



**School District of New Berlin's  
April 2, 2019 Operational Referendum  
Frequently Asked Questions**

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**Last Updated: Feb. 23, 2019**  
**Updated or Added questions noted in RED**

## **Referendum-Related Questions**

### **What are the terms of the referendum?**

The non-recurring operational referendum, if approved by a majority of voters, would allow the School District of New Berlin to raise the property tax levy by \$5 million per year for the next five years, starting in 2019-20, for the purpose of paying off existing debt, funding long-range facility and operational plans, and retaining and attracting staff by paying fair and competitive wages.

### **Why ask for a referendum now?**

The District has previously avoided the need for an operational referendum by managing structural deficits for the past seven years. The District is facing its largest deficit yet - \$2.3 million – for the 2019-20 fiscal year and has no way to address it, or future deficits, without significantly disrupting the current educational structure or negatively affecting the opportunities provided to students.

The district has 10 remaining years of annual debt within the operating budget ranging from \$3 million to \$4.3 million. The district has taken many measures to balance recent budgets, including the decision to stop setting aside funds for many of its long-range plans. We now have minimal funds for contingencies or acute issues and minimal funds for equipment and furniture replacement. We are now addressing maintenance issues reactively – and at times, more expensively – than proactively.

To balance recent budgets, the district also significantly reduced its teaching and learning budget, which, if left to continue, will result in outdated core curriculum and educational resources. The district, after providing staff with a 1 percent raise for the 2018-19 school year (administrators received no raise), is also struggling to pay teachers fair and competitive wages.

And the District is expecting cost increases for school safety, tech infrastructure and security, and student transportation.

### **What if the referendum fails?**

If the community does not approve the referendum, the Board of Education and administration will continue to make budget cuts and adjustments and spend its limited fund balance - or savings account - in order to balance the 2019-20 and future budgets.

Maintenance and long-range planning would continue to be deferred. Retaining and attracting the highest quality staff by paying competitive wages would become even more difficult. Funding of planned technology, equipment and safety upgrades as well as curriculum and instruction resources, would be put on or remain on hold. Additional staff reductions, causing increased class sizes and the elimination of some programs and services, would be considered.

The Board would also need to consider reductions through the consolidation of schools. A scenario that has been discussed would result in New Berlin West becoming the district's lone high school and Eisenhower becoming its lone middle school. All sixth-grade students would eventually be moved into middle school, and Orchard Lane Elementary would close. This restructuring would also require redistricting for our elementary families.

**UPDATE - What would the tax impact be to New Berlin residents and businesses?**

If approved by voters, the estimated tax impact for the \$5 million revenue cap increase on a \$250,000 home over the next five years is as follows:

	Annual Increase	Monthly Increase
2019-20	\$97.50	\$8.13
2020-21	\$30.00	\$2.50
2021-22	(-\$5.00, or no impact)	No impact
2022-23	(-\$75.00, or no impact)	No impact
2023-24	(-\$145.00, or no impact)	No impact

Tax impact estimates are based off of estimated mill rates, compared to the 2018-19 levels, and assumes 3 percent property growth in both 2019-20 and 2020-21, and 2.5 percent property growth the remaining three years. Projections are also based on historical data and reasonable expectations for future changes in revenues and expenditures.

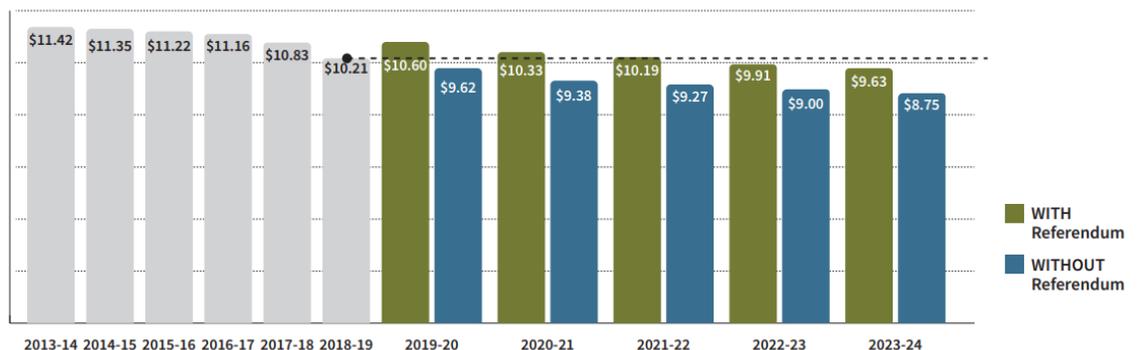
More details regarding the estimated tax levies and mill rates, with the additional \$5 million included, are below:

Year	Tax Levy	% Change	Mill Rate	% Change
2019-20	\$54,332,910	6.97%	\$10.60	3.82%
2020-21	\$54,545,572	0.39%	\$10.33	-2.55%
2021-22	\$55,158,727	1.12%	\$10.19	-1.36%
2022-23	\$54,951,571	-0.38%	\$9.91	-2.75%
2023-24	\$54,764,123	-0.34%	\$9.63	-2.83%

To help further illustrate, please see the following historical / projected tax rate chart and an actual tax bill example of a New Berlin resident:

**HISTORICAL & PROJECTED TAX RATE**

Illustrating a decline in the levy rate (due in part to increasing property values) and the impact of a referendum:



13520 W Terrywood Ct, New Berlin							
Tax Key: NBC 1202009							
Year	Assessed Value	Estimated Market Value	Net Property Tax	\$ Tax Change per Year	\$ Tax Change Cumm	% Tax Change per Year	% Tax Change Cumm
2008	329,000	365,300	5,642				
2009	342,500	355,300	5,570	(72)	(72)	-1.3%	-1.3%
2010	342,500	380,200	5,699	129	57	2.3%	1.0%
2011	342,500	339,300	5,668	(32)	26	-0.6%	0.5%
2012	311,700	325,100	5,722	54	80	1.0%	1.4%
2013	311,700	318,100	5,747	25	105	0.4%	1.9%
2014	311,700	327,300	5,648	(99)	6	-1.7%	0.1%
2015	332,200		5,680	31	38	0.6%	0.7%
2016	332,200	341,900	5,701	22	59	0.4%	1.1%
2017	332,200	355,000	5,643	(59)	1	-1.0%	0.0%
2018	364,800	373,300	5,596	(47)	(46)	-0.8%	-0.8%

In the example above, over a 10-year period, the individual homeowner's total property taxes (all taxing districts) went down \$46 (0.8% decrease). Over same period, the district increased property taxes 16.9%, illustrating how an increase in school property taxes is absorbed by property value growth. Over the same time period, the assessed property value increased \$35,800 or 10.9% and the estimated market value increased \$8,000 or 2.2%.

**Besides the structural deficit, does the District have other financial needs that require immediate attention?**

Yes, there are other projected needs in the coming years. To deal with current deficits, the district has suspended funding of its long-range facilities plan, which includes its asphalt and roofing plans, as well as its long-range equipment plan and some curriculum and instructional resources. These can only be deferred temporarily before they affect the actual operations. Additionally, the district has deferred maintenance needs, increased technology infrastructure needs and school safety funding needs.

**UPDATED - More specifically, what would the funds from an operational referendum be used for?**

The additional \$5 million annually would be used for three major purposes:

- It would allow the District to erase its structural deficits by paying toward its debt within the operating budget;
- It would allow the District to remain proactive in terms of funding its long-range plans, which includes facilities and equipment replacement, safety, technology infrastructure and support, and curriculum and instructional resources;
- It would allow the District to continue to pay staff fair and competitive wages in order to attract and retain the highest-quality employees possible.

It is important to note that erasing the structural deficits by paying toward the debt with referendum funds would allow the district to pay fair and competitive wages to staff with current revenue streams.

The specific breakdown follows. Additionally, more detailed information [can be found at this link](#).

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Paying toward debt</b>	\$2,270,415	\$3,182,326	\$3,537,508	\$3,732,920	\$3,736,990
<b>Long-Range Facility</b>	\$375,085	\$116,874	\$12,589	\$22,000	\$80,000
<b>Roofing</b>	\$233,500	\$155,000	\$0	\$36,080	\$158,010
<b>Pavement</b>	\$1,075,000	\$500,000	\$854,000	\$304,000	\$0
<b>Technology</b>	\$231,000	\$230,800	\$68,000	\$90,000	\$210,000
<b>Equipment &amp; Furniture Replacement</b>	\$250,000	\$250,000	\$0	\$250,000	\$250,000
<b>Safety</b>	\$415,000	\$415,000	\$415,000	\$415,000	\$415,000
<b>Curriculum &amp; Instruction</b>	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
<b>Plan Totals</b>	\$2,729,585	\$1,817,674	\$1,499,589	\$1,267,080	\$1,263,010
<b>Overall Total</b>	\$5,000,000	\$5,000,000	\$5,037,097	\$5,000,000	\$5,000,000

**ADDED - In the detailed, projected outline of how the referendum funds would be spent, there is no detail regarding safety. Why not?**

We do not believe it is prudent to share details about safety and security needs. What we can say is there are personnel, staff training, facility and equipment upgrade considerations that the funds could be used on, all of which we believe would enhance the safety and security of our students and staff.

**ADDED - If the referendum passes, and the state funding formula or revenue cap limits change in a favorable way for the District – in other words, the district receives more revenue than expected – what would the District do with the any surpluses?**

Ultimately, that decision would be up to future School Boards. The Boards would have several options, including, but not limited to, further paying down debt within the operating budget, building up fund balance for future capital projects, not levying to the maximum in any given year, and others.

**ADDED - If the referendum passes, it gives the Board the authority to collect \$5 million more in taxpayer revenue. Does that mean it has to?**

No. If future Boards decide it does not need the additional \$5 million, for whatever reason, it can choose to collect less than \$5 million.

**UPDATED - In last spring's community survey, a \$5 million dollar operational referendum was projected to cost a taxpayer with a \$250,000 home approximately \$200-\$250 annually. What changed?**

First, one key factor was the Board-approved defeasance of bond debt originally issued in 2000 to replace Elmwood Elementary School.

In school business, there are two theories related to the methodology for calculating the tax impact for future years. One is to multiply the amount needed by the current tax rate, without taking into consideration the impact of potential changes in property valuation. This was the methodology used to derive the \$200-\$250 on a \$250,000 home.

The more frequently used theory is to estimate the change in property value and calculate the projected tax rate for each year taking into consideration the property value change. It assumes the probability that growth in property values will result in "sharing of the burden" as real estate development occurs and / or property values increase.

Our tax impact estimates are based off of estimated mill rates, compared to the 2018-19 levels, and assume 3 percent property growth in both 2019-20 and 2020-21, and 2.5 percent property growth the remaining three years. Projections are also based on historical data and reasonable expectations for future changes in revenues and expenditures.

Property values are projected to increase at a faster pace than the tax rate, resulting in a projected increase in just the first two years of the referendum.

It is important to note this calculation is based only on the impact of the referendum over time while taking into account expected property value increases. It does not take into consideration changes in other components of the total property tax. For example, an increase in the per pupil revenue limit amount, significant changes in enrollment, material changes in the manner in which schools are financed or others factors could impact property taxes.

**What is the difference between a recurring and non-recurring referendum?**

A recurring referendum allows a school district to levy to a specified additional amount forever, without going back to the community periodically to ask permission to exceed the revenue limit. A non-recurring referendum allows a school district to levy to a specific additional amount for a specified time. It allows School Boards, administration and the community to reevaluate financial circumstances once the term of the referendum as outlined in the resolution expires.

In our case, the Board of Education is seeking approval of a non-recurring referendum for \$5 million for each of the next 5 years. This is a more conservative approach (compared to a recurring referendum) that gives taxpayers more discretion / control in the future. If passed, the revenue limit would revert to the State of Wisconsin's limit following the 2023-24 school year.

**The District already has debt from the Ronald Reagan and New Berlin West projects. Would this referendum be new debt?**

No! An operational referendum, which is what is on the April 2 ballot, allows a district to raise the revenue limit in order to pay for regular operations. It is not new debt.

## **What is causing the District's structural deficits?**

*(Note: This answer has been updated. An incorrect year had been included related to when Ronald Reagan was built and West improved. We apologize for the error).*

A main factor is the annual debt payment of approximately \$3.7 million for Ronald Reagan and West renovations. More than a decade ago, preceding the current administration and School Board, the SDNB built Ronald Reagan Elementary and made significant building improvements at New Berlin West. The School Board funded the project by borrowing money to be repaid with funds from the annual operating budget, with the hope of providing tax relief to all stakeholders. Funding this way, as opposed to a referendum, has saved taxpayers more than \$30 million over the last 16 years (assuming a referendum would have passed).

Other factors causing the deficits are:

- declining enrollment;
- needed upgrades at other buildings done within the operating budget, such as:
  - safety/security enhancements and upgrades;
  - Americans with Disabilities Act compliance;
  - Eisenhower classroom improvements (engineering / science labs, etc.) and pool replacement;
  - technology infrastructure;
- not levying to the max for several years;
- costs – for nearly everything - continue to rise.

## **What has the District done to eliminate deficits and avoid asking taxpayers for additional revenue?**

The district has managed structural deficits ranging from \$850,000 to \$1.9 million in each of the last seven years in a variety of ways, including:

- Reducing administration, central office, teaching staff and other staff positions to match enrollments;
- Utilizing Act 10 “tools” such as changing health insurance plans and requiring employee to share in retirement contributions;
- Closing and selling Glen Park Elementary, as well as selling other properties;
- Refinancing debt and paying off Wisconsin Retirement System debt;
- Implementing energy-saving initiatives;
- Restructuring custodial, library services;
- Partnering with City for better services.

## **What recent steps did the SDNB take to reduce deficits and attempt to avoid a referendum?**

The District took into consideration the concerns, recommendations and suggestions of the Board of Education, the community and staff and decreased expenditures by more than \$1.5 million during the 2018-19 fiscal year by:

- freezing funding of the long-range facility maintenance and remodeling plan and long-range equipment replacement plan;
- eliminating staff positions in central office, buildings and grounds, and teaching and learning;

- providing staff with a 1 percent staff raise - half originally budgeted amount - and administrators no raise, to reduce expenditures by approximately \$300,000;
- further defunding buildings and grounds and curriculum and instruction budgets by \$150,000 each;
- refinancing debt;
- making changes to employee health care benefit offerings (staff members are paying a larger percentage of their healthcare premiums);
- other miscellaneous reductions and adjustments.

It is important to note, however, that while recent actions yielded short-term results, such as the elimination of the 2018-19 structural deficit, most are not sustainable and the District still must address long-range funding needs.

**The district has a fund balance available? Why not use that to cover the structural deficits?**

The district has approximately \$9.4 million in its fund balance, and has been using its fund balance to cover deficits the last few years. That said, we no longer believe it is fiscally prudent to do so.

Using fund-balance is a one-time benefit, increases the district’s need for short-term borrowing, and has an adverse effect on the district’s credit rating.

It is important to note that the expenses from the deficit do not “go away” if paid for with the fund balance. Instead, they roll over year to year and accumulate if not addressed through additional revenue streams and/or permanent reductions in expenditures.

The following chart indicates what would happen to our fund balance if we used it to cover deficits over the next three years. It does not include funding for long-range facility and equipment replacement plans, technology support and safety, and/or curriculum and instructional resources.

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Deficit*</b>		\$2.3 million	\$3.2 million	\$3.9 million	\$5.6 million	\$6.9 million
<b>Fund Balance</b>	\$9.4 million	\$7.2 million	\$4.0 million	\$100,000	Zero	Zero

**ADDED - How do we handle acute facility issues now? How would we if the referendum passes? If it fails?**

Fund balance is available to pay unexpected expenses. That will remain the case if the referendum passes or fails. It is important to note, however, that maintaining a healthy fund balance is important for these types of situations, which is why it is considered unwise to deplete fund balance by using it on structural deficits.

## Debt-Related Questions

### Why did the School Board decide to pay for Reagan and West the way it did, by borrowing money and repaying the loan with funds in the operating budget?

It is first important to remember that the Board that made this decision and the administration that supported and/or recommended it is not the same Board and administration we have today. These decisions were made more than 15 years ago and were made strategically and purposefully. The moves addressed significant facility needs by replacing older buildings and facilities with newer ones. The moves also shielded taxpayers; choosing not to go to referendum many years ago has saved taxpayers more than \$30 million over the last 16 years (assuming a referendum would have passed).

### When is the debt for Ronald Reagan and West retired?

That debt is scheduled to retire in March 2025.

### How much debt does the District have within its operating budget, or more specifically, what amount of debt affects the structural deficit? And what is the debt for?

There is debt within the operating budget of between \$3 million and \$4.3 million annually through the 2028-29 school year. The current debt payments are to pay back loans for the Reagan/West projects, refinancing of the Wisconsin Retirement System payments, a required sewer at West and boilers at Eisenhower. Debt for the Reagan / West projects retires in 2025, at which point the Wisconsin Retirement payment debt “balloons” before retiring in 2029. The amount of annual debt within the operating budget is as follows:

<b>2019-20</b>	\$4.3 million	<b>2025-26</b>	\$3.2 million
<b>2020-21</b>	\$4.3 million	<b>2026-27</b>	\$3.0 million
<b>2021-22</b>	\$3.7 million	<b>2027-28</b>	\$3.0 million
<b>2022-23</b>	\$3.7 million	<b>2028-29</b>	\$3.0 million
<b>2023-24</b>	\$3.7 million	<b>2029-30</b>	minimal
<b>2024-25</b>	\$3.7 million		

### Has the District considered refinancing its debt, lowering the annual payment and/or extending the borrowing terms?

The District refinanced debt prior to the start of the 2018-19 school year, resulting in a savings of \$244,000 for the 2018-19 school year and approximately \$187,000 in savings for each of the next three years.

The District continuously reviews the fiscal impact to refinance outstanding debt taking into considering all available methods, including non-taxable and taxable bonds. When the fiscal analysis indicates a financial advantage, recommendations are made to the Board. We do not consider extending existing debt at taxable interest rates to be in the district’s best long-term interest.

## Revenue-Related Questions

### What other revenue-generating efforts are the District working on?

In the 2017-18 budget, the Board allocated funds to initiate additional revenue-generating initiatives. With those funds, we revived the Education Foundation of New Berlin for fundraising, to investigate the feasibility of launching a capital campaign to fund facility needs, to investigate opportunities to sell facility naming rights and sponsorships, to recruit and gain financial support from alumni and more.

The District received \$180,000 in safety grants from the Department of Justice during the 2018-19 school year and continues to aggressively apply for additional grant funding, as we always have done.

The District also sold its last outstanding property for \$185,000 over the summer.

The District is being considered for a solar energy pilot program and is investigating the revenue potential for a virtual charter school. The District is also targeting marketing efforts toward families who choose to send their children elsewhere in an effort to boost enrollment revenues.

Additionally, the District has brought outside-the-box ideas like investing in solar energy, opening an employee health clinic and opening an employee day care center to the Board of Education.

Some of these projects are in the early stages of development, and others have stalled for various reasons. Those revenue-generating efforts, however, once/if they yield a return on investment, will only help us chip away at the deficit and will likely never bridge our structural deficit gaps completely. The same can be said for “one-time” revenues.

### **When it comes to revenue, why hasn't the District been accepting open enrollment students? How much revenue would it generate if it did?**

We have not accepted open enrollment students for a variety of reasons.

It is important to administration and the Board to regulate class sizes in our schools. Adding open enrollment, and then either having a potential influx of students or district reorganization as a result of consolidating schools, would make that far more challenging.

The amount of revenue open enrollment would generate would vary depending on the number of students the District accepted. It is important to note that an open enrollment student brings in approximately half the revenue of a resident student. Many people fail to factor associated costs into the revenue portion of open enrollment. The need for additional teachers to teach more students, the need for aides to support them, and other factors lowers the net revenue generated from open enrollment, sometimes even resulting in an expense per student.

### **There are many families with children that live in the City of New Berlin but not within the School District of New Berlin boundaries. Wouldn't "allowing" their children to come into our District help fix the deficits?**

Currently, the only way those students could attend SDNB schools would be through open enrollment, but for the reasons listed above, the District is not offering open enrollment seats at this

time. Even if we were, open enrollment applications are selected randomly via a lottery system, meaning there is no guarantee that New Berlin residents would be those chosen to fill available open enrollment seats.

Some families that live within the city limits but in the West Allis-West Milwaukee School District have expressed the desire to “leave” that district and join ours. Such a move requires, first, a signed petition by those wanting to leave, and second, approval from both district’s school boards. While we would gladly allow more New Berlin residents to attend our schools, we fully understand why WA-WM would be reluctant to allow them to leave, as it would negatively affect that district’s revenue.

**Has the district considered raising school fees for clubs, athletics, electives, technology, etc.?**

Yes, in fact, prior to the 2018-19 school year, the Board approved a new fee structure for clubs and other co-curriculars at the secondary level to bring them in line with the fees we charge for athletics. Fee increases or adding new fees is always a possibility, but not to the extent that they would erase the structural deficits.

**Can the District sell the Hickory Grove and Prospect Hill properties?**

The District sold the former Prospect Hill school site many years ago. Additionally, back in 1984, the District entered into an agreement to lease the Hickory Grove location to the City of New Berlin for \$1. Terms of that lease state the property will revert back to District ownership if, and only if, the City no longer uses it for “municipal purposes.” Additionally, the terms state that should the property revert back to District ownership for the above reason, the City has the right to purchase full ownership rights for the sum of \$600,000. In other words, the district has no discretion over the property at this time.

*(More questions below)*

## **Consolidation-, Class Size-, and Capacity-Related Questions**

### **What savings would exist by consolidating high schools?**

It is important to note the Board wants to avoid this potential solution. The information is included here, however, because the Board and administration will have to consider this solution should the April 2019 operational referendum not pass.

Many factors would result in cost-savings by combining Eisenhower and West. In the most likely scenario, in a phased approach, West would become our high school and Eisenhower our middle school. All district sixth graders would then move into the “new” middle school. Three elementary schools would absorb the remaining students of the fourth elementary school, and that school would close.

In that scenario, there would be cost-savings by cutting the number of middle and high school athletic teams, clubs and other co-curricular programs and offerings in half. One athletic and activities department would result in fewer staff, coaches, athletic facilities to maintain, costs associated with uniforms, equipment, etc.

Additionally, the restructuring would result in other staffing efficiencies in administration, administrative support and in the classroom (teachers and aides).

In total, the estimated cost-savings would be between \$900,000 and \$1.1 million at the secondary level and an additional \$500,000-\$800,000 at the elementary level.

### **If an operational referendum does not pass, and the School Board chooses to consolidate schools, when would it take affect?**

If a referendum does not receive community approval, the District will have to make other programming and facility cuts, in addition to using its fund balance, to bridge the 2019-20 structural deficit and prepare for potential phased consolidation at the start of the 2020-21 school year.

### **Does the school district have the physical capacity to consolidate both the middle/high schools as well as four elementary schools into three?**

Though this is not a preferred option by the Board or administration, yes, we have the space to consolidate. A scenario that has been discussed that would turn West into our high school and Eisenhower into our middle school, while moving all sixth graders “up” to the new middle school and closing one of the smaller elementary schools, would not result in any capacity issues.

## Miscellaneous Budget Questions

**ADDED - The District's enrollment has declined over the years. Is the district "right-sizing" to account for that decline?**

Since 2011-12, the district has reduced its full-time licensed educators - mostly teaching staff but other positions such as librarians, counselors, and more - by approximately 20 FTE (full-time equivalent). However, the total costs for salaries and benefits for that group is up approximately \$900,000 (as of 2017-18 data) over the same time period.

Conversely, since 2011-12, the district has seen a rise in full-time special education aides from 22 to 31.5 FTE. The cost for that group in terms of salaries and benefits has increased \$1 million over the same time. As the number of students requiring specialized services increases, as well as the higher level of need (significantly higher mental health issues, more students on the autism spectrum, significant compromised health needs, etc.), so, too, does the number of aides.

There has been a reduction of approximately 3.5 full-time student learning assistants, from 30.29 to 26.88 FTE, though total costs (salaries and benefits) have remained flat.

In buildings and grounds, our maintenance, custodial, grounds and drivers have decreased from 44.4 to 37.88 FTE since 2011-12, with a decrease in combined salaries and benefits of approximately \$257,000.

And finally, an analysis of "other staff", which includes administrative assistants, specialists, tech support and supervisors has decreased slightly since 2011-12, from 55.36 to 53.68 FTE, with wage and benefit costs increasing approximately \$362,000.

**ADDED - What about administration? Can't we make additional cuts there?**

As with all staffing positions, we continue to monitor and look for further efficiencies to cut personnel costs at all levels. It is important to note that District administration has been reduced by six full-time employees (FTE) over the last 6 years.

Over the last year, one thing the School Board contemplated was reducing building administration, specifically eliminating associate principal positions. The SDNB building administrative structure differs compared to some districts in terms of elementary associate principals. Districts that don't have associate principals often have elementary counselors or dean of students or other student services positions such as psychologists, counselors and social workers. The SDNB does not have all those positions but our associate principals often serve in those roles. If the District eliminated associated principals, it would have to backfill those positions with additional counselors, psychologists and social works, reducing the "cost cutting" substantially.

Our associate principals are year-round employees who are instructional leaders who lead professional development, oversee assessments, lead summer school, are the local education agent in IEPs and 504s, are involved with district-level planning and committees and much more. They also evaluate teachers.

That said, when we account for the combined total of principal and student services positions, we have found that the SDNB is exactly in line with surrounding and other high-achieving districts in terms of overall student support outside of the classroom.

**ADDED - How much do employees pay toward their healthcare? If they paid more, could that reduce the deficit?**

Employees pay between 10% and 12% of the premium, and like many other districts, some are eligible for reimbursement of that amount depending on which health coverage plan they are enrolled in. The employee share for the standard plan is scheduled to increase from 12% to 20% next year. Further, unlike many other government agencies that kept their medical benefit plan but instituted a 12.6% premium share, SDNB also made significant plan design changes that shifted costs to employees through higher deductibles, required second opinions, resulted in higher cost sharing of prescription drugs and offered more than one plan. Our data shows these changes resulted in a lot more savings than other government entities have realized. For example, just for the 2017-18 school year, our healthcare savings were nearly \$2 million.

**What is the reason for the large deficit increase starting with 2019-20?**

The state funding formula is designed to give school districts time to adjust for declining enrollment through various safeguards. In 2019-20, all funding formula safeguards expire, resulting in a larger deficit.

**Why does the District continue to pay for tuition vouchers for students to attend private schools?**

Under the statewide private school voucher program, the SDNB is assessed a cost for certain eligible students that attend an eligible voucher school. The Wisconsin Department of Public Instruction makes an adjustment (a reduction) to the district's final state aid payment in June.

The District also makes state-mandated payments for students that enroll in course options, youth options and dual enrollment, or those who open enroll out of our District. The District also must pay for services for special education students that we are unable to serve.

**Providing transportation seems to be an excessive cost. Can the District require families to provide their own transportation for students?**

Providing transportation is expensive, but the City of New Berlin has few sidewalks. Therefore, every residence is located on what is considered an unsafe route to school, which means we are required, by law, to provide transportation to all students.

## **Have we communicated our issues with the state lawmakers?**

We are in regular contact with our lawmakers and governor and weigh in on legislation, the state funding formula and other school-related issues. They are aware of the District's stance, but we encourage you to reach out to them and share your thoughts or concerns as well.

### **State Senators:**

- District 5 – Dale Kooyenga | [Sen.Kooyenga@legis.wisconsin.gov](mailto:Sen.Kooyenga@legis.wisconsin.gov) | (608) 266-2512 | (888) 534-0014
- District 28 - David Craig | [Sen.Craig@legis.wisconsin.gov](mailto:Sen.Craig@legis.wisconsin.gov) | (608) 266-5400 |

### **State Representatives:**

- District 15 - Joe Sanfelippo | [Rep.Sanfelippo@legis.wisconsin.gov](mailto:Rep.Sanfelippo@legis.wisconsin.gov) | (608) 266-0620 | (888) 534-0015
- District 84 - Mike Kuglitsch | [Rep.Kuglitsch@legis.wisconsin.gov](mailto:Rep.Kuglitsch@legis.wisconsin.gov) | (608) 267-5158 | (888) 534-0084