Shawano SCHOOL DISTRICT

Every Student, Every Day...The Hawk Way

June 17, 2026

To SSD Staff, Families and Community,

How can the District balance classroom reductions with new facilities and athletics?

That is a fair question. The answer comes down to the difference between an operational referendum and a capital referendum. They have distinctly different purposes.

In the Shawano School District, facilities improvements are continuing despite budget reductions because Shawano voters approved a capital referendum in 2024.

A capital referendum allows a district to borrow money for major building projects that would otherwise be unaffordable within a single year's budget. Those funds were specifically approved to repair, replace, and update classrooms, facilities, and athletic spaces. Under Wisconsin law, **capital referendum funds** can only be used for those approved projects, not for day-to-day operating expenses.

Operational funds pay for the district's daily expenses such as staff, utilities, transportation, curriculum, and student programming. The budget challenges we are experiencing are tied to operations. Some districts address operational shortfalls by asking voters to approve an **operating referendum**. If approved, those funds can be used for day-to-day operations.

The Shawano Board of Education has worked to live within its means without asking voters for additional operating funding. That has required finding efficiencies and making difficult reductions to balance the budget.

Why did Shawano ask for a capital referendum knowing there were operational budget challenges?

Consider this example: If a school heating and cooling system fails and costs $500,000 to repair or replace, most districts do not have enough money in a yearly operating budget to absorb that expense. At that point, districts generally have three options:

- Delay repairs and address issues slowly over time (called deferred maintenance);
- Use operating funds to pay for the repairs and make deeper cuts to staff or programs. Paying for major facility repairs entirely through operating funds could result in significant **more** cuts to educational programs and staffing.
- Ask voters to approve a capital referendum;

Wisconsin districts can save money for future maintenance through Fund 46, and Shawano does save when possible. Shawano also operates with a long-term facilities plan, and tackles what it can within each year's operating budget. However, when large projects often exceed what can reasonably be set aside over time or be handled within the annual budget, they need a different solution. Deferred maintenance often continues to grow when repairs are postponed to avoid larger annual budget cuts.

That is why districts often ask voters to approve a capital referendum, as Shawano did in 2024. At the same time, Shawano has avoided asking voters for additional operating funds, which only a small number of Wisconsin school districts have done.

School operating funding deficits continue to compound year after year as inflation and rising costs outpace allowed state funding. Without changes in state funding, all Wisconsin districts may eventually face even deeper cuts or the need to seek additional operating support from voters. Today, about 80% of Wisconsin school districts operate with some type of referendum funding. Referendums are one of the ways the State legislature has determined how public schools are funded in Wisconsin.

As we conclude this series on public school finance, we hope these articles have provided greater clarity and understanding about the complex financial landscape in which public schools operate in the state of Wisconsin. School funding involves a variety of revenue sources, legal requirements, and restrictions that often determine how and when funds can be used.

Thank you,

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