

**TO:** School Board  
**FROM:** Dr. Aaron Engel  
**DATE:** January 23, 2023  
**SUBJECT:** Referendum Recommendation

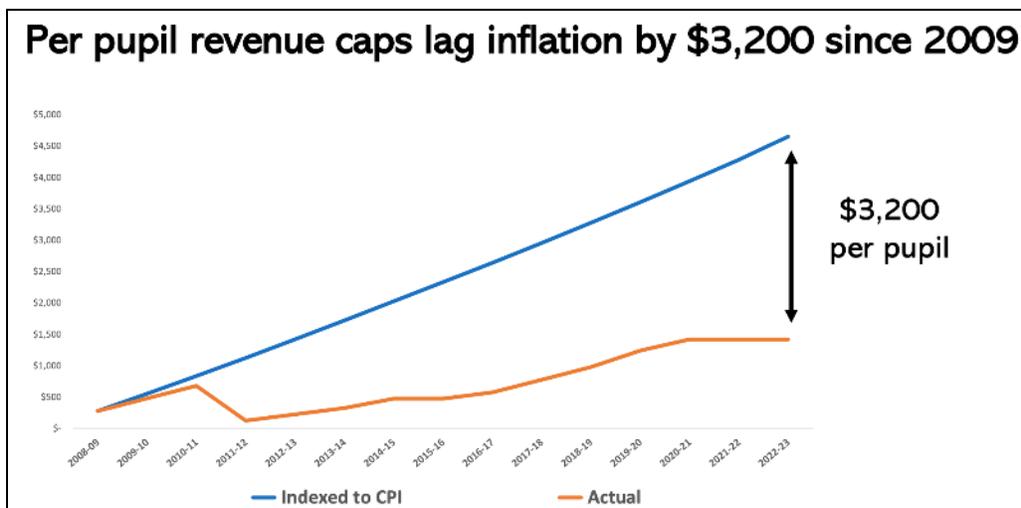
The recommendation to the School Board by the Superintendent is to add a non-recurring operational referendum to the April 2023 ballot. The recommendation is for a referendum extending six years, totalling \$55.5M with an estimated annual mill rate impact of \$0.17. The first year will see a levy of \$5.5M with a levy of \$10M in years two through six.

This referendum should address the previously identified needs from the last referendum campaign which include: deficit budgets due to declining enrollment, and aging buildings. The continuous engagement with the community for the last two years through the long-range facility plan development and previous referendum process provide the foundation for this recommendation.

This approach will continue the existing programming covered by the current referendum when it expires. The additional revenue will allow the school district to maintain key classroom supports for student behavior and mental health, invest in deferred maintenance to address our most crucial accessibility and instructional needs, attract and retain staff, and address part of the district's budget deficit to avoid damaging cuts to personnel and programs.

**Projected Deficits**

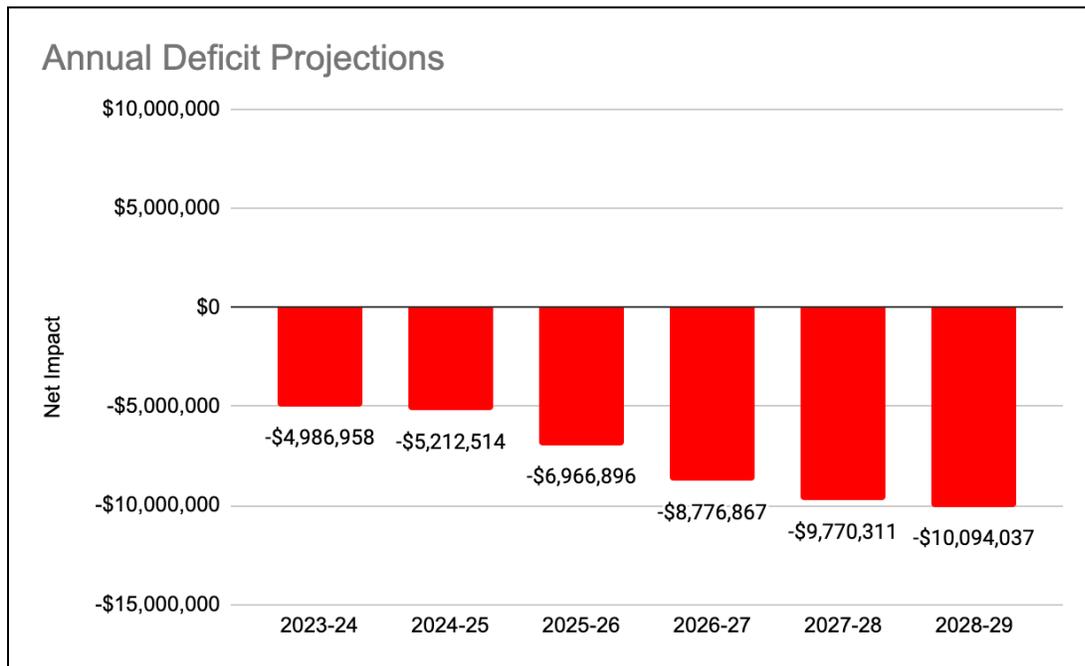
In 2009 the State stopped providing inflationary revenue increases to school districts. The result has been a devastating loss of revenue for school districts. The graph below, from WASBO, shows the resulting change in revenue for school districts. For the School District of La Crosse, the result is a loss of over \$19.2 million annually.



In addition to ongoing underfunding of schools, the State provided little to no spendable revenue to schools over the last two years. As a result of ongoing declining enrollment and underfunding

of schools, we can anticipate a significant budget deficit in the upcoming years.

Assuming ongoing [declining enrollment](#)<sup>1</sup> averaging 80 students per year, a minimal inflationary increase in expenses of 3%, and an increase in revenue from the State that is the average of the last ten years (\$130 per student per year), the school district is facing a structural deficit that starts at \$5.0M and rises to \$10.1M over six years. The cumulative six-year impact if unaddressed is \$45.8M.



The impact of letting this deficit go unaddressed are significant layoffs to staff, resulting in a loss of necessary supports to students, and the loss of operating funds necessary to make payroll and avoid the costs of short-term borrowing.

A referendum will help maintain the crucial mental health supports, and behavior and academic supports our kids need to thrive. The loss of ESSER funding will remove the funding for these essential supports that students and families rely on. A referendum will also allow the district to keep high quality classroom teachers in La Crosse as well as the impactful specialists and support staff who make La Crosse the best place to learn.

### Aging Buildings

The district has aging facilities that are in need of significant [improvements](#)<sup>2</sup>. The buildings where there is the greatest need is the middle schools. The middle schools are all over 80 years old and have over \$16.0M in maintenance issues identified. On a per capita basis, the Lincoln, Logan, and Longfellow Middle Schools rank one, two, and three in maintenance costs per capita

<sup>1</sup> 2020 UW Applied Population Lab study

<sup>2</sup> 2022 School District of La Crosse Capital Maintenance Handbook

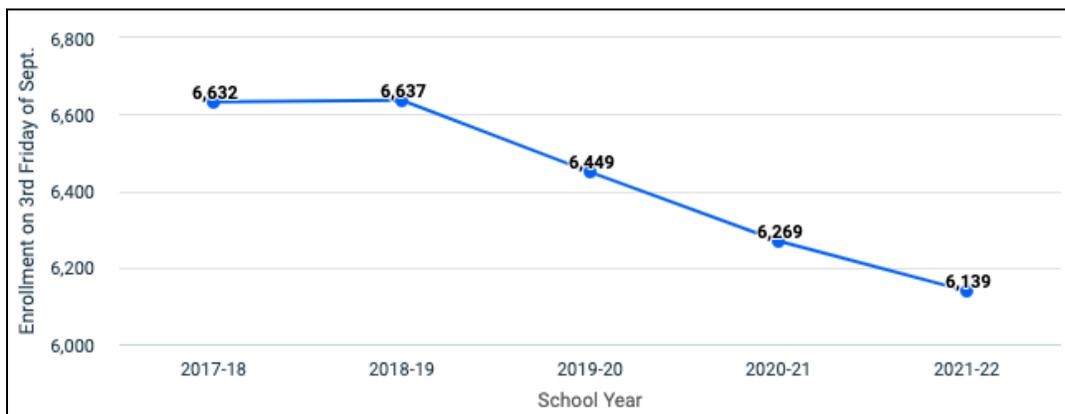
out of all of our school buildings.

	Enrollment	Non-Capital Maintenance	Maintenance /Enrollment	Rank
Emerson	311	\$2,872,336	\$9,236	6
Spence	335	\$3,098,577	\$9,249	5
Hamilton	270	\$865,835	\$3,207	11
Hintgen	246	\$841,258	\$3,420	10
North Woods	294	\$505,931	\$1,721	13
Northside	379	\$215,760	\$569	14
Southern Bluffs	315	\$868,519	\$2,757	12
State Road	309	\$1,065,293	\$3,448	9
Summit	285	\$1,604,726	\$5,631	8
Lincoln	323	\$5,422,822	\$16,789	1
Logan	368	\$5,667,660	\$15,401	2
Longfellow	485	\$5,189,653	\$10,700	3
Logan	752	\$6,103,321	\$8,116	7
Central	986	\$10,107,197	\$10,251	4

The aging middle schools need significant maintenance simply to meet today’s basic standards for accessibility and instruction. These improvements include accessible bathrooms to meet ADA requirements, safe labs in shop classes, modernizing classroom amenities, fencing for security, replacing original furniture, LED lighting to reduce costs and improve well-being, and safe bus drop-off sites for families.

### Declining Enrollment

The district has seen a reduction in enrollment by 1,792 students since 2001, 23% fewer students. The graph below shows the enrollment in the School District of La Crosse since 2017-2018 school year, found on the Department of Public Instruction website.



A population [study](#)<sup>3</sup> conducted for the school district shows that declining enrollment is highly likely to continue for the foreseeable future due to lower birth rates. As a result, there is an anticipated districtwide loss of enrollment of 800-900 students over the next eight years. Schools are funded on a per pupil basis so along with a decline in enrollment the district has experienced a decline in funding.

Summary of K-12 Projections School District of La Crosse										
	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
Baseline	5,870	5,816	5,751	5,693	5,591	5,512	5,442	5,357	5,315	5,266
Five-Year Trend	5,842	5,769	5,680	5,597	5,471	5,363	5,262	5,150	5,077	4,997
Three-Year Trend	5,822	5,728	5,625	5,529	5,392	5,274	5,163	5,046	4,970	4,888
Kindergarten Trend	5,831	5,753	5,653	5,548	5,393	5,251	5,112	4,959	4,841	4,714

The district has essentially the same physical space currently as was available in 2001 so a secondary outcome of declining enrollment is fewer students in school buildings and greater inefficiency. Based on our schools student capacities, the current average utilization rate for elementary schools is 70% and for high schools it is 60%. The middle school has the lowest utilization rate at 47% and we anticipate a continued decline in enrollment at the middle school level of 160-280 students over the next eight years.

Elementary Schools				Middle Schools			
School	Capacity	Enrollment	Utilization	School	Capacity	Enrollment	Utilization
Emerson	466	311	67%	Lincoln	727	323	44%
Spence	424	335	79%	Logan	793	368	46%
Hamilton	418	270	65%	Longfellow	988	485	49%
Hintgen	447	246	55%	Average			47%
North Woods	397	294	74%				
Northside	549	379	69%	High Schools			
Southern Bluffs	415	315	76%	School	Capacity	Enrollment	Utilization
State Road	397	309	78%	Logan	1300	752	47%
Summit	414	285	69%	Central	1600	986	76%
Average			70%	Average			61%

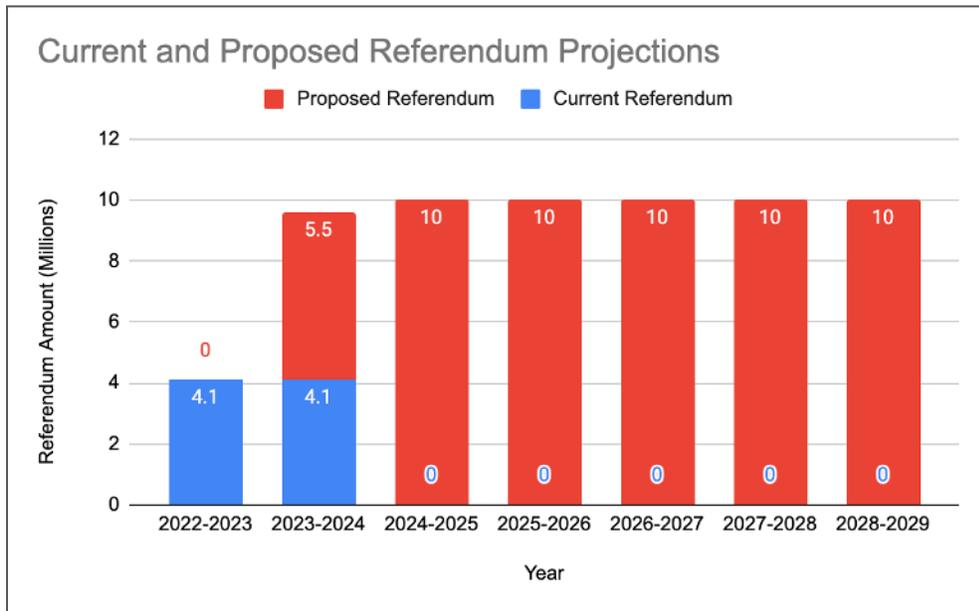
It is crucial that the district right-size facilities to provide a high quality education and efficiently use resources. Right-sizing will provide a better education for students by creating equitable opportunities for students, more full-time staff available in buildings to provide consistent access to services, and better working conditions that will attract and retain staff.

While the recommended referendum will go a long way to addressing the budget deficit, right-sizing our facility footprint also provides the efficiencies necessary to balance the budget. Consolidation to two middle schools will reduce the annual budget deficit by \$1.5M.

<sup>3</sup>2020 UW Applied Population Lab study

### Referendum Structure and Impact

The recommended referendum would be structured over six years to address the immediate needs of the school district next year as well as replace the existing non-recurring operational referendum that ends after the 2023-2024 school year. The graph below helps visually explain the referendum amounts over the following six years.



The mill rate in the school district of La Crosse has decreased substantially since 2013, dropping over \$5.00 per \$1,000 of property value. The impact of this recommended referendum would be \$0.17 per \$1,000 of property value.

