

2016-17 Preliminary Budget Review for Public Hearing

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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. 2015-16 budget
 2. 2015-16 year-to-date info
 3. Proposed 2016-17 budget
 4. Percent increase from 2015-16 to 2016-17 budget
- ✓ Community members prefer this format.

Budget Documents for Tonight (cont.)

- ✓ Please remember the 2015-16 amounts are not final or audited.
- ✓ More revenue and expenses will get coded to 2015-16 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.

Revenue Cap Calculation

- ✓ This is the second year of the State budget, therefore the major State inputs on the budget are known.
- ✓ Historically the amount under revenue cap:
 - 2012-13 \$1.5M
 - 2013-14 \$0.9M
 - 2014-15 \$2.1M
 - 2015-16 \$0.2M
 - 2016-17 TBD, currently zero

SPASD'S FISCAL LANDSCAPE
HAS CHANGED

Revenue Cap Calculation

DPI Three-Year Rolling Average on Revenue

Enrollment Counts

2013-14:	7,545
2014-15:	7,760
2015-16:	7,995
3-year Ave:	7,767

Actual Enrollment

2015-16:	7,995
3-Year Ave:	<u>7,767</u>
Difference	228

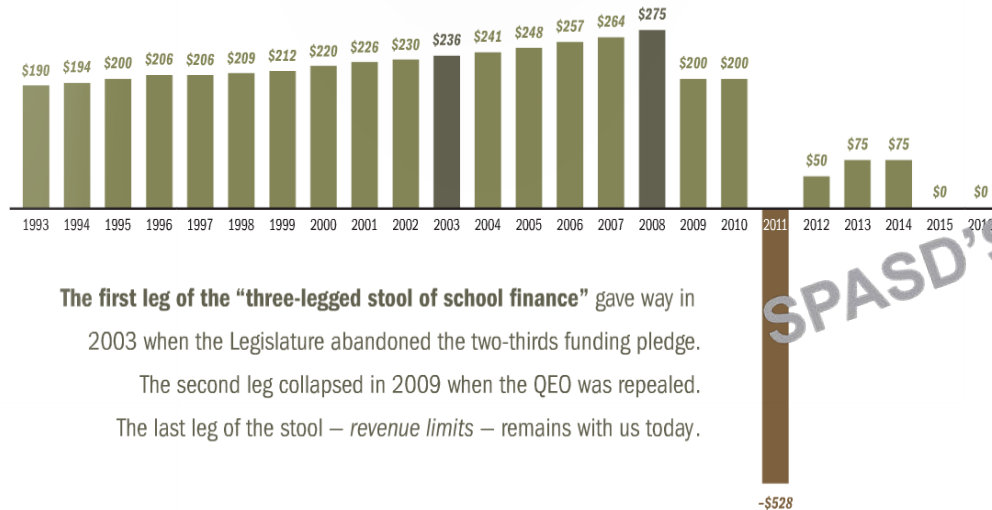
$228 \times \$10,306 = \$2,349,768$

SPASD receives \$2.3M less based on our current student enrollment!

Revenue Cap Calculation

No Per Pupil Increase

FIG. 1: Annual Change in Revenue Limits



The first leg of the “three-legged stool of school finance” gave way in 2003 when the Legislature abandoned the two-thirds funding pledge.

The second leg collapsed in 2009 when the QEO was repealed.

The last leg of the stool – *revenue limits* – remains with us today.

SPASD'S FISCAL LANDSCAPE HAS CHANGED

Equalized Aid

- ✓ The Department of Public Instruction (DPI) July 1, 2016 aid estimate is \$47,711,234; or a \$2.6M increase, which is a 5.9% increase.



General Fund Revenues

- ✓ The State budget includes a \$100 increase in the “Per Pupil” aid to SPASD; this translates into approximately \$800,000 increase.
- ✓ There are no other major changes in the revenue budget.
- ✓ The overall general revenue budget is \$91.9M, which is balanced with expenditures.

Enrollment*

- ✓ The Preliminary Budget is based on an increase of 200 students, or 2.5%.
- ✓ Enrollment is based on projections provided by the University of Wisconsin Applied Populations Lab and current trends.
- ✓ Administration will continue to track enrollment during the summer and adjust staffing accordingly.

* All student enrollments are based on full-time equivalency and are counted on the 3rd Friday in September.

Class Size

- ✓ Due to short-term space issues, class-size ratio have increased by one at the elementary level (if needed).

- ✓ 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.

Additions to the Budget

✓ Enrollment driven staffing increase:	15.8 FTE (Full-time equivalency)
✓ Transfer of Service (Special Ed & English as a 2 nd language):	4.0 FTE
✓ Strategic plan staffing increase:	2.5 FTE
✓ Grant Funded	0.6 FTE
✓ Fund 80 Community Schools	<u>2.0 FTE</u>
Grand Total	24.9 FTE

Teaching & Learning Strategic Plan Goal

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

New FTE Additions

Enrollment Driven:	<u>FTE</u>	Pupil & Instructional Services	<u>FTE</u>
**Elementary	-7.5	Psychologist	1.0
**Middle School	15.0	Social Worker	-0.5
Upper Middle School	-1.3	Counselor	1.0
High School	4.6	A.L.P.s	1.7
L-60: Playground Aides	-0.4	Instructional Coaches	0.2
Prior SB Commitment:		ESL	2.0
Groundskeeper	1.0	Transfer of Service	
Custodian	1.0	Special ED	3.0
PAC Assistant	0.5	ESL	1.0
		Grant-funded Social Worker	0.6
		Administrators	0.0
		Fund 80	
		Community School Manager	1.0
		Community School Coordinator	1.0
GRAND TOTAL	24.9		

** Includes changes for moving 5th grade to middle schools.

Teaching & Learning Strategic Plan Goal

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

Budgeted Compensation Commitment

- ✓ Professional Educators: Estimating 85% will earn a \$1,350 level movement, a placeholder of 2.3% or \$730,000 has been budgeted.
- ✓ Support Staff: Moving ahead one step as determined by support staff pay plan requires a placeholder of 2.2% or \$236,000.
- ✓ Administrative Support: 1) Hourly = Employees will move up a step as determined by pay plan. 2) Salaried = Increase in pay of 2.2%. Total salary increase = \$45,000.
- ✓ Administration: 2.2% has been budgeted which includes money for the estimated increase in professional growth. Total budget = \$83,000.

Workforce Focus

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

Budgeted Benefits Commitment

- ✓ Health insurance premium increase of 5.0% as of 1/1/17
- ✓ Dental insurance premium increase of 4% as of 1/1/17
- ✓ WRS retirement contributions are budgeted for a .01% increase

Workforce Focus

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

Additional Strategic Budget Decisions

- ✓ One-to-One (Chromebooks) at high school; all 5th-12th graders will have a Chromebook.
- ✓ Aggressive bidding of the transportation budgets.
- ✓ Limited open enrollment students due to space.

Budget Implications

- ✓ Due to severe strain on revenue that the State of WI has enacted.
- ✓ No staffing cut.
- ✓ \$750,000 needed to be reallocated in non-personnel district-level and building budgets to fall within the revenue limit.
- ✓ All non-enrollment driven staff hiring was held back unless previous School Board directed.

Overall General Fund Spending

- ✓ \$91.1M; which is a balanced budget with revenues.



Debt Levy

- ✓ The debt levy is for voter-approved building projects.
- ✓ Total outstanding debt is \$137M.
- ✓ Over the last 7 years, the district has saved \$10M in interest costs due to refinancing of outstanding bonds.
- ✓ In planning for future debt, the district will increase the debt levy by \$1.6 M. This will help to either go toward a successful November 8th referendum or to lower future debt needs.
- ✓ In total, the debt service budget is \$14.9M.

Facility & Operations Strategic Plan Goal

Facilities and services meet the needs of our diverse and growing student population and community.

Community Service (Fund 80)

- ✓ Includes \$30,000 increase for Community Schools positions; \$90,000 total budget.
- ✓ Includes \$10,000 for Performing Arts Center Assistant Manager for community usage time.
- ✓ Will increase tax levy by 0.07%.
- ✓ \$2.00 on \$224,000 home.

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

- ✓ In 2015-16, the total tax levy increased 5.4%

2016-17:

- ✓ General Fund Levy increase: \$273,000; 0.8%
- ✓ Debt Levy increase: \$1,300,000; 9.7%
- ✓ Community Service Levy increase: \$40,000; 67.0%
- ✓ Total Levy increase: \$1,600,000; 3.3%

Mill Rate

- ✓ Current projections have a 5% increase in property value.
- ✓ With a 5% property value increase, the mill rate would decrease 1.6%. The impact on a \$226,400 home would be a decrease in school taxes of \$47.
- ✓ 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 Budget Work

- ✓ Continue to monitor 2015-16 and 2016-17 budgets and make adjustments as needed. Please remember that some adjustments *will* happen. For example, utilities will be adjusted based on end-of-year totals.
- ✓ In August, the School Board approves the Proposed Budget.

Future Budget Work (Cont.)

- ✓ September 16: the district conducts the official enrollment count.
- ✓ October 1: the district receives the 2016 property value from DOR.
- ✓ October 3: the district presents the Proposed Budget to electors at the Annual Meeting (Electors will approve a tax levy.)
- ✓ October 15: the district receives the 2016-17 equalized aid amount from DPI.
- ✓ By October 31, the School Board adopts the Original Budget.

Questions?

