

School District of Sheboygan Falls

2011/2012 Annual Budget

*"Unlocking potential for lifelong learning and service."*

# Tonight's Agenda

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- ▶ **Budget Hearing**
  - ▶ Introduction to School Finance Terms
  - ▶ Comparison between 2010/2011 and 2011/2012 for Funds 10 & 27
  - ▶ Anticipated Tax Levy
  - ▶ Review of other funds
  - ▶ Questions
- ▶ **Adjourn Budget Hearing**
- ▶ **Annual Meeting begins at 8:00 p.m.**

# What do the various Funds mean?

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## ▶ Fund 10 (General Fund)

- ▶ Every day operations of educating the children and maintaining the facilities are recorded.
  - Unless specifically necessary to be recorded in another fund, it will be found here.



# What do the various Funds mean?

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- ▶ **Fund 21 (Special Revenue Fund)**

- ▶ Used for gifts

- ▶ **Fund 27 (Special Education)**

- ▶ All activity related to Special Education costs
- ▶ Balance must equal \$0 at end of year. There usually is an amount called a “fund transfer” that must be paid from Fund 10 to make it balance.

# What do the various Funds mean?

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## ▶ Fund 30 (Debt Service)

- ▶ For transactions related to the borrowings of the district.

## ▶ Fund 40 (Capital Projects Fund)

- ▶ For expenditures for items financed through bonds or notes.

## ▶ Fund 50 (Food Service Fund)

- ▶ This is where all of the transactions related to the food program are kept.
- ▶ This fund can have a positive fund balance, as it currently has, but if it is negative, it must be brought to \$0 with funds from Fund 10.

# What do the various Funds mean?

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## ▶ Fund 60 (Agency Funds)

- ▶ Funds for pupil organizations.
- ▶ These are funds that actually do not belong to the school district.
- ▶ If the Student Council has a fundraiser, the funds are kept in a Fund 60 account.

# What do the various Funds mean?

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- ▶ **Fund 72 (Trust Funds)**
  - ▶ For transactions related to scholarships.
- ▶ **Fund 73 (Other Post Employment Trust)**
  - ▶ Established late in 08/09 through WI OPEB Trust
- ▶ **Fund 80 (Community Service Fund)**
  - ▶ For the recreation programs in the district, and Aquatic Center operations.

# School Finance Terms

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- ▶ **Revenue Limit** – state imposed limit to the amount of property taxes a school district is permitted to levy.
  - ▶ Prior year's revenue limit
  - ▶ Three year average pupil count
  - ▶ Allowable per pupil revenue increase
  - ▶ Amount of equalized aid to be received in the current year.
  - ▶ Began in the 1993/94 school year



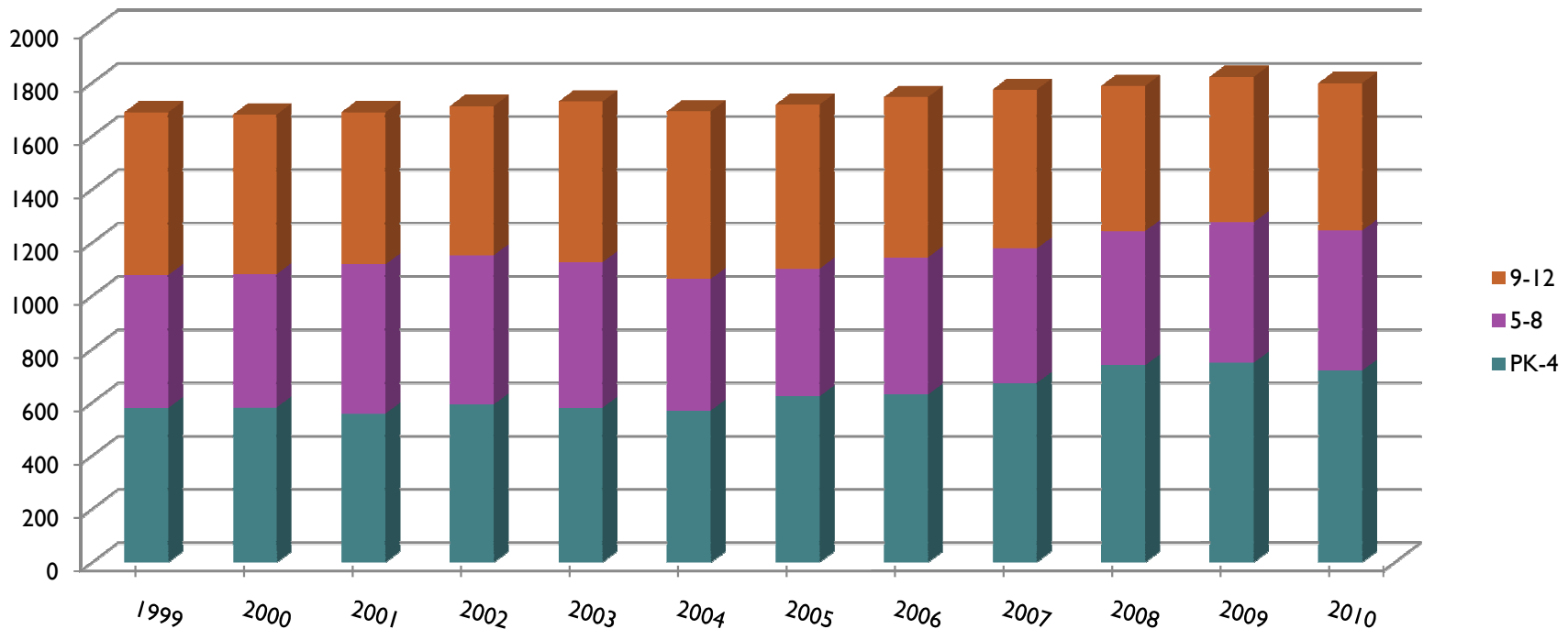
# School Finance Terms

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- ▶ **Equalized aid** – general school aid received from the state
  - ▶ 2010/2011 - \$10,203,688
  - ▶ *July 2011 aid estimate - \$9,169,935*
  - ▶ Certified in October
- ▶ **Tax Levy** – amount of real property taxes certified by the school board as necessary to provide funding for the annual school budget.
  - ▶ *\$8,685,676 – projected for 2011/2012*
- ▶ **Mill Rate** - amount stated in “dollars and cents per thousand”, calculated by dividing the total tax levy by the total value of property to be taxed.
  - ▶ *\$10.64 projected for 2011/2012*

# Enrollment

## Enrollment History



- ▶ Enrollment counts the number of students attending in the district, regardless of residency.
- ▶ Enrollment decreased for the first time since 2004. It is projected to decrease again in 2011.

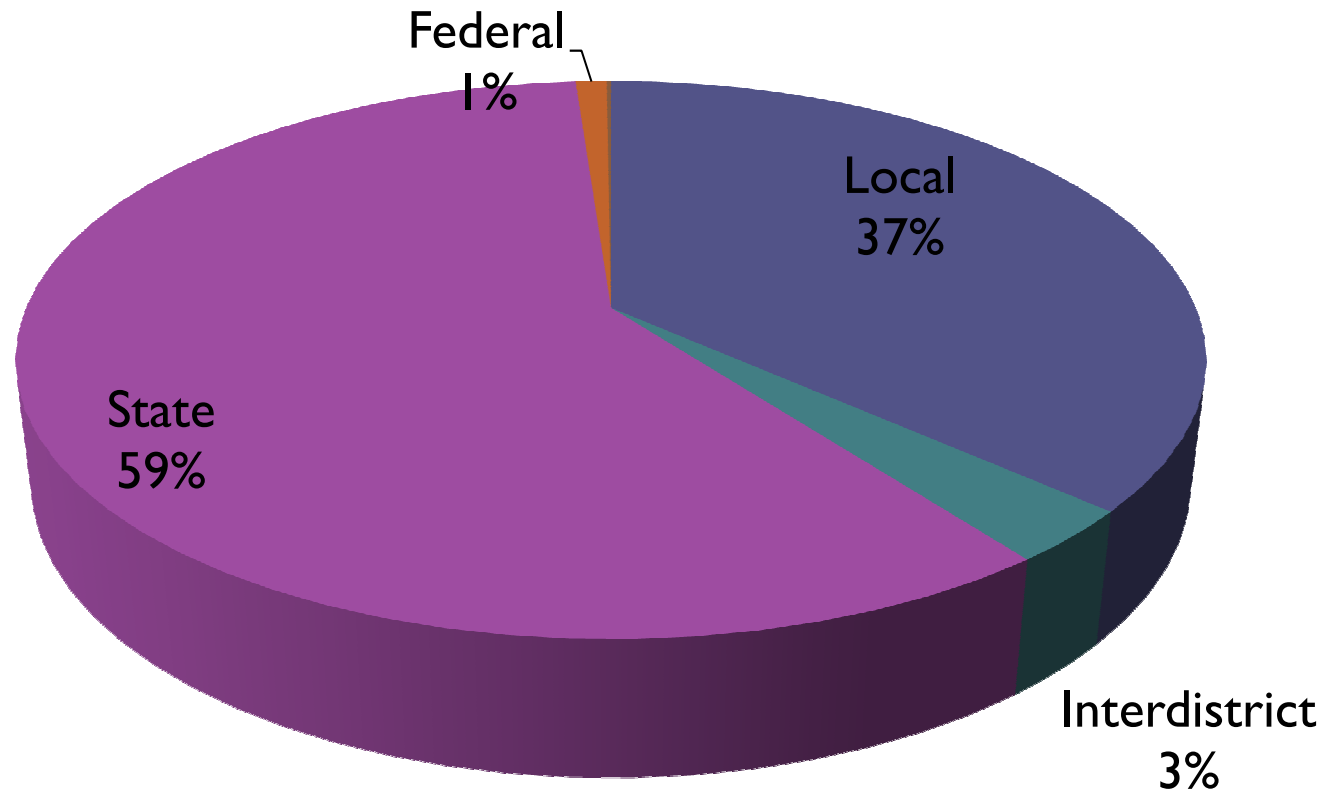
# Education Jobs Funds – Ed Jobs Act

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- ▶ **One-time federal funds**
  - ▶ Retain, rehire or hire people who work directly with students.
  - ▶ Must be used by September 2012
- ▶ **\$395,335 was allocated to Sheboygan Falls in August 2010**
  - ▶ 24% used in 2010
    - ▶ 7.6 FTE positions
  - ▶ Balance will be used in 2011
- ▶ **No funds will be available for carryover into next school year.**

# General Fund (Fund 10) 2010/11 Revenue by Source (unaudited)

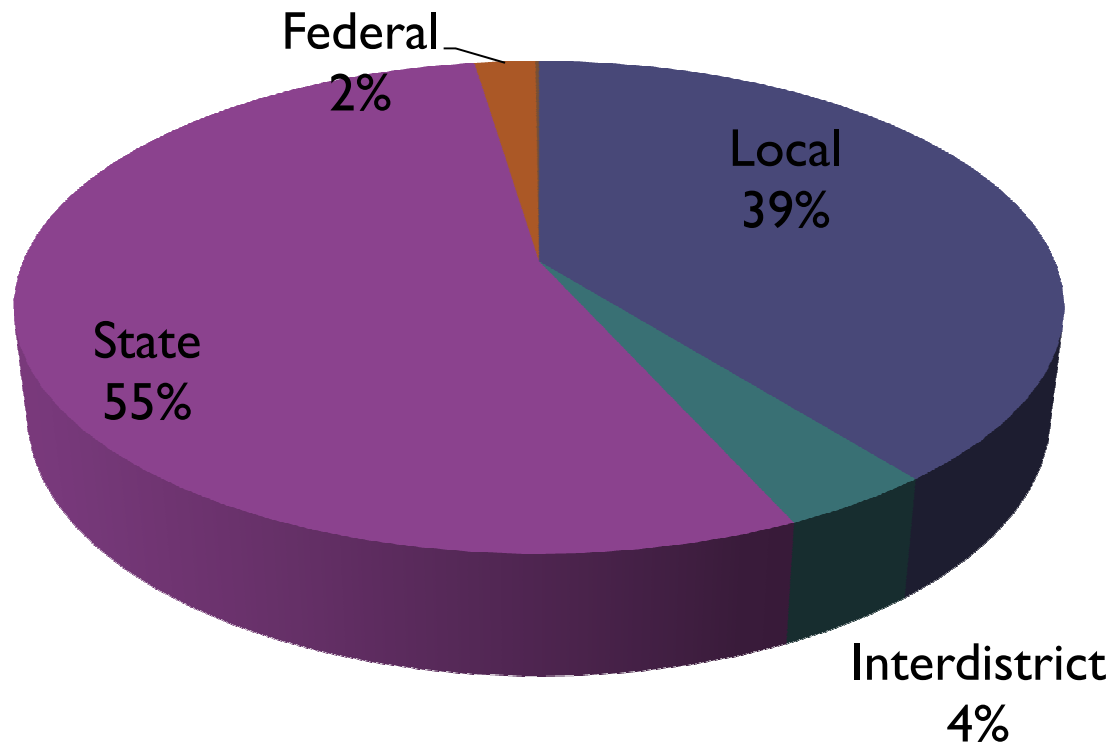
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- ▶ Interdistrict revenues were less than budgeted due to the number of open enrollment transfer in students being less than anticipated.

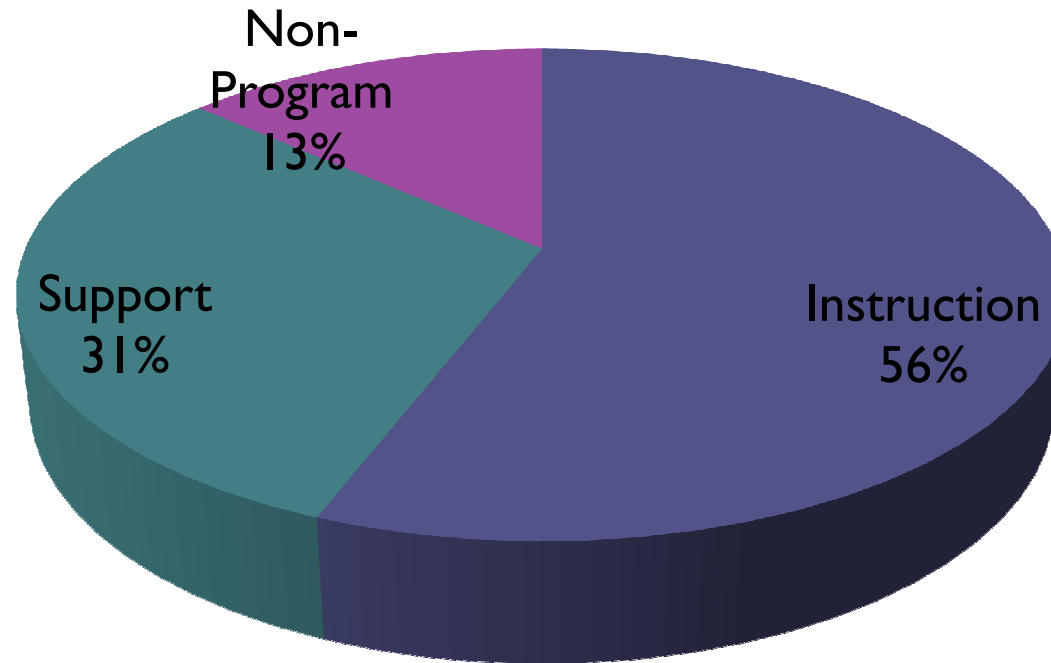
# General Fund (Fund 10) 2011/2012 Revenue by Source (budget)

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- All state sources are projected to decrease
- Federal sources are higher than normal due to Ed Jobs funds

# General Fund & Special Education Fund (Fund 10 & 27) 2010/2011 Expenditures by Program (unaudited)



Equipment like microscopes are classified as instructional.

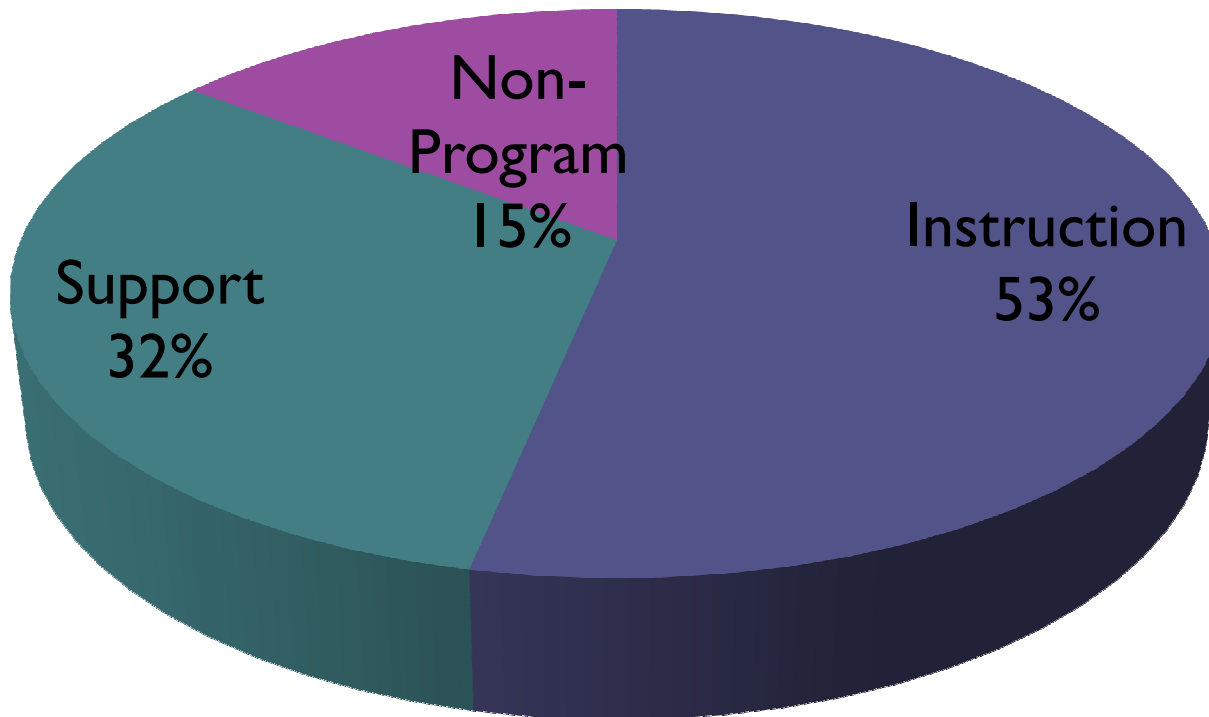
Equipment like office printers are classified as support services.

Teachers are instructional and principals are support services.

Open enrollment payments and inter-fund transfers are non-program transactions.

# General Fund & Special Education Fund (Fund 10 & 27) 2011/2012 Expenditures by Program (budgeted)

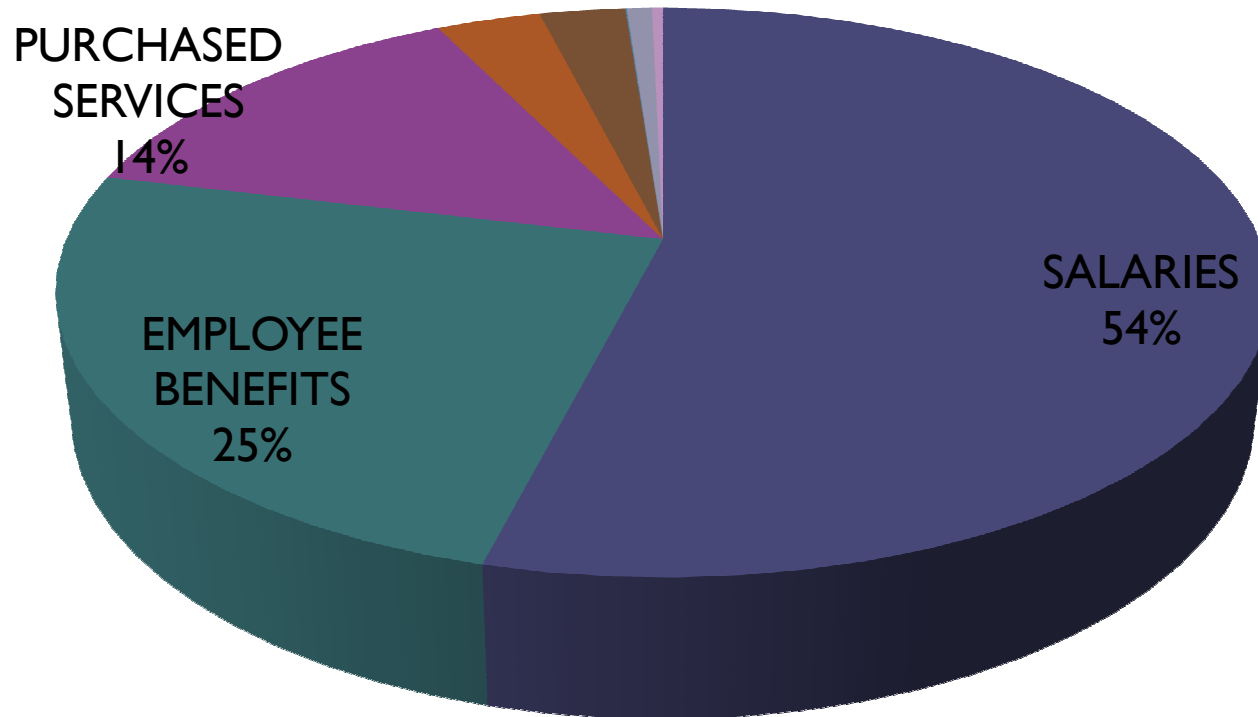
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- Non-Program expenditures expected to increase
  - Based on number of open enrollment transfer out students

# General Fund & Special Education Fund (Fund 10 & 27) 2010/2011

## Expenditures by Object (unaudited)

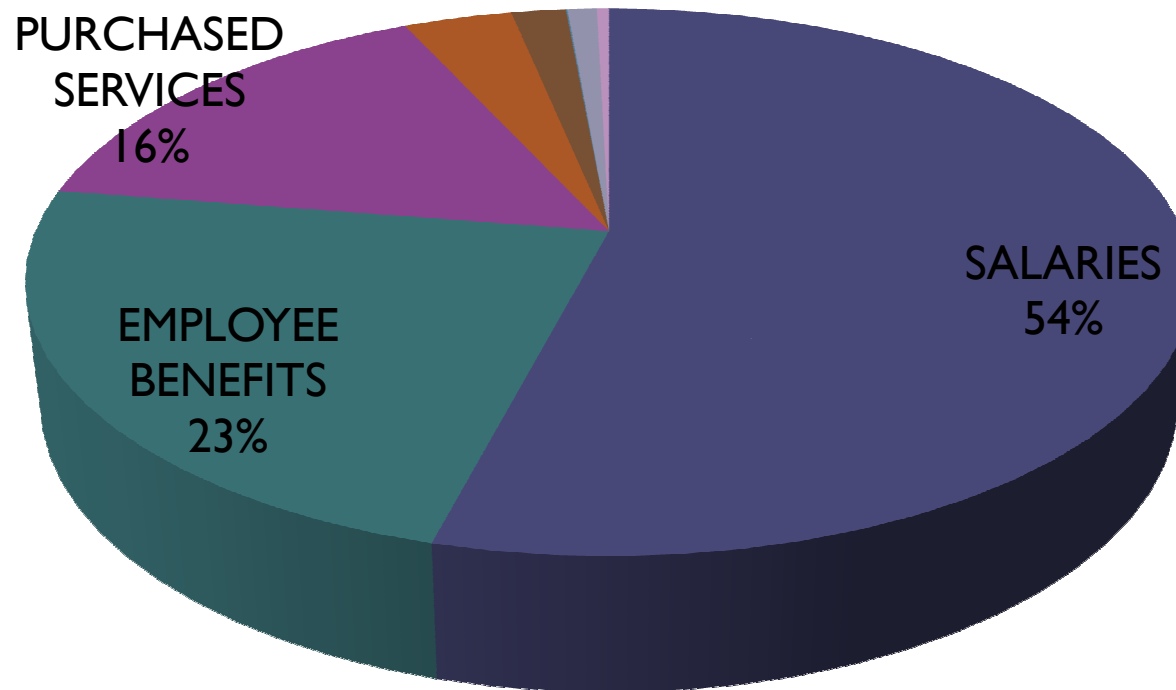


- Capital and Non-Capital Objects – 3% each
- Insurance – 1%



# General Fund & Special Education Fund (Fund 10 & 27) 2011/2012 Expenditures by Object (unaudited)

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- Employee benefits – Decrease due to changes in benefits
- Purchased services – Increase due to increased utilities and open enrollment
- Non-Capital objects – 4%
- Capital objects – 2%

# The Tax Mill Rate

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- ▶ **There are three factors that will affect this calculation:**
- ▶ **1) Equalized Property Value-**
  - ▶ Five year average increase – 1%
  - ▶ Last year – **2.41% decrease**
    - ▶ First decrease in 21 years
  - ▶ *Estimate for 11/12 – 6% decrease*
    - ▶ Larger increase will result in amount of levy being spread out over a larger base, a smaller increase in equalized property value will have the opposite effect
    - ▶ Certified by DOR in October
- ▶ **2) Revenue Limit Calculation**
- ▶ **3) State Equalized Aid –**
  - ▶ *Estimated at \$9,169,935*
    - ▶ The greater the amount of State Aid, the lower the amount needed to levy.

# The Current Mill Rate

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- ▶ The current levy proposed is \$8,685,676
- ▶ The estimated (TIF-Out) equalized value is \$816,695,049
- ▶ The current mill rate would be \$10.64
- ▶ This is an increase of \$1.05 per \$1,000 for school purposes over last year
  - ▶ \$1.40 more than 2001/2002
  - ▶ \$5.01 less than 1993/94 (Revenue Limit established)

## What is the effect of the Mill Rate Change?

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- ▶ Property with an equalized valuation of:

	<b>\$ 100,000</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>
<b>2010/2011</b>	\$ 959.00	\$ 1,438.50	\$ 1,918.00
<b>2011/2012</b>	<u>\$1,064.00</u>	<u>\$ 1,596.00</u>	<u>\$ 2,128.00</u>
	\$ 105.00	\$ 157.50	\$ 210.00

*The 2011/12 amount uses the projected mill rate.*

# Equalized Aid Formula

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## ▶ 3 Local Factors Affect Aid

### ▶ **Costs**

- ▶ Sheboygan Falls is a low spending district

### ▶ **Wealth/Tax Base** – Equalized values

- ▶ Est. Equalized value per member - \$488,560

### ▶ **Membership**

- ▶ 1,794 for 11/12 aid computation

# Equalized Aid

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- ▶ **State factors impact equalization aid**
- ▶ The state reduced funds for school aid for the 2011/2012 year by over 8%
  - ▶ Resulted in a 10% aid decrease for Sheboygan Falls
- ▶ **Low revenue districts – One time provision**
  - ▶ State will pay up to \$40 per pupil for low revenue districts that utilize the low revenue increase provision
    - ▶ Estimated to provide additional \$70,800 aid for 11/12
- ▶ **Special Adjustment Aid Hold Harmless Provision**
  - ▶ For 2011/2012 districts should receive no less than 90% of prior year's aid.
  - ▶ For 2012/2013 that moves to 85%
- ▶ **Anticipate continued decreases in state aid**

# Debt Service – Fund 30

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- ▶ Mill Rate - \$2.28
- ▶ Total Principal Paid in 2010/2011 - \$1,348,257
- ▶ Total Principal to pay in 2011/2012 - \$1,475,000
  - ▶ \$1,365,000 for long-term referendum debt
  - ▶ \$110,000 for non-referendum debt

# Food Service – Fund 50

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## ▶ Breakfast

- ▶ Received Kohl breakfast grants for the Elementary and Middle School breakfast program
- ▶ Served 66,629 breakfasts –
  - ▶ All students who qualify for free/reduced lunch may have a FREE breakfast

## ▶ Lunch

- ▶ Served 186,422 lunches
- ▶ Continue to incorporate locally grown produce into children's lunches

## ▶ Coordinated Review Effort (CRE) performed by DPI in February

- ▶ 2 day audit of program to determine compliance with the National School Lunch program

## ▶ Healthy Hunger-Free Kids Act of 2010

- ▶ Will have an ongoing impact on the Food Service program as measures get implemented.



# Community Service – Fund 80

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- ▶ **Recreation Department/Aquatic Center**
  - ▶ Programs for children and adults
- ▶ **Energy conservation measures**
  - ▶ Installed energy efficient pumps, motors and lighting in Aquatic Center
  - ▶ Financial support provided by City of Sheboygan Falls Energy Conservation grant
  - ▶ Anticipate significant savings for electricity
- ▶ **Estimated 2011/2012 mill rate - \$0.28**
- ▶ **Using fund balance for operating costs**
  - ▶ Lowers the amount needed to levy
  - ▶ Still maintains a balance for emergencies



# Thank You

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- ▶ **Budget Development**
  - ▶ **Board of Education**
    - ▶ **Finance Committee**
  - ▶ **Administrative Team**
- ▶ **Budget maintenance and operational support throughout the school year**
  - ▶ **District Office Staff**

# Contact Information

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