

School District of Fort Atkinson

Facilities Advisory Committee

The logo for BAIRD, featuring the word "BAIRD" in white capital letters on a dark blue parallelogram background.

BAIRD

December 17, 2019

A blue-tinted background image featuring a complex, overlapping geometric pattern of lines and triangles, resembling a modern architectural structure or a network diagram.

BAIRD PUBLIC FINANCE

Brian C. Brewer
Managing Director
414.298.7030
bbrewer@rwbaird.com



Key School Finance Concepts

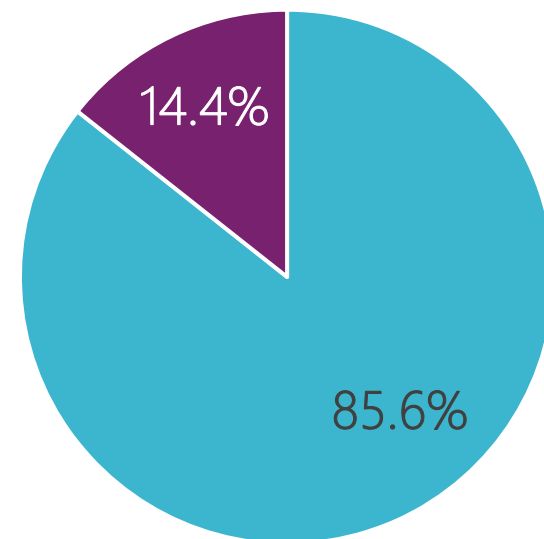
Key School Finance Concept

What is the Revenue Limit?

BAIRD

- Established in 1993
- Limits the amount of revenue a school district can generate through the sources of **state equalization aid** and the **local property tax levy**
- Driven by resident student enrollment (FTE)
- The revenue limit generally comprises 75% - 95% of a school district's operating revenue

School District Operating
Revenue Composition
(2019-20 Budget)

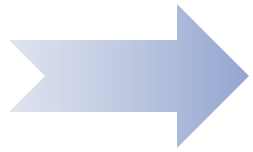


■ Revenue Limit Revenue ■ All other operating revenue

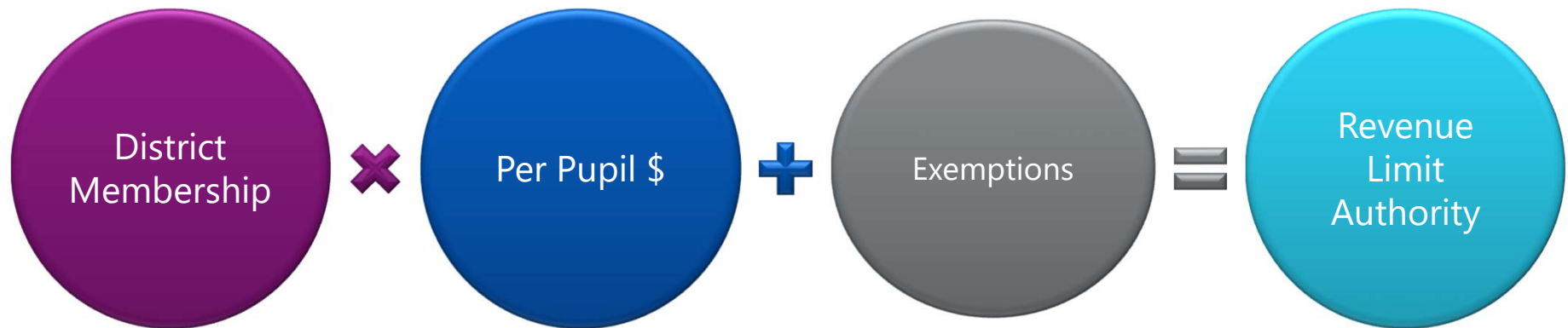
Key School Finance Concept

How is the Revenue Limit Authority Calculated?

BAIRD



A district's revenue limit authority is the maximum amount of revenue that may be raised through **state general aid** and **property tax** for the General, Non-Referendum Debt, and Capital Expansion Funds, also referred to as Funds 10, 38, and 41 respectively.



Key School Finance Concept

Revenue Limit Per Pupil Adjustments

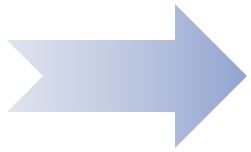
BAIRD

Fiscal Year	Revenue Limit Per Pupil Increase (Cumulative)	Per Pupil Categorical Aid (One-Time)
2007-08	\$264.12	
2008-09	\$274.68	
2009-10	\$200.00	
2010-11	\$200.00	
2011-12	-5.5%*	
2012-13	\$50.00	\$50.00 (Prorated)
2013-14	\$75.00	\$75.00
2014-15	\$75.00	\$150.00
2015-16	\$0	\$150.00
2016-17	\$0	\$250.00
2017-18	\$0	\$450.00
2018-19	\$0	\$654.00
2019-20	\$175.00	\$742.00
2020-21	\$179.00	\$742.00

Key School Finance Concept

How is the Revenue Limit Levy Calculated?

BAIRD



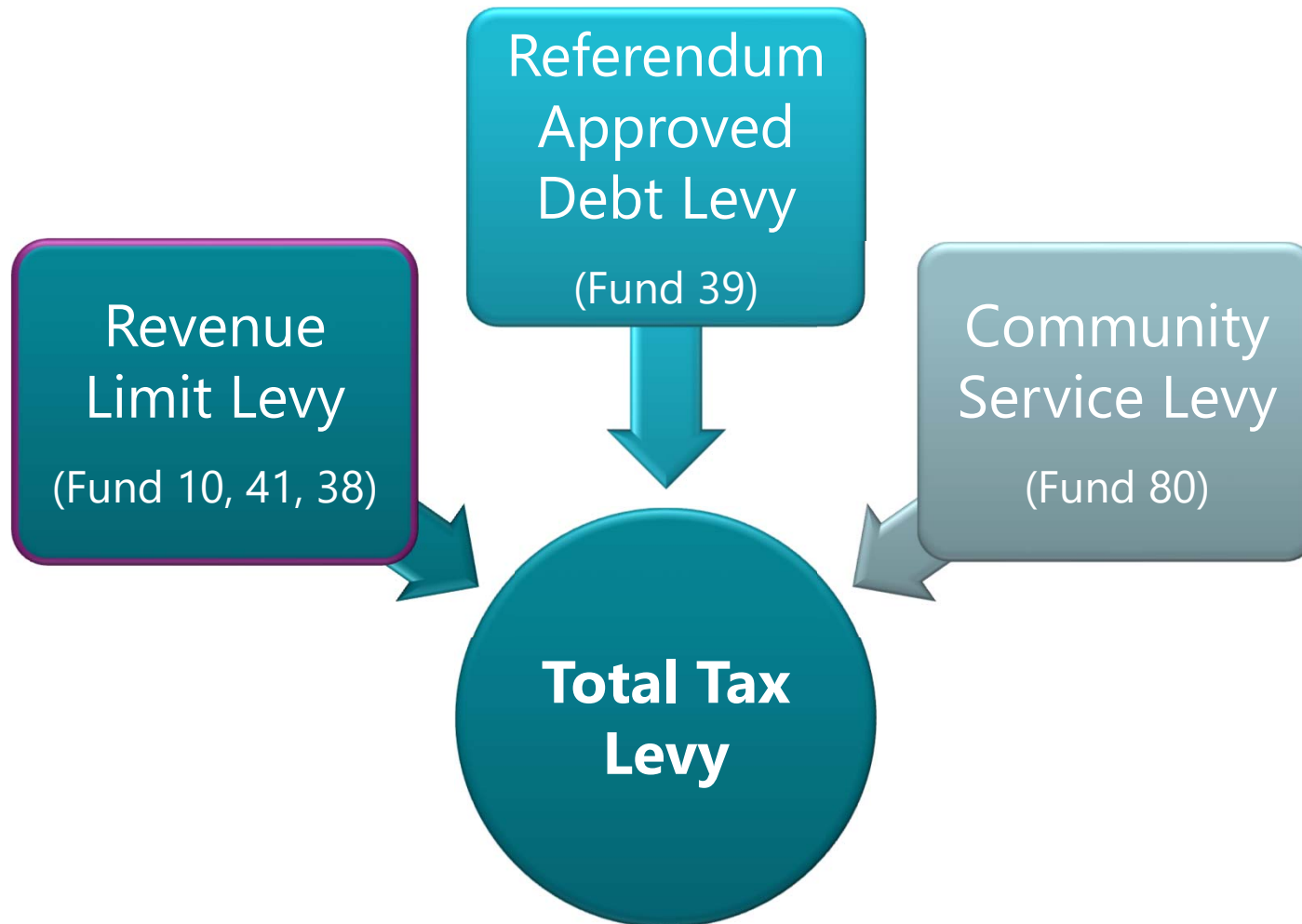
A district's Revenue Limit Levy is the maximum Revenue Limit Authority minus State Equalization Aid. This amount represents the "local share" of the Revenue Limit Authority and becomes one of three components of the Total School Tax Levy to be collected through property tax.



Key School Finance Concept

Composition of School Tax Levy

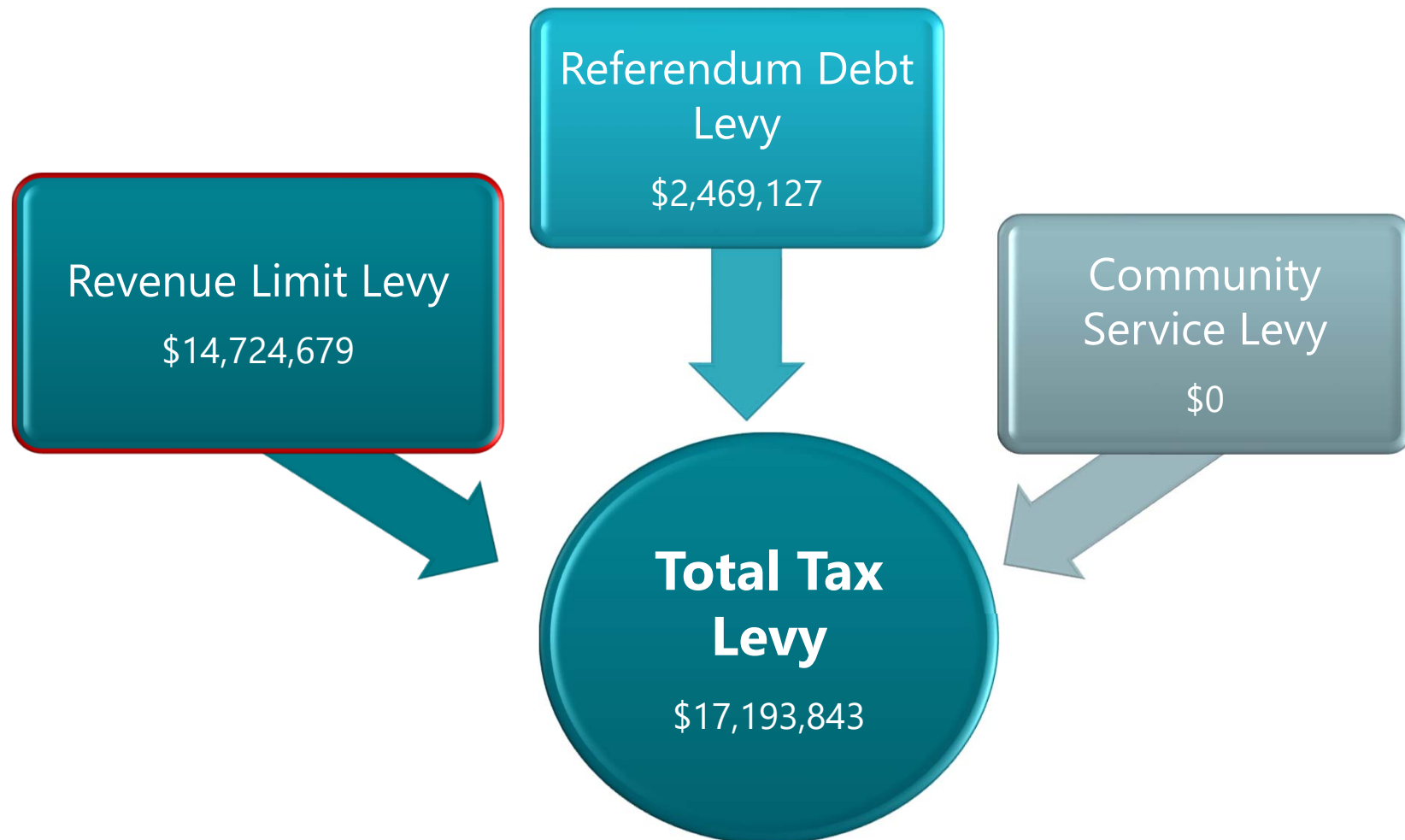
BAIRD



Key School Finance Concept

What are the Components of My School Tax Levy?

BAIRD



Key School Finance Concept

Total School Tax Levy Mill Rate

BAIRD

Mill Rate:

Total Levy/
Total Property Value per
Thousand

Property Taxes



\$1,066 per year on my \$100,000 home

EXAMPLE CALCULATION:

TOTAL LEVY OF SCHOOL:

\$17,193,843

TOTAL PROPERTY VALUE:

\$1,612,443,974

*\$1,000

=

\$10.66 Mill Rate

OR

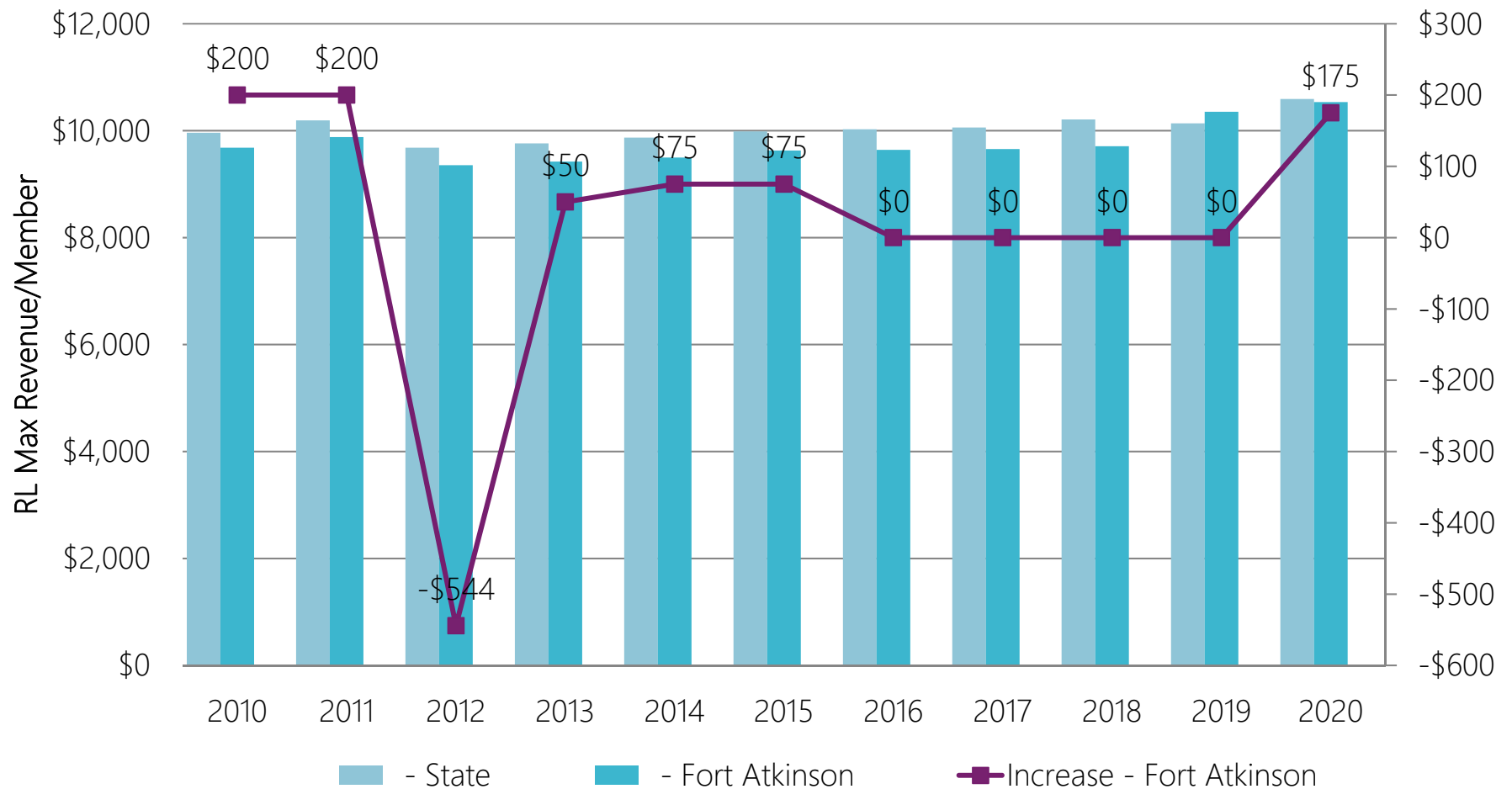
\$1,066 on \$100,000 Home



Fort Atkinson Financial Trends

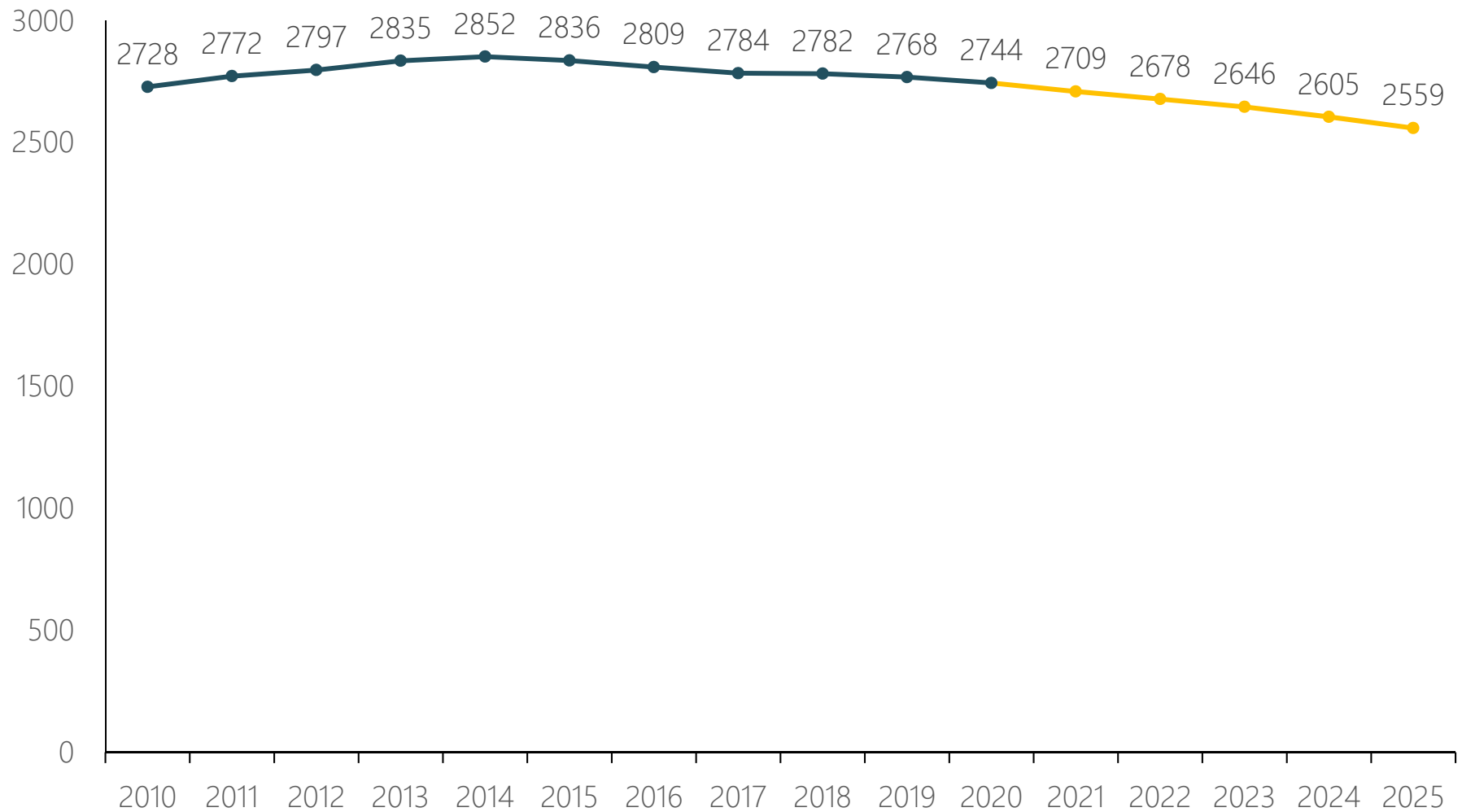
Revenue Limit Maximum Revenue / Member (Does not include exemptions)

BAIRD



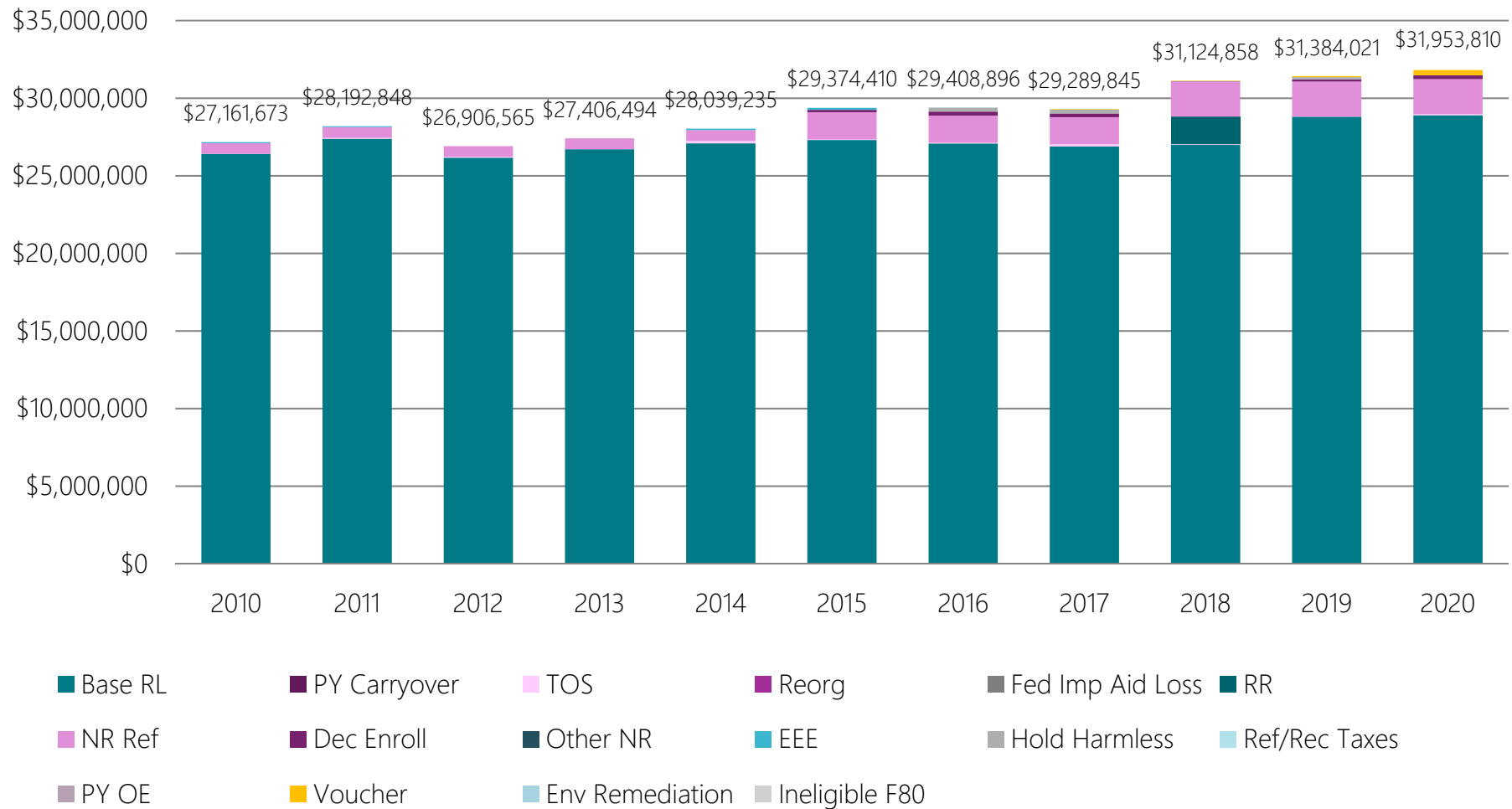
Current Year Average FTE

BAIRD



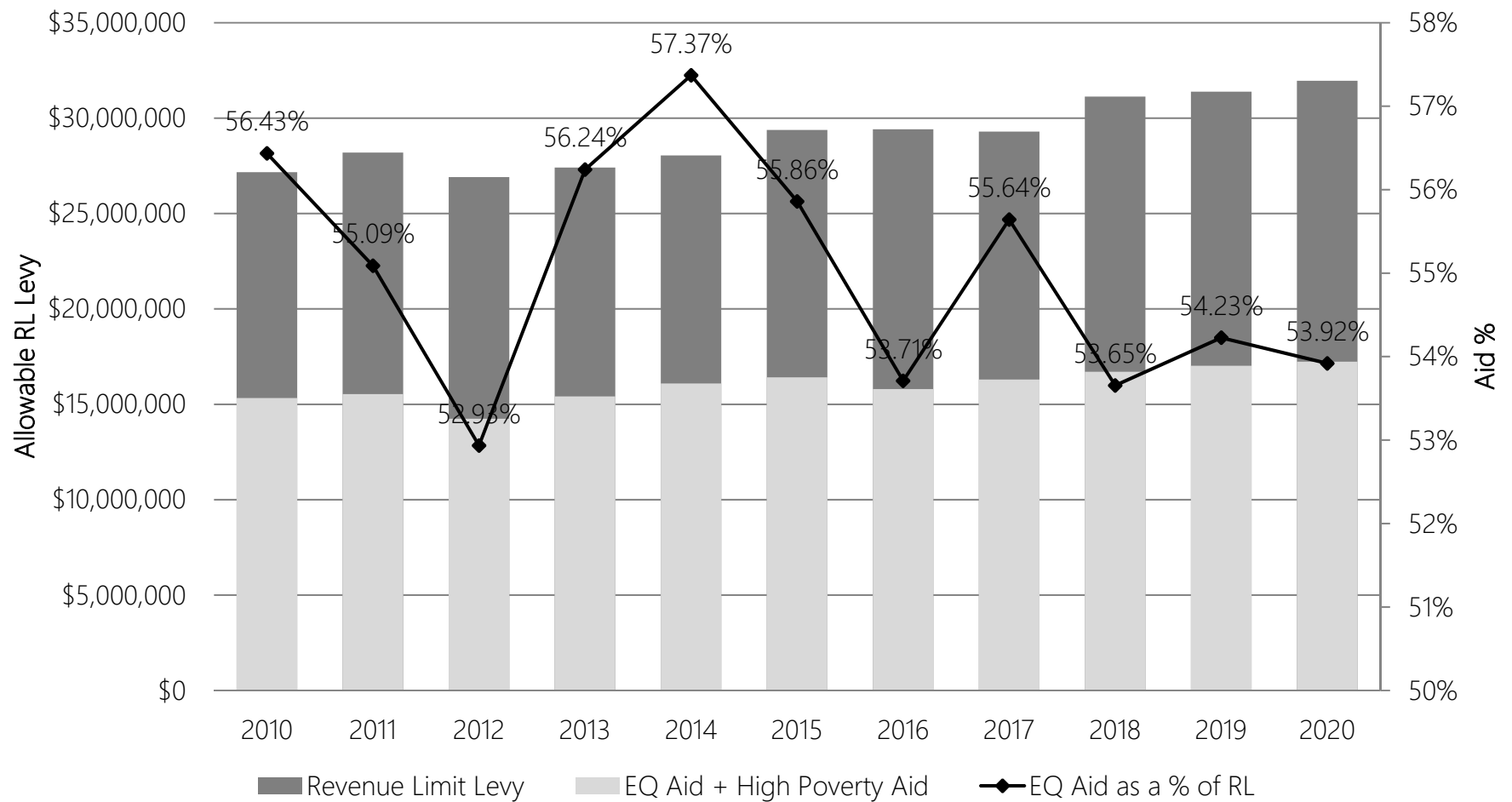
Revenue Limit with All Exemptions

BAIRD



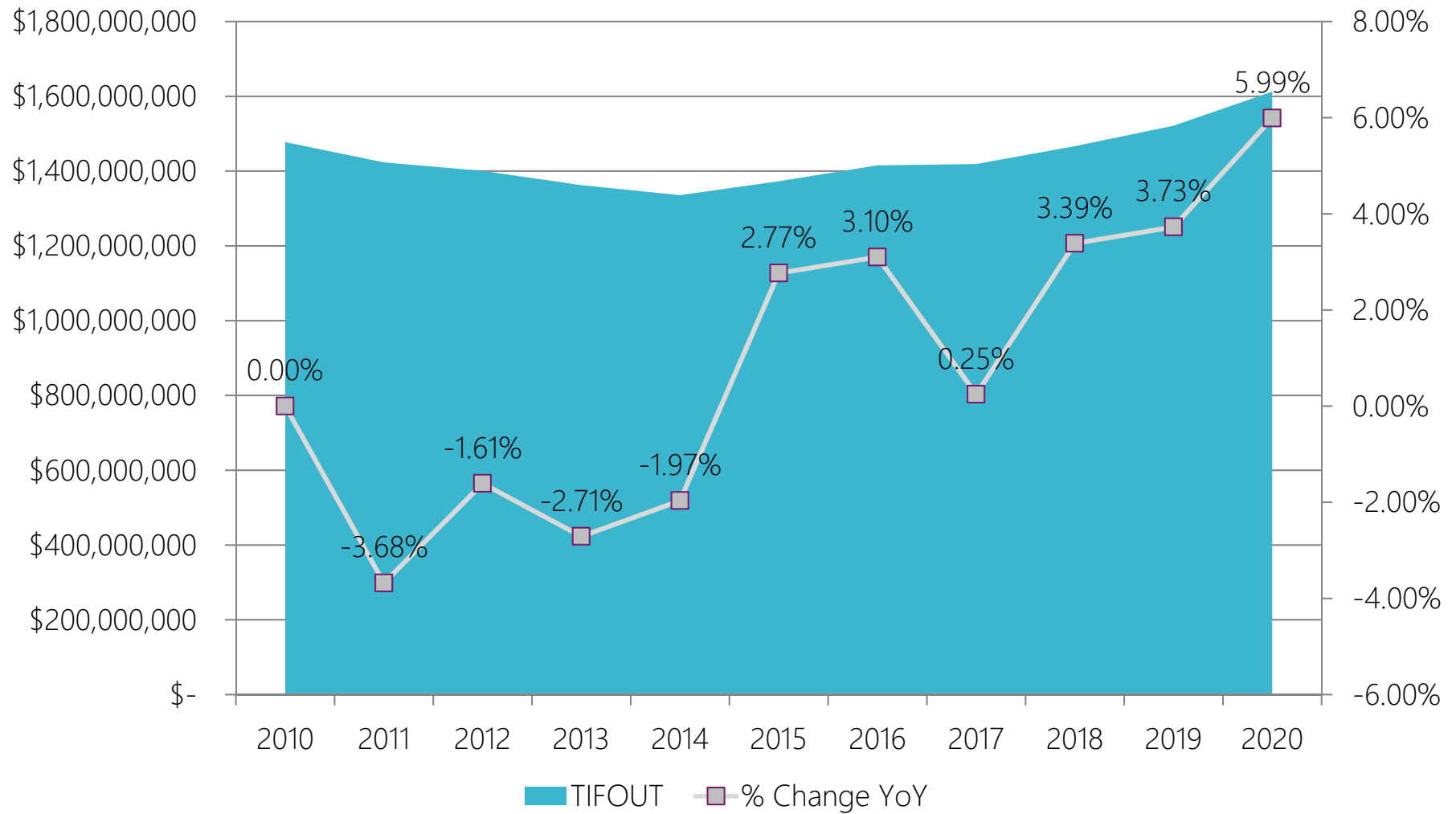
Revenue Limit - EQ Aid: Levy Ratio

BAIRD



TID Out Equalized Value

BAIRD



Total School Tax Levy Mill Rate

BAIRD



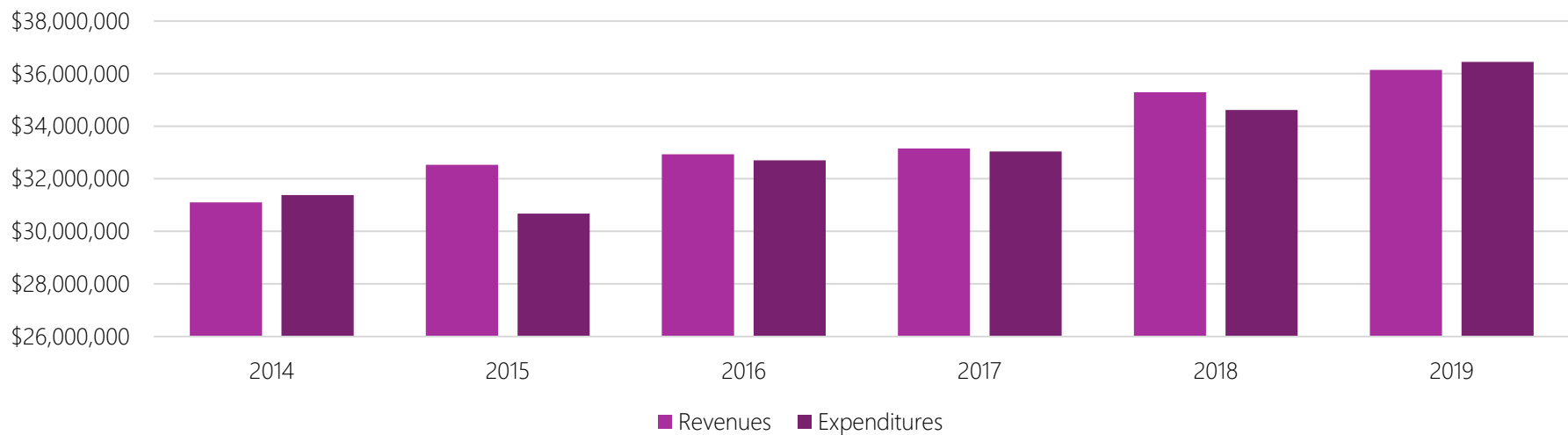
Revenue and Expenditure Detail

BAIRD

Fund 10 Summary

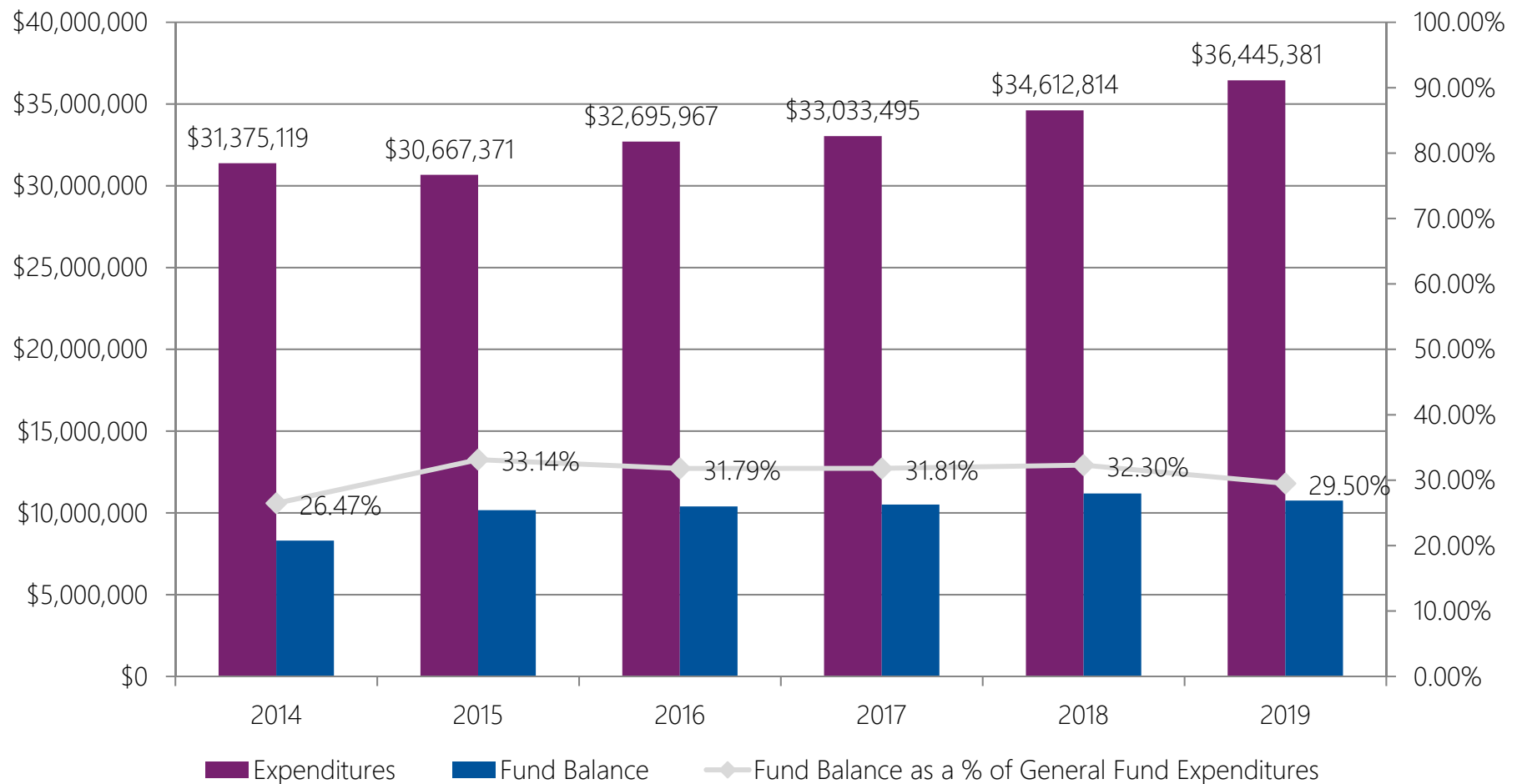
	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019
R	\$31,095,978	\$32,526,537	\$32,927,483	\$33,146,807	\$35,285,009	\$36,138,666
E	\$31,375,119	\$30,667,371	\$32,695,967	\$33,033,495	\$34,612,814	\$36,445,381
Surplus/Deficit	-\$279,141	\$1,859,166	\$231,516	\$113,312	\$672,195	-\$306,715
	2014	2015	2016	2017	2018	2019
Fund Balance	\$8,304,122	\$10,163,288	\$10,394,804	\$10,508,116	\$11,180,311	\$10,750,572
Fund Balance as a % of General Fund Expenditures	26.47%	33.14%	31.79%	31.81%	32.30%	29.50%

Fund 10 Audited Actuals



Fund Balance as a % of General Fund Expenditures

BAIRD





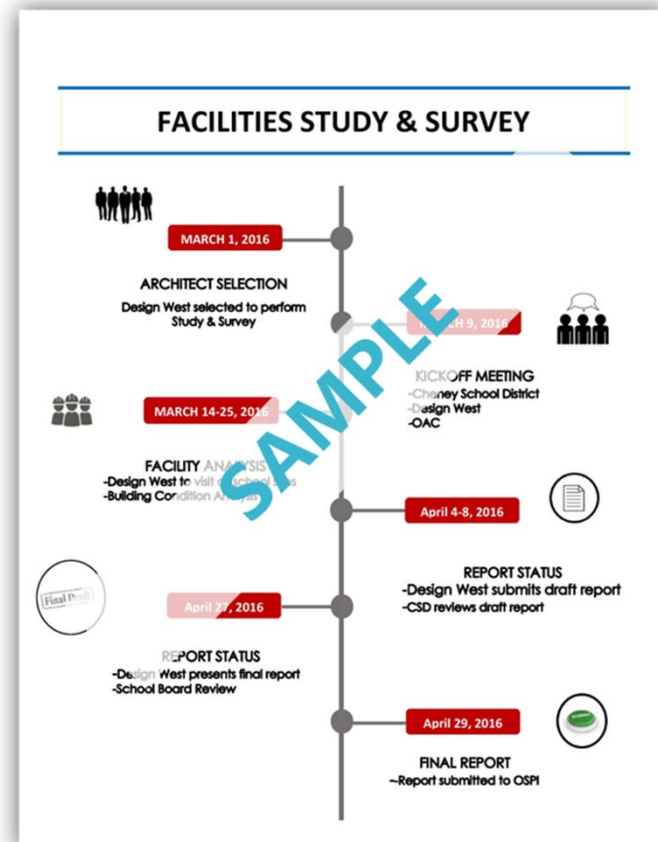
Facility Funding Options

First Thing's First...

BAIRD

Facility Study

- Evaluate current facilities, conditions, utilization and future facility needs
- Monitor and refine facility standards for instructional and support programs
- Build out district master facility plan
- Execute study and survey of all facilities



We Know What We Need... Funding!

BAIRD



What Type of Project(s) Are We Dealing With?

BAIRD

Maintenance Projects



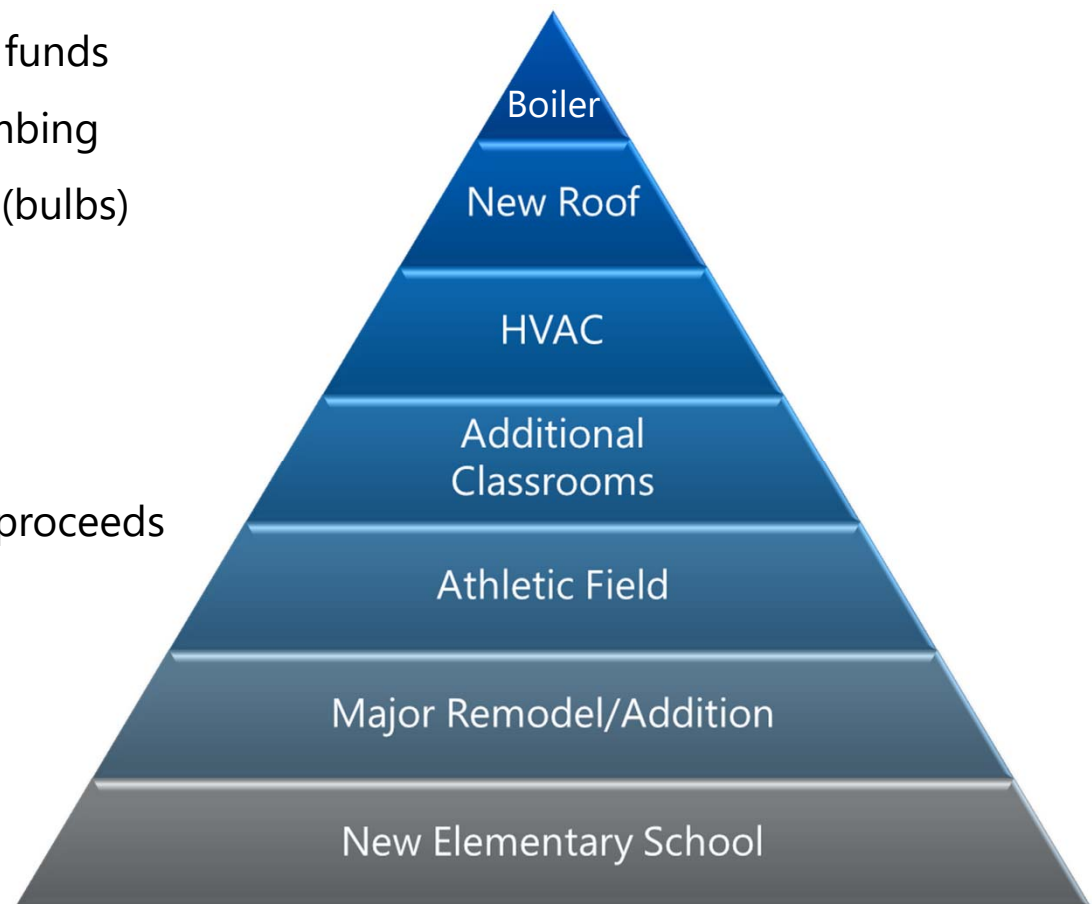
Major Capital Projects



What Are Your Facility Priorities?

BAIRD

- Maintenance Projects
 - Smaller dollar cost
 - Often paid with operational funds
 - Carpet, painting, minor plumbing repair, lighting replacement (bulbs)
- Capital Project
 - Larger dollar cost
 - Longer useful life
 - Typically paid for with debt proceeds
 - Authority Needed
 - **Referendum**
 - Budget \$ pays debt



Capital Project Funding Options

BAIRD

Operational Funds

Annual Budget
Fund 41 & 46
Fund Balance

Borrowed Funds

Revenue Limit Borrowing
Referendum Borrowing

Which Operational Fund?

BAIRD

	Fund 46 – Long Term Capital Improvement Trust	Fund 41 - Capital Expansion Fund
Type of Project	Used for any projects on 10-year Capital Improvement Plan (including equipment)	Buildings/sites, no equipment
State Statute	120.137	120.10(10m)
Aid to District	Positive aided districts can benefit – Deposits included in shared costs	Negative aided districts can benefit
Approval	By Board Resolution by June 30 to create trust fund	Annual Meeting
Requirements	<ul style="list-style-type: none"> ■ 10 year Capital Improvement Plan ■ Access funds 5 years after established ■ Decision at end of Fiscal Year 	Levy within the revenue limit - beginning of the fiscal year
Expenditures	Not included as Shared Costs for aid purposes	Amortized over the number of years the district has levied into the fund for calculation of shared costs for aid purposes

Possible Funding Sources for Capital Projects

BAIRD

Operating Budget

- Competes for revenue limit dollars

Non-Referendum Debt

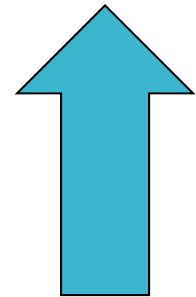
- Competes for revenue limit dollars

Referendum – Operational/Debt

- New source of funds

What If We Want to Borrow Funds?

BAIRD

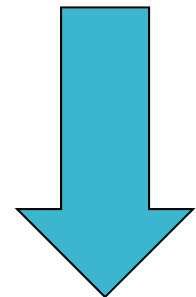


Fund 39 – Referendum Debt

REVENUE LIMIT

Fund 38 - Non-Referendum Debt

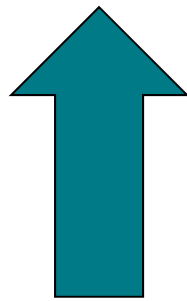
- \$1,000,000 exemption
- More than \$1 million
 - Petition process
 - 30 day waiting period
 - 20% Electors last Gubernatorial Election



What If We Want to Borrow Funds?

BAIRD

Energy Efficiency Exemption – 1,000 year moratorium began December of 2017



Act 32 – Energy Efficiency Exemption

- Levy for project cost or levy for debt payments
- Levy is outside revenue limit
- Measurable utility savings required to downsize debt payment
- Performance contract required
- Annual resolution to set levy (between July 1 and November 1)
- Borrowing capacity
- Subject to Fund 38 authority and statutory debt limits
- Scope of eligible projects
- DPI requirements for eligible projects

REVENUE LIMIT



Debt Issue Basics

Do We Have the Legal Capacity to Borrow?

BAIRD

Total Debt Capacity is based on **10%** of a school district's Equalized Valuation (TID-In)

Equalized Value
\$1,662,382,574

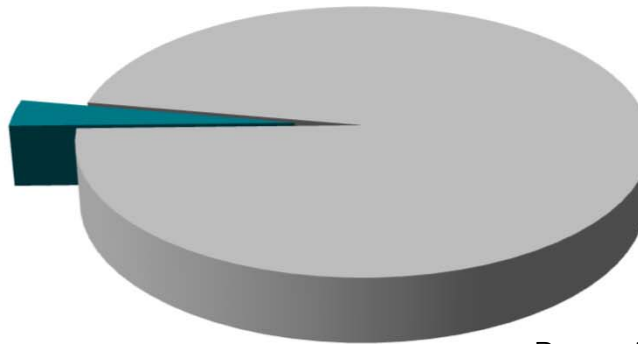


10%



Debt Limit
\$166,238,257

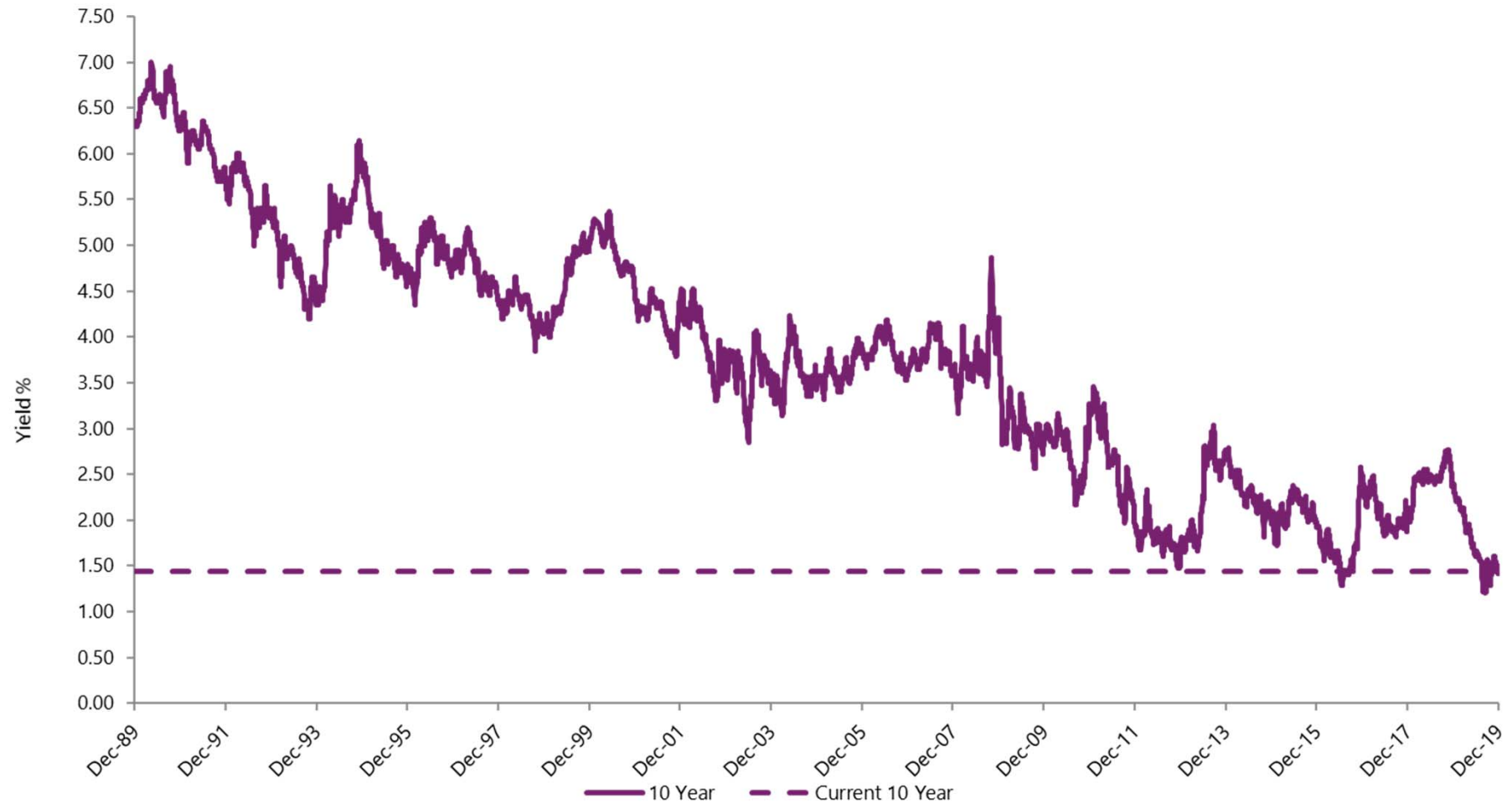
Outstanding Debt as of 12/31/19:
\$5,390,000



Remaining Debt Capacity:
\$160,848,257

Municipal Interest Rates (Past 30 Years)

BAIRD



Source: Thomson Municipal Market Data as of December 12, 2019

Fort Atkinson – Moody's Scorecard

BAIRD

School District: Fort Atkinson

Data Source: Wisconsin Department of Public Instruction

	Very Strong .5-1.49	Strong 1.50-2.49	Moderate 2.50-3.49	Weak 3.50-4.49	Poor 4.50-5.49	Very Poor 5.50-6.50	Column pulls from Input tab.		
	Aaa	Aa	A	Baa	Ba	B & Below	Input	Weight	Estimate d Score
ECONOMY/TAX BASE (30%)									
Tax Base Size: Full Value (in 000s)	> \$12B	\$12B ≥ n > \$1.4B	\$1.4B ≥ n > \$240M	\$240M ≥ n > \$120M	\$120M ≥ n > \$60M	≤ \$60M	\$1.662	10%	2.48
Full Value Per Capita	> \$150,000	\$150,000 ≥ n > \$65,000	\$65,000 ≥ n > \$35,000	\$35,000 ≥ n > \$20,000	\$20,000 ≥ n > \$10,000	≤ \$10,000	\$89,800	10%	2.21
Socioeconomic Indices: MFI	> 150% of US median	150% to 90% of US median	90% to 75% of US median	75% to 50% of US median	50% to 40% of US median	≤ 40% of US median	98.93%	10%	2.35
FINANCES (30%)									
Fund Balance as % of Revenues	> 30.0% > 25.0% for School Districts	30.0% ≥ n > 15.0% 25.0% ≥ n > 10.0% for SD	15.0% ≥ n > 5.0% 10.0% ≥ n > 2.5% for SD	5.0% ≥ n > 0.0% 2.5% ≥ n > 0.0% for SD	0.0% ≥ n > -2.5% 0.0% ≥ n > -2.5% for SD	≤ -2.5% ≤ -2.5% for SD	29.35%	10%	1.33
5-Year Dollar Change in Fund Balance as % of Revenues	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	7.74%	5%	2.73
Cash Balance as % of Revenues	> 25.0% > 10.0% for School Districts	25.0% ≥ n > 10.0% 10.0% ≥ n > 5.0% for SD	10.0% ≥ n > 5.0% 5.0% ≥ n > 2.5% for SD	5.0% ≥ n > 0.0% 2.5% ≥ n > 0.0% for SD	0.0% ≥ n > -2.5% 0.0% ≥ n > -2.5% for SD	≤ -2.5% ≤ -2.5% for SD	26.17%	10%	0.50
5-Year Dollar Change in Cash Balance as % of Revenues	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	10.14%	5%	2.49
MANAGEMENT (20%)									
Institutional Framework	Very strong legal ability to match resources with spending	Strong legal ability to match resources with spending	Moderate legal ability to match resources with spending	Limited legal ability to match resources with spending	Poor legal ability to match resources with spending	Very poor or no legal ability to match resources with spending	Aa	10%	2.00
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	> 1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	1.02x	10%	2.61
DEBT/PENSIONS (20%)									
Net Direct Debt / Full Value	< 0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	> 15.00%	0.32%	5%	0.93
Net Direct Debt / Operating Revenues	< 0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	> 7.00x	0.13x	5%	0.91
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	< 0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	> 18.00%	1.80%	5%	2.25
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	< 0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	> 8.40x	0.70x	5%	2.25

Total Score

1.92

Indicative Rating⁽¹⁾:

Aa2

⁽¹⁾ Based on Moody's US Local Government General Obligation Bond Methodology (January 15, 2014). Does not include any "below-the-line" adjustments. Preliminary, subject to change.

What Is Our Current Debt?

BAIRD

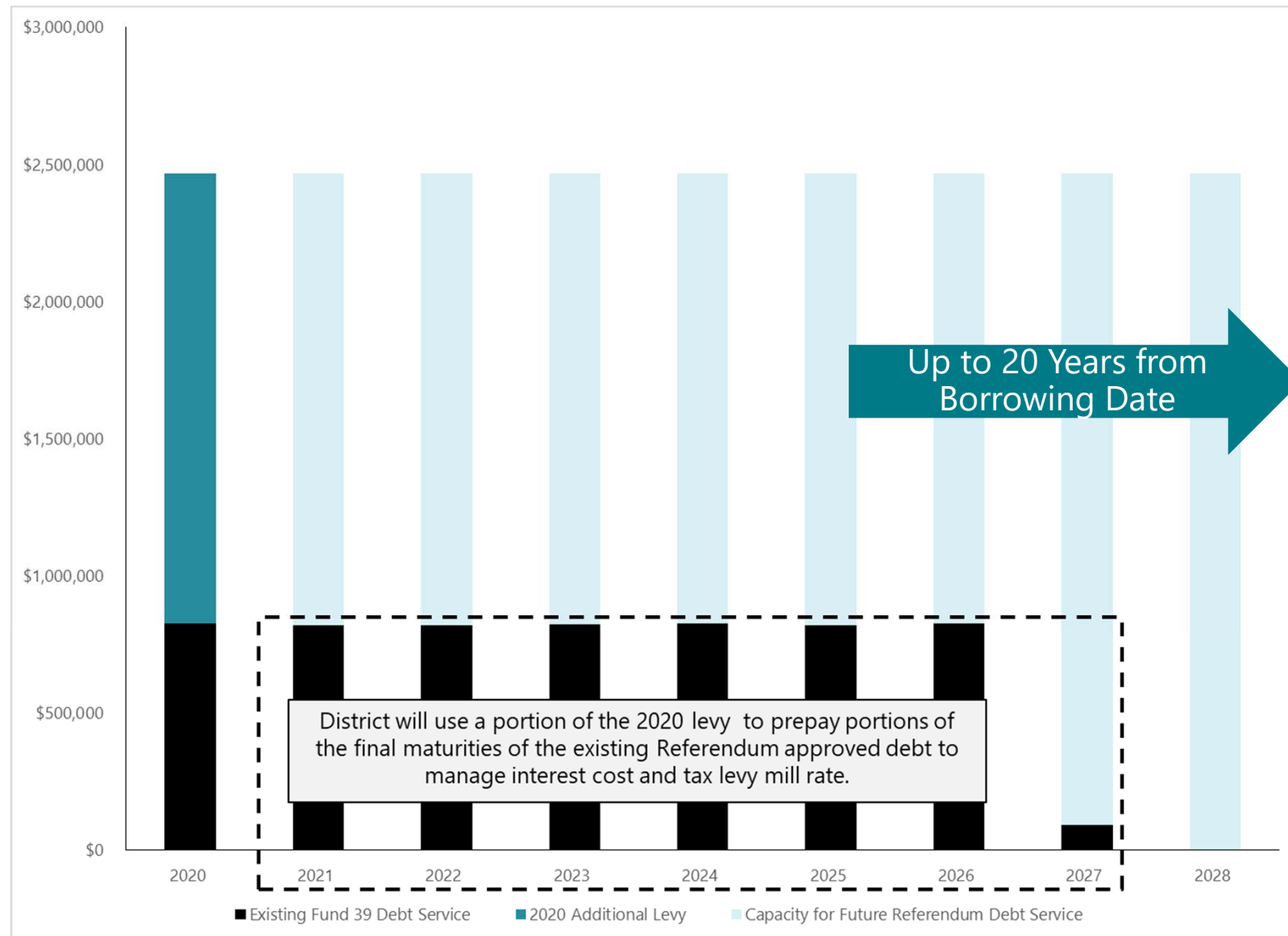
		Fund 39					
		Issue:	1				
		Amount:	\$7,510,000				
		Type:	G.O. Refunding Bonds (AR)				
		Dated:	March 31, 2015				
		Callable:	24-'27 Callable 2/1/23 or on any date thereafter @ Par				
PAYMENT PERIOD		PRINCIPAL (2/1)	RATE	INTEREST (2/1 & 8/1)	TOTAL	FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
Jan-June	2019	\$695,000	2.00%	\$69,138	\$764,138	Jan-June Only \$764,138	
July-Dec	2019			\$62,188	\$62,188		\$826,325
Jan-June	2020	\$710,000	2.000%	\$62,188	\$772,188	\$834,375	
July-Dec	2020			\$55,088	\$55,088		\$827,275
Jan-June	2021	\$720,000	2.000%	\$55,088	\$775,088	\$830,175	
July-Dec	2021			\$47,888	\$47,888		\$822,975
Jan-June	2022	\$735,000	2.000%	\$47,888	\$782,888	\$830,775	
July-Dec	2022			\$40,538	\$40,538		\$823,425
Jan-June	2023	\$755,000	2.500%	\$40,538	\$795,538	\$836,075	
July-Dec	2023			\$31,100	\$31,100		\$826,638
Jan-June	2024	\$775,000	2.500%	\$31,100	\$806,100	\$837,200	
July-Dec	2024			\$21,413	\$21,413		\$827,513
Jan-June	2025	\$790,000	2.500%	\$21,413	\$811,413	\$832,825	
July-Dec	2025			\$11,538	\$11,538		\$822,950
Jan-June	2026	\$815,000	2.500%	\$11,538	\$826,538	\$838,075	
July-Dec	2026			\$1,350	\$1,350		\$827,888
Jan-June	2027	\$90,000	3.000%	\$1,350	\$91,350	\$92,700	
July-Dec	2027						\$91,350
TOTAL		\$6,085,000		\$611,338	\$6,696,338	\$6,696,338	\$6,696,338

Callable Maturities

Credit: Aa2
Paying Agent: Associated Trust
Notes: Refunded 2007 Bonds.
Partially defeased 4/5/17

Existing Fund 39 Debt Levies (Referendum Approved)

BAIRD





Referendum History

Is the Need for Referendum Unique to Your District?

BAIRD

Since January 1, 2010:

- 82% of Wisconsin school districts have gone to referendum, many of them multiple times, for a total of 973 debt or revenue limit override questions.

2019 Year to Date:

- 60 total questions on the referendum ballot for the year
 - 27 questions for Non-Recurring Revenue Limit increases totaling over \$186 million
 - 23 questions passed (85%) for a sum of \$111.516 million
 - 7 questions for Recurring Revenue Limit increases totaling over \$16 million
 - 6 questions passed (86%) for a sum of \$10.095 million
 - 26 questions for new Debt Authority totaling over \$1 billion
 - 16 questions passed (62%) for a sum of \$661.350 million

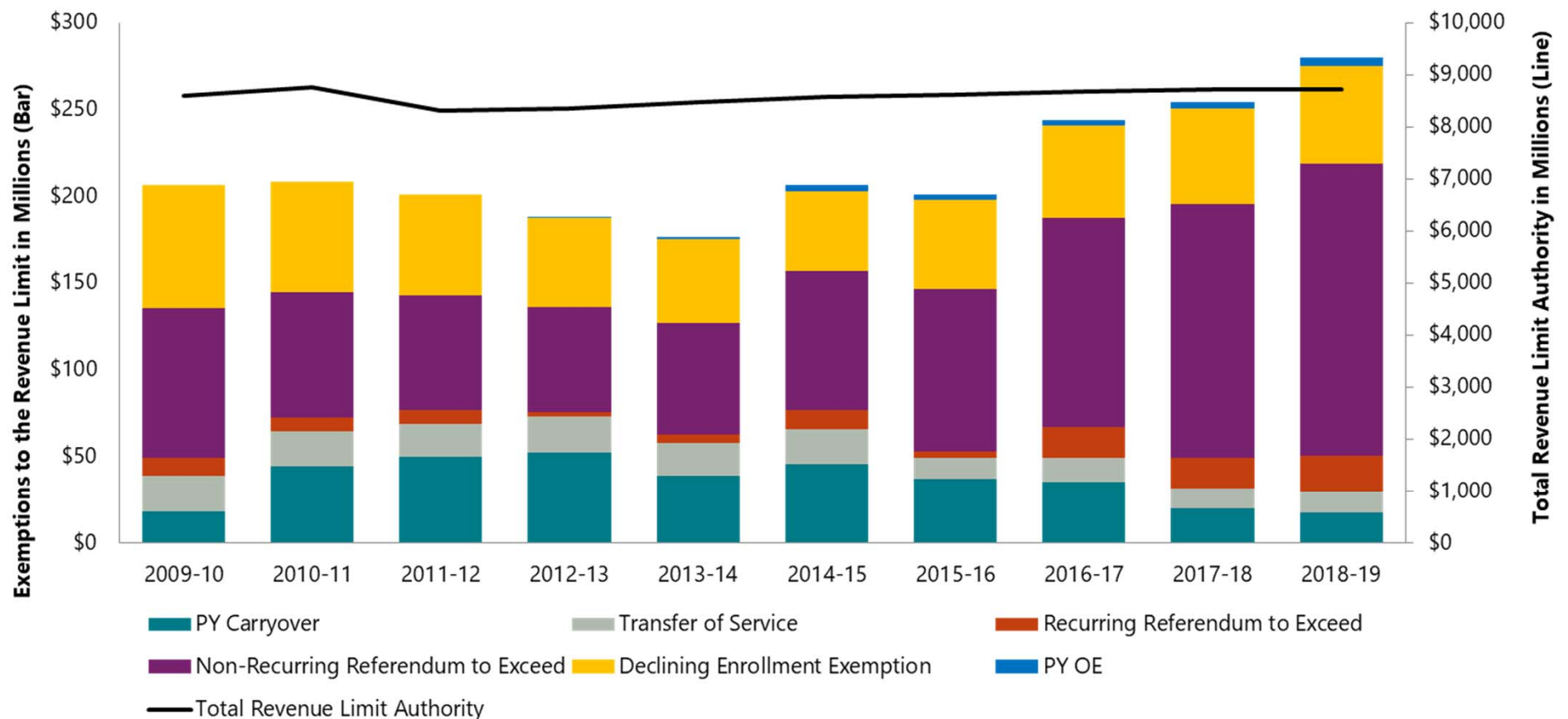
Issue Debt Question Breakdown	2019 YTD	# Passed	Pass %	Fail %
Over \$20M	13	8	62%	38%
Over \$10M to \$20M	2	1	50%	50%
Over \$5M to \$10M	7	5	71%	29%
\$5M or Less	4	2	50%	50%

Statewide Revenue Limit Authority (Exemptions)

BAIRD

10-Year Lookback

*There are currently 66 districts that have at least 10% of their revenue limit supplemented by non-recurring operating referendum



Source: Department of Public Instruction
*Based on 2019-20 Preliminary Revenue Limit Worksheet data

Neighboring Districts' Referendum History – 10 Years

BAIRD

District	Vote Date	Amount	Type	Result
Milton	04/02/19	\$59,900,000	Issue Debt	Passed
Edgerton	11/06/18	\$1,250,000	RR	Passed
Edgerton	11/06/18	\$40,600,000	Issue Debt	Passed
Jefferson	11/06/18	\$3,100,000	RR	Passed
Lake Mills Area	11/06/18	\$6,900,000	Issue Debt	Passed
Lake Mills Area	11/06/18	\$2,490,000	Issue Debt	Passed
Whitewater Unified	11/06/18	\$12,800,000	NR – 4 Years	Passed
Milton	11/07/17	\$69,900,000	Issue Debt	Failed
Fort Atkinson	11/08/16	\$1,750,000	RR	Passed
Fort Atkinson	11/08/16	\$6,750,000	NR – 3 Years	Passed
Cambridge	11/08/16	\$1,600,000	RR	Passed
Milton	11/08/16	\$12,500,000	NR – 5 Years	Passed
Milton	11/08/16	\$87,000,000	Issue Debt	Failed
Whitewater Unified	11/08/16	\$23,500,000	Issue Debt	Passed
Jefferson	02/16/16	\$2,325,000	NR – 3 Years	Passed
Jefferson	04/07/15	\$2,850,000	NR – 3 Years	Failed
Whitewater Unified	11/04/14	\$4,800,000	NR – 3 Years	Passed

Neighboring Districts' Referendum History – 10 Years

BAIRD

District	Vote Date	Amount	Type	Result
Fort Atkinson	04/01/14	\$ 5,250,000	NR – 3 Years	Passed
Johnson Creek	04/01/14	\$ 18,900,000	Issue Debt	Passed
Johnson Creek	04/02/13	\$ 21,950,000	Issue Debt	Failed
Cambridge	11/06/12	\$ 4,635,000	Issue Debt	Passed
Cambridge	11/06/12	\$ 5,050,000	NR – 4 Years	Passed
Edgerton	11/06/12	\$ 6,300,000	Issue Debt	Passed
Edgerton	11/06/12	\$ 2,985,000	Issue Debt	Passed
Lake Mills Area	11/06/12	\$ 18,700,000	Issue Debt	Passed
Whitewater Unified	04/03/12	\$ 1,800,000	NR – 3 Years	Passed
Lake Mills Area	09/13/11	\$ 1,200,000	Issue Debt	Failed
Fort Atkinson	04/05/11	\$ 2,082,000	NR – 3 Years	Passed
Johnson Creek	04/05/11	\$ 29,235,000	Issue Debt	Failed
Whitewater Unified	11/02/10	\$ 1,870,000	Issue Debt	Passed
Jefferson	04/06/10	\$ 35,190,000	Issue Debt	Passed
Johnson Creek	04/06/10	\$ 17,670,000	Issue Debt	Failed
Johnson Creek	04/06/10	\$ 2,398,000	Issue Debt	Failed

Fort Atkinson Referendum History – Since 1995

BAIRD

Vote Date	Amount	Type	Result
11/08/2016	\$6,750,000	NR – 3 years	Passed
11/08/2016	\$1,750,000	RR	Passed
04/01/2014	\$5,250,000	NR – 3 years	Passed
04/05/2011	\$2,082,000	NR – 3 years	Passed
04/04/2006	\$3,470,000	NR - 5 years	Passed
04/04/2006	\$1,040,000	Issue Debt	Passed
04/04/2006	\$9,650,000	Issue Debt	Passed
10/18/2005	\$2,100,000	RR	Failed
05/30/1996	\$24,540,000	Issue Debt	Passed
05/30/1996	\$2,530,000	Issue Debt	Passed
04/04/1995	\$900,000	Issue Debt	Failed
04/04/1995	\$23,100,000	Issue Debt	Failed
04/04/1995	\$735,000	Issue Debt	Failed
04/04/1995	\$870,000	RR	Failed



Referendum Basics

Referenda Questions and Key Terms

BAIRD

	Debt	Recurring	Non-Recurring
Funding	For capital or building projects	On-going funds are added to the district's "base" and carry forward in subsequent years	Levy authority has a sunset
Term	Typically a 20-year loan(s), but depends upon size and draw schedule	Not applicable	No term limit
Solution	Used for major facility needs.	Potential long-term fix <ul style="list-style-type: none"> • may not be a permanent fix 	Short-term fix <ul style="list-style-type: none"> • District must go back for referendum approval if additional years are needed
10-Year Prior Success Rate	68% pass 32% fail	68% pass 32% fail	74% pass 26% fail
Amount Considerations	Limited by District's statutory debt limit Not to Exceed Amount Round to the nearest \$5,000	Typically a one-time amount but can escalate as well - for example: <ul style="list-style-type: none"> • \$600,000 ongoing, or • \$500,000 year one, \$100,000 year two, and another \$100,000 year three (\$700,000 total) 	Typically a flat or escalating amount - for example: <ul style="list-style-type: none"> • \$600,000 for three years (\$1.8M total), or • \$500,000 year one, \$600,000 year two, and \$700,000 year three (\$1.8M total)

2017 Act 59 (2017-19 Biennial Budget)

- New limitations applied January 1, 2018
- School boards are limited to approving no more than two board resolutions authorizing referendums (operational or issue debt)
- Referendums can only be held during regularly scheduled election dates
 - Natural disasters create an exception to this rule
- Resolutions are still required to be adopted **at least 70 days prior** to election date

Election Dates

BAIRD

	2020	2021	2022	2023
Spring Primary	02/18/2020	02/16/2021	02/15/2022	02/21/2023
Adopt and file resolution(s) by*:	12/10/2019	12/08/2020	12/07/2021	12/13/2022
Spring General	04/07/2020	04/06/2021	04/05/2022	04/04/2023
Adopt and file resolution(s) by*:	01/28/2020	01/26/2021	01/25/2022	01/24/2023
Fall Primary	08/11/2020		08/09/2022	
Adopt and file resolution(s) by*:	06/02/2020		05/31/2022	
Fall General	11/03/2020		11/08/2022	
Adopt and file resolution(s) by*:	08/25/2020		08/30/2022	

*The governing board is required to file adopted referendum ballot resolutions with their municipal clerks **at least 70 days prior** to the election indicating the amount and purpose.

Referendum Landscape (1995-2019)

BAIRD

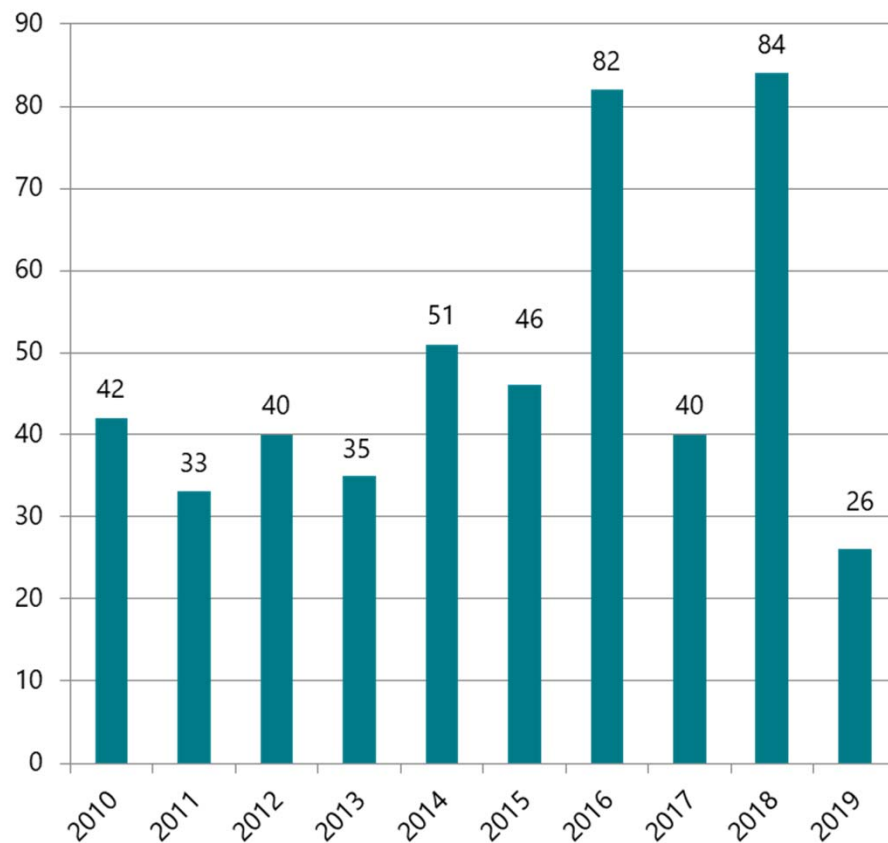
- ✓ **342 (81%)** of Wisconsin school districts have gone for one or both types of referendum questions to exceed the revenue limit
- ✓ **178 (42%)** of Wisconsin school districts have gone to ballot to exceed the revenue limit and have passed **at least two questions**



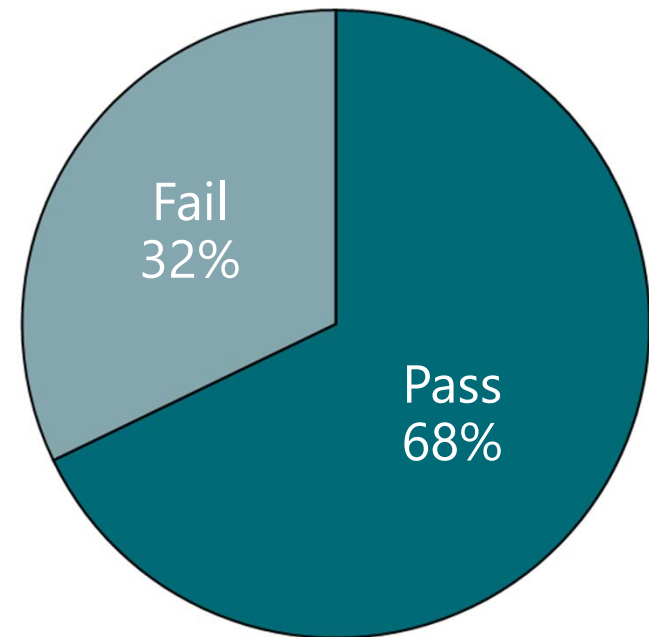
Debt Referenda

BAIRD

Total Debt Questions



Pass/Fail



Referendum Success Statistics

BAIRD

Based on Month (Since 2000)

Election Month	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
February	43	68	61.3%	28	45	61.6%	28	23	45.1%
April	220	265	54.6%	146	259	64.0%	103	70	40.5%
August/September	19	22	53.7%	15	20	57.1%	8	5	38.5%
November	70	186	72.7%	34	87	71.9%	26	47	64.4%
Special	105	86	45.0%	34	57	62.6%	50	35	41.2%
Total	457	627	57.8%	257	468	64.6%	215	180	45.6%

***No longer an option**



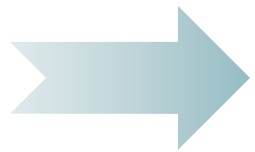
November has historically seen the highest passage rates for all referenda question types.

Referendum Success Statistics

BAIRD

Based on Presidential Election Year (Since 2000)

Election Year	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
Presidential Election									
2000	45	67	59.8%	16	17	51.5%	23	26	53.1%
2004	17	32	65.3%	9	16	64.0%	13	10	43.5%
2008	27	30	52.6%	23	32	58.2%	19	10	34.5%
2012	11	29	72.5%	10	19	65.5%	3	4	57.1%
2016	18	64	78.0%	9	38	80.9%	5	20	80.0%
Total	118	222	65.3%	67	122	64.6%	63	70	52.6%



During the gubernatorial election in **November 2018**, Wisconsin school districts saw the highest passage rates in recorded history

- Issue Debt: 95%
- Non-Recurring: 88%
- Recurring: 100%

Important Disclosures

The logo for Baird, consisting of the word "BAIRD" in white, uppercase, sans-serif font, set against a dark blue rectangular background.

Robert W. Baird & Co. Incorporated is providing this information to you for discussion purposes only. The information does not contemplate or relate to a future issuance of municipal securities. Baird is not recommending that you take any action, and this information is not intended to be regarded as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or the rules thereunder. In providing this information, Baird is not acting as an advisor to you and does not owe you a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. On April 1, 2019, Baird Financial Corporation, the parent company of Robert W. Baird & Co. Incorporated ("Baird"), acquired HL Financial Services, LLC, its subsidiaries, affiliates and assigns (collectively "Hilliard Lyons"). As a result of such common control, Baird and Hilliard Lyons are now affiliated. It is expected that Hilliard Lyons will merge with and into Baird later in 2019. You should discuss the information contained herein with any and all internal or external advisors and experts you deem appropriate before acting on the information.