



REFERENDUM FAQs

On February 16, Marshall Public Schools will be asking area residents to vote on a referendum to authorize exceeding the revenue limit by \$875,000 each year for three consecutive years, beginning with the 2016-17 school year.

It is the District's mission to provide voters the information needed to make an informed decision. Below are responses to questions that you may have. If you have questions that are not answered within this publication, please feel free to contact the District Office at referendum@marshallschools.org with your specific questions.

Why do we need a referendum now?

In 2012, the Marshall community voted to support the cost of operating local schools through an operational referendum. The revenue from that referendum supported operating costs, allowing the District to maintain reasonable class sizes, update technology and complete some much needed facility repair and maintenance projects.

That referendum was a 3-year commitment to the schools, which expires at the end of this school year. With the continued decline in State funding, while operating costs continue to rise, the District must ask the community to continue their support of the schools through referendum dollars.

Referendum funds are needed for the following purposes:

- Maintaining reasonable **class sizes**
- Retaining a broad array of **course offerings**
- Sustaining academic, co-curricular and athletic **programs**
- Supporting student access to current **technology**
- Maintaining district **facilities**
- Providing professional **training** for staff members

Is Marshall the only school district going to referendum for operational support?

Over the past four years, 185 school districts in Wisconsin have gone to their voters for operational referendums. An additional 172 school districts went to voters with referendums to issue debt for construction projects.

Some of the surrounding districts planning an operational referendum in 2016 include Jefferson, Cambridge, Deerfield, Fort Atkinson, Milton, Monona Grove, Wisconsin Heights, and Portage.

Why are so many school districts going to referendum?

Support for public education from the State of Wisconsin is lower than it has ever been. Sizable reductions in funding for Wisconsin public schools have crippled school districts' ability to operate the schools without local taxpayer referendum support. Referendum dollars are needed to replace the revenue that used to be provided through State aid.

How much is the District asking for and what is it funding?

The District is asking voters to consider a three year, \$875,000 per year operational referendum to exceed the state imposed revenue cap. The total \$2.6 million, over three years, will be used to maintain reasonable class sizes; continue student access to current technology; retain a broad array of course offerings; facility maintenance, repair, and improvements; sustaining co-curricular programs; and professional training for staff members.

Feb. 16 Ballot Question

"Shall the Joint School District Number 2, Village of Marshall, Towns of Cottage Grove, Deerfield, Medina, Sun Prairie and York, Dane County, Wisconsin beginning with the 2016-2017 school year and ending with the 2018-2019 school year be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$875,000 a year, for non-recurring purposes consisting of maintaining reasonable class sizes; sustaining academic, co-curricular and athletic programs; supporting student access to technology; and continued maintenance of district facilities?"

Why \$875,000 and for only 3 years?

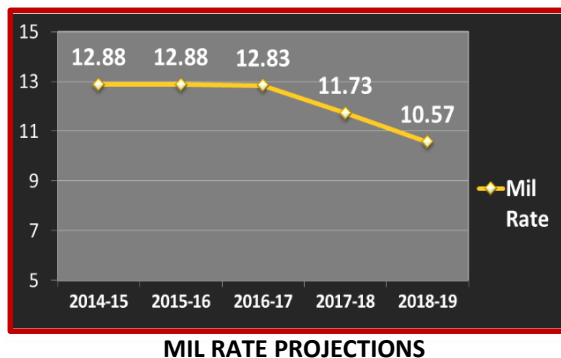
The amount of \$875,000 per year for three years was determined by carefully analyzing revenue and expense projections, as well as the public's ability to support an operational referendum. The total of \$2.6 million over three years represents approximately half of the projected deficit for those same three years. The District is asking the community to support approximately half of the projected deficit through an operating referendum, but will continue to pursue cost-savings initiatives for the other half. Given the state of uncertainty related to school finance, the Board of Education thought it best to allow voters the opportunity to revisit the question after three years.

Why an operating budget request and not a request to do something about the middle school facility?

The Board of Education engaged in a long-term facilities study in 2013-14. Upon completion of a detailed, independent study, the Board presented the findings to the community. Multiple options regarding identified facility needs, including the aging middle school, were presented to community members through public forums and surveys that were mailed to residents.

Feedback from the community forums and surveys indicated a lack of local support for the construction of a new middle school facility, opting instead to make needed repairs and updates to the existing building. Consequently, maintenance and repair costs for the existing middle school, along with all facilities, must come from the District's declining operating budget.

What Will Happen to Local Property Taxes?



Even with a successful referendum, property taxes associated with the Marshall School District are projected to decrease slightly in 2016-17, and more significantly in 2017-18 and 2018-19. The reason for the decline in property taxes is the final payment of the debt related to the construction of the high school.

State law does not allow a school district to reallocate those debt payments to operation expenses without additional voter approval. There are other economic variables that affect property taxes, such as local property values and municipal spending.

How much State support is provided to the District?

Marshall Public Schools' allowed revenue cap for the 2015-16 school year is \$12,389,874, as determined by state statutes. Equalization aid to the District is \$ 8,693,911 for the 2015-16 school year. Additional state aid totaling \$802,074 is anticipated.

Will this referendum money go directly toward salaries and benefits?

The referendum is not for salary and benefit increases, but rather maintaining the quality educational experience currently provided our children. The District's primary operating fund is called a *general fund* to which all revenues are deposited and from which the District's expenses, outside of transfers, are paid. Although the District's primary expenses are salaries and benefits, the District has followed post-Act 10 guidelines that tie salary increases to the Consumer Price Index.

Can the District tap its fund balance rather than appeal to voters?

The District's fund balance is not a cash account, but rather a balance sheet account, across all funds, comprised of assets minus liabilities which then equals a balance. A healthy fund balance should minimally be 10% of the District's total budget, which is consistent with board policy. A fund balance exceeding 10% demonstrates financial stability and can help the District enhance its bond rating, which helps obtain lower interest rates. An approved referendum will allow the District to maintain its current fund balance.

At the start of the 2015-16 school year, the District was able to increase its Standard & Poor's bond rating from A- to A+. Additionally, the District moved from "standard" to "good" financial management practices. The District's strong fund balance contributed significantly to the favorable rating, allowing the District to save substantial debt financing costs.

What happens if the referendum does not pass?

The District will be forced to increase class size at all school levels, reduce the number of academic, co-curricular and athletic program offerings at all levels, limit student access to current technology and delay maintenance and repairs to district facilities. The projected deficit over the next three years, based on current revenue sources, is more than \$5 million, which will need to be cut from the district's operating budget.

Is there a list of specific reductions?

At this time there is no list of specific reductions, but the reality is the number of academic, athletic and fine arts programs will decline, student access to technology will slow and there will be a delay in needed facility repairs. Should the referendum fail, the Board of Education will need to determine specific and detrimental reductions as they approve the 2016-17 annual budget. Each expenditure will be re-evaluated.

Some of the reductions that will be considered include:

- Increase class sizes by reducing teachers
- Eliminate bus transportation within village boundaries
- Reduce offerings outside of school hours, including academic, athletic and fine arts extra-curricular programs
- Cut back the number of sports teams supported by the District
- Slow down the infusion of current technology
- Delay facility repairs and recommended maintenance

What have other districts done instead of a referendum?

Other districts in Wisconsin that have not been able to pass a referendum have faced serious cutbacks, including:

- Eliminating the majority of "specials" at the early grade levels, including art, music, physical education, and library services.
- Charging families for bus transportation
- Eliminating Family and Consumer Science programs
- Eliminating after school athletic and academic programs
- Cutting technology education programs
- Reducing library services and personnel
- Increasing class sizes up to 35 students at the high school level, and 30 students at the elementary level

What has Marshall Public Schools done to cut, trim and freeze expenses?

The District's primary cost is people (our teachers and staff) which provide educational services to our children. The efficient and effective utilization of the District's resources has always been the focus of the Board of Education. A staff reduction of 7.1 FTE was made for 2015-16 due to declining enrollment. The employee health insurance plan is reviewed annually to explore options to reduce costs. Changes have been implemented which shift some of the increased health care costs to employees. Energy efficiency projects allow the District to reduce long-term utility costs. The District has also implemented strategies to lower borrowing costs, as well as reducing its curriculum and instruction budget, supply budget and travel expenses. An additional strategy implemented to lower operating costs has been bringing lawn care and snow removal duties in house.

Why did teachers get raises if we are cutting back?

Marshall's teaching staff received a 1.67% salary raise, even though the State, via Act 10, allowed an increase for the 2015-16 school year of up to 2%. The Board of Education must balance fiscal considerations with the need to attract and retain quality teachers. Numerous districts within a commonly acceptable commuting distance from Marshall pay teachers at a significantly higher wage scale. That puts Marshall at a competitive disadvantage when hiring and retaining great teachers. While salary is not the primary deciding factor in making an employment decision for many teachers, the recent backward slide of net pay for educators throughout the State forces a higher consideration for salary as a deciding factor for employment.

Can the District increase its revenue sources?

The District, like all school districts, is constrained by a state imposed revenue cap which in turn limits the tax revenue the District can raise. Outside of taxes, the District can institute fees, seek grants and look to fundraising. In 2011 the District was the last Capitol Conference school district to implement student fees. Throughout history, the District has sought State and Federal grants to complement its state aid and local taxes. Grants, such as Achievement Gap Reduction (AGR) valued at \$250,000, have allowed the District to maintain an 18:1 student to teacher ratio at the elementary, K-3, grade levels. The District also seeks gifts from generous local partners such as the Marshall Lions Club and Marshall PTA to support student activities.

What is a revenue cap?

"Revenue" means the sum of state aid and the property tax levy. The "cap" refers to the state imposed spending limit. The revenue cap represents the dollar amount school districts may spend to educate students. In order to exceed the revenue cap, the district must go to referendum.

Why didn't Act 10 alleviate the District's deficits?

Act 10 and the Budget Repair Bill afforded the District an opportunity to reduce expenditures for employee benefits by nearly \$646,000; unfortunately these two pieces of legislation also reduced the District's revenues by \$705,000 and in essence created a \$59,000 deficit without any other consideration for increases in food, supply, transportation and utility costs.

Why were teaching jobs cut prior to the 2015-16 school year, even though an operating referendum was passed in 2012?

Marshall's school enrollment had declined. Student enrollment from 2012-13 to 2015-16 decreased by 198 students. Over the past three years, Marshall has graduated 275 seniors. Over the same time period, 226 students have enrolled in the pre-kindergarten program. The outgoing class sizes averaged 92 students. Incoming class sizes averaged 75 students. This tells us that more families with school-aged children are leaving the community than families moving in to the community.

Why did the District purchase new lawn care and snow removal equipment?

The District continually looks at both long-term and short-term solutions for cost savings. Marshall had traditionally contracted out its lawn care and snow/ice removal. Most school districts in the surrounding area perform their own lawn care and snow removal. The District's average costs for contracted lawn care and snow removal between 2009 and 2012 was \$61,615/year. By moving the services in house, the District projects to save \$250,000 over a ten-year period. In addition to controlling costs, the District is also able to control responsiveness to weather conditions, rather than relying on a contractor with multiple customers to service.

How does Marshall's spending on administrator salaries compare to other school districts?

In 2006, the district went from eight to seven administrators, eliminating the Director of Pupil Services position which is responsible for special education services. Marshall currently has seven administrators:

- 4** Principals (One in each building)
- 1** Business Manager
- 1** Director of Instruction
- 1** District Administrator (also serving as the Director of Special Education)

While most districts employ a Director of Special Education, Marshall's school board was able to realize a cost savings by adding the Director of Pupil Services role to the District Administrator position and adding a stipend to that contract for the additional role. Additionally, 25% of the Middle School Principal Position was re-allocated to the position of Special Education Coordinator.

The Board of Education recently examined comparison data in respect to the compensation of Marshall's District Administrator and determined that the current salary and benefits in place are in alignment with other school districts' compensation models. When considering that Marshall's District Administrator also fills the Director of Special

Education position typically held by an additional full-time administrator in surrounding districts, Marshall experiences a significant savings in administrator salaries.

Why did taxes increase more than projected in the first year of the last referendum?

The projected tax impact of the 2013-16 referendum was influenced by several factors. These same factors impact the school budget each year: enrollment, property values, and state aid. There were two significant, unforeseen factors that caused the mil rate to increase more than projected: 1) Enrollment declined significantly. The projections were made based on enrollment remaining constant; and 2) Property values in the district decreased. Projections were made based on property values remaining constant.

The District made projections, in good faith, based on historical data. These two unforeseen changes occurring at the same time caused an additional burden on taxpayers. There was nothing the District could have done differently to predict those changes. Projections are made methodically, but are based on the information we have at the time. Conversely, if enrollment had increased and property values went up, the tax impact would actually have been less than projected.

The current referendum seeks to exceed the revenue limit by \$875,000. Ultimately, the Board is asking to continue the \$500,000 annual referendum (which has already been part of local tax bills), with the addition of \$375,000 annually. The Board has made every effort to keep the school tax levy stable while continuing to support the programs and services that benefit our children.

Where do I go to vote?

The Marshall Public School District encompasses residents from the Village of Marshall, as well as residents in the Towns of Cottage Grove, Deerfield, Sun Prairie, Medina and York. If you have questions on where you should vote, visit <https://myvote.wi.gov>.

ALL POLLING PLACES WILL OPEN AT 7:00 A.M. AND WILL CLOSE AT 8:00 P.M. ON FEBRUARY 16.

NEW THIS YEAR: At all elections in Wisconsin, voters must now show a photo ID before receiving a ballot.

Voting absentee:

BY MAIL: The deadline for making application to vote absentee by mail is 5:00 p.m. on the Thursday preceding the election. IN PERSON: The deadline for voting an absentee ballot in the municipal clerk's office is 5:00 p.m. on the FRIDAY preceding the election.

For further information on absentee voting visit the Government Accountability Website at: <http://gab.wi.gov/elections-voting/voters/absentee> or check with your municipal clerk.

Where can I get additional information on the referendum?

- Visit www.marshallschools.org
- Email questions to referendum@marshallschools.org
- Visit the District Office at 617 Madison St. Marshall, WI