



State of the District

Referendum Finance Advisory Committee
October 21, 2013

Welcome

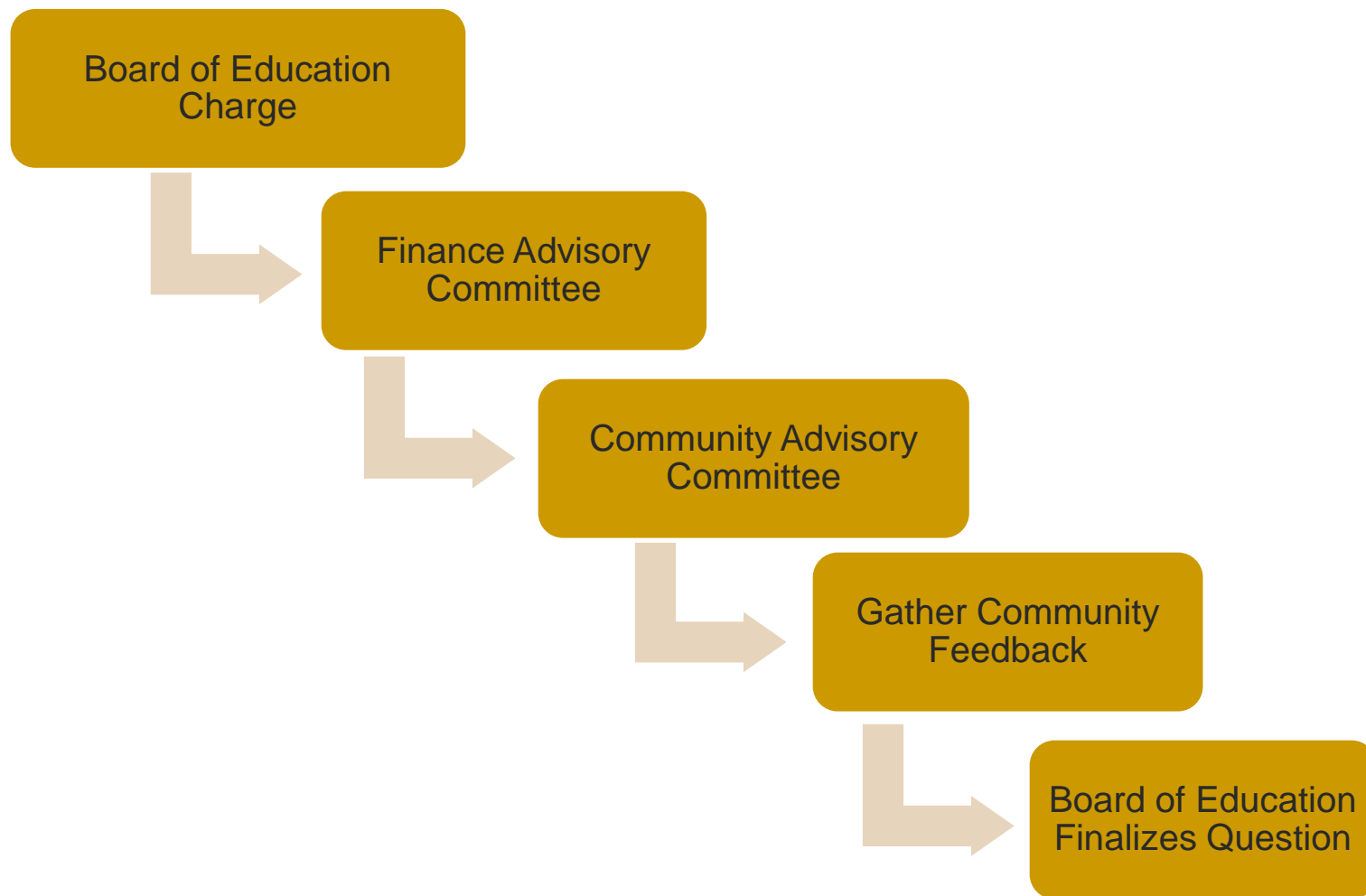
■ Introductions

- Name
- Employer & Position
- Relationship to District? (i.e. Alumnus, Children Attending, etc.)

■ Finalizing Dates for Upcoming Meetings

- Monday, October 21, 2013 – “State of the District” Presentation
- Tuesday, October 29, 2013 – Discuss Possible referendum structures
- Tuesday, November 5, 2013 – Finalize Committee’s recommendation(s)

NEXT STEPS: Big Picture of Process



Process Overview

- Finance Advisory Committee, made up of community finance leaders, meets, hears District information and makes recommendation(s) from a fiscal perspective regarding April 2014 referendum structure(s) to the Community Advisory Committee
- Community Advisory Committee, made up of cross section of community members, also hears District information, receives recommendation(s) from the Finance Advisory Committee and then makes recommendation(s), from a community viewpoint, to the Board of Education regarding April 2014 referendum structure(s)
- Board of Education receives recommendations and makes final decision(s) regarding April 2014 referendum question(s)

Next Steps...

Referendum Timeline

Oct. / Nov.	Finance Advisory Committee and Community Advisory Committees Meet
12/19/13	Community Advisory Group recommendation received and considered by the BOE at Regular Meeting
TBD	Special Meeting for BOE to further discuss Advisory Group Recommendation (as needed)
12/20 to 1/15	Community Informational Video and Survey Monkey Open for Feedback
01/16/14	Last regular meeting date for Board to adopt revenue cap referendum resolution
01/21/14	Deadline for filing referendum question with County Clerk(s)
01/24/14	BOE / Administration Joint Meeting
01/26/14	Filing of referendum information with DPI (w/i 10 days after adoption of revenue cap resolution)
03/04/14	Publication date for Type A Notice
03/10/14	Distribution of ballots to Municipal Clerks by this date
03/31/14	Publication date for Type B and C Notices
04/01/14	Referendum date

Finance Advisory Committee Charge

CHARGE: Make recommendation(s) to the Community Advisory Committee regarding a referendum structure in the best fiscal interest for the School District of Fort Atkinson and the larger community.

TASK(s):

- Become familiar with the financial status of the District
- Consider referendum options presented by Administration
- Consider any additional referendum options developed by the Finance Advisory Committee
- Finalize referendum recommendation(s) to be forwarded to the Community Advisory Committee
- Select member representation to become part of the Community Advisory Committee

[Tonight's Agenda]

■ State of the District Presentation

- History of Referendums in Fort Atkinson
- Follow Up on 2011 Taskforce Recommendations...
Revenue Enhancements and Savings Opportunities
- The Changing State of Education
- School Funding Overview
- Act 10 Impact on the School District of Fort Atkinson
- Fiscal Challenges Ahead

■ Our Need

■ Next Steps

History of Referendums

State of the District
October 21, 2013

[*A look at the last 8 years ...*]

- Referendums we've had and needs they've addressed
- Role of the community
- Board decisions / actual questions
- Results
- Current need
- Next steps

[October 18, 2005 - DISTRICT NEED]

The District faced three major challenges:

- Needed Building Upgrades – HVAC systems at Barrie, Rockwell, Purdy and the Middle School
- A Structural Financial Deficit – An annual revenue shortfall for day-to-day operations
- Technology Needs – The State TEACH Grant used for technology ended in 2003.



[October 18, 2005 - COMMUNITY]

- No Citizen Taskforce - Authored by BOE and Administration
- Listening Sessions and Presentations by Administration
- Vote Yes for Kids Campaign (Citizens' Committee)



October 18, 2005

QUESTION & RESULT

Question:

Exceed the Revenue Limit by \$2.1 Million on a Recurring Basis to:

- a. To Repair, Replace and Upgrade HVAC Systems in 4 Buildings
- b. To Purchase and Maintain Technology Equipment and Software
- c. For General Operating and Maintenance Expenses

Result:

“Yes” Votes: 1,305

“No” Votes: 2,097

Post 2005 Referendum Survey Results: Voters said...

- We're concerned about property taxes
- We want to support the current level of educational programming, but...
 - We want a sunset
 - We won't write a blank check
 - Give us choices
 - Work harder to cut spending
 - We want to be asked to spend a smaller amount of money more frequently if needed
 - Schedule a referendum to coincide with a regularly scheduled election
 - We expect School Board members to support it actively



April 4, 2006 Referendum

[April 4, 2006 - DISTRICT NEED]

The District faced the same three major challenges:

- Needed Building Upgrades – HVAC systems at Barrie, Rockwell, Purdy and the Middle School
- A Structural Financial Deficit – An annual revenue shortfall for day-to-day operations
- Technology Needs – The State TEACH Grant used for technology ended in 2003.

April 4, 2006

ROLE of COMMUNITY

- Taskforce Established by BOE
- 18 Community Members
- Taskforce Charge:
 - Understand the fiscal condition of the District and forecast five years out
 - Develop long-term recommendations to address fiscal challenges
 - If a referendum is recommended, prepare a plan and timeline.
 - Taskforce guidelines from BOE:
 - Be supported by the Taskforce as a whole;
 - Indicate how each fiscal challenge would be addressed; and,
 - Include a list of advantages and disadvantages of the options
- “Friends Of Fort Schools” Citizen Group Formed

April 4, 2006

Taskforce Recommendations

Option A:

- Through cuts and additional revenue
 - Reduce 2006-07 budget \$150,000 on a recurring basis (used to fund technology)
 - Reduce the 2007-08 budget an additional \$100,000 on a recurring basis
- In April 2006, ask voters for permission to exceed revenue limits on a non-recurring basis by \$1,063,000
 - Beginning with 2007-08 and ending 2011-2012, (5 years) to maintain educational programming.

April 4, 2006

Taskforce Recommendations

Option B

- Make reductions and seek alternative revenue sources to balance budget
- Survey all school District residents regarding various budget reduction possibilities, identify cost, benefit, value relationships
- In October 2006, reconvene Taskforce to refine recommendation
- In April 2007, ask voters to approve exceeding revenue caps to maintain educational programming and technology (amount and timing to be determined by Taskforce and determined by School Board)

April 4, 2006

Taskforce Recommendation

Regardless of Option Selected, District MUST:

- Reduce spending
- Work to increase enrollment
- Seek alternative funding
- Be proactive: Innovative ideas/partnerships
- Upgrade and maintain older buildings
- Technology – Operational expense (integrate into budget)

April 4, 2006

BOARD DECISION

After consideration of Taskforce options, the Board of Education:

- Acknowledged and honored public feedback received through the survey in public reports, publications and through the media
- Used portions of the Taskforce recommendations and made modifications
- Made presentations with Taskforce members to civic organizations/community groups

April 4, 2006

QUESTION & RESULT

Three Questions:

- Issue \$9,650,000 in bonds to pay for conventional technology repair, replace and update the heating and ventilations systems and to install air conditioning in Barrie, Purdy, Rockwell and the Middle School.
- Issue an additional \$1,040,000 in bonds to pay the additional cost of using geothermal to heat, ventilate and air condition the four buildings.
- Exceed its state-imposed revenue limits by an amount not to exceed \$694,000 each year for five years on a non-recurring basis to maintain educational programming.

Result:

Voters approved all three questions by a narrow margin:

- Question 1 (HVAC) won by 199 votes
- Question 2 (Geothermal) won by 83 votes
- Question 3 (Operational) won by 20 votes



April 5, 2011 Referendum

[April 5, 2011 - DISTRICT NEED]

With the sunset of the April, 2006 Referendum, the District faced a structural financial deficit

- An annual revenue shortfall for day-to-day operations
- \$694,000 reduction to the operational budget

April 5, 2011

ROLE of COMMUNITY

- Taskforce Established by BOE
- 19 Community Members
- Taskforce Charge by BOE:
 - Develop a collective understanding of the District's current fiscal condition and its forecast for at least the next five years.
 - Develop the long-term fiscal recommendation(s) to address fiscal challenges for consideration by the Board and presentation to the community.
 - If the final recommendation(s) includes referendum, prepare a plan, including a timetable for when and how to implement that recommendation.
 - Indicate how the financial challenges would be addressed
 - Include a list of the option's advantages and disadvantages.

April 5, 2011

ROLE of COMMUNITY

Taskforce Actions:

- Taskforce recommended conducting a meeting and follow up survey with District staff resulting in a list of 300 ideas for potential cost savings/revenue generation
- Reviewed results tabulated that were categorized and related costs determined with feasibility considerations
- Analyzed the entire operational budget

April 5, 2011

Taskforce Recommendation

- Continue to exceed revenue limits by \$694,000 per year
- Sunset after 5 years
- Reduce expenditures
- Raise revenue

[April 5, 2011 – BOARD DECISION]

After consideration of Taskforce options, the Board of Education:

- Used portions of the Taskforce recommendations and made modifications (changed sunset to 3 years)
- Made presentations to civic groups

April 5, 2011

QUESTION & RESULT

Question:

The School District budget shall include an amount not to exceed \$694,000, which is the same level of support as the 2006 referendum, in excess of the revenue limits imposed by a section of the Wisconsin Statutes each year of a period of three years on a non-recurring basis, beginning with the 2011-12 school year and ending with the 2013-14 school year for the purpose of maintaining educational programs in the School District.

Result:

- Initially passed on election day by 10 votes
- After a requested recount, passed by 4 votes
- Recount challenged in court and upheld
- Total District cost for recount: \$32,854.22

[In Summary ...]

2006 – \$694,000 Above Revenue Limit for Five Years

2011 – \$694,000 Above Revenue Limit for Three Years

***The District has not asked for an increase in funding
for the past eight years.***

Revenue Enhancements

State of the District
October 21, 2013

SCHOOL DISTRICT OF



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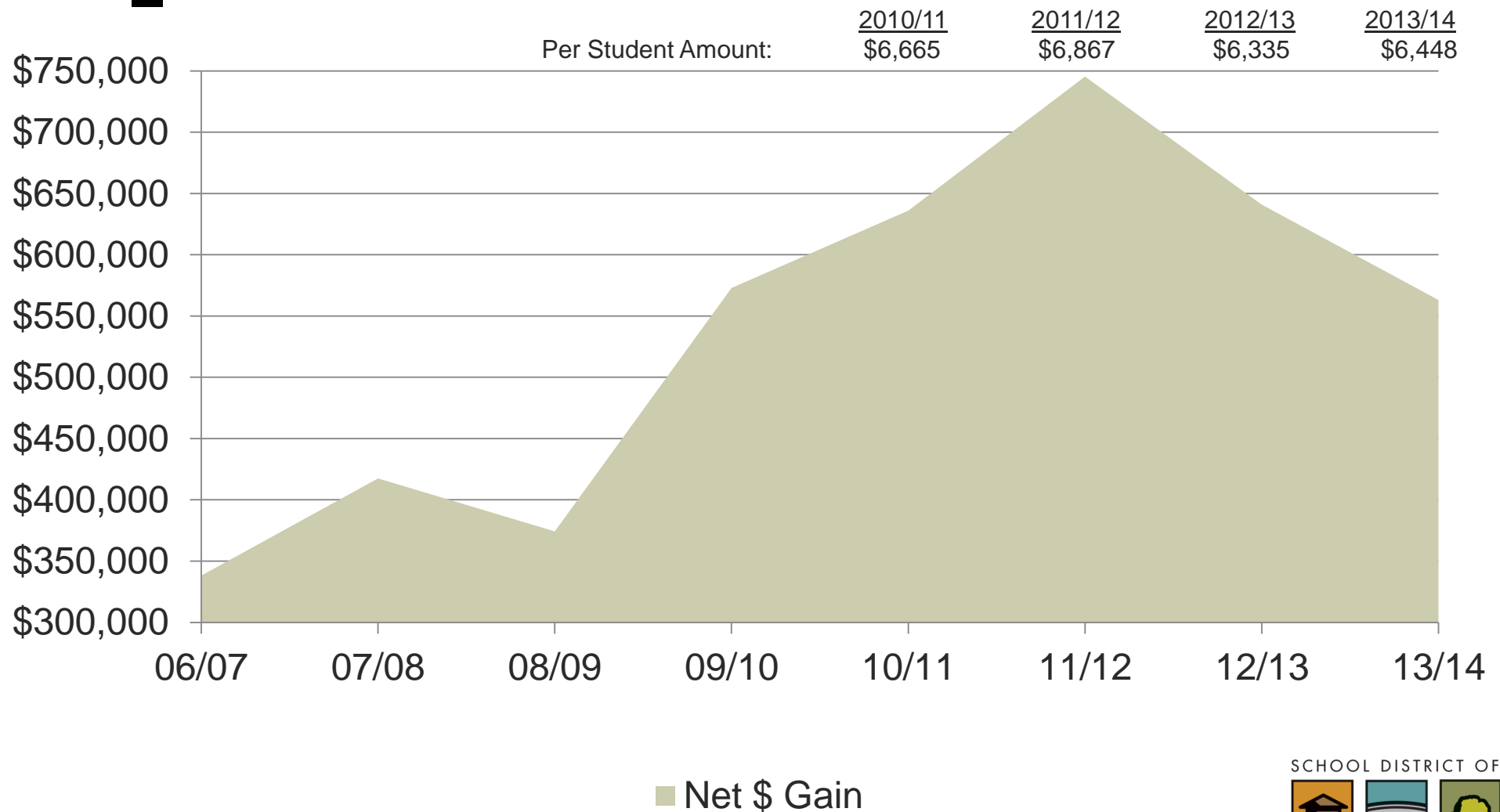
[Sponsorships]

- Secured **\$228,500** in the first year of the Sponsorship Program
- Helps Defray Costs of Projects and Enhance Programming
- Sponsorships Currently Secured:
 - Football Stadium Naming Rights
 - Football Scoreboard Replacement & Enhancement with Message Center
 - High School Technology & Engineering Program Upgrade
 - High School Gymnasium Naming Rights
 - High School Strength & Conditioning Center
 - High School Mobile Apps Computer Lab
 - High School Computer Math Program Upgrade

[Open Enrollment]

- Statewide program to attend a public school outside of your resident district
- Three month window in the spring to apply for the following school year
- Can apply to attend up to three other districts
- Won't know who follows through on application until the first day of school
- District student is leaving pays the district student is attending (\$6,448 in 2013/14)

Net Open Enrollment Gains



[Grants]

- Provide for Program Enhancements
- Do Not Offset Operating Costs
 - Except federally appropriated funding for special education and low-income programs
- Program Enhancements Since 2006/07:
 - 21st Century Learning Center Grant
 - Immigrant Children & Youth Grant

Savings Opportunities

State of the District
October 21, 2013

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[How We've Operated Since 2006...]

- Everyone Does More With Less
- Reallocate Within Budget Rather than Increase Budget
- Evaluate ALL Attrition Opportunities for Savings
- Create Savings When & Where Possible Without Negatively Impacting Student Programming
 - Current High School & Middle School Custodial Vacancies
 - Support Staff Replacements Hired Less Than 4 Hours to Avoid Benefit Expense

Major Recent Savings Items

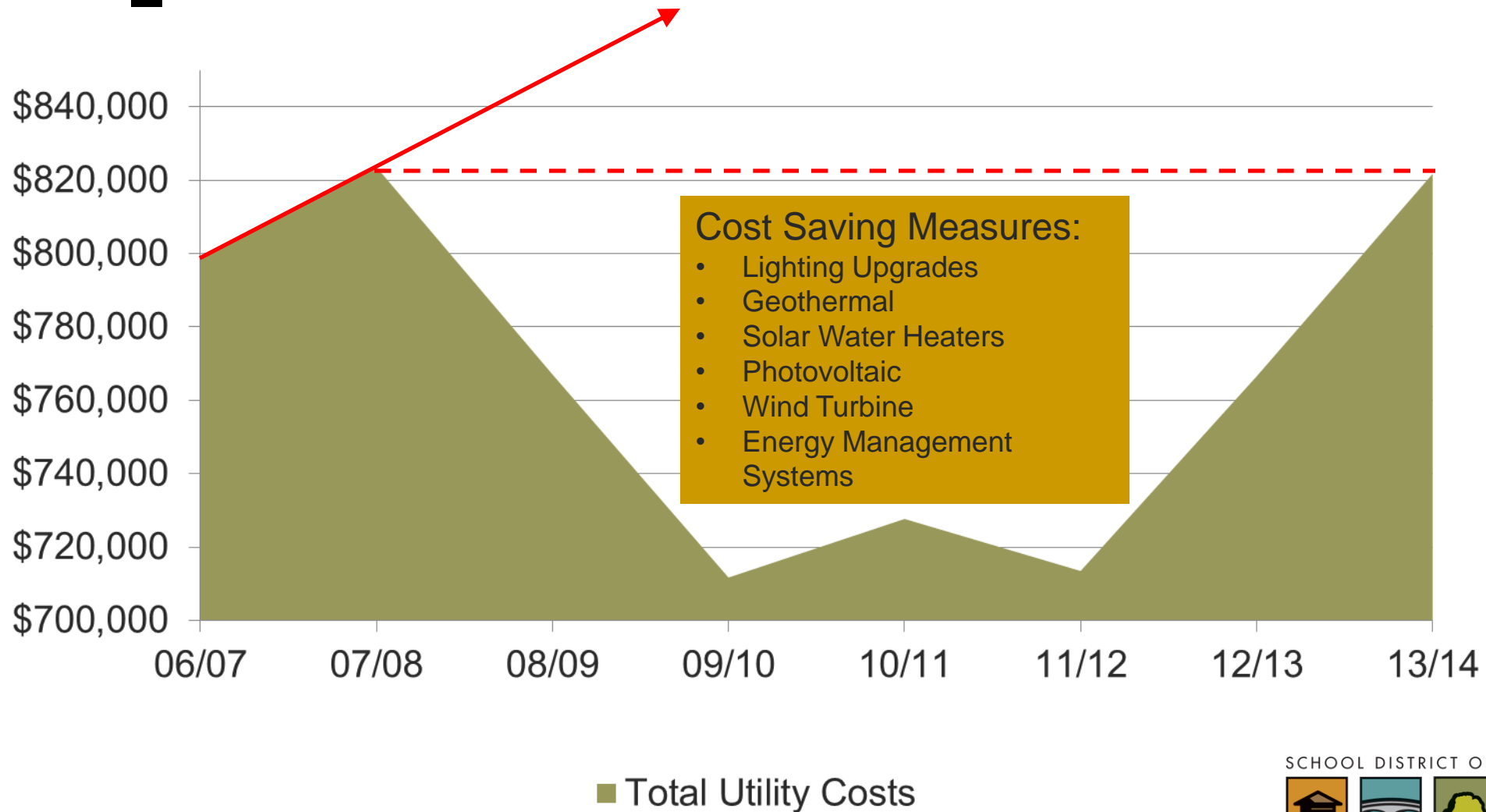
- Act 10 Opportunities
 - 50% of Retirement Contribution
 - 2.6% More of Health Premium
- WRS Liability Payoff
- Alignment of Salary Increases with Revenue Limit Increase
- Summer School Pay at Base Rate
- Minimal enrollment benchmarks at High School to run elective offering
- Changed definition of full time to include up to 6 teaching sections per day (from 5)
- Long Term: Decrease of Retiree Health Insurance Liability


Green Energy Efforts & Awards

- All Buildings Energy Star Certified
- Recognized Nationally as a Green Ribbon District
- Recognized National Leader Regarding Sustainable Energy
- Visited & Recognized by the Federal Department of Education
- Featured in Numerous State and National Publications
- Partner with Agencies to Promote Sustainability



[Total Utility Costs]





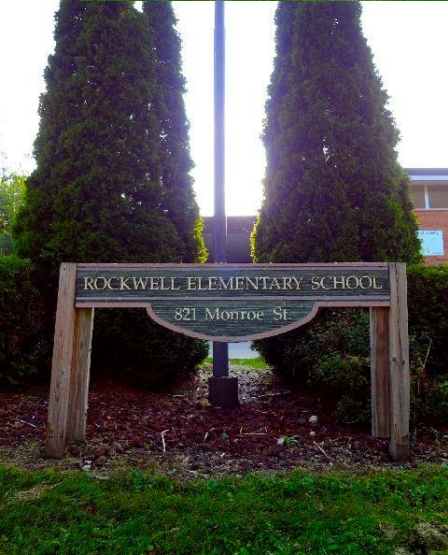
Break / Questions??

The Changing State of Education

State of the District
October 21, 2013

[We have lots of FORT PRIDE!]

Six well-maintained buildings full of great learning!



Academic Achievements

- All Schools Meeting or Exceeding Expectations on School Report Cards
- State assessments at or above State average
- National Exemplary Reading Program Award for our 4 Elementary Schools
- Identified as one of the 100 Best Music Communities
- High number of AP Scholars over many offerings
- Dual credit offerings, certification programs
- Great partnerships (Boys & Girls Club)

Commitment to our Kids & Community

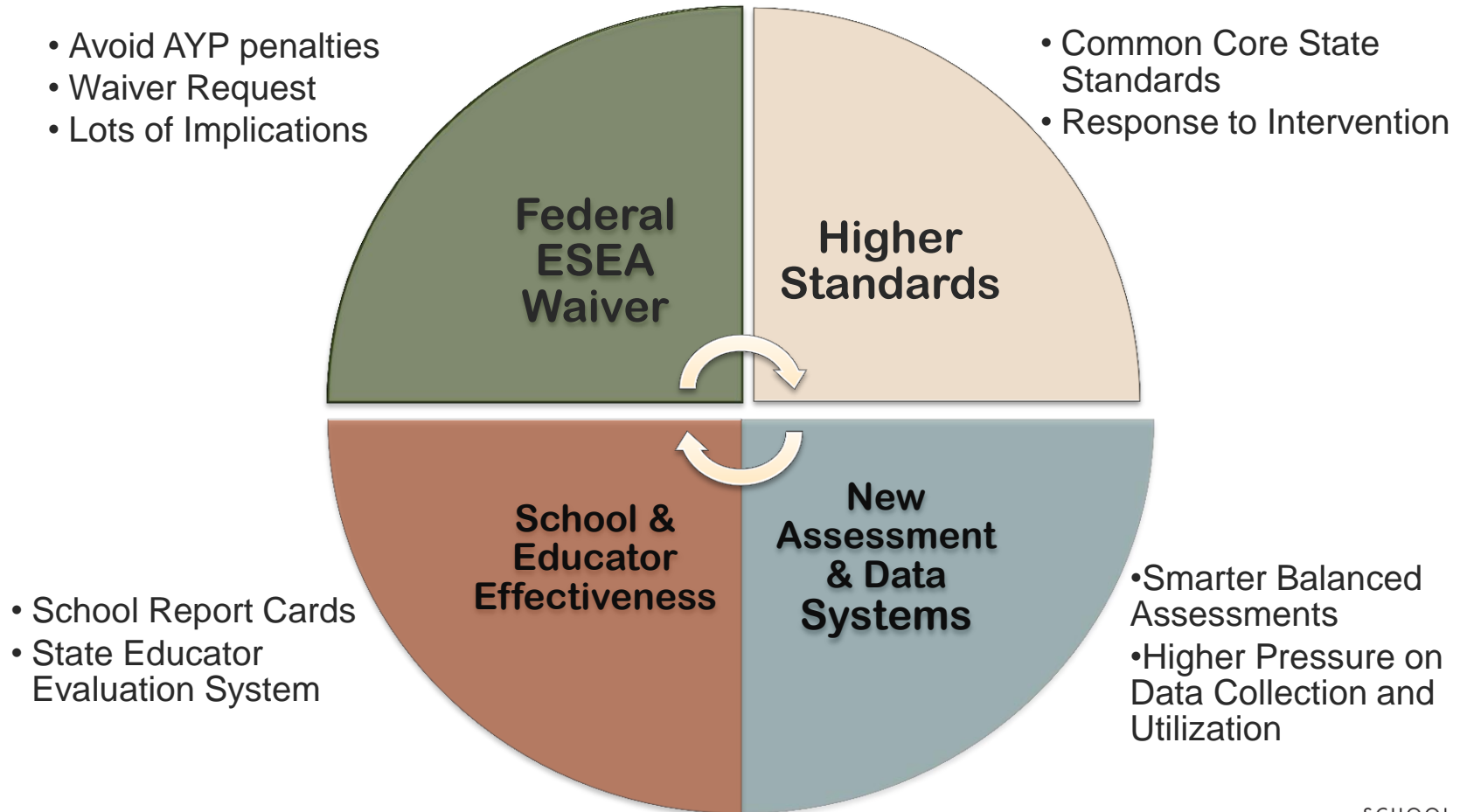
- Maintain the programs we have worked hard to build that fit the needs of our community
- Continue to stay current when the world is changing so quickly
- Keep tabs on “pace and pulse” for all of our staff ... people can only take on so much new at a time
- Keep a focus on the kids & our mission



HELLO
my name is

CHANGE

State of Wisconsin “Agenda 2017”



“Agenda 2017”

HIGHER STANDARDS



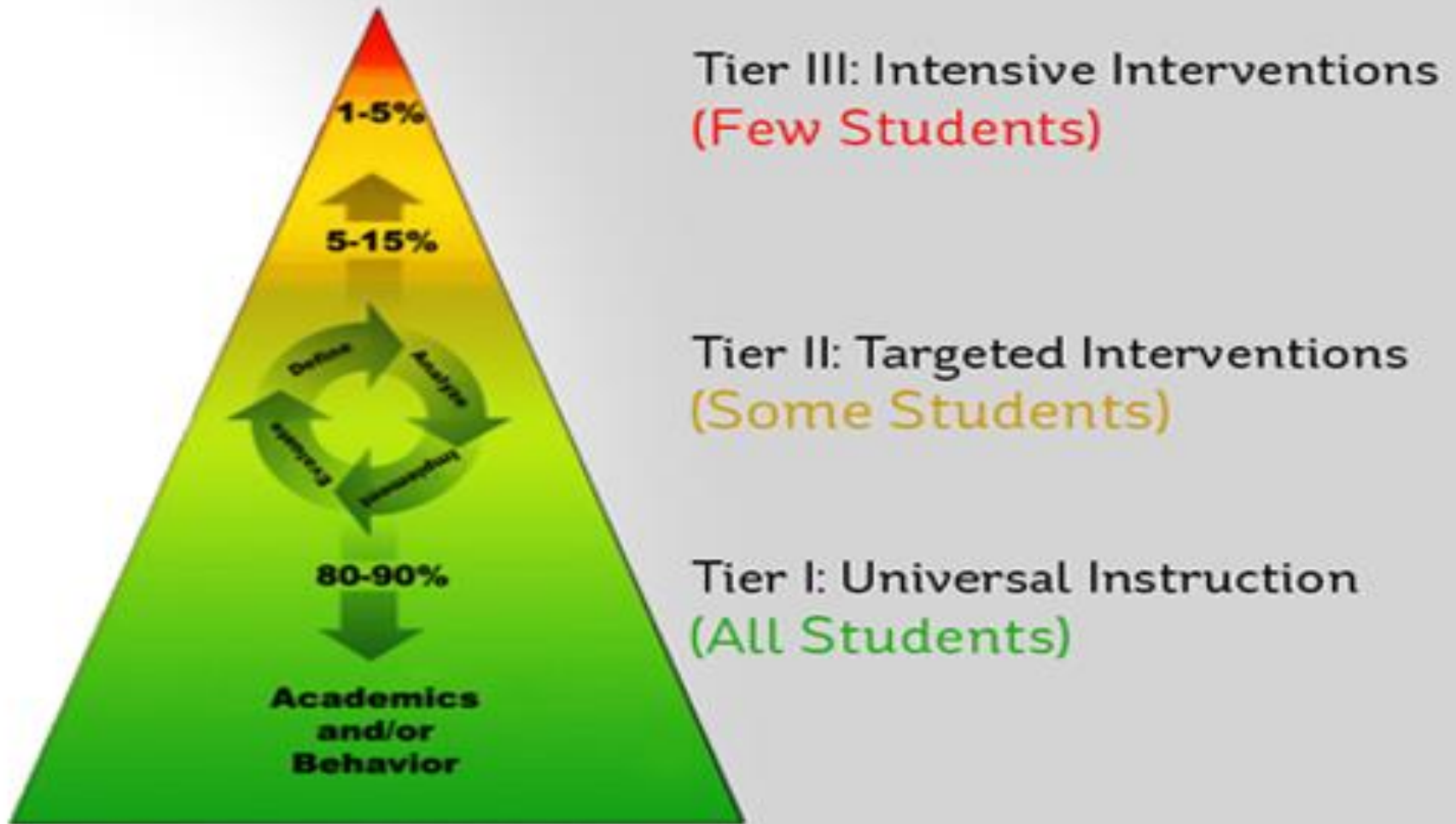
Wisconsin RtI Center
Wisconsin PBIS Network
IDEA CFDA 84.027



[Common Core State Standards]

- National Standards for Reading and Math in grades K-12
- Focus on getting all students career and college ready ... very rigorous compared to our previous WI State Standards
- Requires curriculum and material alignment in all grade levels to these more rigorous standards
- Requires intense staff development in both content and practice
- Full implementation by Fall of 2014

Response to Intervention (RtI)



RtI & Changes to the Specific Learning Disabilities (SLD) Criteria

- Starting on December 1st, all districts in the state will be required to use a process of Response to Intervention (RTI) to identify students with a disability
- This change requires our district to document specific research-based interventions in the areas of math and literacy that a student with academic delays is going through and their response to these interventions
- High demand for new FTE to deliver these as well as maintenance of the record keeping required
- This process calls for greater collaboration between our school psychologists, interventionists, classroom teachers, and administration

“Agenda 2017”

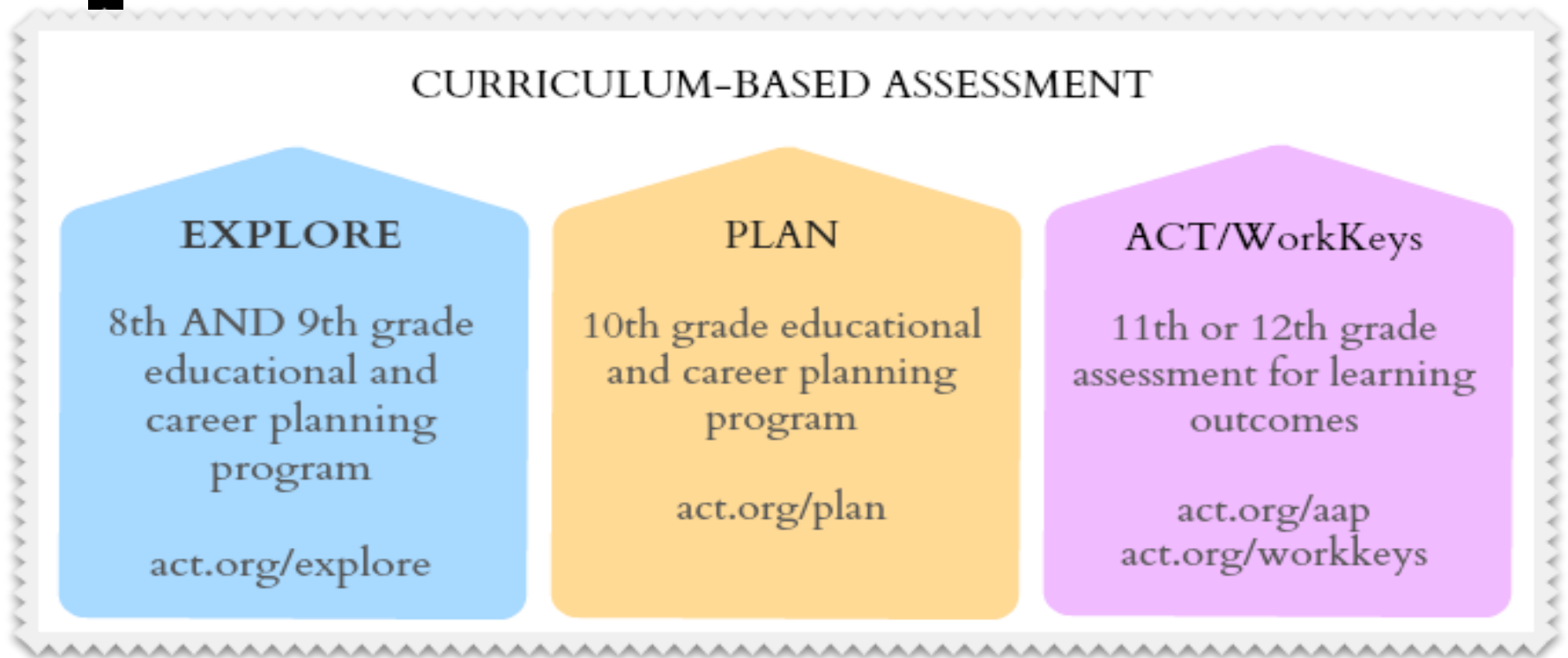
New Data Systems & Assessments



[Smarter Balanced Assessment]

- New internet-based assessments aligned to the Common Core Standards in Reading and Math
- Will be given to all students in grades 3, 4, 5, 6, 7, 8 and 11 annually in the spring
- Need to teach our kids how to take computer-based assessments
- Need to integrate these tools in to how we teach all year (lots of staff development)
- Huge technology demands (access to devices, bandwidth, wifi, etc.)

ACT Suite of Assessments



In addition to the Smarter Balanced Assessments, students in grades 8, 9, 10 and 11 will need to take the ACT Explore, Plan, WorkKeys or original ACT exam. Although these are not Common Core Aligned, they are highly favored by the Governor and were funded in the last biennial budget.

“Agenda 2017”

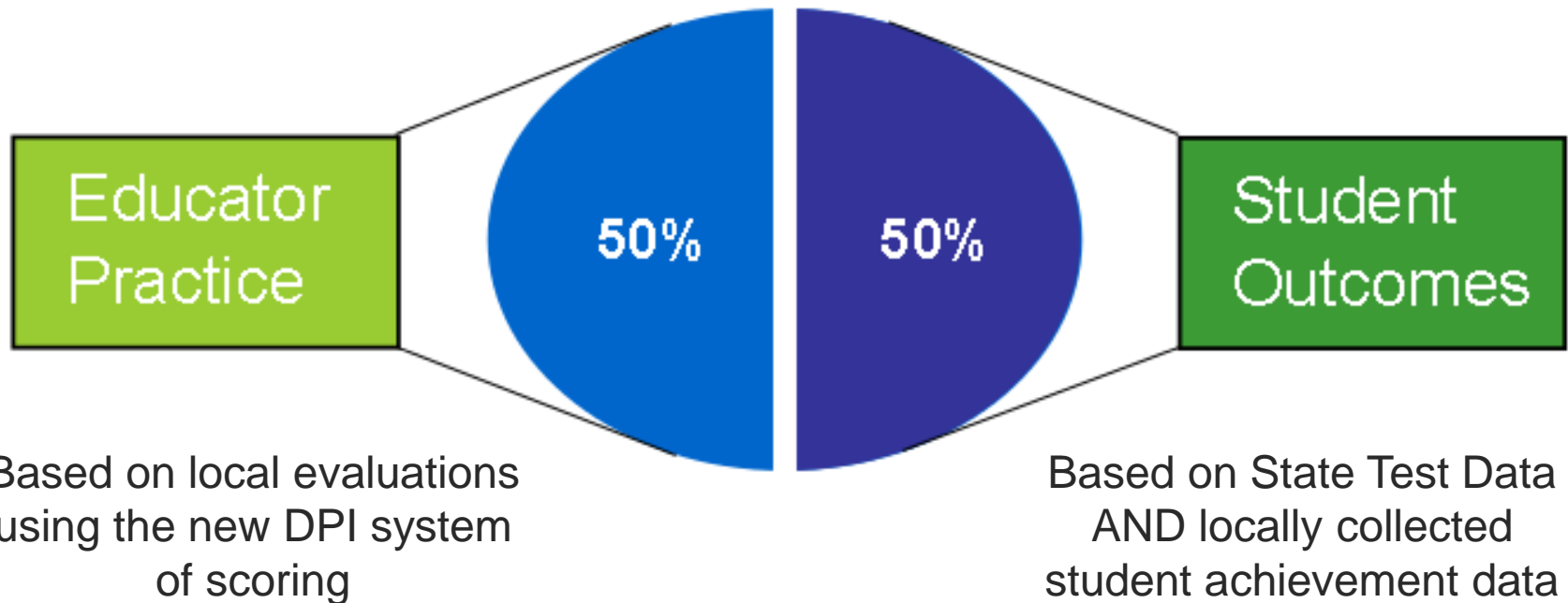
School & Educator Effectiveness

Educator Effectiveness

- State-imposed system of evaluating teachers, certified staff and principals
- “Teachscape” software and certification program for evaluators to create comparability, consistency and reliability of scores
- District required to submit individual ratings to DPI ... not sure how they will be used by DPI at this time
- Staff development will be required for all involved
- Much more formalized process ... putting pressure on districts without formal HR administrators

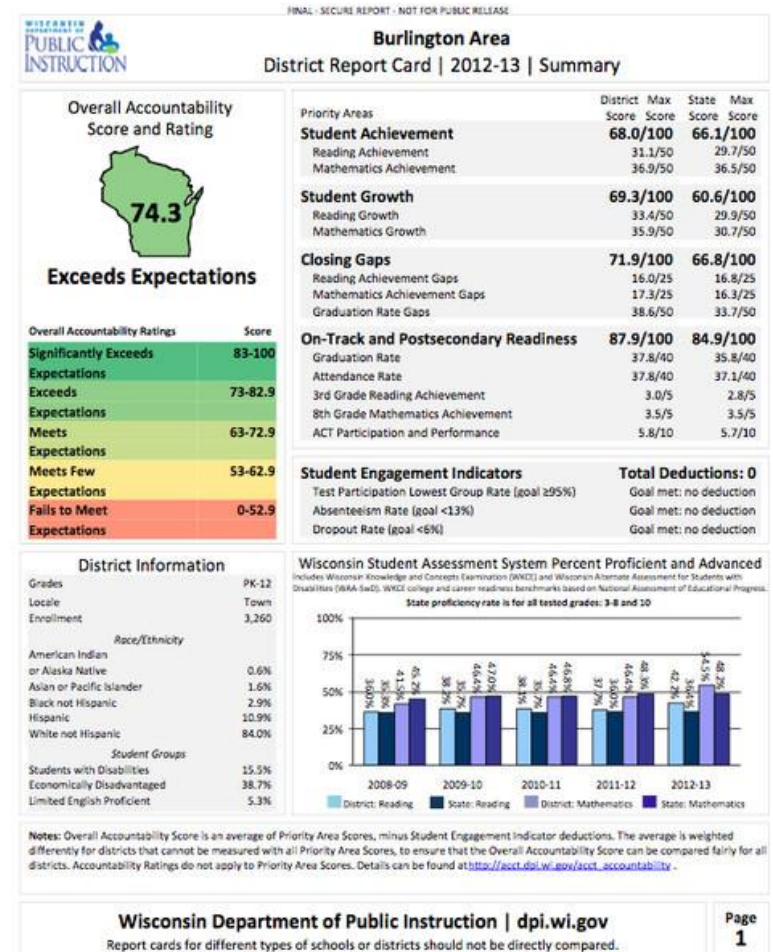
[The New Way of Evaluating]

Educator Evaluation



School & District Effectiveness

- State-designed and issued annual “Report Cards” which assign scores at the school and district level
- Based totally on State standardized testing from prior year (at this time)
- Heavy focus on reducing gaps between groups
- Putting increased pressure on our local data systems and data submissions to DPI



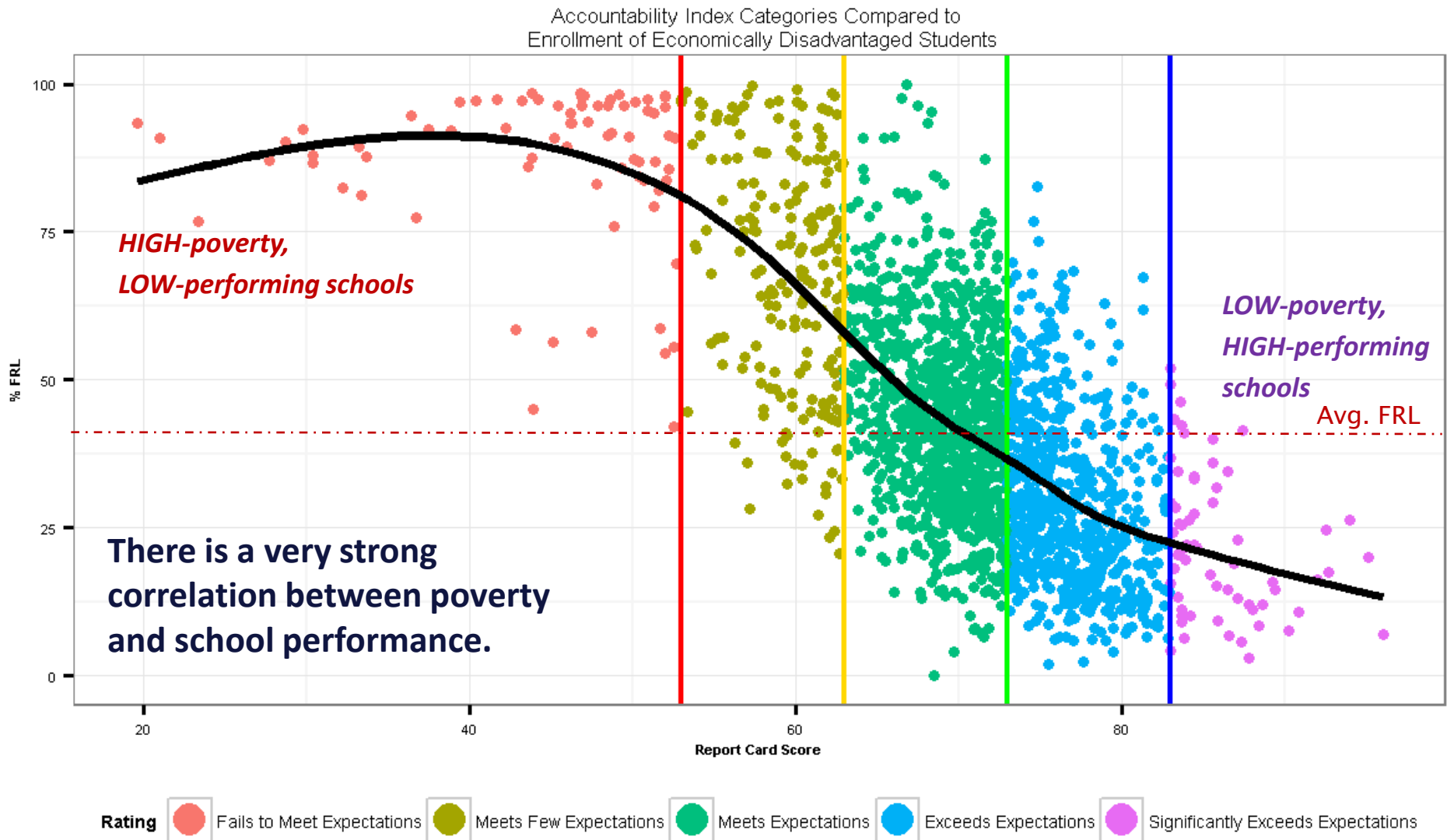


Our District has changed since 2005 ...

District Demographics

Demographic	2005	2013
Economically Disadvantaged	20% (1 in 5 families)	35% (higher than 1 in 3 families)
Limited English Proficiency	2%	5%
Race / Ethnicity	92% White 6% Hispanic 1% African American 1% Asian	84% White 12% Hispanic 2% African American 2% Asian
Disability	14%	15%

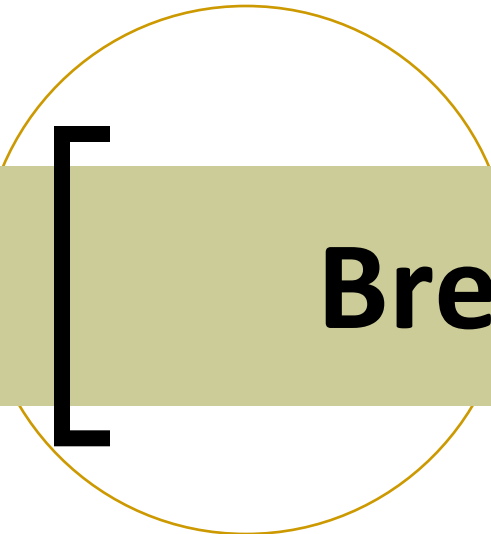
Poverty Impacts Student Performance



[Strategic Plan 2013-2018]

- New five-year plan developed with in-depth study & stakeholder feedback
- Addresses all of these new challenges ...
- Adopted by the Board of Education
 - Academic Agenda
 - Finance & Operations Agenda
 - Communications Agenda
- So much depends on funding





Break / Questions??

School Funding Overview

State of the District
October 21, 2013

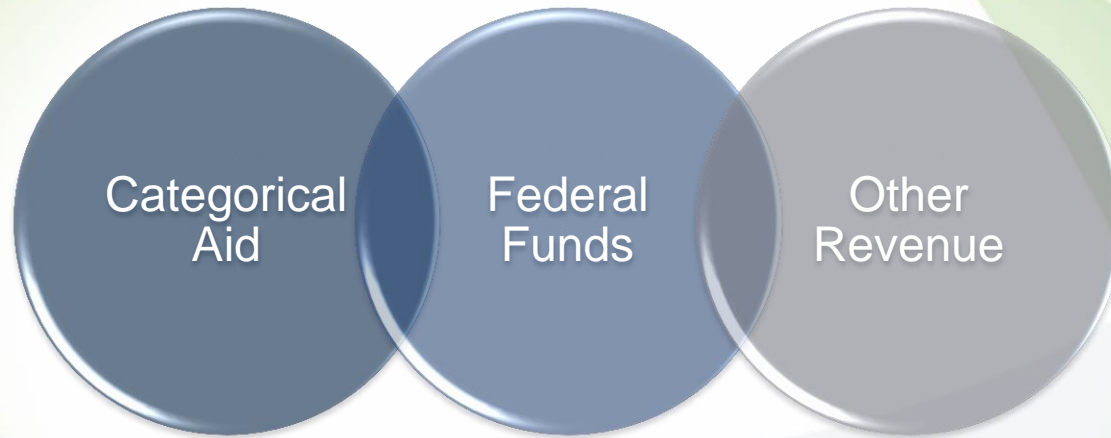
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School Funding – *Simplified!*

Outside the Revenue Limit



Revenue
Limit



State
Equalization
Aid

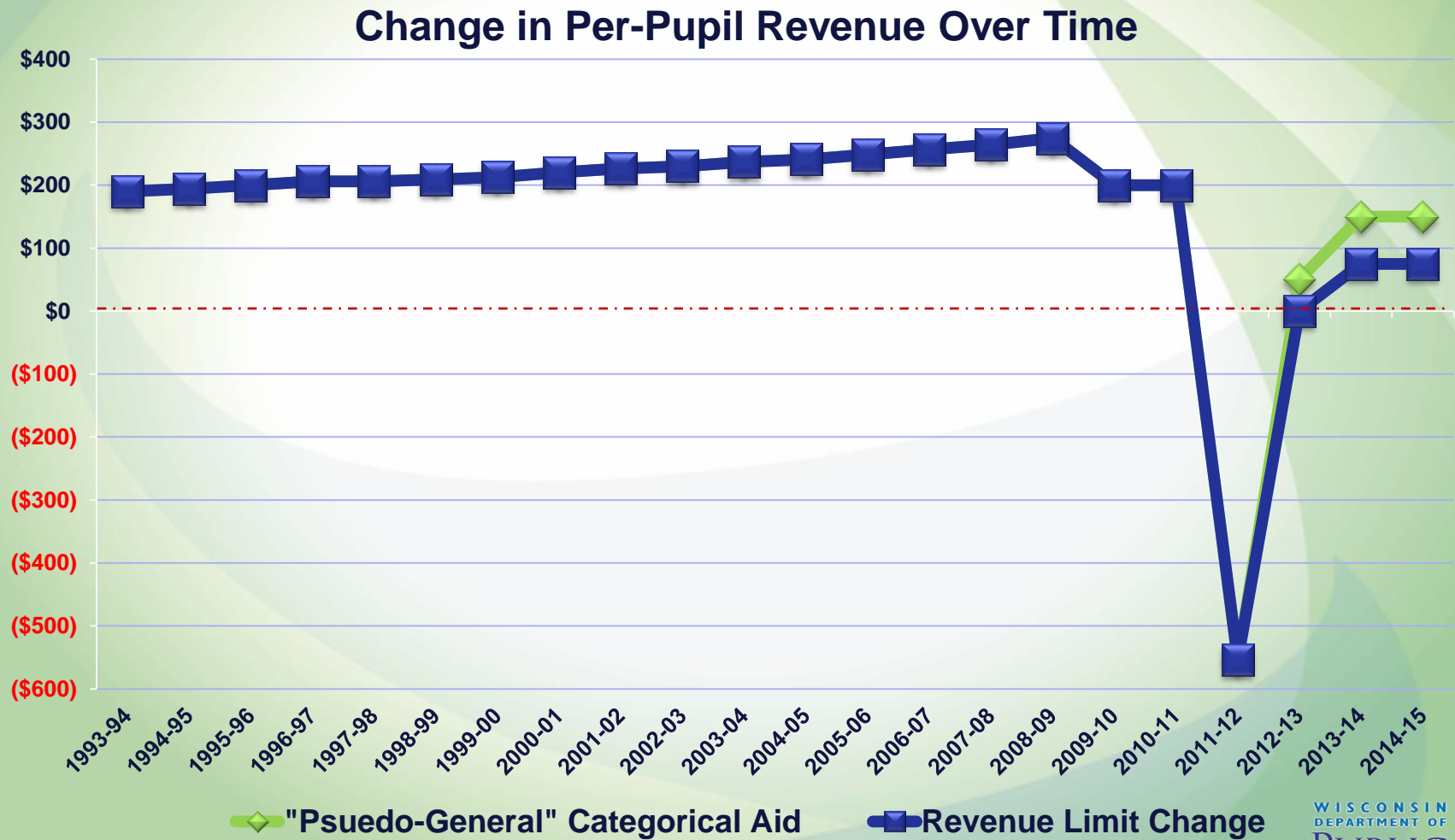


Property Tax
Levy

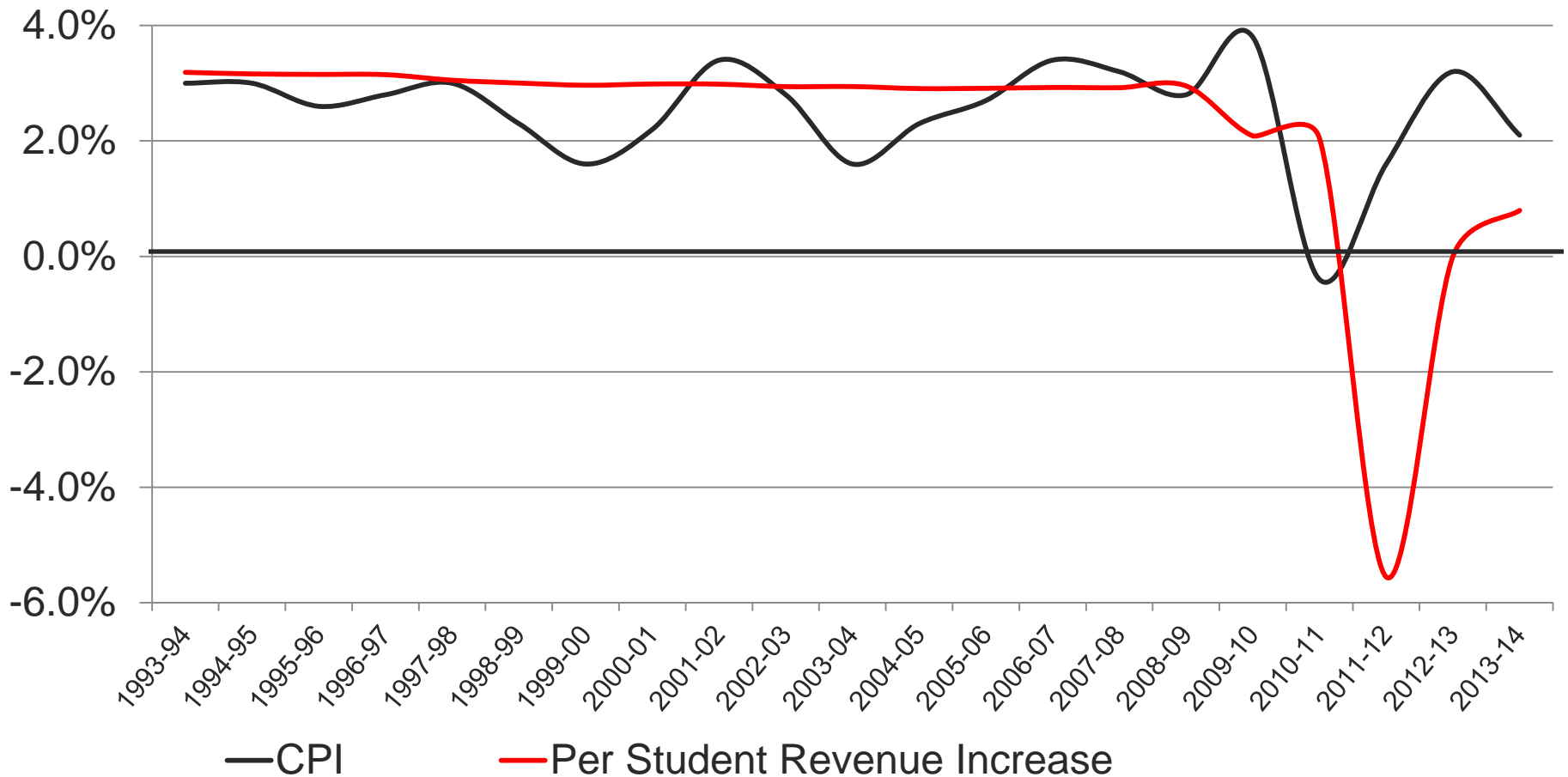
[Revenue Limit Factors]

- Enrollment
- Increases Given by the State
- Exemptions
 - Referenda
 - Special Education Costs Assumed from Other Districts
 - Energy Projects

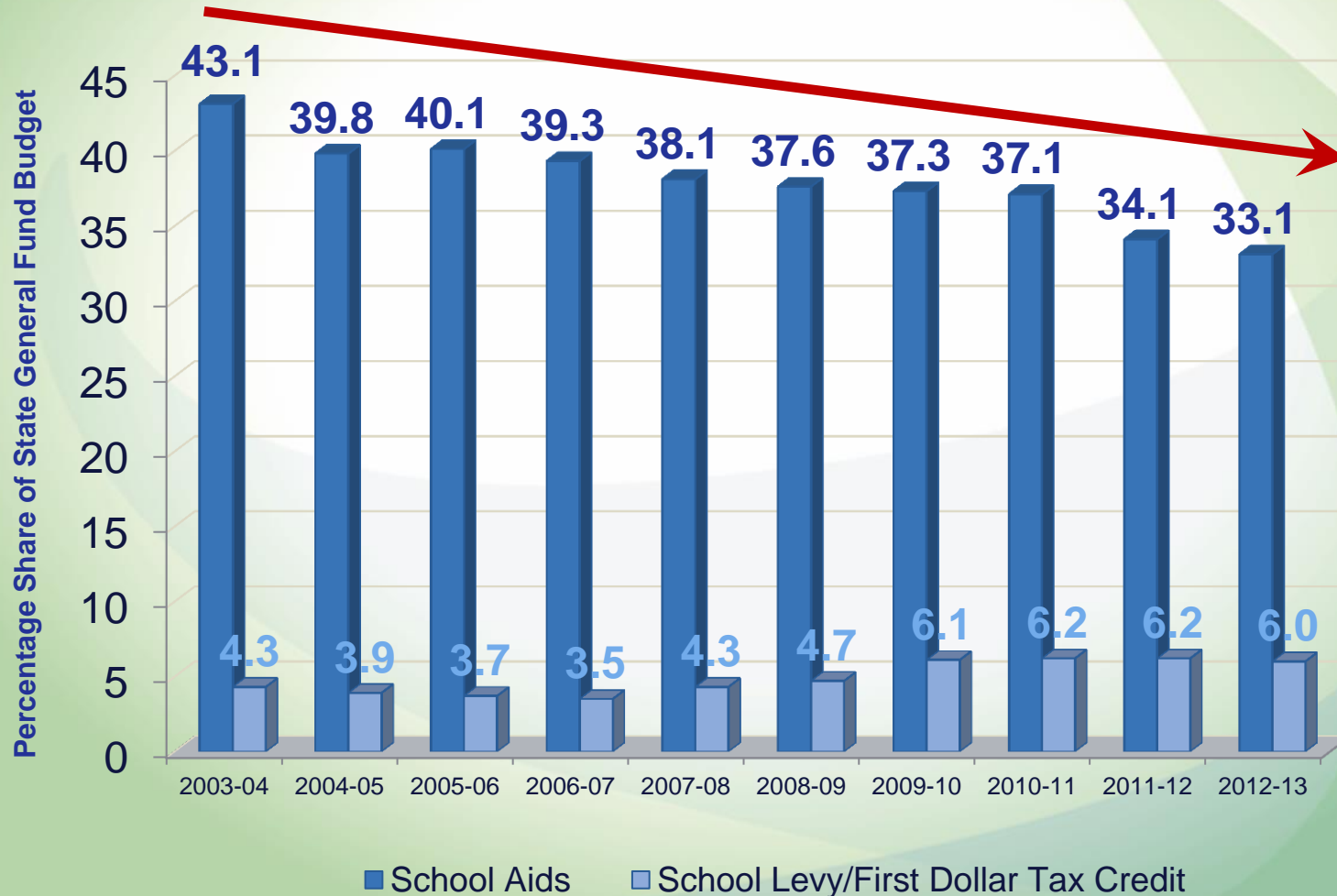
Revenue Limits Have Been Cut...



Per Student Revenue Increase

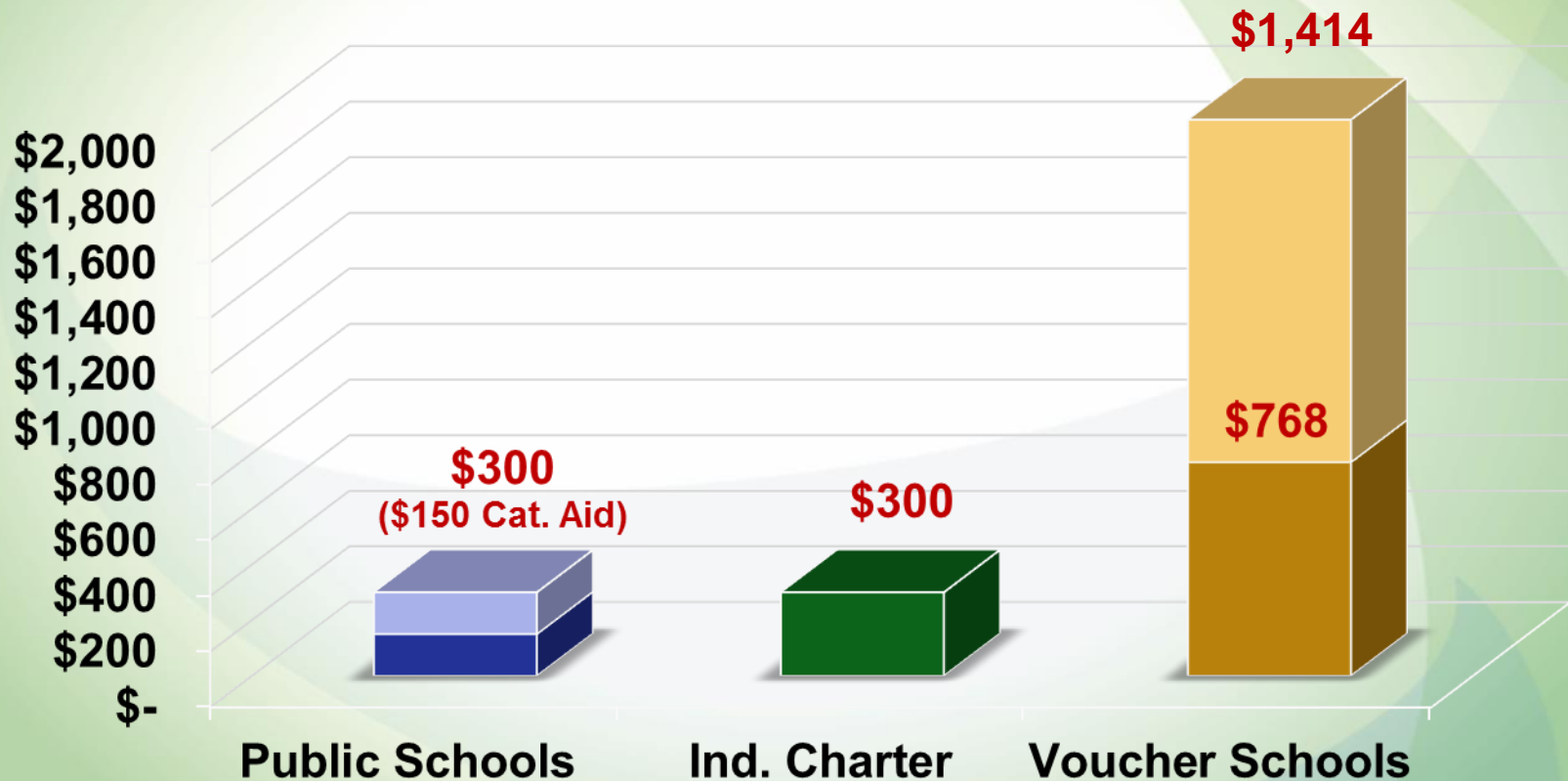


Shrinking Share of the General Fund



In the Last Budget, Voucher Schools got the Biggest Increase...

Per-Pupil Revenue Increase by School Type



Public schools also get a \$75 per student categorical aid for all kids.

District Funding

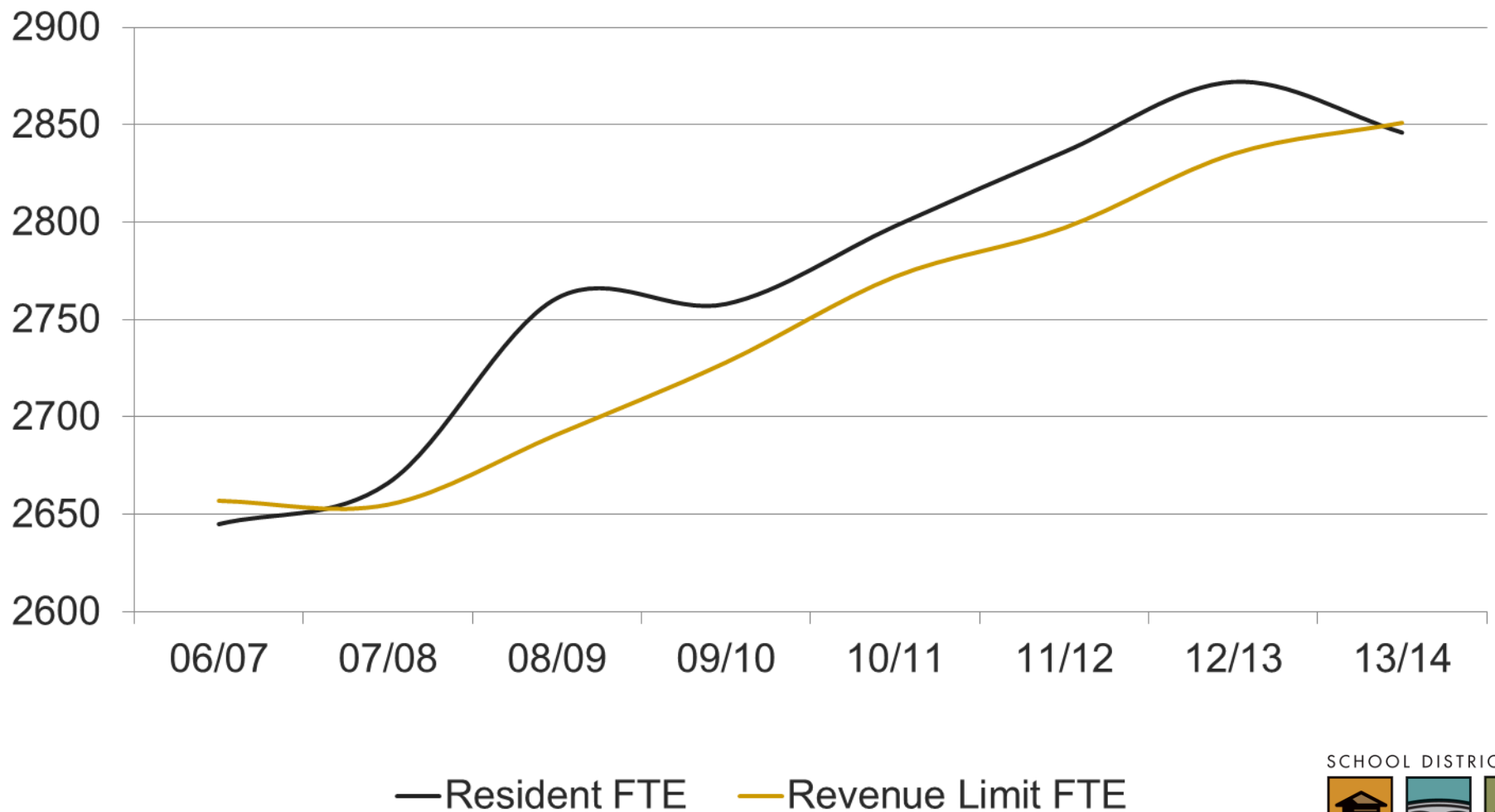
State of the District
October 21, 2013

SCHOOL DISTRICT OF

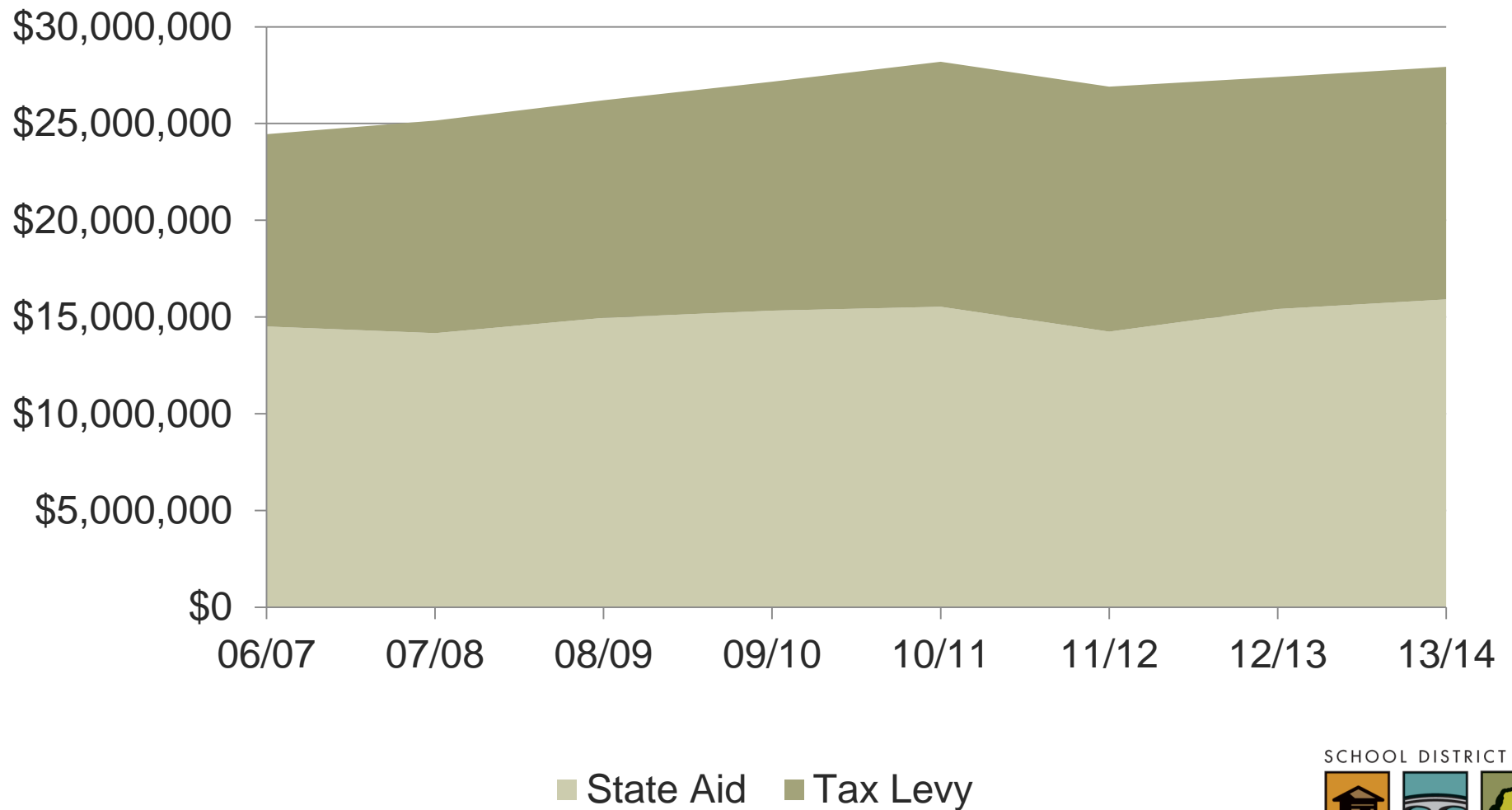


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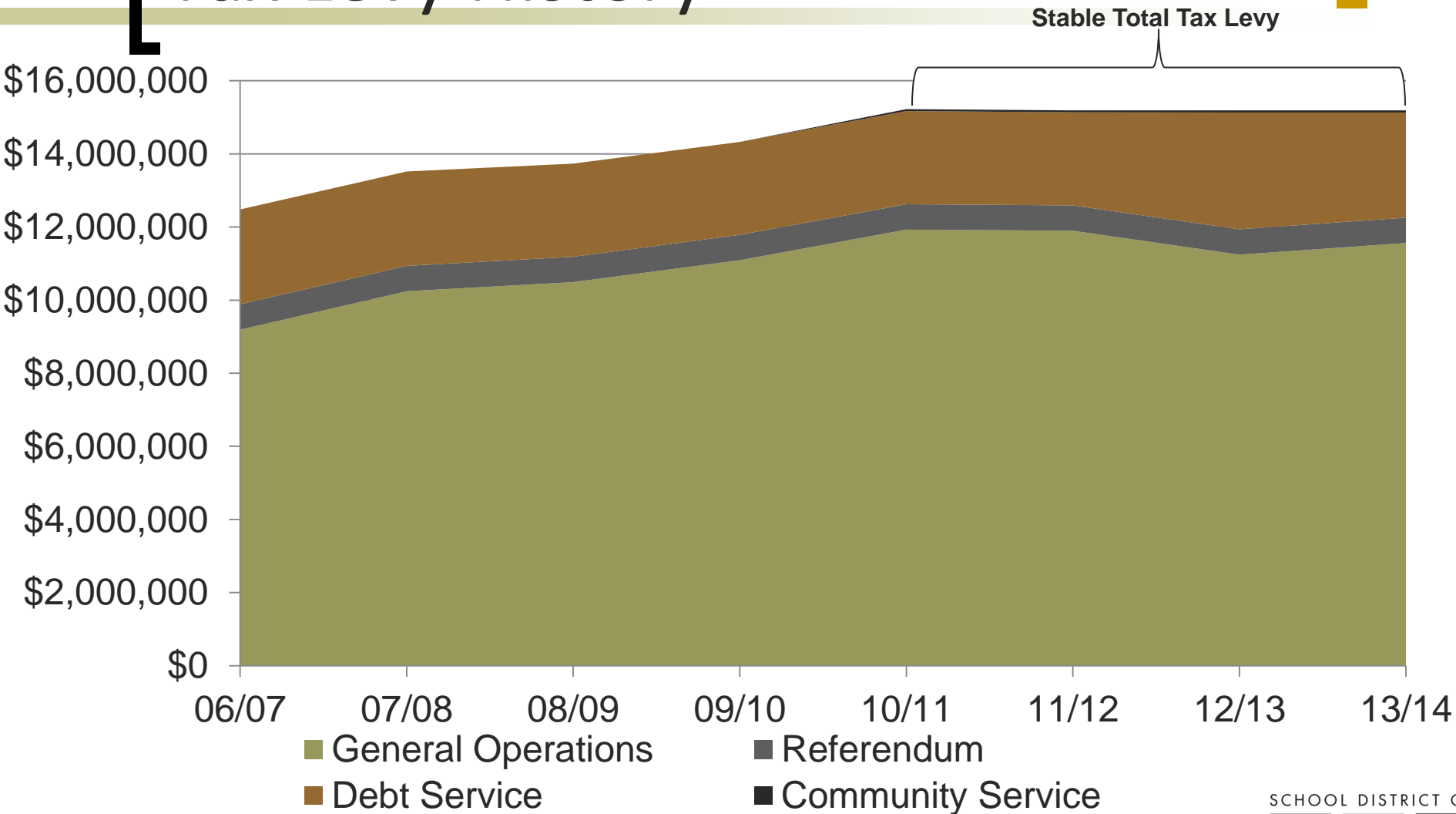
Resident Enrollment



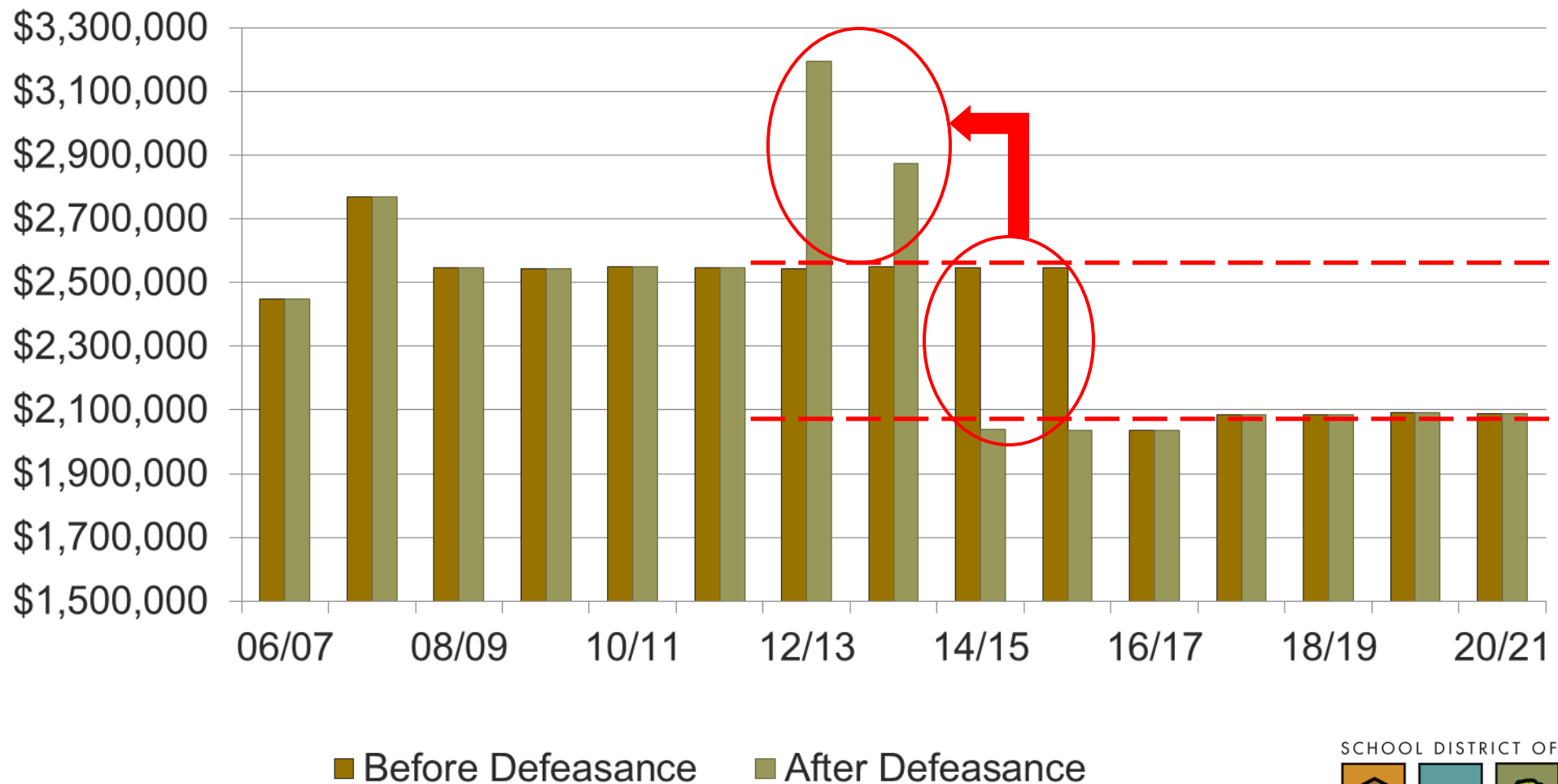
[Total Revenue Limit]



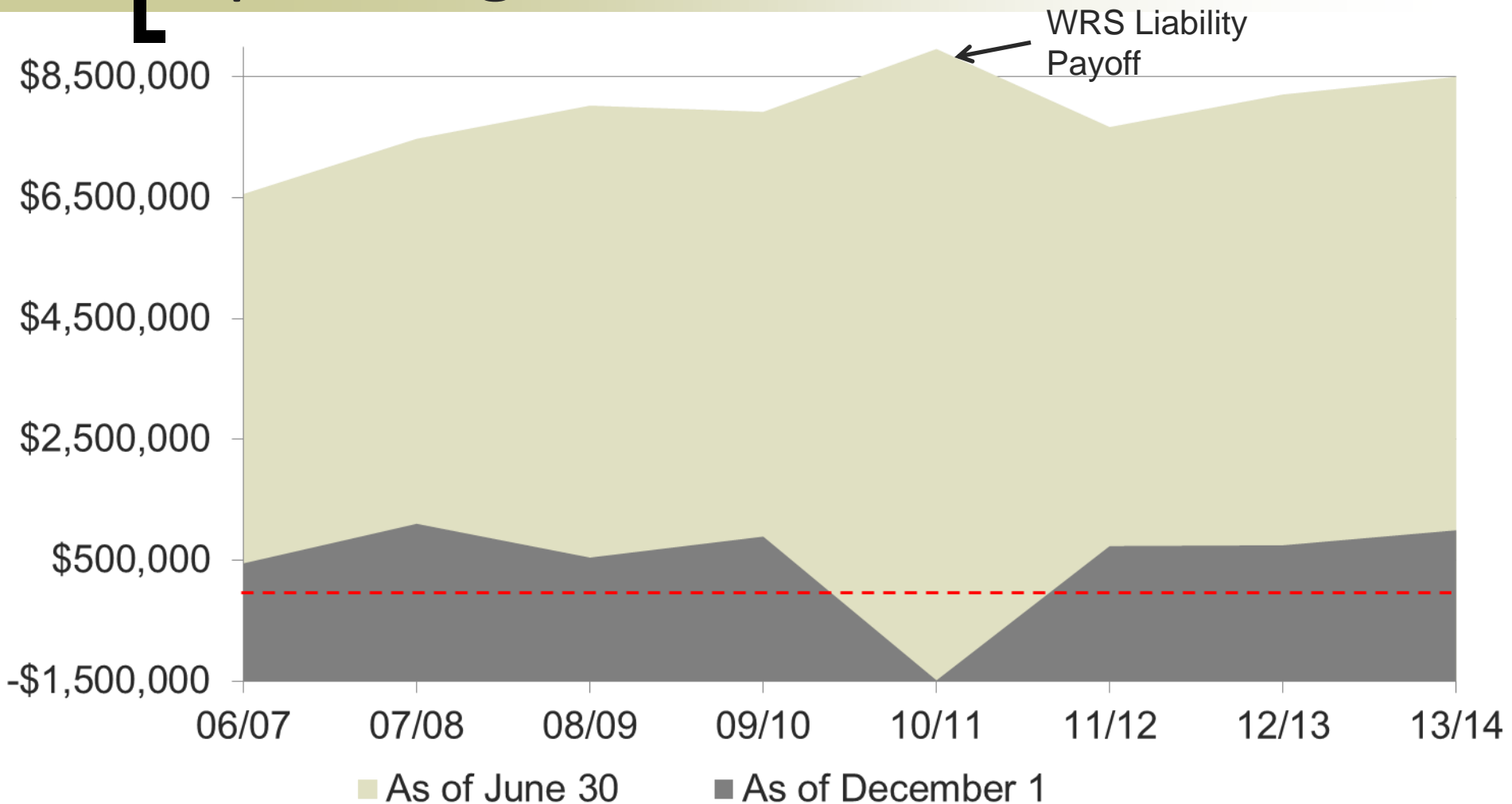
Tax Levy History



Debt Service Tax Levy



Operating Balances



Impact of Act 10

State of the District
October 21, 2013

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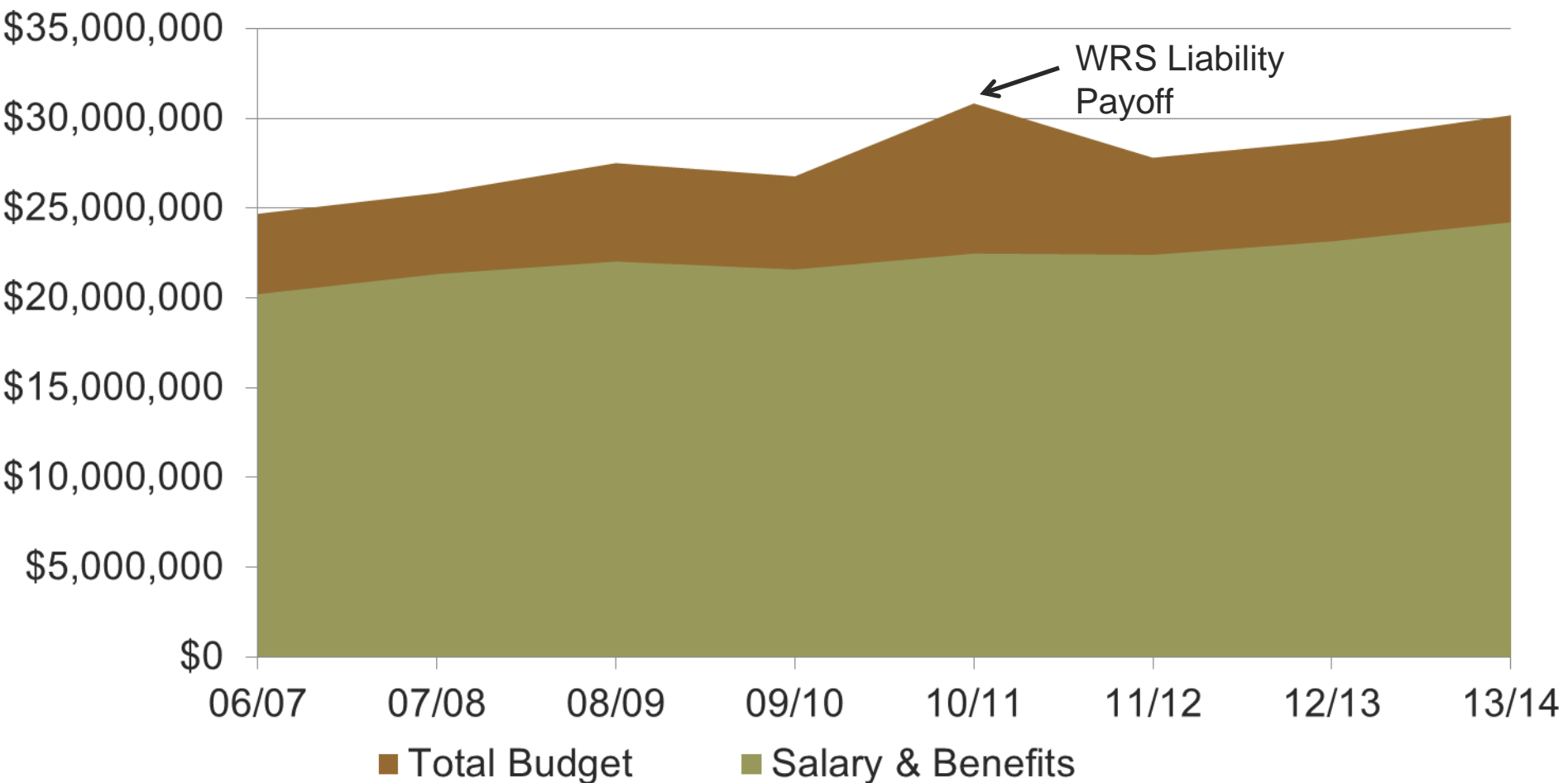


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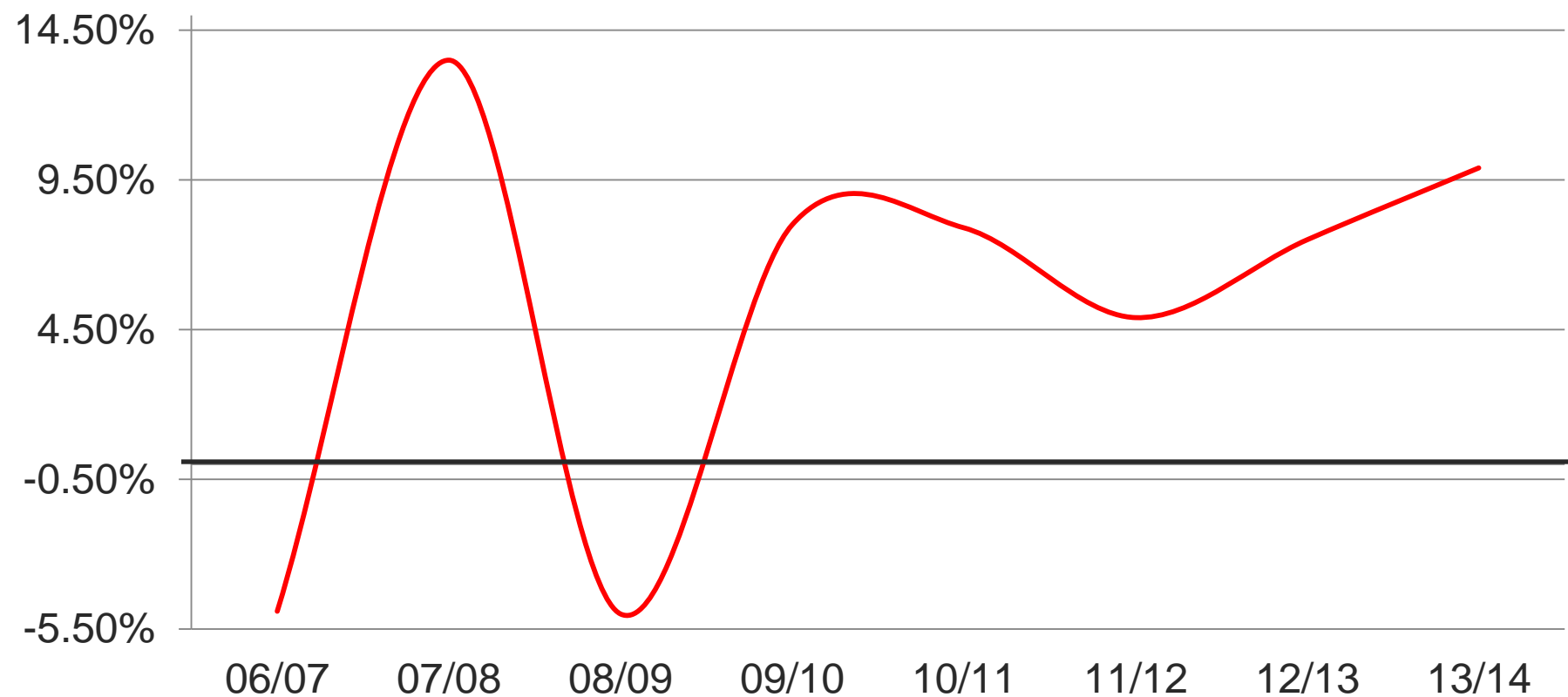
Fiscal Impact of Act 10

- Act 10 Impositions
 - Employees Paying 50% of Retirement = \$840,000 Savings
 - Note: Staff Required to Participate
 - Employees Paying 12.6% of Health Insurance Premium = \$100,000 Savings
 - Revenue Loss = \$1.5 million
- District Practice Prior to Act 10
 - Employees Paid 10% of Health Insurance Premium
 - Bid Out Whenever Renewal was Too High
 - Never Tied to One Carrier
- CPI is “Watermark,” but recurring revenue granted by state is less than 1%

Staffing Costs v. Total Budget



Health Insurance Premium Increases



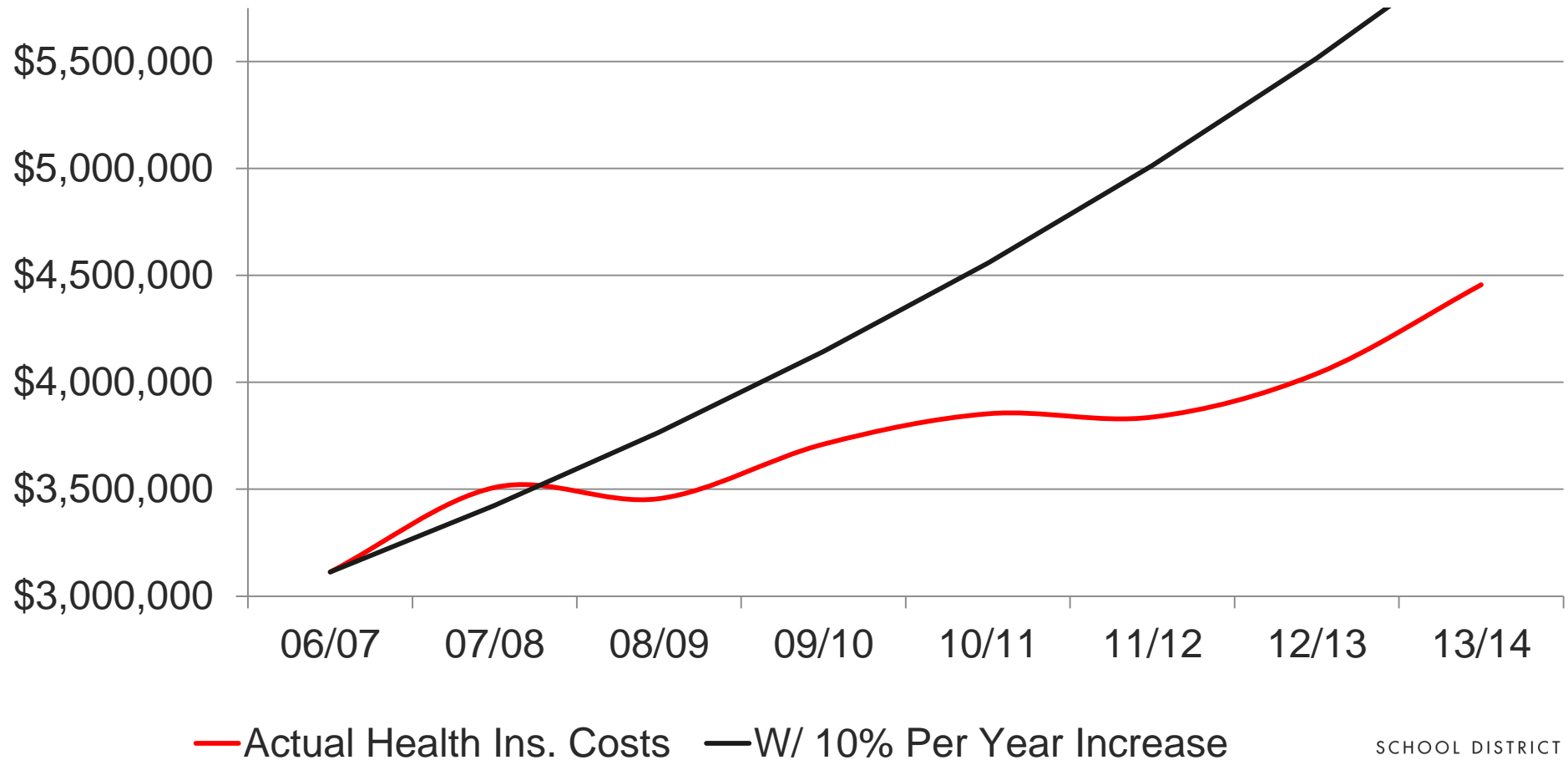
— Premium Increases

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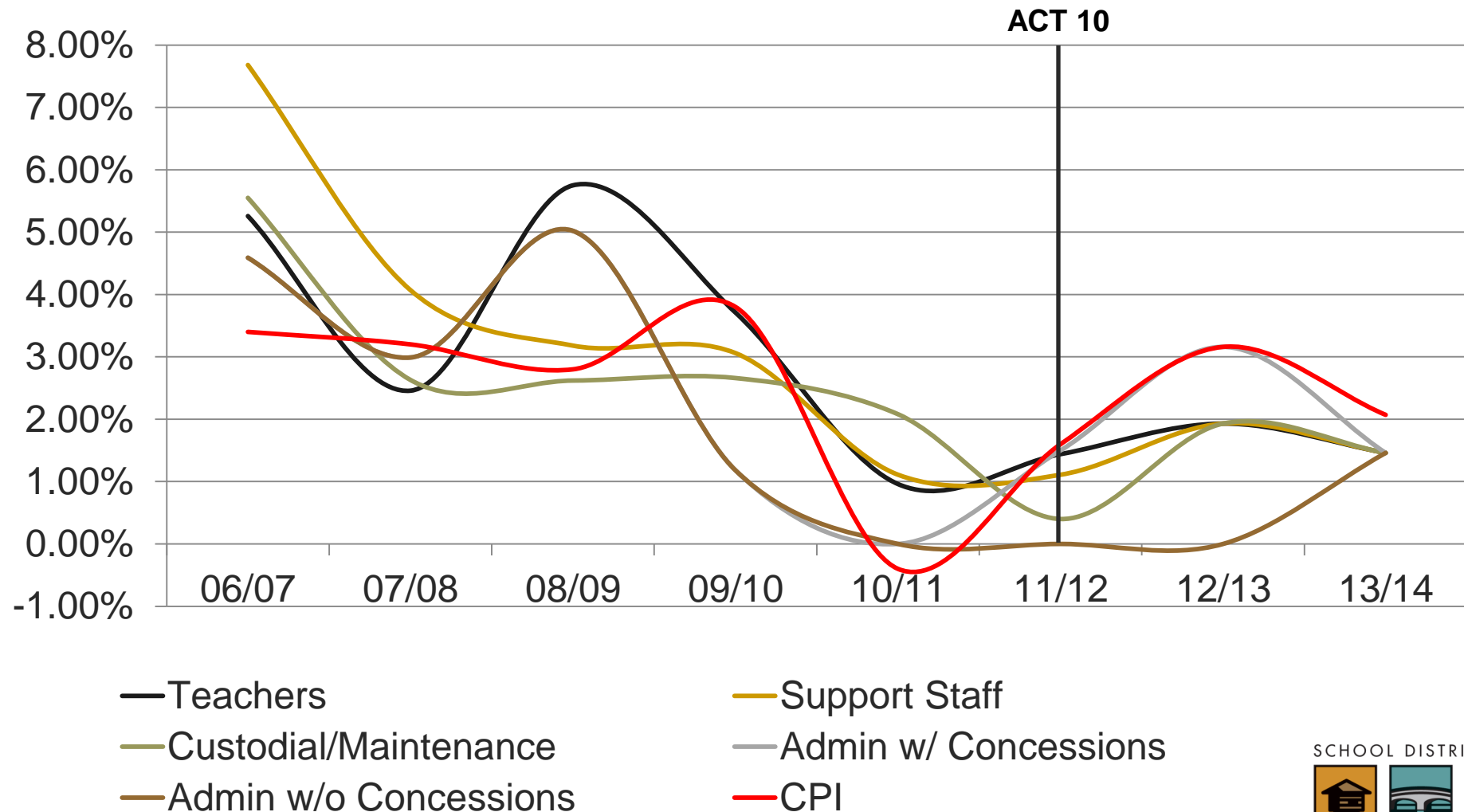


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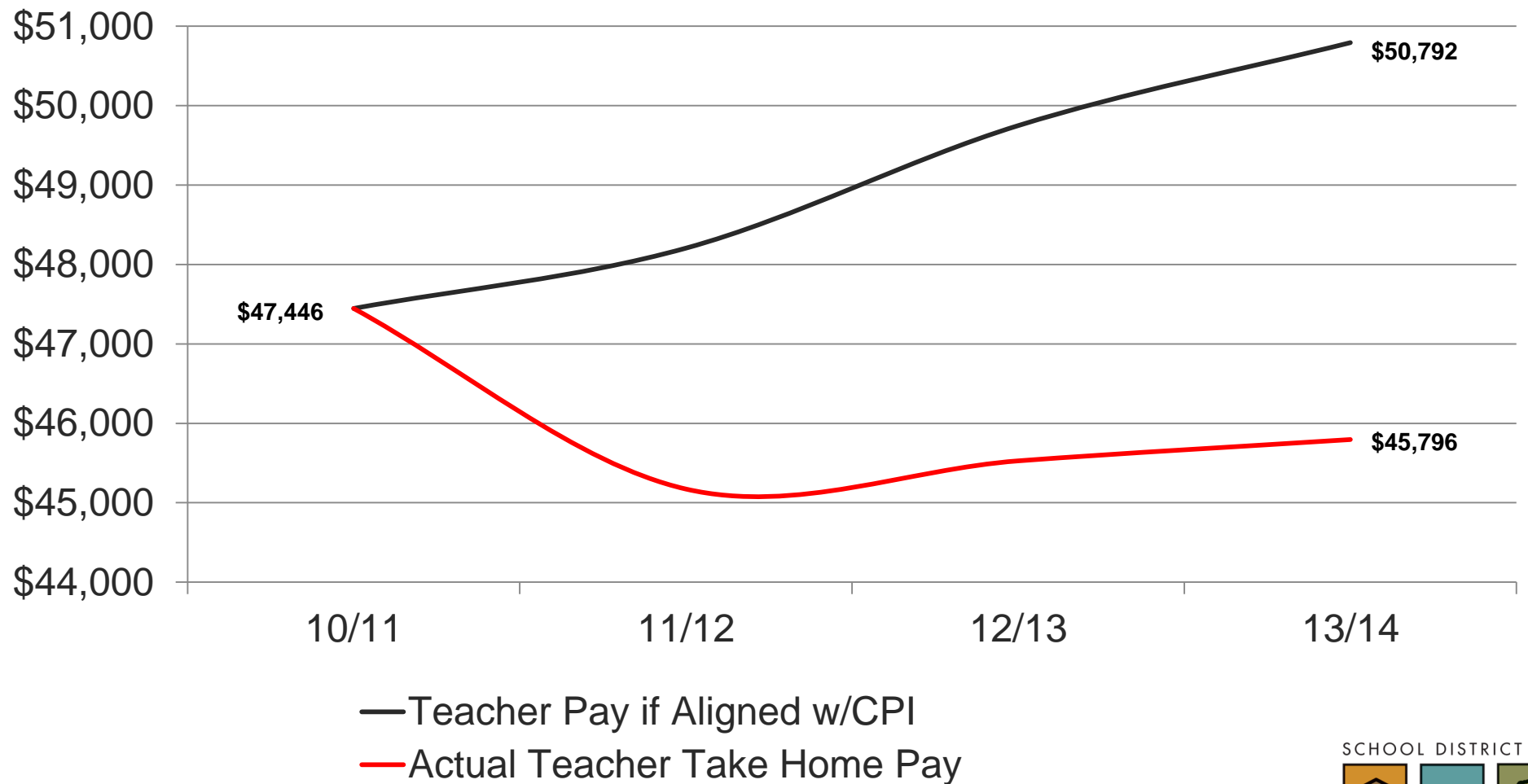
Health Insurance History



Employee Wage Increases



Take Home Pay Impact (Masters Degree + 9 Years Experience)



Fiscal Challenges Ahead

State of the District
October 21, 2013

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Federal Programs

■ Sequestration

- The Budget Control Act of 2011 called for a series of across the board cuts for non-national defense programs at the federal level
- These cuts went into affect on January 1, 2013
- The School District of Fort Atkinson saw cuts in federal programs such as Individuals with Disabilities Act (IDEA or special education) and Title I (for low-income students)
- These two programs account for over **\$1.1 million** of our operating budget

■ Federal Funding Can Change Quickly!

Affordable Care Act

- Employees Already Eligible at 20 Hours Per Week
 - Prorated premium share if less than full time
- Substitutes, Bus Drivers, Coaches, Event Workers, etc.
 - Some groups that were not eligible before could become eligible with the 30 hours per week rule
- Federal Healthcare Exchange – Retirees, Part-Timers, etc.
 - Are there some plan designs that can benefit these groups AND the District?
- Full Evaluation of Health & Dental Insurance Programs Including Bid Process This Year

[State Factors]

- Political Support of Private/Voucher Schools
- Public Education Funding – Unknown Beyond Current Biennial Budget
- Decreased Participation in Teacher Degree Programs Due to Perceived Societal Position
- Pending Act 10 Legal Challenges
- Political Changes Based on Election Results

[Local Factors]

- Market Driven Personnel Costs
- Aging Facilities
 - High School is Nearly 20 Years Old
- Aging Systems
 - Replace with More Energy Efficient Systems (Geothermal)?
- Changing Demographics
- Expanding Use of Technology



Our Need

State of the District
October 21, 2013

[Our Current Need]

- 2011 Referendum sunsets at the end of the 2013-14 school year (loss of \$694,000 in revenue)
- The revenue received from the State, within this biennium budget, will not allow us to maintain the current level of programming and services.
- We are committed to maintaining our current level of educational programming and services. Without a referendum to address the two previous bullets, this can not happen.

2013-2018 Strategic Plan

- Collaboratively constructed with staff, administration, Board of Education, student and community feedback throughout the 2012-2013 school year
- Addresses three areas: Academic, Fiscal and Communication
- In each of these areas, we are called to:
 - Continuously improve our current programs and services ... assuring we are up-to-date and meeting the needs of our students, staff and community
 - Navigate and comply with new mandates and requirements such as implementation of the Common Core Standards, the Affordable Care Act, Educator Effectiveness, etc.
 - Provide services, in all three areas, that allow us to fulfill our mission and emerge as an exemplary school district and leader in providing educational excellence



Mission Statement

The School District of Fort Atkinson is committed to delivering the quality opportunities and services each student needs to achieve his or her academic and personal potential



Questions???

Thank You for Serving!!

See You Next Tuesday

October 29, 2013