

Update on Indiana School Referenda

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INTRODUCTION

In the Center for Evaluation & Education Policy (CEEP) Education Policy Brief, *School Referenda in Indiana*, it was noted how Public Law 146 in 2008 brought major changes to public school funding mechanisms through the broadening of the circumstances that General Fund referenda can be pursued and the creation of a construction referendum process.

Since the passage of Public Law 146-2008, a total of 60 school district referenda have been on Indiana election ballots, including 28 General Fund referenda and 32 construction referenda. Table 1 shows the breakdown of all school referenda by year (and by election cycle in 2010). To date Indiana school referenda have seen a passage rate of 40% overall. More specifically, General Fund referenda have a 46.4% passage rate the last two years (with none in 2008) and construction referenda have a 34.4% passage rate since 2008.

As noted in *School Referenda in Indiana*, the contributing factors to school referenda outcomes are often subject to the individual communities; while a referendum with a high requested tax rate increase might fail in one community, the same referendum might pass in another. Despite this factor, there often are notable trends and factors which seem to apply to most referenda in a given election. For instance, in the May 2010 primary election, referenda generally passed when the

leaders of school corporations clearly and openly communicated with their communities; the greater the effort to communicate with the community, the more probable a referendum victory was. However, not all referendum ballot trends that seemed apparent through May 2010 held true in November 2010.

This update on Indiana school referenda will continue the examination of factors which contribute to the success or failure of school referenda, as well as provide a comprehensive look at the results of school referenda which took place during the November 2010 general election.

RESULTS OF NOVEMBER 2, 2010, REFERENDA

The November 2, 2010, election saw 18 school referenda on the ballots in Indiana with 10 in the Indianapolis metropolitan area, representing a slight increase over the May 4, 2010, election when 50% of referenda on ballots occurred in the metropolitan area. November referenda included 13 General Fund referenda, an increase over the nine General Fund referenda in the primary, and five construction referenda, a slight decrease from seven on the primary ballot.

Overall, only 33.3% of the November 2, 2010, referenda passed — three within the metropolitan area and three in southern Indi-

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TABLE 1. Overall Referenda Scorecard

	Total Referenda	Number Passed	% Passed	Number Failed	% Failed
All to date	60	24	40.0%	36	60.0%
2010 (May/Nov.)	34 (16/18)	14 (8/6)	41.2% (50.0%/33.3%)	20 (8/12)	58.8% (50.0%/66.7%)
2009	21	6	28.6%	15	71.4%
2008	5	4	80.0%	1	20.0%

ana. A total of approximately \$413 million was requested through referenda (using General Fund referenda seven-year totals), with an average requested amount of \$23 million. The average requested property tax increases for approved referenda (\$0.26 per \$100 assessed valuation) and defeated referenda (\$0.27) were not significantly different, suggesting that the size of the property tax increase was not likely a major factor in referendum outcomes in November. Figure 1 depicts the locations and outcomes of all November 2010 school referenda.

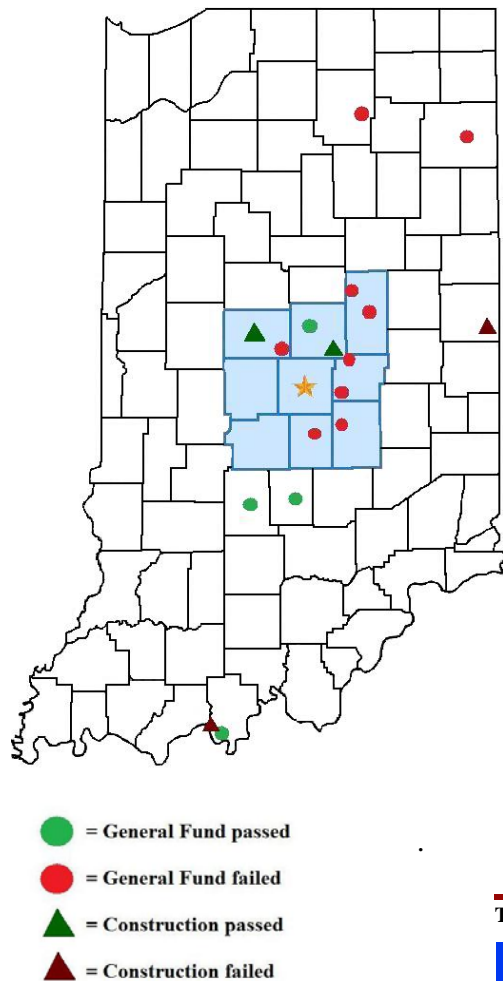
GENERAL FUND REFERENDA

Since 2008, 79% of all General Fund referenda occurred in the 2010. However, while they are increasing in frequency, their rate of success has declined. Table 2 shows the results of the November 2, 2010, General Fund referenda, and Table 3 shows a scorecard of all General Fund referenda to date.

Approved General Fund referenda on the November 2, 2010, general election ballot

had an average requested property tax rate increase of \$0.20 per assessed valuation, while for defeated General Fund referenda it was \$0.28; the average rate increase among both passed and failed referenda was \$0.26. Three of five referenda were approved outside of the Indianapolis metropolitan area while only one of eight was approved within the metro area, reversing a previously noted trend observed through all prior elections.

FIGURE 1. Outcomes and Locations of November 2010 Referenda



Note: Blue-shaded counties represent the Indianapolis metropolitan area.

TABLE 2. General Fund Referenda on November 2, 2010

School Corporation	Total Amount Sought Per Year*	Increase in Property Tax Sought (per \$100 valuation)	% Pass	% Fail
Brown County School Corp.	\$125,000	\$0.01	56%	44%
Westfield-Washington Schools	\$4,600,000	\$0.23	54%	46%
Monroe County Comm. School Corp.	\$7,500,000	\$0.1402	61%	39%
Cannelton City Schools	\$114,000	\$0.41	53%	47%
East Allen County Schools	\$8,200,000	\$0.3709	30%	70%
Mt Vernon Comm. School Corp	\$1,000,075	\$0.1233	41%	59%
Whitko Comm. School Corp.	\$864,000	\$0.20	28%	72%
Center Grove Comm. School Corp.	\$3,150,000	\$0.24	43%	57%
Zionsville Community Schools	\$5,800,000	\$0.295	39%	61%
Anderson Comm. School Corp.	\$7,000,000	\$0.55	30%	70%
Elwood Comm. School Corp.	\$1,000,000	\$0.50	27%	73%
Northwest Shelby Schools	\$500,000	\$0.116	49%	51%
Comm. School Corp. of Southern Hancock County	\$1,500,000	\$0.24	39%	61%

*All November 2, 2010, General Fund referenda (with the exception of Monroe County CSC) sought tax revenues for the maximum of seven years (MCCSC sought revenues for only six years). Per-year totals shown above should be multiplied by seven (six for MCCSC) for the maximum amount of funds that would be generated through a referendum.

TABLE 3. General Fund Referenda Scorecard

	Total Referenda	Number Passed	% Passed	Number Failed	% Failed
All to date	28	13	46.4%	15	53.6%
2010 (May/Nov.)	22 (9/13)	9 (5/4)	40.9% (55.6% / 30.8%)	13 (4/9)	59.1% (44.4% / 69.2%)
2009	6	4	66.7%	2	33.3%
2008	0	0	-	0	-

CONSTRUCTION REFERENDA

The November 2, 2010, election saw the lowest number of construction referenda since 2008. The passage rate of these referenda was slightly lower than in May 2010 with only 40% approved. Both approved construction referenda were within the Indianapolis metropolitan area. Table 4 shows the results of the November 2010 construction referenda, and Table 5 shows a scorecard of all construction referenda to date.

For construction referenda, the average requested property tax rate increase was \$0.30 per \$100 assessed valuation. As further evidence that lower tax rate increases were not a factor in referendum outcomes, for construction referenda, the average requested increase for approved referenda was \$0.38 per \$100 assessed valuation while for defeated referenda it was \$0.24.

SUPERINTENDENT SURVEY

Following the November 2010 election, CEEP asked all superintendents or referendum campaign leaders to participate in an

online survey seeking their input regarding their referenda efforts. Of the 17 school corporations which held a referendum, responses were received representing 15, with three responses partially incomplete. Of these 15, 12 oversaw General Fund referenda and three oversaw construction referenda. Five survey respondents experienced a successful referenda while 10 had theirs defeated by voters.

The five respondents with approved referenda were asked to what they attributed their success. All five cited clear communication with their communities on the need for a referendum. Three cited the execution of a campaign plan and three cited previous budget reductions that caught the public's attention. All five respondents cited retaining teachers or maintaining educational programs as the purpose of the requested referendum funds. Four of the five had established a committee or task force with citizens as members to guide the referendum.

The 10 respondents who oversaw defeated referenda were asked a separate, but similar, set of questions. When asked to what they attributed their referendums' defeat, the top three responses were: general "anti-tax" sentiment (n=10), general concerns about the economy (n=9), and the circulation of misinformation

(n=9). Like approved referenda, these 10 respondents predominantly cited retaining teachers and maintaining educational programs (each was cited by six of 10) as the intended purpose of the funds. Eight of the 10 had established committees or task forces with citizens as members to guide their referenda.

These reasons for defeat compare to the reasons cited by superintendents after the May 4, 2010, school referenda, when superintendents cited voter resistance to higher taxes and organized community opposition. The lower passage rates observed in the November referenda indicate that these factors may have been stronger and more difficult for school corporations to overcome in the general election.

The 10 respondents with defeated referenda were also presented with the question of how they would now balance the school corporation budget. Eight respondents replied to this question. "Eliminate academic programs" and "reduce administrative expenses" were each cited six times; however, each option provided was cited by no fewer than five respondents, including cutting teaching positions. One respondent commented that "All options are on the table." Six of the 10 respondents who oversaw defeated referenda replied that their school corporation would likely not seek another referendum in the next 12 months; however, when asked hypothetically what they would do differently to secure voter approval, "actively combat misinformation being distributed" was the most commonly cited response.

All survey respondents were asked a series of questions regarding the campaign and fundraising aspects of their referenda. A total of 14 respondents replied to questions 13 and 14, which asked whether the school corporation had hired some type of consultant or devised/implemented a campaign plan, respectively. Only six hired a consultant; however, 12 of the 14 did devise and implement some form of campaign plan.

Respondents were then asked if a campaign plan either was a significant factor (if their corporation had implemented a plan) or if it would have been a significant factor (if their corporation did not implement a plan) in the outcome of the election. Only eight of the 12 that had implemented a plan responded, five of whom said it was a significant factor. The two respondents whose school corporations did not implement a campaign plan did not believe that it would have been a significant factor.

Respondents were then asked about campaign strategies and their effectiveness. For those

TABLE 4. Construction Referenda on November 2, 2010

School Corporation	Total Amount Sought	Increase in Property Tax Sought (per \$100 valuation)	% Pass	% Fail
Lebanon Comm. School Corp.	\$40,000,000	\$0.6674	50.3%	49.7%
Hamilton Southeastern School District	\$62,000,000	\$0.0944	72%	28%
Randolph Central School Corp.	\$19,800,000	\$0.4865	46.5%	53.5%
Randolph Central School Corp.	\$3,190,000	\$0.0798	38%	62%
Tell City-Troy Township School Corp.	\$6,000,000	\$0.16	43%	57%

TABLE 5. Construction Referenda Scorecard

	Total Referenda	Number Passed	% Pass	Number Failed	% Failed
All to date	32	11	34.4%	21	65.6%
2010 (May/Nov.)	12 (7/5)	5 (3/2)	41.7 (42.9% / 40.0%)	7 (4/3)	58.4 (57.1% / 60.0%)
2009	15	2	13.3%	13	86.7%
2008	5	4	80.00%	1	20%

whose school corporations implemented a campaign plan, the most common campaign strategies employed were: letters to the editor (n=7), large- or small-group community meetings (n=7), and other public advertising such as fliers, buttons, or door-hangers (n=7). The least employed strategies were robo-calls (n=1) and phone banks (n=1). Only seven respondents replied to this question.

The 12 respondents who had campaign plans were then asked to rate the effectiveness of these various campaign strategies on a scale from 1 to 10, with 1 being “not at all effective” and 10 being “very highly effective.” The most effective strategies and their average ratings were: political endorsements (e.g., from a local mayor), 7.00; letters to the editor, 6.86; paid media advertising, 6.75; yard signs, 6.71; and large- or small-group community meetings, 6.70.

Question 20 asked whether the school corporation or referendum committee had engaged in any fundraising activities and if not, how funds were raised. Of 14 respondents to the question, seven said the corporation or committee had engaged in fundraising, four replied that a parent group or PAC engaged in fundraising on behalf of the campaign, two replied that their campaigns were funded by private donations, and one said that only simple informational material was developed.

Those seven respondents whose corporations or referendum committees directly engaged in fundraising were then asked to briefly describe those activities. Most responses consisted of direct solicitation for donations from vendors, employees, and community members. These seven respondents were also asked how much money was spent on their campaigns and how much of that was covered by private donations. Amounts spent on campaigns ranged from \$1,500 to \$30,551 and five of the seven respondents indicated that 100% of those

TABLE 6. Sample Additional Feedback from Referendum Leaders

- “Make sure the community leads the charge, and not elected or hired officials.”
- “False information circulated by opposition was hard to combat.”
- “I believe we were successful because we requested a limited amount of additional tax (\$0.01 per \$100 of A.V.) and we did this in a climate of having made significant General Fund reductions of the past three years.”
- “Make sure your parents are registered to vote, start early, and find recognizable community figures to be the face of the campaign.”
- “You can spend all the money you want and hold all the meetings you want and print all the flyers you want, but in this economy combined with tax payers’ strong belief in lower taxes we will continue to see most referendums defeated!”

funds came from private donations. It is interesting to note that the amount spent on a campaign did not affect outcomes; the referenda of six of these seven respondents were defeated by voters. The one that passed raised \$7,000 from private donations.

All respondents were asked to provide any additional comments regarding the political or campaign aspects of their referenda. See Table 6 for a sample of additional feedback.

To conclude the survey, all respondents were asked a series of questions regarding organized opposition to their school corporations’ referenda. Of 14 respondents, 10 replied that there was formal opposition. These 10 respondents were then asked which campaign strategies their opposition employed against their referenda. The most commonly cited strategies were: mailings or newsletters (n=9), yard signs (n=7), and large- or small-group community meetings (n=6).

All respondents were asked if information was distributed in opposition and if it contained any misinformation. Ten of the 14 respondents indicated that information was distributed in opposition and that it contained a lot of misinformation, and an additional

three said that information with a little misinformation was distributed. No respondent replied that factual information was distributed in opposition and only one replied that no information was distributed in opposition.

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