

SCHOOL BOARD:

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St. Francis School District
4225 South Lake Drive St. Francis, Wisconsin 53235
Phone (414) 747-3900
Fax (414) 482-7198

Blake A. Peuse
Superintendent

April 5, 2017

Dear Joint Finance Committee Members,

My name is Blake Peuse, and I am the Superintendent of Schools for the St. Francis School District.

Despite all of our work totaling over \$3,500,000 in budget refinements we face a \$900,000 deficit in this coming fiscal year. Even if the Governor's Proposal is approved, we will still need to find another \$600,000, which is 5% of our operating budget to remain accountable to our community by passing a balanced budget. To do so will require us to again reduce teaching staff thereby limiting programming and raising class sizes on our students. We believe we have demonstrated great prudence in how we have managed our finances locally having not raised our tax levy for nearly seven years, and we believe the Governor's proposal of \$200 and \$204 in each of the two years of the biennium is the minimum reasonable to support our fiscally responsible public school districts.

I would also like to urge caution with regard to the proposed legislation regarding ACT 32 (Energy Efficiencies). We have actively studied this process and are anticipating the possible usage of this process to bring our buildings into more energy efficient status. Our goal would not be to burden our taxpayers with additional levels of tax levy. We feel that if ACT 32 is rolled back that our ability to manage some of these very important updates to our systems would place us into a further disadvantaged position and limit our abilities to keep schools running at the most appropriate and efficient levels. We are hopeful that full consideration is given to allowing ACT 32 to continue as we see this as an excellent option for us to responsibly use this exemption for the betterment of our students, teachers, and families through the provision high quality educational environments.

Thank you again for your time and we are optimistic that after all testimony is received, you will make decisions that will directly benefit our students in public schools.

Sincerely,



Blake A. Peuse
Superintendent of Schools

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Mr. Blake A. Peuse
Superintendent

April 5, 2017

Testimony to the Joint Finance Committee

Thank you committee members for your time this morning and we appreciate your willingness to hear our stories about school district funding.

My name is Jonathan Mitchell and I work as the Director of Finance and Operations for the St. Francis School District. In order to maintain a balanced budget we have done the following in the last 5 years:

1. Decreased our custodial staffing costs 17%
2. Reduced our technology staffing costs by 37% while trying to meet expectations that our technology system is sufficient to allow for high engagement with students.
3. Reduced 33% of our art teaching staff, with further 9% reduction pending this coming school year.
4. Reduced 17% of our Music staff.
5. Eliminated a Japanese Foreign Language Program
6. Eliminated Food and Consumer Science Programming
7. Eliminated all supplemental retirement plans beyond Wisconsin Retirement System contributions.
8. Instituted a teacher compensation model which can attract and retain new teachers to the District and still keeps annual average salary increases below 2%.
9. Required an 18% contribution from employees on health insurance plans. We would advocate the committee consider not requiring the Act 10 standard as it relates to health insurance premiums as this flexibility allows us to offer discounts to over 90% of staff on our health plan who participate in health risk assessments and wellness programming.
10. Through negotiations, plan design changes and engagement in a wellness culture we have maintained the same health insurance premium rates since 2013.
11. Reduced Math, English, Social Studies and Science Positions at our high school.

Despite these and other refinements, over the same time period we have added 7 Advanced Placement Classes, have 44% of our 8th graders taking Algebra classes, and have become one of 2 Public School Districts in the State to receive District Level AdvancED Accreditation. We believe our targeted programming to allow for growth and extensions to learning is worthy of a minimum of \$200 and \$204 per pupil aid increase over the biennium.

Jonathan Mitchell
Director of Finance and Operations

Enclosure - Budgetary Refinement from 2011-12 to 2016-17 in the St. Francis School District

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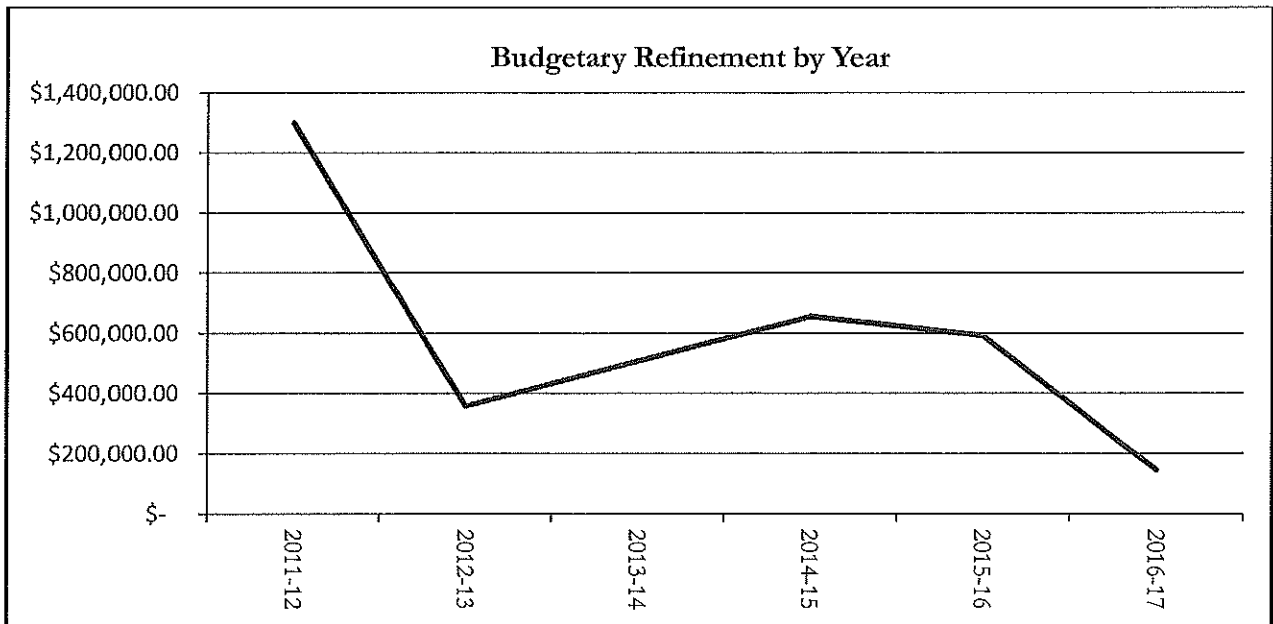
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Superintendent

The Budgetary Refinement Process in the St. Francis School District
October 25, 2016

The St. Francis School District has been required to make budgetary refinements of over \$3,500,000 over the last six school years. The District continues to work collaboratively to best align resources to maximize opportunities and educational results for our students.

The District received AdvancEd Accreditation in the 2014-15 school year, one of a handful in the State to receive that District level honor. This process engaged all community stakeholders, and we are using the feedback results from this important process to determine next steps to maintain high levels of achievement with declining resources.



In 2011-2012, St. Francis School District lost about \$800,000 as a result of the reduction in funding by the State. Balancing our budget meant cutting this \$800,000 as well as, another \$500,000 due to the District's health insurance premium rate being increased by 28%. The District was given tools to help offset these costs. The Act 10 tools included requiring employees to pay half of their retirement benefit (5.8%) and requiring employees to make a 10% contribution to their health insurance premium.

The District made reductions in the following areas for 11-12:

Reduced compensation for all athletics and extra-curricular programs by approximately 2%;	Reduced building budgets by 15%;
Reduced 1 Art teacher, from 3 FTE to 2 FTE;	Targeted the reduction of attorney fees by 50%;
Reduced .5 Music teacher, from 3 FTE to 2.5 FTE;	Will revise health insurance plan to create additional savings by January 1 and again July 1;
Reduced 1 Physical Education teacher, from 5FTE to 4 FTE;	Reduced Speech and Language Teacher from 1 FTE to .6 FTE;
Reduced Family and Consumer Education Program, from 1.7 FTE to 1 FTE;	Eliminated the pay for student technology interns during the school year;
Reduced Japanese at the High School, from 1 FTE to .2 FTE;	Eliminated all overload pay;
Eliminated 1 FTE from the custodial/maintenance staff;	Reduction in the qualifying areas for extra teacher pay, as well as, the hourly rate;
Restructured the Athletic and Recreation Department;	Reduction in summer school hourly rate.
Eliminated the \$3,000 tax shelter annuity benefit to employees in lieu of insurance;	

For the 2012-2013 school year, the State increased the per pupil revenue limit authority \$50 per resident student. During this year, the revenue limit authority decreased 1.86% and the District received \$190,000 less in Open Enrollment revenue. The District was forced to reduce the budget by another \$358,000. At the same time, the District had to offset increases to the budget in areas such as utilities, potential employee compensation, increased FTE of an At-Risk Teacher, increase of supervision positions at the High School, and liability insurance/legal fees.

The District made reductions in the following areas for 12-13:

Two teacher retirements with replacement staff members with lower total compensation packages;	The District paid off a 4-year computer buyout lease;
Temporary reduction in the area of high-cost special education services due to less students in the program;	Elimination of the Japanese language program;
Reduction in reading consultant fees;	Three teacher resignations with replacement staff members at lower total compensation packages.
Eliminated the Family and Consumer Science Program	

For 2013-14 school year, the State increased the per pupil revenue limit authority \$75 per resident student. Even with the increase to the revenue limit the District was forced to reduce another \$508,000 in 2013-14.

The District made reductions in the following areas for 13-14:

Reduce .16 Foreign Language Teacher;	Reduce .5 Kindergarten (K4) Teacher from 2 to 1.5 FTE;
Reduce Physical Education from 4 FTE to 3 FTE;	Reduce .22 Math Teacher;
Reduce 1.0 Language Arts Teacher;	Reduce Classroom Supplies and Materials Budgets \$15,750
Reduce Curriculum Budget \$10,000	Reduce Maintenance Budget \$45,000
Reduce Technology Budget \$30,000	

For 2014-15 school year, the State increased the per pupil revenue limit authority \$75 per resident student. Even with the increase to the revenue limit the District was forced to reduce another \$656,000 in 2014-15

The District made reductions in the following areas for 14-15:

Refinement of Custodial Staff;	Reduce Legal Budget \$30,000;
Replacement of Retired Teachers, savings on Salaries and Benefits;	Reduce .78 Math Teacher;
Reduce .35 Social Studies Teacher;	Reduce Short-Term Borrowing Costs \$7,991;
Reduce Waste and Recycling Contract \$7,750;	

For the 2015-16 school year, the State froze per pupil spending. The District faced a \$592,650 deficit. In addition to strong health insurance budget, the District made reductions in the following areas for 15-16 to balance the budget:

Technology Coordinator Position Elimination (1.0 FTE);	Reduce Legal Budget \$25,000;
Replacement of Teachers that resigned from the District, savings on Salaries and Benefits;	Increase Athletic Transportation Fee;
Reduction in Shuttle Bus Services;	Change of Property Insurance Carriers;

For the 2016-17 school year, the District faced a projected shortfall of \$146,900. The District balanced the budget in the following areas:

Maintenance Plan Budget Decrease of \$85,000;	Food Service Transfer Reduction \$10,000;
Decrease .42 Math FTE;	Athletic Transportation Budget Reduction;
Decrease Custodial .625 FTE;	Debt Refinancing

After receiving final enrollment for 2016-17, the District is faced with a deficit of \$119,664 with an additional \$200,000 fund balance transfer to cover debt refinancing costs. Additional work will be done by the Board of Education through the budgetary refinement process to identify the remaining \$119,664 while limiting the impact on the classroom.

The SFSD remains committed to setting the conditions to attract and retain resident and non-resident students, as well as, attract and retain high quality employees under the current funding conditions and programming restrictions. The Districts work in budgetary alignment is critical to be nimble as an organization to target the limited resources left to areas that will have the most impact for students.

Summary – The District stretches the education dollar to do the most with limited resources.

