

Community Meeting Operational Referendum Overview

North Lake School District
March 15, 2023
6:30 p.m. ~ Lakers Library





"Shall the North Lake School District, Waukesha County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$1,100,000 for the 2023-2024 school year, by \$1,200,000 for the 2024-2025 school year and by \$1,300,000 for the 2025-2026 school year, for non-recurring purposes to maintain educational programming and to sustain operational costs?"

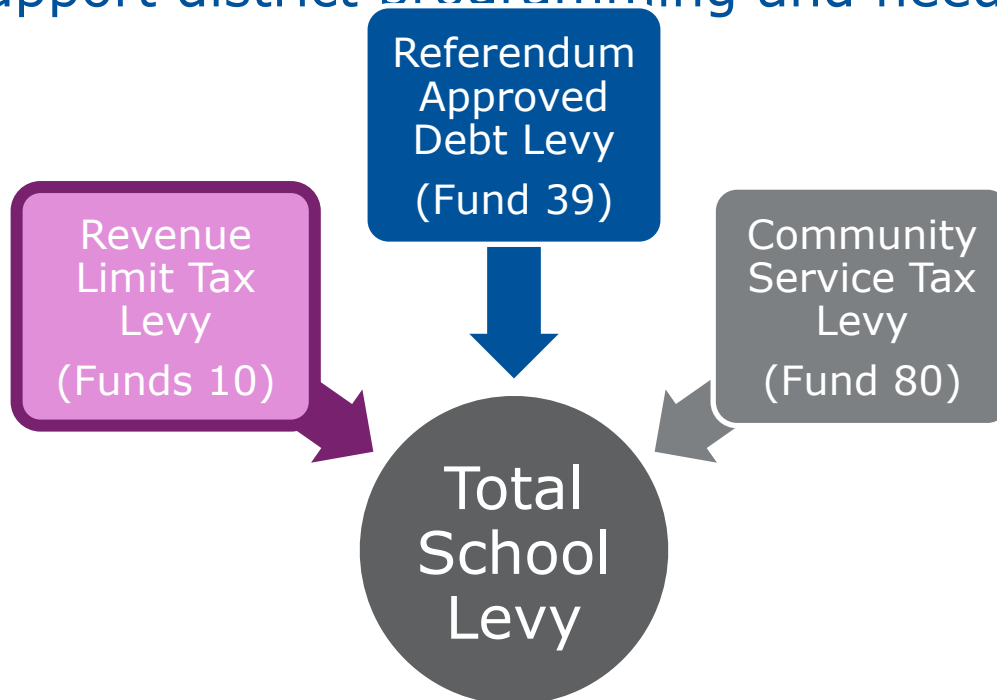
****Non-recurring means that the levy authority has a sunset and cannot be carried into subsequent years***

What is an Operational Referendum?



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- An Operational Referendum asks voter approval to increase the “revenue limit,” or operational portion, of the school tax levy.
- A successful referendum will provide new or continued revenue to support district programming and needs.



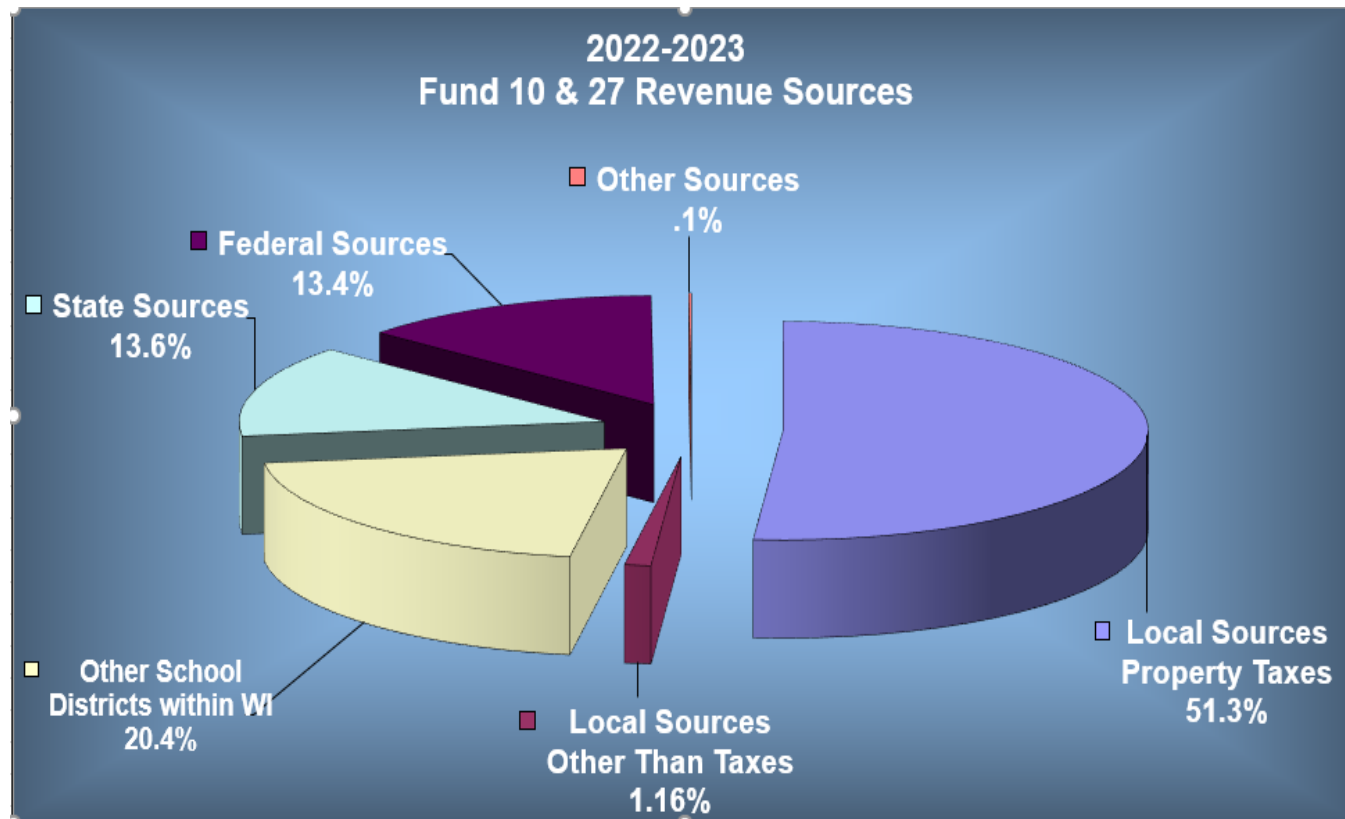


The State Largely Controls School Funding

➤ Did you know that the state, not the school district, largely determines how much revenue a district receives for operations each year?

➤ To balance the budget, districts adjust expenditures to fit within these revenue controls, commonly referred to as "Revenue Limits"

Local Sources (property taxes)	\$2,370,978.00	
Local Sources (other than taxes)	53,615.02	Student fees, interest, building rental fees
Other School Districts within WI	942,482.59	Open Enrollment-In, Tuition Waivers-In
State Sources	628,854.89	Transportation, Library, General Equalization Aid
Federal Sources	619,359.00	Federal grants (ESEA, ESSER, Small Rural Schools)
Other Sources	5,809.00	Sale of Fixed Assets, Insurance Dividend
	<u>\$4,621,098.50</u>	



Revenue Limit



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Resident
Membership
(FTE)



\$ per pupil



One-time
(Non-recurring)
exemptions



On-going
(Recurring)
exemptions



Revenue Limit
Authority

A district's revenue limit 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. It is driven by resident FTE x the district's maximum revenue / member.

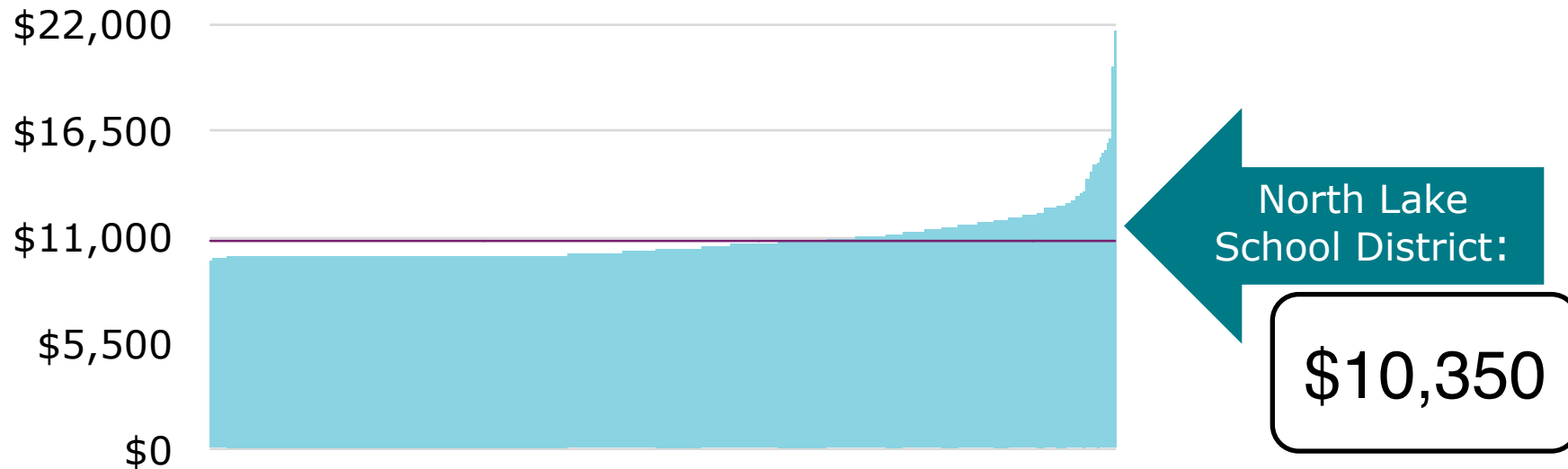
Frozen Revenue Limit since 1993



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Did you know that all districts' "Revenue Limit" revenue is calculated on the resident student count, but not all districts receive the same amount per resident student?

2022-23 Revenue Limit Per-Pupil Amounts



Each district's initial per pupil amount was set in 1993. The state biennial budget determines annual adjustments. If there is a change to the per pupil amount, it will be stated in the Governor Evers' biennial budget (July 1, 2023).

Source: Department of Public Instruction
Data Excludes Morris

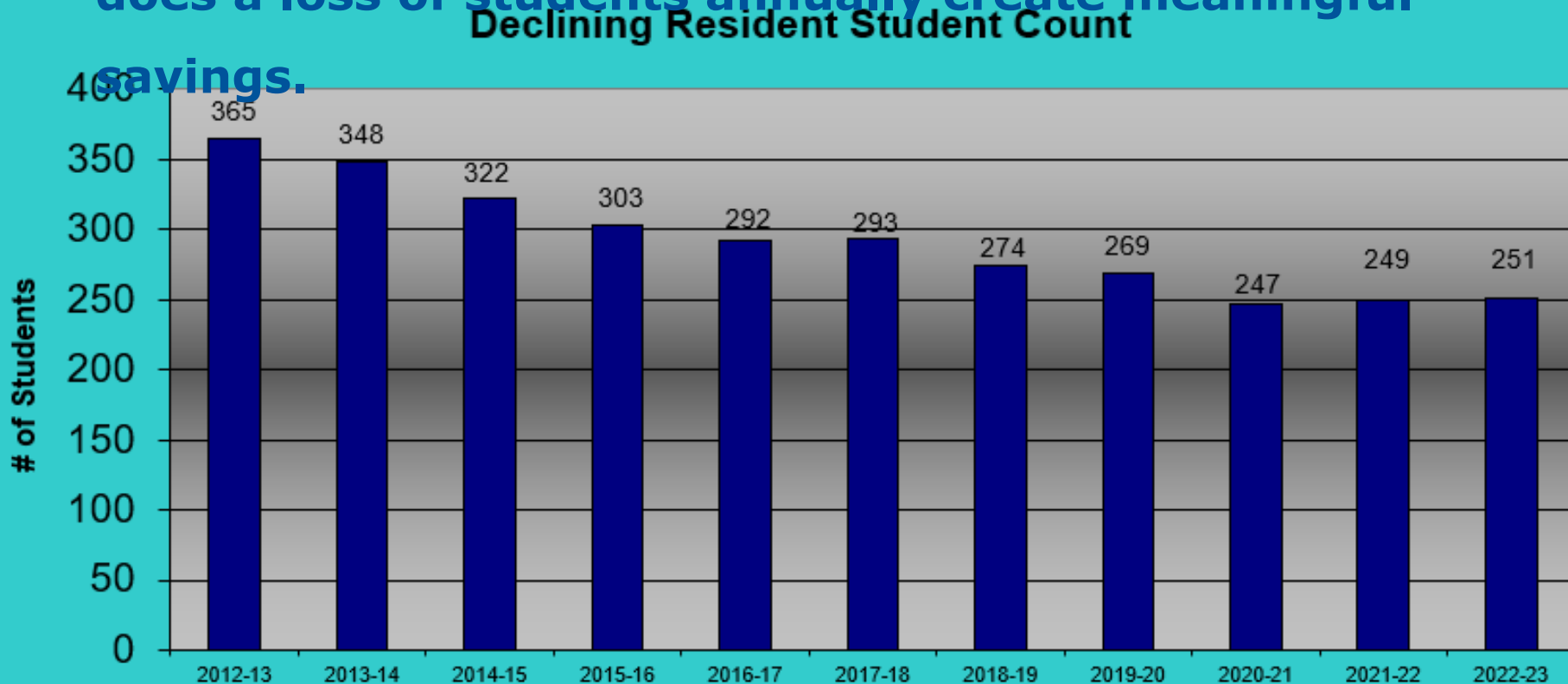
Declining Enrollment Facts



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- **Almost 75% of WI districts are in declining enrollment.**
- **School districts do not shrink well because rarely**

does a loss of students annually create meaningful savings.



What Has the District Already Done?



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Decreased Spending	Increased Revenue
Elimination of Administrative Positions (Principal & Curriculum)	Attraction of Open Enrollment Students
Energy Efficient Systems Installation (HVAC & LED Lighting)	Establishment of North Lake Education Foundation
Elimination of Teacher Salary Schedule, Employee Long Term Care Insurance & Retiree Benefits	Community Partnership with Lake Country Kindergarten Preschool for 4K & Early Childhood Programming
Reduction of Specialist Staff (e.g. P. E.) & Elective Offerings	Grant Awards (WI-DWD Fast Forward)
Shared Services through Intergovernmental Agreements	Solicitation of Private Donations
Staff Budget Freezes	Increased & New Student Fees

Forecast Model



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Base

	Historical	Current Year	Budget Year	Forecast	
	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
Sept Membership (FTE)	241	244	244	244	244
TIF Out Equalized Valuation Growth	3.96%	17.71%	2.00%	2.00%	2.00%
Fund 10 Revenues	\$4,291,851	\$4,423,272	\$5,035,835	\$5,158,500	\$5,258,500
Fund 10 Expenditures	\$4,477,061	\$4,874,018	\$4,896,095	\$5,096,315	\$5,309,629
Surplus (Deficit)	(\$185,210)	(\$450,746)	\$139,740	\$62,184	(\$51,129)
Fund Balance	\$1,215,171	\$764,425	\$904,165	\$966,349	\$915,221
Fund Balance as % of Expenditures	27.14%	15.68%	18.47%	18.96%	17.24%
Total School-Based Tax Levy	\$2,709,480	\$2,642,478	\$3,747,159	\$3,901,634	\$3,782,638
% change		-2.47%	41.80%	4.12%	-3.05%
Mill Rate (per \$1,000 EQ Value)	\$4.95	\$4.10	\$5.70	\$5.82	\$5.53
% change		-17.15%	39.02%	2.08%	-4.95%
Non-Recurring Referendum \$	\$0	\$0	\$1,100,000	\$1,200,000	\$1,300,000
Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0
Referendum Debt Levy	\$250,500	\$251,500	\$247,150	\$247,450	\$0
Average tax impact: \$100,000 home	\$495	\$410	\$570	\$582	\$553

Source: historical data from Department of Public Instruction. Current year budget data from School District of North Lake. Forecasted estimates are based on preliminary enrollment figures, preliminary budget estimates, an estimated 2% growth in equalized property values, and conservative state biennial budget estimates. Any changes to the aforementioned variables will change forecasted estimates.

What will a Referendum be used toward



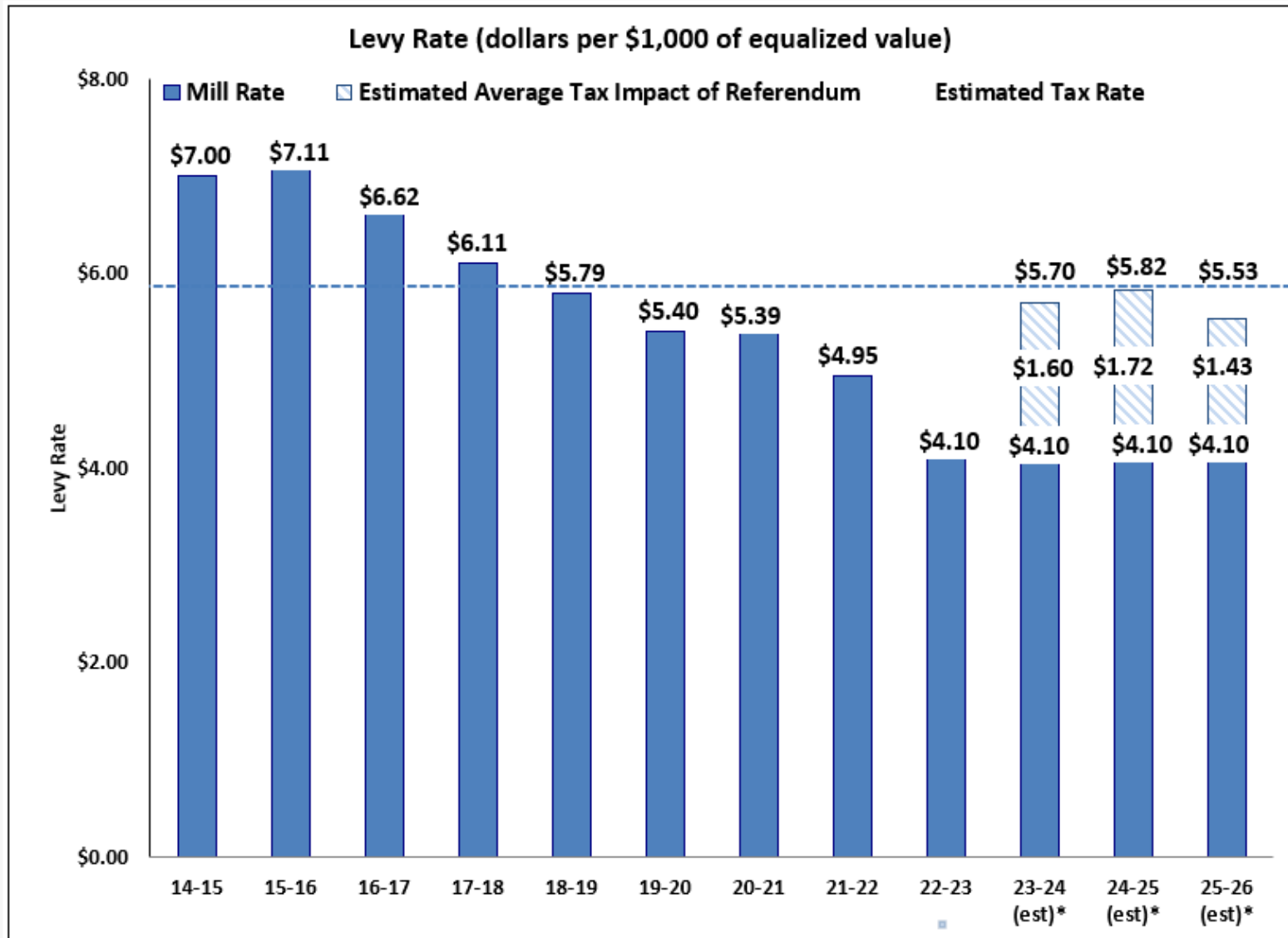
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Academics	School Structure	Co-Curriculars
Significantly Exceeds Expectations on State Report Card	Small Class Sizes	Athletics
Expansive Electives: PE/Health, Guidance, Library Media, General Music, Instrumental Band, Visual Arts & Choir	Consistent Curriculum with Professional Development Opportunities	Band Consortium
World Language (Spanish I)	Maker Spaces	Math Club
Gifted & Talented Programming including Geometry & Spanish II @ AHS	Clean, Well-maintained Facility	Forensics
STEAM Classes including PLTW's Robotics, Design & Modeling, Computer Science, & Infection Detection	Abundant Technology and Tools	Track & Ski Clubs
Lakers Manufacturing Experience	Community Access &	Community

North Lake Levy Rate History



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Source: historical data from Department of Public Instruction. Forecasted estimates are based on preliminary enrollment figures, an estimated 2% growth in equalized property values, and conservative state biennial budget estimates. Any changes to the aforementioned variables will change forecasted estimates

Estimated Tax Impacts



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Estimated Referendum Tax Increase

PROPERTY VALUE (Fair Market Value)	\$1,200,000 2024-2025 (Maximum Mill Rate Impact) \$1.72 per \$1,000 of Property Value	
	Annual Impact	Monthly Impact
\$100,000	\$172.00	\$14.33
\$200,000	\$344.00	\$28.67
\$300,000	\$516.00	\$43.00
\$400,000	\$688.00	\$57.33
\$500,000	\$860.00	\$71.67

Assumptions:

Mill rate based on the 2022 Equalized Valuation (TID-OUT) of \$644,752,302 with annual growth of 2.00% thereafter.

Represents the hypothetical increase in mill rate after a successful referendum.

If the referendum is successful, the maximum increase in mill rate (over the 2022-23 base year) is projected to occur in 2024-25.



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Questions?

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