



# Operational Referendum

*February 18, 2025*

# WISCONSIN SCHOOL FUNDING

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wisconsin school  
public relations  
association



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# WHAT PROBLEM ARE WE FACING?

- **2024-25** budget is **balanced**
  - Difficult reductions got us to this point, but they do not solve future budget issues.
- **2025-26** and beyond is **not balanced**
  - Estimated \$19+ million deficit if nothing changes with the state budget, inflation continues at this pace, and enrollment continues to decline as is predicted.

# WHY IS KUSD FACING FINANCIAL CHALLENGES?

- In 1993, Wisconsin **instituted a limit** on the revenue school districts can receive each year.
- The control applies to revenue received from the two primary sources:
  - (1) State aid
  - (2) Local property taxes
- A district's revenue limit is directly linked to state-approved adjustments and enrollment.
- Due to minimal state adjustments, our district's **revenue limit has not kept pace with inflation.**



# *Did You Know?*

Had state funding kept pace with inflation, KUSD would have an **additional \$31 million** available—and **an operational referendum would not be necessary.**



# IMPACT OF RISING COSTS



- Expenses like curriculum, utilities, health insurance, transportation, and salaries continue to increase.
- **Schools cannot raise prices.** Instead, we must reduce our costs, which means a reduced investment in our students.



# COST-SAVING MEASURES



**Since the 2021-22 fiscal year, KUSD has:**

- Reduced staffing to align with declining enrollment
- Reduced support staff
- Closed 7 schools and merged two others
- Eliminated the employer-paid HSA benefit
- Modified the employee health benefit plan
- Modified the prescription drug plan
- Reduced discretionary spending
- Reduced the major maintenance budget
- Reduced the curriculum adoption budget
- Reduced the technology refresh budget
- Provided wage increases below CPI
- Shifted costs temporarily to ESSER when possible



# STAFF REDUCTIONS SINCE 2019-20



- Student Enrollments: -11.5%
- Administrative, Supervisory, Technical: -10.1%
- Teachers: -9.3%
- Educational support professionals: -4.6%
- Administrative support professionals: -15.3%
- Interpreters: -14.3%
- Service: -10.7%

# PROVEN FISCAL RESPONSIBILITY



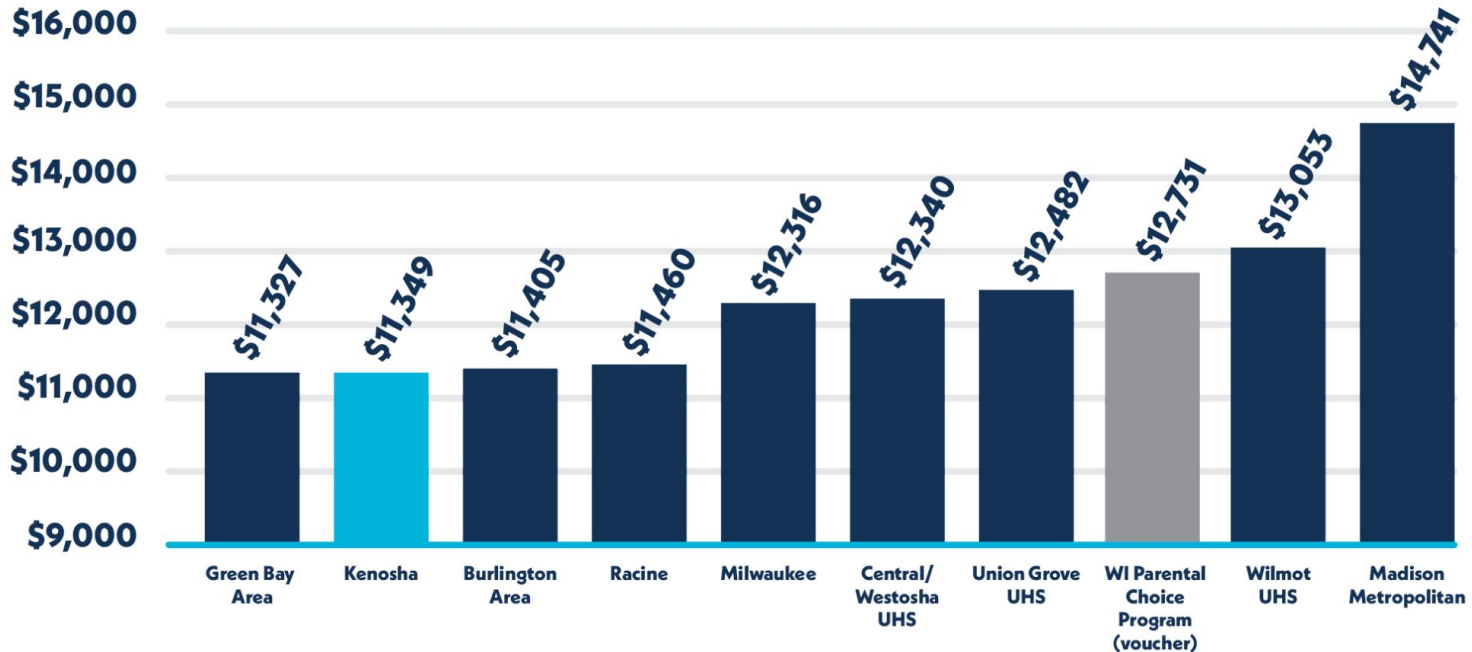
- **Clean Audits**
  - The district has consistently received clean independent audits, confirming compliance with financial standards.
- **Strong Balance Sheet**
  - Unlike many districts, KUSD has avoided short-term cash borrowing for the last two fiscal years showcasing financial stability.
- **Transparent Financial Reporting**
  - Regular, transparent financial reports are shared with the Board of Education and community, ensuring accountability.
- **Top-tier Financial Ratings**
  - Achieved the highest possible rating by Moody's Investors Service for short-term debt (MIG 1) and the second-highest rating for long-term debt (Aa 2), a testament to our sound fiscal management.
- **Joint Finance Committee:** [docs.legis.wisconsin.gov/2025/committees/joint/2920](https://docs.legis.wisconsin.gov/2025/committees/joint/2920)



# KUSD VS. SURROUNDING DISTRICTS

Revenue Limit - Max Revenue Per Pupil

## 2024-25



# PROPOSED SOLUTION



- On **Tuesday, February 18, 2025**, our community will vote on a proposed **non-recurring referendum** question for Kenosha Unified.
- If it's approved, the district will be able to increase its revenue limit by \$23 million per year **through the 2029-30 school year**.
- This increase will **address the \$19+ million deficit** and allow for additional safety enhancements.

# *Did You Know?*

In 2024, 147 operational referendums were proposed by Wisconsin school districts to their communities, seeking to raise their revenue limits.

Over the past 10 years, a majority of our state's school districts have **successfully passed operational referendums.**





## COMMUNITY SUPPORT

- Over 86% of respondents are very or somewhat familiar with KUSD's budget challenges.
- More than 76% believe that KUSD's financial needs should be addressed immediately.
- 57% expressed support for placing an operational referendum on the February 2025 ballot.

Full survey report is available at [kUSD.edu/surveyreport](https://kUSD.edu/surveyreport)

# PROPOSED SOLUTION



Substantially reduce the **structural deficit** to protect class sizes, vital programs, and staff positions.



Implement and meet our **district goal** of increasing the percentage of students scoring proficient or advanced in reading and math by 12%.



Effectively implement **underfunded state-mandated programs**, such as Act 20 and its science of reading practices, to enrich reading instruction and increase student proficiency.



Retain our high-quality staff, whose dedicated **prep/professional time** is essential for delivering exceptional education.

# PROPOSED SOLUTION



Implement key upgrades to enhance **safety and security** for students and staff, including:

- Upgrading controlled building entrances
- Modernizing surveillance systems
- Reinforcing exterior doors
- Upgrading digital video recorders
- Implementing additional critical safety measures





# BUDGETARY PROJECTIONS

The table to the right indicates **projections** for the 2025-26 school year.

Preliminary FY 2025-26 Budget Positions			
Projected Revenues			
Ref	Description	Amount	
1	Revenue Limit Change (+\$325 PP, -335 3rd Friday)	\$3,770,000	
2	Per Pupil Categorical Aid (PPCA) Decline	-\$246,344	
Total Revenues		\$3,523,656	
Projected Expenses			
Ref	Description	Amount	
1	Structural Deficit Carried from FY24-25 (range \$790K to \$2.8MM)	\$1,800,000	
2	Restore ESSER Funded Tech Refresh Budget	\$1,000,000	ESSER-Related
3	Restore Major Maintenance	\$1,000,000	
4	Restore ESSER Funded Summer School plus other costs	\$2,225,000	
5	Curriculum Adoption	\$2,000,000	
6	Health Insurance 11%	\$4,090,000	Staff-related
7	Salary Schedule Increases ~ 1.5%	\$2,400,000	
8	Salary CPI Increases 2%	\$3,200,000	
9	HS Prep Time	\$3,417,000	
10	EL Prep Time	\$909,500	
11	Transportation Contract Increase 3%	\$300,000	Inflationary-related
12	Property Insurance Increase	\$12,000	
13	Liability Insurance Increase	\$30,000	
14	Nursing Contract Increase	\$50,000	
15	Debt Service to Fund 7 Remaining Controlled Entrances (\$12.5 MM)	\$3,000,000	Safety enhancements
16	Security Hardware (e.g. Cameras) Annual Update Cycle	\$100,000	
17	Upgraded Security DVR and Software Lease Budget	\$350,000	
Total Expenses		\$25,883,500	
Net Budget Position		-\$22,359,844	



# PROPERTY TAX IMPACT

A home with a value \$250,000 will pay an additional:

- \$313 per year
- \$26 per month

Amount is \$1.25 for each \$1,000 in home value



*\*Represents education taxes only (e.g. KUSD, vouchers, private schools, etc.) in respective tax years.*



# WHAT'S AT STAKE

- **PROPOSED CUT: Increase class sizes** to allow a reduction in staffing at elementary, middle and high school levels
  - **IMPACT:** *Limits personalized learning opportunities and reduces available support for students*
- **PROPOSED CUT: Convert Indian Trail Academies to pathways**
  - **IMPACT:** *Reduces opportunities for students*
- **PROPOSED CUT: Maintain reduced budgets**, including curriculum, major maintenance, and tech refresh that were previously supported by ESSER funding
  - **IMPACT:** *Causes students to use outdated materials and devices in less well-maintained facilities*



# WHAT'S AT STAKE

- **PROPOSED CUT: Pay freezes for all staff**
  - *IMPACT: Lower staff satisfaction and retention rates*
- **PROPOSED CUT: Eliminate MAP testing for grades 1, 2 and 3**
  - *IMPACT: Reduces the ability to effectively monitor and track student progress*
- **PROPOSED CUT: Reduce the Recognition Committee budget**
  - *IMPACT: Diminishes staff engagement and possibly retention rates*
- **PROPOSED CUT: Forgo safety upgrades and prep/professional time additions**
  - *IMPACT: Limits student safety and quality of instruction enhancements*

# BENEFIT TO STUDENTS



- Maintain offerings and class sizes where students receive the quality education they deserve.
- The District Improvement Plan outlines three critical goals for KUSD:
  - By spring 2027, the district will increase the percentage of students scoring proficient or advanced in reading and math by 12% as measured by the state assessment.
  - Engage in an inclusive and transparent process with the school board, staff, administration, and public to create recommendations that result in an annually balanced budget.
  - Retain and recruit highly qualified staff who work to ensure the success of every student.

# BENEFIT TO THE COMMUNITY



- **Schools are where our children learn and grow.**  
They are the foundation for developing the next generation of leaders, innovators, and community members. Every student deserves access to quality education, which this referendum helps sustain.
- **Economic growth is tied to quality schools.**  
Businesses looking to relocate or expand often prioritize communities with robust educational systems. Great schools attract businesses and ensure a well-prepared workforce, strengthening Kenosha's economic future.
- **Homebuyers are influenced by school success.**  
Families seek neighborhoods with reputable schools, boosting demand for housing and stabilizing property values. Investing in our schools is investing in our community.



**Submit your questions:**

Online at [\*\*kUSD.edu/questions\*\*](https://kUSD.edu/questions)

**-or-**

**Box at the back of the room**



# UPCOMING COMMUNITY TOWN HALL MEETINGS:

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- **Thursday, January 30, 2025**  
10:30 a.m. at the Educational Support Center
- **Tuesday, February 4, 2025**  
5:30 p.m. at Lance Middle School

# THANK YOU

Follow [kUSD.edu/referendum](https://kUSD.edu/referendum) for updates.

