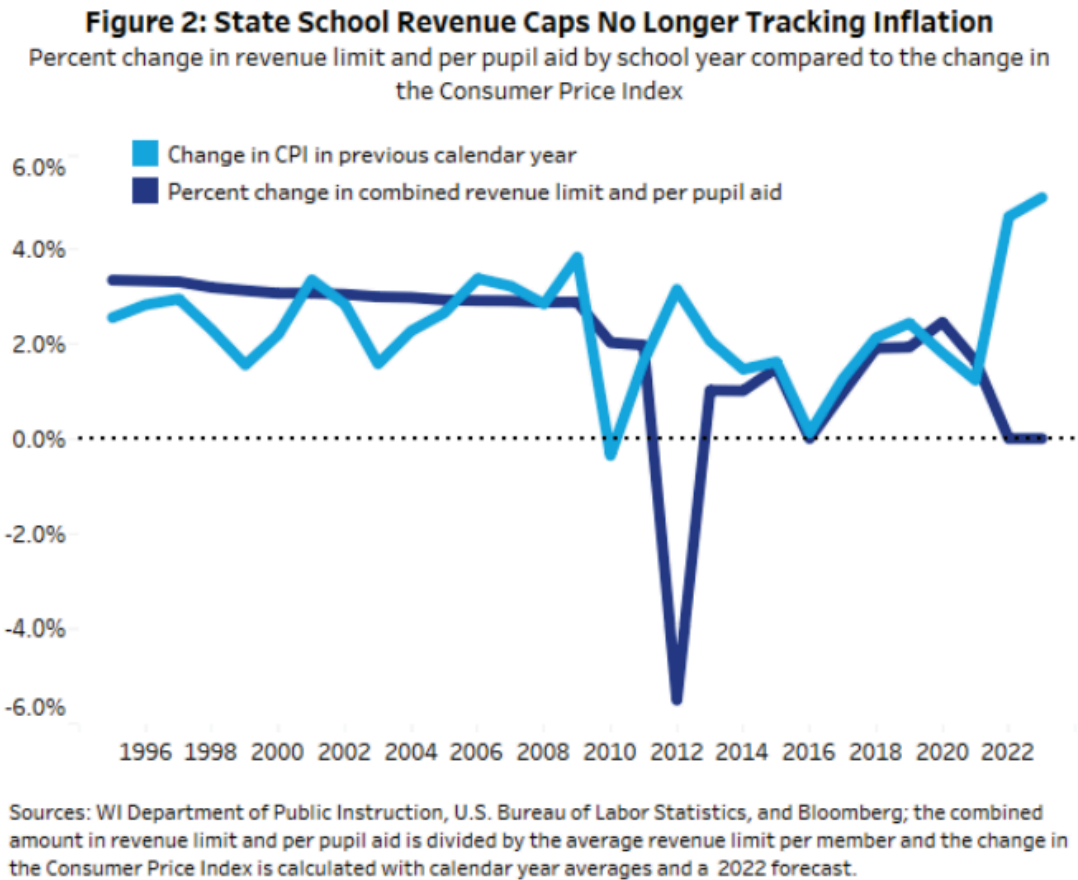
## Why can't the School District live within its means?

In your household, and in the business world, when expenses rise due to inflation, supply-demand changes, or purchasing new equipment, you must increase your revenue to pay for these changes. As a public school district, per State law, our revenue sources are state funding and taxes, which are limited by each State budget. With no increase in funding from our main source, we must ask our community to help offset the cost of our expenses by way of a referendum.

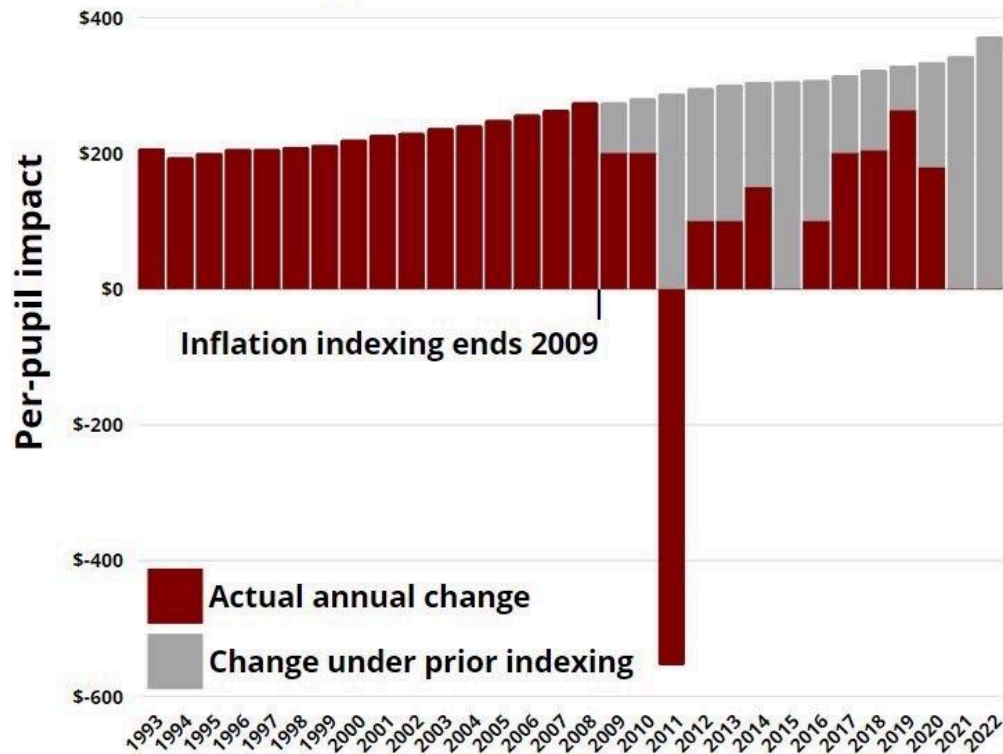
We are thankful that our community supported us in the fall to provide some much needed capital improvements. However, with the expiration of the 2020 \$3 million non-recurring referendum this summer, our district will have a projected deficit next year of approximately \$6.8 million.

The school district's "means" are limited by state law through the revenue limit and state aid. As outlined in [this article from the Wisconsin Policy Forum](#), State

school revenue cap increases are no longer tracking with inflation increases. This is illustrated in the chart below from that article:



## Total State Funding for K12: Annual Adjustments Since 1993



## Why can't the School District operate more like a private business?

Being a local government entity, the federal and state governments drive much of what can be done in a public school. Unlike a private business where sales drive revenue, the school's revenue is at the discretion of state and federal government officials, which cannot be easily predicted.

Also, as a public school, we are mandated by law to provide an education to any student that shows up at our doorstep regardless of socioeconomic status, language barriers or special educational needs. While we openly embrace all children and work to meet their needs, sometimes the funding granted by the state or federal government is insufficient to cover all of the costs associated with the educational challenges students face. Federal and state laws govern public schools mandating what services public schools must offer. The government also decides the school's revenue. A public school can't sell more products or charge more to cover its costs. It also can't cut mandated programs.

The District has been strategically working to position itself as one that is desirable for families and staff, while analyzing costs to honor fiscal responsibility with our community tax payers. Such examples include:



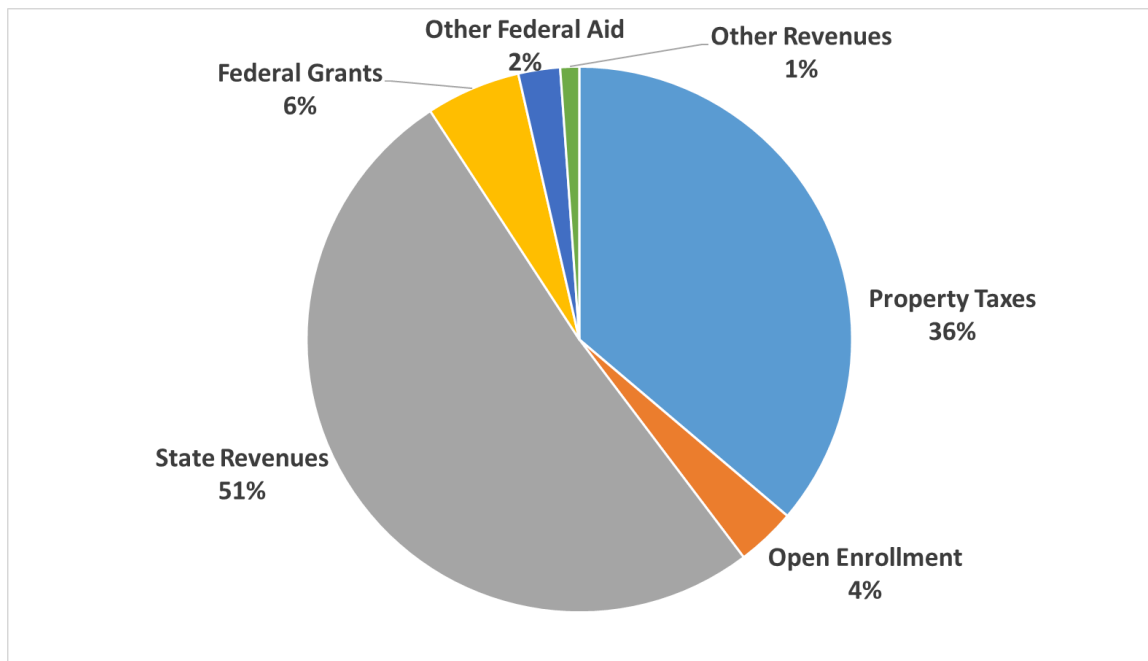
- Right-sizing staff to align with enrollment & programs
- Evaluating vacancies for attrition/restructuring
- Restructuring health insurance for District employees
- Addressing a portion of the high school maintenance needs with existing funds
- Leveraging one-time Federal COVID funds to maintain and strengthen mental health supports & academic programs

## Doesn't the district apply for grants and other funding sources?

The District is constantly looking for ways to offset costs in order to be as fiscally responsible as possible to our tax payers. As part of this responsibility, the District constantly seeks out additional funding to enhance our programs and services through grants and other funding sources.

As you can see in the charts below, about 6% of our revenue is accounted for via Federal Grants, 2% in other Federal Aid, and 51% in State Revenues.

### Revenue:

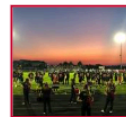


Budget = Revenue - Expenses. Can't you cut your expenses?

Even with a successful operational referendum the District will continue right-sizing staff to declining enrollment, which started last year with an attrition of eight positions. However, given the limited flexibility with our revenue sources, and due to a **\$0 budgetary increase** in the last state budget for schools, **federal stimulus dollars ending, record inflation**, and the **sunset of the current \$3 million non-recurring referendum**, the school district also needs to increase our revenue limits in order to provide quality programs for our students, which can only be done via referendum.

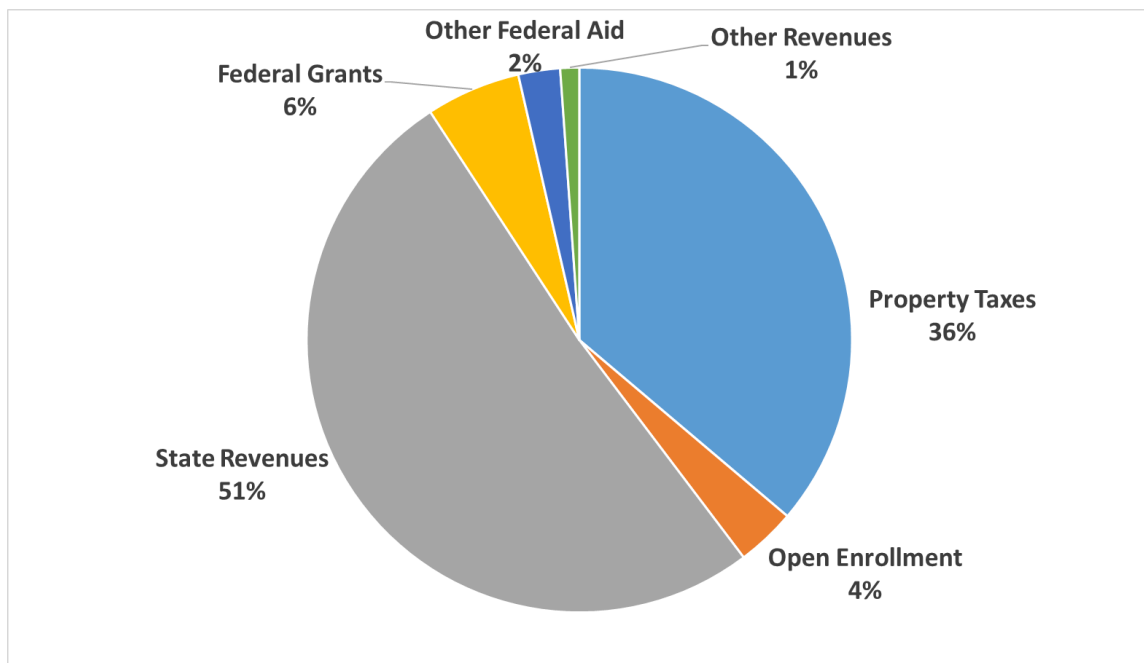
## Operational Referendum Needed To Avoid \$6.8 Million Deficit

What does \$6.8 million look like in a school district?

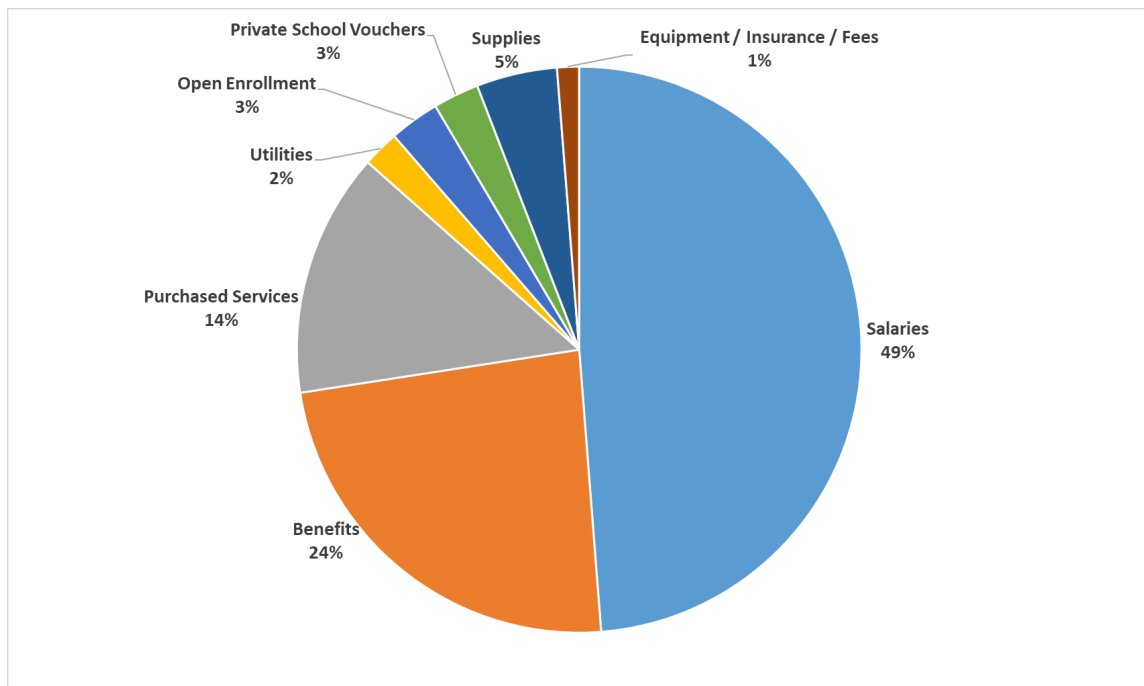


Total Operations = teaching, custodial, support, utilities, supplies, pupil services, etc.

## Revenue:



## Expenses:



## Why don't we cut all the extra stuff and just teach the basics?

The District's mission is to create an inclusive high-performing culture of growth and community for every student, whether that is in math, science, agriculture or music. The opportunities and services the District provides to the children of the Fort Atkinson community give each student what's needed, whether they plan to attend a four-year college, a two-year technical school or directly enter the workforce or military.

From a financial perspective, many students from outside the District open enroll into Fort Atkinson because of our varied program offerings, bringing with them additional funding for the District. Should these offerings disappear and open enrolled students leave, the funding that follows those students also leaves the District, thus creating a downward spiral in the financial viability of the District.

## What strategic improvements has the District made since the last referendum?

Over the past three years of the referendum that was approved in April 2020, the District has continued to make strategic improvements while still keeping the tax

rate stable. This improvement has been guided by the [current 5-year strategic plan](#), which was developed in 2021 and provided the District direction on areas most important to the community for enhancement. For an overview on the efforts of the District, please view our [August 2022 Annual Report](#).

## What will the community get if this referendum passes?

The operational referendum offers a multi-layered solution. It provides funding needed for our district to maintain current programs and services while providing the community input regarding future funding in four years. It allows the District to keep up with projected expense increases for current programs and services. Given the increasing rate of inflation and lack of allowable state funding increases, we will still need to make strategic budget decisions.

The District launched a five year results-driven strategic plan to best serve our students and improve teaching and learning. [Please click here to view the plan](#), and tune into Board of Education meetings for updates.

Over the past couple of years, the District has worked hard to plan for this referendum and minimize the local tax impact. We have restructured and prepaid debt to make this possible without a public school tax rate increase.


## What specific reductions would be made if this referendum does not pass?

If the April 2023 operational referendum does not pass, there would be no easy way to cut enough from the budget without drastically affecting the programs and services the District provides.


It is estimated that the District would need to cut \$6.8 million for the 2023-24 school year. All of the District's programs provide something of value to students. If a list of potential reductions were to be published, it would simply put the supporters of those programs in an adversarial position and divide our community.


## Operational Referendum Needed To Avoid \$6.8 Million Deficit


What does \$6.8 million look like in a school district?

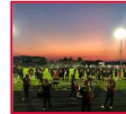
→  16% of total District operational budget **OR**

→  70 full-time positions **OR**

→  Total operations of **TWO elementary schools** **OR**

→  Total operations of **Fort Atkinson Middle School** **OR**

→  Almost **95% of teaching staff at Fort Atkinson High School**



Total Operations = teaching, custodial, support, utilities, supplies, pupil services, etc.

## What if the State grants the District more revenue than projected?

If the State were to grant additional revenue to the district, the Board of Education would have several options. They may decide not to levy some of the referendum approved property taxes; carryover those funds to determine the best long-term course of action based on changing state and federal funding; invest those funds into new programs and services to enhance the educational offerings of the district; or any combination of these.

## What happened to the ESSER federal COVID relief funds the District received?

The one-time money the District received was used to offset increased costs related to the impact of the pandemic - just as they were intended. These one-time funds were not intended to offset ongoing regular recurring operational costs. To learn more specifics about how the District used these funds, visit our [award winning dashboard on the District website](#).

---

## Referendum Nuts & Bolts

### Why another referendum so soon?

The referendum passed in 2020 had a non-recurring component, it is set to expire June 30, 2023. As a result, part of the funding available under that referendum goes away and the District needs to ask the taxpayers to grant that

funding again, along with funding for additional expense increases over the next few years.

## What do recurring and non-recurring mean?

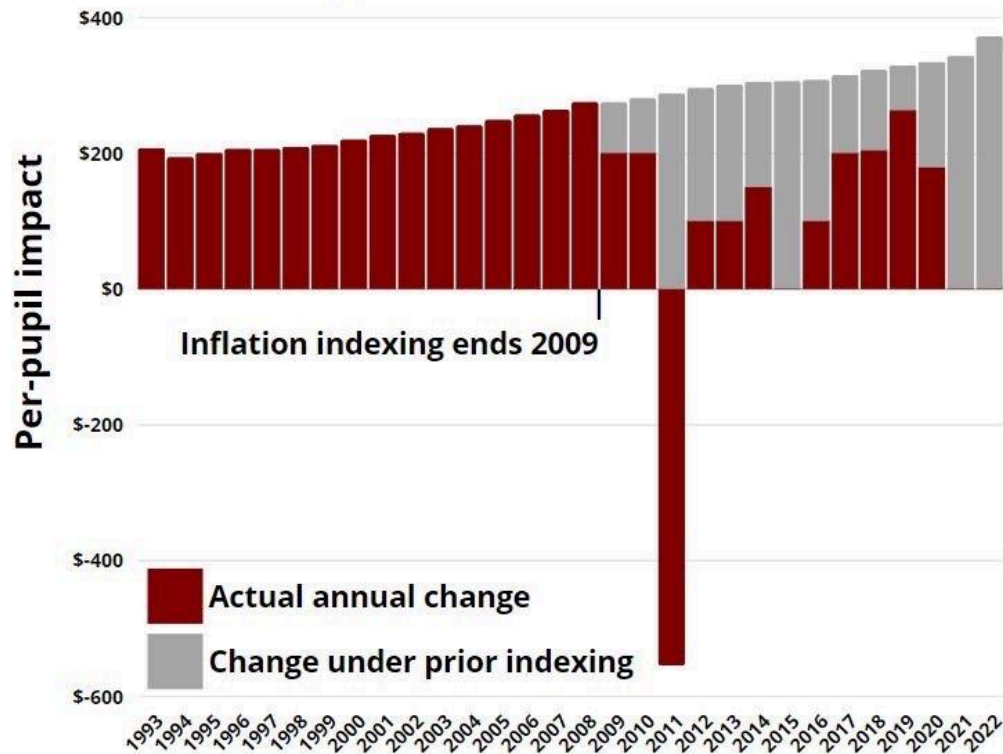
A recurring referendum to exceed the revenue limit allows the District to levy an additional tax above the allowable limit indefinitely if needed. The tax is added to the base calculation of the revenue limit.

A non-recurring referendum to exceed the revenue limit allows the District to levy a tax above the allowable limit for a certain number of years if needed. The tax has a “sunset” and once it is done, the District no longer has the authority to levy that tax.

## What is a revenue limit?

Revenue limits were established for school districts in Wisconsin in Fall 1993 by the state legislature. They were intended to be a means by which the state could control property taxes. A district’s revenue limit is made up of state aid and local taxes. As state aid to the District decreases, property taxes increase and vice versa. Up until 2009, the State granted an inflationary increase to the revenue limit each year so school districts could keep up with increasing costs for the same services. Since then, the revenue limit has decreased or seen only small increases. In order to exceed the state-imposed revenue limit a school district must go to referendum and ask the local taxpayers for the additional revenue it may need.

## Total State Funding for K12: Annual Adjustments Since 1993



### How are schools in Wisconsin funded?

As discussed in the prior question, the State has established a maximum revenue amount allowed for each school district through the revenue limit. Since the State Legislature has the desire to not increase property taxes, more and more of the funding for local schools has shifted to the local property taxpayer. While this is a shift, it does provide more local control over school funding as the state is not taxing the property and deciding where the funds go. Rather, the local school district is taxing the property and each dollar that is approved through a referendum goes directly to the schools for operations rather than flowing through the state.

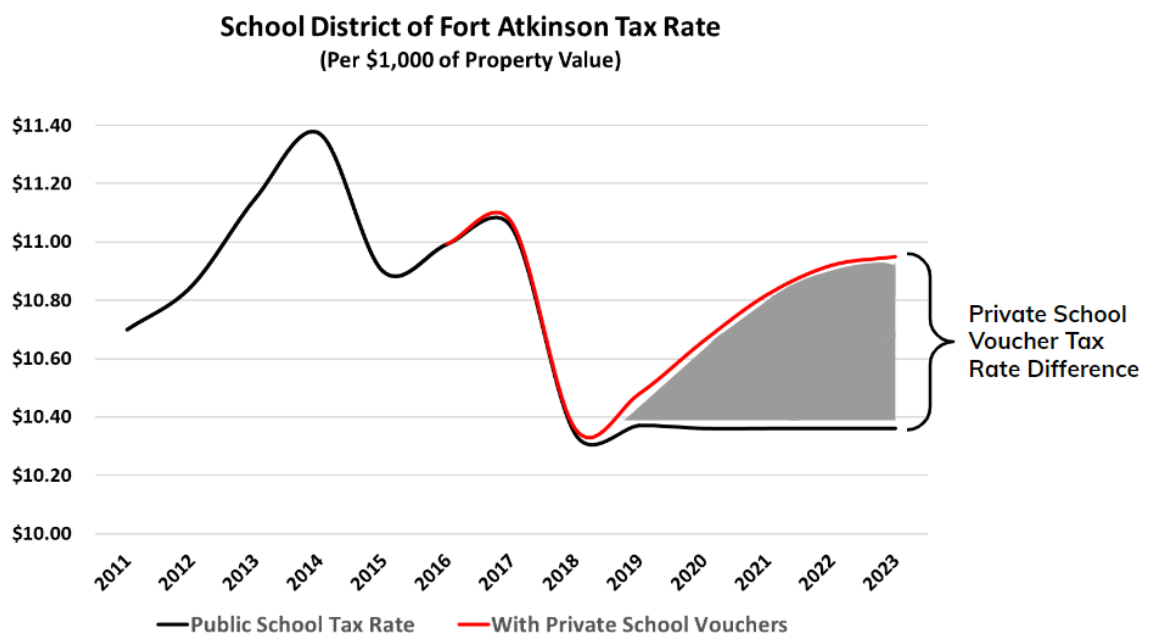
[Please view this short video from our July 2022 Board of Education meeting](#) that will explain a bit further how the State utilizes local taxes to fund local schools.

## Private School Vouchers and how it impacts my taxes

### What is a private school voucher?

School vouchers are education tax dollars that are diverted from public schools to help subsidize the tuition of private and religious schools.

### How much of my taxes are funding private and religious schools?



There are students that live in Fort Atkinson that receive private school vouchers; however, the public schools have not seen a significant decline of enrolled students as a result of the vouchers. As the program has grown, income eligibility levels have been changed by the State, and more private schools and parents have applied for the program; students that were already attending these private schools are becoming eligible for state-funded vouchers. The history of private school vouchers in our District is shown below.



