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Prescott School District Newsletter

District Edition

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Information About The November 6th REPLACEMENT Levy Cap Override Referendum

Proposed REPLACEMENT Levy Cap Override ...

The School District will hold a referendum on Tuesday, November 6th, asking voters to approve a **replacement** levy cap override. This referendum **increases the current \$700,000 levy by \$420,000** for a total of \$1,120,000 and lasts for four years. It would begin with the next school year and end after the 2011-2012 school year.

This increase follows the recommendation made this past May by a special Budget and Finance Committee, consisting of 13 community and school volunteers.

That Committee, as part of its dual purpose, also recommended steep budget cuts for this school year. Subsequently, \$226,750 in permanent cuts were made in this year's school budget.

Despite the District operating under levy cap overrides, there has been a total of \$733,028 in permanent budget cuts made over the last six years.

CURRENT Levy Cap Override ...

The School District is **currently** operating under a 5-year \$700,000 levy cap override. It was approved by voters in a 2002 referendum and expires after this school year.

The \$700,000 has been included annually in the property taxes paid by District residents for the past four years. During that time, residents have had their share of this amount included in the School District's portion listed on their property tax bills. This will continue to be the case for one more year.

Public Informational Meetings

Wednesday, October 24th

Tuesday, October 30th

Meetings to be held in the
High School library
beginning at 7:00 p.m.

COST To Property Taxpayers ...

It is estimated that the **\$420,000 increase** in the replacement levy cap override would cost residents an additional \$51.00 per \$100,000 of taxable property valuation. The increase would begin with the property taxes payable in 2009.

State Revenue Limitations ...

As part of a 1993 State law, revenue caps were imposed on all Wisconsin school districts based on their 1992-1993 school year budgets. The caps limit the amount of revenue that districts can raise. In order to exceed those caps, districts are **required** to hold referendums to seek voter approval.

Better Schools

Build Better

NEED For The Increased Amount ...

In Prescott's case, under the 1993 State law, the School District has been allowed to increase revenues only by an average of 2.8% over the past five years. This is in spite of the fact that many major costs -- health insurance, heat, electricity, transportation, etc. -- have seen huge increases far beyond this percentage.

Also, as part of that law, teachers are subject to the QEO (Qualified Economic Offer), which regulates their increases in salaries and benefits. The law **mandates** that school districts must offer a total package (salaries and benefits combined)

amounting to at least a 3.8% increase, or teachers can go to binding arbitration. Choosing to go to binding arbitration puts districts at risk of being required to pay substantially more than a 3.8% increase in salaries and benefits. Finding that risk to be too great, only two school districts in Wisconsin have chosen to go to binding arbitration since 1993.

About 80% of the typical Wisconsin school districts' total operating budget is made up of salaries and benefits.

The combination of the State imposed revenue cap, increases in operating costs, and the requirements of the QEO, have resulted in the Prescott School District facing an

approximately **1.2% shortfall** between its allowable revenues and actual expenses for the last five years. The result has been even more permanent cuts in staff, curriculum, programs and services. This "squeeze" gets tighter each and every year.

Voter approval of the \$420,000 increase in the proposed replacement levy cap override would merely allow the School District to **maintain the status quo**.

Without this increase the School District will likely be forced to make about \$150,000 in additional permanent cuts each year, beginning with the next school year.

NEGATIVE Consequences Of Open Enrollment ...

Under Wisconsin's open enrollment law, students can "opt-out" of our School District and attend any other district in the State that they so choose. Other districts in our area would be more than willing to accept them, along with the State aid revenue that would accompany them.

The Prescott School District loses over \$6,000 per year in revenue for every student who open enrolls out of our District.

The State's primary funding mechanism for public schools is based on student population and property

valuations. Less students equals less State aid revenue. Less State aid revenue equals higher local property taxes.

Thirty-nine students now open enroll out of Prescott, costing the District over \$234,000. Loss of more students due to additional cuts in curriculum, programs and staff could accelerate the loss of students.

Additional large budget cuts would severely hamper the District's ability to offer the educational services and extra curricular activities that keep many current students here and attract new ones.

It is conceivable that 50 to 100, or more, students could leave our District if major programs and activities are forced to be cut. That would result in a loss of \$300,000 to \$600,000, or more, per year in revenue.

MORE Information Coming...

Please check the school web site at www.prescott.k12.wi.us and click on referendum for more information.

Public meetings, a more detailed newsletter, as well as informational items in the local newspapers will be made available prior to the November 6th referendum.

YOUR QUESTIONS ARE IMPORTANT!

Any resident or group that wishes to ask a question or obtain information is encouraged to call the District office at 262-5782, or any of the following Information Committee members:

Roger Hulne	262-5782	Jim Packard	262-3289	Melissa Timmins	262-5495
Peggy Kosin	262-3428	Jim Reichert	262-5985	Yvonne Zarnstorff	262-4273
Amanda Matzek	262-5638	Jeff Ryan	262-5389		
Kevin McCarthy	262-5037	Steve Shaw	262-5010		

Purpose of Information Committee: To provide Prescott School District residents with accurate information about the November 6th Referendum.