



Operational Referendum

February 18, 2025

WISCONSIN SCHOOL FUNDING

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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 (DHH/ASL): -14.3%
- Service: -10.7%

PROVEN FISCAL RESPONSIBILITY



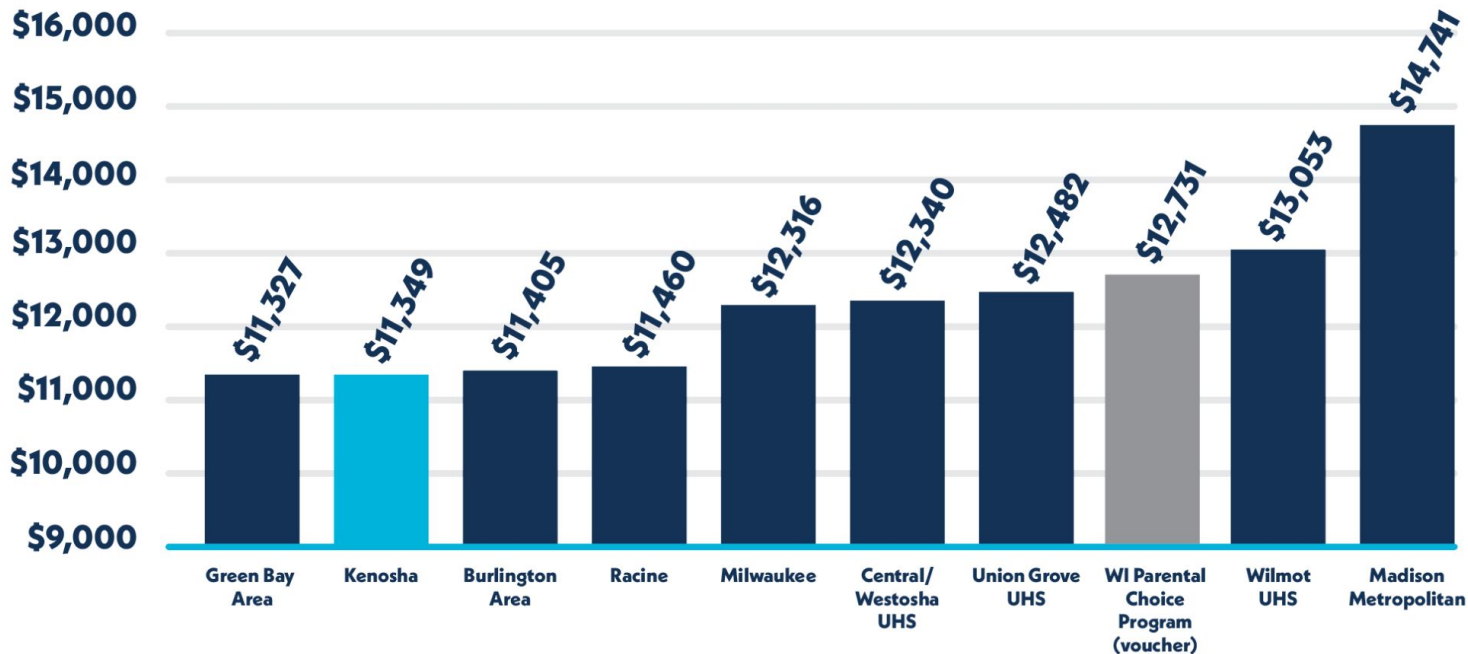
- **Clean Audits**
 - The district has consistently received clean independent audits, confirming compliance with financial standards.
- **Strong Balance Sheet**
 - Unlike many districts, KUSD has avoided short-term cash borrowing for the last two fiscal years showcasing financial stability.
- **Transparent 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



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

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 |
| 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 |
| 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 |
| 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 |
| 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:



Scan the QR code
kUSD.edu/questions

-or-

Box at the back of the room

UPCOMING COMMUNITY TOWN HALL MEETING:



- **Tuesday, February 4, 2025**
5:30 p.m. at Lance Middle School



THANK YOU

Follow kUSD.edu/referendum for updates.

