



2017-18 Preliminary Budget

Review for Public Hearing

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Director of Business & Finance**

July 17, 2017

5:30 PM

Room 100, District Office

Budget Documents for Tonight

- Line-by-line copies of both revenue and expenditure budgets were distributed tonight and posted on the website.
- Each line includes the prior two years of spending:
 1. 2016-17 budget
 2. 2016-17 year-to-date info
 3. Proposed 2017-18 budget
 4. Percent increase from 2016-17 to 2017-18 budget
- Community members prefer this format.

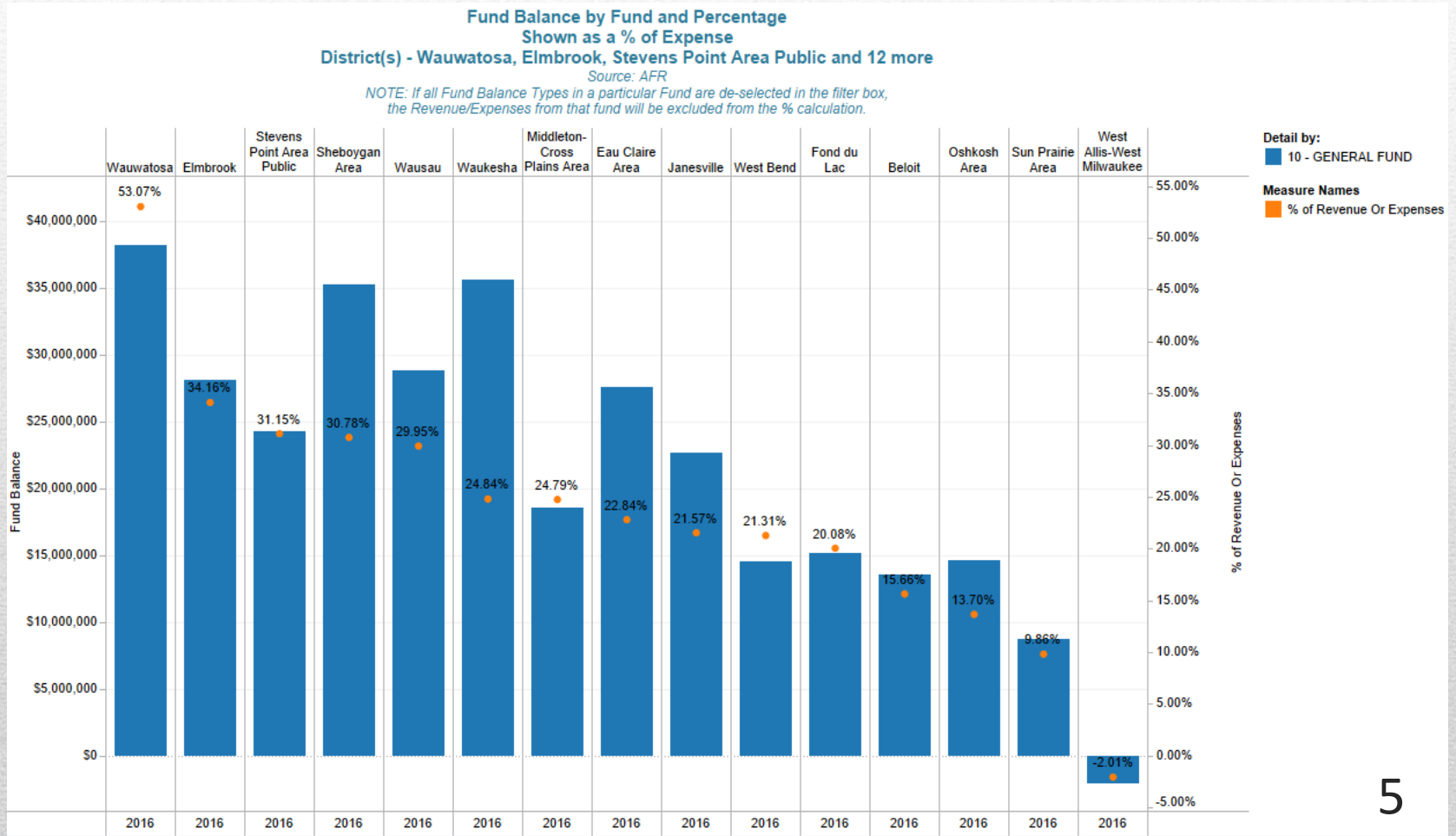
Budget Documents for Tonight

- Please remember the 2016-17 amounts are not final or audited.
- More revenue and expenses will get coded to 2016-17 as June bills arrive.
- Therefore, use caution and do not assume these numbers are final!
- A DPI official 65.90 budget format will be distributed when the financial audit is completed. The School Board will use this to approve the Proposed Budget.

Changes in Budgeting Practices

- Began budget process with identification of strategic goals.
- Senior Leadership Budget Team started budget process much earlier than prior years.
- District office completely moved toward zero-based budgeting (ZBB) in developing budgets.
- Greatest effort on staffing allocation to date.
- More focus on comparison budget data.

Fund Balance Comparison of Similar Sized Districts

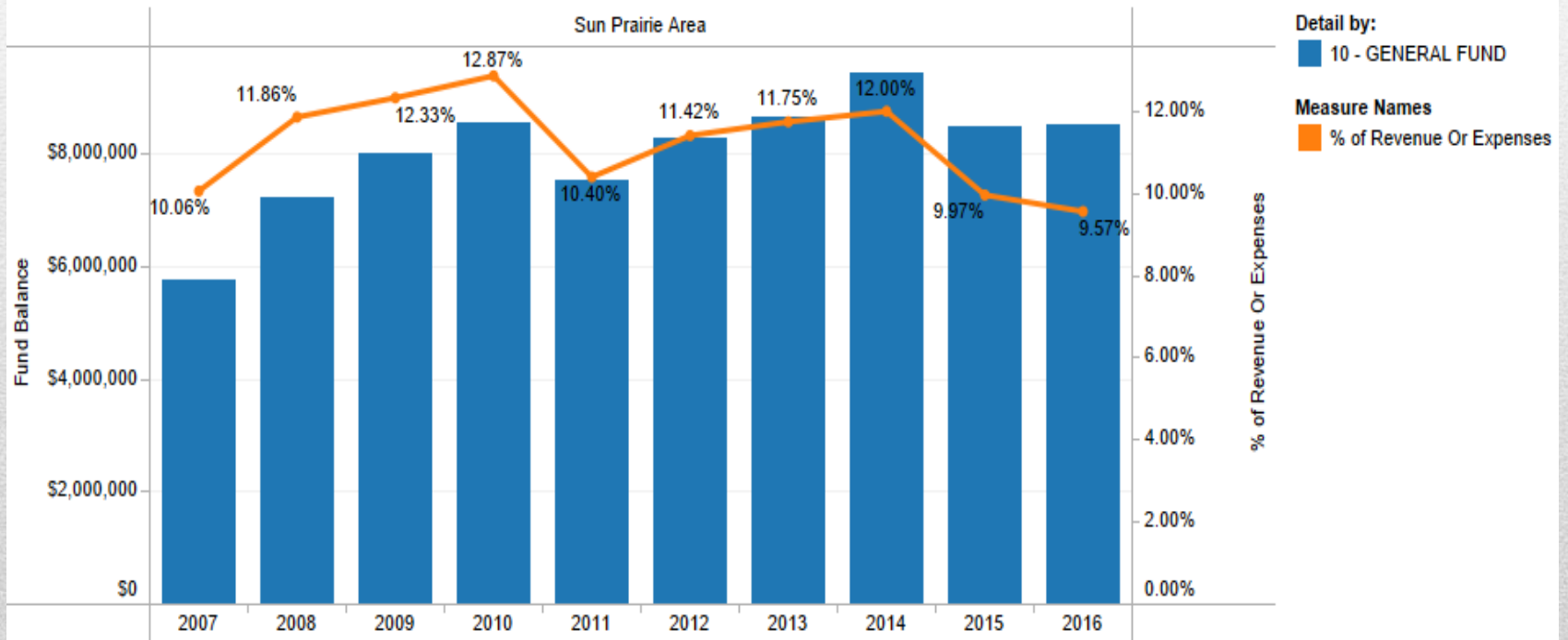


SPASD Fund Balance History

Fund Balance by Fund and Percentage
Shown as a % of Expense
District(s) - Sun Prairie Area

Source: AFR

NOTE: If all Fund Balance Types in a particular Fund are de-selected in the filter box, the Revenue/Expenses from that fund will be excluded from the % calculation.



SPASD Fiscal Landscape has Changed

- No longer under the revenue cap.
- No \$ increase to revenue cap by state.
- Three-year rolling enrollment average is a disadvantage to SPASD:
 - ✓ Would receive \$1,300,000 more based on current enrollment.

Revenue Cap Calculation

DPI's 3-Year Rolling Average on Revenue

Enrollment (membership) Counts

2014: 7,760

2015: 7,995

2016: 8,072

3-Year Average: 7,942

Actual Enrollment 8,072

3-Year Ave Enrollment -7,942

Difference = 130

$130 \times \$10,616 = \$1,380,080$

SPASD should be receiving an additional **\$1,380,080** based on our current enrollment!

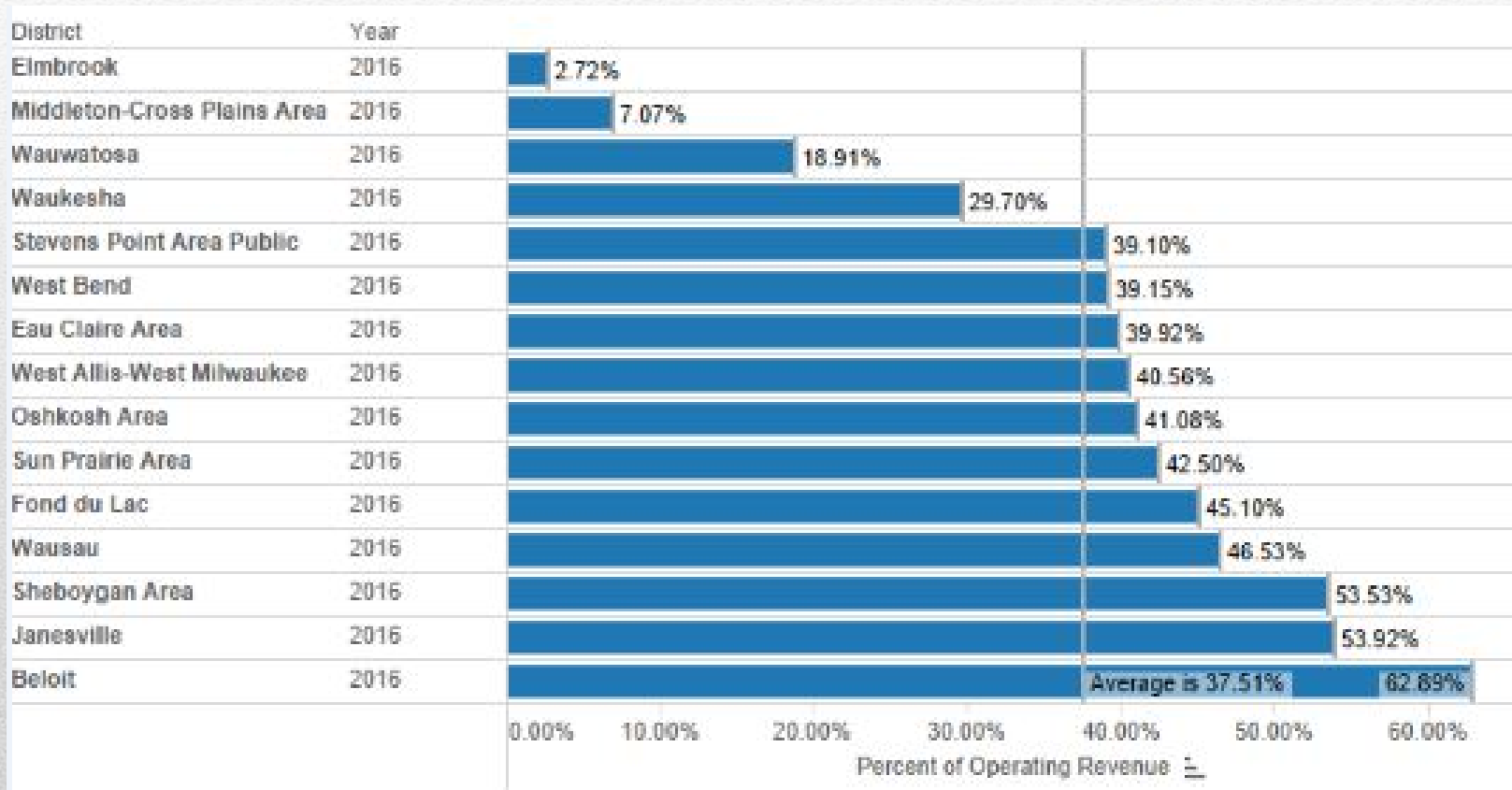
Budget Reallocations

- Due to the fiscal landscape changing, the district needed to reallocate budget dollars for 2017-18 budget year.
- \$2.3M of budget reallocation were approved by the School Board on March 27, 2017.
- All budget reallocations are part of the preliminary budget.

Equalized Aid

- The July 1 DPI estimate of equalized aid is \$47.6M.
- This is a 0.7% decrease or \$312,000 decrease.
- This shifts the burden of funding from the state to the local tax levy.

Equalized Aid Comparison of Similar Sized Districts



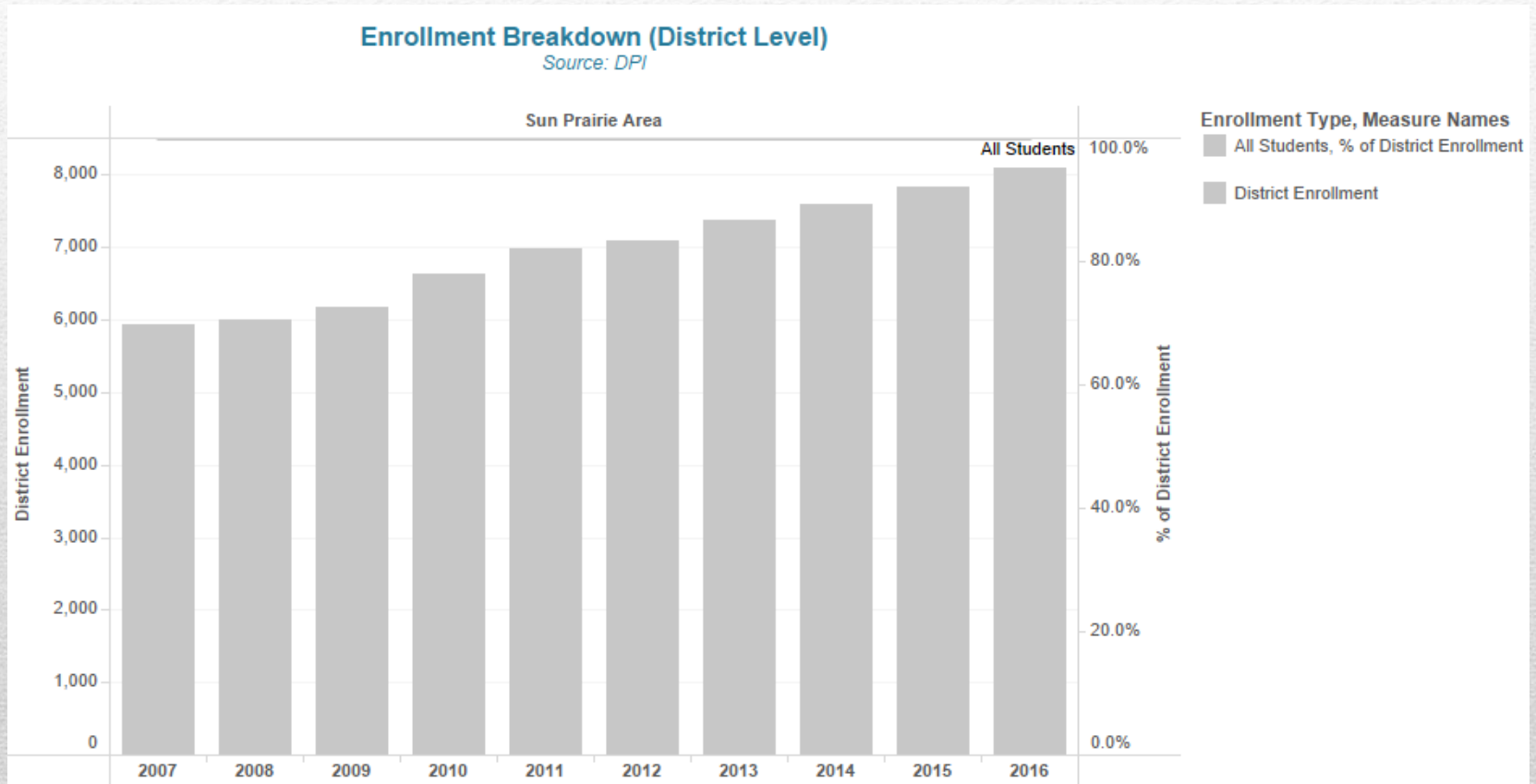
General Fund Revenue

- The State budget includes a \$90 per pupil aid increase to SPASD; this translates into an increase of approximately \$750,000.
- This amount may change with the final state budget.
- There are no other major changes in the revenue budget.

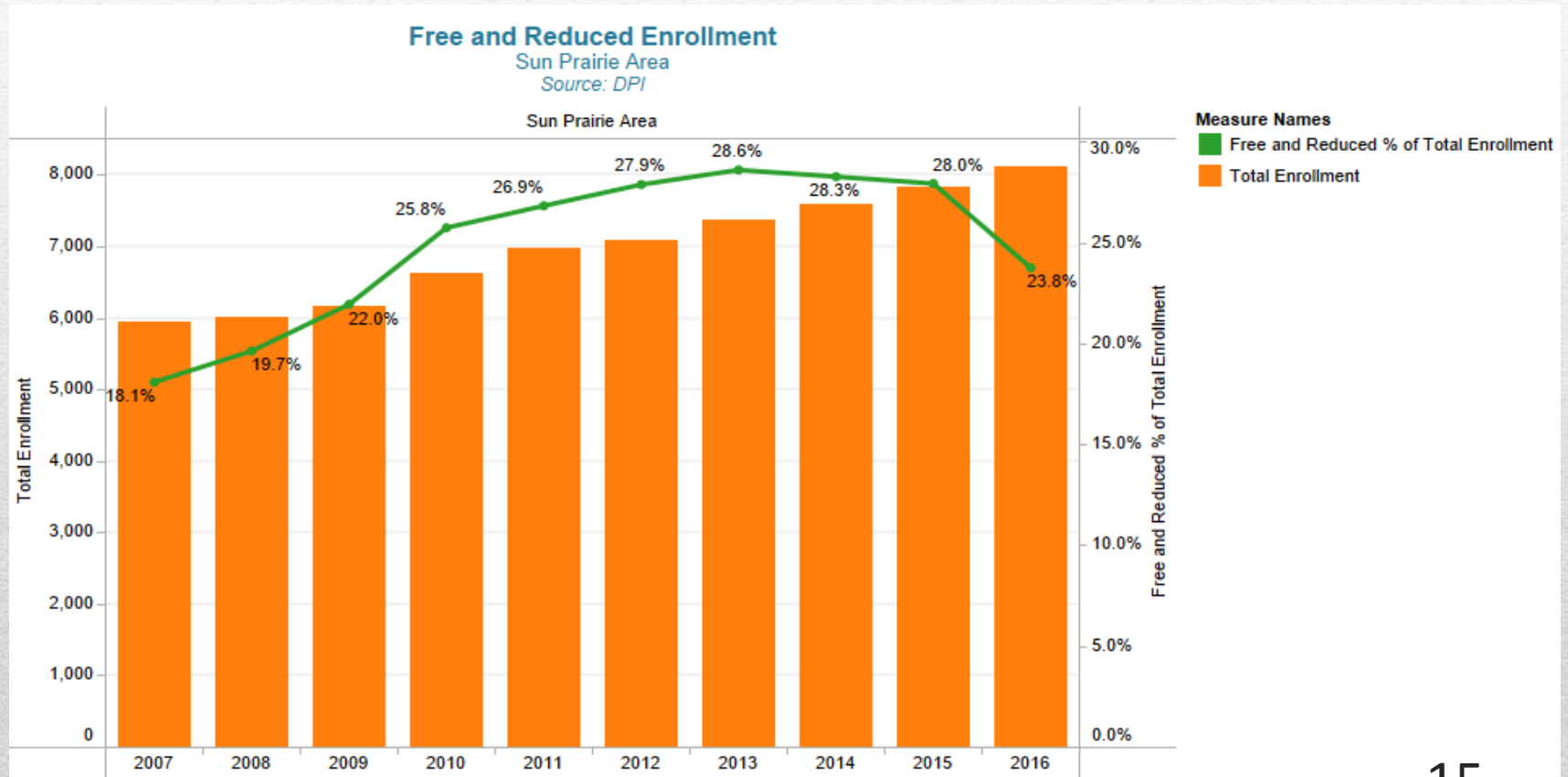
Enrollment*

- The Preliminary Budget is based on an increase of 48 students, or 0.6%.
- Enrollment is based on projections provided by the University of Wisconsin Applied Populations Lab.
- To be conservative, a factor of 70% of APL projection is used for enrollment growth.
- The district tracks enrollment daily over the summer
- In 2016-17, enrollment increased by 104 students, or 1.3%.

10-Year District Enrollment History



Free and Reduced Lunch % History



Strategic Budget Decisions

- \$400,000 increase to instructional material budget.
- \$300,000 planned increase to fund balance.
- \$30,000 increase to communication budget.
- \$450,000 increase to Fund 46 (Long-term Capital Improvements) using TIF closeout money.

Class Sizes

- Class size guidelines (non-AGR):

K: 18-21 1st: 19-22 2nd: 20-23

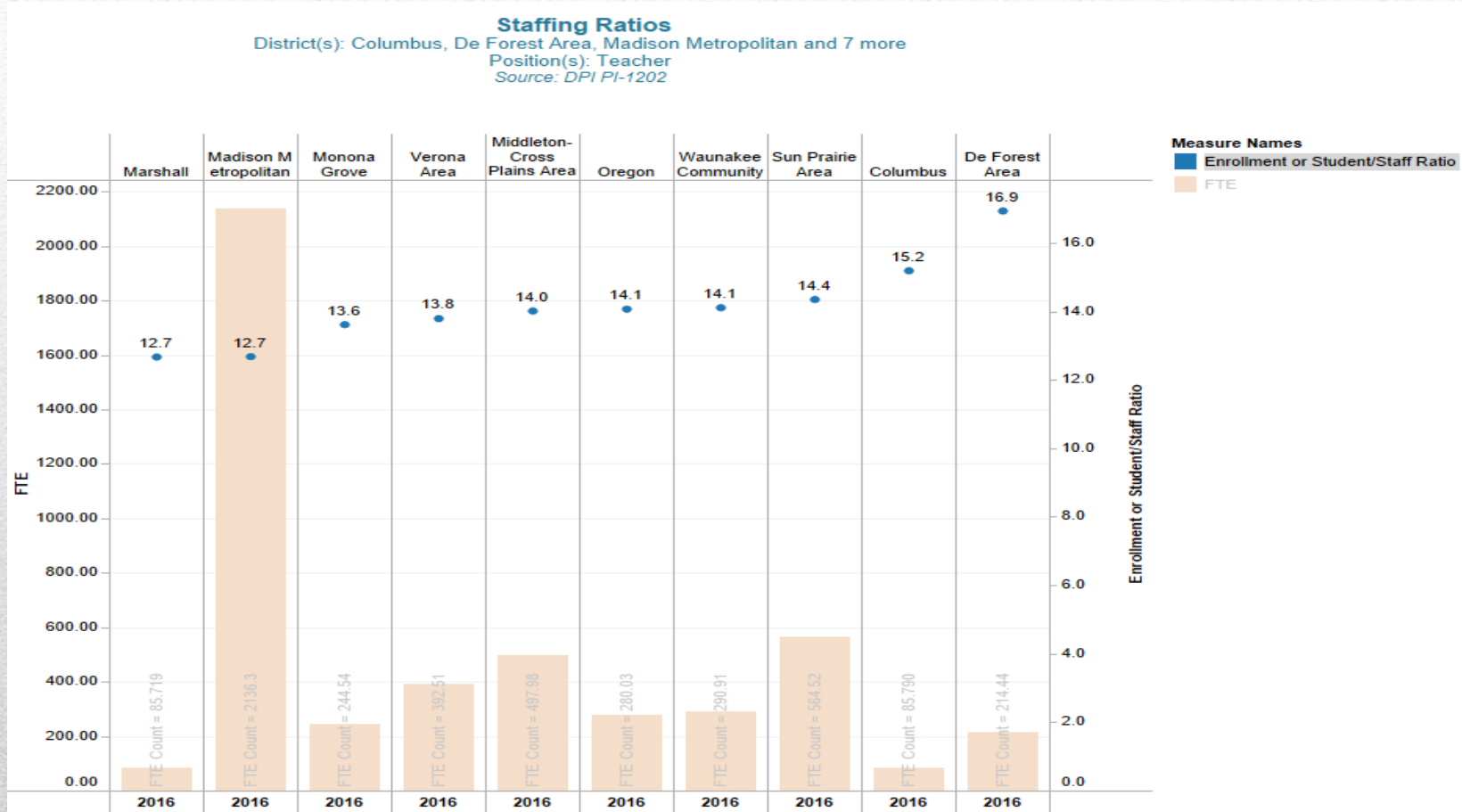
3rd: 23-26 4th: 24-27 5th: 25-28

- Middle school average ratio: 26:1
- High school average ratio: 25:1

Teaching & Learning Strategic Plan Goal

All students surpass their annual academic growth targets and graduate ready for success.

Teacher Staffing Comparison



Teaching & Learning Strategic Plan Goal

All students surpass their annual academic growth targets and graduate ready for success.

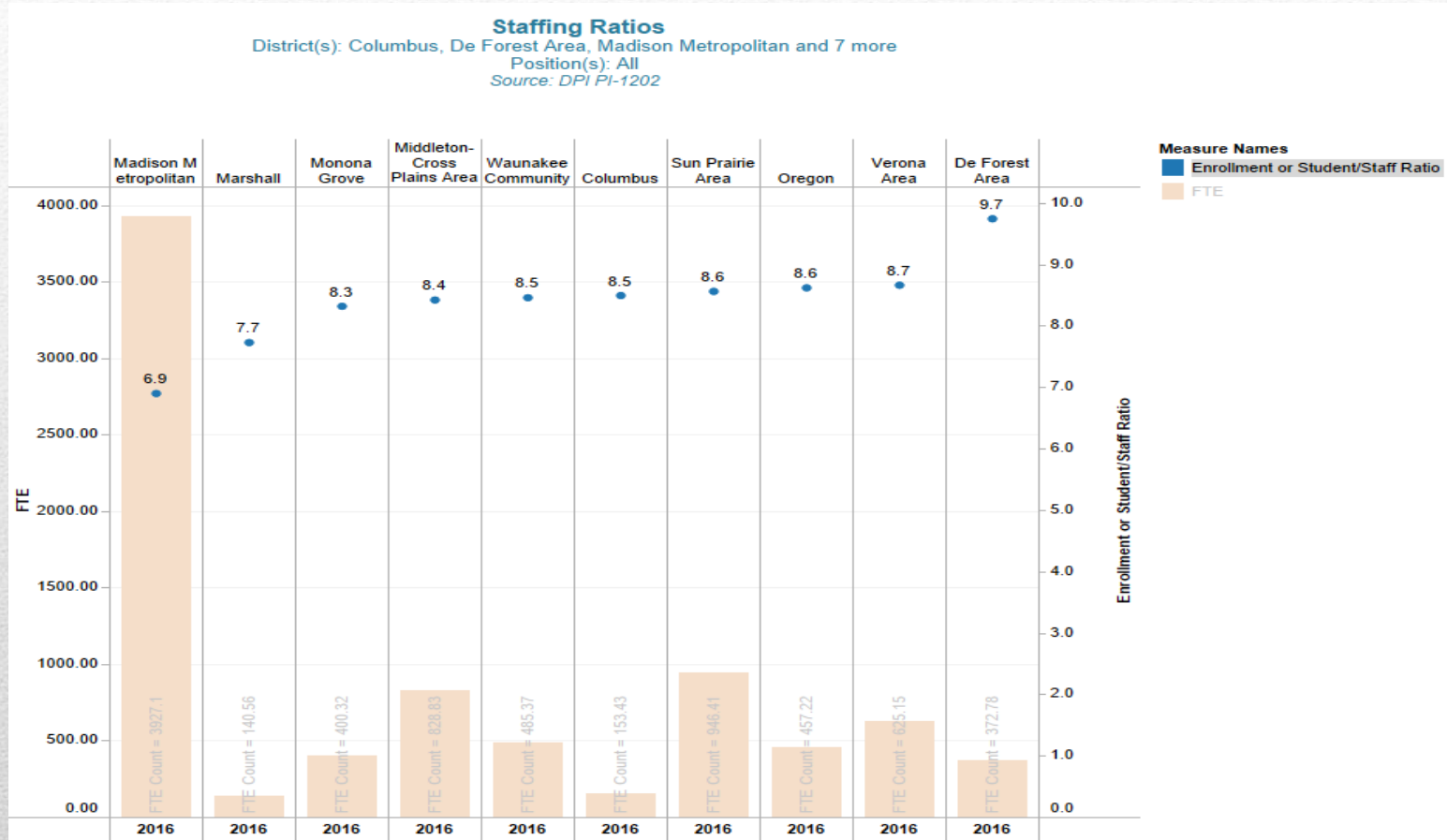
Staffing (FTE*) Changes

Enrollment Driven:	<u>FTE</u>	Transfer of Services	<u>FTE</u>
Elementary	5.7	Special ED	TBD
Middle School	3.2	ESL	TBD
Upper Middle School	-1.0		
High School	-1.9	Grant Funded	
Budget Reallocation Plan:		CEIS Psychologist	0.5
Instructional/Playground			
Aides	-14.0		
Support Staff (various)	-13.0		
Carpenter	-1.0		
GRAND TOTAL	-21.5		

Teaching & Learning Strategic Plan Goal

All students surpass their annual academic growth targets and graduate ready for success.

Total Staffing Ratios



Teaching & Learning Strategic Plan Goal

All students surpass their annual academic growth targets and graduate ready for success.

Budgeted Compensation Commitment

- The projected salary increase for all employee groups is \$1.2M.
- The projected benefit increase for all employee groups is \$500,000.

Workforce Focus

Proactively recruit, retain and engage talent that reflects and is responsive to our diverse community.

Budgeted Benefits Commitment

Effective January 1, 2018:

- Health insurance premium increase of 5%.
- Dental insurance premium will have no increase.
- WRS retirement contributions are budgeted for a decrease of 0.1 on 1/1/18.

Workforce Focus

Proactively recruit, retain and engage talent that reflects and is responsive to our diverse community.

Fund 10 Operating Budget

- Currently \$94,200,000.
- Revenues equal expenditures.

Debt Levy

- The debt levy is for voter-approved building projects.
- During the past 8 years, the district has saved \$10M in interest costs due to refinancing of outstanding bonds.
- The successful November 8, 2016 referendum is included in the 2017-18 debt levy.
- In total, the debt service budget is \$16.2M.

Fund 80 (Community Service)

- For Community Schools positions and partial salary for Performing Arts Center Assistant Manager.
- Currently budgeted at \$100,000; no change from 2016-17.

Community Engagement Strategic Plan Goal

Excel in how we serve all stakeholders and build relationships with families, community members, and businesses that promote positive outcomes for students.

Projected Total Levy Increase

- General Fund Levy increase: \$1,576,000; 4.4%
- Debt Levy increase: \$480,000; 3.1%
- Fund 80 increase: \$0; 0.0%
- Total Levy increase: \$2,056,000; 3.9%

Mill Rate

- Current projections have a 5% increase in property value.
- With a 5% property value increase, the mill rate would decrease 1.0% to \$12.32.
- The impact on a \$256,000 home would be a decrease in school taxes of \$31.
- The % increase will vary among the 11 district municipalities depending on each municipality's change in value compared to the other municipalities' change in value. The School District has no control over this and can only control the overall tax increase or decrease for the entire district.

Future

1. Continue to monitor 2016-17 and 2017-18 budgets and adjust as needed.
2. July 24: review Proposed Budget at School Board.
3. August 14 or 28: School Board acts on Proposed Budget.
4. October 2: School district holds Annual Meeting to set tax levy.
5. By October 31: School Board adopts Original Budget.

Questions?