



POTENTIAL APRIL 2025 REFERENDUM

January 13, 2025





Agenda

- Capital Referendum vs. Operating Referendum
- Current District and Statewide Financial Situation
- Operational Referendum Information and Recommendation





Types of Referendums

Operational

A school district may ask voters to exceed the allowable maximum revenue through a voter-approved referendum to support operational expenses

- Recurring referendum - never stops
- Non-recurring referendum - exists for a defined period of time

Capital

A school district may ask voters to exceed the allowable maximum revenue through a voter-approved referendum to support capital expenses

- Allows the district to borrow funds immediately and pay back over time
- Alleviates the tax burden of a long-term capital asset over a longer period of time





Referendum Statistics

	Non-Recurring	Recurring	Capital
Spring 2022	38 questions/92% passed	8 questions/63% passed	35 questions/71% passed
Fall 2022	28 questions/75% passed	14 questions/79% passed	39 questions/82% passed
Spring 2023	44 questions/50% passed	10 questions/60% passed	29 questions/62% passed
Spring 2024	45 questions/62% passed	23 questions/52% passed	35 questions/60% passed
Fall 2024	59 questions/68% passed	17 questions/77% passed	58 questions/88% passed



District Financial Concerns

- Decreasing fund balance and health insurance fund balance
- Program funding shortfalls
- Stagnating capital maintenance budget
- Unclear future of state funding
- Below-CPI salary increases
- Substitute employee and event-worker pay not competitive





5-Year Projection: Current Operations

Fund 10 - General Fund - Projection Summary

Wausau School District | Base - Work in Progress Updated Board 01-06-25

DRAFT

	BUDGET		REVENUE & EXPENDITURE PROJECTIONS								
	FY - 2025	FY - 2026	% Δ	FY - 2027	% Δ	FY - 2028	% Δ	FY - 2029	% Δ	FY - 2030	% Δ
REVENUE											
Local Sources	\$20,040,007	\$18,736,351	-6.51%	\$18,364,335	-1.98%	\$17,350,343	-5.52%	\$17,108,826	-1.39%	\$17,091,629	-0.10%
State Sources	\$88,951,456	\$90,607,319	1.86%	\$93,166,733	2.82%	\$95,558,665	2.57%	\$98,374,832	2.95%	\$100,966,679	2.63%
Federal Sources	\$6,656,919	\$4,542,334	-31.77%	\$4,542,334	0.00%	\$4,542,334	0.00%	\$4,542,334	0.00%	\$4,542,334	0.00%
Other	\$2,849,407	\$2,908,081	2.06%	\$2,982,040	2.54%	\$3,056,000	2.48%	\$3,105,306	1.61%	\$3,179,265	2.38%
TOTAL REVENUE	\$118,497,789	\$116,794,085	-1.44%	\$119,056,042	1.94%	\$120,507,342	1.22%	\$123,131,298	2.18%	\$125,779,907	2.15%
EXPENDITURES											
Salary and Benefits	\$80,364,491	\$82,336,263	2.45%	\$83,768,942	1.74%	\$85,698,569	2.30%	\$87,692,112	2.33%	\$89,751,716	2.35%
Other Objects	\$38,908,296	\$38,156,386	-1.93%	\$38,648,286	1.29%	\$39,145,214	1.29%	\$39,644,012	1.27%	\$40,158,999	1.30%
TOTAL EXPENDITURES	\$119,272,788	\$120,492,648	1.02%	\$122,417,228	1.60%	\$124,843,783	1.98%	\$127,336,124	2.00%	\$129,910,715	2.02%
SURPLUS / DEFICIT	(\$774,999)	(\$3,698,563)		(\$3,361,186)		(\$4,336,442)		(\$4,204,826)		(\$4,130,808)	
BEGINNING FUND BALANCE	\$30,250,139	\$29,475,140		\$25,776,577		\$22,415,391		\$18,078,949		\$13,874,123	
ENDING FUND BALANCE	\$29,475,140	\$25,776,577		\$22,415,391		\$18,078,949		\$13,874,123		\$9,743,315	
FUND BALANCE AS % OF EXPENDITURES	24.71%	21.39%		18.31%		14.48%		10.90%		7.50%	

*Assumptions: 3% salary increases, \$325 per pupil increase, higher health insurance & transportation costs



How Does Task Force Work Impact Deficit?

Do we ever get to a balanced budget through a decreased footprint?

Year	Projected Annual Deficit	*Potential Annual Consolidation Savings:	Potential Annual Deficit w/Consolidation Savings	Year End Fund Balance
24-25 (Current)	\$ (774,999)	\$ -	\$ (774,999)	\$ 29,475,140
25-26	\$ (3,698,563)	\$ -	\$ (3,698,563)	\$ 25,776,577
26-27	\$ (3,361,186)	\$ 500,000	\$ (2,861,186)	\$ 22,915,391
27-28	\$ (4,336,442)	\$ 1,000,000	\$ (3,336,442)	\$ 19,578,949
28-29	\$ (4,204,826)	\$ 1,500,000	\$ (2,704,826)	\$ 16,874,123
29-30	\$ (4,130,808)	\$ 2,000,000	\$ (2,130,808)	\$ 14,743,315

*Projecting potential savings of \$2,000,000 annually with consolidation realized over five years

Per Pupil Revenue Limit Adjustment





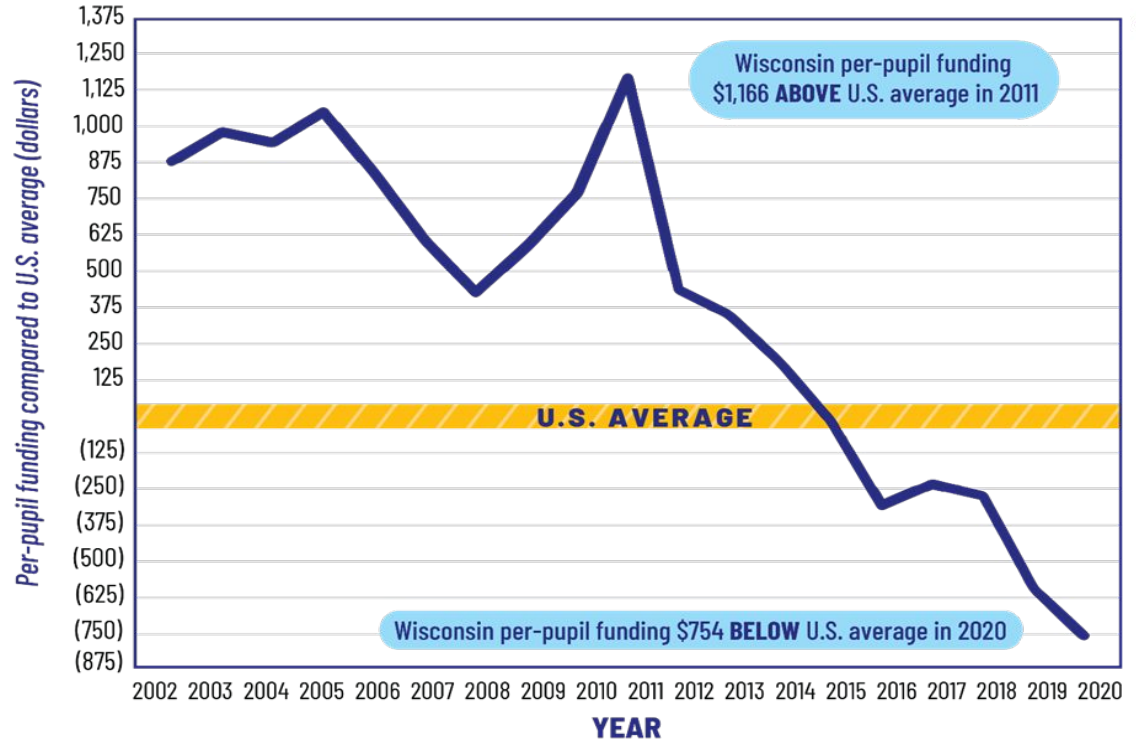
Funding for Wisconsin Public Education

Wisconsin Ranked 25th in 2020

As recently as 2011,
Wisconsin's per pupil funding
was \$1,166 above the
national average

 In 9 years, we have fallen
\$754 BELOW the national
average 

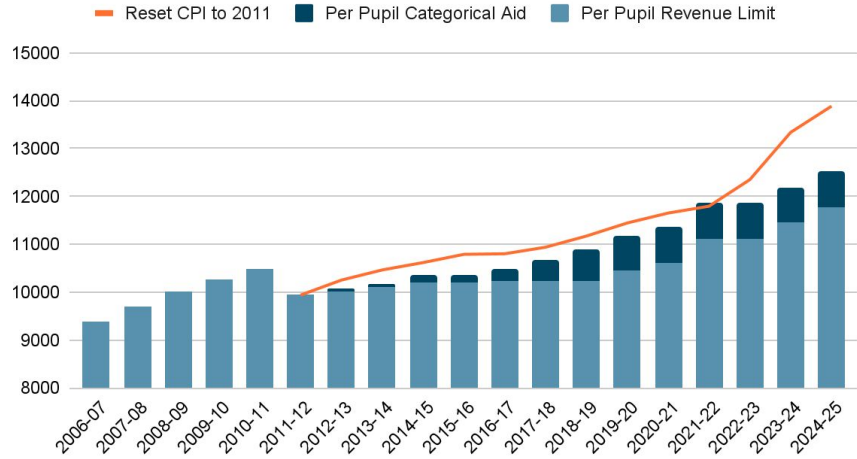
This is before 2 years of a \$0
increase from the state



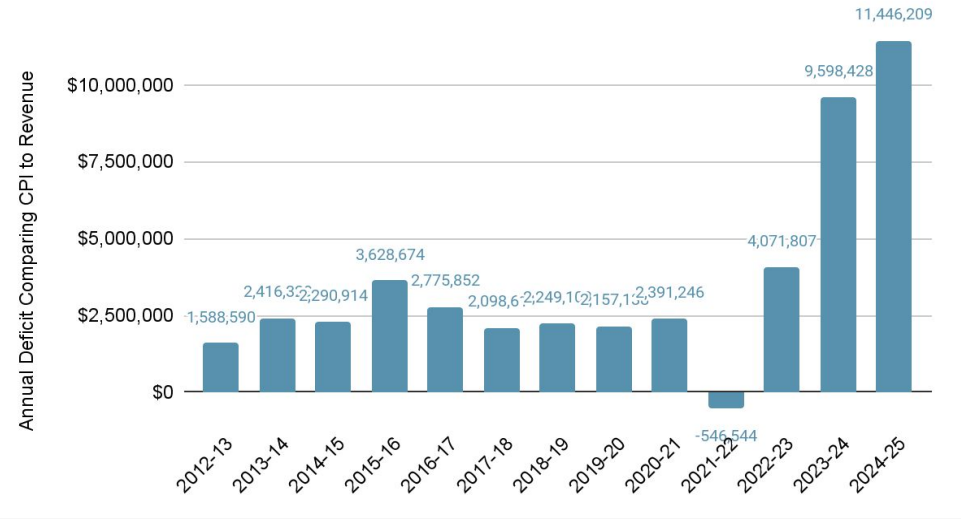


District Funding Compared to Inflation

Per Pupil Revenue Limit, Per Pupil Categorical Aid and CPI



Annual Revenue Deficit Compared to CPI





What Steps has the District Taken?

- Staffing full-time equivalent (FTE) reductions: 25+ FTE in 2024
- Salary increases below CPI
- Static budgets (building, department, & capital maintenance)
- Leveraged available ESSER funding
- Elementary Task Force
- CESA 10 study & report
- 2021 Recurring Operating Referendum: \$4 Million Annually
 - Majority for Pupil Services Staffing

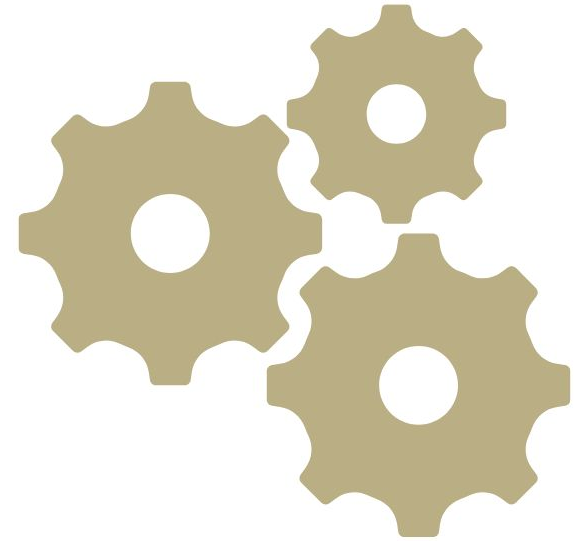


Options to Address Financial Outlook

- Increase Revenue:
 - Operating Referendum
 - Capital Referendum
- Reduce Spending
 - Middle School Athletics to Fund 80
 - Workforce Full-Time Equivalent (FTE) Reduction
 - Compensation Model
 - Footprint Evaluation & Changes
 - Reduce Program Offerings
 - Decrease Maintenance Spending

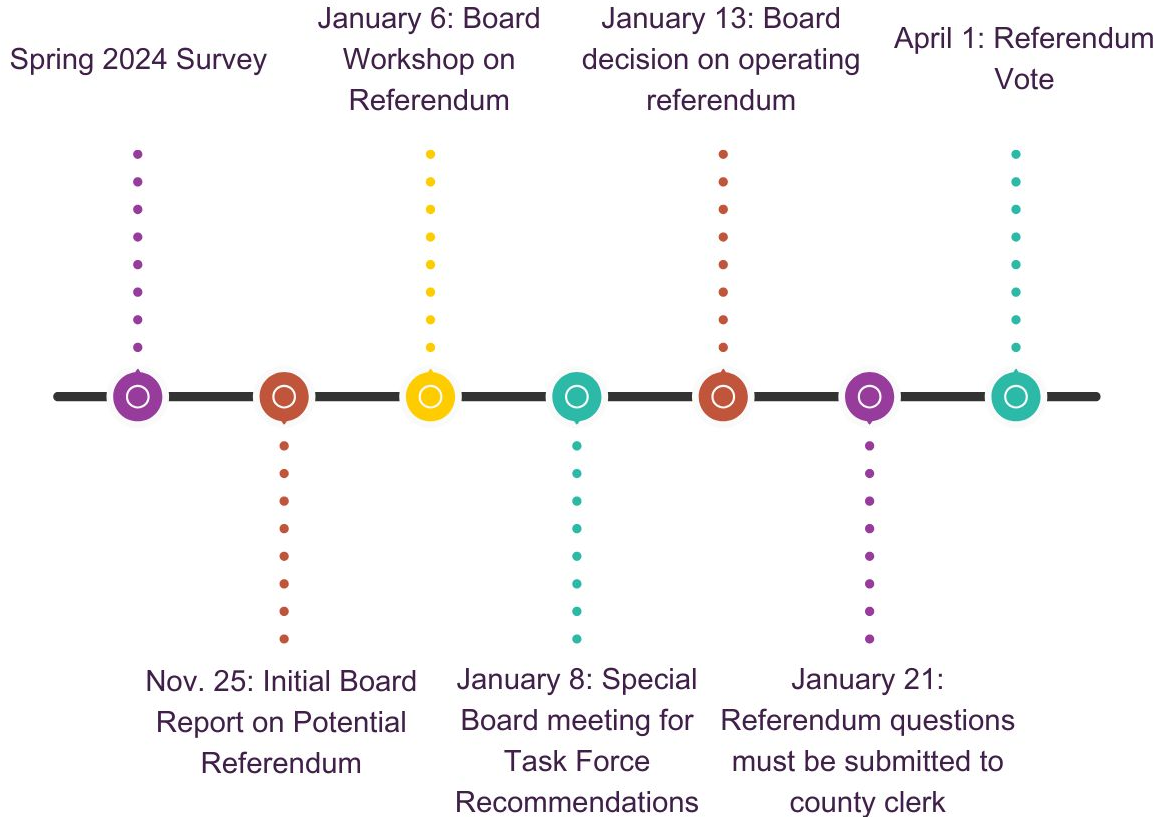
IMPORTANT NOTE:

- Board Policy Minimum: 10%
- Short-Term Borrowing





Operational Referendum Timeline





What we Would Potentially Gain from an Operational Referendum

- Mitigate budget deficit
- Maintain and enhance student programming
- Address ongoing maintenance needs
- Attract and retain staff
- Appropriately-funded health insurance





Consequences of No Referendum or Failed Referendum

- Salary impacts
- Continued staff reductions
- Defer necessary maintenance
- Reduction in funding for activities and athletics
- Impacted student programming (non-core classes)





Ongoing Maintenance Through Operating Referendum

Examples of acceptable high-impact maintenance options through operating referendum:

- District-wide roofing
- District-wide HVAC & air conditioning
- Mass communication
- Camera upgrades
- Energy efficiency upgrades





CESA 10 Elementary Building Study



Elementary Strategic Plan



Wausau - Facilities Improvement Budget

Campus	Deferred Maintenance			Construction Cost**
	1-2 Year	3-5 Year	5-10 Year	
Riverview	\$3,748,700	\$597,600	\$148,500	\$4,494,800
John Marshall	\$544,500	\$3,404,500	\$231,500	\$4,180,500
Lincoln	\$12,000	\$2,933,250	\$175,000	\$3,120,250
Franklin	\$88,900	\$2,567,400	\$437,500	\$3,093,800
Grant	\$75,200	\$2,558,500	\$347,500	\$2,981,200
Rib Mountain	\$37,800	\$868,950	\$1,289,500	\$2,196,250
Jefferson	\$700,000	\$808,800	\$168,500	\$1,677,300
South Mountain	\$670,800	\$961,500	\$36,000	\$1,668,300
Stettin	\$538,500	\$399,800	\$330,000	\$1,268,300
GD Jones	\$521,500	\$627,800	\$35,000	\$1,184,300
Hawthorn Hills	\$55,200	\$324,500	\$263,500	\$643,200
Maine	\$455,500	\$41,500	\$56,500	\$553,500
Hewitt-Texas	\$31,500	\$291,600	\$207,000	\$530,100
Total	\$7,480,100	\$16,385,700	\$3,726,000	\$27,591,800

** Construction Costs = Hard construction costs only (labor, materials, and equipment)



Task Force Recommendations

- Address as many of the 10-year deferred maintenance items in the CESA 10 Elementary Facilities Assessment as possible, both at 'receiver' schools and at other elementary schools that will remain following consolidation
- Improve each 'receiver' school with air conditioning where not already present (i.e., Franklin and John Marshall)

Wausau School District Tax Levy History (10-Year)



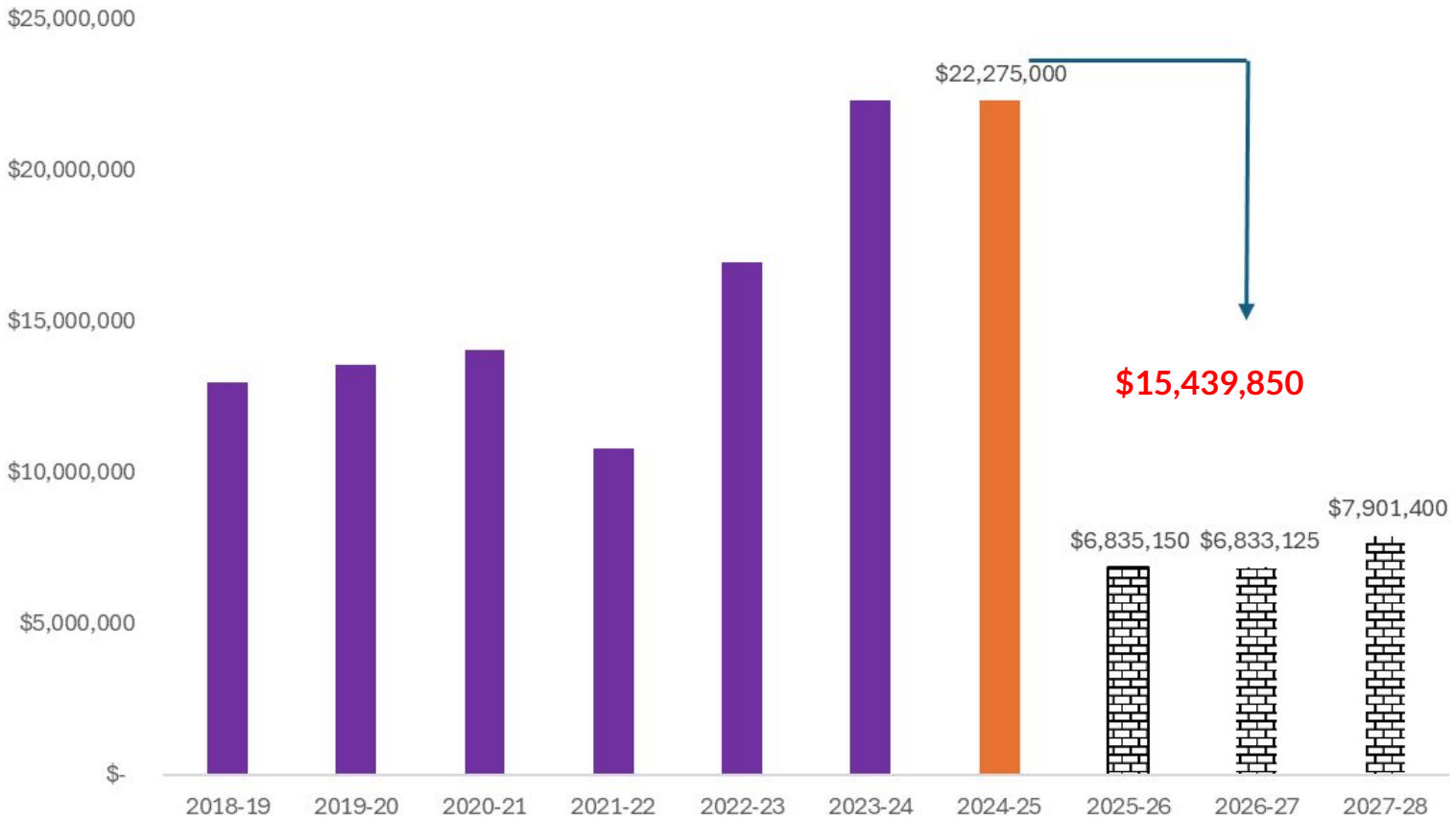


Debt Prepayment/Defeasance

The district has used debt defeasance to prepay our capital debt, thereby creating the ability to seek referendum, while potentially decreasing the overall district tax burden on our community.

Fiscal Year	Amount Applied	Savings
2017-18	\$3,386,779	\$340,508
2018-19	\$6,525,799	\$572,289
2019-20	\$8,179,795	\$503,030
2020-21	\$12,466,195	\$2,028,821
2021-22	\$10,250,000	\$4,973,751
2022-23		
2023-24	\$13,937,975	\$1,101,506
Total		\$8,418,399

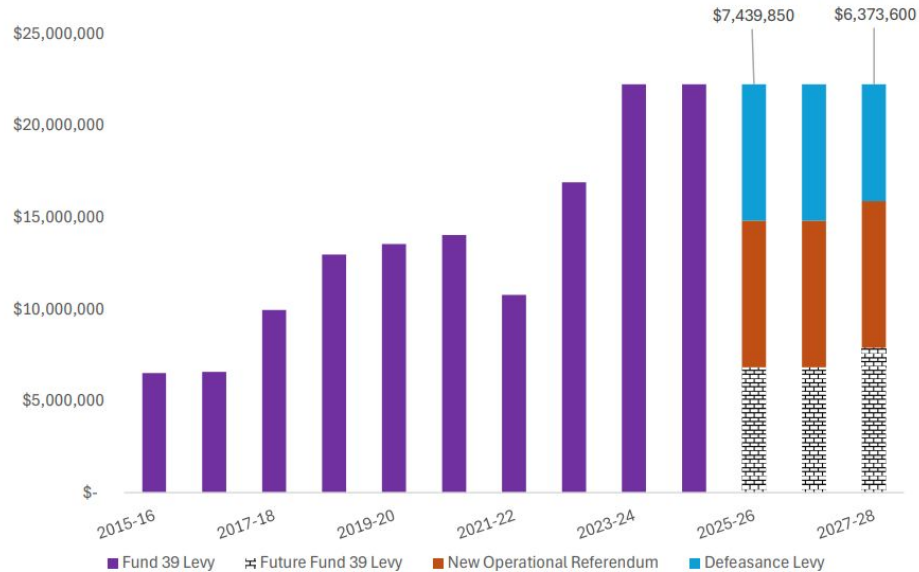
Wausau School District Fund 39 Levy





Levy Impact of \$8 Million Operating Referendum

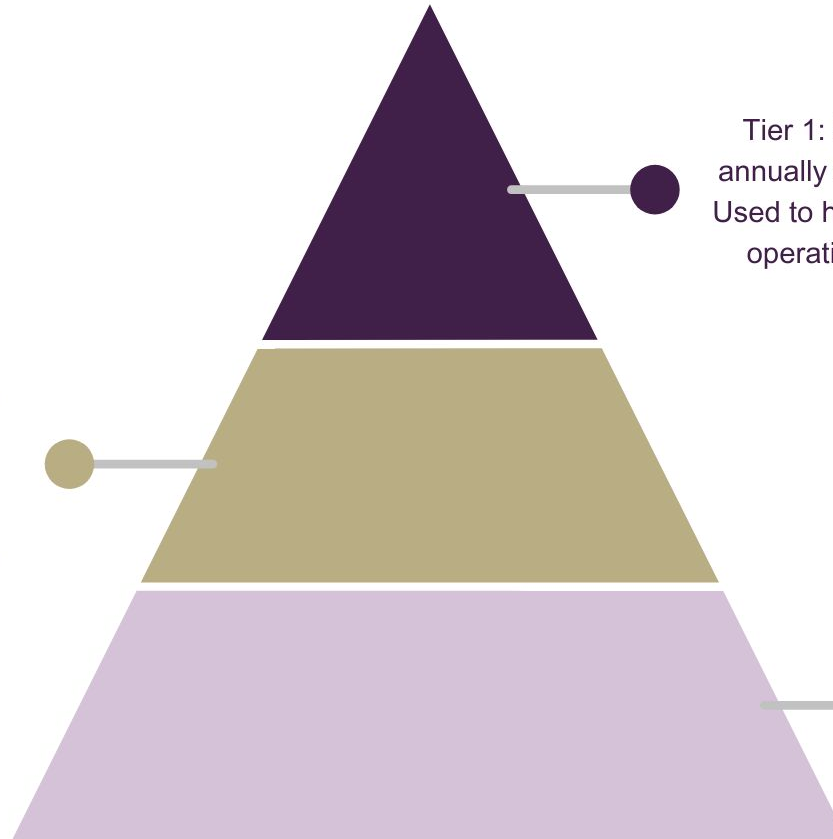
Wausau School District
\$8M Operating Referendum
No Mill Rate Increase





3 Potential Options

Tier 2: \$6 million annually for 5 years. Used for both operational support and immediate maintenance needs.



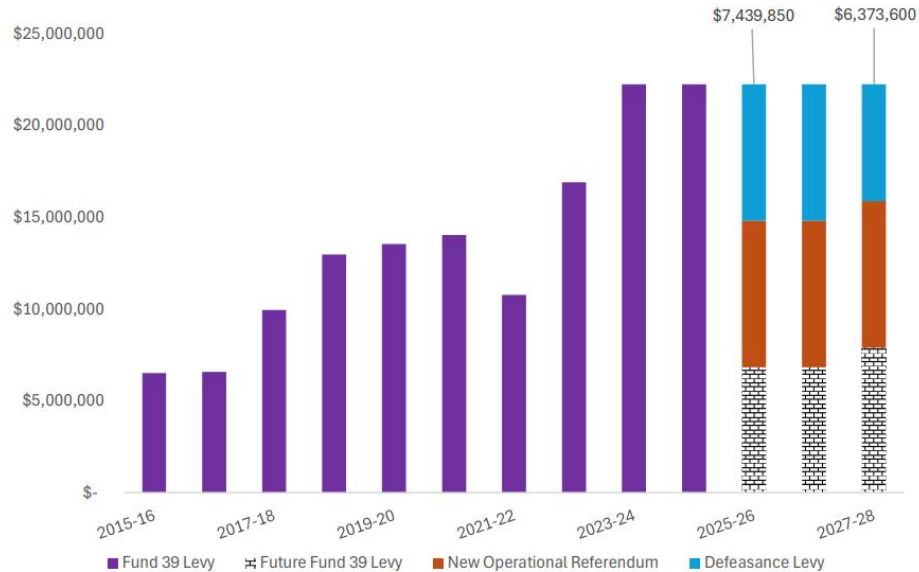
Tier 1: \$4 million annually for 5 years. Used to help mitigate operating deficit

Tier 3: \$8 million annually for 5 years. Used for operational support and enhanced maintenance needs



Levy Impact of \$8 Million Operating Referendum

Wausau School District
\$8M Operating Referendum
No Mill Rate Increase





Operational Referendum Recommendation & Next Steps

- Recommend to Board to pursue a 2025 operating referendum
- Recommend non-recurring referendum (limited-time duration)
- Recommend \$8 million annually for 5 years





Potential Referendum Question (Operating)

Provided by Quarles & Brady:

Question: Shall the Wausau School District, Marathon County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$_____ per year for five years, beginning with the 2025-2026 school year and ending with the 2029-2030 school year, for non-recurring purposes consisting of operational and capital maintenance and improvements?



Questions?





3 Potential Motions (Board Must Vote on Them)

Motion to modify resolutions IX.C.1 and IX.C.2 to reflect \$_____.

IX.C.1. Resolution Authorizing the School District Budget to Exceed Revenue Limit by \$4,000,000 to \$8,000,000 for Five Years for Non-Recurring Purposes

IX.C.2. Resolution Providing for a Referendum Election on the Question of the Approval of a Resolution Authorizing the School District Budget to Exceed Revenue Limit by \$4,000,000 to \$8,000,000 Per Year for Five Years for Non-Recurring Purposes



THANK YOU!





How to use Operating Referendum to Support Capital Projects

A successful operating referendum provides additional revenue within revenue limits. For capital maintenance, there are 2 popular options using operating referendum resources.

Option #1

Utilize the operating referendum revenue annually to cover maintenance expenses.

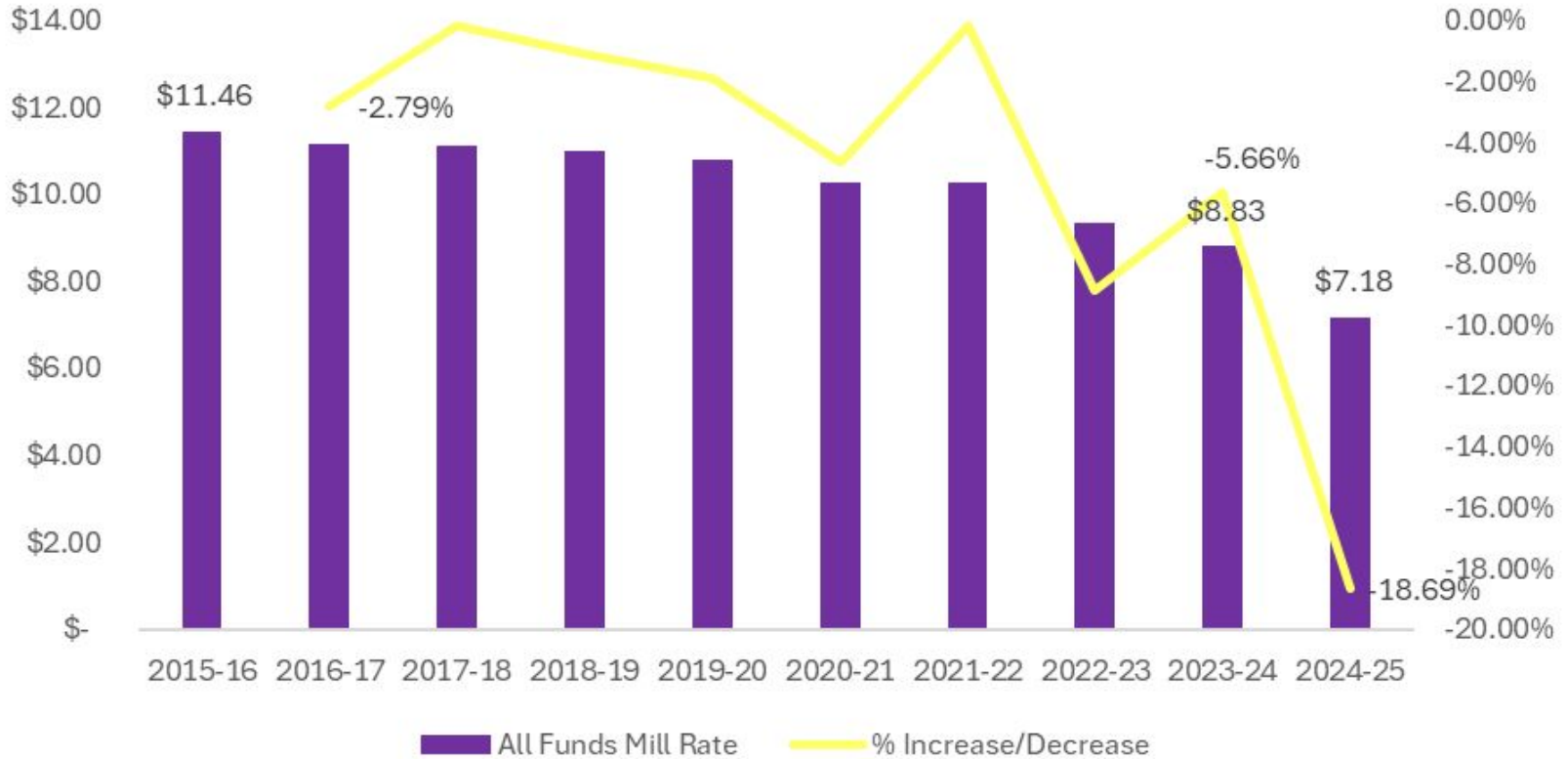
Example: Using the \$2.5 million amount for 5 years, you complete \$2.5 million of capital maintenance projects annually each year for a total of \$12.5 million after 5 years

Option #2

Utilize the operating referendum revenue annually to cover principal and interest expenses.

Example: Using the \$2.5 million amount for 5 years, you borrow the full amount upfront and repay the debt with the operating referendum revenue.

Wausau School District Mill Rate History (10-Year)





Capital Referendum

- 2022 Capital Referendum: \$119.8 million
 - 2022 Referendum:
 - Remaining dollars: Estimated \$5.1 million
- CESA 10 Elementary Building Study
- Annual Capital Maintenance Budget
- Secondary Building Study



2022 Capital Referendum Budget

2022 Capital Referendum Budgets (1.6.25)			
Location	Original Budget	Design Budget	Bid Budget
District Wide	8,614,000	8,614,000	8,614,000
East High School	5,998,000	6,404,454	5,435,289
East Athletics Phase 1	3,714,000	4,346,200	4,069,948
East Athletics Phase 2			
Franklin Elementary	761,000	913,000	913,000
GD Jones Elementary	198,000	248,000	258,590
Grant Elementary	2,068,000	2,585,000	2,585,000
Hawthorn Hills Elementary (bldg)	690,000	700,000	538,950
Hawthorn Hills Elementary (site)	1,926,000	44,000	44,000
Hewitt-Texas Elementary	133,000	166,000	166,000
Horace Mann MS	7,119,000		
Horace Mann (Montessori)	5,000,000	12,900,000	11,528,184
John Marshall Elementary	565,000	706,000	706,000
John Muir Middle School	34,794,000	34,307,800	36,790,953
Lincoln Elementary	214,000	268,000	268,000
Maine Elementary	141,000	176,000	241,376
Rib Mountain Elementary	158,000	198,000	198,000
Riverview Elementary	1,465,000	1,665,000	1,920,288
School Forest	4,243,000	5,043,000	5,478,788
South Mountain Elementary	4,873,000	4,873,000	4,873,000
Stettin Elementary School	3,462,000	3,767,286	3,462,000
Thomas Jefferson Elementary	902,000	1,082,000	1,110,847
West High School	28,395,000	29,895,000	31,088,437
West Athletics Phase 1	2,733,627	1,563,300	1,963,267
West Athletics Phase 2	1,633,373	2,200,000	2,009,874
West Community Room/Bleacher Storage			1,169,193
Total	119,800,000	122,665,040	125,432,983
Projected Interest Earnings	<u>8,000,000</u>		
Over/(under) Including Interest Earnings		(5,134,960)	(2,367,017)
	Projects From Consolidated Schools		(2,795,000)
		Total:	(5,162,017)



Capital Referendum Strategy

Need for long-term district financial strategy:

- Planning for immediate future and 10-20 years down the road
- Need for comprehensive building plan (small referendum vs. larger)
- Debt defeasance
- Concerns with going to capital referendum in April 2025





Capital Recommendation

Build immediate building maintenance needs into operational referendum, while developing long-term strategy and comprehensive possible future referendum question.





Potential Recurring Referendum Question (Operating)

Provided by Quarles & Brady:

Question: Shall the Wausau School District, Marathon County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$_____ beginning with the 2025-2026 school year, for recurring purposes consisting of operational and capital maintenance expenses?