

# SHULLSBURG SCHOOL DISTRICT

## Referendum Q & A

*BE IT RESOLVED by the School Board of the School District of Shullsburg, Lafayette County, Wisconsin, that the revenues included in the school district budget be authorized to exceed the revenue limit imposed by section 121.91 of the Wisconsin Statutes by an amount not to exceed \$400,000 beginning in 2018-19 on a recurring basis for operational expenses, deferred maintenance projects, technology and curriculum improvement.*

- 1. How is it possible to have a referendum asking for \$400,000.00 without increasing the tax levy?**

Debt retirement. The district will have paid off all outstanding debt from previous referenda for building additions, remodeling and a new roof on April 1, 2018. In effect, on this date the district will be “debt free”.

- 2. How much has the district been paying over the past to pay off debt?**

Since 2001 (the past 17 years) the district has made an average annual debt payment of \$446,916.00. The referendum is asking to continue our funding for less than this average amount without having to borrow money and pay interest on borrowed money.

- 3. How will passage of this referendum impact the tax levy?**

Since 1993, the tax levy (mill rate) for the school district has been controlled by state-imposed revenue limits. Several factors beyond the school’s control, including enrollment numbers, equalization aid paid by the state and the value of property located within the district, have significant impacts on the school tax levy. Since 2001 the school tax levy has fluctuated between a low of \$8.58 to a high of \$12.36 per thousand dollars of property value, an average of \$10.17 over the past 17 years. The projected tax levy with the passing of this referendum is anticipated to be \$9.68, again less than the average since 2001.

- 4. How does our tax levy compare with other districts in the area?**

Of the 7 school districts located in Lafayette County, Shullsburg has the second lowest mill rate (only Belmont currently has a lower rate).

In comparison with the 31 school districts located in CESA #3, the highest mill rate is \$15.93 and the lowest is \$8.36. Once again Shullsburg has the second lowest mill rate of all 31 districts in the region.



**5. Why doesn't the district use fund balance to pay expenses?**

The fund balance of the district is not like a savings account with money sitting in the bank. The best way to explain a fund balance is simply if you took all of the districts assets and sold them, and then paid off all of the district's liabilities, the amount left over would be what the district has for a fund balance. For several years the district was able to increase the fund balance to a high point in 2011 of about 1.2 million dollars. Since that time the district has had to use a portion of fund balance to pay expenses. Currently the projected fund balance is projected to be approximately \$738,000.00 at the close of this school year and the trend is that unless we have more revenue, fund balance will continue to decrease and the district will be forced to make significant cuts and borrow money to pay its bills.

For the 2017-'18 school year, the general fund expenses are budgeted at \$4,634,013.00 and revenue at \$4,611,917.00, leaving a fund balance of 15.9% of expenses. By policy, the School Board is required to take action to increase the fund balance if it falls below 15% of expenses within any school year.

**6. How will this money be spent?**

As the language in the referendum question states, for operational expenses, deferred maintenance projects, technology and curriculum improvements. The list here is a long one, but as an example, replacing the 22 year-old heating and cooling system has been estimated to cost between 1.2 to 2 million dollars. Another example is the implementation of technology in classroom instruction. Over the past 5 years the district has spent approximately \$490,000.00, almost \$100,000.00 per year, on technology infrastructure, devices, support and training. This annual cost is only expected to increase as the technological demands of our society continue to explode.

A final example here is that this money will be spent to continue to provide quality educational opportunities and experiences for the students of our district. As evidenced by the latest school report card issued by the Department of Public Instruction, the Shullsburg School District had the highest district score of all the school districts in Lafayette County.

**7. I heard that the state was proposing to give more money to rural schools. How will that proposal impact the Shullsburg District?**

There is a legislative proposal going through the system that recommends allowing low spending, low revenue districts like Shullsburg to raise their allowable per pupil amount by \$100.00 per pupil or at least \$9,400 per year starting in 2018-'19. However, a part of this proposed legislation also states that if a district has an unsuccessful referendum, the district will not be allowed to raise their revenue limit this additional amount for three years, or until a successful referendum to exceed the revenue limit is passed in the district.

*For additional information, or to invite a district representative to speak to a community group, please contact Loras Kruser, District Administrator, or any of the School Board Members.*