

SCHOOL DISTRICT OF HARTFORD JOINT NO. 1

DEDICATED TO THE SUCCESS OF EACH STUDENT

CITY OF HARTFORD, TOWNS ADDISON, ERIN, HARTFORD – WASHINGTON COUNTY • TOWNS ASHIPUN, RUBICON – DODGE COUNTY
HARTFORD, WISCONSIN 53027

June 25, 2010

Dear Staff:

The purpose of this letter is to provide information about the educational decisions affecting the School District of Hartford J1. In this letter, you will find information about the addition of 4 year-old-kindergarten (4K) to our schools.

First and foremost, 4K is an educational program to enhance student achievement.

Without exception, our primary focus is student achievement. Early childhood education is an important resource that can impact learning. According to the Wisconsin Department of Public Instruction (DPI), in the 2009-10 school year, 335 districts (79 %) offered a 4K program.

As the communities served by our schools grow and change, the demographics of our students change as well. This year:

- 19% of our students have special education needs, several percentage points above the State average.
- Fourteen languages are spoken by our families, and 7% of our students are English Language Learners (ELL).
- In our three schools, between 30% and 45% of our students qualify for free or reduced-price school meals because of low family incomes.

These indicators demonstrate that we have a growing diversity of student learning needs. After thoughtful decision-making, the Board of Education approved the addition of 4K with a parent outreach component beginning in fall 2010. The 4K program is regulated by Wisconsin State Statutes, and among other things requires the District to ensure:

- Each child is taught by an appropriately licensed teacher.
- The 4K program is open and accessible to all resident, eligible children without cost.
- All applicable school district standards in Wis. Stats. § 121.02 are met.

The Hartford J1 4K program will include a parent outreach component that emphasizes and recognizes that: a) parents are their children's first and most important teachers and b) parents are partners in the educational process. Outreach activities will be designed to enhance the Hartford J1 program.

In light of recent financial difficulties, it may seem contradictory to add a program while reducing in other areas. Student achievement is the priority and financial considerations are also important. The Board and administration have reviewed the short and long-term financial implications of adding the 4K program. The following information explains the anticipated affect on the District's budget, especially how increased enrollment may increase the proportion of District revenue that comes from State aid versus local property taxes.

CENTRAL SCHOOL
1100 Cedar Street
Hartford, WI 53027
Phone: 262/673-8040
FAX: 262/673-7596

LINCOLN SCHOOL
755 South Rural
Hartford, WI 53027
Phone: 262/673-2100
FAX: 262/673-0148

ROSSMAN SCHOOL
600 Highland Avenue
Hartford, WI 53027
Phone: 262/673-3300
FAX: 262/673-3543

DISTRICT OFFICE
675 E. Rossman Street, Hartford, WI 53027
District Administrator 262/673-3155 FAX: 262/673-3548
Business Manager 262/673-9033 FAX: 262/673-3548
Pupil Services Dir. 262/673-8042 FAX: 262/673-8045

How will the addition of 4K affect the budget overall?

The initial non-reimbursable start-up costs for supplies, insurance, transportation, rent and miscellaneous (approximately \$133,000) will be taken from fund balance, because this is a one-time use of those funds. State, Federal and categorical aids and approved grant dollars will offset the majority of the costs in the second year of the program. Fund balance is a Board directed fund reserved for unanticipated expenses, such as capital improvements; for avoiding the need to borrow during short-term cash flow shortfall; and for program start-ups or one-time expenses. Ultimately, the program will be supported like other programs, through the general fund.

Currently, our school district is roughly equally funded by State aid and local tax levy. Revenue is limited by the revenue limit formula applied to all Wisconsin school districts set by the legislature, and each district's revenue limit is unique based on local factors. Under the formula, State aids for each district are based on prior year costs and prior year enrollment. Obviously, in the first year a program is implemented, there are no prior year costs or enrollment; therefore the State will not share directly in its first year costs, thus the reliance on fund balance. The State and other funding sources will take the costs of 4K into account when calculating State aid for the second and subsequent years of the 4K program, making any future transfers from fund balance unlikely.

There are many details related to the calculation of State aid that we will receive in future years. Some of the relevant factors are:

- The State-imposed revenue limits are based on a rolling three year enrollment average. With the addition of 4K, we anticipate adding 125 students this fall, and we anticipate welcoming similar numbers of new 4K students in future years. Due to the three year rolling average, the revenue limit impact of adding 125 students next year will credit the District for 1/3 of this added enrollment in the first year, and 2/3 next year; these added students will be wholly credited in calculating the District's revenue limit by the third year.
- The four-year-old program will be offered half-days (considered 50%) with a 10% parent component. Each enrolled student will be considered a 60% full-time student or full-time equivalent (FTE) for purposes of both the revenue limits and calculating State aid.
- Adding more students to the same property tax base results in less equalized value supporting each student. State aid increases as property value (equalized value) per student decreases, and this should mean more general equalization aid for the district.

What is the local tax implication?

If a greater share of revenue will come from the State, a lower share may have to be raised locally through property taxes. While the revenue limit caps what we can collect overall, adding 4K may alter the proportion from each source.

This is an important consideration. We know taxpayer tolerance for property tax increases is always a challenge. The State limits the amount of revenue a district can raise through a combination of State aid and local property taxes for that very reason.

For the just-completed school year, most school districts taxed to the allowable limits, as did Hartford J1. Again this year, the State aid allocation per student will not increase, which will place continuing pressure on all districts in the State to hold property tax increases to responsible levels.

It is the School Board's responsibility to balance the budget, within the allowable revenue limit, and in consideration of the local community's ability to pay taxes. While there are costs associated with 4K, it is projected that 4K will increase District enrollment and FTE, and therefore increases our district's relative share of State aid, which in the long view may help the District's property tax rate.

In light of these two critical factors – the importance of early childhood education and the long-term financial analysis, the Board decided that adding 4K at this time is a prudent decision. Of course, projections could change: for example, if enrollment declined in other grades during those three years state aid projections would change. However, Hartford J1 has seen population growth over the last several years and projections indicate this trend will continue.

3rd Friday Enrollment

Year	2005	2006	2007	2008	2009
Enrollment	1681	1702	1719	1741	1781

The addition of 4K demonstrates the School Board and School District's commitment to student achievement, quality educational programming and fiscal responsibility in the School District of Hartford Jt. #1.

If you have additional questions, please feel free to contact me at your convenience.

Sincerely,

Mark

Mark Smits, Ph.D.
District Administrator