

## ADDRESSING FINANCIAL NEEDS *in the East Troy Schools*



## VOTE | APRIL 7, 2020

All registered voters who live within the East Troy Community School District's attendance area may vote on the referendum question at their regular polling places.

Polls will be open from 7 a.m. to 8 p.m. on Tuesday, April 7, 2020.  
For voting information, visit <https://myvote.wi.gov>.

### *Learn more about the district's proposed plan.*

**The East Troy Community School District has operations, safety and maintenance needs that require the attention of the entire district community.** Our current projections indicate future deficits averaging \$470,000 per year for the next five years, due to expense increases outpacing revenues from the state.

*The district has been balancing and reducing such deficits. In the past 13 years, our district has implemented \$7.8 million in budget-balancing efforts.*

We are also facing some large-scale maintenance needs in the near future. These upgrades, if budgeted for within the operational funds for education, would require significant cuts to programs and services, impeding our ability to compete well with other districts in our region.

On **Tuesday, April 7**, district residents will vote on a referendum that, if approved, would allow the district to address its most urgent financial and maintenance needs. We invite you to learn more about ETCSD's needs and the solution that will be presented to voters.

# FREQUENTLY ASKED QUESTIONS

## What are the district's current projected budget deficits?

Current projections indicate future deficits averaging \$470,000 per year for the next five years. In the course of the past 13 years, our district has implemented \$7.8 million in budget-balancing efforts.

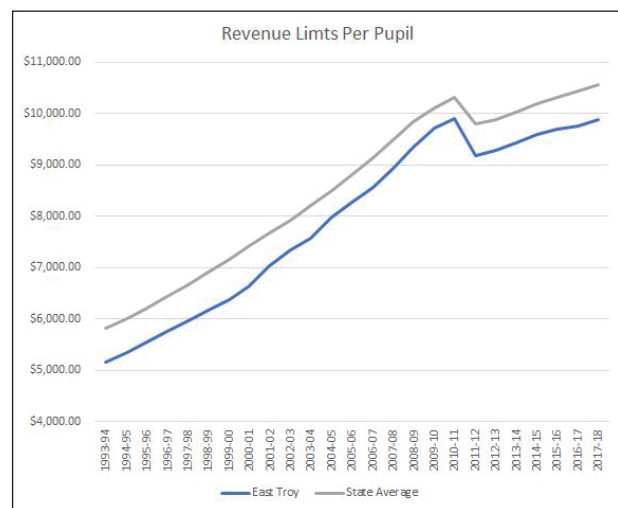
## Why is ETCS D facing annual deficits?

In Wisconsin, the amount of money a school district receives is restricted by a state-imposed revenue limit, also known as a revenue cap. Every district has its own revenue limit. While revenue limits are adjusted every two years as part of the state budget process, the district's revenue limits lag behind increasing costs.

In addition, at East Troy, our revenue limit has always been lower than most other districts. This is due to the fact that when revenue limits were created by the state in 1993, low-spending, frugal districts like ours were locked into a very low limit. In fact, only 15% of Wisconsin districts had a lower revenue limit than East Troy in 1993.

The state has never adjusted spending to become equitable with the schools that were spending at a higher, faster level than East Troy in 1993. Rather, the state incentivizes school districts that are able to pass operational referenda in their communities.

If East Troy's revenue limit per student was at the state average in 2017-18, our district would have received \$1.2 million more. That would have a significant impact on the programs and services available to our school community. If East Troy cumulatively would have had the state average revenue limit per student since 1993, the additional funds would have exceeded \$26 million over the past 26 years.



## Didn't we just pass an operational referendum?

No. While voters in our district passed a debt facilities-related referendum in 2015, our district's last operational referendum—allowing the board to exceed the revenue limit—passed in April 2006. That referendum expired in 2011.

In 2015, East Troy voters passed a facilities-related referendum to address urgent facility needs in the district. This is different from an operational referendum, which helps address financial challenges.



## Why is this referendum being presented now?

The reason behind the referendum comes down to a combination of two issues. First, our district has a number of pressing maintenance needs that must be addressed soon to ensure students continue to have access to a quality educational experience.

Specifically, our district aims to employ true preventative maintenance to help control the costs related to operating our facilities. The controlled replacement of aged equipment would help ensure we maintain a positive educational environment while minimizing emergency replacements, which can be quite costly.

Second, we believe we are at a point at which we are, at a minimum, adequately staffed. We also believe we should not make any further reductions to salaries and benefits of staff, which comprises 80% of our budget. To further reduce positions, programs and/or staff salaries and benefits would harm the competitive position of the district. If the district cannot maintain students because they choose other schools, we will lose more funding and a downward economic cycle will unfold.

## What would be the property tax impact of the referendum?

If approved, the referendum would have an estimated property tax impact of \$98 per year on a home with an assessed value of \$100,000.



## KEY MAINTENANCE PROJECTS

### HIGH SCHOOL:

- Retrofit boilers
- Retrofit lighting to LED, including hallways, cafeteria, gym, tennis courts & classrooms
- Replace roof sections
- Replace asphalt/repair curbing
- Retrofit electrical service panels

### MIDDLE SCHOOL:

- Relocate main office to improve safety
- Retrofit lighting to LED, including the gym, cafeteria, robotics/tech spaces, classrooms & baseball field
- Replace roof sections
- Replace asphalt
- Retrofit windows to single pane

### PRAIRIE VIEW:

- Retrofit boilers
- Retrofit lighting to LED, including hallways, cafeteria, gym, library & classrooms
- Replace roof sections
- Retrofit wood-framed windows
- Replace asphalt

Many of these projects will save taxpayers money over the long term.