Legislative Fiscal Bureau

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April 25, 2018

TO: Representative Hintz
             Senator Shilling
             State Capitol

FROM: Russ Kava, Fiscal Analyst

SUBJECT: School District Operating Referenda -- Revenue Limit Authority and Passage Rates

At your request, I am providing information on the additional revenue limit authority approved by school district referenda and the passage rate for referenda since 2011-12.

Under revenue limits, the amount of revenue a school district can raise from general school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2017-18 and each year thereafter, no per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit. There are several adjustments that are made to the initial revenue limit, such as the base revenue hold harmless and declining enrollment adjustments. These adjustments generally increase a district's limit, providing the district with more revenue authority within the calculated limit.

A district can also exceed its revenue limit by receiving voter approval at a referendum. The school board must approve a resolution supporting inclusion in the school district budget of an amount which exceeds the revenue limit. The resolution must specify whether the proposed excess revenue is for a recurring or nonrecurring purpose, or both. Under a recurring referendum, the specified amount is added to the district's revenue limit in the indicated year and remains in that district's base revenue for the calculation of its revenue limit in subsequent years. Under a nonrecurring referendum, the specified amount is added to the district's revenue limit in the indicated year, but is then removed from the district's base revenue in the following year.

Table 1 shows the statewide total revenue limit authority approved by voters from recurring

and nonrecurring referenda each year from 2011-12 to 2017-18. For recurring referenda, two totals are shown. The annual total shows the revenue limit authority that was approved beginning in the indicated year. The cumulative total for a given year shows the revenue limit authority that was approved for all years since 2011-12. For nonrecurring referenda, the total amount of revenue limit authority approved for the indicated year is shown.

TABLE 1

Revenue Limit Authority Approved by Referendum

| | Recurring Referenda | | |
	Annual Total	Cumulative Total	Nonrecurring Referenda
2011-12	$7,900,000	$7,900,000	$66,108,069
2012-13	2,875,000	10,775,000	60,223,469
2013-14	4,750,000	15,525,000	64,587,123
2014-15	11,127,000	26,652,000	80,255,689
2015-16	4,010,864	30,662,864	93,124,190
2016-17	17,928,500	48,591,364	120,789,346
2017-18	17,872,000	66,463,364	146,326,303
Total		$206,569,592	$631,414,189

Because districts are not required to levy the maximum amount allowed under revenue limits, it is possible that some portion of the revenue limit authority allowed under a referendum was not utilized in a given year. Also, because a recurring referendum is added once and remains in a district's base revenues in subsequent years, changes in enrollment in a district in which voters approved a recurring referendum could affect the amount of revenue limit authority available to the district in the subsequent years.

You also asked how many operating referenda were passed by districts during the period shown in the table. Between July 1, 2011, and April 3, 2018, 248 referenda (197 nonrecurring and 51 recurring) were passed in 158 districts. Table 2 shows the number of recurring and nonrecurring referenda questions that passed and failed during each school year since 2011-12, and total of each over the period. Also shown is the passage rate for all operating referenda each year and in total.

TABLE 2

Referenda Passage Rates

	Passed			Failed			Total
	Recurring	Nonrecurring	Total	Recurring	Nonrecurring	Total	Passage Rate
2011-12	2	16	18	2	6	8	69.2%
2012-13	4	28	32	4	12	16	66.7
2013-14	4	20	24	2	8	10	70.6
2014-15	8	47	55	5	14	19	74.3
2015-16	10	29	39	3	5	8	83.0
2016-17	18	30	48	7	10	17	73.8
2017-18	5	27	32	2	4	6	84.2
Total	51	197	248	25	59	84	74.7%

I hope this information is helpful. Please contact me if you have further questions.

RK/lb