

# 2019-20 Budget Considerations

## SDNB's Mission

**Mission:** To empower, inspire and support students in acquiring the knowledge, skills and dispositions to establish goals for their future and develop plans to achieve them.

## SDNB's Vision

**Vision:** The School District of New Berlin will prepare all students to succeed in a diverse, change-oriented, global society by fostering a learning environment in which our public schools, families, post-secondary partners, public officials, businesses, community organizations and other citizens work collaboratively.

# SDNB's Values

- Excellent educators inspire excellence in students.
- All decisions should be based on the best interest of our students in preparation for their success in college, career and future opportunities.
- All students are capable of meeting high academic, technical and behavioral expectations.
- Students are most engaged when their learning is personalized and supported in a caring environment.

# SDNB's Values

- Working collaboratively to meet the individual needs of students will positively impact the quality of our future workforce.
- Input and active engagement from our local/regional/state community improves the quality of our schools.
- Effective communication with internal and external stakeholders is essential to our collective success.

# SDNB's Values

- Monitoring progress through measurable indicators ensures we are on track to meet stated objectives.
- Fostering a climate of entrepreneurial thinking, deliberate change and continuous improvement inspires innovative thinking.

# SDNB's Strategic Goals

Continuously increase student performance to ensure all students are prepared for success in college, careers, and future opportunities.

Foster a collaborative work environment that attracts, retains and honors high quality staff for the benefit of students.

Maintain and promote fiscal responsibility that reflects a commitment to student learning.

Develop relationships and partnerships in the community to recognize and utilize mutually beneficial resources.

## Outline

- Strategic compensation
- 2019-20 proposed staffing cuts
- 2019-20 school consolidation
- Items for future consideration



# Strategic Compensation

2019-20

# Strategic Compensation

## What is strategic compensation?

- Market-based wage adjustments
- Incentive-based wage increases through professional portfolio process

**Note:** Board-approved general wage increase of 2% is separate from strategic compensation.

## Strategic Compensation

### Impact of strategic compensation on 2019-20 budget

- Estimated cost for portfolio: maximum \$75,000
- Estimated market adjustment funding needs: \$75,000

# Proposed Staffing Adjustments

2019-20

## Current Projected Structural Deficits (with reduced wage increase)

Year	Deficit	Long-Range Planning*	Total
2019-20	\$1,475,012	\$3,350,000	\$4,825,012
2020-21	\$1,672,368	\$3,350,000	\$5,022,368
2021-22	\$1,568,392	\$3,460,000	\$5,028,392
2022-23	\$2,366,745	\$3,350,000	\$5,716,745
2023-24	\$2,930,261	\$3,350,000	\$6,280,261

\* - includes long-range facility and equipment replacement plans, technology support and safety, curriculum and instructional resources

## Proposed 2019-20 Staffing Cuts

### Proposed reductions

Approximately 10 positions resulting in \$860,000

- Central office, buildings and grounds, and non-classroom instructional positions

Note: With reduced wage increase (2% vs. 3%, or \$300,000) and strategic compensation, if approved, (\$150,000), **total reductions add up to \$1 million.**

## Projected Structural Deficits (with proposed staffing cuts AND decreased wage increase)

Year	Deficit	Long-Range Planning*	Total
2019-20	\$615,012	\$3,350,000	\$3,965,012
2020-21	\$744,713	\$3,350,000	\$4,094,713
2021-22	\$675,584	\$3,460,000	\$4,135,584
2022-23	\$1,458,404	\$3,350,000	\$4,808,404
2023-24	\$2,006,001	\$3,350,000	\$5,356,001

\* - includes long-range facility and equipment replacement plans, technology support and safety, curriculum and instructional resources

# Possible Consolidation

2019-20



# 2019-20 Consolidation

## Two scenarios

- **1) Consolidate elementary schools only**
  - Close Orchard Lane; absorb remaining OL students in three remaining schools
- **2) Consolidate / restructure / redistrict**
  - West becomes a 9th-12th grade school
  - Eisenhower becomes a 5th-8th grade school
  - Elementaries become K-4th grade schools
  - Close Orchard Lane; absorb remaining OL students in three remaining schools

# Consolidate Elementary Schools

- School capacity calculations:

School	# of Classrooms		SDNB Capacity Calculation				Enroll to Capacity %
	Special Use	General Use	Gen. Use Ave.	Target %	Low	Hi	Average of Low /Hi
Elmwood	8	28	25-28	90%	700	784	78.2%
Orchard Lane	6	21	25-28	90%	525	588	87.2%
Poplar Creek	6	25	25-28	90%	625	700	69.3%
Ronald Reagan	6	33	25-28	90%	825	924	68.3%

- Class size goals intact: grades K-3 - average of 26 or less; grades 4-6 - average of 30 or less

## 2019-20 Consolidation

### Consolidate Elementary Schools

- Not considered a long-range benefit given the likelihood of needing to re-open the school at a future date

## 2019-20 Consolidation

### Consolidate Elementary Schools Only

Utilities	\$52,713
Personnel	\$1,067,389
<b>Total</b>	<b>\$1,120,102*</b>

\* First-year savings could be less; does not include transition costs

# Estimated Projected Structural Deficits<sup>^</sup>

Year	Deficit	Long-Range Planning*	Total
2019-20	(\$505,090)	\$3,350,000	\$2,844,910
2020-21	(\$375,389)	\$3,350,000	\$2,974,611
2021-22	(\$444,518)	\$3,460,000	\$3,015,482
2022-23	\$338,302	\$3,350,000	\$3,688,302
2023-24	\$885,899	\$3,350,000	\$4,235,899

\* - includes long-range facility and equipment replacement plans, technology support and safety, curriculum and instructional resources

<sup>^</sup> - includes 2019-20 proposed staff cuts, 2019-20 reduced wage increase and elementary schools only consolidation

# 2019-20 Consolidation

## Consolidate Elementary Schools Only

- Costs
  - One-time costs for moving, etc.
  - Continued utility and some custodial to protect building from deterioration - estimated \$60,000
  - Possible costs to temporarily convert for other uses (community service funds - not part of deficit)
  - Decreased enrollment / membership

Note: no additional costs for busing

## 2019-20 Consolidation

### Consolidate / Restructure / Redistricting - Reduced Expenses

Elementary closure	\$1,120,102
Athletics (net) reduction	\$550,000 to \$625,000
Preliminary secondary staffing efficiencies	\$825,000
<b>Total</b>	<b>\$2.5 million (approximate)</b>

**Note:** closing Orchard Lane with no foreseeable need to reopen it would create revenue-generating potential: sale of building, rental, child care facility, expansion of Early Learning Program, etc.

## 2019-20 Consolidation

### Consolidate / Restructure / Redistrict - Costs

- Transportation - \$175,024
  - Three-tiered busing
  - Additional 34 routes
- Net loss of parking revenue at Ike - \$50,000
- One-time costs - moving, transition, re-branding, etc.
- Decreased enrollment / membership



## 2019-20 Consolidation

### Consolidate / Restructure / Redistrict - Costs

- Other one-time costs could include Ronald Reagan parking lot reconfiguration, athletics rebranding
- Other ongoing costs - athletics transportation between schools - \$24,100 annually
- Travel costs to provide instruction at the middle and high school (TAG) would be similar to current costs

Note: Estimated additional annual costs of consolidation: **\$225,000**

# Estimated Projected Structural Deficits<sup>^</sup>

Year	Deficit	Long-Range Planning*	Total
2019-20	(\$1,634,988)	\$3,350,000	\$1,715,012
2020-21	(\$1,505,287)	\$3,350,000	\$1,844,713
2021-22	(\$1,574,416)	\$3,460,000	\$1,885,584
2022-23	(\$791,596)	\$3,350,000	\$2,558,404
2023-24	(\$243,999)	\$3,350,000	\$2,856,001

\* - includes long-range facility and equipment replacement plans, technology support and safety, curriculum and instructional resources

<sup>^</sup> - includes 2019-20 proposed staff cuts, 2019-20 reduced wage increase and “total” consolidation

## Fund Balance

Current total: \$9,449,435

- Upcoming needs
  - Eisenhower wall - up to \$1.2 million
  - Eisenhower stormwater drainage - TBD
  - Drainage for two (2) baseball fields - \$352,000
- Unexpected / unanticipated projects

# Additional Considerations

2019-20 & Beyond

## Additional Budget Considerations

### Administration / Board to discuss / revisit the following:

- Raising student fees
- Open enrollment
- Additional personnel decisions
- Consolidation of schools (if no decision is made to consolidate for 2019-20 school year)
- Referendum in April 2020 or beyond

Request: Major decisions to be made no later than September 2019 to allow for planning, communication, etc.

# Discussion