



SCHOOL DISTRICT OF BELOIT

Board of Education

RESOLUTION NO. 23-24.01

RESOLUTION TO SUPPORT A REFERENDUM

WHEREAS, the Board of Education believes that building understanding through community listening sessions is the most effective and ethical way to pass a referendum;

WHEREAS, in order to secure the following delineated benefits, the School District of Beloit needs to pass an operational referendum in order to:

- Slowly restore fund balance over time, thereby reducing the need to borrow short-term/eliminating unnecessary interest expense.
- Strengthens the financial stability of the district in the near term.
- Passage of an operational referendum would be viewed favorably by bond rating agencies, thus helping to maintain higher bond ratings and reduce future long-term borrowing costs.
- Provide additional funding to the School District of Beloit, which is necessary due to the 2017 WI Act 141 precluding the district from accessing the increased revenue limit in the 2023-2025 State budget.

WHEREAS, the following consequences are being incurred by students, staff, and the School District of Beloit because of the previously unpassed April 2023 operational referendum:

- [Sec. 121.905\(1\) WI Stats](#), prevents districts that have not had a successful operational referendum during or after the 2018-19 school year from being able to utilize this additional revenue opportunity for three (3) school years following the school year in which the referendum was held or until a subsequent operational referendum is passed. As 2023 WI Act 11 increased the low revenue limit ceiling to \$11,000/student, the School District of Beloit is unable to utilize this additional revenue limit authority, thus foregoing the approximate \$4,000,000 additional revenue to support educational programming and achievement efforts for our students for the next three (3) school years or until the voters approve a subsequent operational referendum question.
- The mill rate was reduced, which will lead to strains on increasing property taxes with future operational referendum efforts.
- The inability to restore fund balance will result in an increased need to short-term borrow to meet daily cash flow needs, thus increasing interest expenses.
- The inability to appropriately compensate staff, i.e., the ability to keep pace with inflation. CPI values for bargaining units effective July 1, 2023, is 8.0%. Other districts are better positioned to pay their staff more favorably and aligned with local market trends.
- During the 2023-24 school year, the district sought to exceed the revenue limits by \$14,000,000 (\$7,300,000 fund balance restoration) and \$9,000,000 (\$6,000,000 fund balance restoration) in the 2024-25 school years for the purposes consisting of operational and maintenance expenses, including for technology, curriculum and instructional materials, and social and emotional behavioral programs.
- Continued deficit budgets will lead to downgrades in bond ratings, thus increasing future long-term borrowing costs.

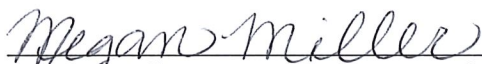
WHEREAS, the Board of Education hopes to avoid the following repercussions of an unsuccessful operational referendum:

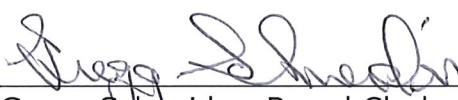
- Further depleting fund balance.
- Inability to compensate staff according to future CPI increases. This will continue to affect staff yearly increases and retention.
- A sizeable financial cliff awaits as grant funds currently used to support operational needs are no longer available.
- Increased interest expenses as a result of additional cash flow borrowing needs.
- Significant reductions to district operations would be necessary annually, i.e., cuts to district staffing and programmatic offerings would be necessary.
- Class sizes will likely continue to increase.
- Growth of families seeking to open enroll their students out of the district due to continued reductions in district staffing and programming.

NOW, THEREFORE BE IT RESOLVED, the School District of Beloit Board of Education requests the administration prepare an operational referendum along with an appropriate schedule of community engagement opportunities and community listening sessions.

IN WITNESS WHEREOF, the members of the Board of Education for the School District of Beloit, have executed this resolution this 19th day of September, 2023.


Sean Leavy, Board President


Megan Miller, Board Vice-President


Gregg Schneider, Board Clerk