

**Shared Key
Interests**

1. Advance student learning, achievement, and success by keeping it at the heart and as the filter for our decision making.

2. Utilize research-based curricula that reflects 21st Century themes and applications and are responsive to the needs and potential of all students, preparing them for a global society.

3. Provide real-life, diverse learning opportunities with practical applications in the classroom and beyond.

4. Inform and engage the community in shaping educational strategy and formulating responses to change.

5. Attract, retain, and develop a high quality, diverse, creative, and innovative workforce of leaders.

6. Provide safe, secure, flexible, inviting, and well-maintained environments that nurture student well-being and enhance teaching and learning.

7. Identify, integrate, and expand technology to foster adaptability and maximize learning for all.

8. Foster mutually beneficial partnerships and collaborations that expand learning opportunities and resources.

Wausau School District

Board of Education Meeting Agenda

In Compliance with the Wisconsin Open Meeting Law

Public Notice s.19.84 (3)
Exemptions s.19.85

James Bouché, President
Jennifer Paoli, Clerk

A **Special Meeting** of the BOARD OF EDUCATION will be held in the **Longfellow Annex Conference Room , 415 Seymour Street, Wausau, Wisconsin 54403** at **3:00 PM on Monday, August 12, 2024.**

- I. Call to Order
- II. Board Workshop
 - Eric Kass Presentation
 - 3 Pillars of 2024-2025
 - Leadership Team
- III. Adjourn

NOTICE POSTED: Tuesday, August 6, 2024, at 5 pm

By: _____

NOTICE SENT TO:

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PMA[™]
SECURITIES

Operational Referendum & Budget Considerations



Erik Kass

Director, Public Finance
PMA Securities

August 12, 2024

Basics of Wisconsin School Finance

Revenue Limit

- In fall of 1993, Wisconsin legislature instituted a control on revenue a school district is entitled to receive from two sources:
 1. General State Aid
 2. Select Local Levies
- Based upon 3-year average resident membership multiplied by a per pupil amount
- Wisconsin Biennial Budget determines maximum revenue per resident pupil

Less: State Aid

- Wisconsin Biennial Budget determines the amount of revenue available for public schools
- Distribution is based on the following factors:
 1. Property value per student
 2. Spending per student
- Reimbursements at Various levels: primary, secondary, tertiary

Equals: Local Property Tax Levy

- The revenue limit calculation (less) state aid (equals) local property tax levy

Membership



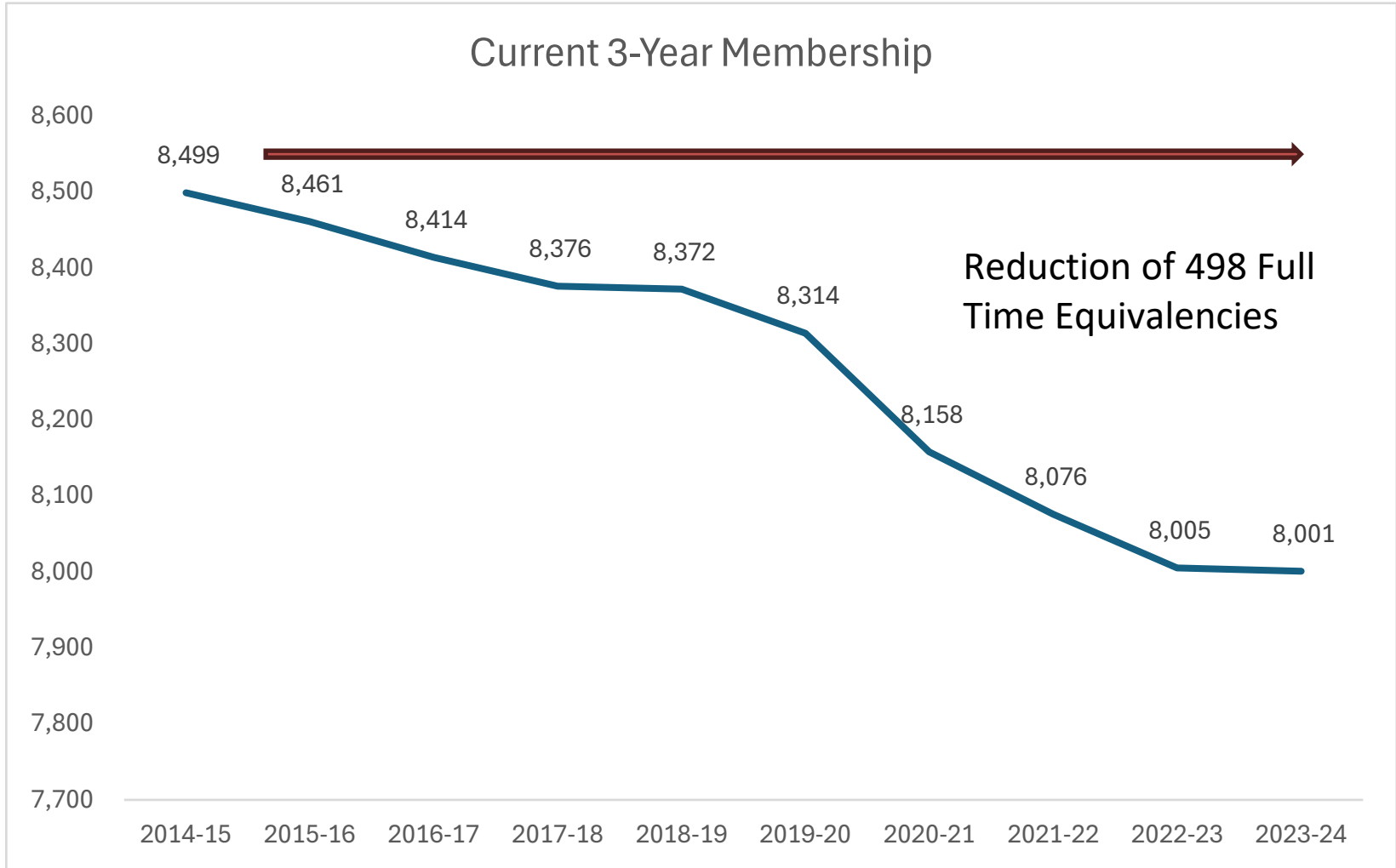
Max. Per Pupil Revenue



Allowable Revenue*



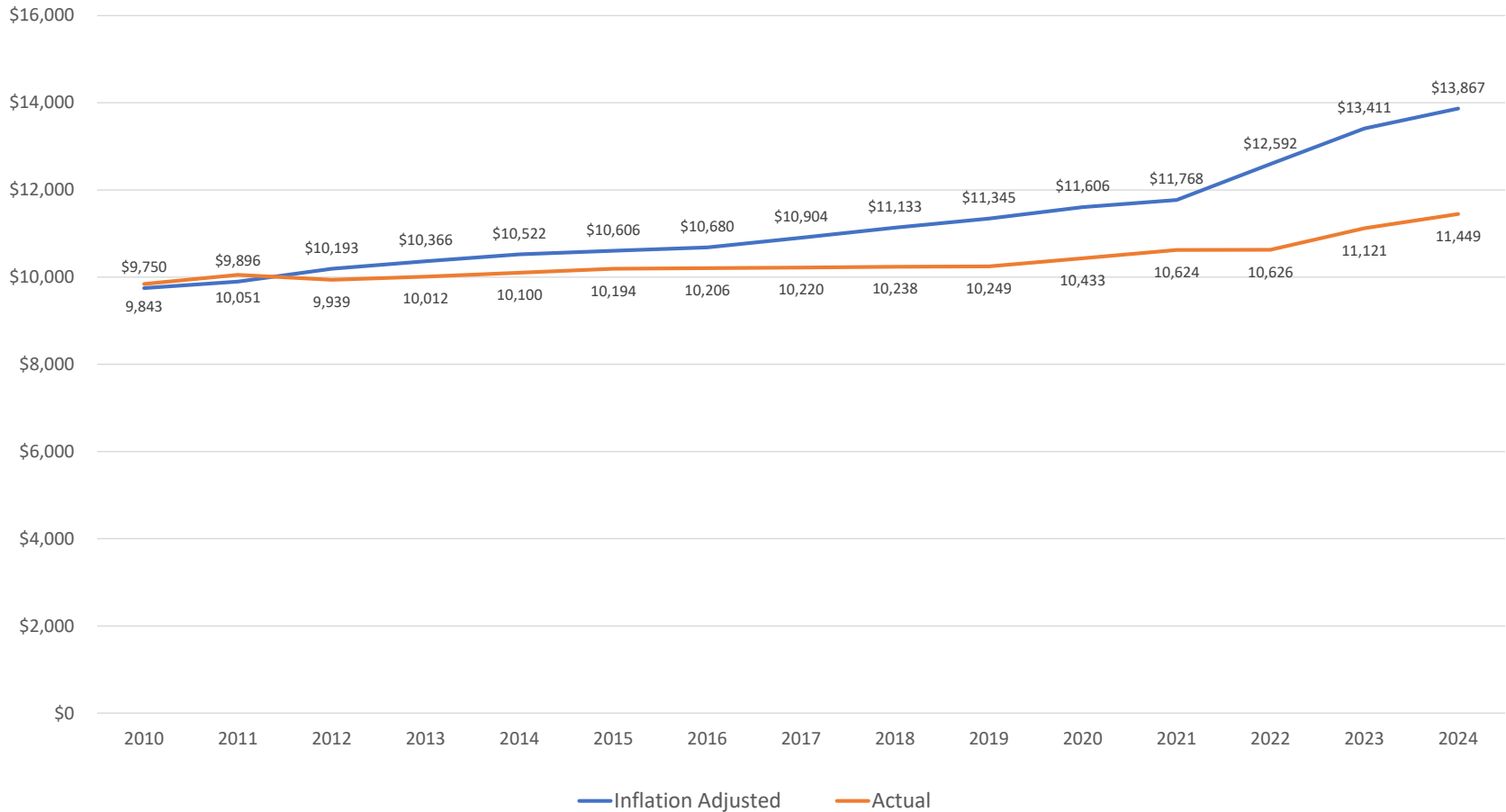
WSD Membership History





Maximum Revenue Per Pupil vs. Inflation

Wausau School District
Maximum Revenue Per Pupil



Inflation source: <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>



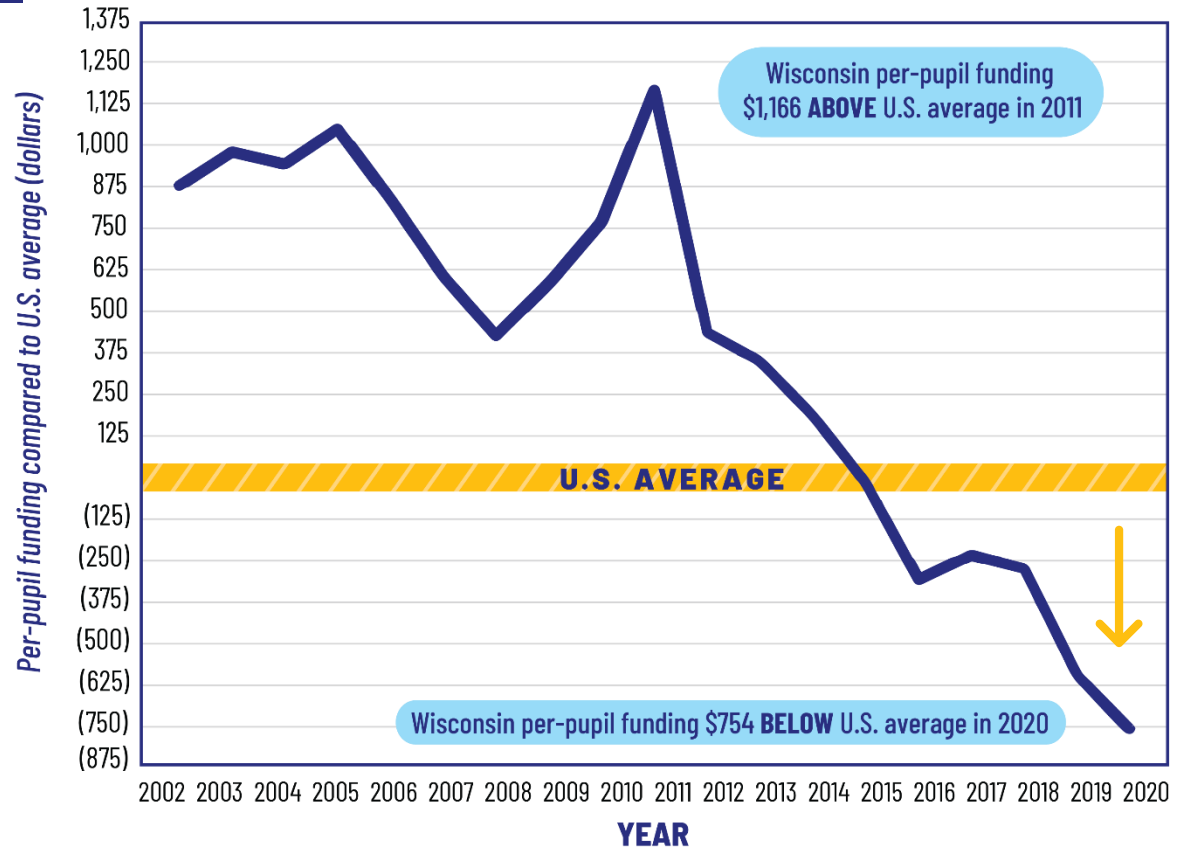
Funding for Wisconsin Public Education

Wisconsin Ranked 25th in 2020

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

⚠ In nine years, we have fallen **\$754** BELOW the national average. ⚠

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



<https://wisconsinwatch.org/2023/05/was-wisconsins-public-school-spending-the-third-slowest-growing-in-the-nation-between-2002-and-2020/#:~:text=Wisconsin's%20spending%20per%20pupil%20ranked,Policy%20Forum%20researcher%20told%20WPR.>



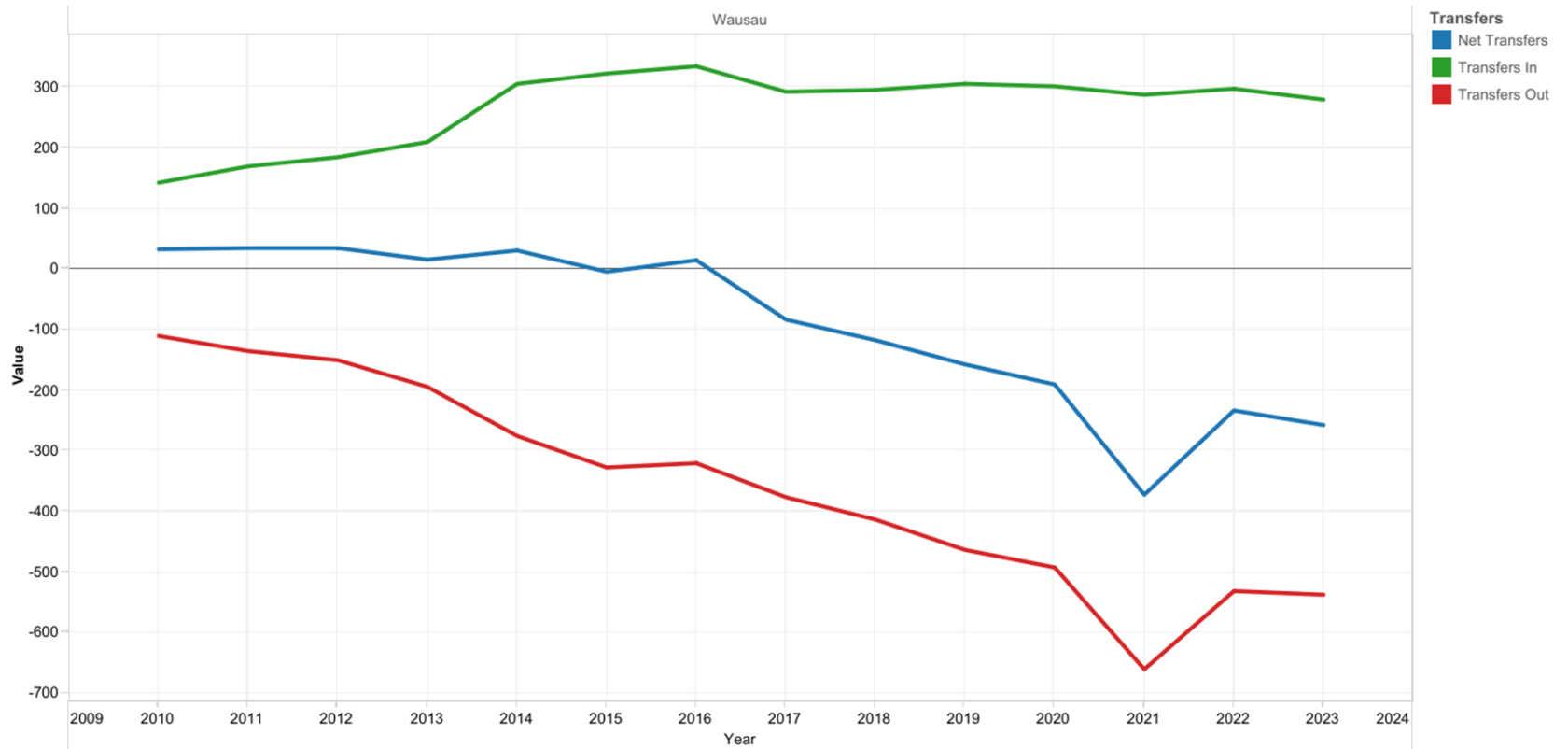
Open Enrollment History

Open Enrollment Trends

District: Wausau

Source: DPI

Wausau





Calculating the Mill Rate

- ▶ The Department of Revenue each fall certifies the TIF-Out Equalized Valuation for each School District
 - ▶ 2023 Wausau TIF-Out = \$5,617,078,411
- ▶ The total Property Tax Levy is Certified each Fall by the Board of Education
 - ▶ 2023 Certified Tax Levy = \$49,591,892

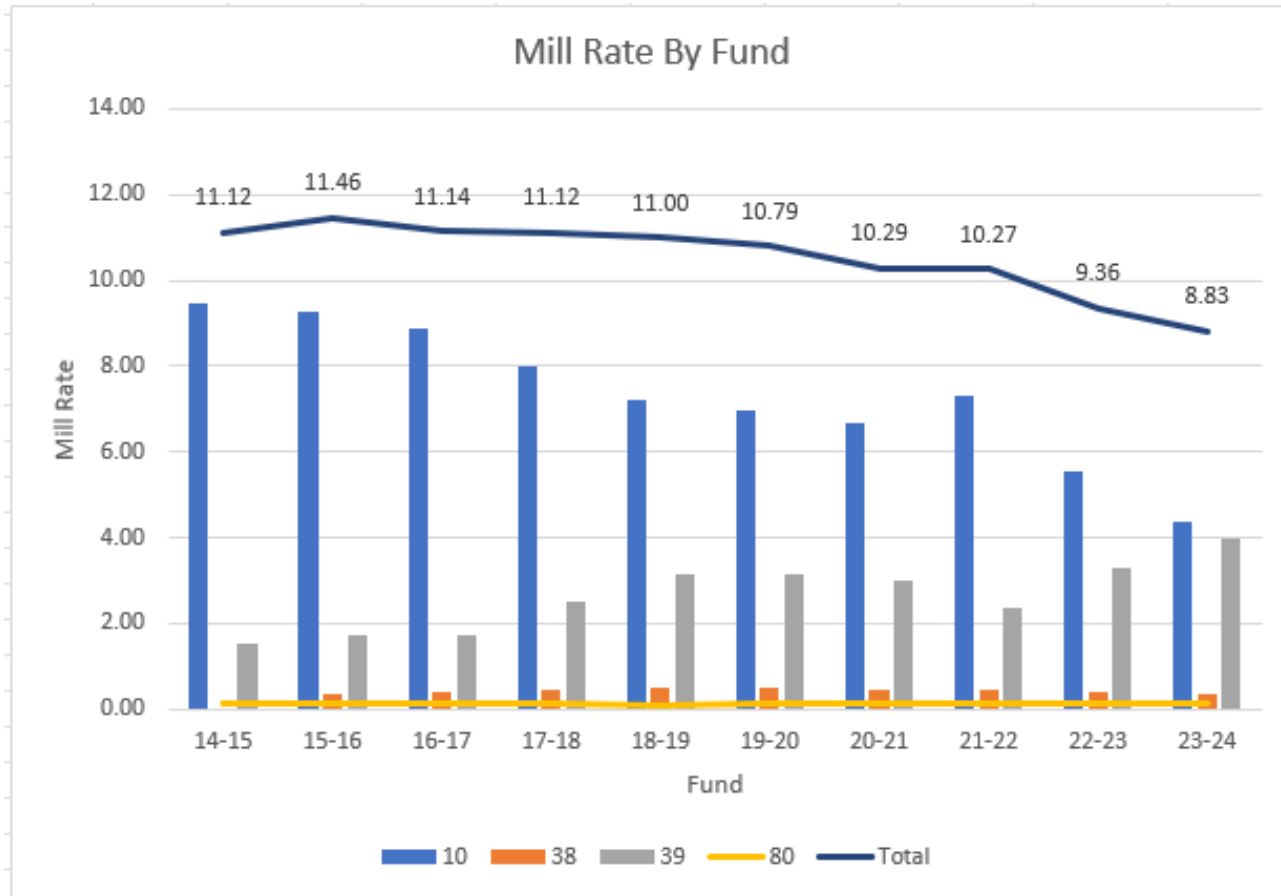
Total Property Tax Levy \div TIF-Out X 1,000 = Mill Rate

\$49,591,892 \div \$5,617,078,411 X 1,000 = \$8.83

School Portion: \$883 on \$100,000 Home*



Mill Rate History





Current Financial Information



Basics of Wisconsin School Finance

State law allows additional revenue authority above the allowable revenue maximum through exemptions. The two most popular approaches are through referendum.

Operational Referendum

- 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 Referendum

- 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



Operational Referendum History

Since January 1, 2014 there have been 574 Operational Referendum Questions:

- 428 Non-Recurring Questions
- 146 Recurring Questions
- 443 questions passed for a 77% success rate

Of those questions, 108 recurring questions have passed and 38 have failed

- 74% success rate

Of those questions, 335 non-recurring questions have passed and 93 have failed

- 78% success rate
- Wausau School District successful Operating Referendum in 2021 (\$4 million), successful Capital Referendum 2022 (\$119.8 million)

Current Financial Position

- ▶ 24-25 budget deficit of \$1.5 million
- ▶ Five Year Forecast:

	BUDGET		REVENUE & EXPENDITURE PROJECTIONS							
	FY - 2024	FY - 2025	% Δ	FY - 2026	% Δ	FY - 2027	% Δ	FY - 2028	% Δ	FY - 2029
REVENUE										
Local Sources	\$25,196,122	\$23,220,746	▼ -7.84%	\$21,416,046	▼ -7.77%	\$21,135,703	▼ -1.31%	\$20,794,902	▼ -1.61%	\$20,419,751
State Sources	\$78,988,343	\$83,621,520	▲ 5.87%	\$87,656,405	▲ 4.83%	\$90,725,957	▲ 3.50%	\$93,680,439	▲ 3.26%	\$96,654,183
Federal Sources	\$10,472,670	\$4,163,041	▼ -60.25%	\$3,970,795	▼ -4.62%	\$3,970,795	0.00%	\$3,970,795	0.00%	\$3,970,795
Other	\$2,771,139	\$2,915,924	▲ 5.22%	\$2,975,900	▲ 2.06%	\$3,051,500	▲ 2.54%	\$3,127,100	▲ 2.48%	\$3,177,500
TOTAL REVENUE	\$117,428,274	\$113,921,231	▼ -2.99%	\$116,019,146	▲ 1.84%	\$118,883,955	▲ 2.47%	\$121,573,236	▲ 2.26%	\$124,222,229
EXPENDITURES										
Salary and Benefits	\$78,363,438	\$78,245,561	▼ -0.15%	\$80,098,988	▲ 2.37%	\$82,013,604	▲ 2.39%	\$83,991,476	▲ 2.41%	\$86,030,199
Other Objects	\$39,780,895	\$37,159,696	▼ -6.59%	\$38,354,451	▲ 3.22%	\$39,026,020	▲ 1.75%	\$39,734,966	▲ 1.82%	\$40,412,325
TOTAL EXPENDITURES	\$118,144,332	\$115,405,257	▼ -2.32%	\$118,453,439	▲ 2.64%	\$121,039,625	▲ 2.18%	\$123,726,442	▲ 2.22%	\$126,442,525
SURPLUS / DEFICIT	(\$716,058)	(\$1,484,026)		(\$2,434,293)		(\$2,155,669)		(\$2,153,205)		(\$2,220,295)
Change over Previous Year		(\$767,968)		(\$950,267)		\$278,624		\$2,464		(\$67,090)
BEGINNING FUND BALANCE	\$32,288,574	\$31,572,516		\$30,088,490		\$27,654,197		\$25,498,528		\$23,345,323
ENDING FUND BALANCE	\$31,572,516	\$30,088,490		\$27,654,197		\$25,498,528		\$23,345,323		\$21,125,028
FUND BALANCE AS % OF EXPENDITURES	26.72%	26.07%		23.35%		21.07%		18.87%		16.71%



Why Discuss Referendum?



Recurring vs. Non-Recurring Referendum

- ▶ Recurring Referendum is permanent revenue
 - ▶ Base building
 - ▶ No risk of renewal
- ▶ Non-Recurring Referendum is not permanent revenue
 - ▶ Non-base building
 - ▶ Risk of renewal dependent upon years
- ▶ Base building is a consideration with the low revenue ceiling discussions

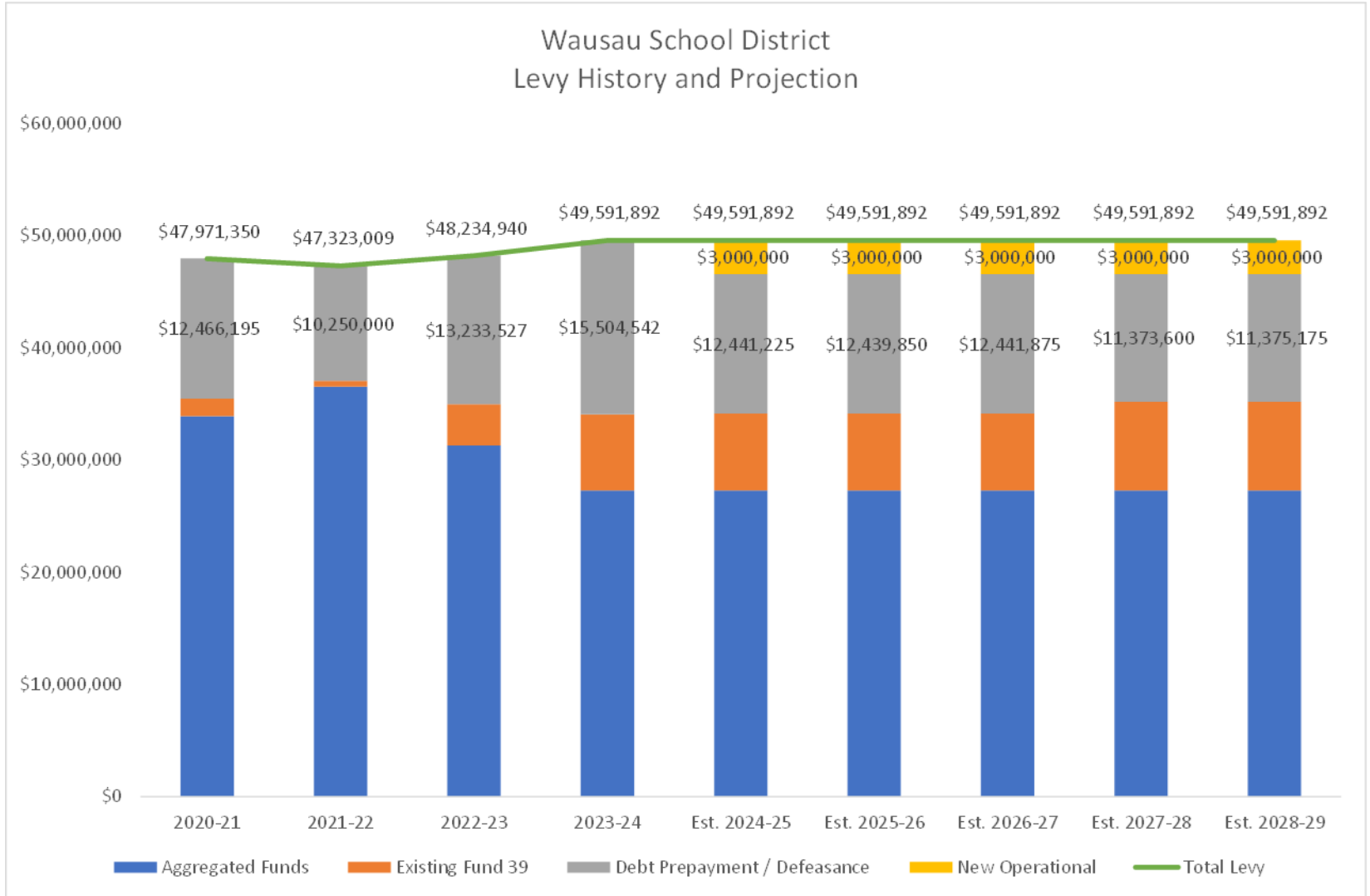


Debt Defeasance

- ▶ Annually the Board of Education approves a final tax levy and mill rate
 - ▶ Depending upon variables flexibility with Debt Levy
 - ▶ State Aid
 - ▶ School Levy Credit
 - ▶ Net New Construction
 - ▶ Additional levy ABOVE annual principal and interest payments provides flexibility
 - ▶ Continuation of additional levy vs. replacement with operational referendum



Tax Impact





November 2024 vs. April 2025 Variables



Important Referendum Considerations

- ▶ Since 2017 School Districts are limited to when a referendum question can be asked and the number in any calendar year
 - ▶ Referendum questions allowed during general elections and primaries
 - ▶ Popular approach is Spring General Election or Fall Gubernatorial/Presidential Elections
 - ▶ Even years allow for April and November (non-primary)
 - ▶ Odd years allow for only April (non-primary)
 - ▶ School Districts are capped at two referendum questions in any calendar year



November vs. April

- ▶ **November Election:**
 - ▶ Provides opportunity to exercise the additional authority for the school year of the election
 - ▶ Board of Education approves a pass/fail levy
 - ▶ E.g. November 2025 would be accessible for 2024-25 or future

- ▶ **April Election:**
 - ▶ Provides opportunity to exercise the additional authority for the following school year
 - ▶ E.g. April 2025 would be accessible for 2025-26 school year



Legal Timeline

- ▶ By statute a formal resolution and ballot question must be adopted by the Board of Education at least 70 days prior to the Presidential Election (2025)
 - ▶ Recommend no later than August 26, 2024 for November election
 - ▶ Must be to the Clerk(s) 70 days prior
 - ▶ April 2025 would have the same requirements



Questions?



Disclosure

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