**Fiscal Facts: Referenda give Madison schools fiscal breathing room, at sizable cost to taxpayers**

After voters approved two Madison Metropolitan School District referenda last November, the district’s next proposed budget calls for hiring new staff, increasing wages, and starting the biggest wave of district construction projects in decades.

At the same time, property taxpayers are finding these benefits come at substantial cost. The district’s property tax levy would rise 20.2% under the budget proposal, the largest increase for MMSD in at least a generation. This would cause property taxes to rise, on December 2025 tax bills, by $834 on an average value Madison home.

These referenda provide fiscal “breathing room” for Madison Metropolitan School District (MMSD) and its new superintendent, Joe Gothard, the Wisconsin Policy Forum’s brief on the proposed 2025-26 MMSD budget finds. Still, they have not necessarily solved all the district’s financial difficulties. in addition to the tax increase, the budget forecasts declining state aid, federal funding cuts, and calls for drawing down reserves.

Since 2020, the Forum each year analyzes the proposed MMSD budget. This year, much has changed, starting with resounding voter approval of a $100 million operating referendum and a capital referendum to authorize $507 million in borrowing to renovate or replace 10 schools.

When voters approved the referenda, they set up the likelihood of a large property tax increase. That has come to pass, as the 2026 budget would increase the district’s total property tax levy by $80.5 million, or 20.2%. This percentage increase is more than twice as large as the previous record for the district in our data going back to 1994.

The operating referendum will allow the district to absorb the impact of tight state limits on school revenues and declining federal aid all while hiring additional staff and boosting salaries. The coming months also begin an initiative -- funded by the capital referendum -- to replace the district’s five middle schools. Two also have attached elementary schools and one has an attached high school. Projected construction costs for these projects are $443 million, plus $64 million to renovate two elementary schools, with a final completion target date in late 2029.

This follows renovations to four high schools funded through a separate $317 million referendum in 2020. The latest projects will be financed by $507 million in borrowing, which will significantly increase the district’s total debt load. Even after this, major capital and facility needs will remain. The focus will shift to its aging elementary schools, renovation or replacement of which will likely result in additional debt.

Although MMSD has high property values, nearly half its students come from low-income families. More than one-fifth speak English as a second language, and 16% were assessed as having a disability. Unlike most states, Wisconsin’s main aid formula for disbursing state aid to schools does not look at these student needs, only at the district’s enrollment, spending, and property values. Under this formula, MMSD receives far less state aid per student than most other districts and state aid is once again projected to fall next school year.

The city’s delegation of state lawmakers and business leaders may wish to consider making the state aid formula a greater legislative priority moving forward, our report concludes. Without such an approach, the only other major form of relief for property taxpayers in the district would have to come from limiting spending.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*