



SHEBOYGAN AREA

SCHOOL DISTRICT

Tuesday, February 13, 2024

Starting Time: 7:05*

CHAIR: Mr. Santino Laster

NOTE: This meeting will be held in the Boardroom.

**Starting/ending times may vary*

The Committee of the Whole meeting will be held in the Board of Education meeting room, 3330 Stahl Road, Sheboygan, Wisconsin on **Tuesday, February 13, 2024, at 7:05 p.m.** The following items will be presented for consideration at that time:

Please note that some Board members may be participating in this Board meeting via teleconference or other remote access technology. Members of the public who attend the meeting will be able to hear any open session dialogue between such members and the Board members present in the Boardroom. In addition, the District is offering audio and video access to the meeting via phone connection by calling 1-312-626-6799 with Meeting ID: 874 6366 7294 and Passcode: 048810 or <https://us06web.zoom.us/j/87463667294?pwd=zBbtbmyNDze8IjqHWTeV6r7JIN2O1d.1> or via livestream <https://www.youtube.com/user/SheboyganSchools> at the scheduled meeting time.

REPORT TO THE COMMITTEE OF THE WHOLE AGENDA

- 1. CALL TO ORDER** (Vice President)
- 2. PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF THE AGENDA** (Action)
- 4. ROLL CALL** (Informal)
- 10 min. **5. POTENTIAL WISCONSIN INTERSCHOLASTIC ATHLETIC ASSOCIATION (WIAA) CONFERENCE REALIGNMENT FOR 2025-2026 – Mr. Seth Harvatine/Mr. Chris Hein** (Information/Discussion)

Administration will share information regarding the potential WIAA conference realignment which may modify conference membership for Sheboygan South High School.
- 15 min. **6. THE STATE OF SCHOOL FINANCE IN WISCONSIN PRESENTATION – Mr. Mark Boehlke** (Information)

Mr. Boehlke will share a recent Wisconsin Association of School Business Officials (WASBO) presentation on the current state of school finance in Wisconsin.
- 7. ADJOURN TO CLOSED SESSION PER WISCONSIN STATE STATUTES SEC. 19.85(1)(c)(e)** (*Action with roll call vote*) – To discuss negotiation strategies pertaining to the construction manager contract(s) for the Urban Middle School and Farnsworth Middle School referendum projects; To discuss the annual performance evaluation of the Superintendent in accordance with Policy 1240.
- 8. Reconvene to Open Session** (Action)
- 9. Adjourn** (Action)

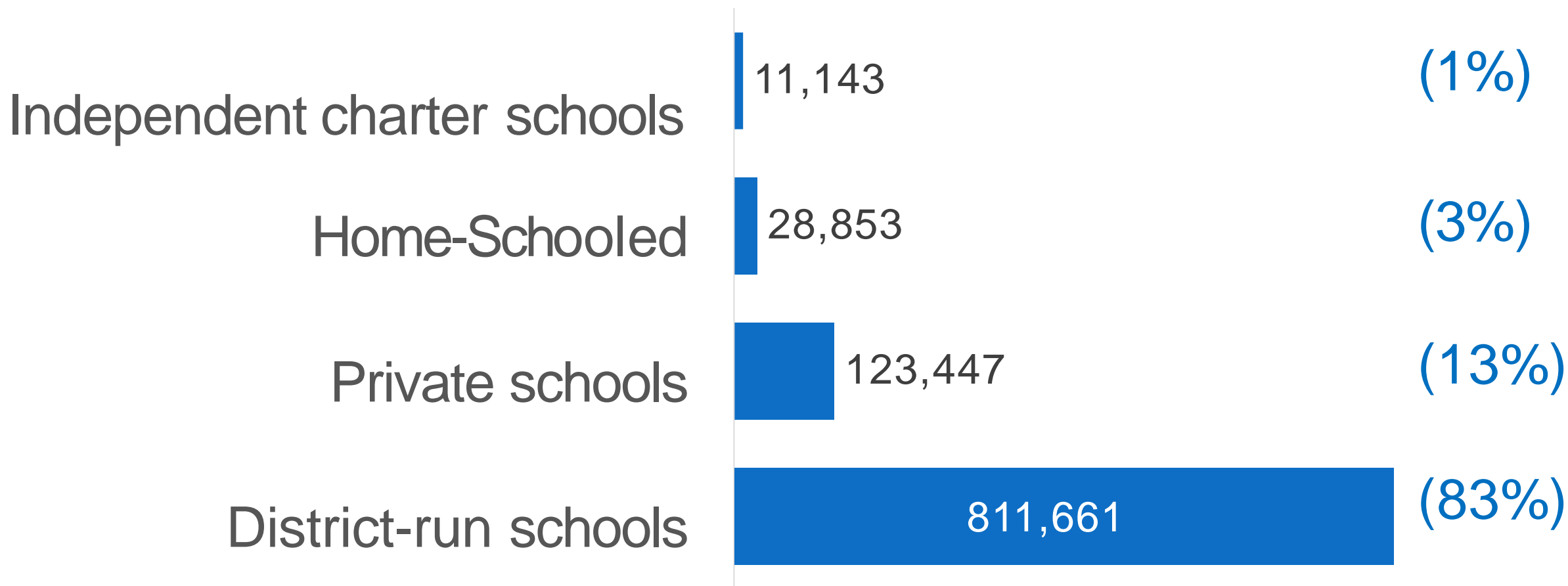
The State of School Finance in Wisconsin: **2024** Edition

Vital signs | Current developments | Emerging issues

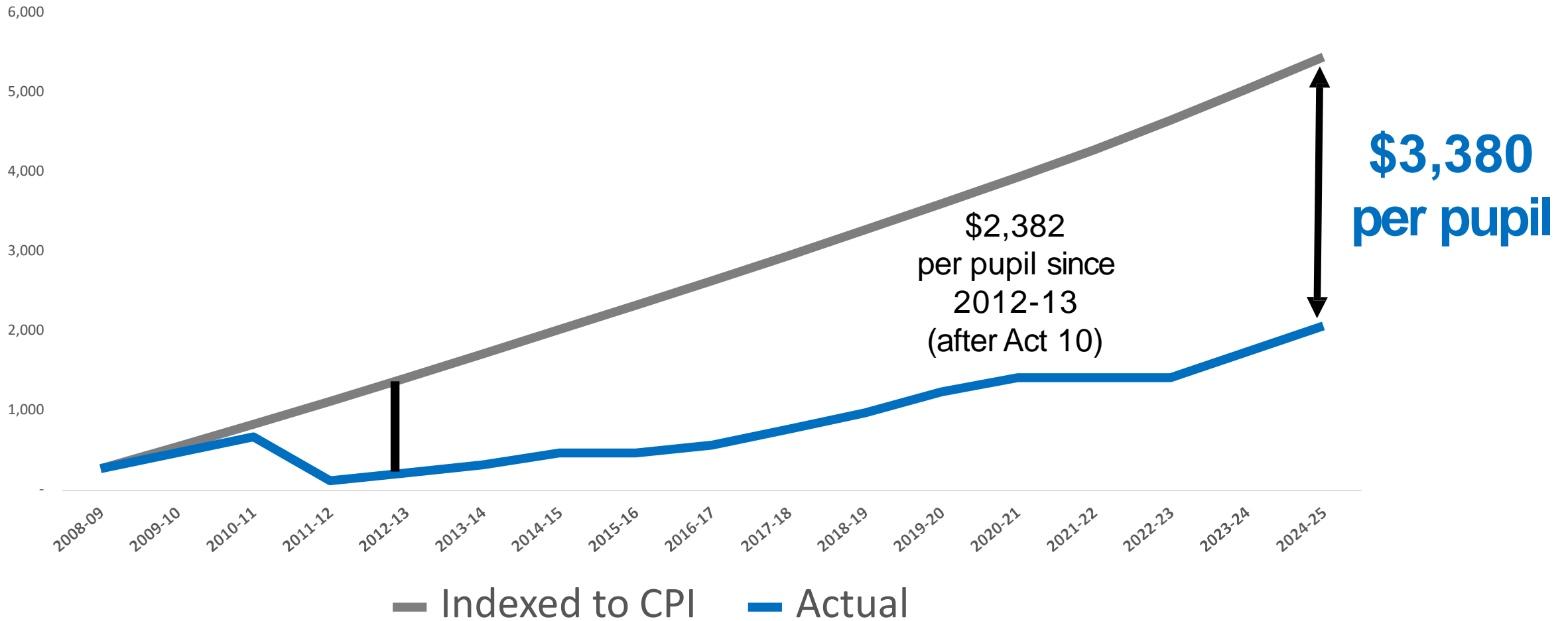
WASBO Money Talks Webinar

January 26, 2024

Education in Wisconsin: Enrollment by school type (2022-23)



General school district revenues per pupil lag inflation by more than \$3,300 since 2009



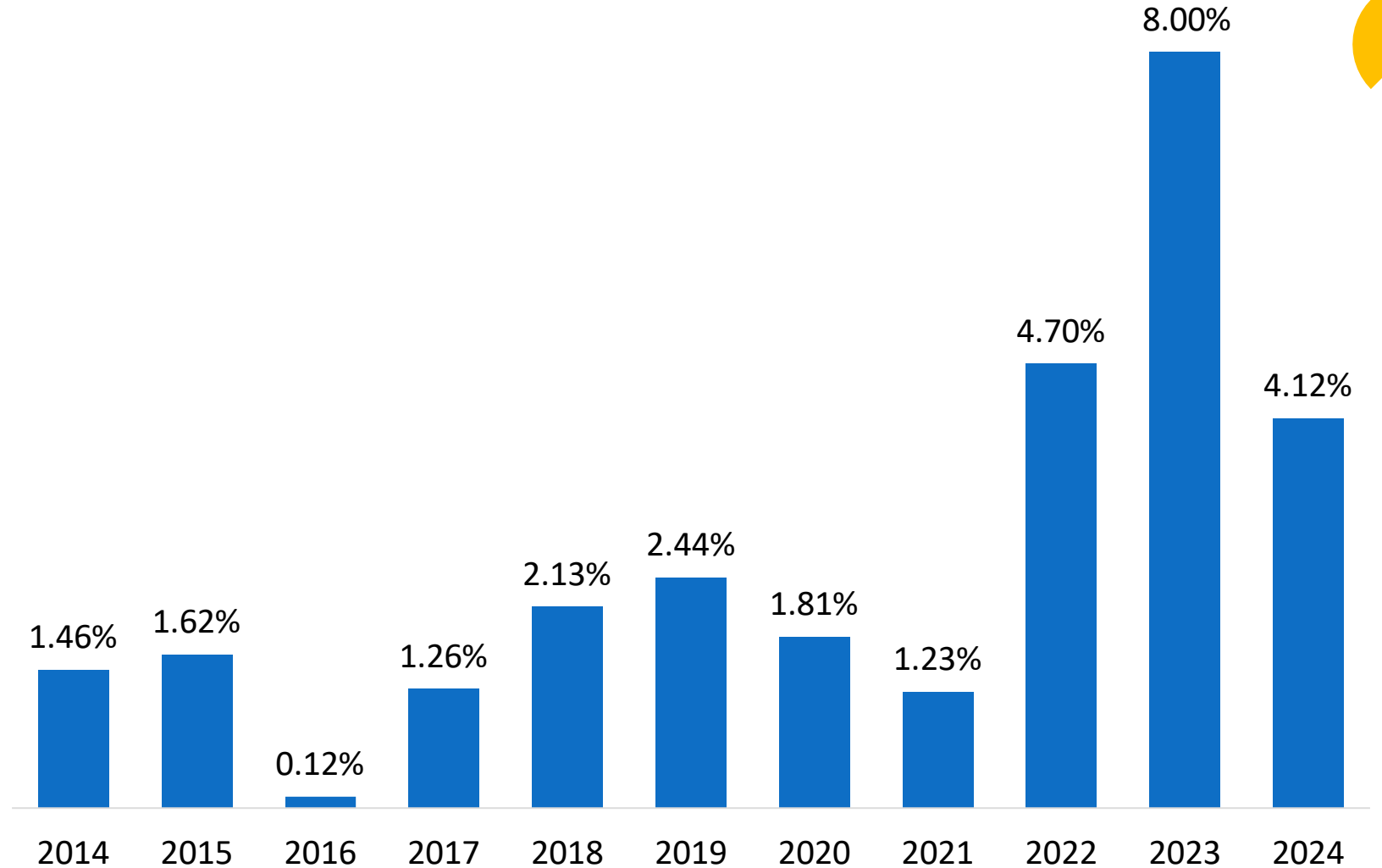
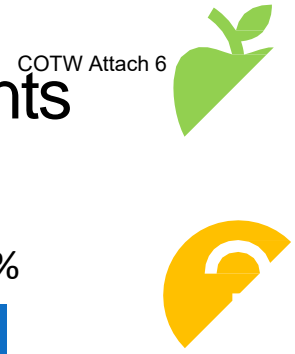
Inflation

CPI down from dramatic spike in 2023 but still high, historically

SASD revenue limit only increased by 2.8% in 2023-24

Projected to increase by 2.2% for 2024-25

CPI-U for July 1 collective bargaining agreements (ceiling for base wage increases)





Wisconsin's
ranking has
fallen relative to
the nation on
per pupil
spending on
K-12 education

11th in 2002
11% above national average



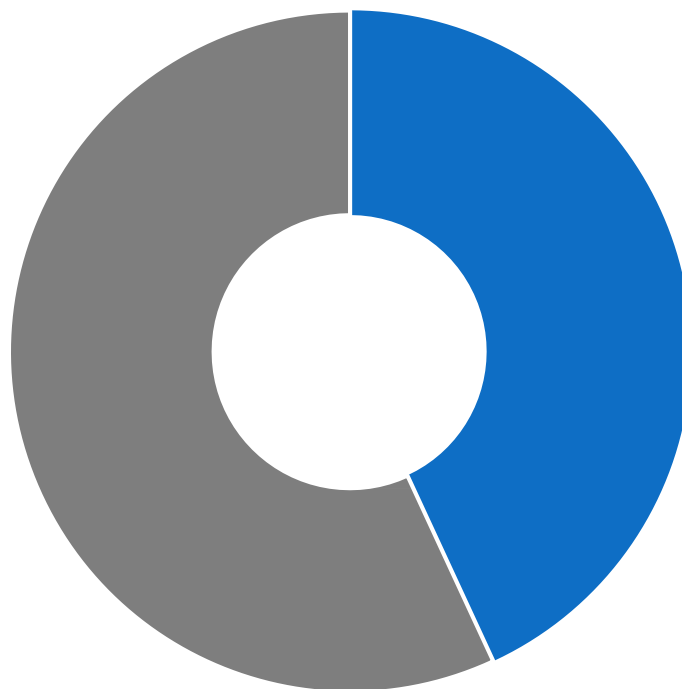
25th in 2021
5.2% below national average



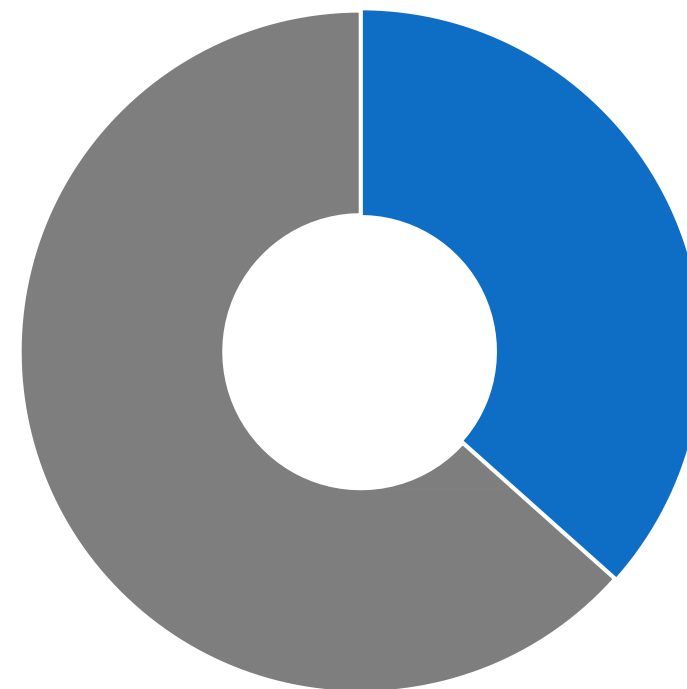
K-12 school aids as a share of state GPR

Education has fallen as a state budget priority

2003
43.1%



2023
36.6%





Educator Workforce

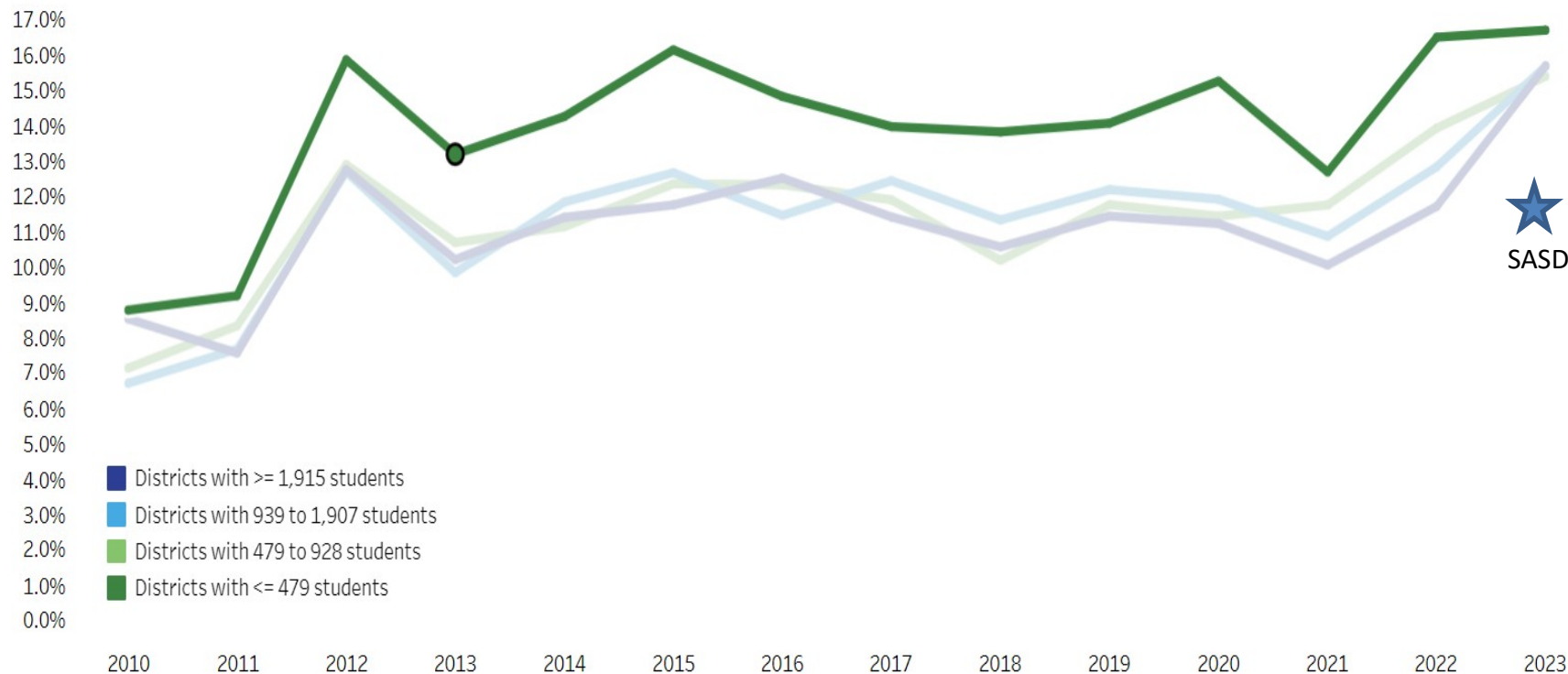
Use of **emergency teaching licenses** has **tripled** in past decade

Plus, **teacher pay** has **fallen by 12%** relative to inflation since 2009

Forces districts into difficult tradeoffs: Balance budget or retain staff?

Teacher turnover has been a challenge since Act 10, especially in smaller districts and high poverty districts

Figure 3: Districts with Fewest Students Experience Most Turnover
Statewide annual average teacher turnover rate by student enrollment



Sources: Wisconsin Department of Public Instruction, National Center for Education Statistics, and Wisconsin Policy Forum analysis. *District size bins correspond with 25th percentiles for district size, meaning the same amount of districts are in each bin.



ESSER funds expire this September (2024)

Because of ZERO increase to revenue limit 2021-2023, some ongoing costs have been covered, in part, by ESSER dollars

- creates future budget holes
- school districts missed two years of base building revenue

From December 2023 WASBO survey of school districts:

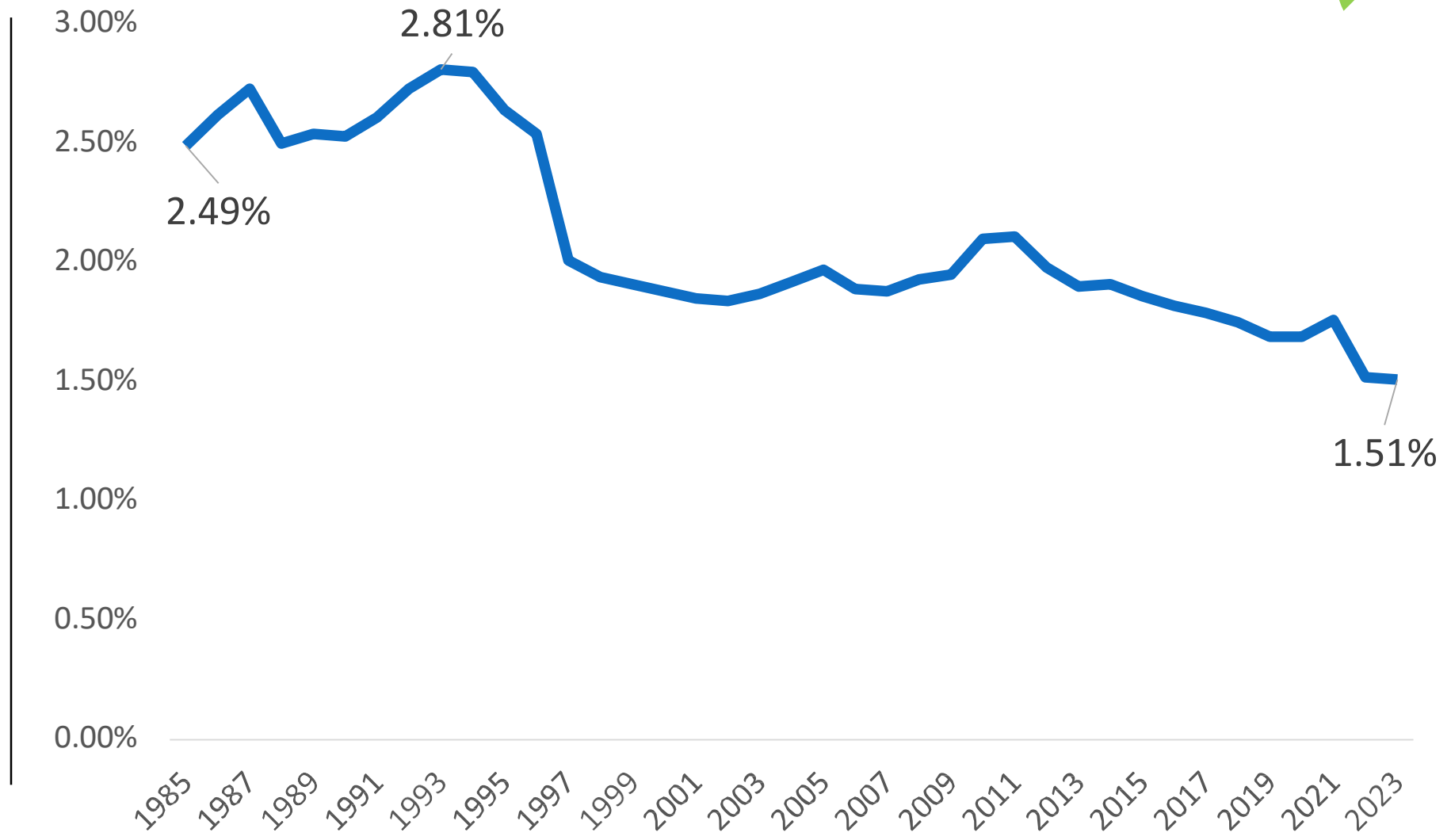
62% of respondents said end of ESSER will cause structural deficit for 2024-25

2023-24 SASD budget includes \$1m in teacher cost covered by expiring ESSER funds

Equity issue: “High poverty (high need schools) communities will see sharper impacts to their school budgets in part because of how ESSER funding was structured.” [Brookings](#)

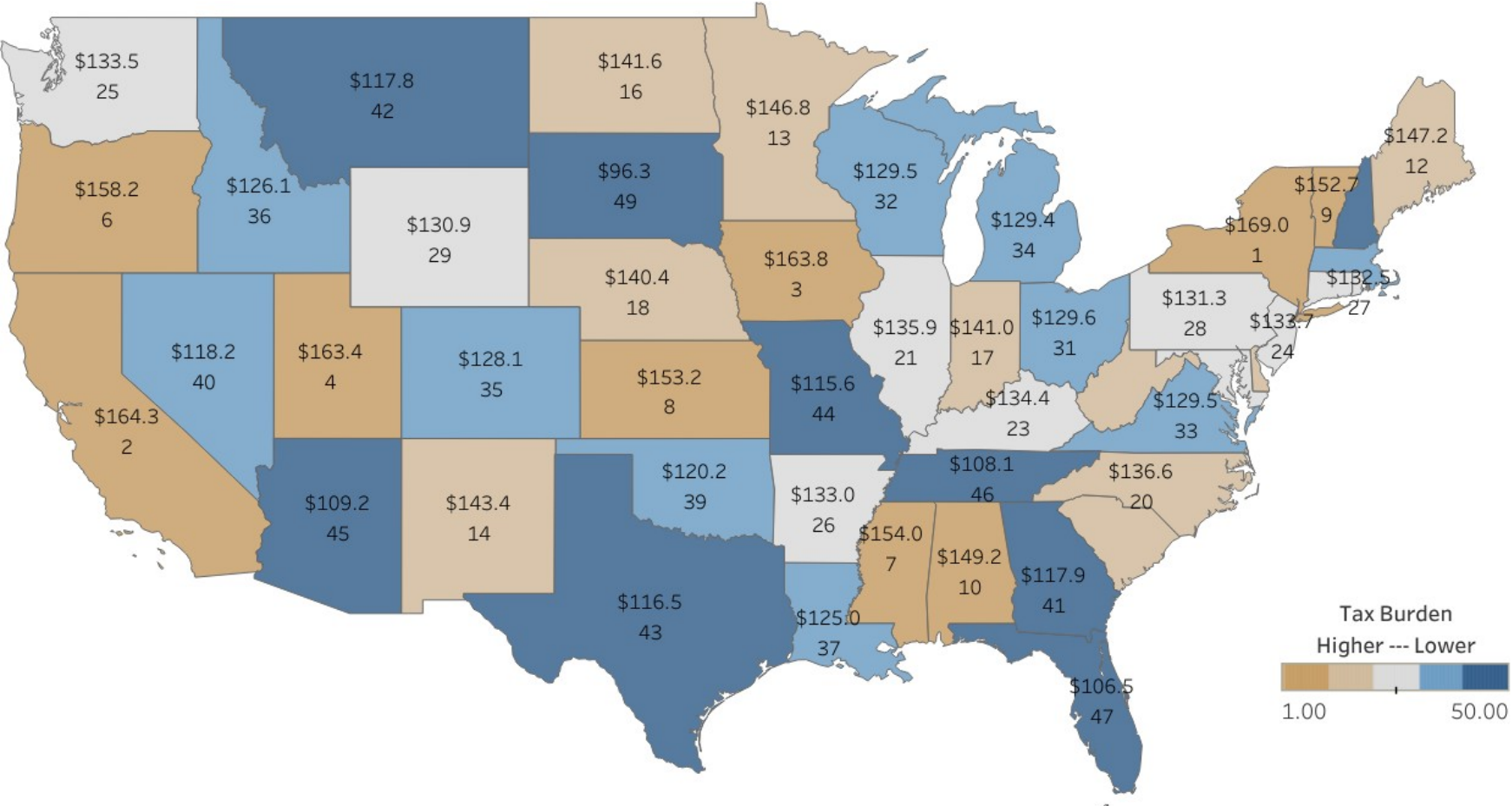
ESSER: Fiscal Cliff

School property tax levy as % of personal income (tax burden)



Wisconsin's state and local tax burden is among lowest in region

State and local revenues per \$1,000 of personal income: **Taxes and fees** in 2020-21



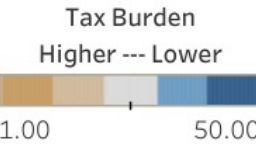
Michigan: 129.4

Wisconsin: \$129.5
(Rank: 32)

Illinois: \$135.9

Minnesota: \$146.8

Iowa: \$163.8





Tony Evers

Office of the Governor | State of Wisconsin

FOR IMMEDIATE RELEASE: December 20, 2023

Contact: GovPress@wisconsin.gov

Gov. Evers Announces \$6.7 Billion Positive GAAP Balance in State's General Fund for Fiscal Year 2022-23

Report shows state has Generally Accepted Accounting Principles positive balance for fourth consecutive year in a row

State is in good position to address many priorities at the same time –

Opportunity to support needs of both taxpayers and students in public schools – if not now, when?

**State surplus:
\$6.7 billion**

Marquette University Law School Poll

COTW Attach 6

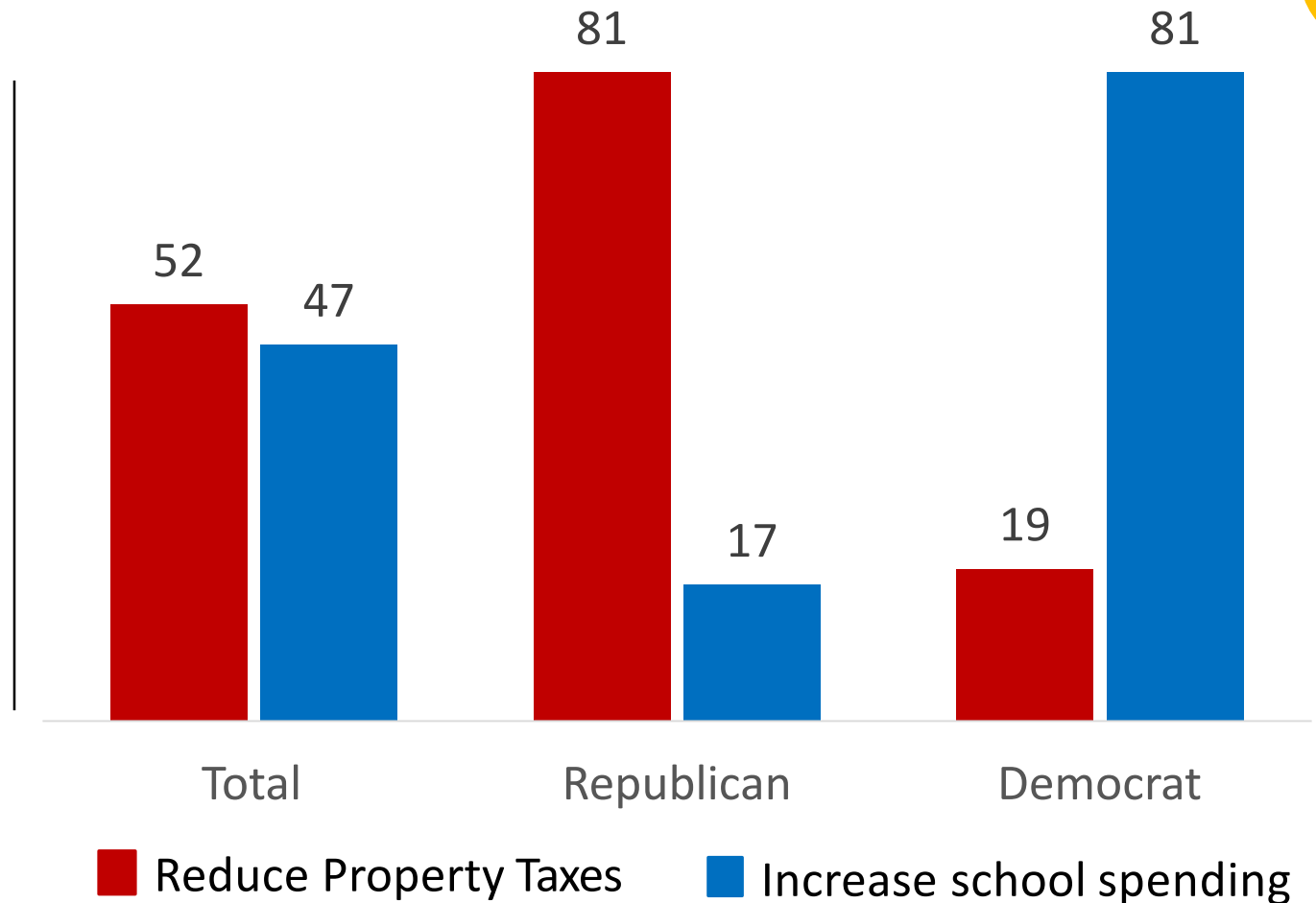


October 26 – November 2, 2023 (% of registered voters)

Which is more important to you?

Reduce property taxes
or
Increase spending on public schools

But! public satisfaction with local public schools is high, regardless of party ID and across the vast majority of the state



2023-25 State Budget

What was the ask? K-12 Priorities



- ❑ **General, flexible, spendable dollars:** Combination of inflationary revenue limit adjustment and per pupil aid
- ❑ **Special education:** Categorical aid reimbursement: Substantial increase over current 31.7%
- ❑ **Mental health:** Broad-based flexible categorical aid (not grants)

2023-25 State Budget

What was enacted: Key K-12 funding provisions



Revenue limit: + \$325 per pupil in each year



More Equalization Aid [Minimal increase]



Low revenue ceiling Up to \$11,000
DNA to SASD (\$11,116)



After Levy: School Levy Tax Credits



Significant increase in voucher/charter payments



Uptick in special education reimbursement rate: ~33%



Elimination of High Poverty Aid

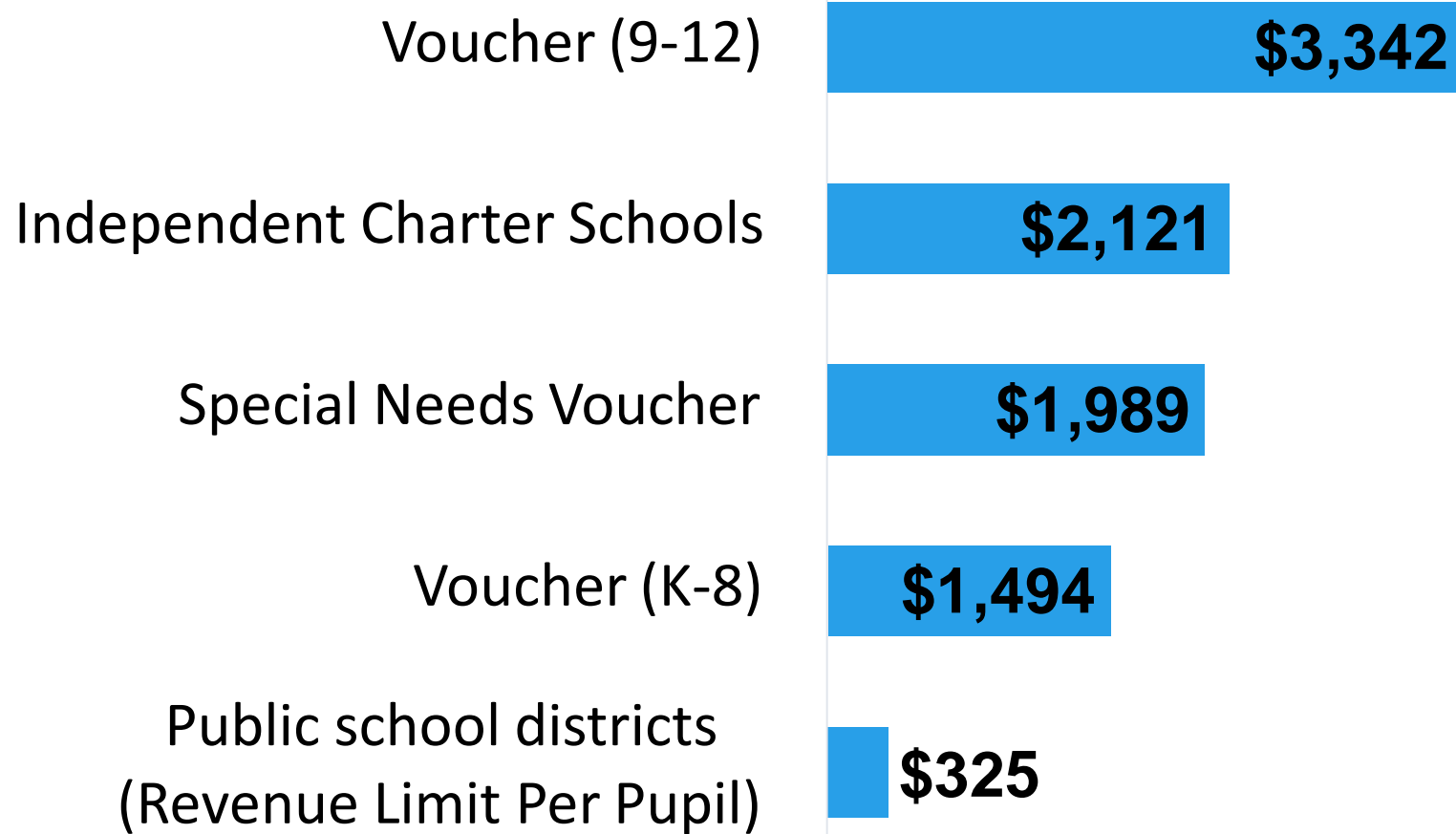


Minimal mental health aid: \$31/pupil

2023-24 change to per pupil payments over prior year (\$)

Significant increase in voucher/charter payments

Impacts by school type



Not a windfall compared to inflation: Even recent relatively lower CPI readings (4.12% for 2024 collective bargaining)

Still below LFB estimated inflationary per pupil adjustment (\$393 in 2023-24; \$403 in 2024-25)

Impacts will vary by school district – affected by enrollment trends

School districts already \$3,380 per pupil behind where inflationary adjustments would have put them

\$325
is not a
game
changer

Declining Enrollment as treated under our revenue limit formula:

Reduces resources faster than costs

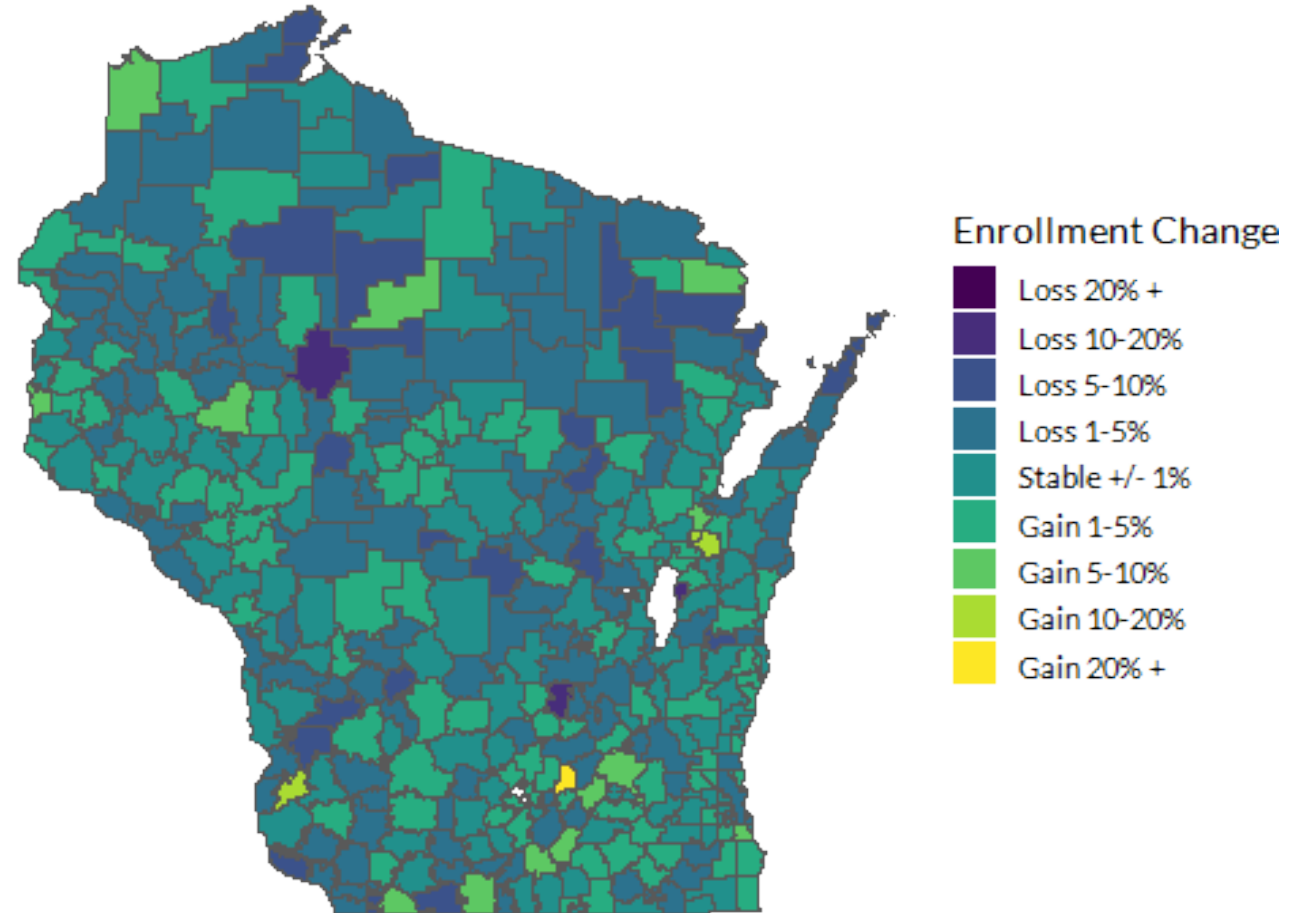
71% of districts are in declining enrollment (55% in 2006-07)

75% of students are located in just 30% of districts

Public school enrollment projected to decline by over 10,000 students annually over the next 5 years

Percentage change in enrollment 2005-06 to 2022-23

School Year 2006-07

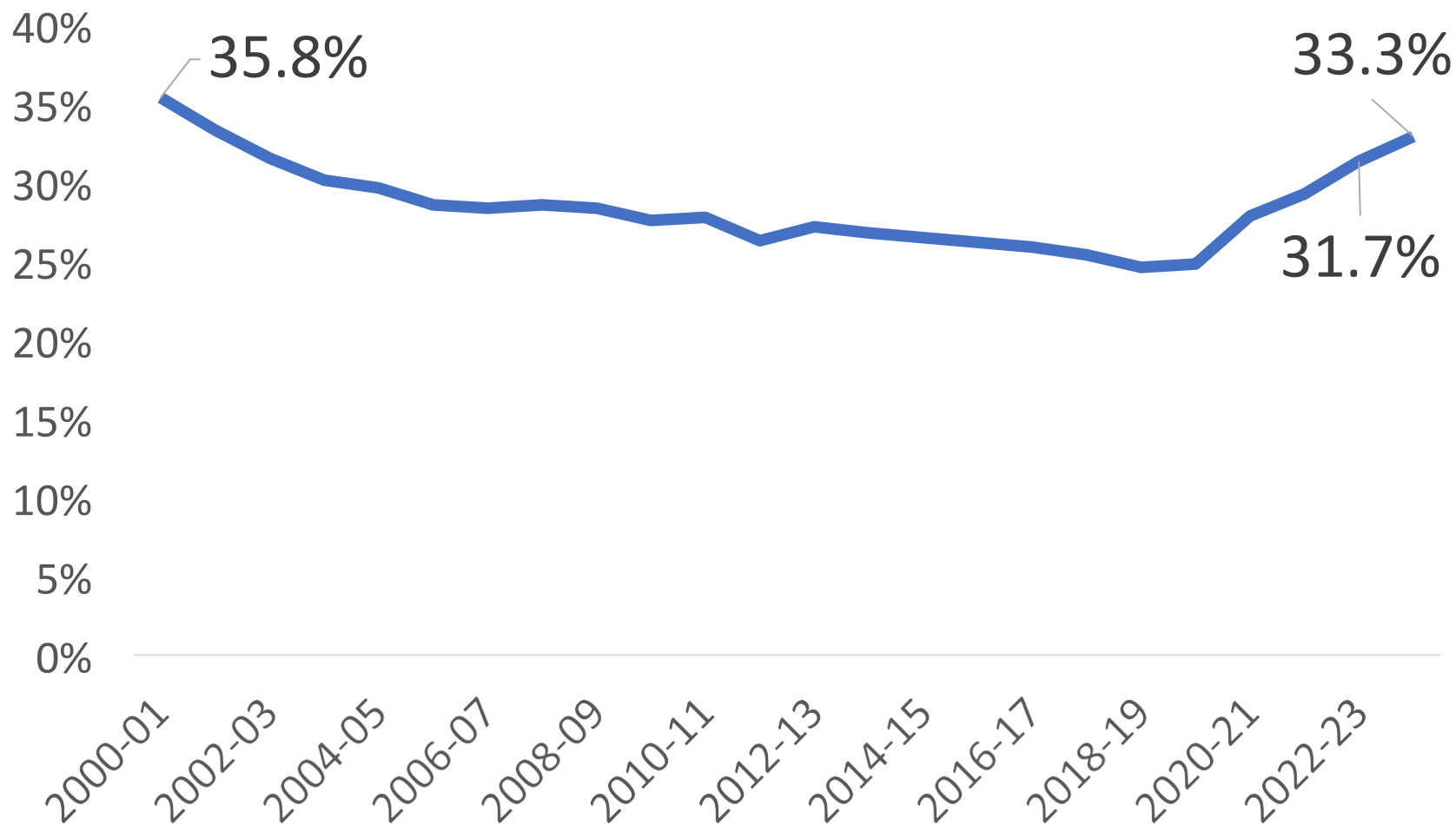


Special education aid reimbursement rate over time

Special education categorical aid

Estimated 2023-24 reimbursement rate: 33.3%

SASD: \$14.8m in unreimbursed SE cost budgeted in the General Fund



December 2023: WASBO surveyed school districts on the impact of the 2023-25 state budget on district finances and outlook

Plans to go to operating referendum?



More than a third of respondents (136 or 38%) said their districts were either confirmed or likely to call an operating referendum sometime in 2024

“Without a successful referendum, MPS Chief Financial Officer Martha Kreitzman said the district could have to cut staff, freeze salaries, close schools, eliminate specialty programs, reduce mental health supports, reduce transportation, delay building repairs, or delay updates for educational materials and technology.”

[Milwaukee Journal Sentinel](#)

Operating referendums

82% of school districts in the state have called for a referendum since revenue limits were imposed (1994)

Trend on track to continue: Takes risk, time, resources, political capital
– **away from the work of educating students**

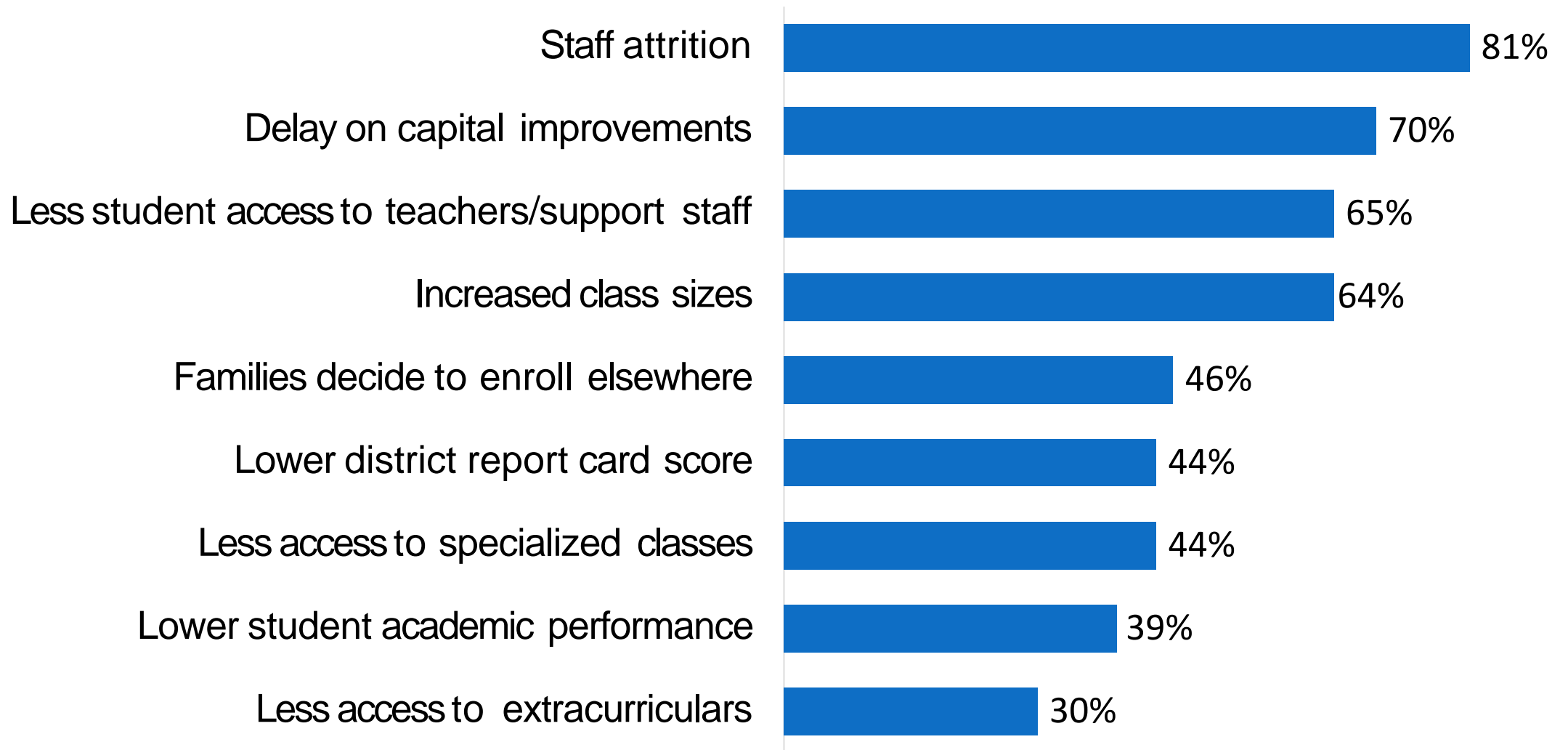
% of educational costs that were funded by referendums (2022):

- **Statewide: 5%**
 - **For 100 districts: 10%**
 - **For 14 districts: 25%**
-

“Is it good public policy to fund a significant portion of school revenues by referendum? It is unlikely that the creators of the revenue limit law anticipated such widespread use of the referendum option.”
[Forward Analytics](#)

Percent of respondents indicating the following are likely impacts on students as a result of budget challenges over the next two years

COTW Attach 6



Percent of respondents indicating they employed the following budget strategies for 2023-24

