

BOARD APPROVES RESOLUTION TO GO TO REFERENDUM

On December 2nd, at the Regular School Board meeting of the Independence School District, the Board of Education voted to provide an election on the question if the District should be allowed to exceed the revenue limit by \$700,000 annually for the next five years. In more common language this means that the District will hold a referendum on February 16th.

Due to the fact that the referendum in 2011 for \$250,000 for five years was ending this year, the Board knew for quite some time that going to referendum to exceed the revenue cap was a reality. In fact, going to referendum for this purpose is becoming a common occurrence in most school districts in Wisconsin. In fact, according to statistics compiled by Baird Public Finance, over the last two years about 94 Districts have done so. This is about 20% of the Districts in the state. Approximately another 20% of the Districts went to referendum to issue debt, which in most cases is to build or add new facilities or upgrades.

The bigger question for the Board was determining how much funding to ask for in the referendum question. The Board put a tremendous amount of time researching this question. About two years ago the process began when the Board formed a strategic planning committee that also had community members and staff serving on the committee, which was led by a hired facilitator. That committee identified five areas as priorities for the District. They were communication, curriculum and programming, facility, staff retention, and volunteer and community engagement. Also during the 2014-15 school year, Baird Public Finance created a financial model for our District that has been used extensively to try to project our future revenue and expenditures. A major factor in these projections is also projected enrollments and demographics. Current projections show student enrollment to keep increasing, including the Hispanic population (currently about 33% of the students) and families that are economically disadvantaged (currently about 52% of the students). The other factor coming into play is also the building referendum for \$650,000 per year will end after the 2015-16 school year. Although

this is good news, it impacts our state aid funding. Because we will not have debt to pay, the amount of state aid we receive will be reduced somewhat because our state aid is based on how much we spend. A final consideration was that last year our budget ran a deficit of about \$100,000 and is projected to be at about the same amount this year.

After review of all this information, the Board held a series of special meetings to determine the financial needs for both the facility and instruction. The other areas of the strategic plan appeared to have less significant impacts on the fiscal needs of the school. Some of the facility needs identified were repairs to the roof, heating and ventilation upgrades, flooring upgrades, the phone system, playground fencing, repairs or upgrades to the track, school vans, maintenance tractor, upgrades to the metal, woods, and ag shops, and to continue to upgrade our computer and educational technology. There is also a need for additional staffing to address our high English Language Learner and poverty challenges as well as reduce the number of classes our staff members have to teach and prepare for.

After dollar amounts were estimated for all of the above mentioned items, the Baird model was used to try to determine the amount of money needed to meet the needs of the District and keep the tax levy reasonable. Obviously, no referendum would mean a very low tax levy to District residents, but it would also mean that the District's so called savings account (Fund 10) would be depleted in two years if current programs were maintained. It would also mean that none of the needed maintenance would happen. One important aspect to always keep in mind is that we are essentially rewarded by the State in the equalization aid formula for spending money. If we levy for money, and then spend it for needed maintenance and upgrades, the State recognizes we need more and supplies us with more aid. Therefore after putting in amounts starting from \$250,000 and analysing the financial effects on the school, it was determined that \$700,000 would meet the needs of the school, lower the mill rate from the current level, and possibly allow us to "save" a little money for the future or unexpected expenses. In fact one interesting scenario was that by adding and spending \$700,000 instead

of \$600,000 would actually lower the mill rate because of the state equalization aid formula. Of course with the unstable political climate, many assumptions we have made could change. The Board also recognized that and has prioritized the needs of the school in case unexpected shortfalls in revenue would occur.

The District has currently scheduled two community meetings to disperse information about the referendum. One will be January 11th at 7:00 pm and the other February 3rd at 8:00 pm in conjunction with the Regular School Board meeting. District Administrator and members of the Board are also open to visiting any community organization meetings to disperse information. Please contact the school at 985-3172 if you have questions or would like to schedule an appointment to get information about the referendum. The vote on the referendum question will be on February 16th during the regularly scheduled primary election.