



*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

The Gillett School District is asking the community to support a non-recurring referendum for \$600,000 for the next 3 years starting with the 2023-24 school year on November 8. Why is the District asking to exceed the revenue limit?

1. The Gillett School District relies heavily on state aid which accounts for 54% of our operational revenue. For the past few years, our state has frozen the increases to state aid for school districts. When inflation is at 8% and the cost of living increases continue to climb, this impacts us by creating a funding gap. Because of this gap, we need to ask our community to exceed the revenue limit through this referendum.
2. The majority of non-recurring referendums in the past several years have come from rural school districts. Most rural school districts rely heavily on state aid and not on local taxes. In Gillett, only 26% of our operating budget comes from local taxes, so we do not have the opportunity to fill our lack of state funding with local taxes.
3. We have a higher (almost double) special education population in the Gillett School District than the state average. The cost of educating special education is higher due to the increased services. Add this to the increased inflation rate of 8% without any increased revenue for the state, the financial gap continues to widen for us.

Since 2016, what do our revenue and expenditures look like?

Year	Revenues	Expenditures	Surplus/Deficit
2016	\$7,371,864.00	\$7,211,998.00	\$159,866.00
2017	\$6,892,209.00	\$7,403,368.00	-\$511,159.00
2018	\$7,329,448.00	\$7,648,645.00	-\$319,197.00
2019	\$7,458,169.00	\$7,869,442.00	-\$411,273.00
2020	\$8,056,943.00	\$8,056,943.00	\$0.00
2021	\$8,609,297.00	\$8,609,297.00	\$0.00

From this chart, you can see that we operated in a deficit in the years 2017-2019 due to decreased funding from the state. To balance the deficit, we paid down our fund balance to the current 19% of our total operating expenses. Revenues increased in 2020 and 2021 because of the passing of the referendum.

Why can't the District use the federal COVID relief funds given to them (ESSER funds)?

The Gillett School District was given roughly \$1.675 million in ESSER funds to which we have used the majority of these funds to backfill the loss of state funding to shift the salaries of instructional coaches and interventionists to address the learning gaps of our students from the pandemic. We also used the funds for technological advances, updating our internal server switches, and miscellaneous sanitizing supplies. As of August 29, 2022, the Gillett School District has spent or has earmarked all of these ESSER funds except for only \$81,928.

Again, we used these monies primarily to backfill for the loss of state funding to balance the deficit created. We will not have these monies anymore, and if the referendum does not pass on November 8, we will make deeper cuts to the services, programs, and courses we currently provide.

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Why can't the District use its fund balance to make up the deficit?

Fund balance is the District'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.

Year	Fund 10 Fund Balance	Fund Balance as a % of Expenditures	% FB - State Ave
2016	\$2,774,965	41.30%	30%
2017	\$2,263,806	32.60%	30%
2018	\$1,944,609	27.70%	30%
2019	\$1,533,336	20.80%	30%
2020	\$1,533,336	20.30%	31%
2021	\$1,533,336	19.10%	32%

What cuts were made since the referendum did not pass in April? What are the projected cuts if the November referendum does not pass?

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
- Eliminated a library aide
- 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. Class sizes would increase, and programming, staffing, and opportunities for students would need to be cut.

We are asking for \$600,000 per year for the next 3 school years, but we will only levy what we need. In the previous referendum, we **could** have levied \$600,000, but we only used on average around \$450,000. We will continue to make that promise to our taxpayers: **We will only use what we absolutely need from this referendum.**

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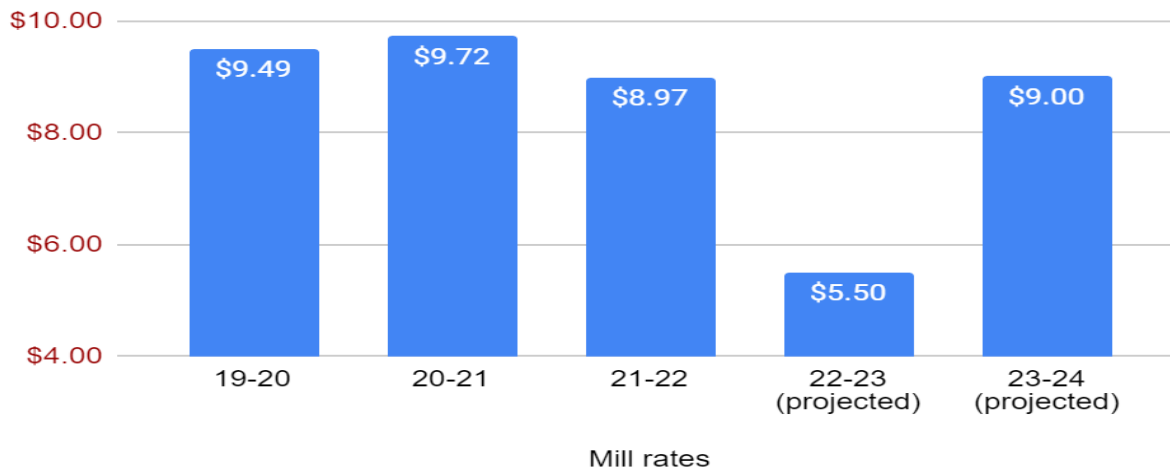
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What will the Mill Rate be if the referendum passes?

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

High Special Education Costs

Like many rural, high poverty districts, we are underfunded when covering our special education costs. 26.6% of our students are identified with special needs and we need to redirect money from general funds to cover these costs. This ends up leading to fewer resources for all students, not just students with disabilities.

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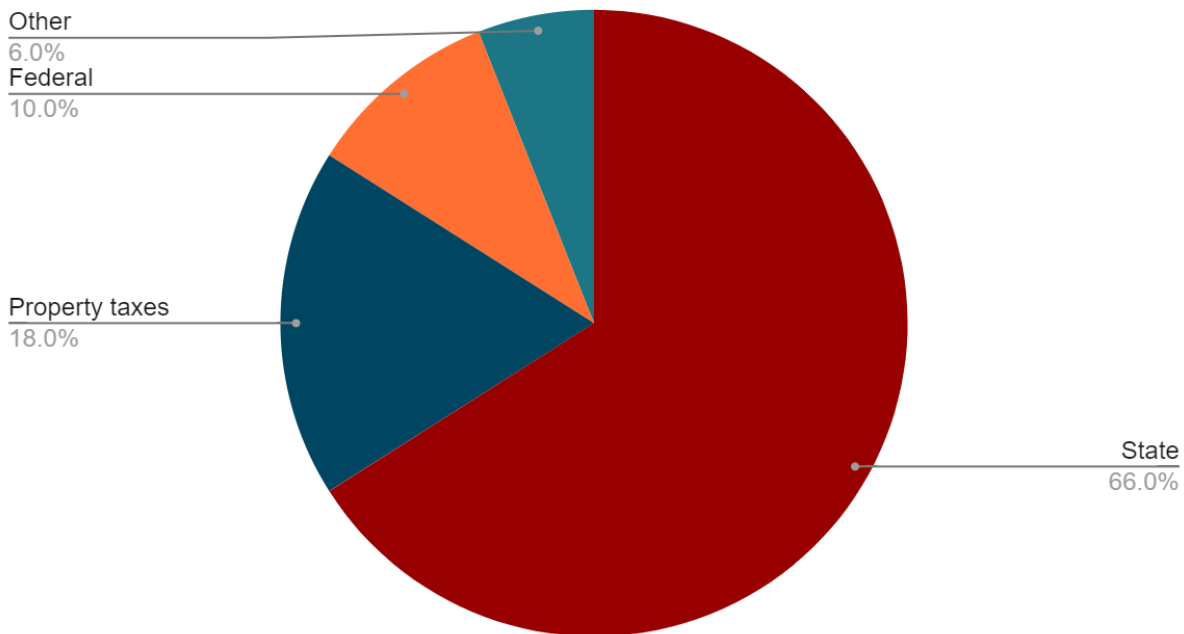


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Revenue and Expenditures by Source

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



Please scan the QR code to our website for more details about the referendum.

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