



What is the Finance Committee Considering?

Questions & Answers

What was the focus of the June 27, 2022 Finance Committee meeting?

The Finance Committee, a committee of the whole Board of Education, discussed potential cost savings and revenue options given the anticipated budget needs of the District moving post-COVID. Because schools have not received any additional revenue limit funding during the 2021-2022 and 2022-2023 school years, RASD will be impacted, as will all districts, when ESSER funds go away. It is unlikely new revenue limit funding for 2023-2024 will be at the level it would have been had districts received the cost-of-living increase they do with a typical biennial state budget.

What was discussed as options?

Board members explored options to meet budget needs, such as reducing health insurance costs with an on-site clinic and moving to self funding; increasing revenue with grants, open enrollment, a potential operational referendum if it would not impact the mill rate; cost sharing partnerships; and monitoring staffing changes to look for savings or reductions through attrition. After the 2022-2023 school year, district revenue will be less as Federal ESSER funding goes away. Ripon has been fortunate to have been able to utilize the funding to provide additional resources to provide additional pupil service staff and interventionists across the district.

What potential savings did the Board consider?

One option the Board discussed was shifting from fully funded to self funded medical insurance as has been done for dental insurance. If the district moved this way, it would likely add an on-site or near site clinic for employees and their families. This has potential to save from \$300,000 to \$600,000 provided the district is able to find affordable stop loss coverage and perhaps after finding another employer in the area with which to share the clinic.

What potential revenue options did the Board consider?

The Board discussed pursuing federal grant dollars to open a charter school for students with special needs. Currently, the district has several students with special needs each year who attend an alternative school. If pursued, the charter school would allow Ripon students to return to their home district and the district would potentially have open seats students from other districts could access through a tuition reimbursement agreement. Other grants that impact the District's budget include the School-Based Mental Health Grant, Odyssey Charter Grant, and the Barlow Park Charter School Grant.

The Board also discussed completing another open enrollment survey to look for common reasons surrounding why parents open enroll out of the District. Every few years, the District reaches out to families who enroll out of Ripon to see if there is anything the district is able to do to keep those families. The District's last survey showed opening a virtual school in Ripon would help, and it certainly has.

Questions & Answers

Continued



How could there be an operational referendum without raising the mill rate?

A TID district in the City of Ripon is closing, which will bring \$13.9 million in property value to the school district. By spreading a larger property tax over a larger property value, residents would see no increase in their tax (mill) rate next year, which is currently \$8.27 per \$1,000 of property value. The referendum would likely be a six-year operational referendum, with the District gaining an estimated \$545,000 in revenue limit authority

How is this possible?

There are a couple of reasons:

- \$13.9 million will be coming onto the property tax base at the closure of a City of Ripon tax incremental district (TID) in early 2022.
- The School Board will move approximately \$150,000 that is already being levied for early debt payments to Fund 10 for general operations.

Like Ripon residents, the District itself is dealing with record inflation that has resulted in increased utility, transportation, and insurance costs. The District seeks to attract and retain extraordinary staff and maintain more of the recently added academic and behavioral interventions and lessen the increase in student-teacher ratios.

The District will continue to look for ways to trim its budget but due to the reasons mentioned above a \$545,000 non-recurring operational referendum can be done and keep the tax (mill) rate neutral. Finally, the state's next biennial budget is unknown. The school district did not receive any new money from the state through its current biennial budget.

What are the next steps?

The Board discussed surveying the community to see if Ripon residents would support an operational referendum without any or only a slight increase in the mill rate to maintain a level of funding closer to where the District would be had COVID not occurred and had the district received increased state funding over the past two years, rather than one-time federal ESSER funding, which will sunset. As a result, Ripon Area School District is facing budget reductions of close to \$1.6 million for the 2023-24 school year once federal pandemic funds run out after 2022. With a passed referendum, the budget reductions would be closer to \$1 million.

Any other things for the community to know?

Ripon is in a position to address the gap in the budget without an impact to the mill rate. This is information the Board really wanted to provide to the community and to let the community determine how best to move forward. Sharing the data and seeking input from everyone regarding this opportunity through the survey truly keeps the taxpayers in the role as steward of the education of Ripon's youth. That is how it should be. One unusual trait of the state's school funding formula is that passing a local referendum typically results in an increase in state aid to that district, helping to lower property taxes in future years. Historically, Ripon's taxes have gone down in the years following the first year of an approved referendum though mill rates are unknown after the 2022-2023 school year.