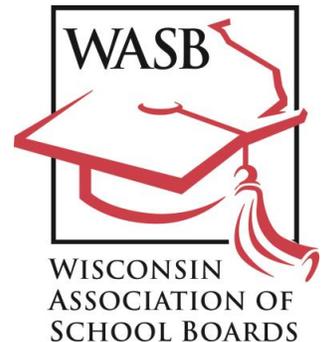


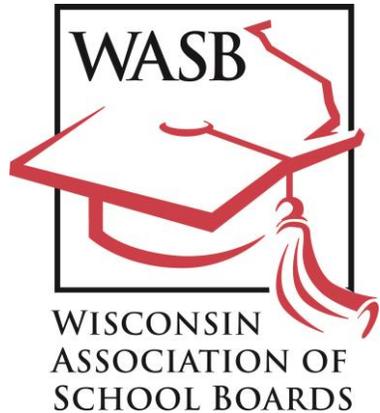


School District of New Berlin

Budget Balancing Task Force



Wisconsin Association of School Boards



Facilitator: Roger Price

rprice@wasb.org

WASB Scope of Services

Assist Board in evaluating applications for the committee with the goal of balanced membership, providing facilitation of the task force sessions, assisting in preparation and presentation of materials, and generally guide discussion and debate in a respectful manner to assure full participation opportunities for all members.

Agenda

6 p.m. Sept. 10, 2019

New Berlin West Learning Commons



Agenda

SDNB Presentations

Completion of District Financial Outlook

SDNB Staffing and Retention

Investing in Wisconsin Public Schools

Winds of Change

Brainstorming, Storming & Checking Perceptions



Review of Charge



The Task Force is charged with learning about school finance, receiving information about the SDNB's budget and current/future financial status and, ultimately, presenting budget recommendations to the School Board this fall.



Budget Balancing Task Force

SEPT. 10, 2019



Structural Deficit: Review

Structural Deficit

A condition when the projected increase in costs exceeds the projected increase in revenues

- ❖ State school funding formula caps revenues
- ❖ Decreasing enrollment
- ❖ Debt within operating budget
- ❖ Full employment results in higher labor costs
- ❖ Teacher free market results in higher labor costs

Structural Deficit

2019-20: \$697,578

- ❖ As a result of staffing cuts, fee increases, and other budget adjustments, we've reduced this amount substantially over the last 12 months
- ❖ Does not include approximately \$3.5 million in unfunded long-range plan needs

Note: Above reflects preliminary budget approved by Board of Education
- May 28, 2019

Structural Deficit

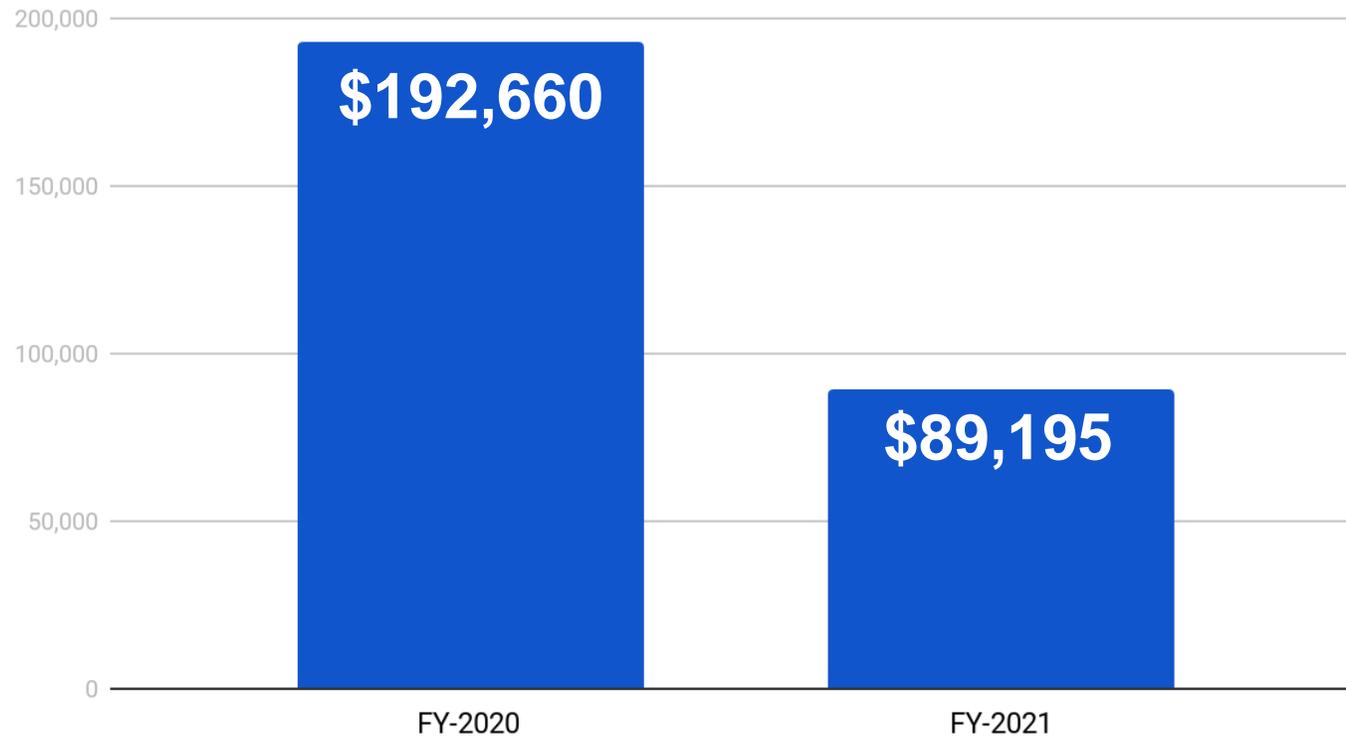
Further Actions / Considerations (since prelim. budget approved in May)

- ❖ State funding increases
- ❖ Continual staffing adjustments
- ❖ Potential surplus from better-than-expected health insurance expenses
- ❖ Eisenhower wall project
- ❖ Healthcare at Work cost-savings potential

Note: 2019-20 budget to be finalized in October

Updated Two-Year Projections

Projected Surplus



Does not include full funding for:

- Long-range facility needs, including roofs and pavement
- Technology infrastructure upgrades / needs
- Curriculum and instruction upgrades / needs
- Equipment and furniture replacement needs
- Additional safety needs



Structural Deficit: History

What Has Caused SDNB's Deficits?

- ❖ Annual debt payment of approximately \$3.7 million for Ronald Reagan and West renovations
- ❖ Declining enrollment
- ❖ Needed upgrades at other buildings done within operating budget:
 - 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 max for several years
- ❖ Costs - for just about everything - continue to rise

Debt Within the Operating Budget

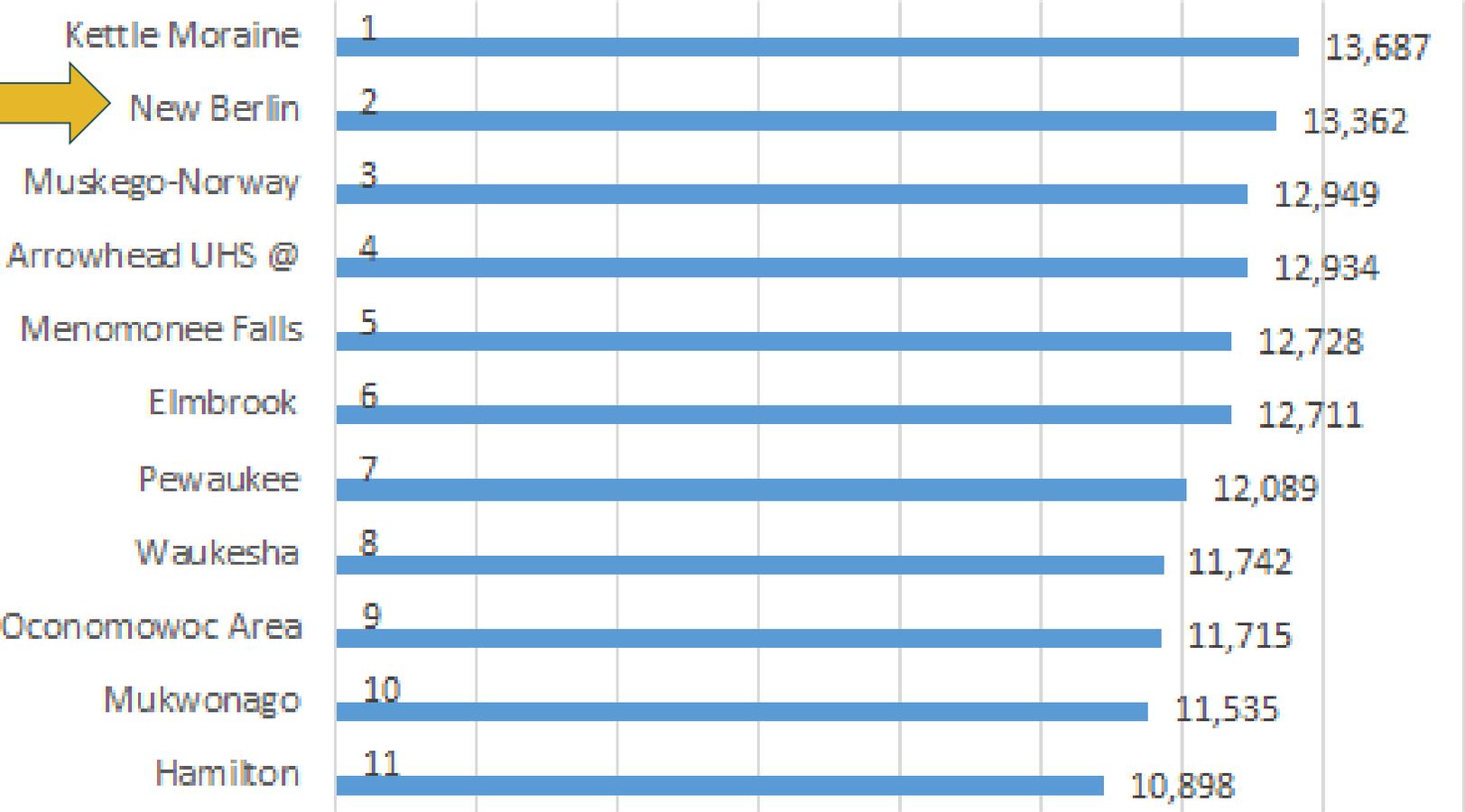
2020-21	\$4.3 million	2025-26	\$3.2 million
2021-22	\$3.7 million	2026-27	\$3.0 million
2022-23	\$3.7 million	2027-28	\$3.0 million
2023-24	\$3.7 million	2028-29	\$3.0 million
2024-25	\$3.7 million	2029-30	minimal

* Debt includes Ronald Reagan and West renovations; Wisconsin Retirement System refinancing; West sewer; Eisenhower boilers

Total: \$31.3 million
Average: \$3.48 million / year

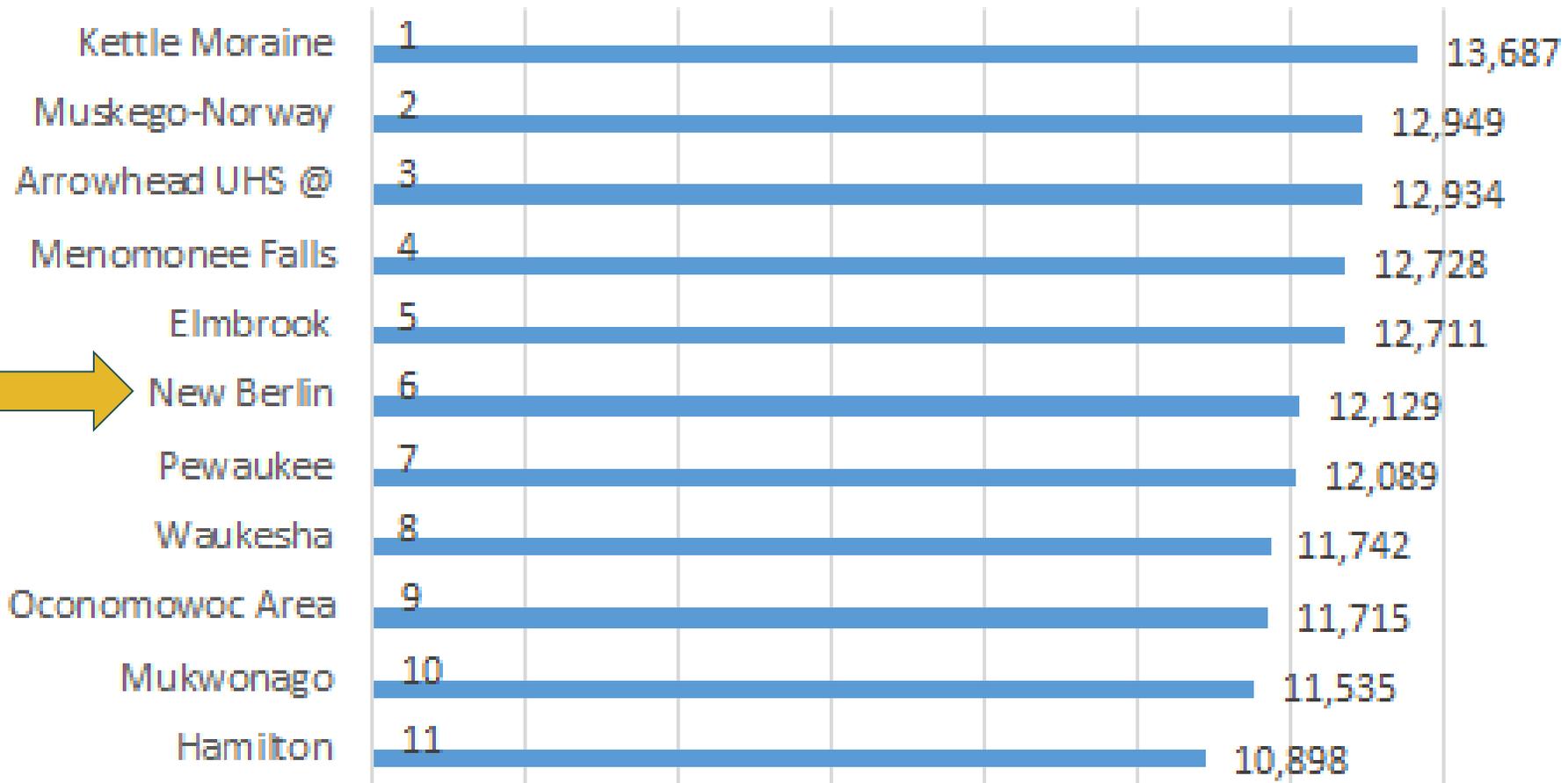
Description	Original Issue Amount	Issue Date	Maturity Date	Balance 6/30/19
West Sewer	\$715,000	Aug. 2010	March 2020	\$365,000
WRS Prior Service	\$11,995,000	Feb. 2011	March 2029	\$140,000
Ike Boiler / West Sewer	\$1,290,000	Feb. 2011	March 2025	\$1,290,000
West / Reagan	\$9,720,000	June 2012	March 2025	\$6,180,000
ESCO	\$8,200,000	Oct. 2013	March 2028	\$7,255,000
West / Reagan	\$9,995,000	Feb. 2014	March 2025	\$6,905,000
West / Reagan	\$4,895,000	Nov. 2015	March 2021	\$2,240,000
ESCO	\$5,100,000	Nov. 2015	March 2029	\$4,185,000
ESCO	\$4,000,000	Aug. 2017	March 2032	\$3,500,000
WRS Refunding	\$12,680,000	Oct. 2018	March 2029	\$12,680,000
Total Debt Impacting Structural Deficit				\$29,800,000
Total Debt				\$44,740,000

Comparative Cost w/Debt



Per Pupil Spending

Comparative Cost w/o Debt



Per Pupil Spending



Funds Outside Structural Deficit

Do Not Impact Structural Deficit

- ❖ Food Service Fund
 - Fund balance cannot be directly used to address structural deficit in general fund
 - Built cafe at West to lower fund balance
- ❖ Community Service Fund
 - Communications and community engagement
 - New Berlin Education Foundation
- ❖ Special Revenue Trust Fund
- ❖ Capital Projects Fund
 - No additional projects anticipated for 2019-20



Looking Ahead

Options to Close Funding Gap

- ❖ Consolidate schools
- ❖ Use fund balance (temporary fix only)
- ❖ Increase class sizes
- ❖ Reduce co-curricular offerings and instructional programming
- ❖ Continued reduction in staffing (instructional and non-instructional)
- ❖ Refinancing long-term debt
- ❖ Open enrollment
- ❖ Referendum

Consolidation (presented 4/29/19)

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 high school
- ❖ Eisenhower becomes a 5th-8th middle school
- ❖ Elementaries become K-4th grade schools
- ❖ Close Orchard Lane; absorb remaining OL students in three remaining schools



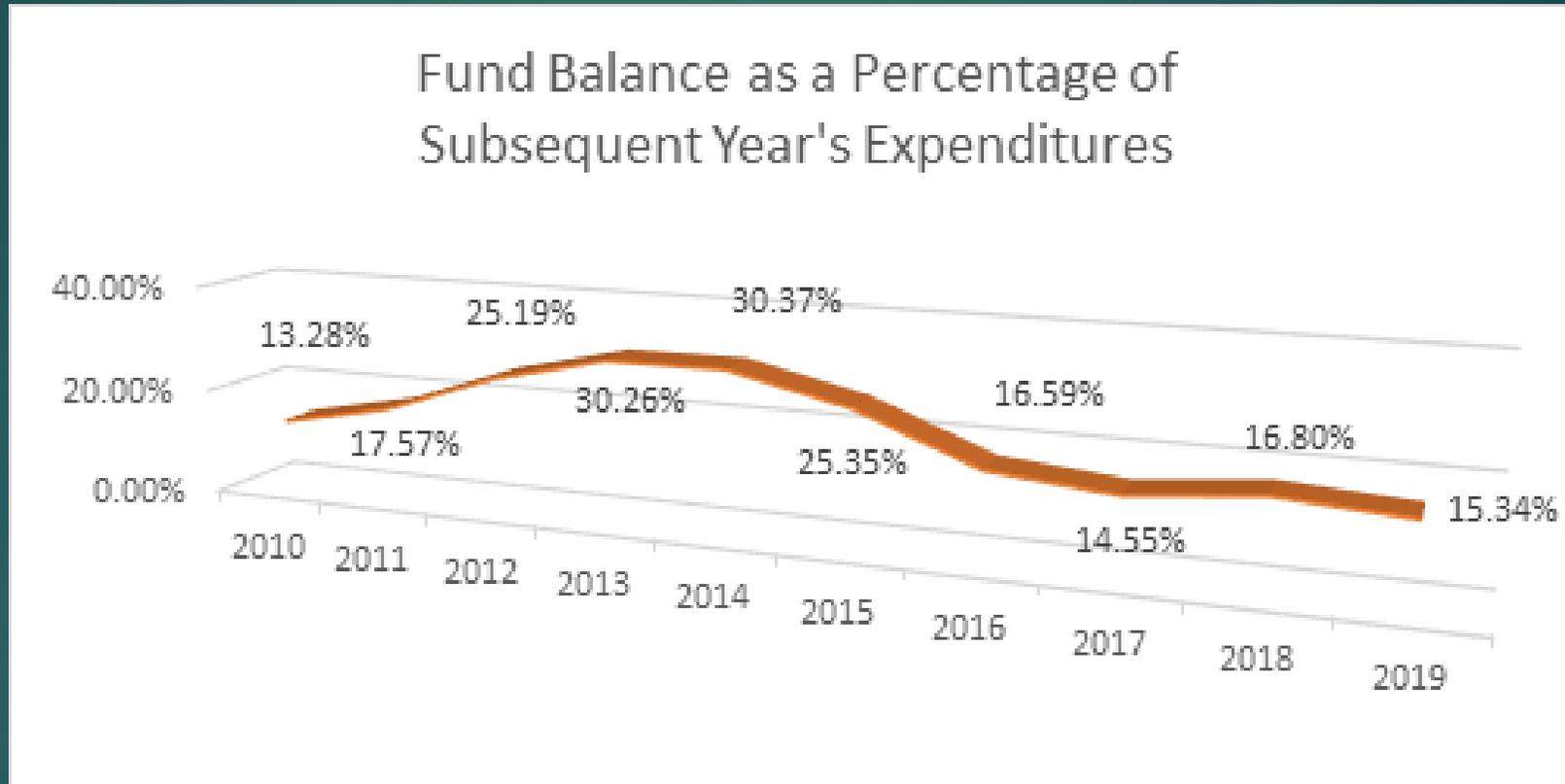
Fund Balance

Fund Balance

- ❖ Start of 2019-20 - \$9,423,198 (estimate)
- ❖ Fund balance is maintained for unexpected uses
 - ❖ Example: Eisenhower wall

Note: Above reflects preliminary budget approved by Board of Education
- May 28, 2019

Fund Balance





Next Steps

Next Steps

- ❖ Budget Balancing Task Force commissioned by Board
- ❖ Audited consolidation numbers in August
- ❖ Board expected to provide future budget direction in Sept./Oct.
- ❖ Board to approve original 2019-20 budget in October

Questions / Comments



SDNB Staffing and Retention

Department of Employment Services

Summary Licensed Ed Retention Data 2011-18

[Link to Prior Year Data](#)

2018-19	Number of Educators	Notes
Voluntary Resignations	24	
Another District	8	<ul style="list-style-type: none">● MPS● Franklin● Muskego-Norway● Montessori School of Waukesha● Greendale (home)● Oconomowoc (Home)● Kenosha (Home)
Relocation	8	
Raise family	2	
Other	6	Career Change or advancement
Retirements	4	

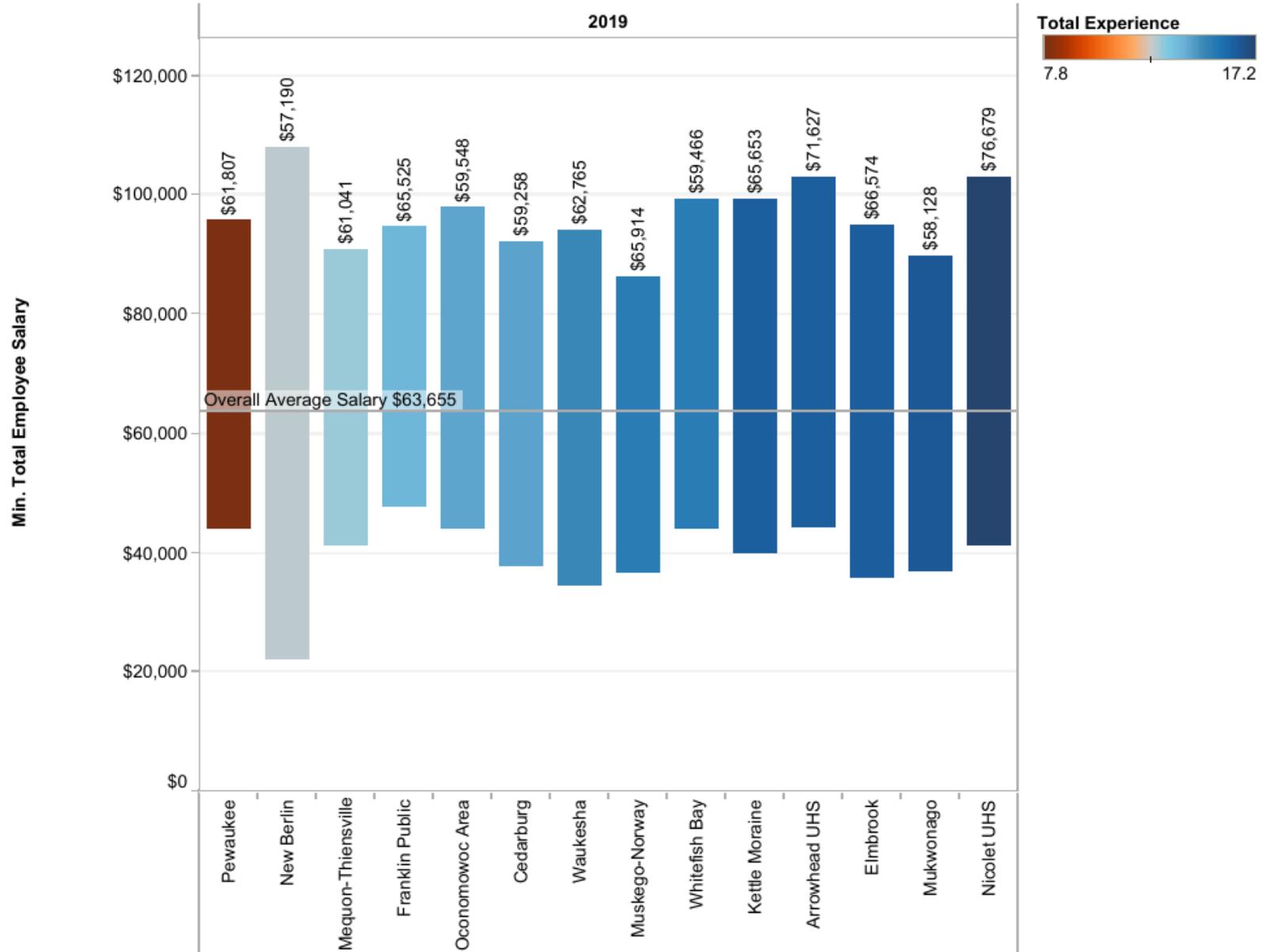
Salary Comparables

Salary Ranges Per District Per Position

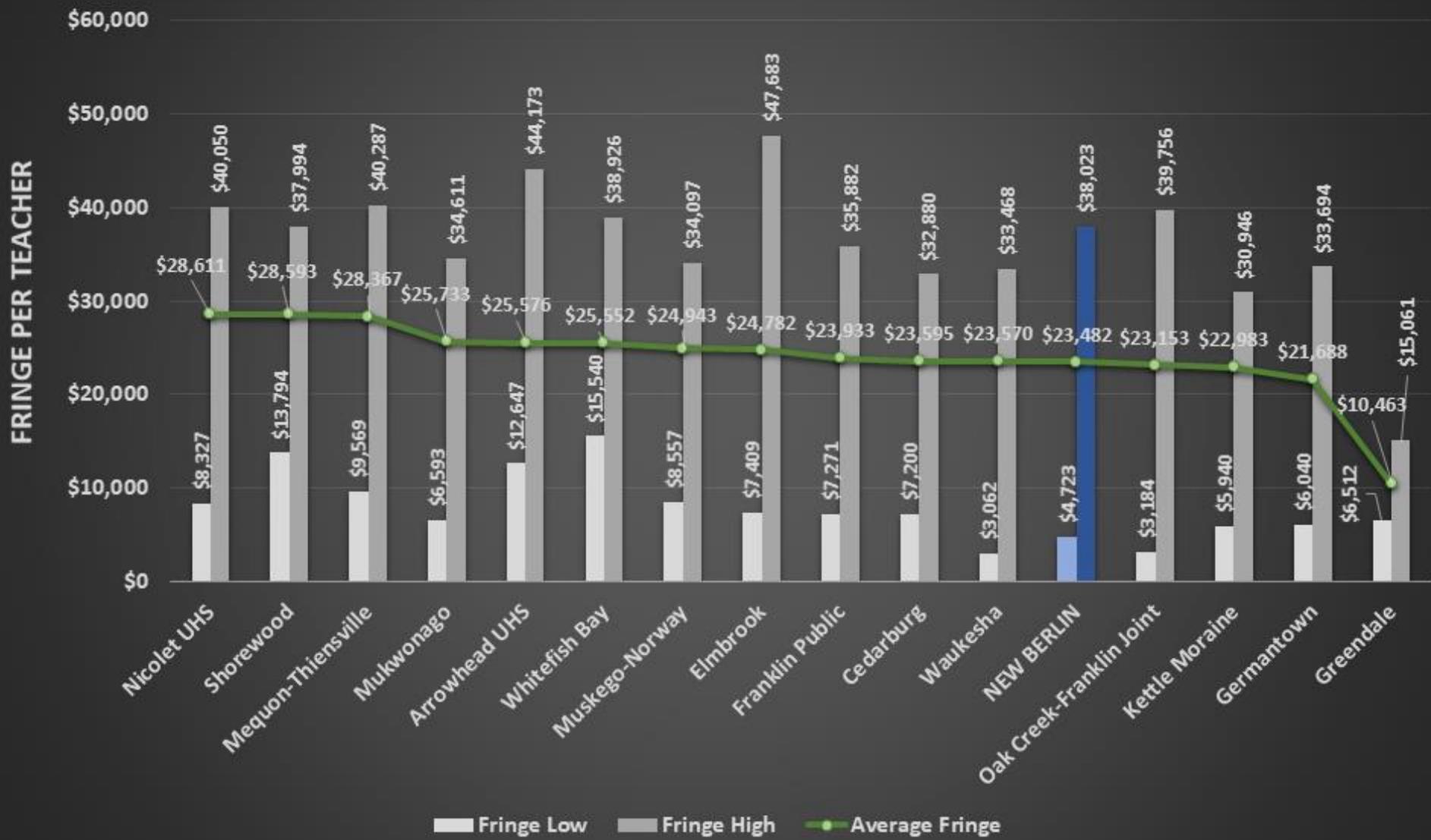
District(s): Pewaukee, New Berlin, Mequon-Thiensville and 11 more

Position: Teacher

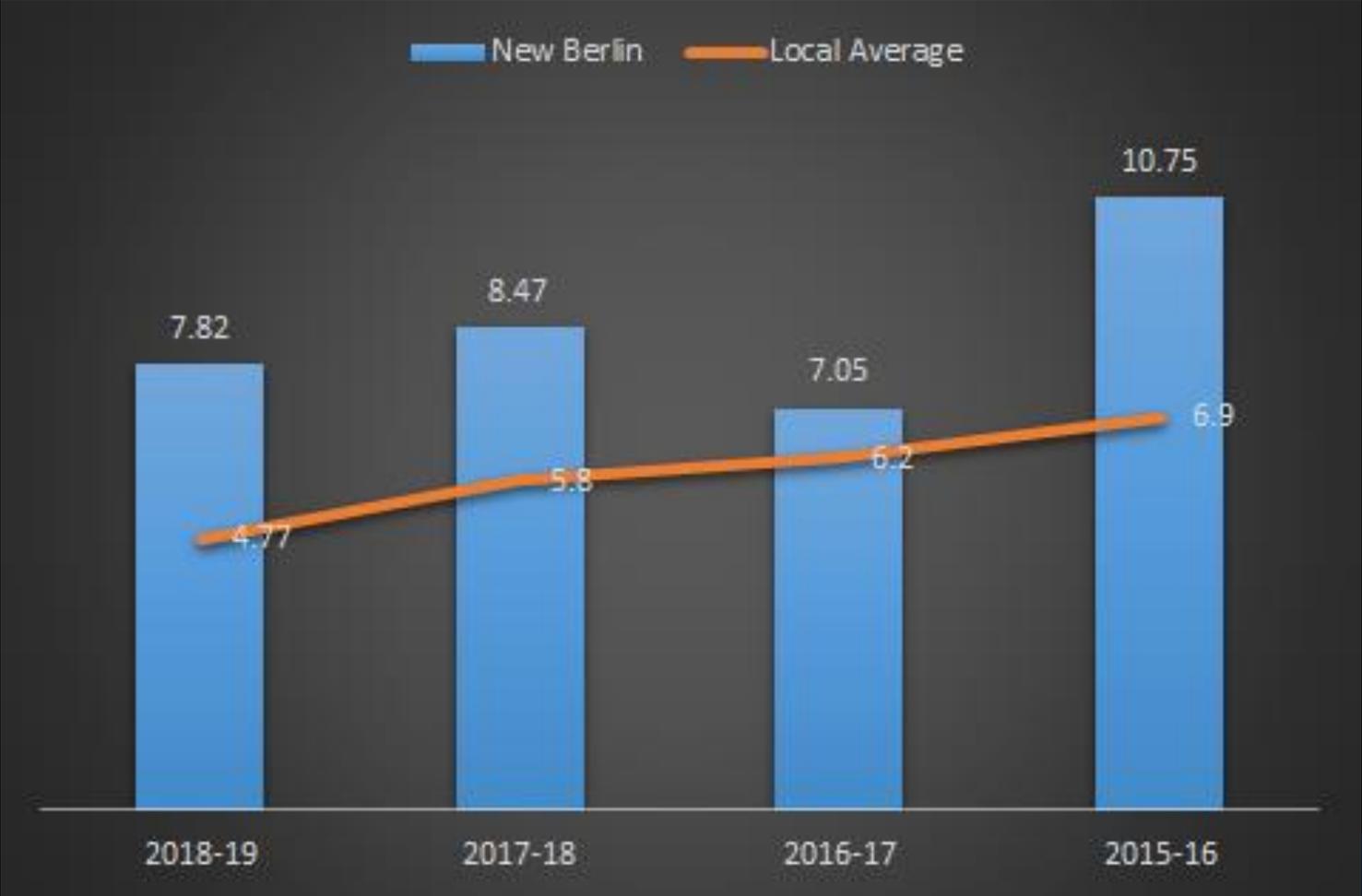
Source: DPI PI-1202 and Enrollment Data



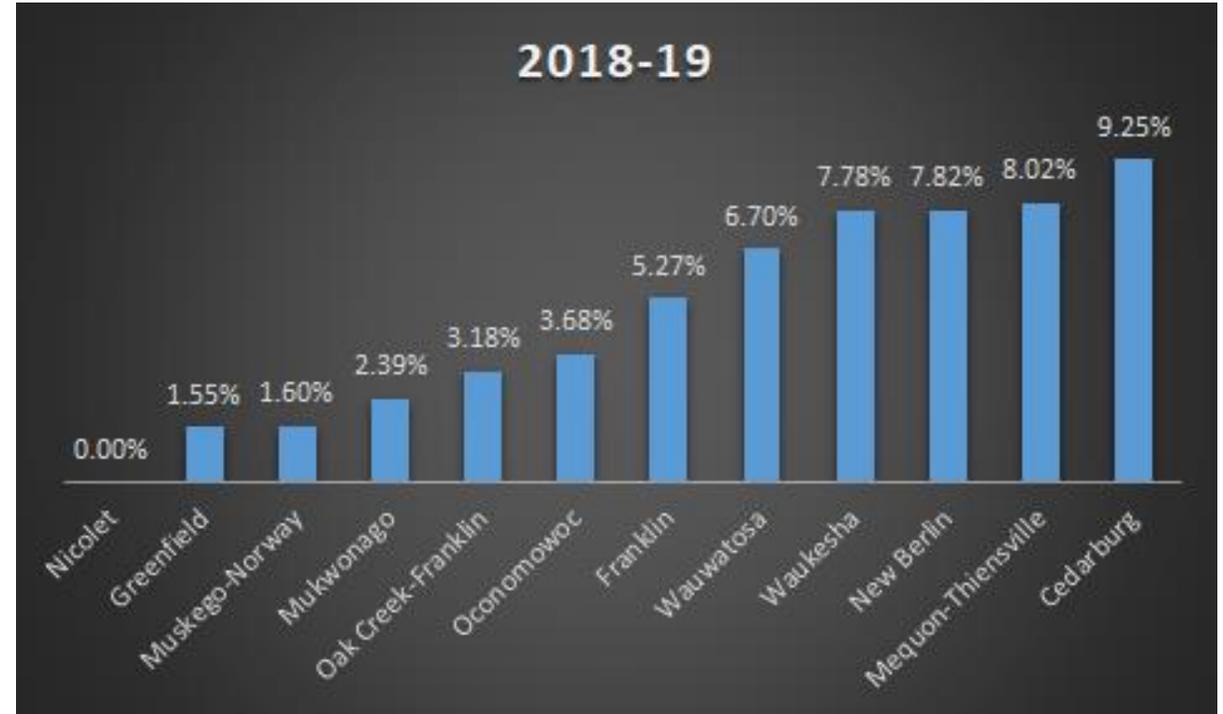
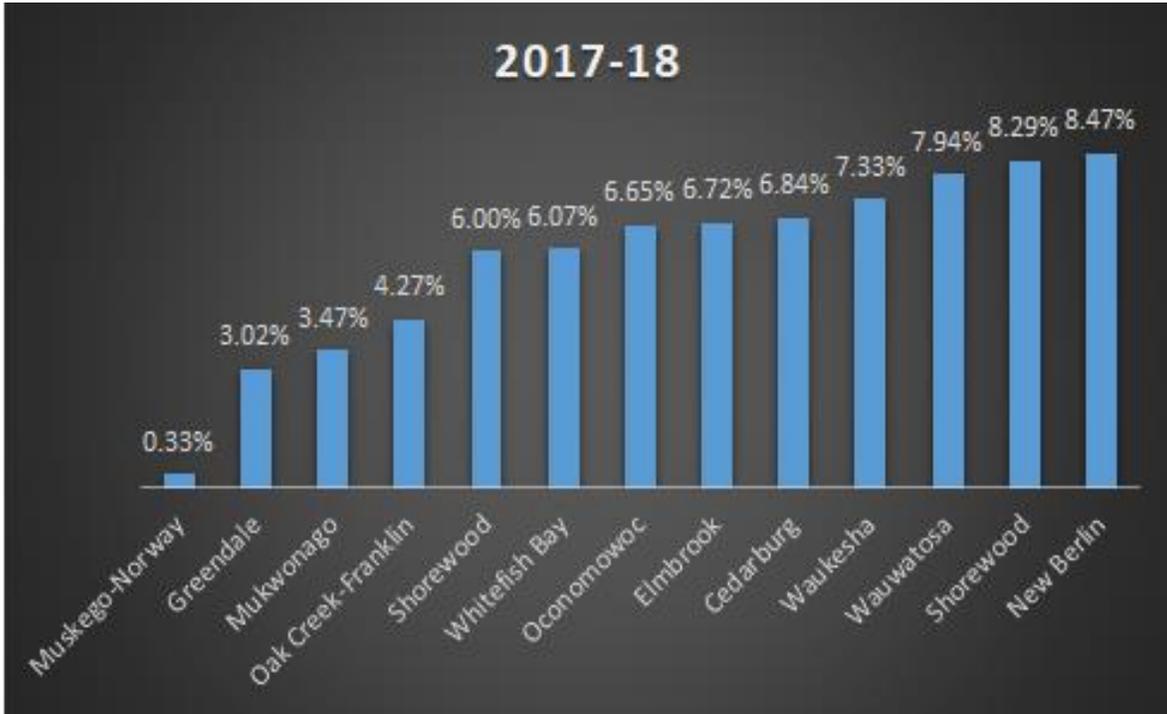
2018-19 HIGH, LOW & AVERAGE FRINGE BY DISTRICT



SDNB Voluntary Teacher Resignation Percentage

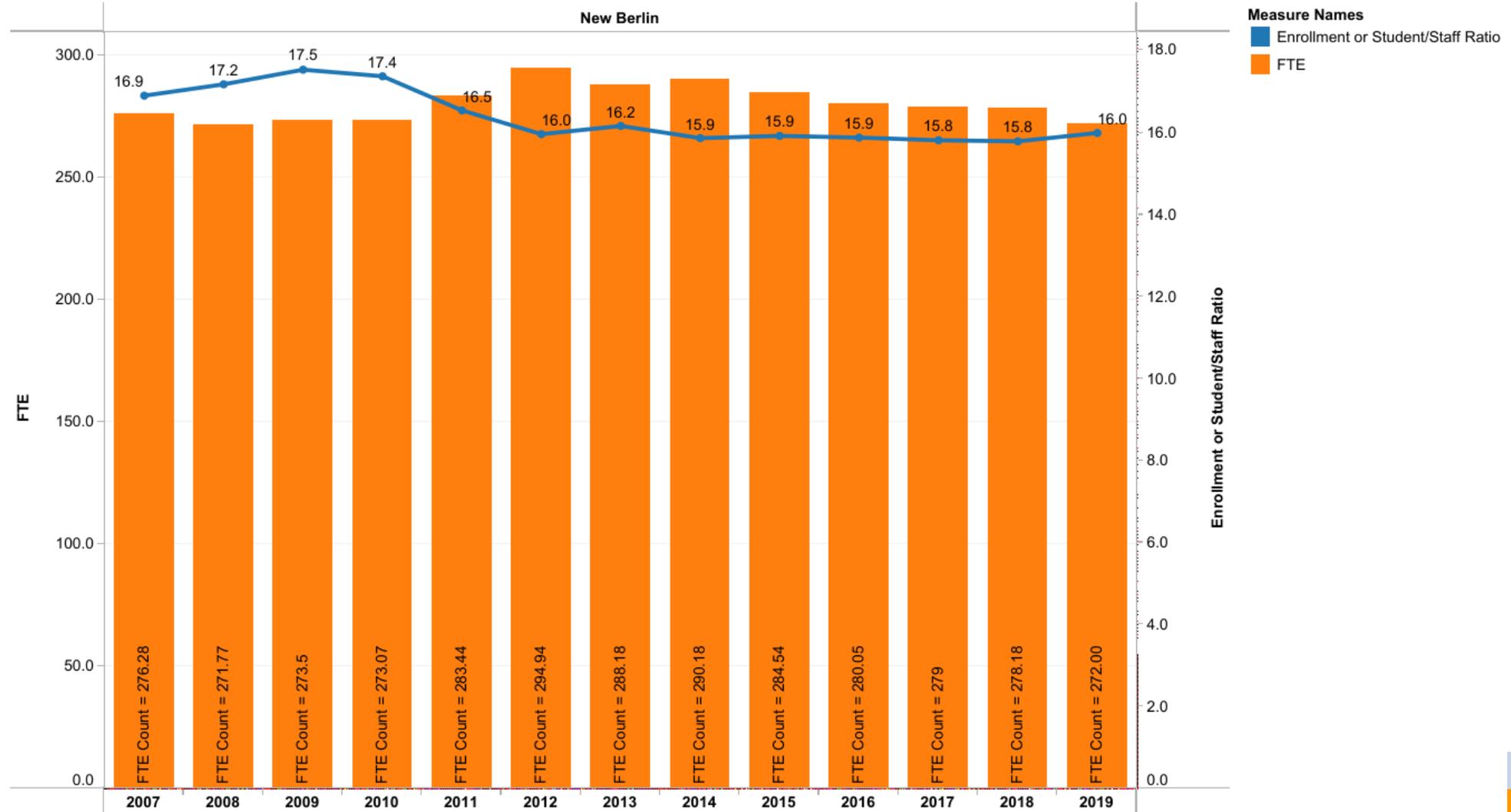


Voluntary Teacher Resignations: Local Data



SDNB Teaching Staff Ratios

Staffing Ratios
District(s): New Berlin
Position(s): Teacher
Source: DPI PI-1202



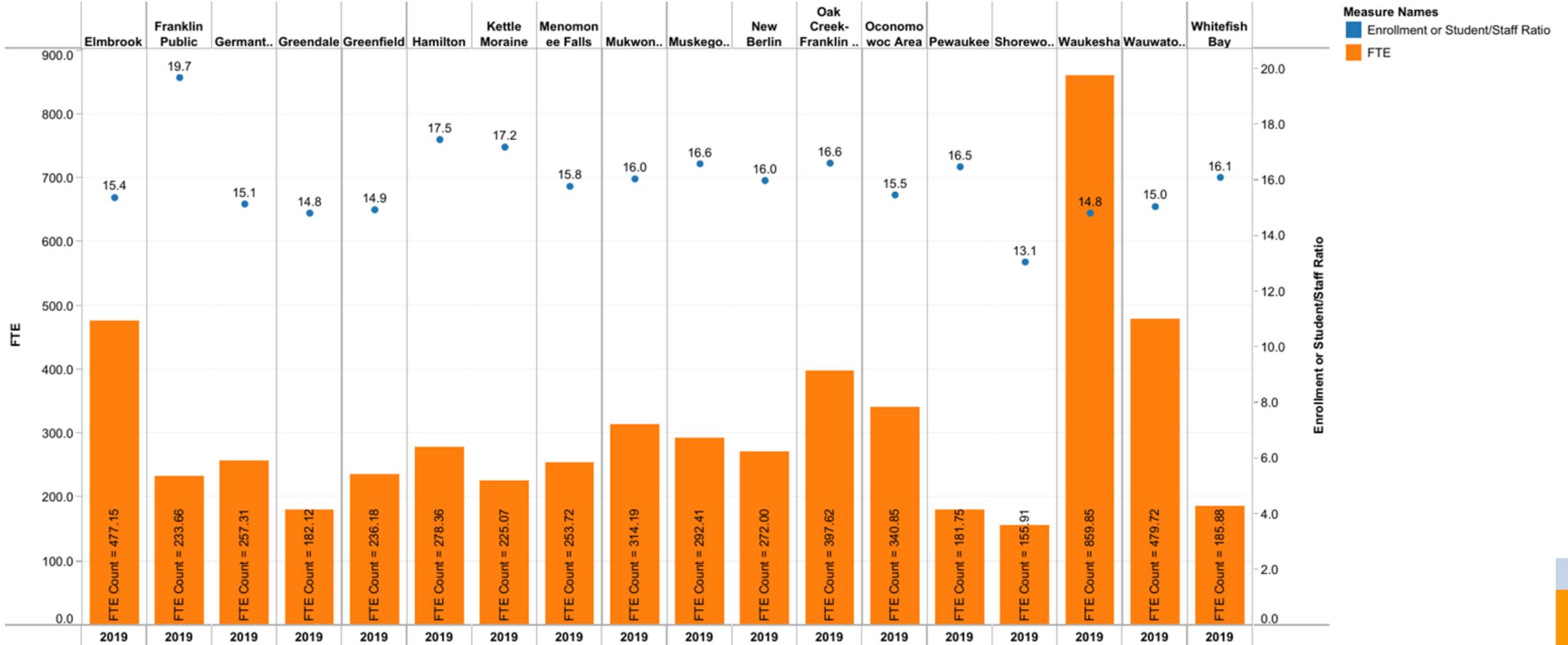
Staff Ratio Comparables

Staffing Ratios

District(s): Cedarburg, Elmbrook, Franklin Public and 17 more

Position(s): Teacher

Source: DPI PI-1202



2018-19 Retention Strategy Data

Reasons Why Educators Stay

- *Awesome students and families*
- *District-Level Professional Development*
- *Professional and Supportive Colleagues*
- *Positive School Culture and leadership*
- *Innovation/adaptability for student needs*
- *Support for collaboration in building*

SDNB Areas Cited for Improvement

- *Work life balance, increasing hours of work beyond the work day to grading, planning, conferences, IEPs*
- *Too many meetings*
 - ▷ *IEPs, 504s, evals*
 - ▷ *In-building professional learning not relevant/not enough time to implement (too many new things)*
- *Lack of recognition/not feeling valued for the amount of work performed*
- *Lack of support to address challenging student behaviors*

2019-20 Retention Focus

Latest Trends in Employee Retention

- In 2018 workers quit at highest rate since 2001 (LinkedIn, 2019)
- Low unemployment = higher turnover (Glassdoor, 2018)
 - ▷ 69% of workers age 18-24 leave their job within 1 year
 - ▷ 93% within 5 years
 - ▷ Education specific data shows turnover every 15 months
 - ▷ Job changes=increased pay, 5.2% increase on average
- Top reasons to go to new job
 - ▷ Culture & Values
 - ▷ Work-life Balance
 - ▷ Compensation
 - ▷ Career Opportunities

Latest Trends in Employee Retention

Why Employees Leave (Forbes 2018)

1. **Overworked**
2. Not being challenged
3. **Stifled**
4. Few development opportunities
5. **Underappreciated**
6. **Compensation**

Why Employees Stay (Fortune, 2016)

1. Engagement
2. Feeling a sense of purpose
3. **Feeling like they can make a difference**
4. Belief in mission, vision, values

The Road Ahead

- **Retaining staff during tough budget years**
 - ▷ Concerns about cuts and ability to compensate creating turnover
- **Work-Life Balance**
 - ▷ Review hours spent in meetings before, during and after school day
 - ▷ Review impact of reduced contract days to give time back
- **Review needs/supports for student behavior**
 - ▷ Continue to monitor behavior management
- **Continue to address staff recognition**
 - ▷ Increase Admin feedback/visibility to staff to provide recognition
 - ▷ Compensation and comp model review
 - ▷ Increase frequency to celebrate successes
- **Deeper dive into employee engagement**
 - ▷ Opportunities to grow/lead
 - ▷ Continued challenge due to reduced teacher leadership positions (i.e. coaches)



**ANY
QUESTIONS?**



Investing in Wisconsin Public Schools



- Winds of Change

Searching for Ideas

- Brainstorming
- Storming
- Checking Perceptions



Next Meeting

6 p.m. | Sept. 16, 2019

New Berlin West Learning Commons

Questions?

THANK YOU