

APPLETON AREA SCHOOL DISTRICT

FUTURE NEEDS ADVISORY COMMITTEE MEETING (Tuesday, October 8, 2019)

Generated by Kimm Smith on Friday, October 11, 2019

1. MEETING OPENING

(Although a quorum of Board of Education members may be present, no Board Resolutions will be approved.)

A. Welcome and Review of Previous Meetings

Meeting began at 6:30 PM. Greg welcomed the group and reviewed the agendas from the first two meetings.

2. QUESTION AND ANSWER PERIOD

A. Questions answered from last meeting

Greg responded to the following questions which came about from the last meeting.

What are the lessons you took away from the Neenah referendum failing?

- We don't spend a lot of time following other district's referendums. However, we know that when we've passed referendums in the past, our community agreed with the need and they also agreed with the solutions. Every district is different -- in size, demographics, budgets, etc. For example, AASD has \$8.4 billion in property value; Neenah has \$4.2 billion; Freedom has less than \$1 billion.

Where does Central High School fall into all this... as well as other schools within Central?

- Central is no longer a charter school; it's a program. It houses 33 students from East, 33 from North, and 33 from West. Most students are juniors and seniors who need an alternative programming as they are falling behind. At the Morgan Building we have had other schools/programs (Wisconsin Connections Academy, which is now in another building) as well as the Assessment, Curriculum and Instruction Department and the Special Education offices. The lower level of the Morgan Building also houses our Technology Services Department. We feel at this time we can help Central with their needs through current capital project funds.

How much do specific schools' PTAs contribute to the individual school?

- We don't have these records, but do limit each school to one major fundraiser each school year.

What is the percent needed to qualify as a CEP School?

- 40% of the students at that school must already be approved through Direct Certification methods. CEP is Community Eligibility Provision. Nine AASD schools are part of this program which means they are providing free breakfast and lunch to all of their students regardless of individual income level.

What is the median teacher salary?

- We don't keep this data as it would be skewed - new teachers vs. retirees, every building different, etc.

How does Weighted Student Funding (WSF) work at higher levels?

- With our limited staffing dollars we have chosen to allocate more resources to our elementary schools.

These meetings are well organized and planned. It makes me wonder -- does the administration already have a goal in mind for this committee and are the meetings directing us toward them?

- During the first 4 meetings the committee is receiving a lot of background information on our District. At meetings 5 and 6, committee members will take their background knowledge and develop solutions. At meetings 7 and 8, committee members will prioritize solutions.

- For example, equity came up quite often from members at our first meeting, so that's why we are addressing it.

Greg shared several slides (see PowerPoint Presentation) about AASD's Demographics compared to other schools in the Fox Valley area.

- We are the 6th largest district in Wisconsin (not including Milwaukee). No one in this area looks like us. Oshkosh is closest to our enrollment (10K to our 16K), but they do not have the diversity like we have. Menasha is much smaller, but has similar diversity. We compare more to Waukesha, Madison Green Bay, and Sheboygan which are not in this area.

The AASD uses services from a company called Forecast 5 who helps us obtain the analytics we need related to money, academics, staff, enrollment, etc. They have projected our enrollment through 2024. As shown on chart, enrollment is projected to be flat over the next 7 years.

Enrollment by grade is generally around 1,125 to 1,175.

Our high schools tend to pick up students from charters and parochial schools.

Jody added that we're seeing several issues:

- #1 - capacity and enrollment
- #2 - physical condition (more to discuss at next meeting discuss)
- #3 - programming and curriculum - hardest drivers every district is facing

We need to talk about priorities - what is most important to this group?

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3. FOLLOW-UP DISCUSSION ON EQUITY

A. Discussion and follow-up from last meeting's Table Activity on Equity

James handed out a summarized list of Equity Discussion Points.

- This list was created from table discussions at our last meeting pertaining to "What does equity mean to you?"
- Categories were created from respective comment areas and then clustered as best as possible.
- Each committee member was given 3 dots to place on those categories that they feel are priority areas.
- Then as a table, groups picked their top 3 priority areas.
- Data was summarized and the top 3 areas were shared at the end of the meeting.

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4. DISTRICT FINANCES

A. AASD Budget Information

Greg talked about School District Finances and explained where our money comes from and how our money is spent.

AASD's budget is approximately \$200 million a year.

- \$13 million comes from the Federal Government (6.5%)
 - * money from Fed. Gov. is very prescribed and is for specific purposes, projects, programs = \$5 million
 - * grants = \$1 million
 - * meal reimbursement = \$4 million
 - * special education aid = \$3 million
- \$116 million comes from the State (58%)
 - * Equalization Aid = \$91 million (money can be spent however we like and is based on how much we spent the year before, how many students, and value of property in school district)
 - * Open Enrollment = \$12 million (\$7,771 per student coming in; however, some funds have to be given back for those students who leave to open enroll to other districts)
 - * Categorical Aid = \$13 million (for special purposes -- Library Common School Fund; EL/ESL/LEP/Limited English Proficiency - 8% reimbursement from State for EL staff; Transportation - reimbursement of \$18 per student - 3,700 kids ride bus or cab; AGR/SAGE/K-3 lower class size program; Special Ed. -- only 26% reimbursement - used to be 60%; Per Pupil Aid; Grants from Dept. of Justice for safety cameras, door locks, Horizons' entrance, etc.)
- \$71 million comes from Local Dollars (35.5%)
 - * Property taxes = \$69 million (\$61 million we can use however we want; \$2 million for Community Service Funds
- crossing guards; school resource officers, extended-day programs; \$6 million is referendum debt from 2014 and 2005)
 - + AASD is prepaying on debt - last year paid \$3 million which saved us \$1.4 million in interest. Doing it now because we can afford it as a district.
 - * School Fees & Activities = \$1 million (student fees, sporting event entrance fees, etc.)
 - * Gifts & Interest = \$1 million

Revenue Limit

- Most of the money from the State and Local tax dollars are tied together under the revenue limit
 - * In 1993 the State limited all districts' revenue to make sure property taxes stayed in check
 - * Every district was set at a certain amount -- \$6K for AASD; Madison \$8K per student
 - * So everyone got same increase from 1993 until now -- example \$200 per student
 - * Per student went up \$178 this year
 - * Now we are up to \$10,061 per student = 15,000 students = \$152 million -- restricted by the revenue limit - we can't increase that amount
 - * October 15th is when the State will calculate our Equalization Aid -- rest of the money comes from property taxpayers
 - * Madison's Per Pupil is \$12,050 - difference of \$1,989 from AASD's amount x 15,000 students = close to \$30 million -- that's how much more money we would have had if we could have locked in where Madison was in 1993.

Only way to increase the Revenue Limit is through a successful school referendum.

When the legislature is developing the State's Biennial Budget, Revenue Limit does come up; however they don't do anything about it.

Can the District save money?

- The philosophy of the Department of Public Instruction (DPI) and State Legislature is that if we are given \$200 million, it's to educate our students this year. They want you to spend your money up to the revenue limit.
- We can save money in a long-term capital fund (which was opened up 2 years ago); however, it must be opened for 5 years before we can spend any money out of it.
- Any extra money at the end of the year goes into Fund Balance (like a savings account).
- We have to borrow from City of Appleton in the fall to meet payroll and then pay them back when we get property taxes in February. Then we borrow again in May and pay back in June. This partnership with the City continues to be positive for both of us in that the District will pay less interest on borrowed funds than a traditional bond borrowing and the City will earn more interest on their money than through current market investment tools.

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5. OPERATIONS, OPEN ENROLLMENT, REFERENDUMS

A. Operations

How is the District's money spent?

- \$142 million on Salaries and Benefits (71%) -- Health care costs up 8%; over 2,000 employees in AASD
- \$40 million on Purchase/Contracted Services (20%) -- Food Service, maintenance/cleaning, open enrollment out, student transportation, technology/curriculum contracts, utilities, 4K community partners, community fund, private school vouchers, insurance (property, vehicles, work comp, etc.)
 - * \$7.6 million for Food Service -- this a break even for us -- it's regulated, so we can't make money off of it
 - * \$12 million for open enrolled students coming in to AASD (\$5.8 million out)
 - * \$5.1 million for transportation using Lamers Buses and cabs for high needs students; Valley Transit Tripper Buses; Valley Transit passes so that all students in grades 7-12 can ride free
 - * \$1.8 million for Private School Vouchers from property taxes to pay for students to attend a parochial school - up \$400K from one year and then another \$600K from last year
 - * \$3.5 million for technology/curriculum contracts
- \$10 million on Supplies and Equipment (5%)
 - * \$3.5 million for technology -- recently added 1,000 flat panel screens in classrooms
 - * \$1.3 million for textbooks (online textbooks are not saving us money because of short contracts)

B. Open Enrollment

Why do we let kids in if we have space issues?

- Once they are here, they are our students and they can apply to any of our open schools, charters, etc. once they are in the District.
- Our 3rd Friday Enrollment we had 1,671 students open enroll. Minus the 753 students who leave to open enroll to other districts nets us 918 students. At \$7,771 per student, we net over \$7 million. That extra revenue allows us to do more.
- Example: East net 52 students x \$7,771 = \$404K to District; 52 kids = 2.3 teacher; \$197,232; no additional costs for staffing, maintenance, busing, etc.
- Example: Einstein net 7 students x \$7,771 = \$54,397 to District; no additional costs for staffing, maintenance, busing, etc.
- The financial benefits are great.

C. Referendums

- A voter approved resolution authorizing a school district to exceed the state imposed revenue limit.
- Board decision
- Board must word the question
 - * Adopts a resolution calling for election on a proposed borrowing
 - * 70 days prior to election
 - * Need to state the amount
 - * Need to state if it's recurring or nonrecurring or both
 - + Recurring means a school district will be able to levy that additional amount forever (example in our 2014 referendum recurring was \$2.5 million for annual maintenance projects; \$3 million for technology replacement cycle; \$500,000 for five Instructional Technology Integrators)
 - + Nonrecurring means a school district can levy that additional amount for the period of time defined in the resolution (example in our 2014 referendum nonrecurring was for updating of some science rooms and tech. ed. areas; school entrances and offices for safety, etc.

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6. CLOSING

A. Future Meetings

Judy shared the results from the Table Activity on Equity.

Top 3 areas chosen by the group:

- # 6: Provide opportunities and programming for all -- 25 votes
- #11: Update existing educational and supporting spaces -- 24 votes (tie)
- # 3: Class size, staff time, and teacher/student ratio concerns -- 24 votes (tie)

A summary of the results will be shared at the meeting on October 22.

Meeting adjourned at 8:15 PM.