



# Middleton- Cross Plains Area School District

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**2011-12 Budget Hearing**



# Budget Hearing Agenda

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- School Finance / Budgeting Overview
  - Impact of the State's 2011-13 Biennial Budget
- Overview of 2011-12 Preliminary Budget
- What will this mean for the school district tax payers?
- Questions regarding preliminary budget and tax levy?



# 2011-13 State Budget Summary and K-12 Education Impact

- Reduced general aid to schools by \$749.4 million over the biennium
- Reduced revenue limit per pupil by 5.5% in 2011-12 (\$-588.11 for MCPASD)
- Required public sector employees to contribute 50% of total payments to Wisconsin Retirement System
- Reduced or eliminated a number of categorical aid appropriations
- Significantly changed public sector collective bargaining



# Revenue Limit Explanation

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## **The revenue limit:**

- is the maximum amount that a school district may raise through general state aid and the property tax levy

## **The revenue limit is determined using:**

- district's prior year revenue limit base
- student enrollment **averaged over a period of three school years**
- a per-student adjustment set by the Legislature
- there are several exceptions to the revenue limit



# 2011-12 Preliminary Budget Revenue Limit Overview

## **Student Enrollment (Membership):**

- 2011-12 Preliminary Budget based on a K-12 enrollment increase of 100 and enrollment generated from the new 4K program
- Unofficial enrollment numbers (as of September 12<sup>th</sup>) reflect a 50 student increase in K-12 resident enrollment (membership) from 2010-11 and a 4K resident enrollment of 294

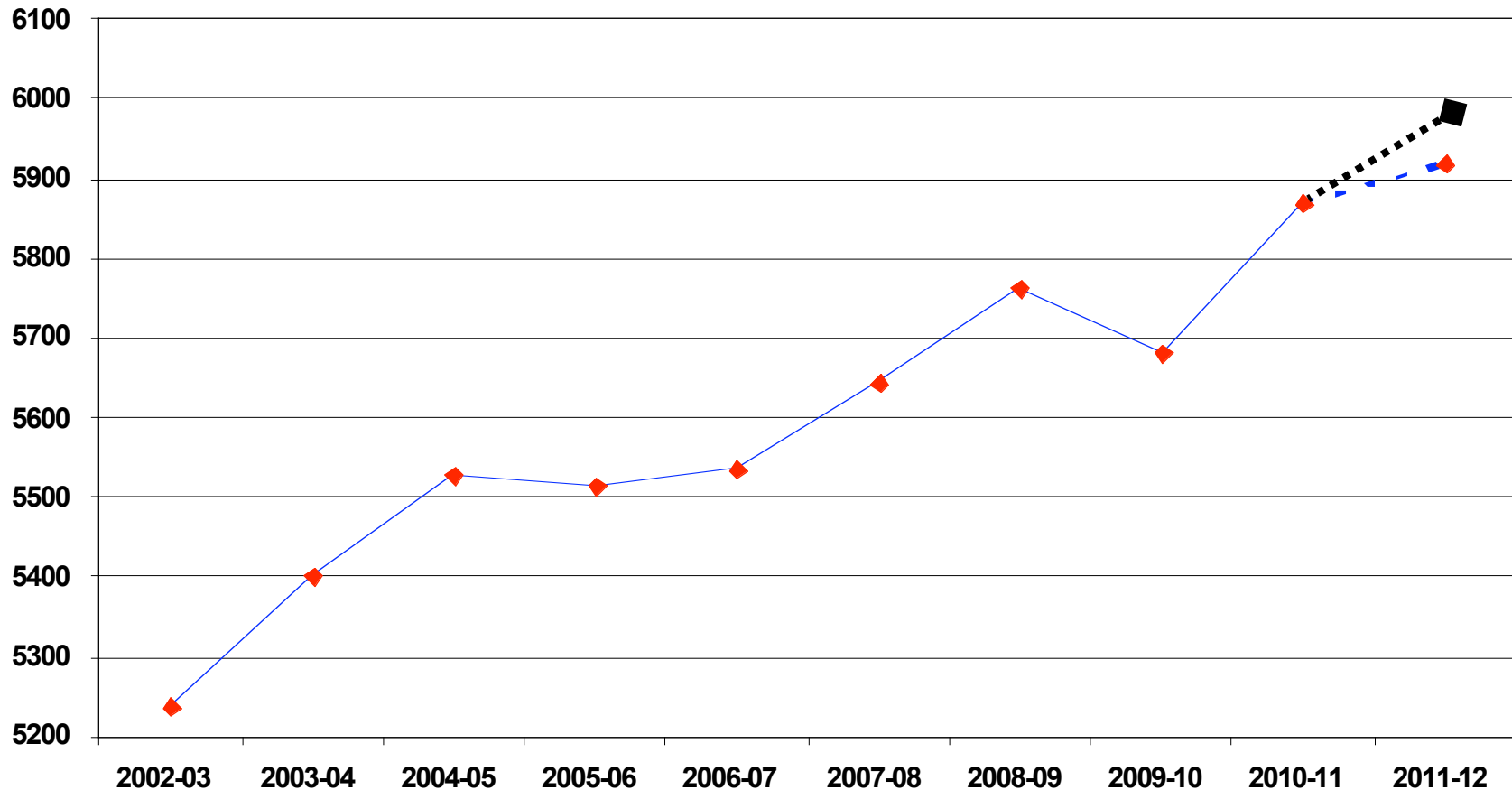
## **Per Student Adjustment:**

- Decrease of \$588.11 per student for 2011-12 (5.5% decrease)
- 2010-11 increase was \$200 per student (1.9% increase)



# K-12 Student Enrollment

(District Residents - does not include open enrollment students)

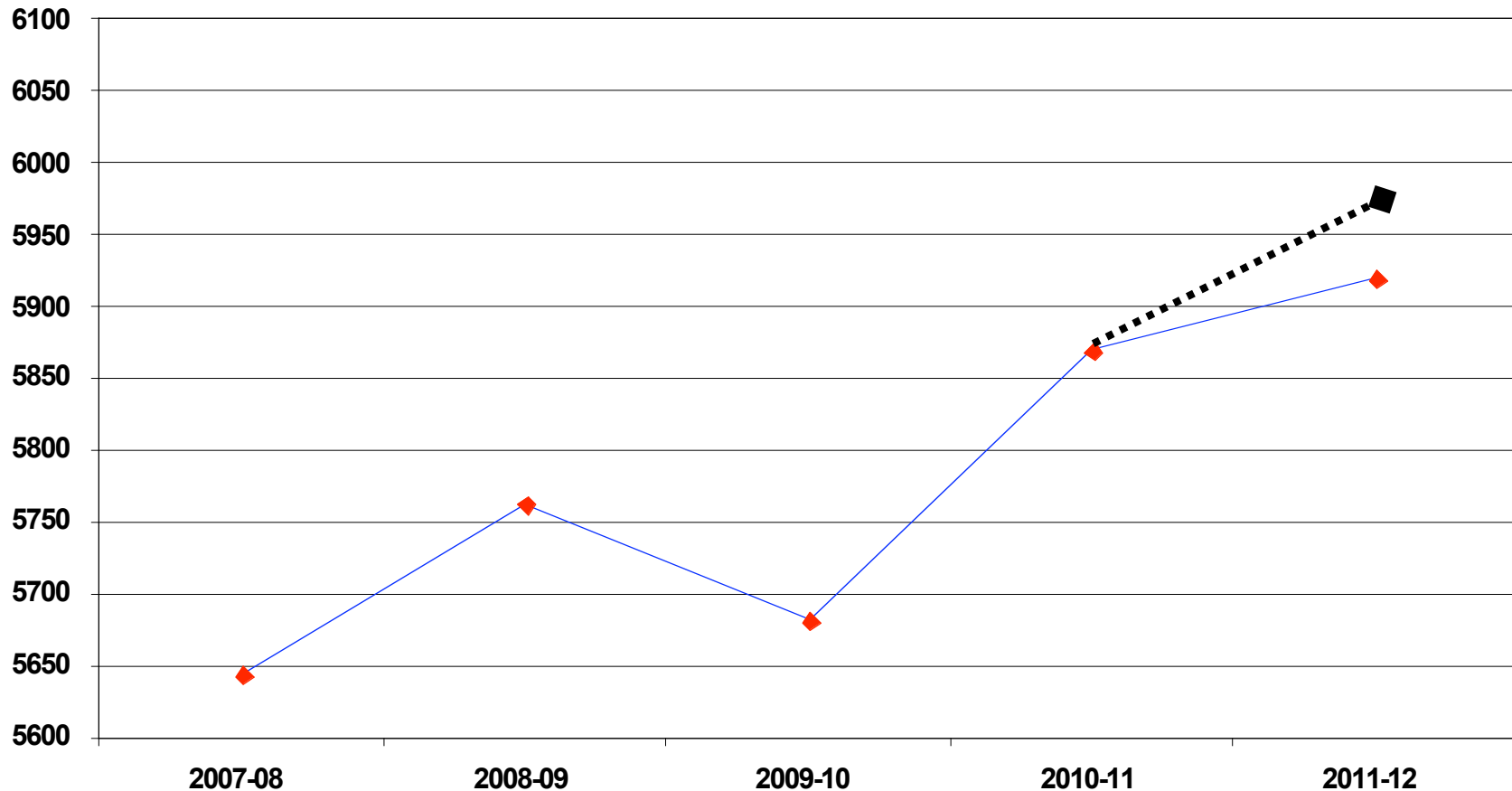


..... Projected (for budget development purposes)

..... Unofficial Count (as of Sept 12, 2011) - includes 21<sup>st</sup> Century eSchool. Does not include 4K enrollment



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# Revenue Limit History

Year	Per Member Adjustment	% Change <sup>1</sup>	Revenue Limit \$ Change	% Change
2005-06	\$248.48	2.73%	\$2,630,740	5.30%
2006-07	\$256.93	2.74%	\$2,193,590	4.20%
2007-08	\$264.12	2.73%	\$2,096,127	3.85%
2008-09	\$274.68	2.76%	\$2,582,533	4.57%
2009-10	\$200.00	1.95%	\$1,810,781	3.06%
2010-11	\$200.00	1.91%	\$2,319,504	3.82%
<b>2011-12</b>	<b>-\$588.11</b>	<b>-5.50%</b>	<b>-\$1,789,334<sup>2</sup></b>	<b>-2.85%<sup>2</sup></b>

<sup>1</sup> Change from prior year revenue limit base per member

<sup>2</sup> Estimated



# State Equalization Aid Explanation

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## What is State “Equalization” Aid?

Equalization aid is education revenue that comes directly from the state to support the operations of public school districts.

## The State Aid system’s design and intent:

- to “*level the playing field*” or **equalize** the amount of school property taxes paid by residents throughout Wisconsin
- more property wealth = less state aid
- less property wealth = more state aid



# State Equalization Aid Explanation

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## **How is the amount of aid for each district determined?**

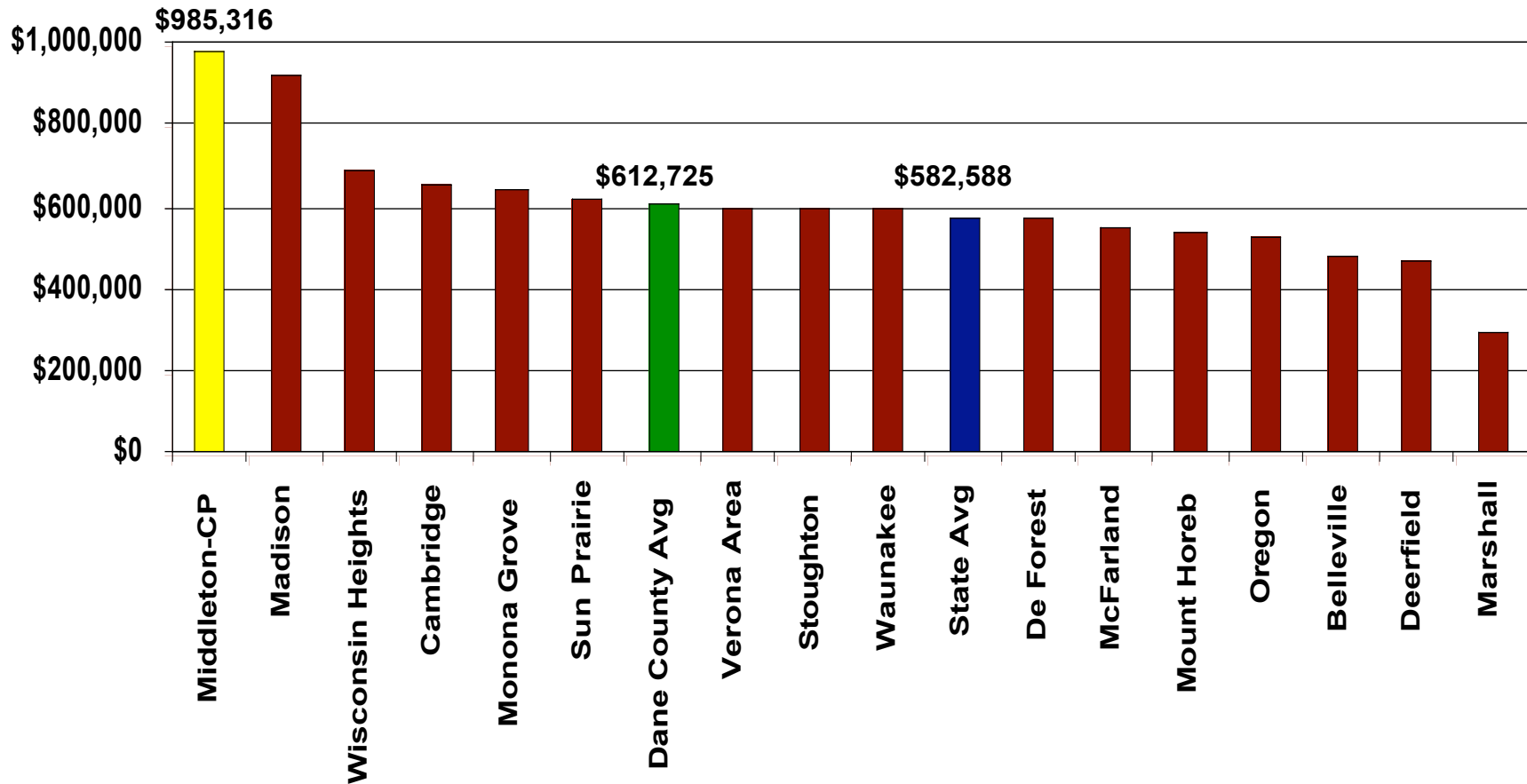
By using the “**equalization aid formula.**”

## **How much equalization aid does our district receive?**

Our district’s high property value per student means a lower state share of funding (MCPASD’s share of state equalization aid per student is less than one-half of the state average).



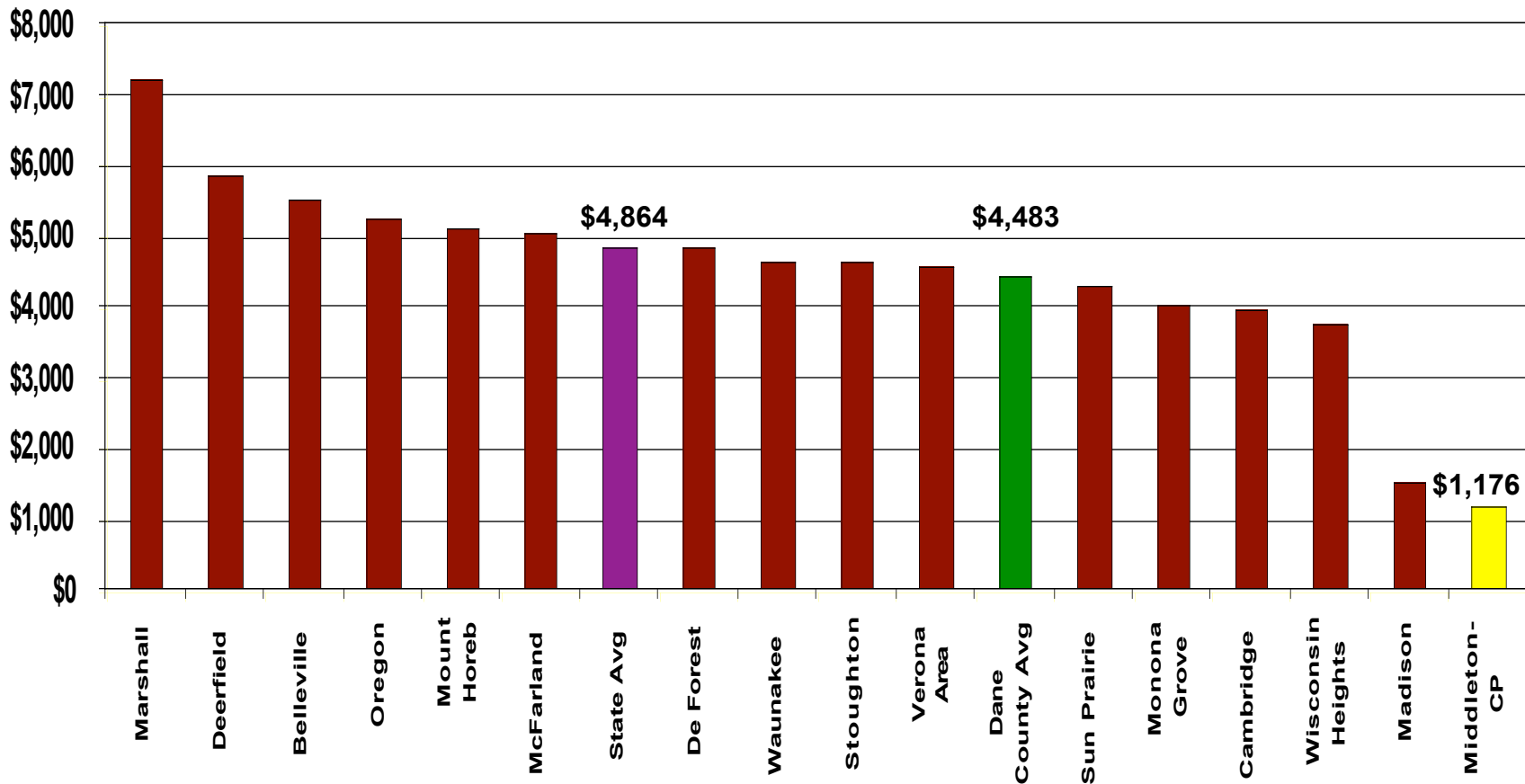
# Property Value Per Student Dane County School Districts (2009-10 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



# Equalization Aid Per Student Dane County School Districts (2009-10 Fiscal Year Data)

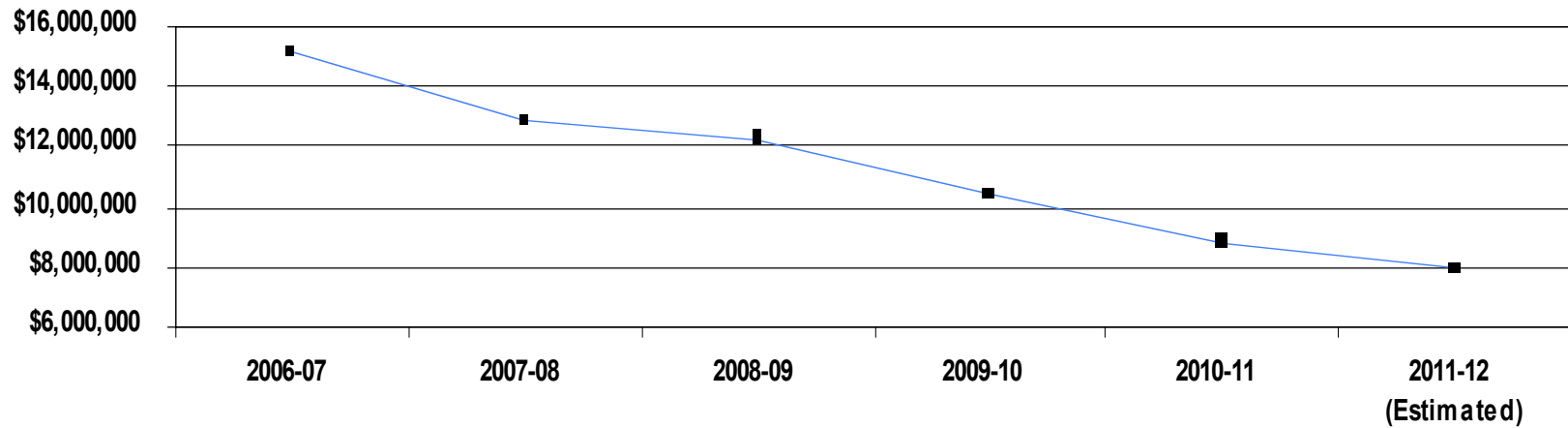


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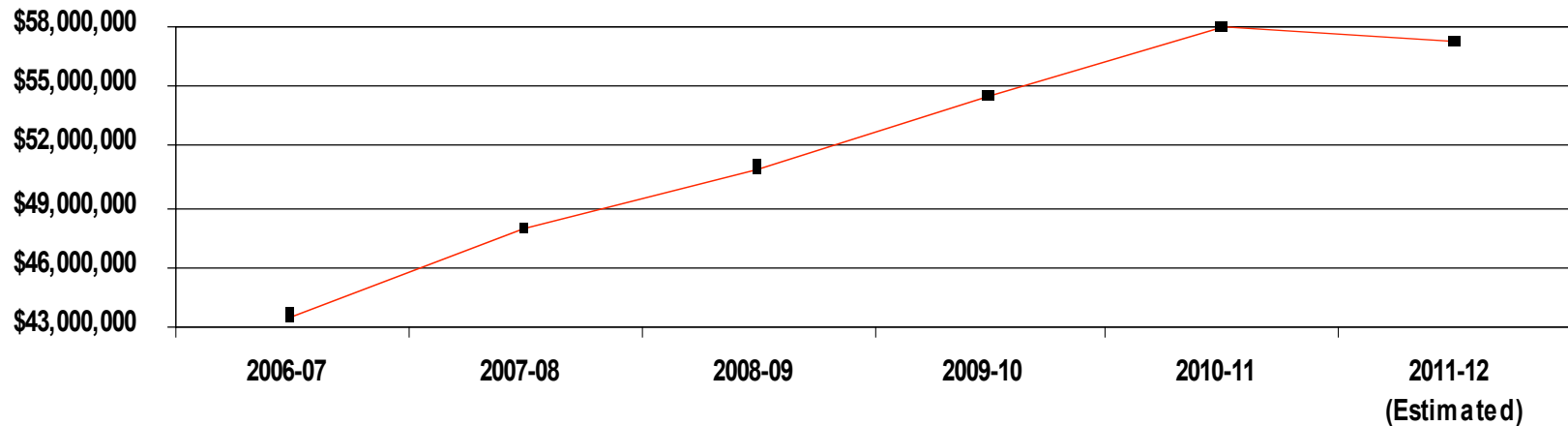


# State General Aid History 2006-07 through 2011-12

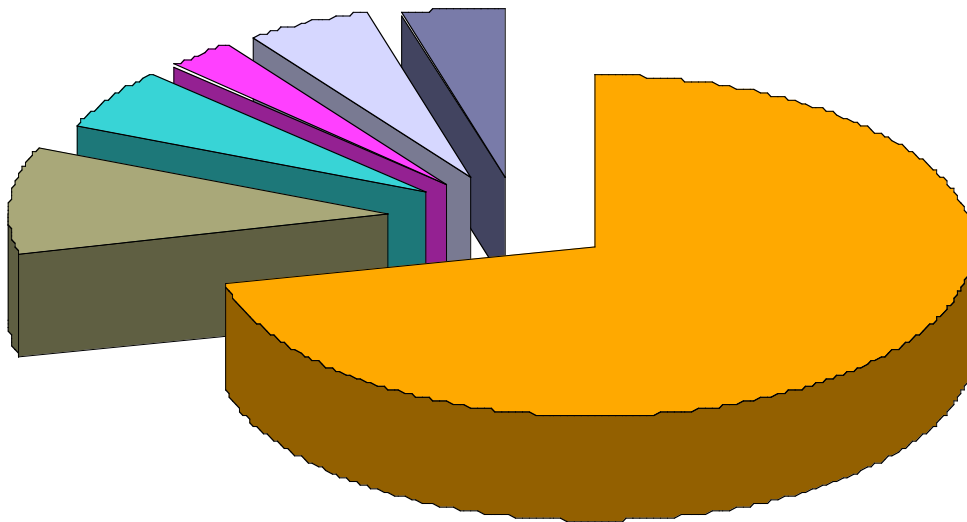
State General Aid



Property Tax Levy



# 2011-12 Revenue Budget (not including interfund transfers)



■ Property Taxes 71.4%

■ State General Aid 9.9%

■ Other Revenue Sources 5.8%

■ Federal Aid 3.1%

■ Other State Aid 5.3%

■ Other Local (Non-Property  
Tax) Revenue 4.5%

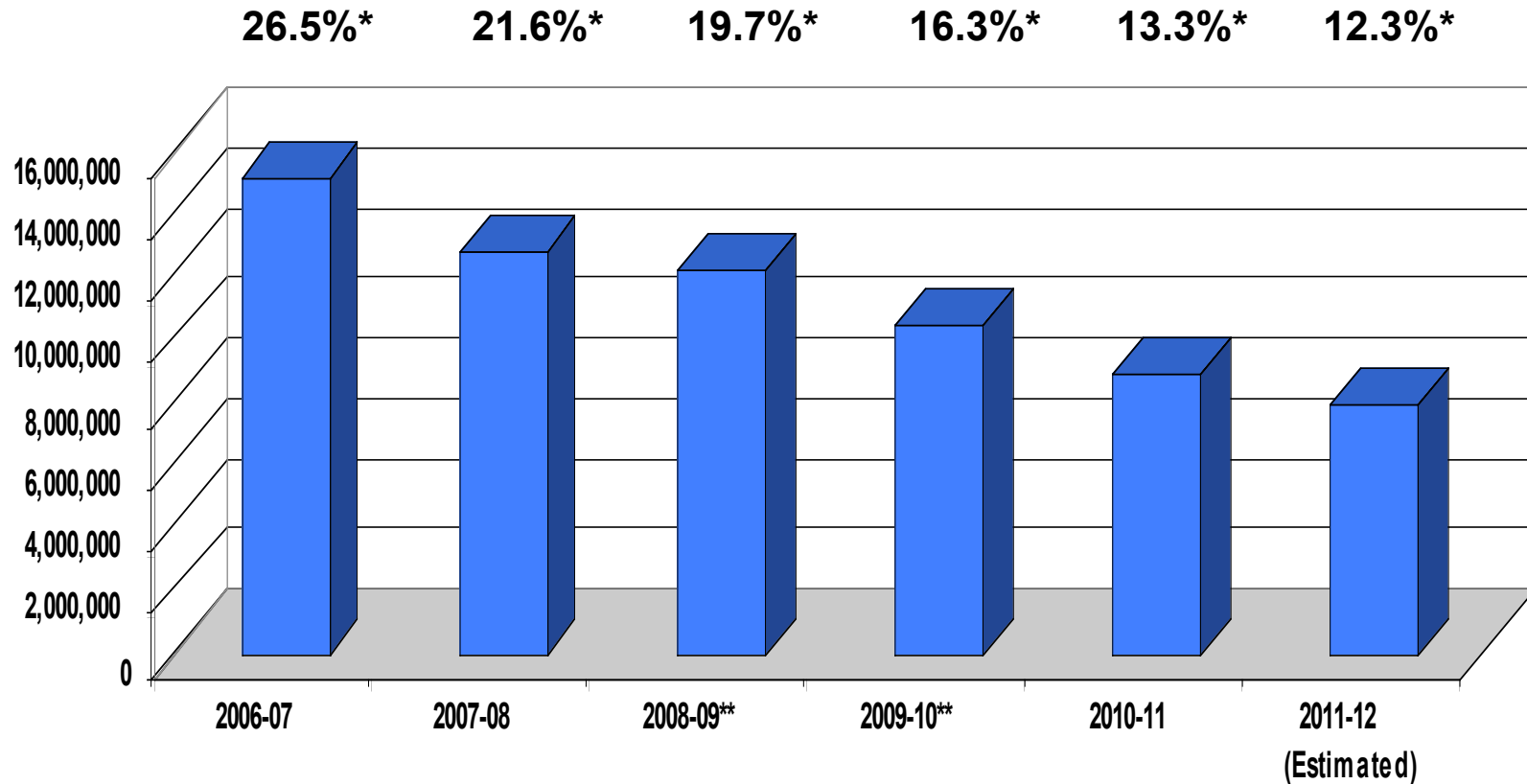


# 2011-12 Revenue Budget Highlights

- 10% Estimated Reduction in State General Aid (\$0.9 million)
- State Categorical Aid Estimated Reductions (\$95,000)
  - Special Education
  - Transportation
  - Library (Common School Fund)
- Open Enrollment Tuition



# State General Aid History 2006-07 through 2011-12



\* State General Aid as a percentage of General Fund revenues (adjusted in FY 2006-07 for revenue generated through sale of surplus property)

\*\* Includes Federal Stabilization Fund Aid



# 2011-12 Revenue Budget Highlights

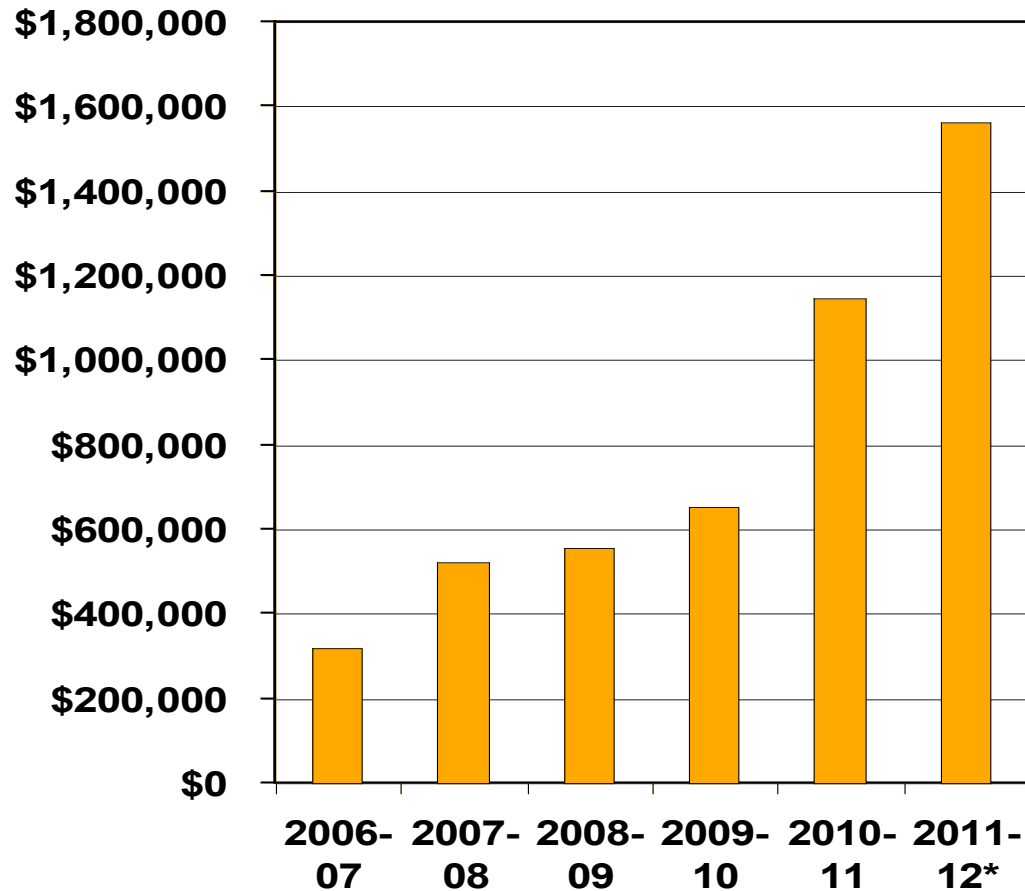
- 10% Estimated Reduction in State General Aid (\$0.9 million)
- State Categorical Aid Estimated Reductions (\$95,000)
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# Non-Resident Open Enrollment Tuition Revenue

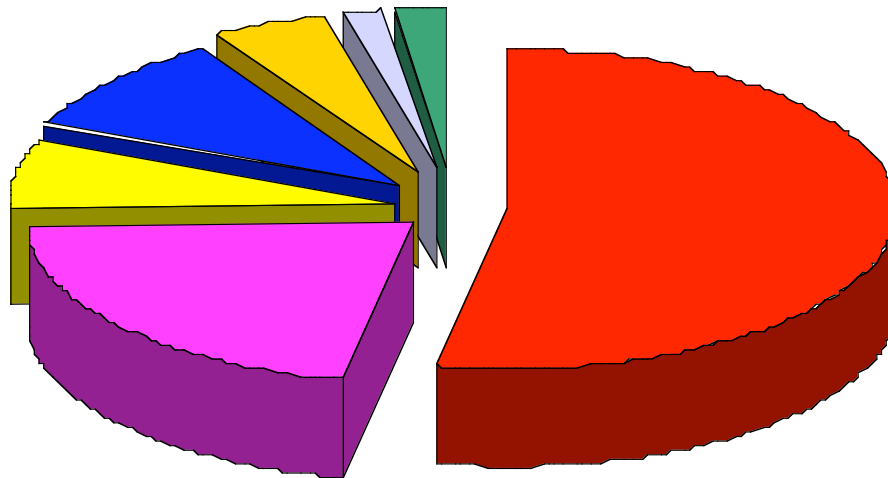
- 2011-12: \$1,565,000\*
  - 225 Students (\$6,948)\*
- 2010-11: \$1,144,949
  - 177 Students (\$6,665)
- 2009-10: \$651,331
  - 104 Students (\$6,498)
- 2008-09: \$554,375
  - 92 Students (\$6,225)
- 2007-08: \$521,655
  - 94 Students (\$6,007)
- 2006-07: \$318,895
  - 57 Students (\$5,845)

\*Estimated (includes 21<sup>st</sup> Century eSchool but not the 4K program)



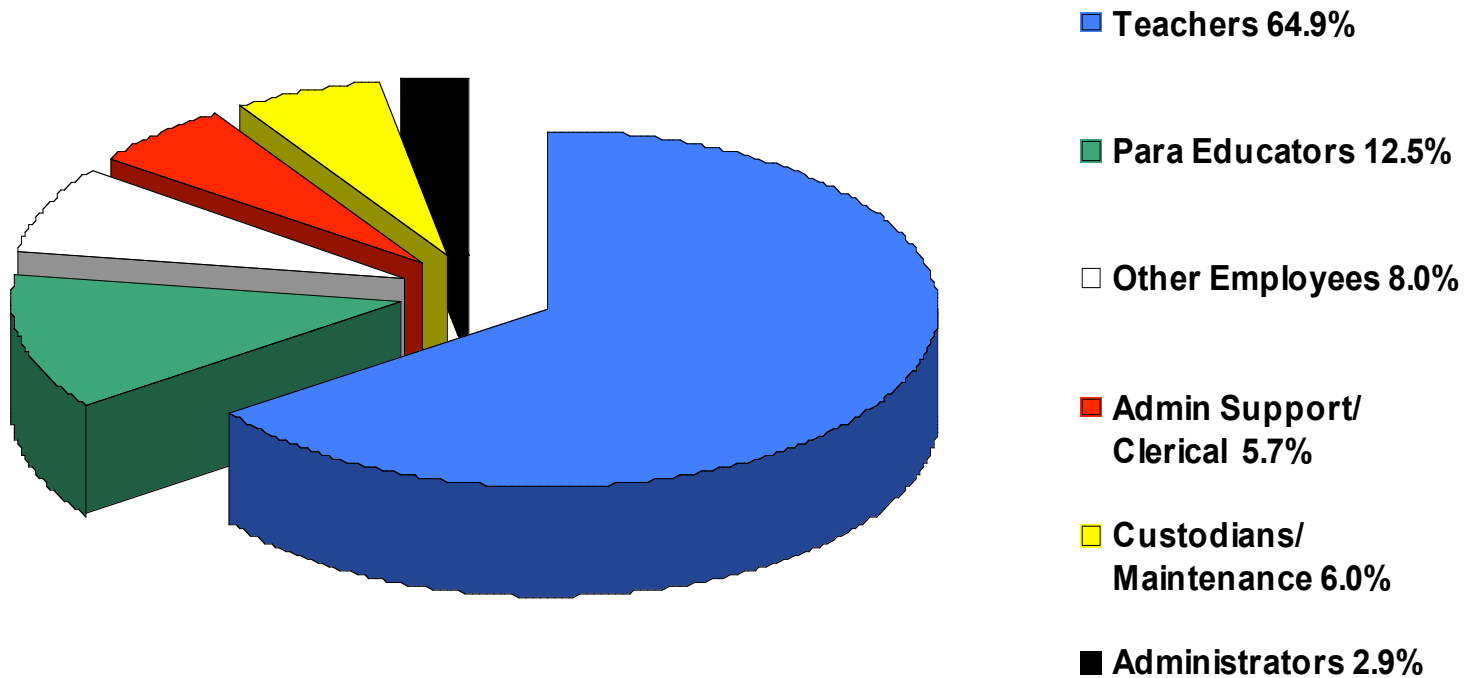


# 2011-12 Expenditure Budget (not including interfund transfers)



- Salaries 52.8%
- Fringe Benefits 21.2%
- Debt Retirement 7.0%
- Purchased Services 9.9%
- Non-Capital Objects 4.5%
- Capital Objects 1.8%
- Other Objects 2.8%

# 2011-12 School Year Staffing





# 2011-12 Staffing Changes

<u>2010-11</u>		<u>2011-12<sup>1</sup></u>	
• Support Staff	260.93	• Support Staff	253.90
• Certified Staff	536.88	• Certified Staff	532.45
Total FTE's:	797.81	Total FTE's:	786.35
		<b>Change</b>	<b>- 11.46</b>

<sup>1</sup>As of Aug 22, 2011 (does not include 4K transportation).

NOTE: Positions expressed in full-time equivalent (FTE) units.



## 2011-12 Budget Reductions

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- ❑ Increased employee contributions (50%) to the Wisconsin Retirement System and health insurance premium costs (minimum of 12%)
- ❑ Operational savings derived from implementation of new business (HR/financial) information system
- ❑ Special Education / Student Services staffing reductions



## 2011-12 Program Enhancements

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- ❑ 4-Year Old Kindergarten (4K) Program
- ❑ Global Academy (Project Lead the Way Engineering Level 1 and Biomedical Level 2)
- ❑ 21<sup>st</sup> Century eSchool Expansion (also provides on-line education opportunities for MHS students)
- ❑ Expansion of World Languages (Mandarin is being offered at MHS)
- ❑ Instructional Technology
- ❑ Expanded Student Assessment (MAP)
- ❑ Positive Behavior Intervention System



# 2011-12 Preliminary Budget Tax Levy

<b><u>FUND</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>Change</u></b>
General Fund	\$ 52,182,238	\$51,292,799	- 1.70%
Debt Service (Fund 38)	321,750	320,250	- 0.47%
Debt Service (Fund 39)	4,227,323 <sup>1</sup>	4,382,079	+ 3.66%
Capital Projects	800,000	825,000	+ 3.13%
Community Service	<u>340,364</u>	<u>343,890</u>	+ <u>1.04%</u>
<b>TOTAL:</b>	<b><u>\$57,871,675</u></b>	<b><u>\$57,164,018</u></b>	<b>- <u>1.22%</u></b>

<sup>1</sup> Debt Service (Fund 39) levy was reduced by \$400,000. A transfer from the General Fund replaced the levy reduction.



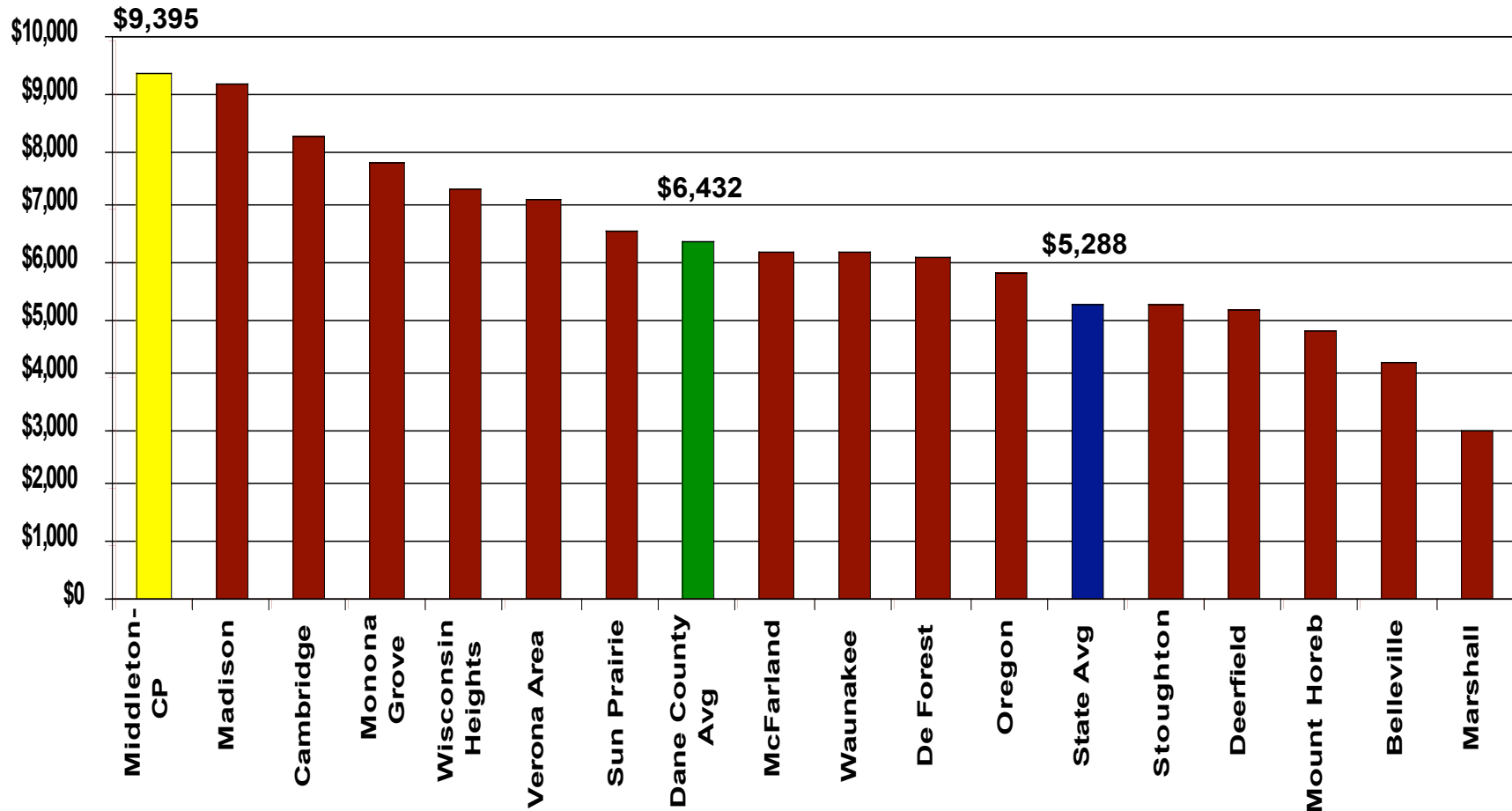
# Tax Levy & Mill Rate History

	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12*</u>
<b>TAX LEVY</b>	\$47.92M	\$50.88M	\$54.42M	\$57.87M	\$57.16M
<b>% Change</b>	<b>+10.03%</b>	<b>+6.17%</b>	<b>+6.95%</b>	<b>+6.35%</b>	<b>-1.22%</b>
<b>EQUALIZED VALUATION</b>	\$5.262M	\$5.705M	\$5.563M	\$5.390M	\$5.336M
<b>% Change</b>	<b>+8.52%</b>	<b>+8.43%</b>	<b>-2.49%</b>	<b>-3.12%</b>	<b>-1.00%</b>
<b>MILL (TAX) RATE</b>	\$9.11	\$8.92	\$9.78	\$10.74	\$10.71
<b>% Change</b>	<b>+1.45%</b>	<b>-2.09%</b>	<b>+9.64%</b>	<b>+9.82%</b>	<b>-0.28%</b>

\* *Estimated*



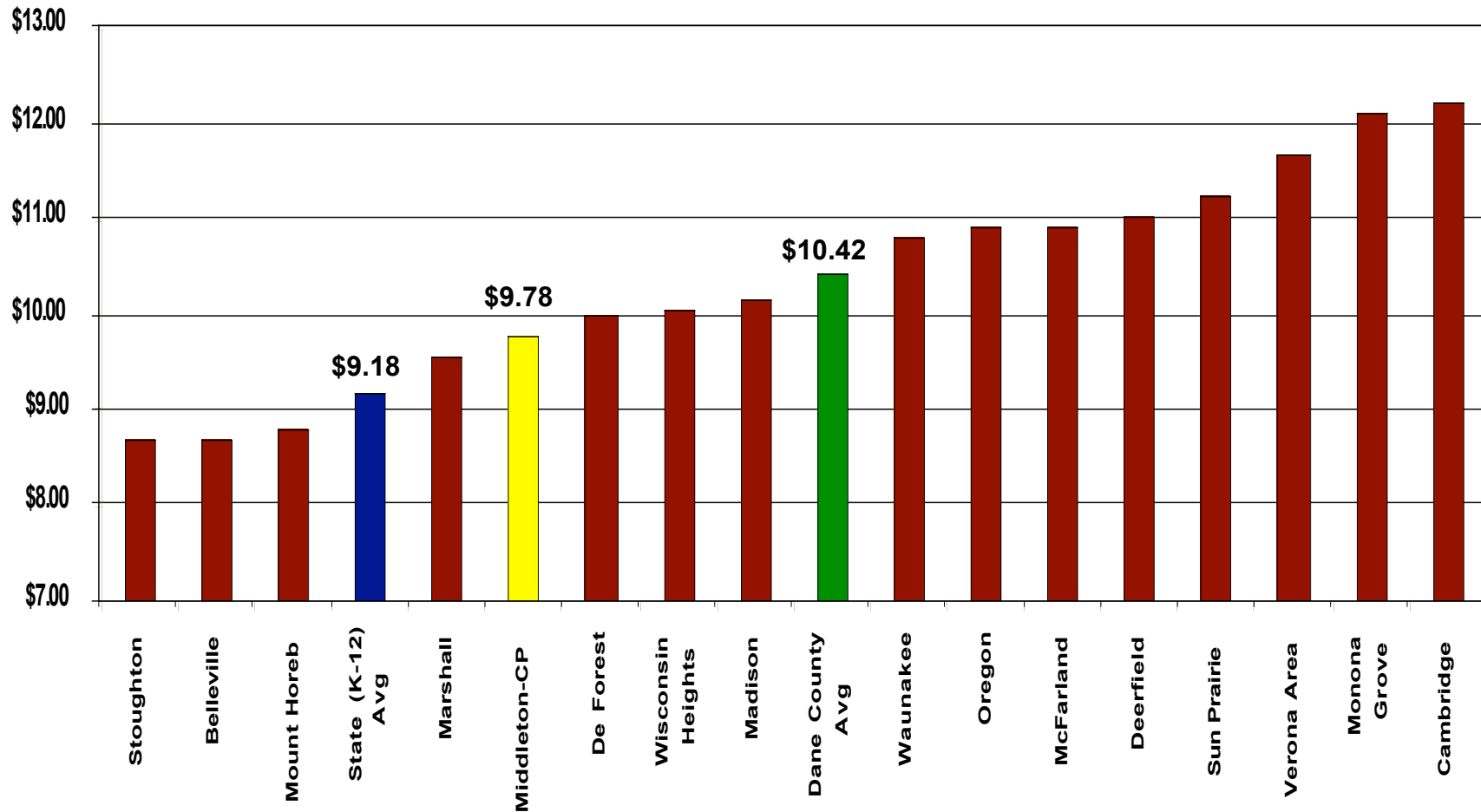
# Property Tax Levy Per Student Dane County School Districts (2009-10 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



# Property Tax (Mill) Rates Dane County School Districts (2009-10 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



# 2011-12 Preliminary Tax Levy - Estimated Average Impact

<u>Property Value</u> <sup>1</sup>	<u>2010-11 Tax</u> <sup>2</sup>	<u>2011-12 Tax</u> <sup>2</sup>	<u>Change</u> <sup>2</sup>
\$200,000	\$ 2,148	\$ 2,120	\$ - 28
\$300,000	\$ 3,222	\$ 3,181	\$ - 41
\$450,000	\$ 4,833	\$ 4,772	\$ - 61

<sup>1</sup> Assumes same assessment of 100% for both years (2010 and 2011) with a 1% decrease in equalized (full market) valuation in 2011.

<sup>2</sup> Estimated school taxes. The 2011-12 estimated school taxes were calculated using a projected school tax (mill) rate of \$10.71 per \$1,000 of equalized (full market) property value.

Note: Specific impact of the school tax levy will vary in each of the District's eight municipalities depending on each municipality's percentage of overall property value and change in value from the prior year.



# Effective (Fiscal) Resource Management & Strategies

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- ❑ Managing health insurance costs
- ❑ Energy conservation
- ❑ Proactive risk management
- ❑ Investing in cost-saving technology
- ❑ Achieving the highest possible (Aaa) bond rating from Moody's
- ❑ Intergovernmental cooperation
- ❑ Debt management
- ❑ Implementing new programs/services to generate revenue

# Budget Challenges

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- Addressing Instructional Needs
  - Technology
  - Professional Development
  - Curriculum Adoption
- Addressing the achievement/opportunity gap
  - Digital Divide
- Maintaining current class size
- Addressing the district's facility needs

# Budget Challenges

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- Changing student demographics & needs
  - i.e. special education, at-risk, bilingual/ELL, health/medical, homeless, socio-economic
- Effectively managing budget constraints - coping with limited revenue growth and anticipated budget shortfalls into the near future
- Achieving an appropriate balance
  - providing a quality education
  - increasing programmatic expectations
  - our taxpayers ability / willingness to pay



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Questions



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**2011-12 Annual Meeting**



# Agenda

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- Call to Order and Introductions
- Election of Chairperson
- Reading of Minutes, 9/20/2010 Annual Meeting
- Old Business
- New Business - Resolutions
- Other New Business
- Adjournment



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□ **RESOLUTION A** - Resolution to Levy a Tax for Adding to Capital Fund

BE IT RESOLVED: That there be levied for the 2011-12 fiscal year a tax in the amount of \$825,000 upon all taxable property in the Middleton-Cross Plains Area School District to be deposited into the segregated capital fund created at the 1993 Annual Meeting.



## ▣ **RESOLUTION B** - Adoption of Tax Levy

BE IT RESOLVED: That there be levied a tax in the amount of \$57,164,018 upon all taxable property in the Middleton-Cross Plains Area School District with the purpose of paying employee salaries and meeting other necessary expenses to operate and maintain the district schools and to finance the debt service and capital outlay of the said district on the basis of the approved budget for the 2011-12 fiscal year.

□ **RESOLUTION C** - Adoption of School Board Salaries for 2011-12

BE IT RESOLVED: That the salaries of the school board members for the 2011-12 school year be established as follows:

President . . . . .	\$ 3,000
Other Members . .	\$ 2,400

*NOTE: These salaries remain the same as approved at the 1998 Annual Meeting.*

▣ **RESOLUTION D** - Authorization for Sale of Surplus Property (equipment/materials)

BE IT RESOLVED: That the Board of Education be authorized to sell used and/or surplus school equipment, furniture, or supplies no longer needed for school purposes.