

Item 9A: Business Services Report: Addressing AASD Budget Deficit

Board of Education

Mon, Jun 23, 2025 6:00PM

Kay Eggert (Board President) 27:07

And then moving on, the AASD budget deficit.

Greg Hartjes (Superintendent - AASD) 27:11

Yeah, so Holly and I are going to lead you through another discussion around our budget deficit. And so, we'll have Kayla bring up a PowerPoint for us, and simply continuing on with this discussion about revenues, that was our last meeting, and going forward. So, I'll turn it over to Holly, and she and I will kind of go back and forth, sharing just a few slides that we have for you, and then we'll open it up for discussion, any questions that you have or any concerns that you want to discuss.

Holly Burr (AASD Executive Director Of Finance) 27:51

Okay, so a couple meetings ago we started—Greg just said—started this discussion about how to address our budget deficit. I had shared a document with you, talk—with talking points to guide this process, and then you should have received an updated version of that based on some comments that were made at that meeting. And then just bearing in mind that this is a working document and will likely be updated again as we work through the process over the next several months.

Holly Burr (AASD Executive Director Of Finance) 28:24

Last meeting, as Greg just mentioned, we discussed the revenue side of this process, where we have some potential options and where we do not. As of the time of this writing—and I'm saying that because, as I spoke last week, two weeks ago, things were changing on the state level. I went back and checked my emails and went, "Oh my goodness." So as of the date of time of this writing, which was earlier today, the state budget has not gone to the governor for signature yet. The amounts currently proposed in—based on the talks in the last two weeks, increased public districts only slightly. Ours is going to be less than 3%, and unfortunately, it comes at the cost of taxpayers. There's currently no additional funding coming from the state for equalization aid. There are some small increases proposed in other areas.

Ed Ruffolo (Board Member) 29:31

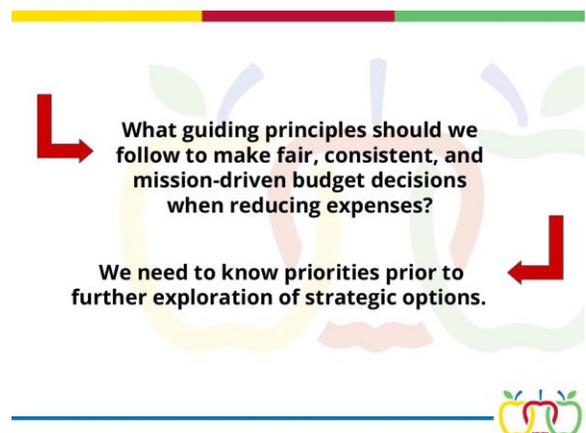
To clarify, you mean at the cost of the local property tax payers, correct?

Holly Burr (AASD Executive Director Of Finance) 29:44

Yes.

Holly Burr (AASD Executive Director Of Finance) 29:44

So now we'll turn our attention to setting the priorities moving forward. As we move through the process of looking for ways to reduce costs or how much funding to ask our taxpayers for in a referendum, we must consider our priorities. At the end of this discussion tonight, we will be asking you to think about what are the guiding principles we should follow to make fair, consistent, and mission driven



budget decision decisions when reducing expenses. To help with this discussion, we will be looking at what we currently use for goal setting, and I will let Greg take over.

Greg Hartjes (Superintendent - AASD) 30:26

Okay, next slide, please. So, when we think about developing guiding principles, whether it's three or five or 10 guiding principles, whatever that will be, we obviously want to start with our vision statement, and a vision statement is fairly high level, so it's probably not going to get down to the detail that we need when we're talking about either reducing expenses or looking at adding revenues. But within the vision statement, in this document, we have our scorecard, and you know, the vision statement is really the what we want for our students, and everything else is, how are we going to get our students there, to where they're meeting that vision, or moving in the direction of that vision. And that's what our scorecard is supposed to do with the pillars.

AASD
 MOTTO
 SUCCESS FOR EVERY STUDENT.
 EVERY DAY
 VISION
 WORKING TOGETHER,
 STUDENTS, FAMILIES, STAFF,
 AND COMMUNITY WILL ENSURE
 THAT EACH GRADUATE IS
 ACADEMICALLY, SOCIALLY,
 AND EMOTIONALLY PREPARED
 FOR SUCCESS IN LIFE. EVERY
 STUDENT. EVERY DAY.

Pillar 1	Pillar 2	Pillar 3	Pillar 4
INCLUSIVE & ENGAGING CULTURE TO SUPPORT TEACHING & LEARNING	STUDENT SUCCESS	FAMILY & COMMUNITY PARTNERSHIPS	RESOURCES & OPERATIONAL EXCELLENCE
ENSURE A SAFE, HEALTHY, AND WELCOMING SCHOOL ENVIRONMENT FOR ALL.	ENSURE EVERY STUDENT IS ACADEMICALLY, SOCIALLY, AND EMOTIONALLY SUCCESSFUL AND GRADUATES READY FOR COLLEGE/ CAREER AND THEIR COMMUNITY.	CREATE AND MAINTAIN STRONG FAMILY, COMMUNITY, AND BUSINESS PARTNERSHIPS TO ACCELERATE OUR COLLECTIVE IMPACT ON STUDENT SUCCESS.	ALIGN RESOURCES AND OPERATIONS DIRECTLY TO DISTRICT PRIORITIES THAT ENSURE THE SUCCESS OF ALL STUDENTS WITH MAXIMUM EFFICIENCY AND EXCELLENCE.

Greg Hartjes (Superintendent - AASD) 31:13

And so, there's a lot of language on here regarding the four areas that we focus on. And so, I just—I added them to the next slide so they're a little easier for you to read. So, what's in blue on this slide I just simply put on the next slide. Yes, and I'll read that for you. So, this is what we look at in terms of how are we going to move kids towards that vision? Well, first of all, we have to ensure a safe, healthy, and welcoming school environment for all, and we have to ensure every student is academically, socially, and emotionally successful, and graduates ready for college, career, and their community. And that one, you can see, overlaps a little bit with our vision statement. The next one is create, maintain strong family, community and business partnerships to accelerate

our collective impact on student success. And then our final one is align resources and operations directly to district priorities. And really that one, that last pillar is what we're talking about right now, is how are we going to align our priorities with our district resources and operations? That's what our challenge is over the next several months.

Four pillars from our District Scorecard:

- Ensure a safe, healthy, and welcoming school environment for ALL.
- Ensure every student is academically, socially, and emotionally successful and graduates ready for college/career and their community.
- Create and maintain strong family, community, and business partnerships to accelerate our collective impact on student success.
- Align resources and operations directly to District priorities.



Greg Hartjes (Superintendent - AASD) 32:24

And then we also—you know, we look at our coherent governance. And so, there's also a statement within coherent governance, and on the next slide, I'll read that for you quickly. It just says students will graduate academically, socially, and emotionally prepared for success in their personal lives, careers, and continuing education, and committed to lead, care for, and contribute to their community. And so, what that is taking is some wording from our vision statement, and then wording from what was a large initiative, which was our portrait of a graduate. So, it was saying, okay, not only do we want this for our students—be socially, emotionally, and academically prepared for success in our life—but then what do they do with that? What does that mean for them going forward in their community? And so that's where a portrait of a graduate comes in.

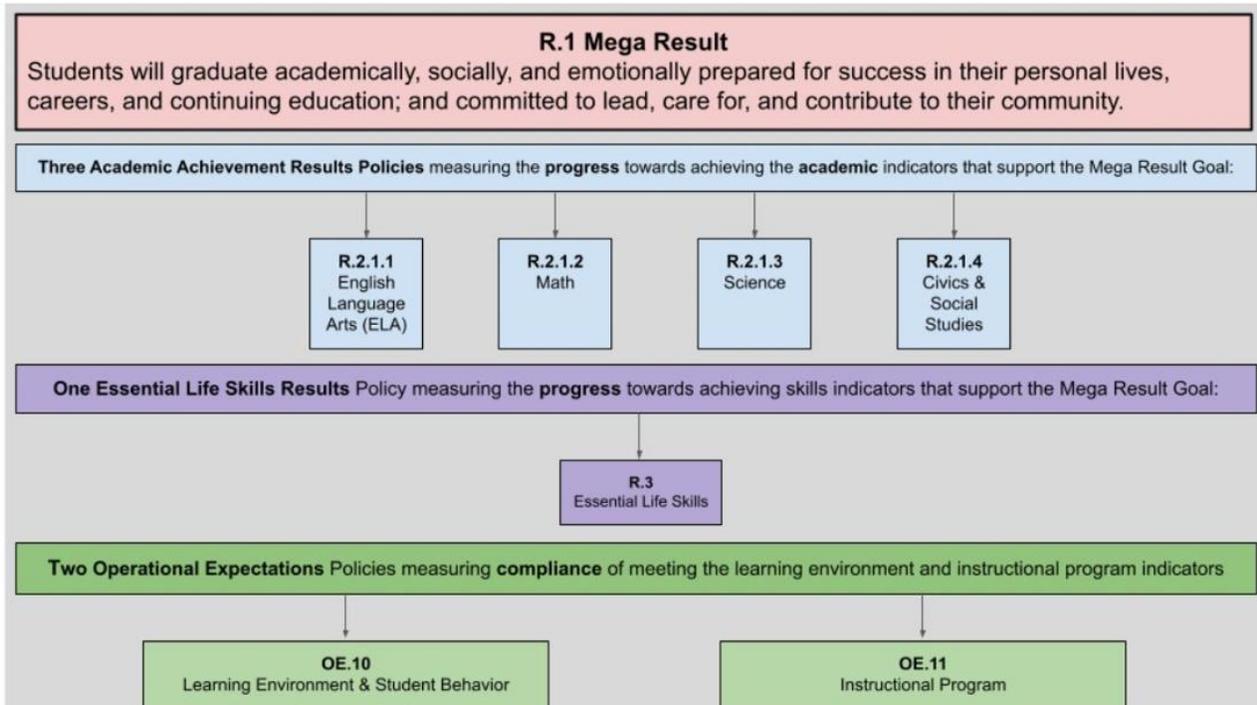
Students will graduate academically, socially, and emotionally prepared for success in their personal lives, careers, and continuing education; and committed to lead, care for, and contribute to their community.



Greg Hartjes (Superintendent - AASD) 33:17

So, we put those two together, and that is where you'll see this on the next slide in our mega result. So, at the top in the pink box up here is that statement that kind of brings together portrait of a graduate along with our vision statement as a district. Now from there, we break it down under our coherent governance to having results policies. There we have ELA goals, actions, and progress monitoring. We have math, we have science, we

have social studies. So that's where we get a little bit more detail to our priorities. And then under—we have the one, essential life skills, results. So, under R-3 are essential life skills, and primarily that information's coming to us in surveys. So that's where we're really getting at the social and emotional aspect of school and success, but we feel it's really important. So that's in r3. And then we also have the two OEs that overlap a little bit with Results. and we talked about that earlier during our work session, that OE 10 has a lot of language that is more results focused than operational expectation, and OE 11, a little bit more, is on the operational expectation side.



Greg Hartjes (Superintendent - AASD) 34:35

So collectively, this comes together to drive our actions and our decisions as a district. What we want to do is see, is there anything here that we can use to help us develop the guiding principles that are going to move us forward in figuring out what to do with our 10 or 11 or \$12 million deficit. In the next month, Holly, the auditors were here today starting our audit of the '24-'25 school year and fiscal year, to give us an idea of where is that final number that we're talking about. But anyway, what we want to do is look at all of this information and put it together into some guiding principles to help us make decisions.

Greg Hartjes (Superintendent - AASD) 35:20

Now to make this a little bit more concrete, on the next slide, we just shared an example here of in 2010-'11, the district was faced with a similar situation. The only difference is theirs was not—it wasn't as complex back then because we weren't thinking about adding revenue. There was just simply, how are we going to reduce expenses? And so, at that time, the board and the leadership team got together and came up with these core

values. And we kind of went back and forth. Should we call them core values? Do we call them guiding principles? We use guiding principles because that's what we use for language when we received Esser dollars. So, when we received those federal stimulus dollars—sometimes they were referred to ARPA, and, like, municipality dollars. They were called ESSER dollars for us in public education. We used guiding principles, and we developed four of those guiding principles.

Greg Hartjes (Superintendent - AASD) 36:17

So, but we wanted to show you an example. So you can see back in 2010-'11, when they were looking at having to cut expenses, they said, you know, we are committed to early intervention programs, committed to limiting impact on class sizes, committed to programs that support closing the achievement gap, committed to district reading, writing, math goals, committed to co curriculars as an extension of our classrooms and providing opportunities to each student's educational experience, our commitment to the arts as an integrated portion of a basic education, our commitment to healthy lifestyles, our commitment to the elementary neighborhood school concept. Taking These eight core values, that shaped what decisions were made about how to, at that time, reduce expenses by approximately \$3 million.

AASD Core Values (from 2010-11)

❖ **The following Core Values were considered when identifying potential budget reductions:**

- Our commitment to Early Intervention Programs
- Our commitment to limiting impact on Class Sizes
- Our commitment to programs that support Closing the Achievement Gap
- Our commitment to District Reading, Writing, and Math Goals
- Our commitment to Co-Curriculars as an extension of our classrooms and providing opportunities to each student's educational experience
- Our commitment to the Arts as an integrated portion of a basic education
- Our commitment to Healthy Lifestyles
- Our commitment to the Elementary Neighborhood School Concept.



Greg Hartjes (Superintendent - AASD) 37:09

So that's what we're hoping to come up with over the next two meetings, perhaps. Again, if it takes us a little bit longer, but the next meeting that we have in July, we'd like to put some things down on paper around what do we think should guide our decisions around if we do have to cut expenses?

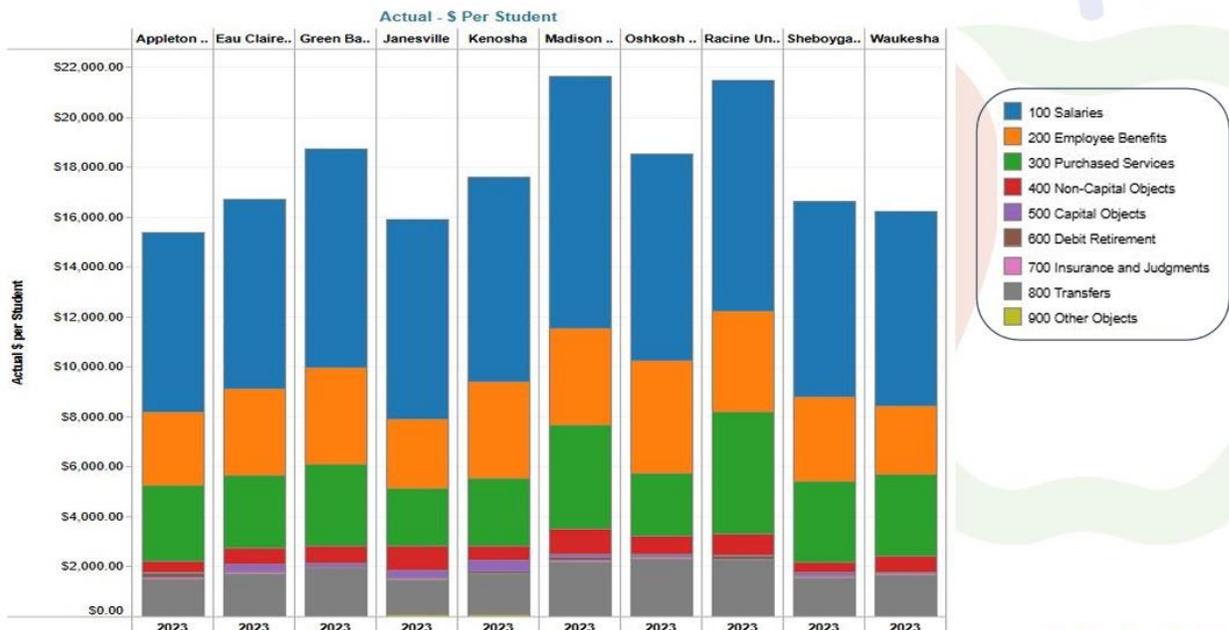
Greg Hartjes (Superintendent - AASD) 37:30

So, turn to the next slide and the next two slides. Holly's going to share a little bit more of the numbers that are involved.

Holly Burr (AASD Executive Director Of Finance) 37:43

So, as we discussed referendum options and priorities, options for cost reductions, I wanted to give you just a broad overall picture of where we are at in comparison to other districts. This chart shows the per pupil spending for the urban districts in the state, so the top 10 by student enrollment, excluding Milwaukee, of course. And as you can see, Appleton is on the far left there. Appleton is already the lowest spending district of this group. We have said this before, and you will see more examples in the coming months, that we are a very fiscally responsible district.

Comparative Expenditures Per Student 2023-2024 • 10 Largest Districts*



*Excluding MLK



Holly Burr (AASD Executive Director Of Finance) 38:29

And as we continue to talk about the 10 to \$12 million shortfall (and again, this is not counting compensation increases), we need to keep in mind what making up this difference solely out of cost reductions would look like. So, this chart I put together is an example of what across the board 5% reductions would be. And 5% sometimes doesn't sound like much, but when you start to break this down, it is significant and could have devastating impacts on student achievement. So, I just want you to take a minute and read through this. If you have any questions initially, I am not proposing this as a solution by any stretch of the imagination. I just wanted you to see the numbers and what this would look like, what the impact would be. Okay. Go ahead.

Example of what 5% across the board reductions would look like

Salary & Benefits (-5%)	# Positions	Total Est. Savings
Teachers: Classroom & Other	65	\$6,456,700
Paras	16.55	\$896,600
Administrators	3.6	\$587,350
Admin Assistants	4.65	\$353,700
ASU	3.7	\$344,450
Maintenance	3	\$291,200
Total Salary & Benefits	96.5	\$8,930,000
Non-Personnel Related (-5%)		Total Est. Savings
SPED		\$227,150
Curriculum Materials		\$362,400
School Budgets		\$281,100
District/Departments		\$841,400
F & O		\$568,600
Technology		\$328,350
Total Other Expenses		\$2,609,000
Total Potential Savings		\$11,539,000



Kay Eggert (Board President) 39:43

Are we okay with questions now?

Holly Burr (AASD Executive Director Of Finance) 39:44

Absolutely.

Kay Eggert (Board President) 39:45

Okay. So, like an example, curriculum materials, 5% reduction, is that 5% of their current budget?

Holly Burr (AASD Executive Director Of Finance) 39:55

Yes.

Kay Eggert (Board President) 39:56

Okay, so all of these are 5% of whatever that pool of resources is. Thank you.

Holly Burr (AASD Executive Director Of Finance) 40:04

So that would mean \$362,000 less in curriculum materials, books, online, resources and things like that.

Nick Ross (Board Member) 40:14

I'm wondering if you could give—I'm not sure how to phrase it exactly—but a sense of what a day at AASD would be like without those 65 teachers.

Holly Burr (AASD Executive Director Of Finance) 40:35

That's a tough, little bit of a tough call, not knowing exactly where those would come from. So, if you are talking about, you know, again, across the board, classrooms and other, you would be looking at, you know, one to two teachers per building. This could be significant. This could mean larger class sizes. This could—at the high schools this could mean combining two sections into one. This could mean, you know, reduction in prep time, because they have to cover, you know, additional things if we're short, you know, instruction. Same thing with the paras; it's 16.55. Now the vast majority of our paras are out the elementary schools. That means one less para per building. I would have—I'm sure we'll be getting phone calls to say "We cannot cut one para per building."

Greg Hartjes (Superintendent - AASD) 41:46

I do want to add just Holly is correct. You know, it's primarily going to look at class sizes. So, the elementary level, it's really difficult because you have one teacher for 25 students, let's say, but now, if they get up to 33, 34 then we have to start thinking about—and I'm talking higher grade levels—do we add a teacher? At the middle and the high school, it's a little bit easier, because you add a 0.2 of a teacher just to add one section. So, at the elementary you're going all in on another full teacher when you get a class size that goes beyond. So, let's say that there are 33 students that are enrolled at I'll pick Jefferson fifth grade, let's say. We may try to run with 33 because we know we can't—we have to reduce a position there. Now it starts to get to 34, 35 then we have to add a position. Sometimes it forces us. So really, it's looking at making decisions where now in better budget times, we may say, "You know what? When we get to 28, 29, 30 students, we need to start looking at and keeping an eye on whether we need to add another teacher there." In difficult budget times you're saying, "All right, 30 is fine. Really it's when we get to 32, 33, 34." At the high school, what happens a lot of times (and we talked a little bit about this during the work session) is we want to be able to run an AP Calculus BC class that may only have 12 kids. If we have to cut 65 positions, we aren't running that class. And so, the high school, it becomes a loss of opportunities to take courses that may interest you. And so now we might look and say, "All right, we're not even going to consider a class that's initial course request came in at less than 20 students." So, you just say "We can't even run any of those classes." So really, it's not only our class sizes going to increase, but it also means there won't be as many opportunities for kids to take those classes.

Greg Hartjes (Superintendent - AASD) 44:01

And then beyond that, when we say classroom and other, other under educator might be maybe we have to reduce school counselors. So in around 2010-'11 when we were struggling financially, we went from like four full time counselors at our high schools down to 3.6, and at each of our high schools, we went from a 1.0 social worker down to a 0.8 social worker. And so those are all the type of cuts. And then across all of our elementary schools, instead of having these two schools split a school counselor or a guidance counselor and it would be 0.5 and 0.5 we might try to stretch across three schools now and say we're going 0.3, 0.3, 0.4. Again, what that means is it's less support for kids, it's less services for kids, it's less opportunity for kids. So that's how it plays out with educators more than anything.

Ed Ruffolo (Board Member) 45:07

Question. Where do the coaches, teachers, and the interventionalists fall on this chart? Is that under teachers, class, or other? Thank you.

[There was no answer given in the video. I don't know if the audio cut out or the answer wasn't picked up by a microphone.]

Holly Burr (AASD Executive Director Of Finance) 45:31

So, I guess, where does this leave us, and what do we need from you?

Someone 45:35

Oliver has a question.

Oliver Zornow (Board Member) 45:38

I'm sorry. The audio cut out there for a minute so I didn't realize that Ed was finished with his question. I'm wondering if we can go back two slides, and we do have a question on that comparative expenditures slide. So, I just want to make sure that I'm reading this correctly. Is it correct to say that the people in Green Bay, the taxpayers in Green Bay, are investing more than \$2,000 more per student than we are in Appleton?

Holly Burr (AASD Executive Director Of Finance) 45:42

Not necessarily. So, this chart shows the expenditures per student. Green Bay, I know, gets a lot more grant money than we do. So, it's not necessarily tax dollars, but they do have more resource—more resources available to them.

Holly Burr (AASD Executive Director Of Finance) 45:42

Sorry, Oliver, go ahead.

Oliver Zornow (Board Member) 45:45

So, I guess the district is investing, and I guess taxpayers might be the misnomer. The district is investing more than \$2,000 more per student than we are.

Holly Burr (AASD Executive Director Of Finance) 46:34

Yes.

Oliver Zornow (Board Member) 46:35

And I would say that I think that this is just a point to make, Appleton has forever been a fiscally responsible district, and I'm very proud of that track record we've had. It is important to note—and I believe Greg mentioned the sort of 2010 2011, that was shortly after I believe we decoupled revenue limits from inflation. And so, the result of this financial problem is not necessarily a result of special ed reimbursement or enrollment numbers, even though fixing those would fix our problem. It is primarily that we've sort of—the state is inflicting a sort of mandatory tax decrease on us pretty consistently for 40 years and not allowing us to invest in our kids the same way that we used to.

Oliver Zornow (Board Member) 47:29

I believe, from a previous slide—and you can correct my number if I'm wrong—that if that inflation adjustment had been kept since 2009, we would be looking at an additional about approximately \$40 million dollars in funds invested in our kids this year. So, in real dollars, we're investing \$40 million less than we did in the kids who were in school in 2009. I think that this is a really critical point as we move forward in this discussion that the board is reflecting on and we're reflecting on the challenges we're creating for our team, our administrators, our teachers, in asking them to continue to stretch to meet the needs of our kids so that our kids can compete, not only in the world, but even regionally. We are, what it looks like, the lowest investing district of our size in the in the state, and that's a challenge we need to address through this process.

Holly Burr (AASD Executive Director Of Finance) 48:27

Yeah, thank you for those points, Oliver. You were spot on.

Holly Burr (AASD Executive Director Of Finance) 48:40

So where are we at? What do we need from you? As we mentioned, we need to know what your priorities are. We need to know which programs or services are most essential and must be preserved. We need to know what guiding principles to use in making future decisions. So, Greg kind of mentioned this a little bit earlier, but our suggestion for moving forward is that we take a little time tonight for questions and clarifications, maybe come up with a list of information or data that you would like to see in setting these priorities. Then we take, then we take this topic up formally at the next meeting in July. I expect we will have a state budget by then and can better predict what our total deficit will be. But to stay on schedule, we need to come out of the July meeting with some guidance on how to move forward with the budget for '24-'25 year, as well as to address our structural deficit moving forward. So, what other questions do we have at this time?

Feedback

- ❖ **Need to know priorities prior to further exploration of strategic options.**
- ❖ **Which programs and services are most essential to student learning, well-being, and achievement — and must be preserved despite budget constraints?**
- ❖ **What guiding principles should we adopt to make fair, consistent, and mission-driven budget decisions when reducing expenses?**



Jason Kolpack (Board Member) 49:48

I was just going to say I appreciate the framing on the second bullet—which programs and services are most essential? The flip side of that is, you know, we're in a position where we have to try to decide which programs and services are expendable, and I think the answer is none of them, unfortunately. So, to Oliver's earlier point, and the point we've been making for months now, it's a rock and a hard spot. I know it's not a helpful answer, but it's the current thought that I have.

Kay Eggert (Board President) 50:36

Well, that might be the ans—I mean, that might be the answer, but maybe stated in a way that—I mean, I would—after our discussion of OE 11, you know, instructional programming, and looking at these, all these opportunities we have for students, and students can get advanced degree credits while they're still in high school, and I mean, I—as a board member, I personally place a lot of value on that, just the wealth of opportunities that we have for students. So, I would have to list that as one of, in my mind. And maybe it's

creating a number of priorities, and then, you know, get some discussion and people agreeing or not agreeing with them, but—so I wouldn't—I don't want to state it in "Which ones are expendable?" I think I would like to focus on what do we think we really need to try to preserve? It's—may get to the same outcome, but different language, words matter. So, I would have to say the opportunities, the wealth of opportunities for all students. For one, for one.

Jason Kolpack (Board Member) 51:54

Yeah, I mean to that point, the point you made earlier, Greg, about reductions to counselors and social workers. I think in the current environment, those are really essential, and I think the possibility of cutting those additionally, I think would be really detrimental.

Nick Ross (Board Member) 52:21

Oliver has had his hand up.

Holly Burr (AASD Executive Director Of Finance) 52:24

Great, Oliver.

Oliver Zornow (Board Member) 52:25

I'm totally fine waiting in the queue. So, I'll just put it up and I'll jump in if we move on. Holly, you asked for what information we would want to have for future conversations related to this. I know it's incredibly difficult, but I do think it is both the question of what does that budget deficit look like for next year? But I also think there's a little bit of a cash question here, and any information we could get as far as cash flows throughout the year to recognize how drastic and how quickly cuts would need to be executed on. I think that that would give us more context in understanding the level of prioritization that we're being asked for as a board. Yeah. I don't know if that makes sense to you at all.

Greg Hartjes (Superintendent - AASD) 53:20

Oliver, this is Greg. I think it does make sense. And you know, a timeline that we have in mind is if a decision was made to go to operational referendum, we would probably want to do that before staffing gets put in place for the '26-'27 school year, which is March. So, March of next year, which would mean we'd have to go to referendum by February of next year. And so, what we have to know is, if we weren't—if we don't pass a referendum, and we have to follow through with these 11 and a half million-dollar cuts, we have to make that decision between February and March. So that's why we want to do at least enough work ahead of time to know that we may only have one or two board meetings in between what could be—either we decide not to go to referendum or it's a failed referendum, and when in March, we have to start sending out contracts to staff.

Oliver Zornow (Board Member) 54:31

Yeah, I think that it's incredibly important that we look to get clarity on our path forward as soon as possible. It's one of those pieces that, you know, the numbers move so much, and understanding, I think, one, what we're doing tonight and even this conversation so far, highlighting to the community how I will—I would view it as catastrophic if we decided to impose a sort of an \$11 million cut on our district. And I don't believe that you can cut your way to being a destination district. And if one of our concerns is making sure that we bolster enrollment to ensure that we can continue to offer the options that Kay was talking about, cutting \$11 million more from the budget after 40 years of pretty consistent tax decreases would not help us long term as a district.

Oliver Zornow (Board Member) 55:28

So, but yeah, understanding that timeline as well as the scale of change we would need to see in our financial situation to even maintain, but I do think we need to be looking to put back in place some of those things we cut

in 2010 and '11. To Jason's point, some of those things we cut have become more important than ever as we look at student well-being and emotional belonging at their school site.

Nick Ross (Board Member) 55:58

I think it would be helpful, actually, to include, anytime we have this discussion, every time we have this discussion, to include a timeline slide, just to remind us, to remind the community about, you know, kind of the urgency and why we're needing to make—yeah, so I think that would be really helpful for me personally.

Nick Ross (Board Member) 56:21

And then—so something, I'm having a hard time articulating this articulating this, but it's our efforts around literacy and Act 20. As you know, like, I see some of the things that we've talked about as our pillars and our priorities as never changing, like, offering opportunities, like, a wealth of opportunities—that's something that's always, I would think, be a value that we want to have. But you know specifically our efforts around literacy and Act 20 and what at—what you Greg, for example, have talked about as far as, like, everything else is impacted by literacy. So as far as priorities go in academic achievement, I would have literacy be up there with the understanding that prioritizing literacy is actually going to lift everything else up as far as results goes. I don't know how that necessarily impacts our—this specific discussion, but it could.

Greg Hartjes (Superintendent - AASD) 57:34

And I think it does impact this discussion, because when we talk about literacy, there's the one-time costs, like materials, but then there's the ongoing costs of instructional coaches, interventionists, making sure class sizes are appropriate at the early elementary level, that the instruction can happen—right?—the professional development that goes into it. So, all of those pieces do cost dollars, right? They do cost money. So, they are relevant.

Nick Ross (Board Member) 58:07

And just another point. On that list of eight priorities, I think three or four, you know, fall under literacy like early intervention. Main reason early intervention is important is literacy. Instructional coaches, it's not math, it's literacy. So yeah, that could be an easy way for us to talk about this with the community.

Kris Sauter (Board Member) 58:42

Related to literacy and what Nick—the point that Nick just made too is when we were discussing a policy that we'll be discussing later in the evening with promotion to fourth grade and we know that there will need to be some interventions in place for students moving into fourth grade. I guess I had a question about what kind of impact that would make on—will we need extra will we need extra teachers in order to move that forward? So again, it's hard to think about cutting but we're not sure totally of the impact, too, of that moving forward. So, the literacy pieces is going to be—in my in my sense of what we're talking about, it seems like that's going to be a big piece of trying to figure out how we're going to if we have to cut going forward.

Jason Kolpack (Board Member) 59:40

Another thing to add to the list, I'd like to shout out to the arts programs, because I think in these types of situations, those are often the first to be cut. And I think those are really important for a lot of students. I know, personally, you know, being in arts programs was one of the things that got me through high school. So.

Kris Sauter (Board Member) 1:00:12

I'll just add on to that, even during the pandemic, I recall that some of the innovative ways that the arts were coming forward, even when we were not in school were really impactful for students and their families. So, I concur with that as well.

Pheng Thao (Board Member) 1:00:36

I would just say that I think one of my comments is one thing that I'm thinking about in the course of these conversations is, like, perhaps, what are opportunities that we haven't actually thought about? So, I'm sort of trying to think outside of the box at the moment of, like, I come from very deficit places in my life, and the organizations that I've been with have been very deficit driven because we don't have a lot of funding, and so we've been have—we have had to be very creative in the ways in which we moved. And I'm thinking about this one particular instance where myself and my colleague got 100k to do whatever we want to do for our own leadership development. And they were only able to put a budget of \$80,000 together, and the foundation said, "No, you need to get to 100k." And so, I say that to say that—I share that example to share that there are opportunities for us to be creative, I think, and I believe so. I think what becomes hard is when you've built all of the things that we've built, which is great, it's hard to actually name what then the priorities are, because there's so many actually competing priorities, and all of them actually make sense in many ways.

Pheng Thao (Board Member) 1:02:01

So, then I wonder about, like, what are programs and services that perhaps other entities are doing well already that we don't have to actually duplicate on our end or within the district? So that's one thing that I'm thinking about. And then what are partnerships that we actually should actually explore, that we perhaps may have not explored in the past that we should think about that could also help us, not in terms of funding, but that it also helps us enhance the work in ways in which doesn't have to really solely rely on funding. And that's the ways in which I've had to do my work in the past is actually use people resources without funding and materials and other causes that could sort of mitigate without us actually having to have the funds to do it ourselves. So those are the things that I'm thinking about.

Pheng Thao (Board Member) 1:02:59

So, yeah, but I would say it's hard for me to actually name priorities, because I know that there's so many and there's so many competing priorities at this moment as well, too. And the landscape of how we educate kids these days, I'm sure, is completely different from the way in which any of us who are sitting at this table making decisions are being—were educated back then, and it costs a lot more to actually educate the kids these days compared to back in the days many of us were being educated. So, I recognize that as well too. Yeah.

Nick Ross (Board Member) 1:03:36

I want to, like, elevate what Pheng said around the idea—I think I heard what you were saying correctly—around the idea of, like, yeah, even though we're talking about a deficit, to maybe, uh, try when we can, to not think in the deficit mindset and be and think more in the possibility mindset, um, and more specifically, like, you know, partnerships that can carry some of the burden. And I'll just say, again, that there are actively, like numerous groups, like coalitions of a wide array of community partners all interested on impacting youth mental health in our county, in our city, in our region, and I feel like opportunities for support and collaboration are, like, ripe. The connections just need to happen.

Kay Eggert (Board President) 1:04:32

Oliver.

Oliver Zornow (Board Member) 1:04:34

Yeah, I want to, I want to echo again—so Pheng and Nick are talking about, again, what I'm understanding from their comments is this abundance mindset and that we have a serious deficit. We've got to take care of it, and it's a hard conversation to have around cuts.

Oliver Zornow (Board Member) 1:04:50

On the cuts question, Holly, that you raised, my prioritization framework wouldn't be about content area or anything along those lines. It would be about long-term impact of those cuts. For example, you know, eliminating, you know, positions, removing staff, closing buildings, those things are hard to come back from, particularly when, at least my understanding is, the board is exploring the idea of rectifying these state-imposed tax cuts and decreases of investment in our students. And so, I would want to see any cuts that we would make to be as short term as possible. That could be, you know, increasing the life cycle of things that we replace versus cutting whole programs, I think, would be the way to manage that cash flow, while we give our community a chance to be able to weigh in on whether or not they believe that we should be the lowest investing school district of our type in the state, in our kids futures.

Oliver Zornow (Board Member) 1:05:56

On the abundance mindset, I would love for us, if we are exploring referendum, to think about ways that we can address not only impacts of sort of the long trajectory of cuts, but also looking at the needs of today. We were talking about Act 20 and literacy. This district is investing millions of dollars in improving the outcomes for our young students and their ability to read, because we know that that is critical. We're going to vote on a policy later that talks about the additional supports we'll wrap around students who are not reading at grade level at third grade. Those cost money. This type of cut will cut those things. Think about if we could invest in those things without cutting other things. Think about if we could invest in reading interventionist to make sure every child's reading at grade level. Think about if we could improve the nutrition that we're providing in school lunches. Think about all the things that we could do as a district, again, to be a destination district, a model district, and make sure that we're investing in the future. And so, as we look at a referendum, potentially, I would want us to be looking at what are those visions we have, that vision of a graduate, and how do we make sure we're making adequate investments to ensure that our team can be successful in producing the students and graduates that we're hoping that they can.

Ed Ruffolo (Board Member) 1:07:15

So, I'll just going back to your question is what information do we need? It seems pretty clear to me the path is we're going to have to have a conversation with our community and really find out what they want to do, because it's beyond what we can decide at this board level, given the current state of tax funding education in Wisconsin, and I think to be fair to our community, they have to know very clearly what the options are. And one option may look like some reduction of expenditures through perhaps refinancing in the long term, maybe some projected enrollment growth, or at least property growth, and a referendum.

Ed Ruffolo (Board Member) 1:08:03

And I think that referendum has to be tied to very specific programs, whether that be the shortfall in reimbursement for special education or the dollars that we need to continue with our literacy programs so they understand what they're funding. The—and then option B is simply, if we don't want to do a referendum, here's what has to be cut.

Ed Ruffolo (Board Member) 1:08:27

I don't think there's any option on the table that says, well, we can cut all these things and it won't have a negative impact. I just don't see that. We've been operating on a tight budget, really, for forever here, and we're very low per student cost, so there is no option in front of us that says we can cut 13, \$15 million from our budget and not have a negative impact on students. But that's a choice I think our community has to make. There has to be a very well-informed choice.

Ed Ruffolo (Board Member) 1:08:58

So, the next thing we really need is the details on filling out, in my mind, in filling out those options. What do the cuts look like? I think really the administration has to guide us on that, because it's hard for me to determine do you cut interventionalist? Do you cut maintenance? Do you cut—I don't know. We have to understand what the what those impacts are, and then what does a referendum look like. Beyond just a referendum, what will it go to fund? So those are some of my thoughts for the next couple of months, because then people need to be able to make a clear decision.

Jason Kolpack (Board Member) 1:09:35

One point I've been thinking about recently on the idea of the referendum is one of the things that concerns me, is the idea that we would go to referendum for the absolute minimum that we need just to maintain services. I think that puts us in a situation where we're likely to have to come back relative soon for additional funding because of the lack of increases from the state. So, as we're making those decisions and thinking about what a potential referendum looks like, I think if it's a combination of cost reduction and referendum, that's great, but I think we need more revenue than just the strict bare minimum to get past the deficit.

Kay Eggert (Board President) 1:10:35

So, any anything else for today? Is that...?

Holly Burr (AASD Executive Director Of Finance) 1:10:41

No that—

Kay Eggert (Board President) 1:10:41

Okay.

Holly Burr (AASD Executive Director Of Finance) 1:10:42

That was very helpful. And—

Ed Ruffolo (Board Member) 1:10:46

I'll just add one more comment. I would like to avoid to the extent possible, looking at things like cutting compensation and benefits to current employees. If we have to reduce programs, and that means reducing staff, that's one thing, but for the teachers that are here and working, or all of our employees, it's really not the employees' job to meet the budget. That's not their responsibility. It's we need to pay a competitive—offer a competitive compensation package, or to what Jason was talking about, we're just hurting ourselves in the long run. So, I'm a little leery of, well, let's freeze all raises, or let's cut a lot of benefits, because then we're not in a competitive position. We need to be competitive to continue to thrive.

Greg Hartjes (Superintendent - AASD) 1:11:42

And I think that's a question that goes to board member Kolpack's point about asking for more than the bare minimum, because the bare minimum to just get us out of our current deficit doesn't build in compensation increases for the future, or health plan increases, which we know are eight to 10% every year. So that is a good point for both of you to keep in mind.

Kay Eggert (Board President) 1:12:12

We will likely learn more about the potential bills that are going to be circulating about referendums and maybe some adjustments to the proposed budget. So, every day is an option, a potential for some new, exciting information. So, stay tuned on that for sure. Words matter.