

School District Borrowing

\$1,000,000 Authority Limit

\$1 Million Authority for Debt Issuance without Elector Approval

Sections 67.05(6a)(b) and 67.12(12(e)(2g)) of the Wisconsin Statutes provides authority for school districts to borrow up to \$1,000,000 without elector approval. The specific limit for each school district is the lesser of \$1,000,000 or a calculated amount which uses statewide value and membership data. The district's limit is cumulative and applies to both bonds and promissory notes. Therefore, at any given time the total debt issued by the district under this provision cannot exceed their calculated authority. If, for example, a district's authority is \$1,000,000 and they have already issued debt of \$900,000 they would only have authority available of \$100,000. However, every principal payment made on the \$900,000 borrowing would increase their available authority limit.

A school district which has utilized their \$1 million authority or elects to not use it may issue other non-referendum debt pursuant to the procedures outlined below.

Other Non Referendum Debt Issued

School districts may issue other long term debt without a voter-approved referendum if certain procedures are followed:

- The School Board passes an initial resolution specifying the amount and purpose of the proposed borrowing.
- Within 10 days of adoption of the initial resolution, the District Clerk must publish a Class 1 notice of the adoption setting forth the details of the proposed borrowing.
- Specified in the initial resolution is the date, time and place for a public hearing on the initial resolution and specify whether the public hearing is for informational purposes only or if the electors will be given an opportunity to vote on whether a referendum should be held on the initial resolution.
- The public hearing must be held within 10 days after publication of notice.
- If public hearing is informational only, the District's electors have 30 days after the public hearing to present a petition requesting a referendum. If the petition is not filed with the 30 day time period the District is allowed to issue the bonds and the debt does not count against their \$1 million authority. Per Wis.Stats. 67.05(6a)(am)1., the number of signatures

required is the lesser of 7,500 or 20% of the number of electors in the last governor's general election (cross ref: §115.01(13)(a).)

- If public hearing allows electors present to vote and they vote to hold a referendum, the election is called. If the electors vote not to go to referendum then District electors have 30 days after the public hearing to present a petition requesting a referendum.

Note: All debt issued by a school district without referendum approval must be repaid within the revenue limits, per s. 121 Wis. Stats., of the District (Fund 38).

2015 TIF-In Tax Apportionment Value for PK-12 and UHS School Districts

\$490,618,242,150 (full school district value as of January 1, 2015, as certified as Tax Apportionment Values in October, 2015).

2015-16 State General Aid FTE Membership*

\$854,419 (school district 2014-15 membership as used in the 2015-16 State General Aid Computation, October 15, 2015 Aid Certification).

State Average Valuation per Member

\$574,213

1.5% of Average Valuation per Member

\$8,613

** Per ss. 121.004(7)(f), effective with the 2000-01 General Aid distribution, school district membership must incorporate a 25% FTE reduction of those resident students participating in the Inter-District Transfer Program, ss. 121.85(3)(a). (The Inter-District Transfer Program, State financial assistance supporting the reduction of racial imbalance, is available only to Milwaukee-area districts.)*

For all school districts, the calculated authority limit is the lesser of \$1,000,000 or district membership multiplied by \$8,613. This limit applies to aggregate outstanding debt incurred since August 9, 1989.

Review the \$1 Million Authority under this provision.

*For questions about this information, contact dpifin@dpi.wi.gov
(<https://dpi.wi.gov/user/641/contact>) (608) 267-9114*