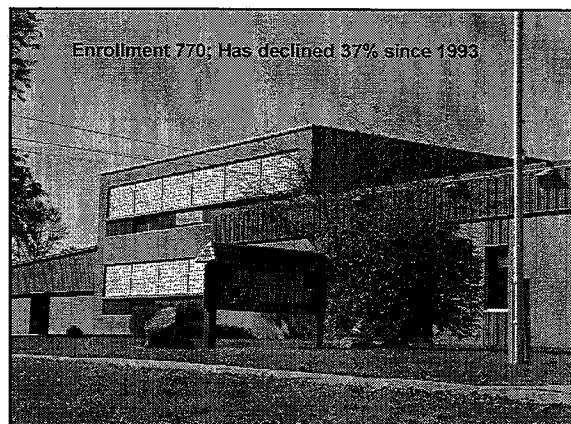
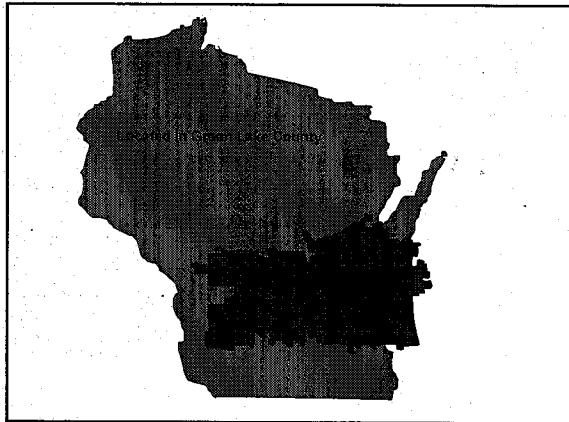
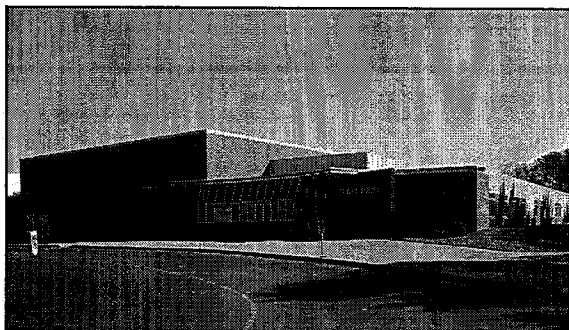


Fiscal Challenges Facing the Markesan District Schools

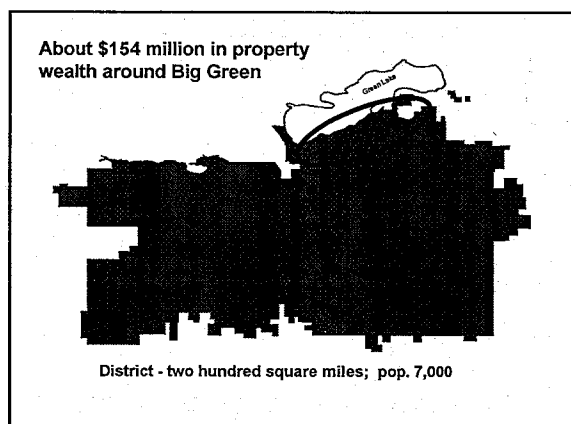
October 5, 2006



Enrollment 770; Has declined 37% since 1993



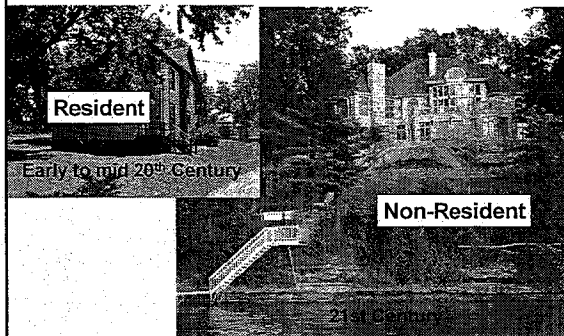
Consolidated rural district consisting of:
1 city, 3 villages, 13 townships (17 municipalities)



About \$154 million in property
wealth around Big Green

District - two hundred square miles; pop. 7,000

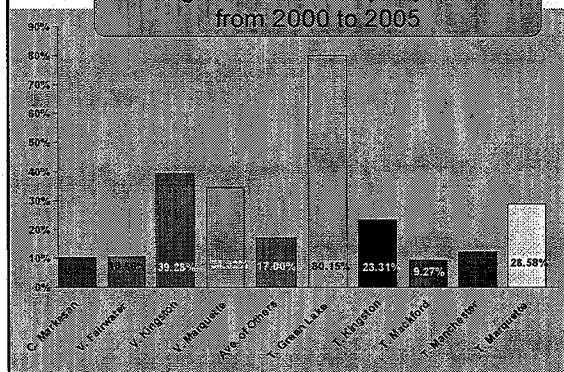
Land valuations are rising; personal income is not



Markesan's Problem is Revenue Limits

- Revenue limits are seriously harming our district.
- The school funding formula operates from the premise that property wealth should support Wisconsin's public schools. This assumption is only reasonable if people understand the duty to educate our children that comes with increasing property wealth. If this is a responsibility our property owners do not wish to assume, then it is imperative that the legislature reconsider the methods used to fund public education.
- Today I will be focusing my comments on revenue limit, as these concerns can be addressed by your committee and bring needed relief to districts such as Markesan.

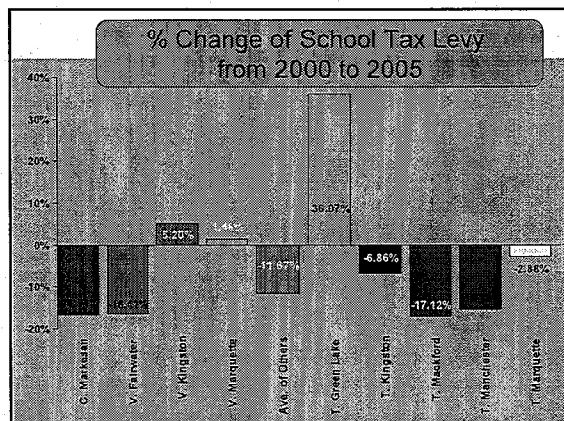
% Change of District Property Valuation from 2000 to 2005



How did the District get into a jam with Revenue Limits?

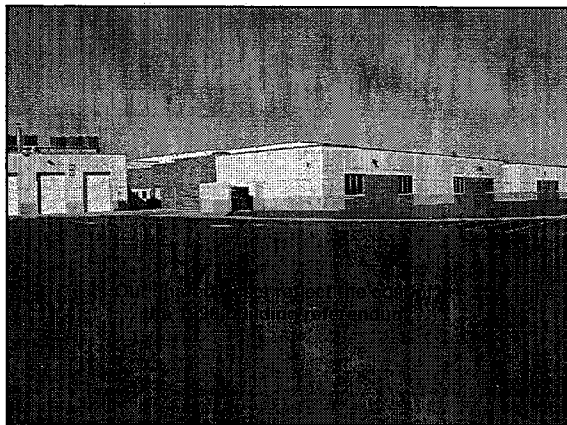
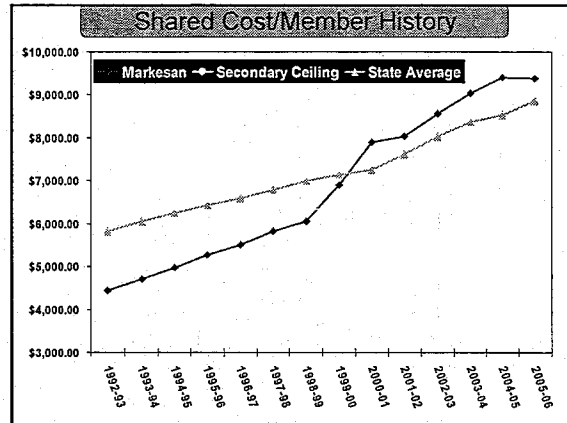
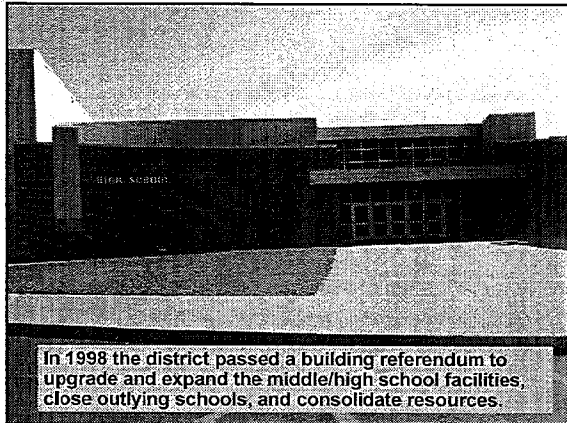
- Markesan's revenue limit is based on the district's spending levels of 1993. At that time, Markesan was the 32nd lowest spending district among the state's 427 school districts. Couple this with the fact that.....
- Markesan is a rapidly declining enrollment district. Since 1993, Markesan has lost 37% of its enrollment.

% Change of School Tax Levy from 2000 to 2005



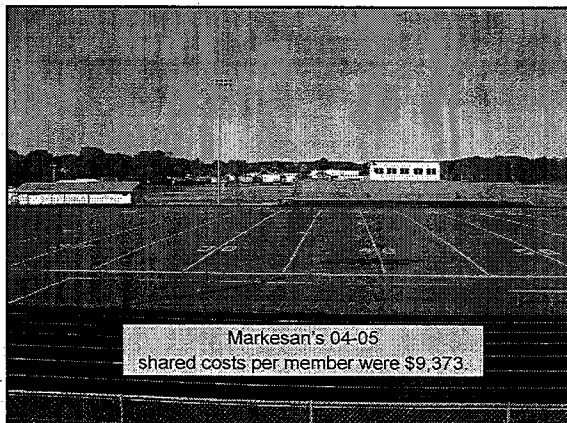
How do these issues create survival problems?

1. Low spending in 1993
There is a gap between revenue limit and revenue need. A district must bridge this gap every year by reducing expenses or finding new revenue sources.
2. Enrollment decline
This reduces the membership number used to calculate revenue limit. When a district experiences rapid enrollment decline, the declining enrollment exemption is insufficient.



Markesan's Shared Costs Per Member

- Wisconsin funds 52.5% of our cost. This is 334th among the state's 426 school districts.
- All districts upgrade on a cyclical basis. Their shared costs will reflect this if they are in the upgrade cycle.



Summary from Shared Cost Discussion

- Districts will cycle above and below the state's average shared costs depending upon their building projects.
- Markesan's building referendum has temporarily placed our district above the state's average shared cost. This cost, however, is not included under revenue limits, was approved by the taxpayers in 1998 and is not the reason for our problems.
The 1998 referendum may actually position Markesan to accept students from other districts if they should choose not to upgrade their facilities.
- Revenue limit constraints are our problem.

Important Note*

- Markesan is and always has been a well managed, fiscally conservative district.
- Markesan's 770 student district should not be forced into dissolution because of correctable flaws in revenue limits.

Living with Rev Limits Continued

- We have held 28 meetings with our community to discuss how revenue limits threaten the survival of our district.
It has been evident during these discussions that voters believe the state revenue limit must be a reasonable budget ceiling and that school administrators and BOE members simply can't balance a budget.
- We held a referendum to exceed revenue limits in April 2006. It was defeated 46% - 54%.

Attempting to live with Revenue Limits

- For the past six years, our teacher contracts have all been settled at the minimum 3.8%, except for the 05-06 salary freeze accepted by teachers, support staff, and administration.
- Our health insurance is a self-funded plan (since 1981) that saves us nearly 25% of costs incurred by other school districts.

Living with Revenue Limits Continued

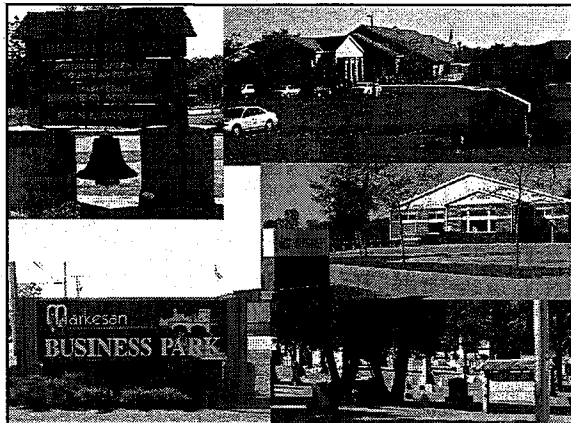
- We will be holding another referendum to exceed revenue limits on November 7, 2006
- If the referendum to exceed revenue limits does not pass, our fund balance will be depleted by 2007-2008. In June 2007, our BOE will pass a resolution to consider dissolution and will vote to dissolve in July 2007.

Living with Rev. Limits Continued

- Over the past 6 years, we have reduced our Fund 10 expenses by \$1.51 million.
(Beginning with a 2000-01 revenue limit budget of \$7.366 million)
- We negotiated our post-medical retirement benefit so that it is only available for the next four years. Our maximum liability is \$500,000.

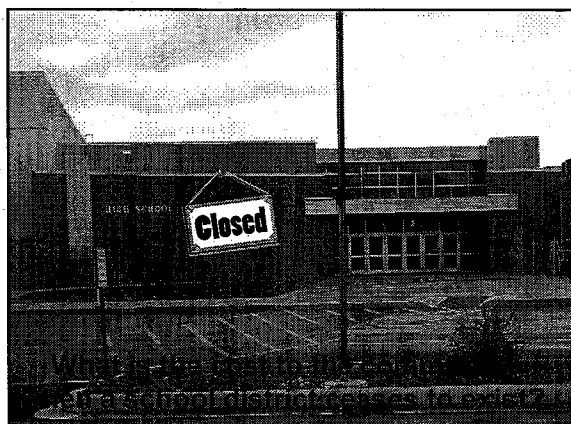
What is the cost to a school district that lives under the threat of dissolution?

- Prospective teachers and administrators refuse to seriously consider employment opportunities with such a district.
- Families want consistency and will thus consider placing their children with other districts.
- Present teachers and administrators seek other opportunities.



Community Cost's Continued:

- Our children will spend more time riding buses.
- Our parents will lose opportunities to be as directly involved in their children's schooling.
- Our sense of community will be gone.



Consider:

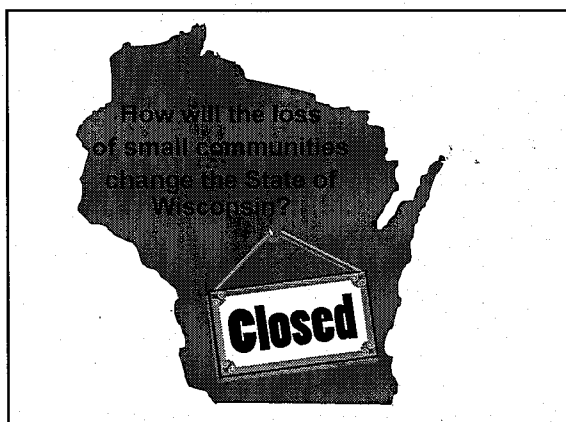
- Small communities are a part of the rich heritage we have in Wisconsin.
- Bill Gates and his foundation are attempting to establish high schools in the state of Oregon with only 300 students. We already have this reform established here in Wisconsin
 - in schools like Markesan.

What is the community cost when a school district ceases to exist?

- We know that our businesses will be hurt with accompanying loss of jobs and we fear that property values will decline.
- Our citizens will continue to pay school taxes somewhere. Our projections indicate that residents will pay more to most neighboring districts as they will pick up our building debt and unfunded liability.

Consider:

- When revenue limits were created in the early 90's, the legislature was concerned with property tax relief and was attempting to encourage discussion at the district level about what makes a good school. Revenue limits have succeeded in creating efficiencies.
- Is it possible that the current legislature has an additional purpose in continuing revenue limits? Might this purpose be to reduce the number of school districts?

[illegible]

- Come visit our district. Meet our kids. Connect with the education that we provide.
- Our community knows how to make people feel welcome. Our kids, our school, and our community are worthy of your support.
- Thank you for inviting Markesan to share.

- **Increase the low revenue district per member minimum.**
The minimum for the present year will be \$8,400. Markesan's district expense per member is \$8,445
- **Please share with citizens of our state that revenue limits were not designed to hold districts to a reasonable budget, but rather to create dialogue about what a district is willing to support.**
- **If the purpose of revenue limit is to reduce the number of districts, please share this and help us to understand why.**

Markesan District Schools
Direction for 2006-2007 and beyond

The Targeted Result

Under the leadership of the board of education, administrators, department heads, teachers and support staff our district has been moving forward with the following vision:

“To make certain that our children are prepared to move successfully through the exit hoops that await them at the 10th, 11th and 12th grades.” If students are prepared, opportunities will open for them. This target is referred to succinctly as *“opening doors for kids.”*

Moving Toward the Target

We continue to align our processes and programs in such a way as to achieve this result. In so doing, we are encouraging the development of a strong learning community. This document provides the process overview.

Aligning to the Results

Academic Targets

Curriculum Process Targets (The Big 4)

1. Establish curriculum process based on current research that increases student performance for all students by giving timely and appropriate feedback. This process includes:
 - Developing K-12 standards and benchmarks
 - Incorporating effective teaching strategies into every unit
 - Developing common assessments that target the benchmarks
 - Giving students feedback on progress towards benchmarks

Support for Curriculum Targets

2. Empower and work with department heads to supervise the K-12 alignment of department benchmarks.
3. Review grading practices K-12; align with current research on positively impacting student learning.
4. Develop a plan of identification and intervention for students who aren't meeting the grade level benchmarks.

Specific Areas of Curriculum that Need to be Developed

5. Continue to develop courses that articulate with the two year and four year colleges.
6. Identify district or grant monies to initiate Project Lead the Way.
7. Continue to develop our reading program which teaches phonemic awareness, phonics integration, reading fluency, vocabulary development and reading comprehension strategies.
8. Infuse vocabulary development, reading comprehension strategies and writing into the content areas.

9. Develop benchmarks that help our special needs students to understand their disability and its implications with respect to their learning. Create ways to empower these students to advocate for themselves as they learn to be as independent as possible.
10. Develop a cross-categorical approach to the four areas of special education (SLD, CD, EBD, and EC) from the elementary through the secondary level to create a coordinated, coherent system. Include the development of post-secondary transitioning plans in the new alignment.
11. Establish a school to work program as part of the education for employment plan that teaches employability/transition to work skills and replaces our present work release program.
12. Establish a four-year-old kindergarten program that encourages parental and community involvement.

Working with Student/ Staff Behaviors that Affect Student Achievement

13. Continue to focus attention on the importance of maintaining low truancy rates at the middle and high school because students who are absent are missing teacher feedback.
14. Empower students, their families, the faculty and administration to learn from and to take responsibility for their own choices. This includes:
 - Developing and implementing sound discipline practices.
 - Supporting the *Love and Logic* training.

School-Community Health, Wellness and Personal Safety Targets

15. Continue to monitor district plans and procedures for creating a safe and drug free school environment.
16. Continue to provide counseling services and programs including referral assistance for students and staff.
17. Implement the BOE's new policy on wellness which encourages the creations of a school environment that promotes and models healthy lifestyles.
18. Work with teachers, parents and community professionals to remove health barriers to learning.
19. Train and supervise staff in supporting student health needs.

Information and Technology Targets

20. Maintain our district's current information and technology plan.
21. Foster information, technology and curriculum integration at the elementary, middle and high school level by providing staff development and classroom support.
22. Define, develop and implement a student/staff computer literacy program.
23. Continue to determine information collection needs as we remain compliant with the requirements of NCLB.

Leadership Targets

24. Provide training throughout the year that supports our district direction.

25. Encourage the development of student, teacher, administrative and community leadership capacity

Student-Community Stewardship Target

26. Work with students to develop and implement projects that link community problems to solutions. (Ex: Purple loosestrife control project, the Fox River restoration project, the lake & stream monitoring project and the high school student service day project)

Process Targets

Budgeting

27. Continue to implement unit budgeting processes that permit teachers to determine what materials will be purchased or eliminated depending upon available funds.

Hiring

28. Continue to monitor the district's six-year-old hiring processes, seeking ways to share these processes with the community and placing process emphasis on hiring the best candidate.

Evaluation

29. Continue to reflect upon our teacher and administrative evaluation processes that these processes will be linked with the implementation of the Big Four (targets 1-4 in this document).
30. Review support staff evaluation processes making certain that the processes encourage reflection and growth.

Teacher/Administrator Licensing Laws

31. Continue to monitor procedures for complying with PI34 (teacher licensing laws).

Financial Targets:

32. Develop budget for the 2007-08 school year. Continue to seek reasonable ways to reduce costs.
33. Continue to seek ways to help community understand the need for a referendum to increase revenue limit.
34. Develop plans for complying with new governmental agency rules described in GASB 34 (new school accounting laws).

Enrollment Targets

35. Seek to find ways to enroll home-schooled students in district programs (specifically explore options available through E2020).

Facilities Targets

36. Consistently be in compliance with the state fire code and safety standards and the recommendations from MacNeil Environmental, Inc and our liability carrier, Wausau Insurance.
37. Increase student, staff and community respect for the building and equipment.

Grant Seeking Target

38. Seek Grants that will support our district direction.

District Direction Targets

39. Continue to create systems for sharing information and collecting student, staff, community and alumni feedback.
40. Review and seek input on district direction from board committees, the staff and the community.

Updated 8/27/06