



**NORTHERN OZAUKEE
SCHOOL DISTRICT**

March 2023

Special Referendum Newsletter

Dear NOSD families and community,

This newsletter contains important details about the April 4 operating referendum. We have provided this resource to ensure clarity and transparency of the facts. Understanding how schools receive operating money is complex – and although not a perfect system, we recognize the efforts of many to improve it. Working together, we can proactively address immediate needs and a long-range financial plan for NOSD.

Topics addressed inside include:

- Impact of rising costs that outpace funding – **Per-Pupil Funding Chart**
- Strategy for reallocating funds to maintain essential operations – **Funding Buckets**
- NOSD's actual & proposed mill rate (w/approved referendum) – **Mill Rate Chart**
- Most frequently asked questions, and how to submit yours! – **FAQs**

The most challenging aspect to understand about the proposed referendum is **how raising funds of \$1.7M annually, for five years, would allow for a reduction to the current mill rate**. This plan is based on a reallocation of funds currently spent on the prepayment of debt. Although this has saved on interest costs, modification to this (debt prepayment) schedule would allow the District to address critical operating needs today and future flexibility to prepay debt and/or adjust the mill rate further if per-pupil funding increases occur. To change how funds are spent requires an operating referendum with community approval.

Projections for budget deficits over the next five years cannot be ignored. Recent cost savings measures and reductions of \$1.75 million cannot continue without significant impact to programming and day-to-day operations.

An approved referendum would maintain:

- **High-quality and committed teachers & staff**
- **Relevant programs and student services**
- **Proactive maintenance and needs of facilities and grounds**

If you have questions, please attend the Community Information Meeting, March 13, 7PM, in the Fine Arts Center. Or join us for Open Doors, Wednesday mornings, 7:30-8:30AM, in the Innovation Room - no appointment is needed. As always, please contact us with individual concerns or requests to meet – we welcome your questions!

Our commitment to students, families, staff, and community has never been stronger. In a world with many challenges, we are grateful for the ability to work together in support of common expectations for our schools. It is foundational to a strong community.

Thank you for taking time to read this important information and for making an informed vote on April 4.

Sincerely,

Dave Karrels, Superintendent & Josh McDaniel, Director of Business Services

Be an INFORMED VOTER.

Visit nosd.edu/referendum2023 to LEARN MORE.





REFERENDUM FACTS & KEY QUESTIONS

Be an informed
voter on April 4.

1 Why is NOSD proposing a five-year, \$1.7M annual operating referendum?

Increased **costs for goods and services**, sharp **inflation**, and decades of **inadequate per-pupil funding** from the state have significantly impacted District operations.

The District has managed budget deficits with cuts of \$1.75 million over the past four years by:

- ✓ Reducing administrator, teacher & support staff
- ✓ Reducing employee benefits and increasing shared costs
- ✓ Reducing transportation - bus routes
- ✓ Raising class sizes

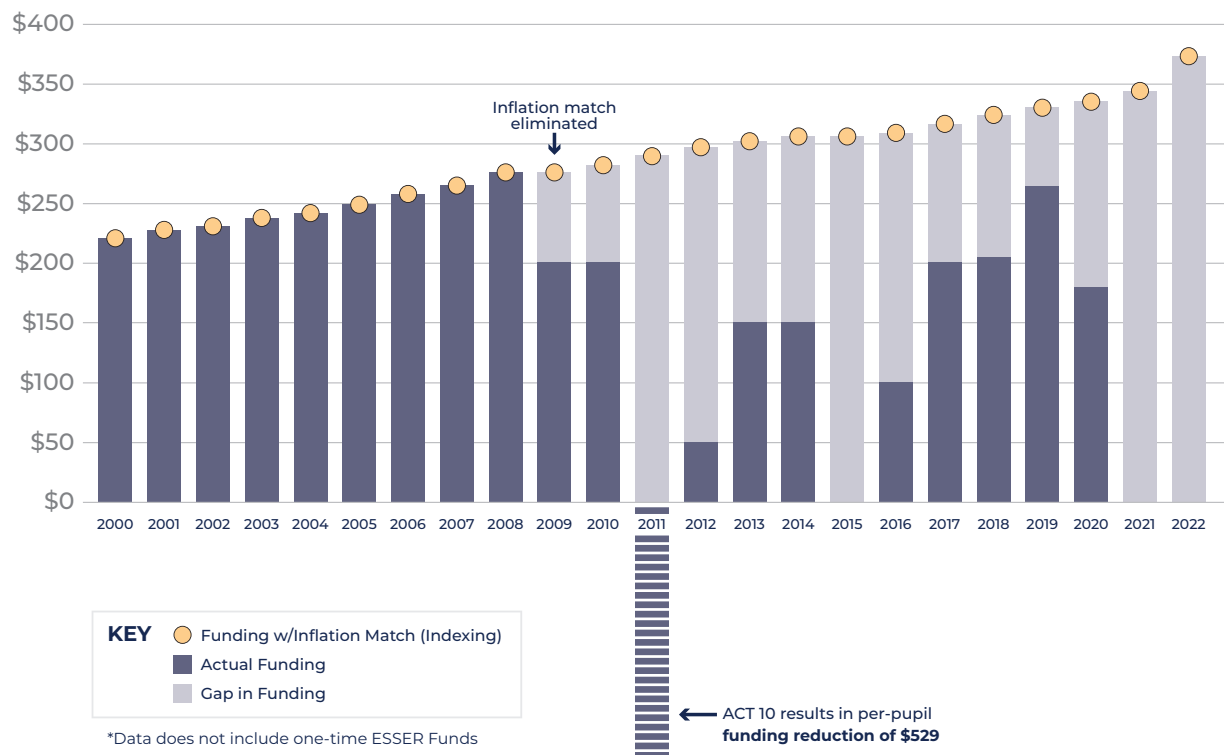
To avoid additional cuts the District has proposed an operating referendum to maintain:

- Reasonable class sizes
- Appropriate resources for struggling students
- Courses and technical education to prepare students for relevant jobs/careers
- Salary and benefits that compete with neighboring schools/businesses
- Essential upkeep of buildings and grounds

2 What is the history of NOSD per-pupil funding?

Through 2008, per-pupil funding was adjusted to the cost of living (inflation indexing). In 2009, lawmakers eliminated these adjustments. Funding from the state became unpredictable and in some years, there was a **decrease** from the prior school year. As the gap between actual costs and allowable revenue widened, school districts struggled to maintain student programs and services, essential staff, and basic operations.

NOSD FUNDING PER-PUPIL: ANNUAL CHANGE OVER PREVIOUS YEAR



DID YOU KNOW?

NOSD spends approximately the **same amount** educating students today as it did in

2012

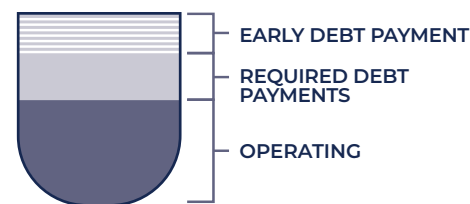
3 How would the referendum impact school taxes?

The proposed referendum asks permission to raise \$1.7M annually for five years specifically for operating needs - at the same time, reducing monies previously used for early debt payments. The **current mill rate of \$9.41** would be **reduced to \$8.99**, beginning in 2023. This reduction (\$0.42) equates to \$42 per \$100,000 of property value.

If approved, the referendum would:

- **Reallocate** funds by increasing operating revenue and decreasing early debt payments
- **Reduce** the mill rate - and the school portion of tax bills

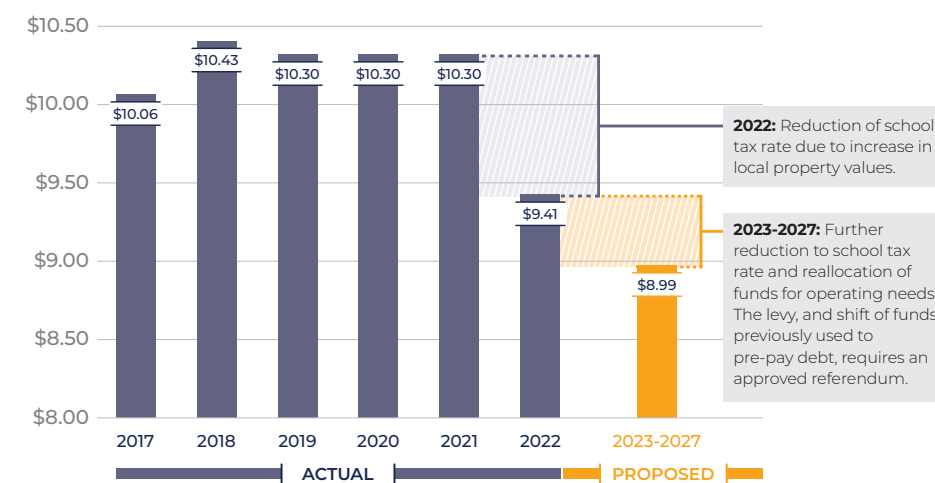
CURRENT MILL RATE = \$9.41



PROPOSED MILL RATE = \$8.99



NOSD MILL RATE (SCHOOL TAX RATE)



FREQUENTLY ASKED QUESTIONS

[Please submit your questions to dkarrels@nosd.edu or jmcdaniel@nosd.edu.]

Q: What is an operating referendum?

A: Unlike a capital referendum (borrowing money for building projects), an operating referendum raises funds above the state revenue limit to pay for operational expenses. In the last twenty years, more than 300 districts across the state (74%) have pursued this type of referendum. NOSD has never secured funding of this type.

Q: How is it possible to raise \$1.7M annually for five years and lower the mill rate?

A: The proposed referendum asks permission to raise funds specifically for operating needs. By decreasing early debt payments (not NOSD's required debt payments) and reallocating these funds for operating needs, the District could address the budget deficit and lower the mill rate. Changing how funds are used, requires community approval.

Q: What happens if NOSD receives an increase in per-pupil funding in the future?

A: Unanticipated funding from the state (increasing the allowable revenue limit or state aids) would be very beneficial and could provide flexibility to further lower the mill rate and/or resume prepayment of debt (saving on interest costs).

Q: What is the impact of declining enrollment?

A: Like many school districts across Wisconsin, our student enrollment has declined. This reduces per-pupil funding and the District's revenue limit. Declining enrollment is complex as reductions in enrollment do not occur at the same grade level or in the same program. This prevents the ability to simply eliminate a classroom teacher, course, or program. NOSD "right-sizes" operations for maximum efficiency every year as part of the budget planning process.

Q: What happens if the referendum fails?

A: The District and Board will engage the community in the development of a reduction plan for staffing and student support services, course offerings, technology & equipment upgrades, extracurricular & athletic offerings, and facilities maintenance schedules and modifications to class sizes. And, the District would likely return to the community with a proposal for a future operating referendum.



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ATTENTION RESIDENTS!

Referendum Facts Inside!

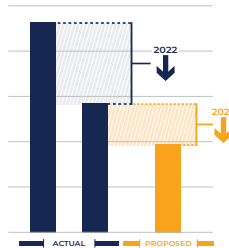
NOSD seeks five-year, \$1.7M annually in operating funds - *proposed referendum would not increase the school mill rate.*

The Northern Ozaukee School District is committed to providing students with broad educational opportunities, employing high-quality staff, and maintaining facilities in a financially responsible manner. This requires a plan to manage stagnant per-pupil funding and projected budget deficits while being responsive to the impact of increased property values and recent tax bills.

With community feedback indicating support for an operating referendum (61% - fall 2022 survey), the District has recommended a five-year plan to sustain essential operations.

The proposed operating referendum **would not increase school taxes** and allows the District to:

- Address **projected budget deficits**
- Maintain most **programs, student services, staffing & facilities maintenance**



KNOW THE FACTS!
Look Inside to LEARN MORE.

NEED TO LEARN MORE? PLEASE JOIN US!



Community Information Meetings – **Mark your calendar!**

- ✓ February 15, 2023, 7PM,
- Thank you to all who attended!
- March 13, 2023, 7PM,
Fine Arts Center



Open Door – **No appointment needed!**

Meet with Dave Karrels,
Superintendent & Josh McDaniel,
Director of Business Services

- Wednesdays, 7:30-8:30AM,
through March 29,
HS Innovation Room

What will appear on the ballot?

Shall the Northern Ozaukee School District, Ozaukee County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$1,700,000 per year for five years, beginning with the 2023-2024 school year and ending with the 2027-2028 school year, for non-recurring purposes consisting of operational and maintenance expenses, including to maintain current educational programs, services, and facilities?

[] YES [] NO

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