



*Opportunities, for Every Child, Every Day.
"It's the Tiger Way!"*



Gillett School District

208 West Main Street P.O. Box 227 Gillett, WI 54124-0227

Gillett School District Operational Referendum Information and Frequently-asked Questions

Our mission within the Gillett School District is to provide all of our students with a high-quality educational experience in a secure learning environment that recognizes and responds to students' individual needs. To help attain our mission and goals, we have made significant investments in literacy, math, technology, facilities, and professional training. We cherish helping each student graduate from our school as a productive, responsible, and civic-minded person with the skills needed to succeed in college, a career, and in life.

We are a small district that has a lot of pride in our students, staff, and community. Several years ago, the Gillett School District held several community meetings and sent out a survey that gathered feedback on our current operations and future planning. From the feedback given, it was apparent that our community wants to maintain the programs and services that we currently offer. We strive to have small class sizes; offer courses in Career and Technical Education such as traditional "shop" classes and agricultural education; offer several elective courses in business, Spanish, personal finance, music, and fine arts; and offer several transcribed courses with NWTC.

We are extremely fortunate to have the support of our community and that our voters approved an operational referendum in 2018 that provided three years of additional funding for our District. As a result, we have been able to continue our focus on improving student achievement, maintaining the classes we are able to offer, and offering small class sizes that most school districts our size cannot offer.

The operational referendum ended at the conclusion of the 21-22 school year. Therefore, the Board of Education is asking our voters to consider supporting an extension of the operational referendum for another three years. This will help us maintain the quality of educational programs that our families, students, and community members have come to expect.

We work hard on continuing to earn your trust. The following questions have been raised during past operational referendums both at Gillett and around the state. We will continue to answer questions as they arise, update this document, and post this information on our website.

If you have specific questions that are not answered in this document, or if you need additional information on any of the questions, please email District Administrator Todd Hencsik at thencsik@gillett.k12.wi.us.

Sincerely,
Todd Hencsik, District Administrator

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1. What is the official ballot question for November 8, 2022?

BE IT RESOLVED by the School Board of the Gillett School District, Oconto and Shawano Counties, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$600,000 per year, beginning with the 2023-2024 school year requesting and ending with the 2025-2026 school year, for non-recurring purposes consisting of funding educational programming for students.

Shall the foregoing resolution of the School Board of the Gillett Public School District be approved?

YES

NO

2. Why is an operating referendum needed?

The referendum is needed to cover a shortfall in funding due to the low revenue limit, freeze of state funding, and to maintain current educational programming and student opportunities.

3. What is meant by revenue limits?

The amount of revenue a district can raise from state aid and local property taxes is restricted by state statutes. This restriction has been in existence since 1993 and Gillett has been a low revenue district since that time.

4. During the 2018 referendum, the District stated that they hoped that they would not have to go back to another referendum. Why has this changed?

At that time, we hoped that the state would continue to raise the low revenue limits. They have raised the base, but not to the extent we were told or had planned for. The recently passed state budget did not increase funding for our District. This is problematic seeing as inflation and cost of living rates continue to rise while our state funding, which is 54% of our revenue, remains static. Therefore, it is necessary to ask our taxpayers for additional operational funds.

5. What is the District proposing?

When the voters approved the previous \$600,000 per-year referendum, the Board of Education promised that we would only use the money that we needed. This is exactly what we did. We used \$450,000 per year.

Our resolution authorizes our Board to exceed the revenue limit for \$600,000 per year, beginning with the 2023-24 school year and ending with the 2025-26 school year, for non-recurring purposes which would allow us to maintain current programs, services, and class sizes. This would keep the mill rate at the 2021-22 level.

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6. Do other districts in Wisconsin ask taxpayers to exceed the revenue limits?

Referenda are not unique to Gillett. In the past 3 years, there have been 182 referenda to exceed the revenue limit by districts in Wisconsin with many of these being rural districts since most rural districts rely heavily on state funding. Many of our neighboring districts have either gone to referendum or are planning to.

7. When would this referendum take effect?

This referendum would take effect in the 2023-24 school year.

8. When is the election?

*The operational referendum to exceed the revenue limit will be held along with the State of Wisconsin's general election on **November 8, 2022.***

9. Why not just go for a recurring referendum?

The School Board is sensitive to raising taxes of our community members. To pass a recurring referendum means to permanently increase taxes for our community. This may be difficult for many who are on a fixed income. Furthermore, school funding is ever-changing. Therefore, it would be wise to let our taxpayers decide on their support every few years.

10. The District has received federal funding from the COVID-19 relief acts. Why doesn't the District use these funds instead of asking the taxpayers for additional funding?

Elementary and Secondary School Emergency Relief (ESSER) Funds are one-time source funds and do not address our long-term financial needs. These funds have stipulations on what the monies can be used for and these funds have a sunset on when they can be used.

How has the District used its federal ESSER funds?

ESSER monies are COVID-19 relief monies given to districts to help offset the increased costs incurred during the pandemic. These are one-time source funds and have stipulations on how the monies may be used and should not be used to supplant the operational budget of a school district. Below are the details on our ESSER funds and how we have used this funding. At this time, Gillett has been awarded over \$1,675,000 in relief funding, which we have used to supplement our budget and backfill the monies lost from the referendum not passing in April 2022. Examples are, but not limited to shifting staff salaries in instructional technology, instructional classroom teachers and coaches, and interventionists from Fund 10 (general operating budget) to ESSER funding. As of August 15, 2022, we only have \$81,928.66 left of our ESSER funds. These funds have been spent or are earmarked for spending.

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ESSER I (CARES Act)

These monies can be used for quality online resources, training for remote instruction, mental health services, cleaning and sanitizing supplies, responding to COVID-19 needs, and maintaining the health and safety of our students and staff, to name a few.

Gillett received \$118,238.00 and needed to be used by Sept. 30, 2022. We used these monies to purchase MiFis and services for online learning, iPads for lower grades for learning, a health room assistant, an online learning platform, and other technology to aid in online, remote, and student learning.

ESSER II (CRRSAA)

These monies can be used similarly to ESSER I monies. Gillett received \$479,632.00 and the funds must be used by Sept. 30, 2023. We have spent most of the allocated funds for Chromebooks for grades that didn't have them, a continuation of a health room assistant, CESA 8 instructional support, the replacement of our internal server switches, an elementary reading interventionist, and other technology to aid student learning.

ESSER III (ARPA)

Gillett was awarded \$1,077,934.00. 20% or more of these funds need to be spent on Evidence Based Instructional Strategies. We have chosen to use these funds to backfill the monies lost because the referendum did not pass in April of 2022. Examples of how we spent the ESSER III monies are, but not limited to:

- *Shifted salaries from Fund 10 (general fund) to ESSER III where we could backfill the monies not generated by the anticipated referendum*
- *Shifted necessary technological updates and upgrades from Fund 10 to ESSER III*
- *Purchased cleaning equipment*

More information about how ESSER funds can be found at the DPI website under [ESSER I, II, and III overview](#).

11. How will these referendum options affect me financially?

*When voters approved the previous \$600,000 per-year referendum, the Board of Education promised that we would only use the money that we needed. This is exactly what we did. We used \$450,000 per year on average. In the 21-22 school, our tax levy decreased by 5% which shows that we are being good stewards to our taxpayers. We are proposing a **renewal at \$600,000 per year for the next three years.** This would allow us to maintain current programs and services instead of making more cuts to our programs and services since we will not ESSER monies to backfill anymore.*

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12. What were the programs/services that were cut because the referendum failed in April of 2022?

Because the referendum did not pass in April of 2022, we made the following cuts to programs and services:

- *Eliminated a HS Social Studies teacher*
- *Did not replace a secondary PE teacher*
- *Reduced one bus route*
- *Delayed using \$130,000 out of the long-range facilities plan to backfill the loss in funding*
- *Moved several salaries to ESSER to backfill the loss in funding*
- *Reduced all aide hours from 8 to 7.5 per day*
- *Designated \$200,000 of savings from the 2021-22 budget (fund balance) into the 22-23 operating budget.*

These actions covered the \$600,000 deficit, but we cannot keep this up since we do not have ESSER monies left to help backfill.

13. If this referendum fails, what programs will be impacted?

If voters do not support an operational referendum, the District will need to cut approximately \$600,000 from the operating budget beginning in the 2023-24 school year. While the District does not endorse any cuts, the following could be impacted: class sizes, course offerings, curricular updates, transportation, staffing, technology, and facility improvements to name a few. We will not be able to backfill monies with ESSER funds anymore.

14. Why are smaller class sizes important?

Small class sizes lead to more opportunities for individual attention from the teacher. Teachers build deeper and stronger relationships with students and, with this knowledge of each student, can enhance their strengths and improve their weaknesses.

15. What are the drawbacks to further reducing busing routes?

Reducing bus routes would necessitate some students to get picked up earlier in the morning and dropped off later in the afternoon.

16. Why are athletic and co-curricular activities important to our students and our community?

Athletics and activities support the academic mission of schools, are an extension of the classroom, and are a good educational experience for our students. These programs provide valuable lessons and skills for practical situations like teamwork, fair play, and hard work. Through participation in co-curricular activities, students learn self-discipline, build self-confidence, and develop skills needed to handle difficult situations. Participation in these activities are often a predictor of later success in college, in a career, and becoming a healthy member of our society.

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Athletics and co-curricular activities provide a sense of pride for communities as well. A district that has a vibrant co-curricular program can provide opportunities for businesses to benefit from increased traffic within the community as well.

17. What would be the impact of not performing regular maintenance on our technological infrastructure?

Installed technology needs ongoing maintenance and support, or it will not remain functional and the life span of the technology will decrease. We have invested heavily in technology in our schools which creates a more engaging classroom environment.

18. Why are electives important in schools our size?

Elective courses, such as the ones in career and technical education, agriculture, business, art, and music, offer students the opportunity to develop important life skills that they need throughout their lives. Elective courses give options for students to learn about themselves and the world around them.

19. What are transcribed or dual credit classes, such as NWTC courses, and why are they important to our students?

Transcribed or dual credit courses offer students the opportunity to earn college credit while taking courses at Gillett High School. The benefit is that our students can start college with some of their elective courses completed which can reduce the financial burden of college.

20. Why can't the District use its fund balance to make up the deficit in funding?

Fund balance is the school's checking account balance. If we do not have enough in reserve, which accountants would advise districts to have about 20-25% as a fund balance, we would have to short-term borrow to pay our bills. Based on Wisconsin School Funding, we are not given the full amount upfront; instead, we get several installments throughout the year.

In more detail: Fund balance is a snapshot of the district's equity position on June 30th (the last day of a school's fiscal year) and changes on a daily basis. To figure out our equity position, we subtract our liabilities from our assets. On June 30th, assets are generally made up of our current cash (in our checking account), plus the taxes we will receive in August, and any grant payments we are expecting by the end of September for expenses paid in the previous fiscal year. Our liabilities include payments yet to be made, such as utilities (from the month of June) and insurances over the summer for our staff members.

From the final tax payment for the year, which we receive in August, the district receives no major funding until the first Monday in December every year in the form of state equalization aid. That means, in order for us to avoid short-term borrowing (using a line of credit to make sure we can pay bills and payroll on time), we need to have a fund balance on June 30th that will not go negative before that first Monday in December.

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If the district were to use fund balance, which would mean running a deficit to make up this deficit, we would be at \$0 before the end of the second year of the next three-year referendum cycle. This would mean having to borrow money on a long-term basis, costing the district hundreds of thousands of dollars more every year, thus having to continue to cut teachers and staff. This is not something that is fiscally sound or sustainable for any school district.

21. I still have questions, how can I get more information?

Any School Board member or our District Administrator would be happy to answer any questions and discuss your concerns. Questions can be emailed directly to TigerPride@gillett.k12.wi.us. Questions that are repeated will be added to this Frequently-asked Questions page on our website. Listed below is contact information for the Gillett School Board as well as our administrative team.

Jamie Young	Board President	(920) 373-8505
Ron Lenz	Board Vice-President	(920) 373-5586
Cliff Gerbers	Board Treasurer	(920) 855-6349
Nanette Mohr	Board Clerk	(920) 855-6084
Jamie Heroux	Board Member	(920) 855-6850
Robin Banaszynski	Board Member	(920) 598-0525
Katie Daul	Board Member	(920) 373-7975
Todd Hencsik	District Administrator	(920) 855-2137
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22. District Enrollment

Our overall enrollment is stable and our average is somewhere between 515-530 students each year since 2016. We had a slight uptick in enrollment in 2021 and that was due to more open enrollment students into our district. We have added all day 4k and are exploring virtual programs to keep more of our students from open enrolling out to other districts. Open enrollment is still negative, but the gap is closing. The graph below shows the data from 2016.

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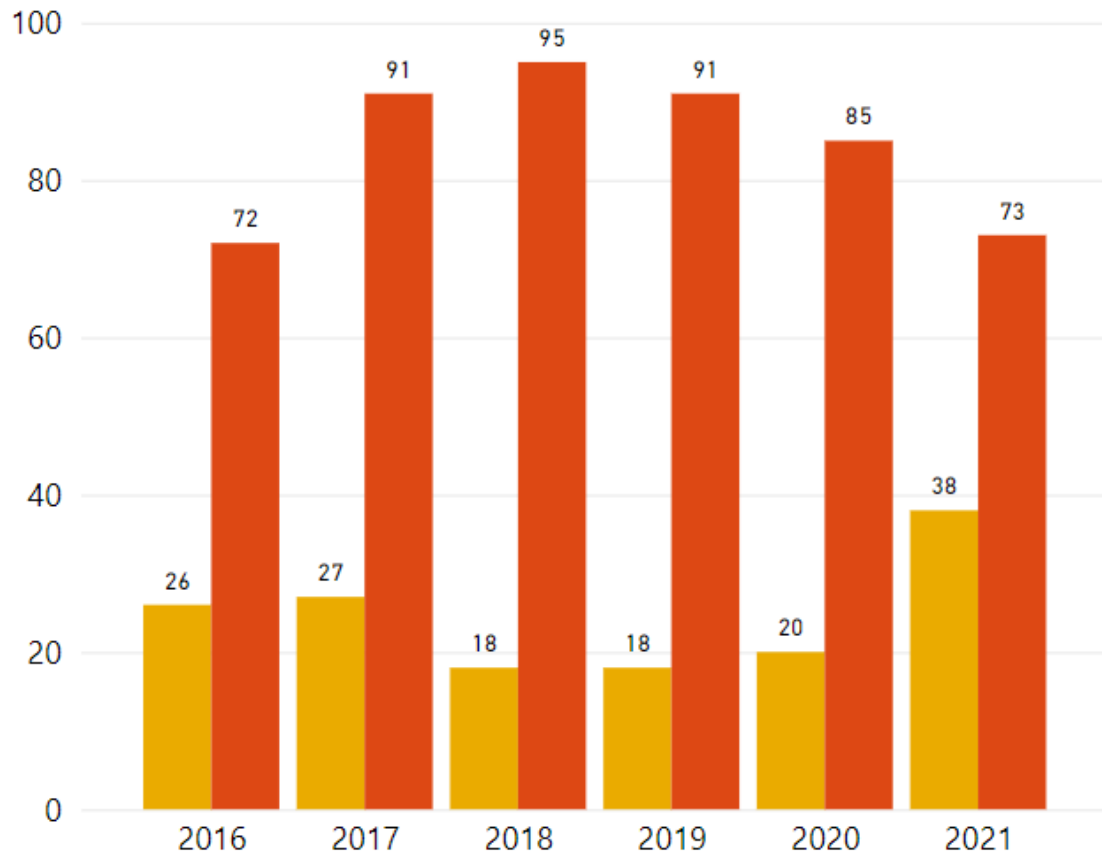
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Open Enrollment

● Pupil Transfers In ● Pupil Transfers Out



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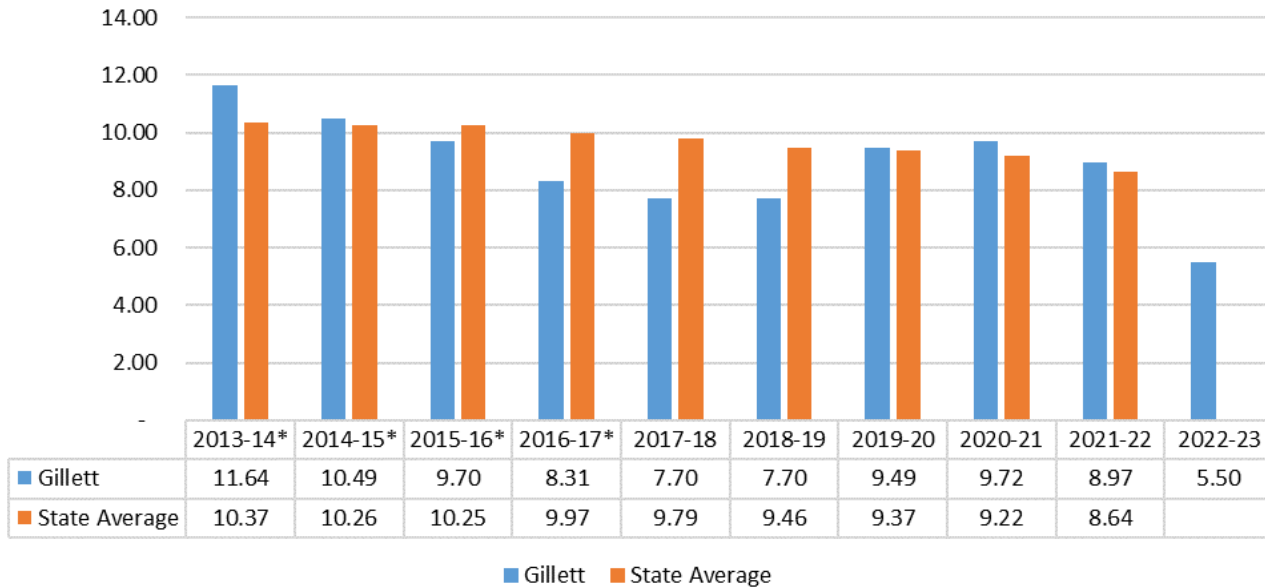


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The following chart shows the tax levy rate in comparison to the state average for the period of 2013-2023. The 2022-23 is estimated and no state average is yet available.

Tax Levy Rate History



*Note: The District had experienced a severe declining enrollment in the years prior (2013-2014 through 2015-2016). The District received a hold harmless exemption and a declining enrollment exemption in years of 2013-2014 through 2016-2017. The State added this back to revenue limit calculation in order to help stabilize the revenue limit for the District. These exemptions allowed the District to increase the amount of the levy. Without these exemptions the District would have experienced much significant drops in mill (tax) rate in those years. In 2016-2017, a small hold harmless exemption still applied but now the District's membership numbers have stabilized in recent years so the exemption is no longer being added back to the revenue limit.

In 2019-2020 an increase due to the operating referendum had passed in November of 2018 and the state increased the revenue limit from \$9,400 to \$9,700 for 2019-2020. In 2020-2021 increase due to the operating referendum in place and the state increase in the revenue limit from \$9,700 to \$10,000 per pupil. In addition, the District has a declining enrollment exemption of \$170,000 was applied to this year given the FTE (full-time equivalency) loss. COVID-19 caused this impact on the FTE since the District did not operate a summer school program in the summer of 2020.

The 2021-2022 mill rate decreased revenue limit per pupil held at \$10,000 per pupil and declining enrollment exemption decreased to \$110,000 given this year FTE loss has reduced. Summer school program operated in the summer of 2021 adding 19 FTE's back into the calculation.

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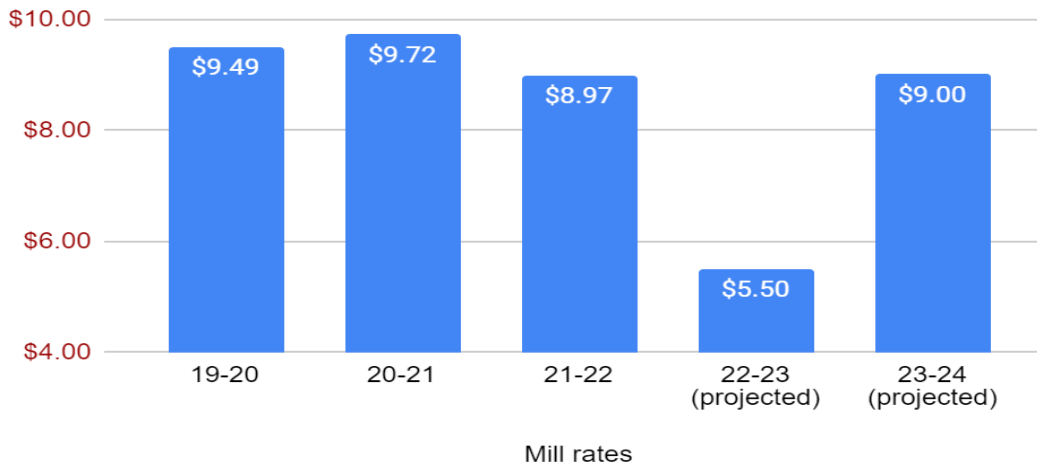
The 2022-2023 mill rate (estimated) revenue limit per pupil held at \$10,000 per pupil again this year. Also the declining enrollment exemption is decreased further to \$20,103 given to the FTE increasing. Also, our District's referendum ended in 2021-22, this is the first year in recent years without the referendum. Lastly, the estimated equalized value is projected to increase 16% (which is significantly higher than typical). This will result in a drop in the mill rate.

What will the Mill Rate be if the referendum passes?

The mill rate last year was \$8.97 per \$1,000 of home value. If the referendum passes, we promise to keep the mill rate around the 21-22 level. The mill rate will go down this year due to having no referendum on the books and the equalized value is estimated to go up 15.9% from last year. If the referendum would have passed in April, the mill rate would have been \$7.03.

We project that our mill rate will be around \$5.50 if the equalized value estimate is correct for this year. Our goal is to not raise the mill rate past the 21-22 level. The graph below shows this in visual form.

5 yr. Average Mill rates



Mill rates	
19-20	\$9.49
20-21	\$9.72
21-22	\$8.97
22-23 (projected)	\$5.50
23-24 (projected)	\$9.00

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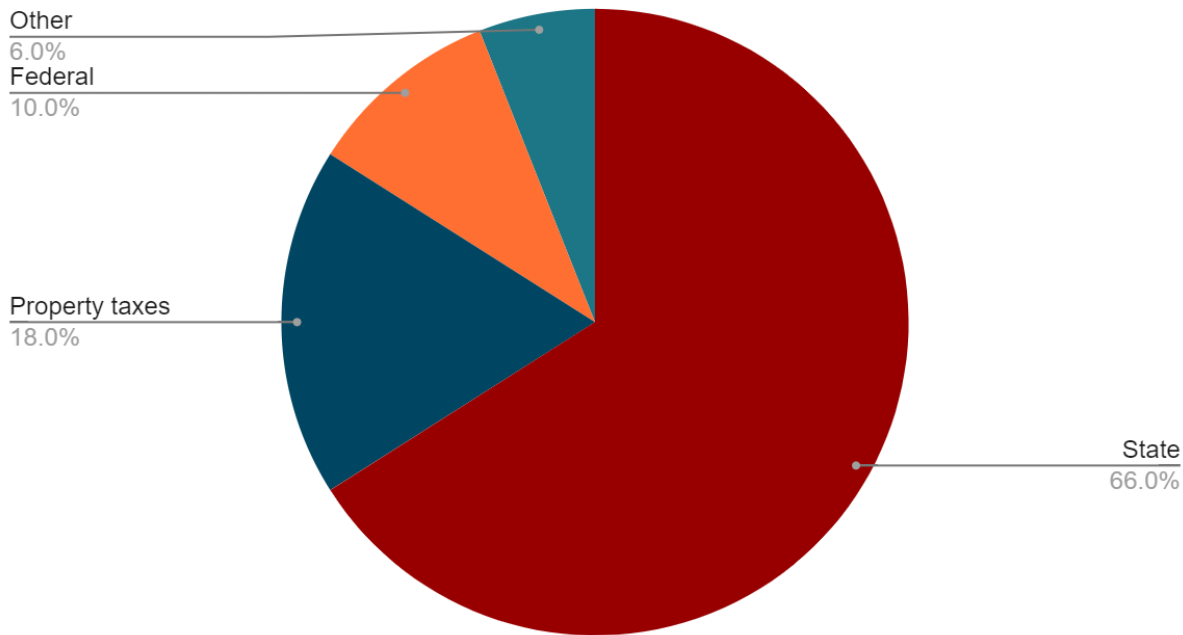
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Revenue and Expenditures by Source

This pie chart illustrates how our District is funded. Like many rural districts, we rely heavily on state aid. When state aid is frozen or does not keep up with inflation, many rural districts look to referenda to close the gap or, at times, balance the budget. For example last April, 41 of 46 districts that went out for recurring and/or nonrecurring referenda were rural. At a 8% rate of inflation, you can see how a fixed state revenue limit would create a large funding gap in the Gillett School District seeing as 66% of our revenue comes from state aid.

22-23 Budgeted Revenues



Revenues are broken down as the following:

Property taxes	\$1,437,337.00
Other local	28,148.00
State	5,191,154.00
Federal	795,830.00
Other	470,393.00
Total	\$7,922,862.00

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