

Operational Referendum

The district has faced two failed referendums, and this marks the third time in a year that we will be asking the community to consider a referendum to address our critical funding shortfalls. Our resources are dwindling rapidly. We are currently borrowing funds to meet payroll obligations and have already implemented \$1.75 million in budget reductions. Further cost-cutting measures will necessitate increased class sizes and program eliminations, directly impacting the quality of education with fewer options for our students.



Tax Impact

\$25 a year per \$100,000 of Property Value

(Example: \$75 a year for a \$300,000 house)

The \$25 a year for \$100,000 is a one-time increase. While other factors can influence the mill rate, we project a flat or decrease in the remaining years after an initial increase in 2025.

How did we get here?

1993 Revenue Limits

Schools are locked in to what they spent per student in 1993, unless they ask taxpayers for an operational referendum

ESSER Ending

ESSER funds were designed for one-time use items during the pandemic. Must be spent by 9/30/24




State Aid not Tied to Inflation

\$0 increase for 6 of the last 10 years causing funding to lag approx. \$3,000 per student

Increase in Operational Costs

Within the last year: Water 18%, Electricity 9%, Gas & Fuel 7%, Property & Casualty Insurance 7%, Health Insurance 10%

Where will the funds go?

-  **Maintain our current programs**
-  **Keep smaller class sizes**
-  **Build back fund balance**

What will happen if a referendum does not pass?

Below is a list of potential cuts and eliminations if a referendum does not pass. While the Waterford Graded School District has preserved its programming in recent budget cycles, further cuts will force program eliminations.

- Certified Classroom Teacher Positions (7-9 Full-Time Equivalency)
- World Language K-6 Program and Positions Eliminated
- Technology and Engineering Program and Position (Fab Lab) Eliminated
- Family and Consumer Science Program and Position (FACS) Eliminated
- School Counselor Position (1.0 Full-Time Equivalency)
- Music/Band, Art, and Physical Education Positions (3.0 Full-Time Equivalency)
- 4K Related Arts Programming (Art, Music, Physical Education) Eliminated
- Co-curricular/Sports at all Grade Levels
- Increase Class Sizes at all Grade Levels
- Elementary Library Aide Positions (2.0 Full-Time Equivalency) Eliminated
- District Office Support Position (0.25 Full-Time Equivalency)
- School Secretary #2 Positions (Transition to Part-Time)
- Additional Cuts to Employee Benefits
- Reduction of Paid Contract Days
- Special Education Programming Restructured
- Maintenance/Technology Projects Deferred

WHAT IS THE QUESTION ON THE BALLOT?

Shall the Waterford Graded School District Joint No. 1, Racine County, Wisconsin be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$3,000,000 per year for four years, beginning with the 2025-2026 school year and ending with the 2028-2029 school year, for non-recurring purposes consisting of operational and maintenance expenses?



WHAT WE ARE HEARING

Tighten Our Belts

In response to our failed referendums and budget shortfalls, community members have stated they feel we need to tighten our belts.

Current Financial Situation

Members of our community feel that they do not understand the financial situation that WGSD is in.

- We reduced our budget by \$1.75 million (10 full-time staff members, 2 part-time staff members, adjusted salary and benefits, transitioned positions from full-time to part-time).
- We have eliminated one administrative position and continue to share a director of buildings and grounds as well as a special education director with surrounding districts.
- The board approved a mill rate decrease from \$5.43 in 2023-2024 to \$5.32 for 2024-2025.
- WGSD is forecasting a deficit of \$1.5 million for the next school year and a cumulative deficit of \$9.7 million over the next five years.
- The deficit would continue to grow due to increases in operational costs and lack of state funding.
- WGSD short-term borrowed for the first time in the district's history in order to cover operational costs and make payroll. The district is incurring interest costs as well.

CLAIM

- 1 The referendum is about adding new programs.
- 2 You just passed a referendum in February.
- 3 With declining enrollment, you do not need more money.
- 4 Waterford Graded is a small district and does not need all these staff members.
- 5 Redistricting and Realignment are tied to the referendum.
- 6 The fund balance is just a savings account.

RESPONSE

- 1 The purpose of this referendum is to maintain programming and smaller class sizes while balancing the district budget and replenishing fund balance.
- 2 We extend our congratulations to Waterford Union High School on the successful passage of their capital referendum. Please note that the Waterford Graded School District (WGSD) is a separate district and will be asking voters to consider an operational referendum this April.
- 3 While many schools face declining enrollment, ours has remained steady. However, rising costs, limited state funding, and the end of COVID-related funds have created significant budget challenges. Even with substantial cuts, major shortfalls remain, making an operational referendum a key option to address these needs.
- 4 Waterford Graded School District is larger than 2/3 of school districts across Wisconsin. We provide instruction and support to just under 1,500 students every year.
- 5 Redistricting and realignment are about being fiscally responsible and viable over the long-term due to our student population. A referendum is needed to maintain programming and smaller class sizes while balancing the district budget and replenishing fund balance.
- 6 Maintaining an adequate fund balance is essential to cover operations, avoid short-term borrowing, and manage planned or unexpected expenses. WGSD short-term borrowed for the first time in the district's history to cover operational costs and make payroll.