

# FINANCIAL SNAPSHOT AND COST CONTAINMENT EXPLORATION

SHOREWOOD SCHOOL DISTRICT

November 16, 2024

MAPPING OUR FUTURE
SHOREWOOD SCHOOL DISTRICT

# AGENDA

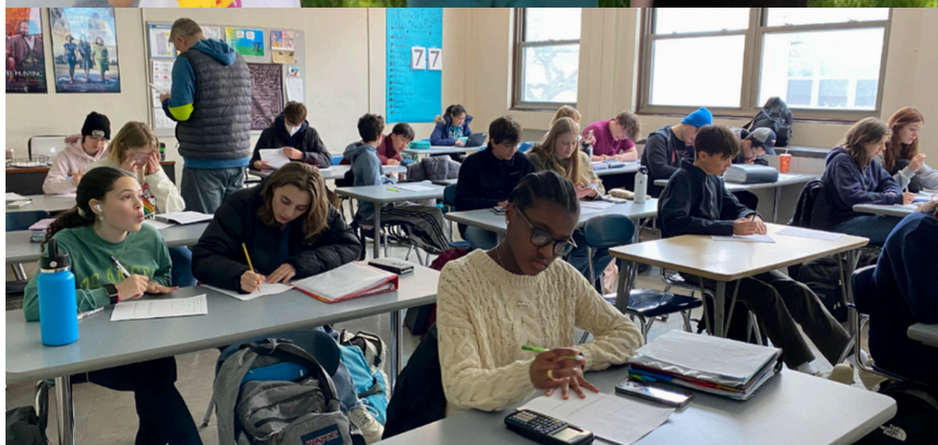
1. Guiding Question & Considerations
2. Financial Snapshot
3. Cost Drivers
4. Sustainability Options
    a. Light Impact
    b. Moderate Impact
    c. High Impact
5. Discussion

# GUIDING QUESTION

As we think about the future of the Shorewood School District, what school model(s) can best support our vision?





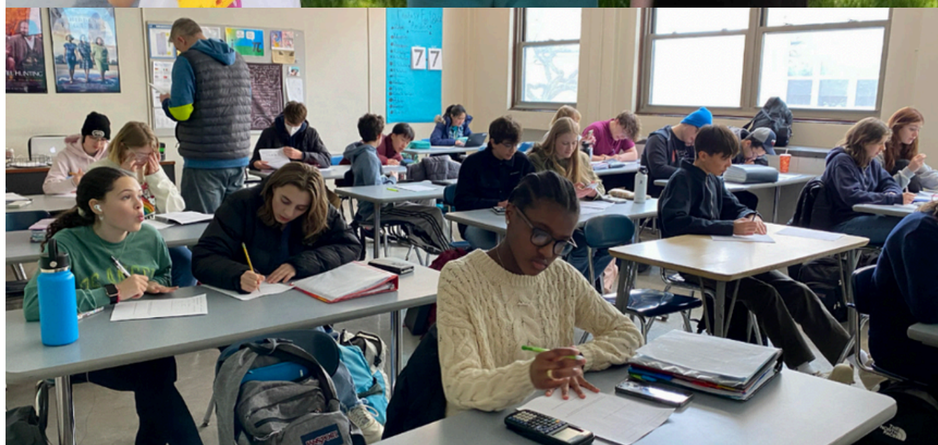



# BEFORE WE BEGIN...

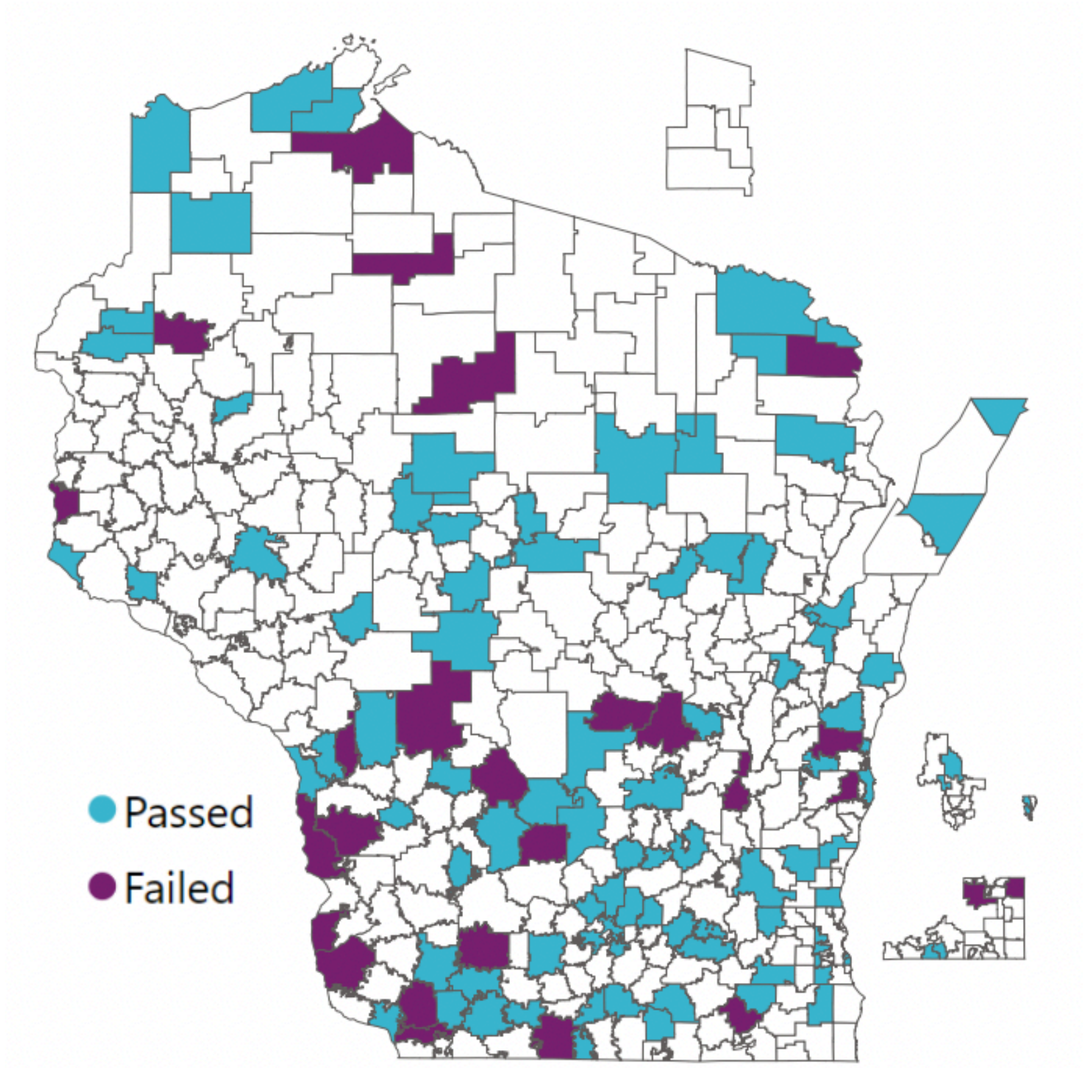
- Explore with a big-picture lens
- Live in the space of possibility
- Capture questions in the parking lot
- Remain committed to our working agreements





# WE ARE NOT ALONE




Source: Baird Referendum Results, November 5, 2024

# SHOREWOOD FINANCIAL SNAPSHOT











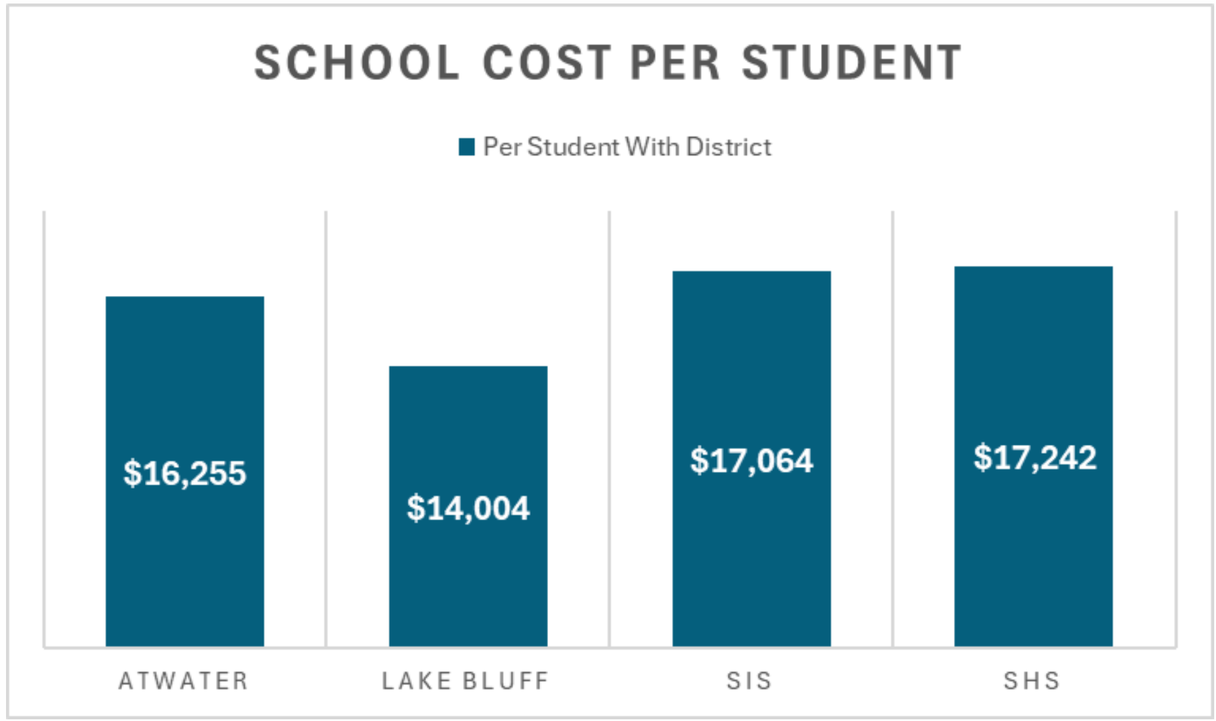


# FINANCIAL SNAPSHOT

## 24-25 Per Student Budget: $16,211

**School size is a major driver of K-8 cost per student**

**High schools are typically more expensive than K-8**




Source: SSD FY25 Budget

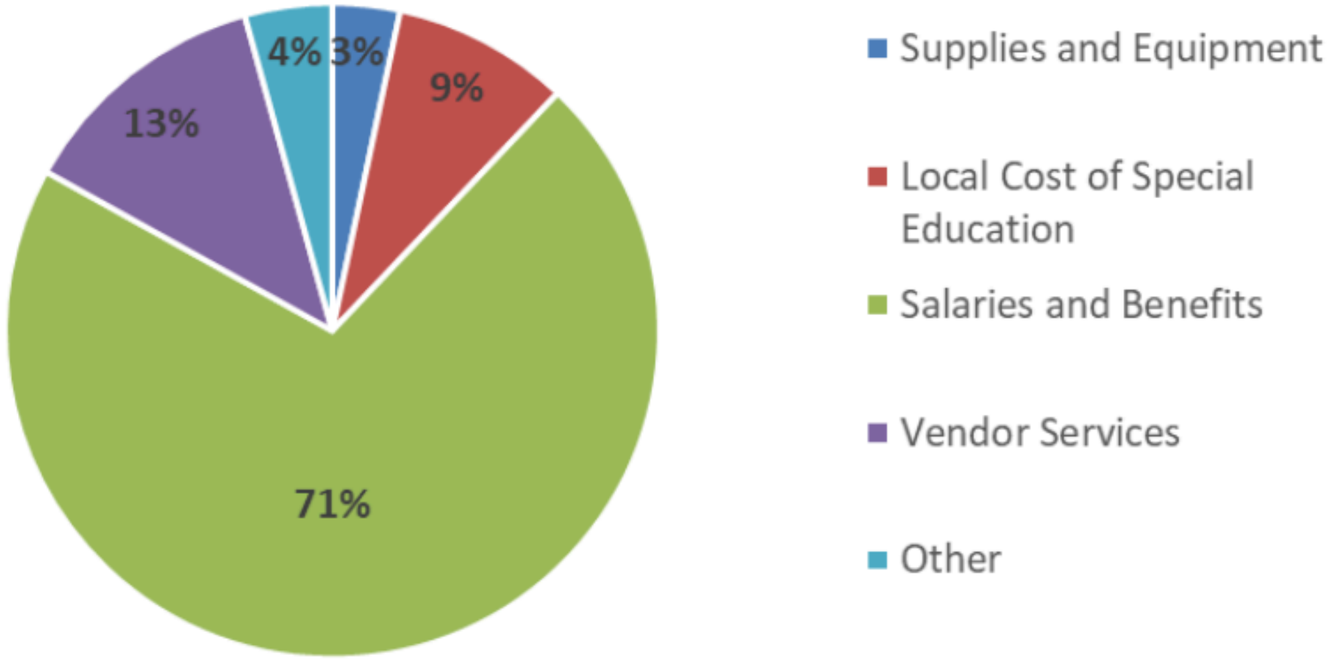






# FINANCIAL SNAPSHOT

## General Expenses by Type




Source: SSD FY25 Budget







# FINANCIAL SNAPSHOT

## 2023 Comparables Per-Pupil Expenditure

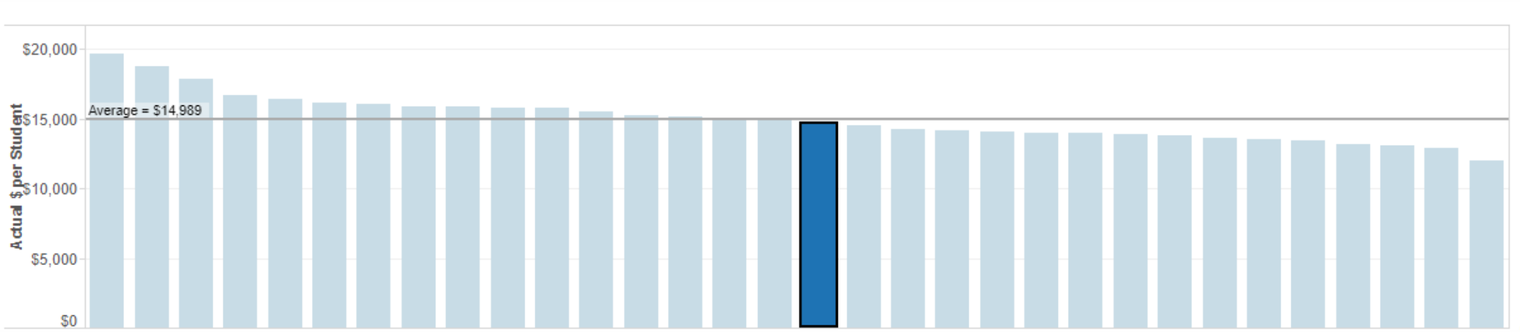
**SSD: $14,616**

**North Shore Average: $14,662**

**CESA 1: $14,836**

**Like-Sized Districts*: $13,371**




* WI School Districts with 1750-2400 students

Source: DPI data summarized by Frontline Education; excludes local cost of special education

# SSD SPENDING VS OTHER DISTRICTS



- Salaries
  - SSD spends 12% more per student than the North Shore median
- Retirement
  - SSD spends 57% more per student than the North Shore median
- Costs are higher than the median for instruction

Source: DPI data summarized by Frontline Education



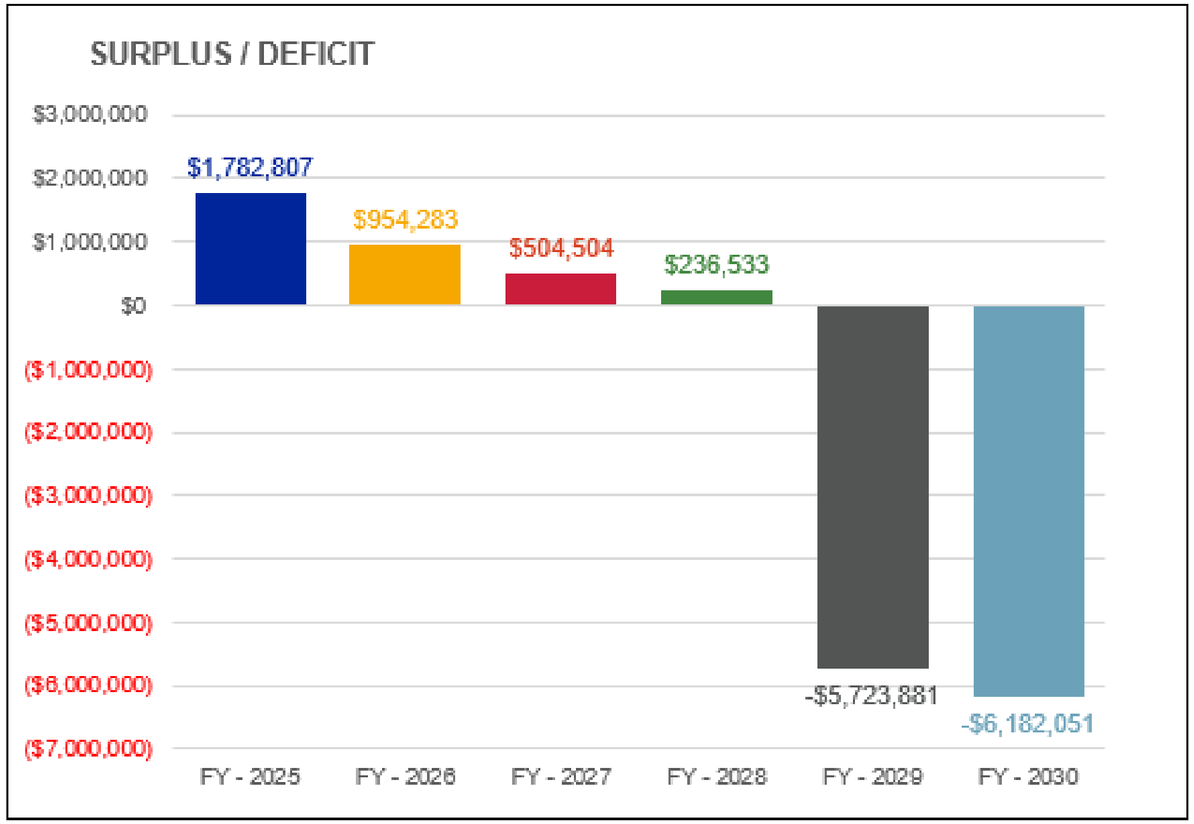




# FINANCIAL SNAPSHOT

## 5-Year Forecast

**Expenses increasing $500K per year faster than revenues**




Preliminary projection for discussion purposes only

# **EXPENSE DRIVERS:** FACTORS BEHIND OUR COST STRUCTURE









# SURVEY RESULTS

**How likely would you support the following measures in Shorewood as financial stability options? (This question was on a scale from 1-5; responses are ranked below.)**

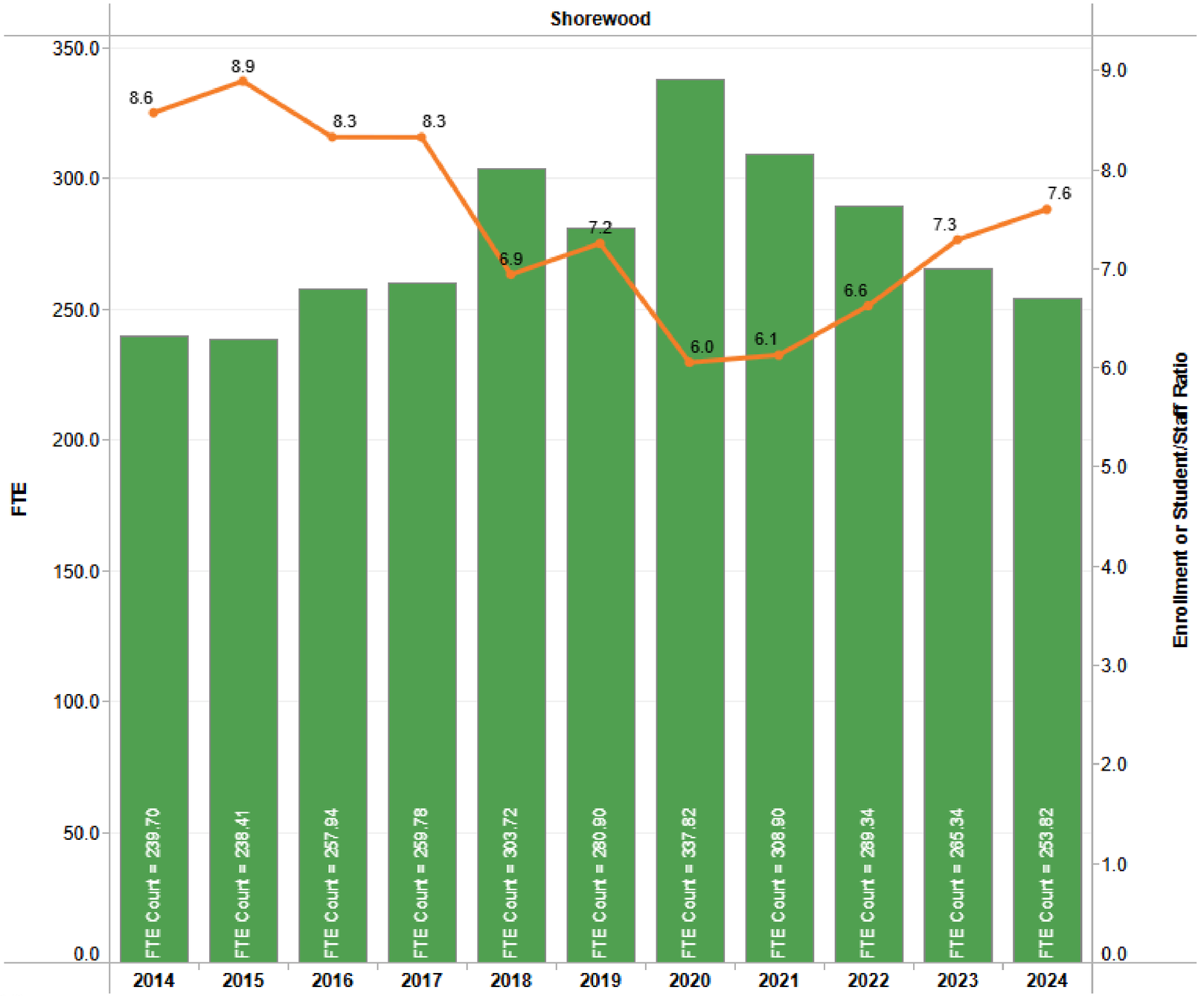
| | |
|---|---|
| **3.41** | - Offer certain classes on a rotating schedule rather than every semester |
| **3.23** | - Focus extracurricular/athletic offerings on programs with the highest participation |
| **3.08** | - Increase the number of students open enrolled from other districts |
| **2.75** | - Discontinue classes with low enrollment |
| **2.52** | - Consolidate schools to maximize resources |
| **2.49** | - Increase local taxes through a larger future operational referenda |
| **2.25** | - Increase intermediate and/or high school class sizes |
| **2.06** | - Increase elementary class sizes |
| **1.44** | - Other |

**Why would we ask this?  How big is the impact ?**

Source: SSD Strategic Visioning Survey Fall 2024

# STAFF TO STUDENT RATIO

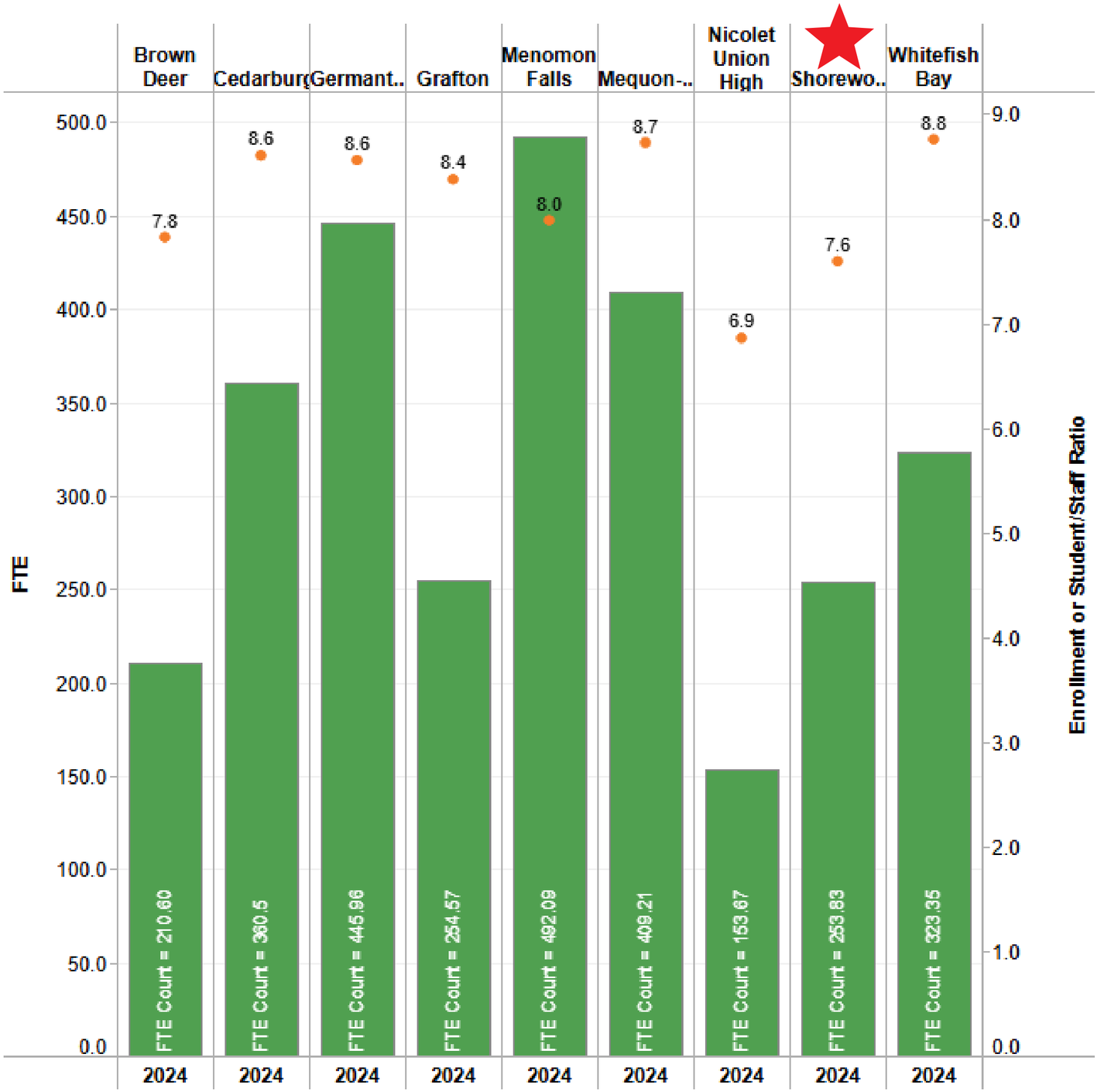
Shorewood
2014-2024




Source: DPI data summarized by Frontline Education

# STAFF TO STUDENT RATIO

North Shore
2014-2024




Source: DPI data summarized by Frontline Education



# COHORT SIZE AND STAFFING

25* = Average target class size in grades 1-12

**Impact of Different Cohort Sizes**

**Example: 125 Students in Grade 5**

### Scenario 1

- 5 sections of 25
- Teacher cost per student = $4,000

### Scenario 2

- 6 sections of 21
- Teacher cost per student = $4,800

**+$100,000 per section**

*Smaller in lower grades; Does not include PE or Performing Arts classes



# CLASS SIZES AND STAFFING

## Case Study: Lake Bluff 2nd Grade

Goal: Goldilocks Class Sizes
Target Class Size: 22 Students

### Scenario 1

- 51 Resident Students
- 3 Sections = 17/section
- 2 Sections = 26/section

### Scenario 2

- 51 Resident + 11 Open-Enrolled Students
- 3 Sections = 21/section

**+$94,798 in open enrollment revenue**

*The additional revenue from open enrollment covers the cost of the 3rd section teacher and allows for lower class sizes than would otherwise be affordable.*

Limitation: Revenue covers the cost of the teacher, but not other services

*Sections may be stand alone single age classes or the number of grade-level students within a multi-age classroom



# SURVEY RESULTS

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**Top-ranked item!  How does this work in practice?**

Source: SSD Strategic Visioning Survey Fall 2024



# CLASS SIZES AND STAFFING

## Case Study: Specialty SHS Courses

**Example: Speciality SHS courses designed as a result of 2015-20 strategic plan;**
**Originally funded through authentic learning grant**

### Original Approach

- Team-taught for two periods per day
- Small class sizes
- Two teachers taught 15 kids over two periods (Env Lit)
- Staffing Cost = $5,333 per student

In general, two teachers teach approximately
100 kids over two periods
Staffing Cost = $800 per student

### Current Approach

- Coordinated, but not simultaneous teaching OR larger class sizes (department options)
- Summer stipend to re-work curriculum
- Some courses run on a rotation

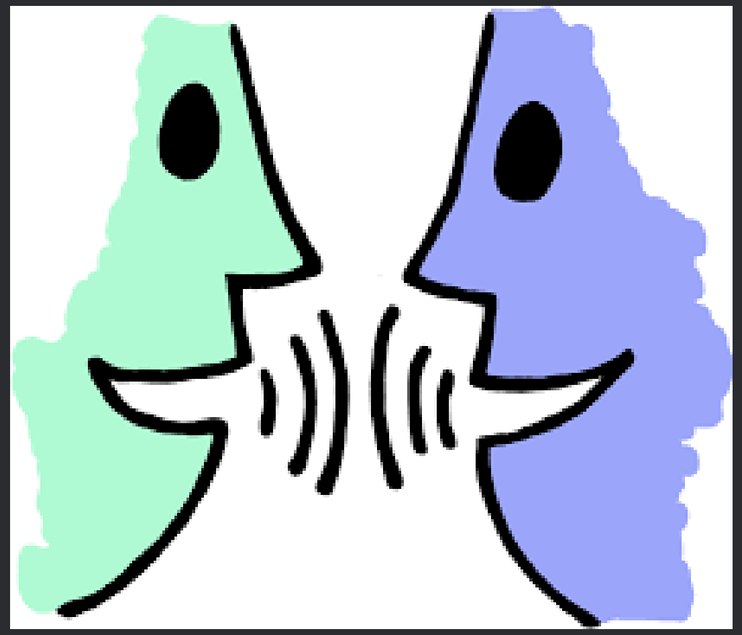


# OTHER VARIABLES

- Complexity of needs
- 25-27 State biennium budget
- Federal funding
- Impacts of change
- Enrollment trends
- Inflation outpacing revenue growth
- Tools are not one-size-fits-all

# TABLE DIALOGUE

**Based on the information presented, what stands out to you?**



# SUSTAINABILITY OPTIONS









# SURVEY RESULTS

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## Let’s explore these next

Source: SSD Strategic Visioning Survey Fall 2024

## Small Impact

- Reduce consulting contracts
- Minor reduction to extra-curriculars
- Grant support

## Medium Impact

- Controlled spending/smaller increases
- Health care modifications
- Benefit changes
- Program consolidation

## Big Impact

- **School Model Changes**
- **School Consolidation or Expansion**



## Annual Budget Balancing

# Financial Sustainability

# MODEL ASSUMPTIONS

## Preliminary Savings Estimates



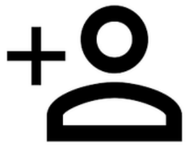
- Preliminary comparison to current model
- Assumes similar staffing ratios and program model
- Actual savings may be higher or lower based on final plan

## Building Capacity



- Based on maximum capacity without major renovation
- If consolidating, assumes reduction in building costs
- Possible re-uses not included

## Enrollment



- Based on current trajectory
- Start with resident projection and build up
- Flexibility to capture approximately 5% more residents







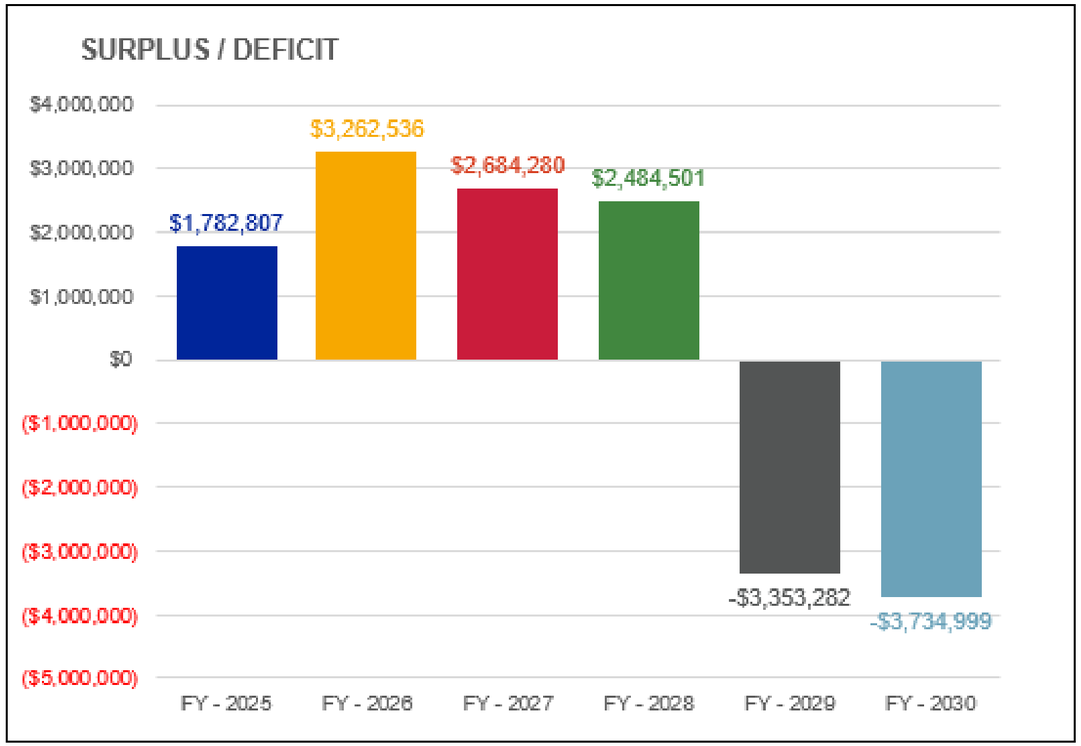
# SAMPLE CONSOLIDATION A

## 3 Schools: K4-3rd; 4th-8th; 9th-12th

**1,650-1,730 Resident Students**

**Mid-Sized “elementaries” and Smaller High School**

**~$2.2M annual net savings (preliminary projection)**




Preliminary projection for discussion purposes only







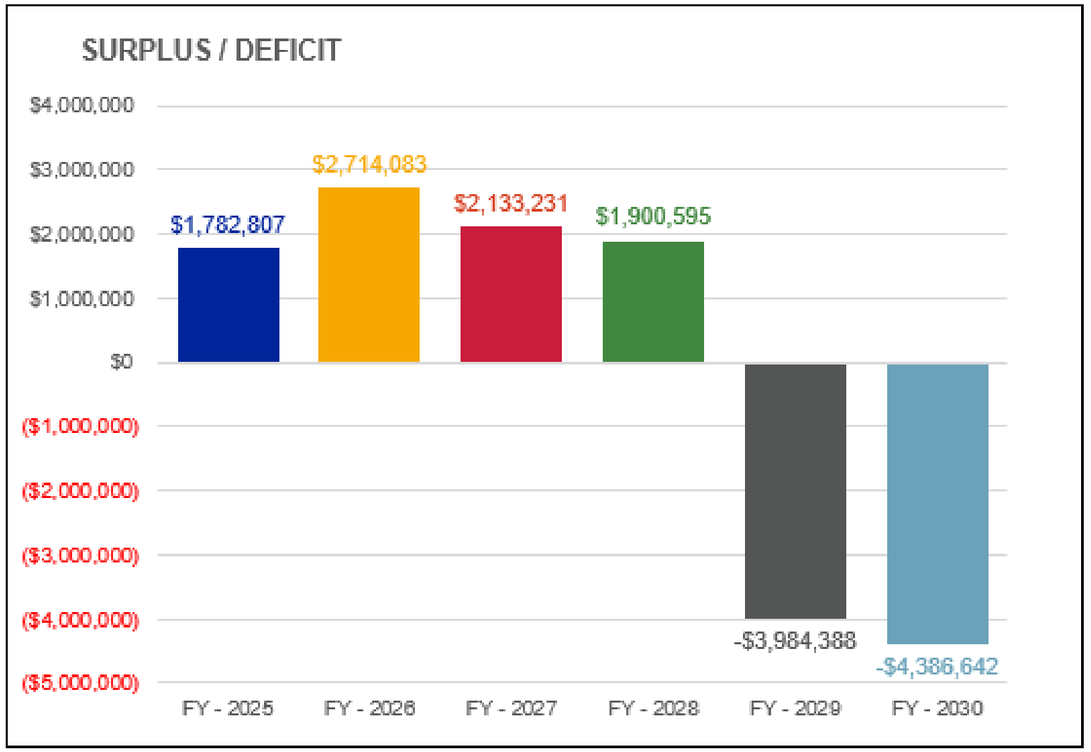
# SAMPLE CONSOLIDATION B

## K4-6th; 7th-12th

**1,650-1,730 Resident Students**

**3 Schools (1 smaller, 1 larger K4-6th; 1 7th-12th)**

**~$1.7M annual net savings (preliminary projection)**




Preliminary projection for discussion purposes only







# SAMPLE CONSOLIDATION C

## 2 K4-8th; 1 High School

**Considered but rejected due to capacity**







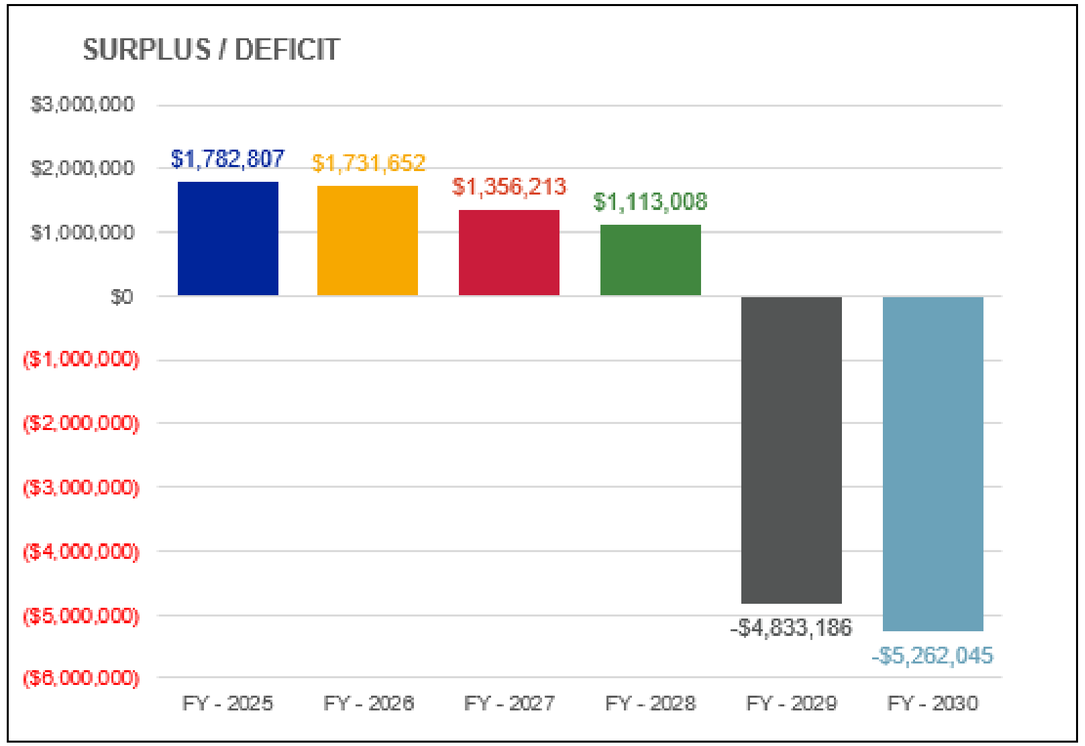
# SAMPLE EXPANSION MODEL

## + 200 Additional Open Enrollment Students

**2,070 Students**

**Same schools (2 ES, 1 SIS, 1 HS) but Atwater and SHS are larger**

**~$800K annual net savings (preliminary projection)**




Preliminary projection for discussion purposes only

# DISCUSSION QUESTIONS

- What opportunities do each of the models present? What positive outcomes could result from each model?
- What are you curious to learn more about as it relates to the various options for managing financial viability?
- What other trends or future changes do you think could affect the financial viability of school districts like Shorewood?








# NEXT STEPS

- Summarize SPC input for Board of Education - Dec 10
- Obtain feedback and preliminary direction from the BoE
  - Further exploration of expansion:
    - Explore feasiblity of legislative action to increase the open enrollment reimbursement rate
  - Further exploration of consolidation:
    - Additional, in-depth analysis
    - Selection of a model
    - Develop detailed plans for a multi-year phase in
    - Solicit feedback from additional groups and problem-solve/refine plans
    - If consolidating, dedicated visioning and planning for possible re-purposing of SIS building

We will hold an optional meeting for staff next week.



