



# Referendum 2022

November 8, 2022

**What has changed in our  
fiscal landscape?**

**Why do we have a referendum  
question on the ballot?**



# Why phase in a \$9M referendum now?



## **Operational costs have increased exponentially.**

For instance:

- Our busing contract has gone up 5%.
- Our utilities cost has gone up 10%.

## **Costs to maintain an exceptional workforce have grown exponentially.**

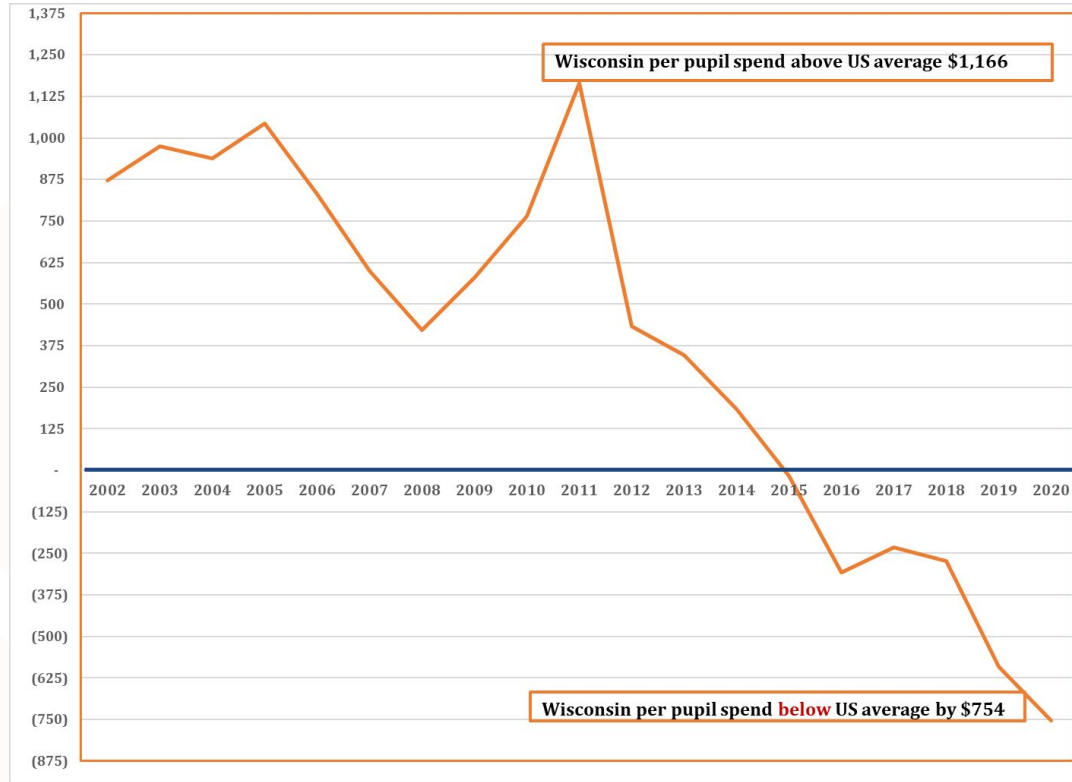
- We've attracted an extraordinary staff and don't want to regress.
- Wages have been tied to inflationary increases and are slightly above Dane County average.

## **State funding has stagnated.**

- While costs have gone up, the state has not increased funding to help schools keep pace.
- Per-pupil funding has not increased for the last two years.



# Funding for Wisconsin Public Education

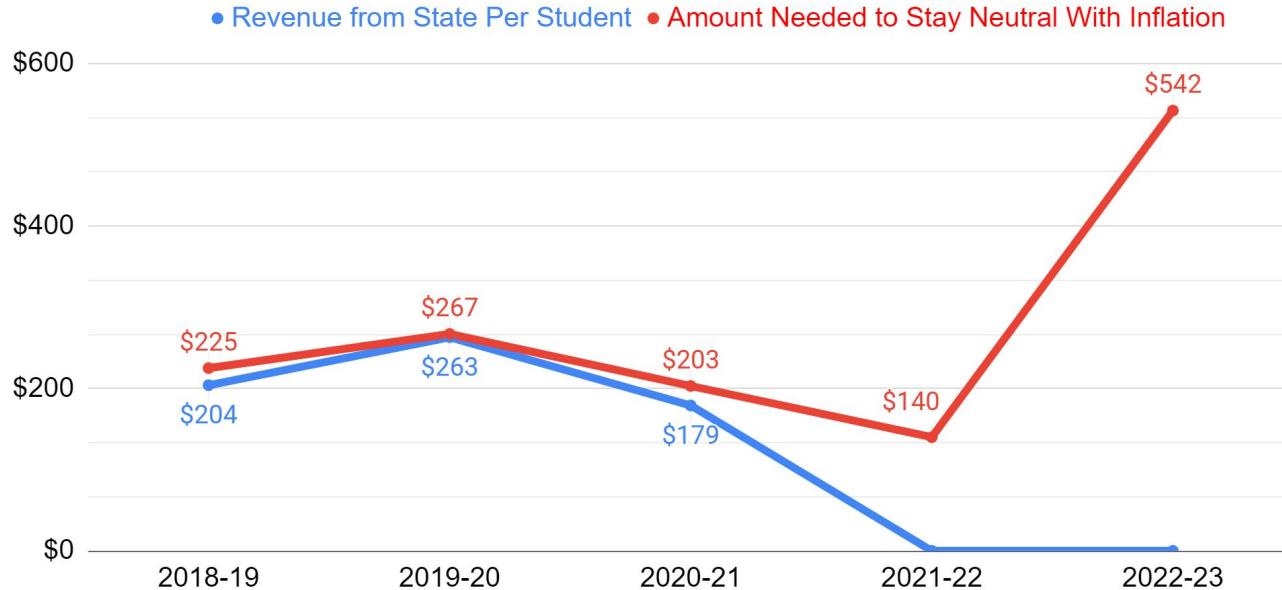


Source: Wisconsin Policy Forum



# Recent Inflation has Exacerbated Budget Challenges for Wisconsin's Schools

*Comparing Inflation with Revenue Limit Per Student from State*



## Vision

Recognized as a high-performing district of choice that reflects the cultures of our diverse community.

## Mission

Inspire and prepare every child, every day, by providing relevant, engaging, and innovative learning experiences in and out of the classroom.

### Our Commitment to Equity and Excellence Through Continuous Improvement



2022-2027 STRATEGIC FRAMEWORK



## Vision

Recognized as a high-performing district of choice that reflects the cultures of our diverse community.

## Mission

Inspire and prepare every child, every day, by providing relevant, engaging, and innovative learning experiences in and out of the classroom.

# What the community asked us to achieve on behalf of our students, families, and staff.



### Student Learning Environment Goal

The educational environment establishes the conditions where every child feels welcome and able to succeed. In order to create the necessary conditions for learning, educators create spaces where the classroom community accepts and supports the development of all students as people, where learning partnerships thrive between students and adults, and where there is an established culture of care.



### Communications & Community Engagement Goal

Excel in how we collaborate and communicate with all careholders, and build relationships that promote positive outcomes for students.



### Facilities Goal

Prioritize the investment of our resources to support educational experiences in and out of the classroom, the physical environment for students and staff, and the teams serving our organizational mission.



Sun Prairie Area  
School District

*Future depends on us...every child, every day.*

2022-2027 STRATEGIC FRAMEWORK



## Sun Prairie is not Unique:

# 258 Wisconsin Operating Referendum Questions in the Last Five Years

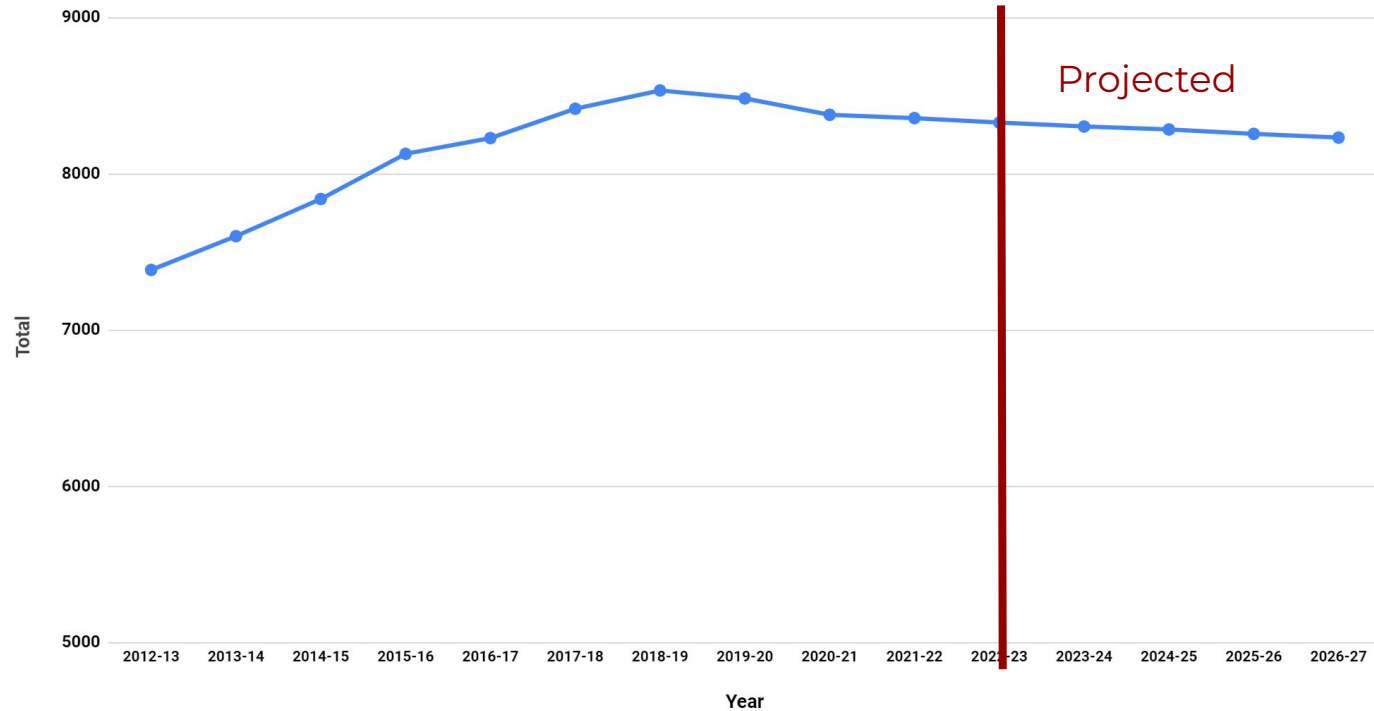
Dane County Operating Referendums Since November 2020		
Dane County District	Referendum Date	Amount
Middleton Cross Plains	November 2022	\$7.345M, \$13.79M, \$19.435M, 24.9M/yr for 4 yrs
Verona	November 2022	\$19M/yr
Oregon	November 2022	\$5.42M, \$8.42M, \$11.4M/yr over 3 yrs
Sun Prairie	November 2022	\$9M/yr phased in over 3 yrs
Waunakee	November 2022	\$1M, \$3M, \$6M/yr for 3 yrs
Mount Horeb	November 2022	\$4.82M/yr
Belleville	November 2022	\$999K/yr
Waterloo	November 2022	\$700K/yr for 5 yrs
Marshall	April 2022	\$975K/yr for 3 yrs
Cambridge	April 2020	\$150K/yr
Madison	November 2020	\$6, \$8, \$9, 10/yr for 4 yrs
Monona Grove	November 2020	\$3.7M/yr for 4 yrs
Waunakee	November 2020	~\$2.1M/yr for 5 yrs
Deerfield	November 2020	\$500K/yr for 5 yrs



Source: Wisconsin  
Department of Public  
Instruction



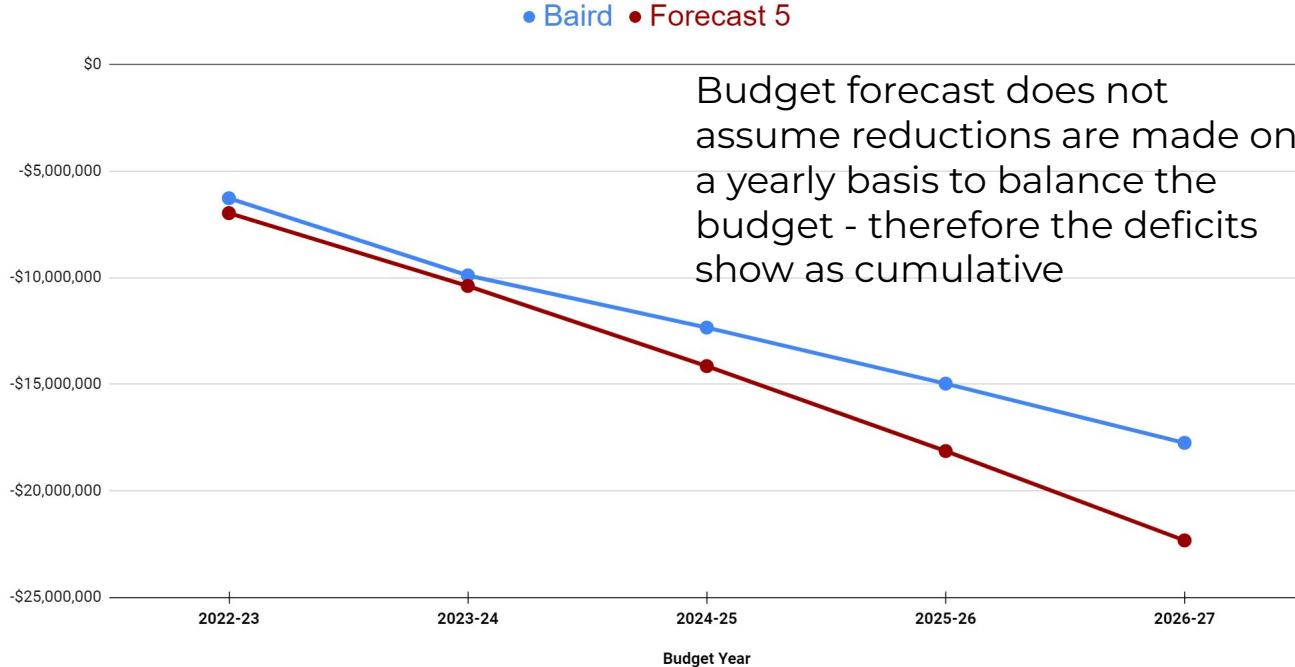
# Actual and Projected Overall Enrollment



Source: Wisconsin Applied Population Lab



# Current Budget Forecast



# Top Three Operating Expenditures By Type (The What)

**\$68.4M**  
Salaries

**\$25.0M**  
Benefits

*Examples: Employee  
Insurance &  
Retirement*

**\$16.6M**  
Purchased  
Services

*Examples: Utilities,  
Transportation, Facility  
Repairs &  
Maintenance*

These three  
areas  
represent  
**93.2%**  
of District  
expenses



# Top Three Operating Expenditures By Function (The What For)

These three  
areas  
represent  
**91.1%**  
of District  
expenses

**\$66.5M**  
**Instruction**  
*(Teachers)*

**\$22.1M**  
Facilities,  
Transportation,  
Utilities, Business  
& Central  
Services

**\$19.0M**  
Instructional Support  
& Contracted  
Education  
*Examples: Instructional Aides,  
Student Services, Special  
Education, Open  
Enrollment Out*



# Without a Successful Referendum, What Might a \$7M Reduction Look Like?

For Illustrative Purposes Only		
Regular Staffing	Current Full Time Equivalency	Illustrative Staff Reduction
Professional Educators	750	53
Support Staff	423	30
Admin Support Staff	75	5
Administrators	46	3
<b>Total</b>	<b>1294</b>	<b>91</b>
<b>Estimated Personnel Reductions</b>		<b>\$6,345,500</b>
Other Budgets		
Department Budgets	\$6,960,000	\$487,200
Athletic & Club Payments	\$1,400,000	\$98,000
Capital Projects	\$1,200,000	\$84,000
School Budgets	\$1,184,549	\$82,918
Summer School	\$1,100,000	\$77,000
<b>Estimated Other Budget Reductions</b>	<b>\$11,844,549</b>	<b>\$829,118</b>
<b>Total Regular Staffing &amp; Other Budgets</b>		<b>\$7,174,618</b>

For illustrative purposes only. Any reduction process would be developed with a strategic vision and would not be simple across-the-board cuts.



# Where Will Referendum Funds Go?



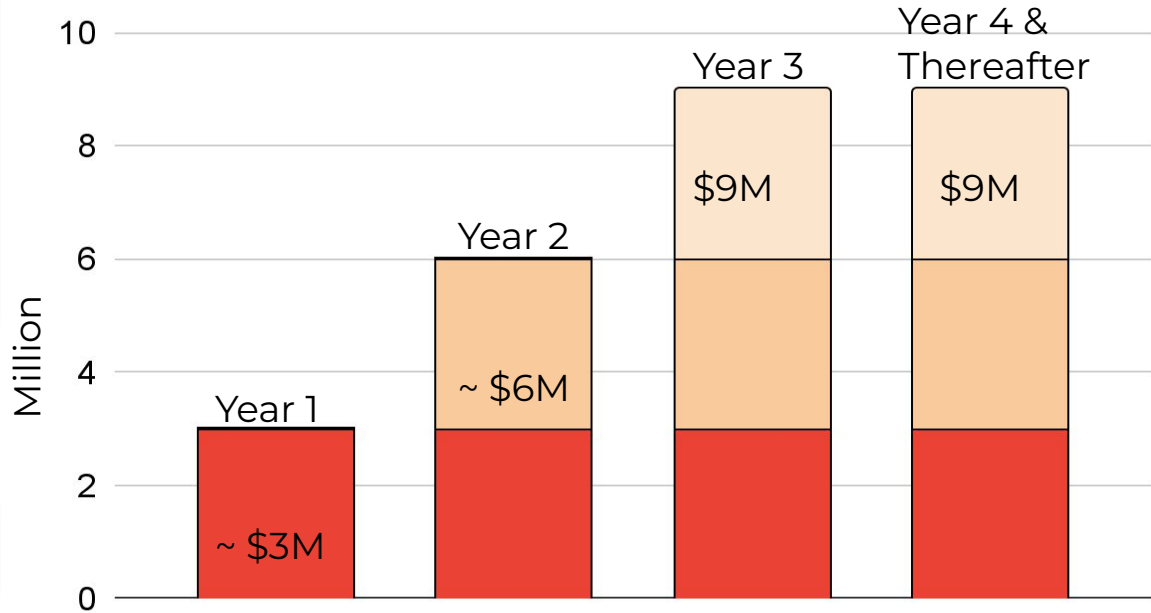
# Referendum Question is for \$9M Per Year

Step into \$9M over 3 yrs

- ~\$3M/yr phased in over 3 yrs, to a consistent \$9M each yr

Consistent \$9M after yr three to continue funding on going referendum costs

The amount for phase in will depend on: state funding, inflation, and mill rate management



# Cautions on the Referendum Amount

Referendum amount based on estimates of state funding

- Each biennial budget is a new starting point.
- The level state support to meet future district expenses is unknown at this time.

High inflation needs to be balanced with state revenue to schools.

A successful referendum will not automatically mean that staff will receive a full COLA increase - depends on inflation and state revenue to schools.

A successful referendum does not mean no future budget reductions - depends on inflation and state revenue to schools

Referendum amount is our best conservative estimate





# Difference Between a Capital and Operating Referendum

- Capital Referendum
  - Funds are borrowed & paid back with interest - used for building projects
- Operating Referendum
  - No interest payments because no borrowed funds - the referendum amount is levied each year (pay-as-you-go) - saves interest cost for the community



# How Does Opening Sun Prairie West factor in?

- There was a capital (building) referendum to build and remodel schools; that money can't be used on-going expenses.
- There was also an operating referendum question dedicated solely to the new costs of operating and staffing the new Sun Prairie West High School.
- The need established in this referendum is independent and separate from past referendums and specifically separate from SP West.



# Mill Rate Explained

District Mill Rate moves up/down based upon the relationship between the total levy and equalized property values

- Total Levy ÷ Total Equalized Value = Mill Rate

Breakdown of 2021-22 Mill Rate:

- \$69,639,228 ÷ \$5,996,945,308 = \$11.61

Total equalized value is divided into two primary categories:

- Inflationary Increases (current properties increasing in value)
- Net New Construction (properties paying taxes for the first time)



# Net New Construction Example

Net new construction definition: new construction reduced by any demolition or destruction of buildings<sup>1</sup>

- City of Sun Prairie is responsible for 64.9% of district's equalized values
- Total City of SP value increased \$285,513,372 (7.92% increase)
  - \$135,763,572 due to inflation/assessments (3.77%)
  - \$149,749,800 due to net new construction **(4.15%)**
- Using this example, a **\$3M levy increase would be 97% supported by net new construction** (assuming other municipalities also have new growth of 4.15%)
- $\$69,639,228 \times 4.15\% = \$2,890,028$

<sup>1</sup>State of Wisconsin Department of Revenue (<https://www.revenue.wi.gov/Pages/EQU/hnc.aspx>)



# Why is New Growth Important?

As more property owners are added to the tax base, each individual's proportionate share becomes less:

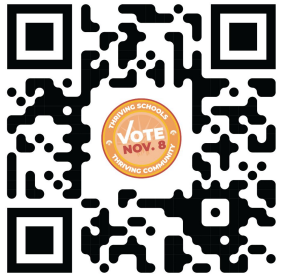
$$\text{Total Levy} \div \text{Total Equalized Value} = \text{Mill Rate}$$



# Tax Calculator from PMA Financial

Calculating the impact for your property:

<https://tinyurl.com/2oabfjzd>



**TAX CALCULATOR**

Property Value	Cumulative 3 Year Projected Impact
\$200,000	\$ - 44.07
\$300,000	\$ - 66.10
\$400,000	\$ - 88.14
\$500,000	\$ - 110.17



# How Will A Successful Referendum Impact Taxes

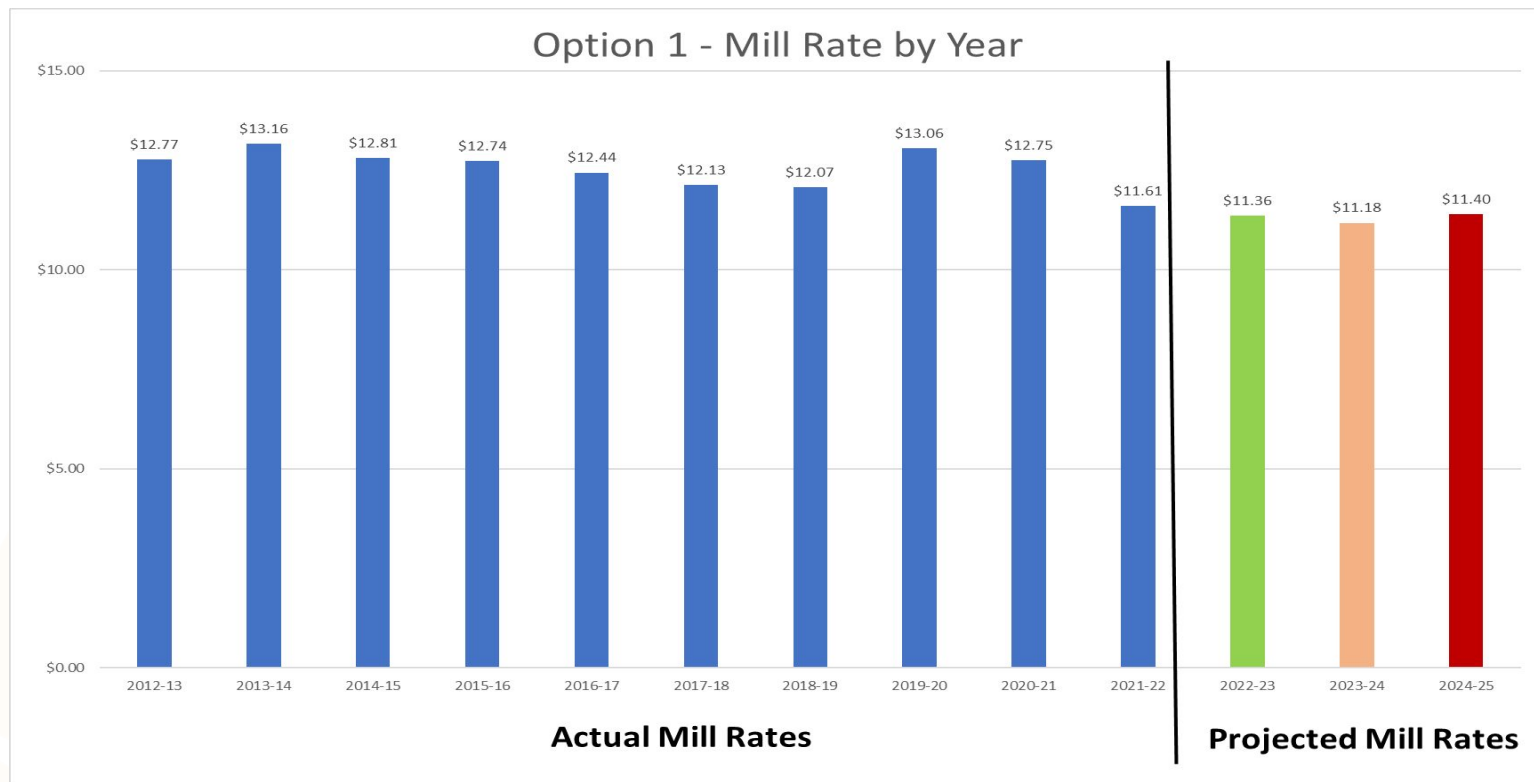
Year	Total Projected Mill Rate Per Thousand of Property Value	Yearly Projected Increase/ Decrease Per \$100,000 of Property Value	Taxes Per \$100,000 of Property Value
2021-22	\$11.61 (actual)		\$1,161
2022-23	\$11.36 (projected)	\$25 Less	\$1,136
2023-24	\$11.18 (projected)	\$18 Less	\$1,118
2024-25	\$11.40 (projected)	\$22 More than 2023-24 but still less than 2021-22	\$1,140

Projected Mill Rate is *less* for the next 3 years than the current rate with a successful referendum.  
Projected amounts consider anticipated property growth and equalized aid amounts

Source: PMA Financial Network, LLC.



# Historical & Projected Mill Rates





**RESOLUTION AUTHORIZING THE SCHOOL  
DISTRICT BUDGET TO EXCEED REVENUE LIMIT  
BY \$9,000,000 FOR RECURRING PURPOSES**

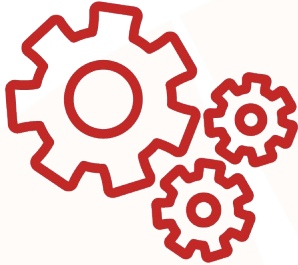
BE IT RESOLVED by the School Board of the Sun Prairie Area School District, Dane and Columbia Counties, Wisconsin that the revenues included in the School District budget be authorized to **exceed the revenue limit** specified in Section 121.91, Wisconsin Statutes, **by \$9,000,000 beginning with the 2022-2023 school year, for recurring purposes consisting of expenses related to maintaining class sizes, student services and staff compensation, providing for substitute teacher coverage, increasing mental health services for students, and ongoing safety and facility maintenance.**

<https://myvote.wi.gov/en-us/Vote-Absentee-By-Mail>



# Thank You to our Community for your past support of Sun Prairie Schools!

Strong public schools:



Are an economic  
engine for our  
community



Make our community  
a desirable place to  
locate for both  
business and  
residential purposes



Protect property  
values

***We commit to providing an outstanding value  
for invested dollars.***

