

**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 **Nicholson Board Room, 415 Seymour Street, Wausau, Wisconsin 54403 at 5:00 PM on Monday, January 6, 2025.**

- 
- I. Call to Order
  - II. Board Workshop  
- Referendum Presentation & Discussion - NO ACTION
  - III. Adjourn

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NOTICE POSTED: Friday, December 20, 2024, at 11:15 am

By: \_\_\_\_\_

NOTICE SENT TO:

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# **BOARD WORKSHOP: POTENTIAL APRIL 2025 REFERENDUM**

January 6, 2025





# Agenda

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





# District Financial Concerns

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





# 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
<b>REVENUE</b>											
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%
<b>TOTAL REVENUE</b>	<b>\$118,497,789</b>	<b>\$116,794,085</b>	<b>-1.44%</b>	<b>\$119,056,042</b>	<b>1.94%</b>	<b>\$120,507,342</b>	<b>1.22%</b>	<b>\$123,131,298</b>	<b>2.18%</b>	<b>\$125,779,907</b>	<b>2.15%</b>
<b>EXPENDITURES</b>											
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%
<b>TOTAL EXPENDITURES</b>	<b>\$119,272,788</b>	<b>\$120,492,648</b>	<b>1.02%</b>	<b>\$122,417,228</b>	<b>1.60%</b>	<b>\$124,843,783</b>	<b>1.98%</b>	<b>\$127,336,124</b>	<b>2.00%</b>	<b>\$129,910,715</b>	<b>2.02%</b>
<b>SURPLUS / DEFICIT</b>	<b>(\$774,999)</b>	<b>(\$3,698,563)</b>		<b>(\$3,361,186)</b>		<b>(\$4,336,442)</b>		<b>(\$4,204,826)</b>		<b>(\$4,130,808)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$30,250,139</b>	<b>\$29,475,140</b>		<b>\$25,776,577</b>		<b>\$22,415,391</b>		<b>\$18,078,949</b>		<b>\$13,874,123</b>	
<b>ENDING FUND BALANCE</b>	<b>\$29,475,140</b>	<b>\$25,776,577</b>		<b>\$22,415,391</b>		<b>\$18,078,949</b>		<b>\$13,874,123</b>		<b>\$9,743,315</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>24.71%</b>	<b>21.39%</b>		<b>18.31%</b>		<b>14.48%</b>		<b>10.90%</b>		<b>7.50%</b>	

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



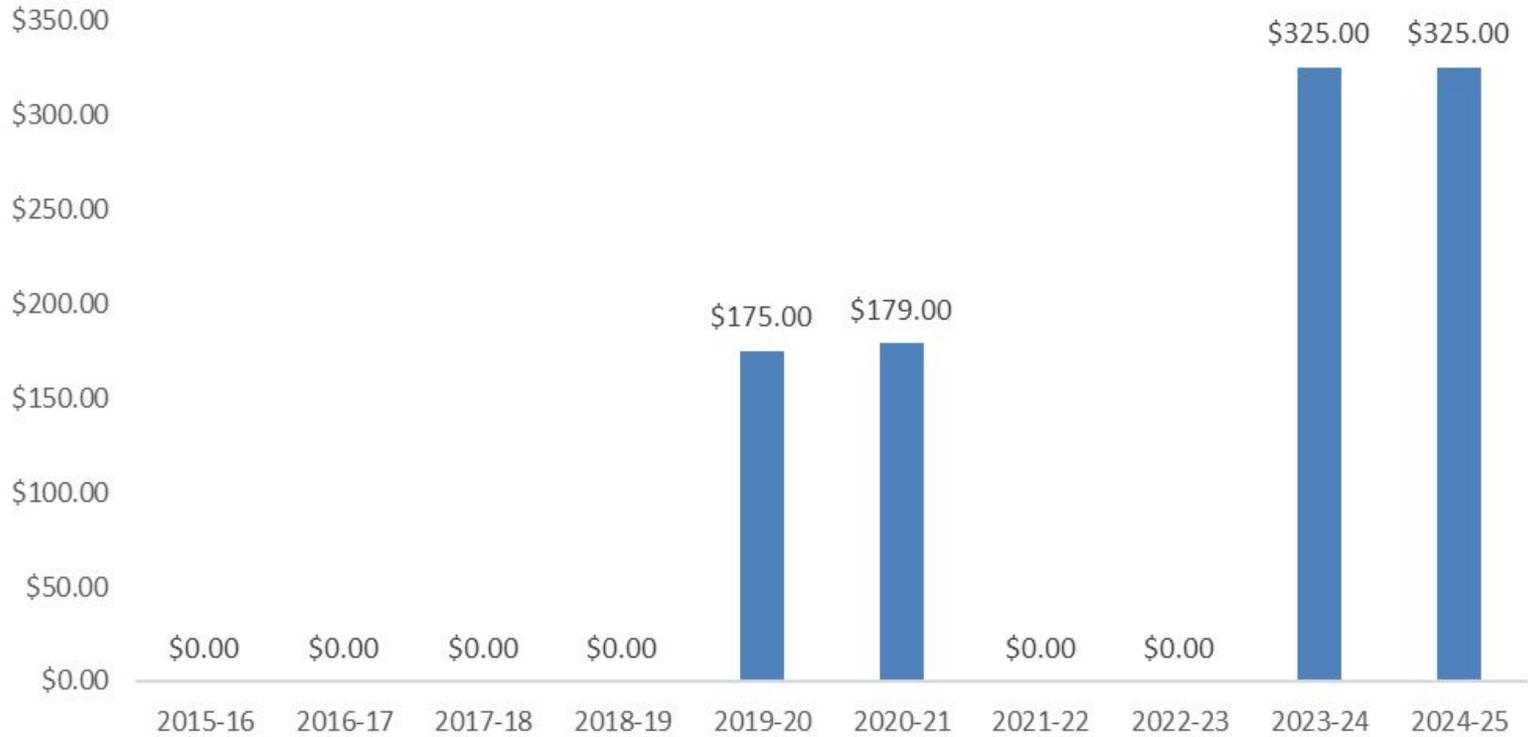
# How Does Task Force Work Impact Deficit?

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





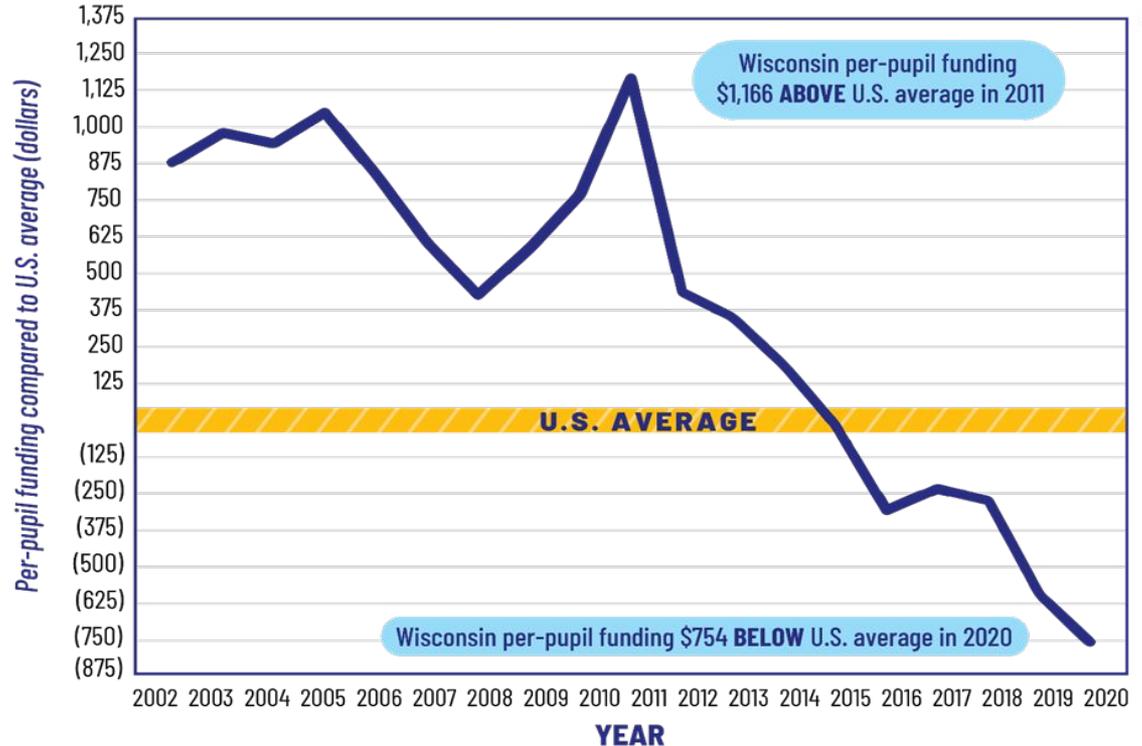
# Funding for Wisconsin Public Education

## 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





# What Steps has the District Taken?

- 2021 Recurring Operating Referendum: \$4 Million Annually
  - Majority for Pupil Services staff increases
- Leveraged available ESSER funding
- Salary Increases Below CPI
- Staffing Full-Time Equivalent (FTE) Reductions
- Elementary Task Force
  - CESA 10 Study & Report
- Static Budgets (Building, Department, & Capital Maintenance)

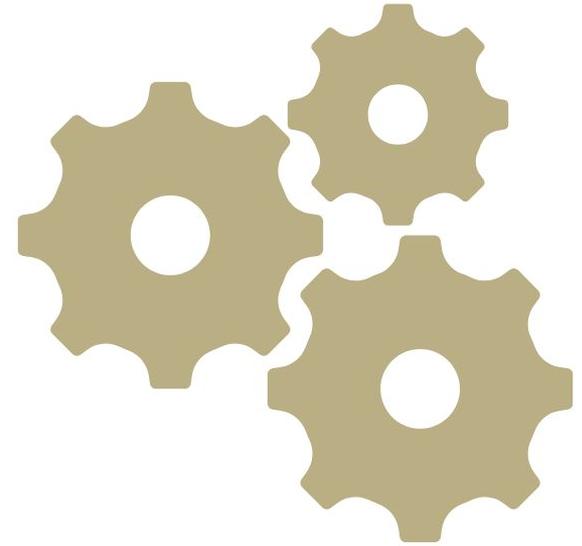


# Options to Address Financial Outlook

- Increase Revenue:
  - Capital Referendum
  - Operational 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





# 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

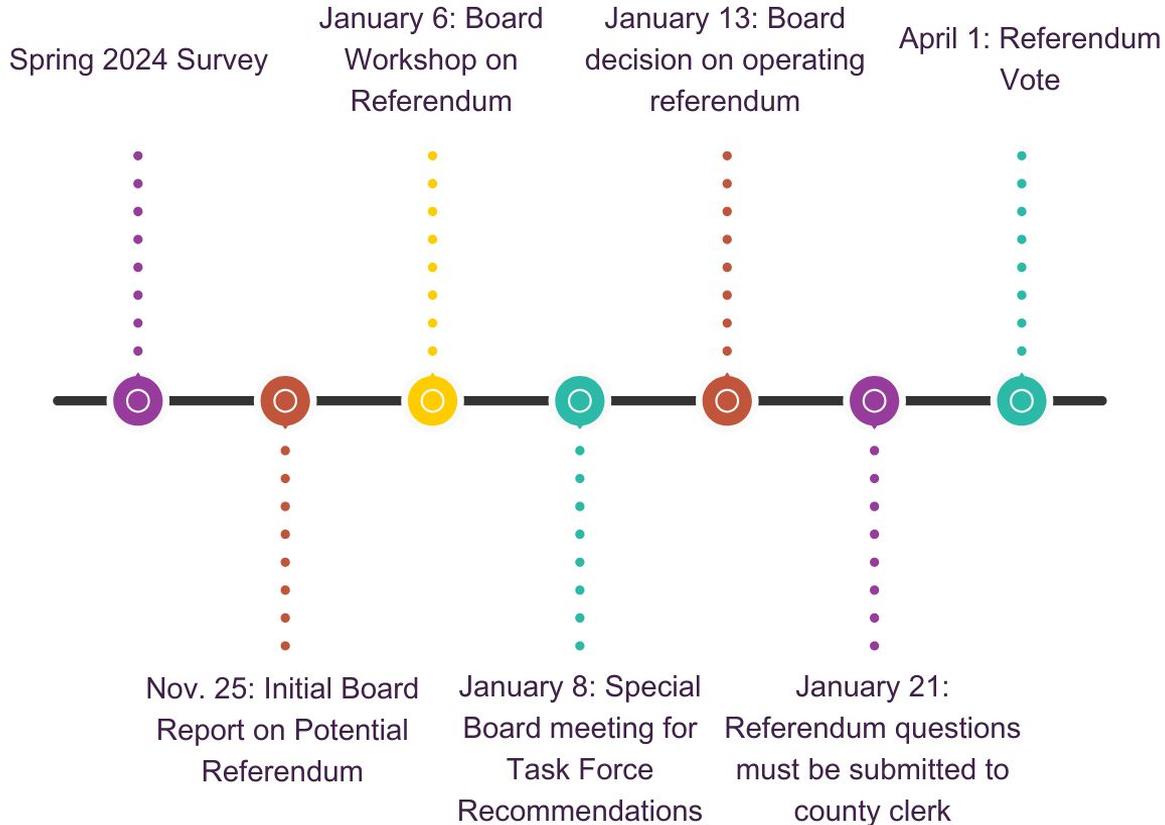
- Allows the district to borrow funds immediately and pay back over time
- Alleviates the tax burden of a long-term capital asset over a longer period of time





# Operational Referendum Timeline

- Community Support: \$3 million non-recurring levy with no tax impact
- Community slightly unsupportive of \$6 million non-recurring levy with minimal tax impact





# What we would Gain from an Operational Referendum

- Temporarily eliminate budget deficit
- Maintain and enhance student programming
- Address ongoing maintenance needs
- Staff attraction and retention
- Appropriately-funded health insurance





# Consequences of No Referendum or Failed Referendum

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





# Ongoing Maintenance Through Operating Referendum

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

- District-wide roofing (Riverview, Thomas Jefferson, Wausau East, South Mountain, etc.)
- District-wide HVAC & air conditioning
- Wausau West chiller
- 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	<b>\$4,494,800</b>
John Marshall	\$544,500	\$3,404,500	\$231,500	<b>\$4,180,500</b>
Lincoln	\$12,000	\$2,933,250	\$175,000	<b>\$3,120,250</b>
Franklin	\$88,900	\$2,567,400	\$437,500	<b>\$3,093,800</b>
Grant	\$75,200	\$2,558,500	\$347,500	<b>\$2,981,200</b>
Rib Mountain	\$37,800	\$868,950	\$1,289,500	<b>\$2,196,250</b>
Jefferson	\$700,000	\$808,800	\$168,500	<b>\$1,677,300</b>
South Mountain	\$670,800	\$961,500	\$36,000	<b>\$1,668,300</b>
Stettin	\$538,500	\$399,800	\$330,000	<b>\$1,268,300</b>
GD Jones	\$521,500	\$627,800	\$35,000	<b>\$1,184,300</b>
Hawthorn Hills	\$55,200	\$324,500	\$263,500	<b>\$643,200</b>
Maine	\$455,500	\$41,500	\$56,500	<b>\$553,500</b>
Hewitt-Texas	\$31,500	\$291,600	\$207,000	<b>\$530,100</b>
<b>Total</b>	<b>\$7,480,100</b>	<b>\$16,385,700</b>	<b>\$3,726,000</b>	<b>\$27,591,800</b>

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



# CESA 10-Suggested Building Improvements



## Elementary Recommended Improvements



Wausau - Facilities Improvement Budget	
Recommended Standardization Upgrades	
Campus	Construction Cost**
<b>Grant</b> (Pick-Up/Drop-Off Lane, Secure Entrance, Add A/C, Multipurpose Space, Kitchen Enhancements, FF&E)	<b>\$5,175,000</b>
<b>Hawthorn Hills</b> (Multipurpose or Gym Addition, Kitchen Enhancements, minor renovation, FF&E)	<b>\$3,215,000</b>
<b>Lincoln</b> (Multipurpose Space, Kitchen Enhancements, FF&E)	<b>\$2,720,000</b>
<b>Rib Mountain</b> (Multipurpose Space, Kitchen Enhancements, Bathroom Renovations, FF&E)	<b>\$2,635,000</b>
<b>John Marshall</b> (Kitchen Enhancements, Add A/C, Cabinetry, FF&E)	<b>\$2,505,000</b>
<b>Maine</b> (Multipurpose Space, minor kitchen renovation, FF&E)	<b>\$2,390,000</b>
<b>Hewitt-Texas</b> (Multipurpose Space, minor renovation, FF&E)	<b>\$2,370,000</b>
<b>South Mountain</b> (Multipurpose Space, FF&E)	<b>\$2,065,000</b>
<b>Franklin</b> (Add A/C, minor renovation, FF&E)	<b>\$1,190,000</b>
<b>GD Jones</b> (Minor Kitchen Enhancements, FF&E)	<b>\$625,000</b>
<b>Riverview</b> (Minor Renovation, FF&E)	<b>\$550,000</b>
<b>Jefferson</b> (FF&E)	<b>\$375,000</b>
<b>Stettin</b> (FF&E)	<b>\$265,000.</b>
<b>Total</b>	<b>\$26,080,000</b>

\*FF&E = Recommended Furniture, Fixtures, and Equipment

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

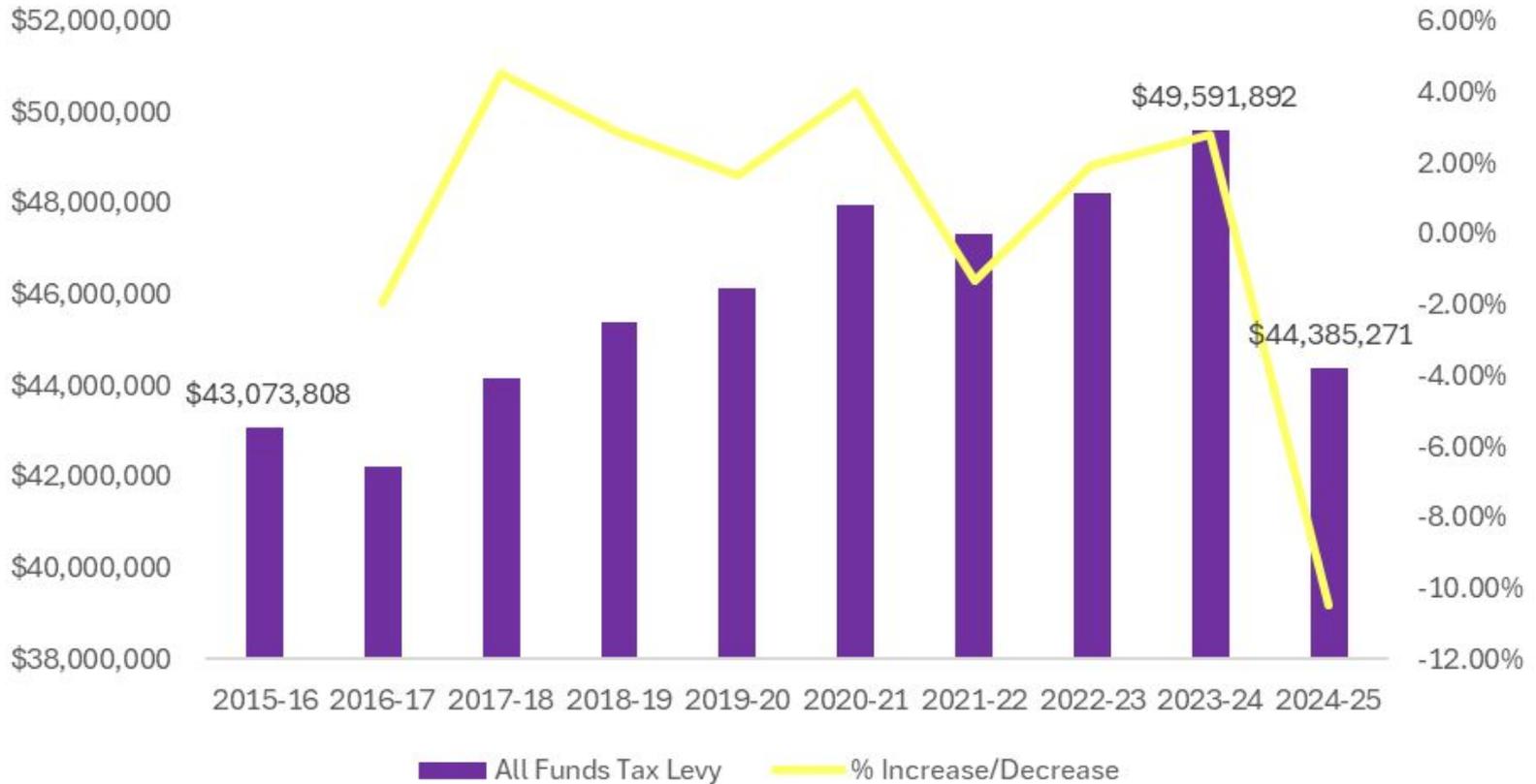


# Debt Prepayment/Defeasance

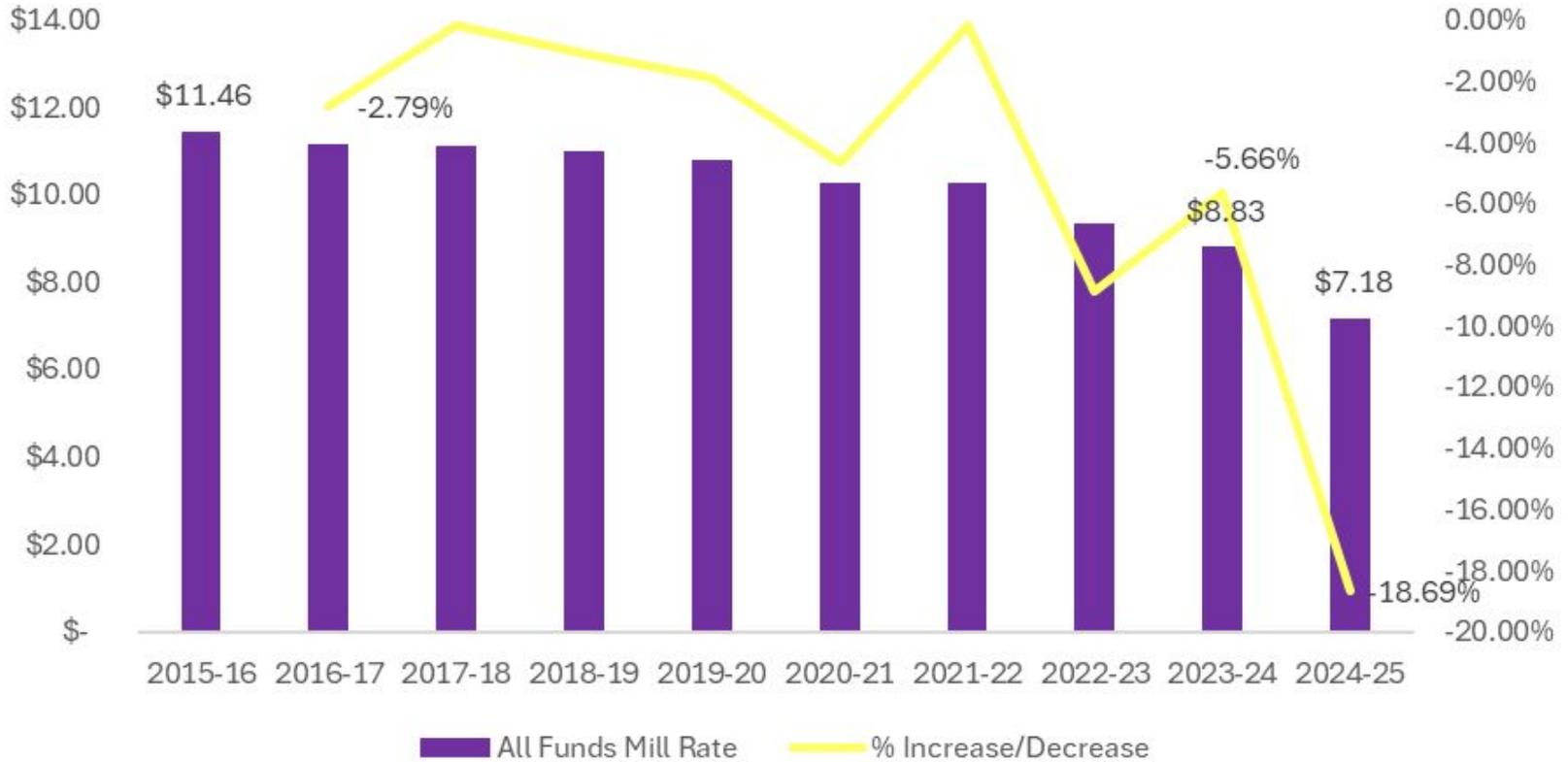
The district has used debt defeasance to prepay our capital debt, thereby creating the ability to seek referendum, while potentially decreasing the overall district tax burden on our community.

<b>Fiscal Year</b>	<b>Amount Applied</b>	<b>Savings</b>
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
<b>Total</b>		<b>\$8,418,399</b>

# Wausau School District Tax Levy History (10-Year)



# Wausau School District Mill Rate History (10-Year)

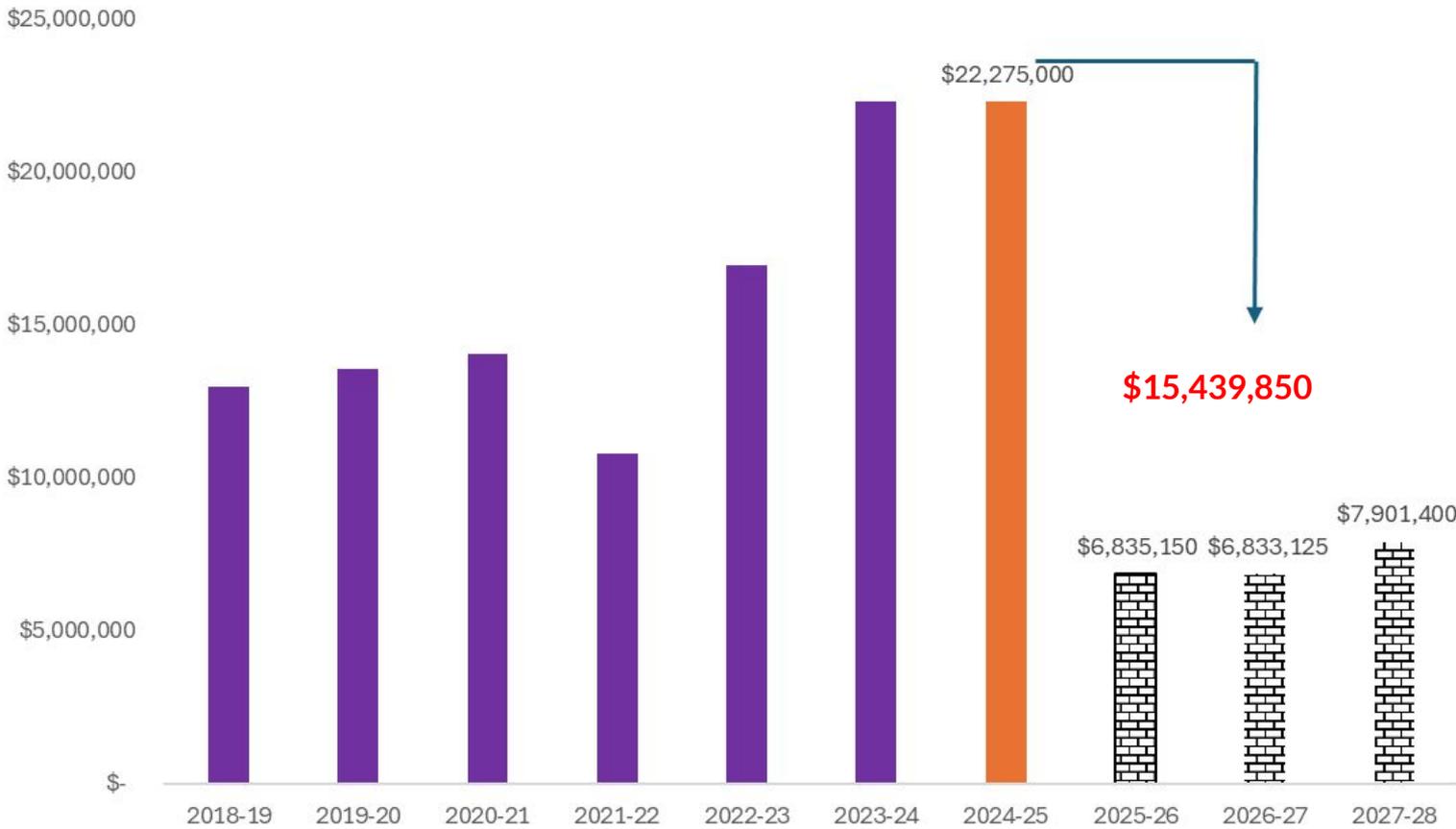




# Referendum Statistics

	<b>Non-Recurring</b>	<b>Recurring</b>	<b>Capital</b>
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

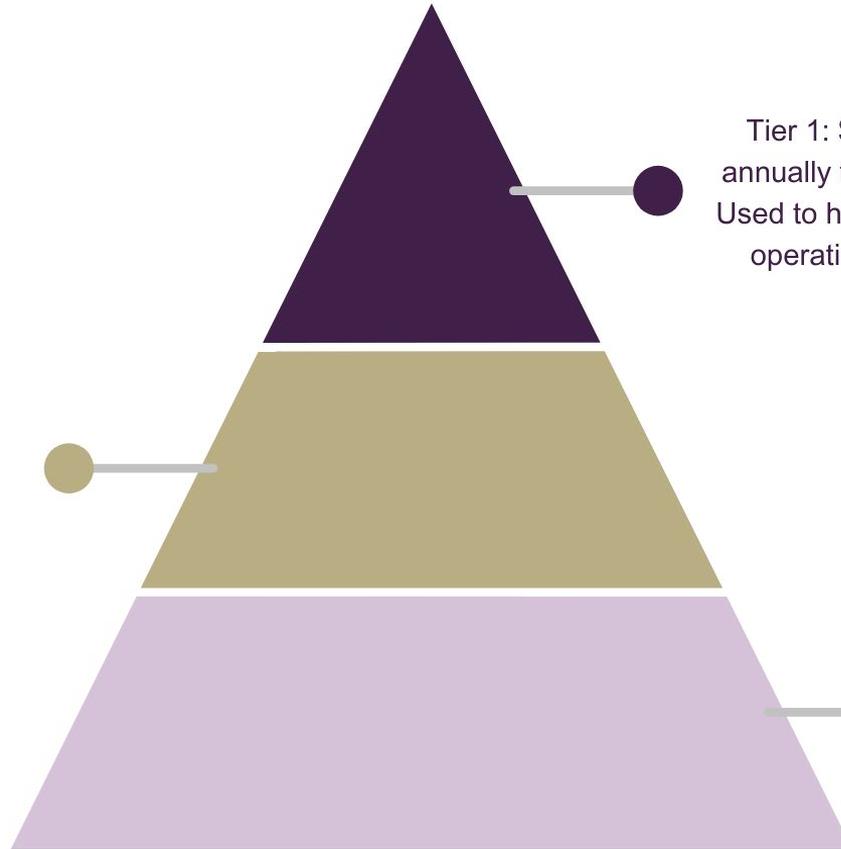
# Wausau School District Fund 39 Levy





# 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



# 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.



# Operational Referendum Recommendation & Next Steps

- Recommend to Board to pursue a 2025 operating referendum
- Recommend non-recurring referendum (limited-time duration)
- Recommend \$6-8 million annually for 5 years
  - Initially, most of the additional money would be used on maintenance projects. That amount would decrease over time as a larger amount is spent on operating costs.





# Potential Referendum Questions (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 expenses?*

*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?*



# 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>		
<b>Over/(under) Including Interest Earnings</b>		<b>(5,134,960)</b>	<b>(2,367,017)</b>
	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 2026 referendum question.*





# Questions?

What does the Board need to see to decide whether to support an April 2025 operating referendum?

