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KENOSHA UNIFIED SCHOOL DISTRICT

# Rightsizing Project Update

Fall 2023



# Agenda

- Why Rightsizing is Needed
- Student Enrollment Trends
- Budget Implications
- Common Questions
- The Process



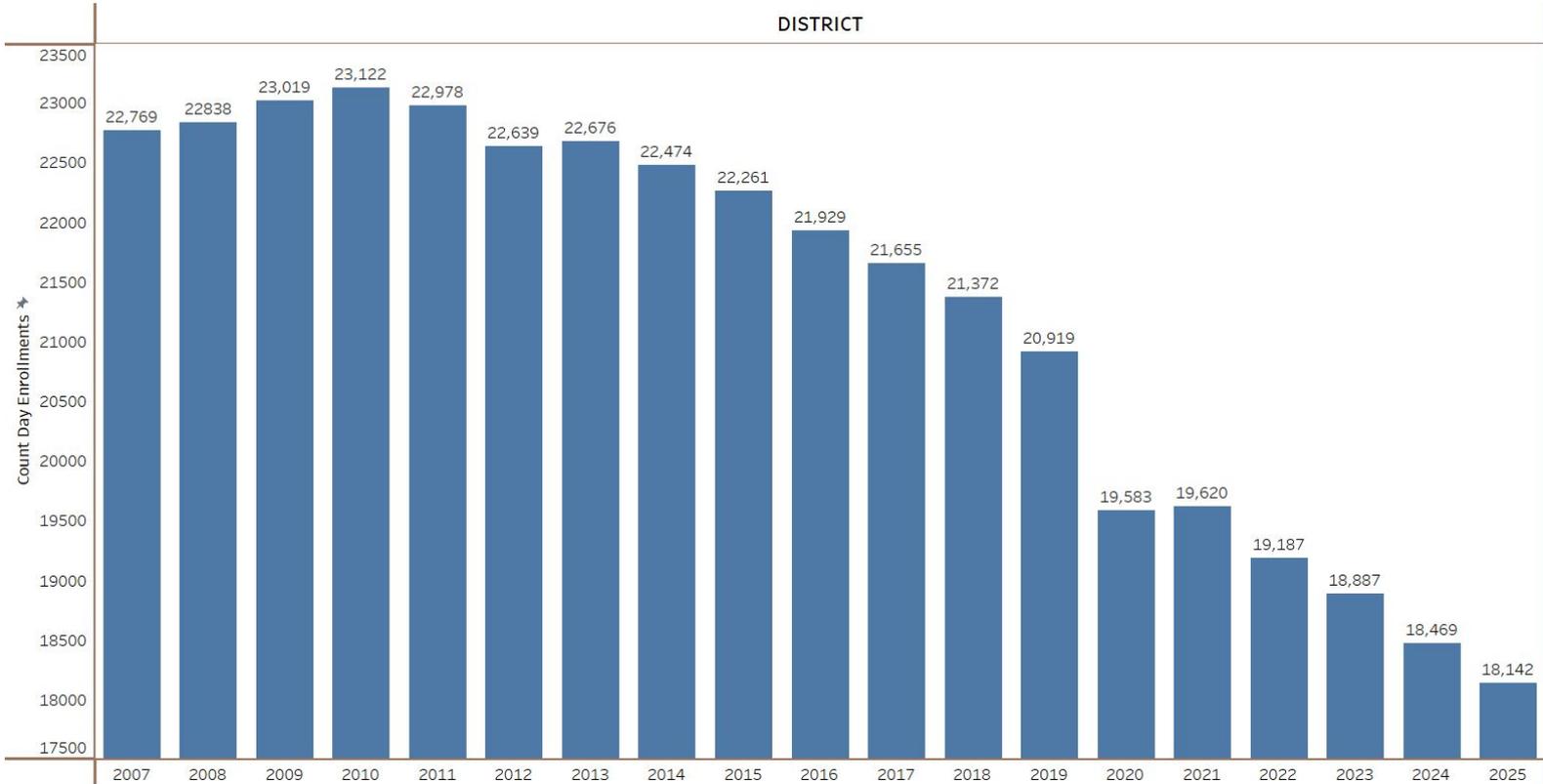
# Why Rightsizing is Needed

## Improving Efficiency

- ***Maintaining*** the level of services and programs available to students
- Consolidating resources
- Prioritizing available funding



# Student Enrollment Trends





# Student Enrollment Trends

- Prior to Wilson Elementary closing this year, the last school closure was McKinley Middle School in 2012.
- From 2013 to 2023, there are nearly 3,800 fewer students in KUSD, a decrease of 17% this past decade.
- The KUSD boundary birth rate is the main contributing factor, which is a national trend.



# Student Enrollment Trends

- Declining enrollment causes inefficient use of our school's **functional utilization**:
  - Boundary elementary schools (average): 64.5%
  - Boundary middle schools (average): 64.2%
  - Boundary high schools (average): 78.3%
- These boundary groupings are projected to decline **-1% to -2% each year** for at least the next several years.



# Budget Implications

- WI districts are generally financed on the three year average number of students
  - KUSD receives ~\$11,000 per student
  - Fewer students = Less money
- Nearly 80% of KUSD's budget is staffing-related
- Quality of services diminish as they are spread over more schools with less funding to support them



# Common Questions

- ***“Didn’t the State Budget fix KUSD’s budget issues?”***
  - Additional funding from the State = \$4.6 MM more than originally planned for the 2023-24 fiscal year
  - KUSD 2023-24 salary costs = \$7.5 MM
    - 4% salary increase = \$6 MM
    - Salary schedule movement = \$1.5 MM
    - KUSD is banking on unfilled positions to fill funding gap
  - Concerns for 2024-25 fiscal year:
    - Health insurance increase (11%)
    - Restoring curriculum materials budget (\$2 MM)
    - Major maintenance (\$1 MM),
    - Technology (\$500 K), Substitute budget (\$1.5 MM)



# Common Questions

- ***“Isn’t the Kenosha population growing?”***
  - New businesses moved into area, fewer than expected single family homes were built.
  
  - Increased competition for students is affecting enrollment, but lower birth rate is the main cause.
  
  - Recent study by Davis Demographics – MGT revealed:
    - 56 students for every 100 new single family homes
    - 19 students for every 100 new apartments



# Common Questions

- ***“Can’t we use the fund balance to cover costs?”***
  - The timing of when tax payments and state aids are received causes great fluctuations in cash flow
  - Fund balance is used to avoid short-term borrowing when there is a long gap between payments
  - Without sufficient fund balance, districts must short-term borrow to meet payroll (very high interest rates now)
  - Interest payments are paid out of the general fund
  - Using fund balance for ongoing costs is very poor fiscal practice that rapidly creates a structural deficit and hurts your credit rating which will also make borrowing costs go up



# Common Questions

- ***“Can’t we just pass a referendum?”***
  - This is strictly a Board decision/public vote
  
  - Before any recommendation, we must show the community we are good custodians of public funds
  
  - State law restricts the number of times districts can go to referendum and state law *punishes* districts if they fail to pass an operating referendum
    - The consequence is a 3-year freeze on the per-pupil amount from the year it failed



# Common Questions

- ***“Will Rightsizing prevent layoffs?”***
  - At this time, there is not a way to identify staff who may be impacted or how many
  - Once the Board approves a plan, administration will be able to identify who will be impacted and provide proper guidance and notifications in line with state statute requirements
  - All positions at impacted schools, as well support staff districtwide, will be reviewed



# The Process

- Davis Demographics - MGT was hired in May to provide a comprehensive demographic study, which includes student forecasting, boundary planning, and contributing additional skills and knowledge beyond the district's capabilities that will assist in developing research-based strategies to help rightsize the district for the 2024-25 school year and beyond
- A Rightsizing Advisory Committee was formed to aid in developing parameters for use during the rightsizing process
- [kUSD.edu/rightsizing](https://kUSD.edu/rightsizing) provides resources and links related to this project



# The Process

School Board established parameters on August 31.

- **Utilizing a capacity rate of at least 80%,**
- **Exploring a 4K-8 model, and**
- **Consolidating schools, changing school boundaries, and/or merging school programs**



# The Process

## Community Input Sessions

- Oct. 17
  - 3 p.m. at Harvey
- Oct. 17
  - 5:30 p.m. at ITHSA
- Oct. 18,
  - 4 p.m. at Tremper
- Oct. 18
  - 6:30 p.m. at Reuther
  - Bilingual session



## KUSD RIGHTSIZING COMMUNITY ENGAGEMENT SESSIONS

HOSTED BY: DAVIS DEMOGRAPHICS - MGT

## SESSION DATES AND LOCATIONS:

**TUESDAY, OCT. 17**

**3 p.m.**

Harvey gymnasium, 2012 19th Ave.

**5:30 p.m.**

Indian Trail Auditorium, 6800 60th St.

**WEDNESDAY, OCT. 18**

**4 p.m.**

Tremper Auditorium, 8560 26th Ave.

**WEDNESDAY, OCT. 18\***

**6:30 p.m.**

Reuther Auditorium, 913 57th St.

*\*Bilingual session offered in English and Spanish*





# The Process

- Presentations and surveys for staff, families and community in October
- Board to review feedback from various groups and scenarios from Davis Demographics - MGT
- Goal = Right Sizing Plan approval at the December 12 regular board meeting, implementation plans to follow



# Questions remaining?

- Following this presentation, what questions still remain?
  - This will be captured and shared for review and consideration

# THANK YOU



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