

# July 25, 2018

## 2018-19 Preliminary Budget Review for Public Hearing

**Phil Frei**  
**Director of Business & Finance**

**District Office, Room 100**  
**6:30 pm**



# 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. 2017-18 budget
  2. 2017-18 year-to-date info
  3. Proposed 2018-19 budget
  4. Percent increase from 2017-18 to 2018-19 budget
- ❖ Community members prefer this format



# Budget Documents for Tonight

- ❖ Please remember 2017-18 amounts are not final or audited
- ❖ More revenue and expenses will get coded to 2017-18 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



# Strategic Based Budgeting

- ❖ Began budget process with identification of strategic goals
- ❖ Senior Leadership Budget Team started process in September 2017
- ❖ District Office continued with strategic-based budgeting
- ❖ Continued process improvement on budgeting & staffing timelines
- ❖ Developed step-by-step comprehensive budget calendar (School Board approved)
- ❖ Continued focus on comparison budget data



# Revenue Limit Calculation

## DPI's 3-Year Rolling Average on Revenue

### Enrollment (membership) Counts

2015: 7,995

2016: 8,069

2017: 8,215

3-Year Average: 8,093

Actual Enrollment 8,215

3-Year Ave Enrollment -8,093

Difference = 122

$122 \times \$10,696 = \$1,304,912$

Sun Prairie Area School District (SPASD) should receive an additional **\$1,304,912** based on our current enrollment!



# Equalized Aid Revenue

- ❖ Using R. W. Baird forecast model and conservative assumptions, the current estimate is for a \$750,000 or 1.6% increase in aid for SPASD
- ❖ The Department of Public Instruction (DPI) released an estimate on June 29, 2018, which was \$839,012 or 1.8% increase
- ❖ The budget was adjusted with DPI's July 1st estimate





# Equalized Aid Comparison of Similar Sized Districts

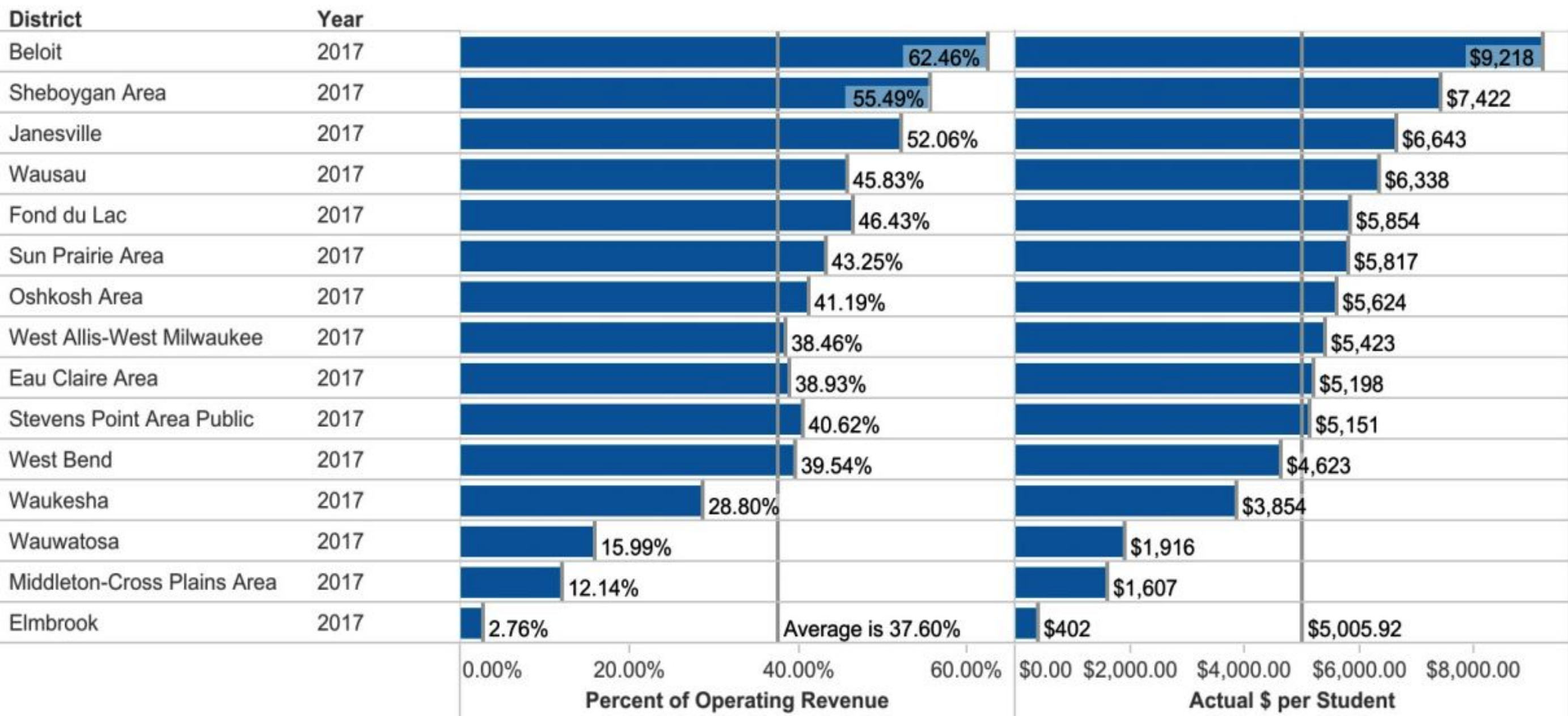
## Line Item Revenue Comparison

Note: "Total Operating Revenue" is all revenue from funds 10 & 27

Source: Budget and Annual Reports per DPI

Source Level

2017



# General Fund Revenue

- ❖ The State budget includes a \$204 per pupil aid increase to SPASD; this equates to an increase of approximately \$1,600,000
- ❖ The State also added a 9<sup>th</sup> grade technology grant of \$125 per student or \$62,500
- ❖ The current budget uses the \$2,800,000 to exceed the revenue cap referendum to open the two new elementary schools





# Revenue Limit Component: Enrollment\*

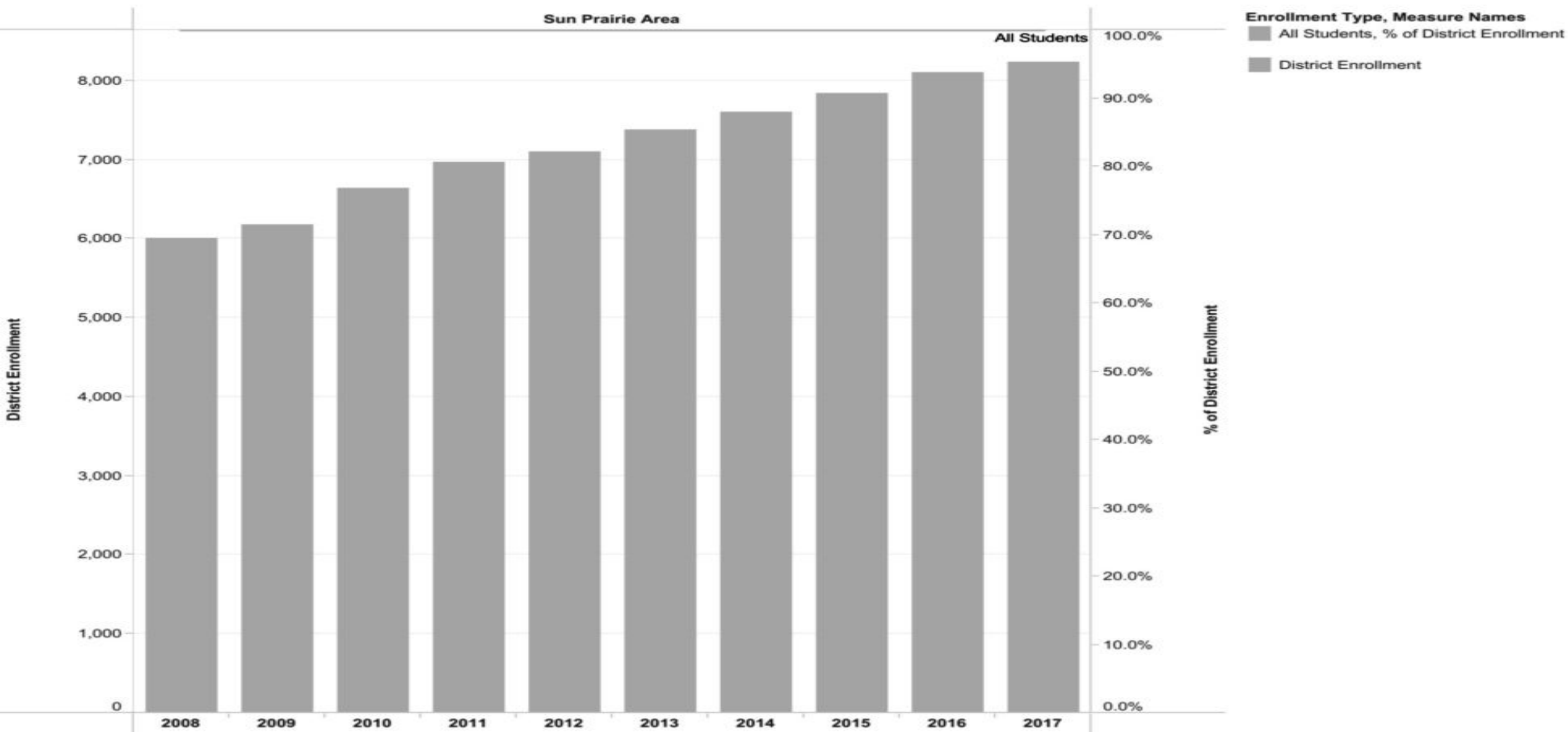
- ❖ The Preliminary Budget is based on an increase of 139 students or 1.6%
- ❖ Enrollment is based on projections provided by the University of Wisconsin Applied Population Lab (UW-APL)
- ❖ To be conservative, a factor of 70% of APL projection is used for enrollment growth
- ❖ In 2017-18, enrollment increased by 189 students or 2.3%

\* All student enrollments are based on full-time equivalency and are counted on the 3<sup>rd</sup> Friday in September



# 10-Year District Enrollment History

Enrollment Breakdown (District Level)  
Source: DPI



# Free and Reduced Lunch % History



# General Fund Expenditures

- ❖ Compensation (salary and benefits) accounts for 84+% of the general fund budget



# Class Sizes

## ❖ Class size guidelines (non-AGR):

Grade	Class Size	Grade	Class Size
Kindergarten	16-20	3rd grade	21-25
1st grade	17-21	4th grade	22-26
2nd grade	18-22	5th grade	23-27

❖ Middle school average ratio: 26:1

❖ High school average ratio: 25:1

❖ Strategic Plan to reduce elementary class size from +/-3 to +/-2

❖ This resulted in approximately 15 additional staff members or \$1,100,000



# Reasons for Staffing Changes 2018-19

1. Two new elementary schools
2. Going from +/- 3 to +/-2 class size at elementary schools (to add staff)
3. Enrollment increases
4. Boundary changes





# Staffing (FTE\*) Changes By School

School	Professional Ed	Support Staff
Token Springs	31.1	10.8
Meadow View	30.5	10.8
Westside	2.0	--
CH Bird	0.5	--
Horizon	-1.0	--
Royal Oaks	-1.0	--
Eastside	-4.0	--
Northside	-4.0	--
Creekside	-7.5	--

\*FTE = Full Time Equivalency



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# Staffing (FTE\*) Change By School (Cont.)

School	Professional Ed	Support Staff
Cardinal Heights	5.2	2.0
Patrick Marsh	3.0	--
Districtwide	1.2	2.5
ELRC	1.0	--
Prairie Phoenix	1.0	--
High School	-2.5	5.0
Prairie View	-4.0	--
<b>Total</b>	<b>51.5</b>	<b>31.1</b>

\*FTE = Full Time Equivalency



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# Professional Educators Staffing Changes

## Professional Educators:

	FTE		FTE
Regular Classroom	23.7	PT/OT	1.2
Art, Music, PE	6.0	Speech	1.1
Special Education	5.0	Advanced Learning Program	1.0
English Learning	3.5	Instructional Coach	1.0
Guidance	2.0	Psychologist	1.0
IMC (Librarian)	2.0	Social Worker	1.0
Reading	2.0	Mentor	1.0
		<b>Total FTE = 51.5</b>	

\*FTE = Full Time Equivalency



# Support Staff Staffing Changes

## Support Staff:

	FTE		FTE
Instructional/Playground Asst.	13.0	Health Room Asst.	2.0
Facilities & Grounds	7.0	Library Asst.	1.0
Secretarial/Welcome Desk	4.0	Technology	1.0
Food Service (Fund 50)	2.6	Pool Asst. Mgr. (Fund 80)	0.5

**Total FTE = 31.1**

\*FTE = Full Time Equivalency



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# Summary of Staffing Changes

	FTE*
<b>Professional Ed</b>	51.5
<b>Support Staff</b>	31.1
<b>Administrative Staff</b>	
Program Manager	0.5
SP4K Program Manager	0.7
<b>Administration</b>	
Associate Principal	1.0
4K Principal	<u>-0.5</u>
<b>Grand Total FTE</b>	<b>= 84.3</b>

\*FTE = Full Time Equivalency



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# Staffing Changes by Funding Source

	<b>FTE*</b>
General Fund	49.7
Referendum Funded	31.5
Fund 50 (School Nutrition)	2.6
Fund 80 (Community Service)	0.5
<b>Grand Total</b>	<b>84.3</b>

\*FTE = Full Time Equivalency





# Additional Strategic Budget Expenditures

❖ Refine math curriculum	\$30,000
❖ Develop math workshop model	\$10,000
❖ Increase need for World Languages Curriculum (textbooks)	\$200,000
❖ Implement Student Centered Coaching	\$10,000
❖ Increase number and scope of AP classes	\$25,000
❖ Subscription for elementary online math solutions	\$60,000
❖ Increase Academic and Career Planning user group at secondary sites	\$18,000



# Additional Strategic Budget Expenditures (Cont.)

❖ Equity focused professional learning communities	\$40,000
❖ Summer Institute AVID training	\$20,000
❖ Universal Social Emotional Learning curriculum (SEL)	\$70,000
❖ Counselor shift to ASCA mindsets	\$10,000
❖ Implement alternative service provision for students with SEL needs	<u>\$100,000</u>
<b>Total</b>	<b>\$593,000</b>



# Budgeted Compensation Commitment

- ❖ A 2.3% average increase for all employee groups has been allocated in the budget
- ❖ The projected salary increase for all employee groups is \$1,500,000
- ❖ If additional budget dollars become available, the School Board intends to increase the base wage on schedules that have been frozen



# Budgeted Benefits Commitment

**Effective January 1, 2019:**

- ❖ Health insurance premium decrease of 1%  
(due to aggressive bidding; -\$100,000)
- ❖ Dental insurance premium increase of 3% (\$30,000)
- ❖ WRS retirement contributions are budgeted for a slight decrease  
(-\$35,000)
- ❖ Overall, total package (salary & benefits) increase of 2% add \$1.7M



# 2018-19 Cost Avoidance

**Due to aggressive bidding, the following were implemented to save budget dollars for the 2018-19 school year:**

1. Health Insurance: A 1% decrease in premiums starting January 1, 2019  
This will involve going to an HMO plan: **\$600,000**
2. District Insurance for liability, property, auto and workers compensation:  
**\$70,000**
3. Change phone carrier service: **\$23,000**



# 2018-19 Cost Avoidance (Cont.)

4. Change timing of SMART board delivery: \$6,000
5. Re-negotiation of Renaissance Learning contract: \$9,000
6. Reduction of redundant services (WiseDash Local): \$27,000
7. Increased funding for Special Ed –
  - a) Transition Incentive Grant: \$25,000
  - b) High Cost Aid: \$233,929
8. Decreased short-term borrowing interest cost due to increasing fund balance: \$40,320





# Fund 10 Operating Budget

❖ Currently \$101,500,000 +



# Debt Levy

- ❖ The debt levy is for voter-approved building projects
- ❖ During the past 9 years, the district has saved \$10,000,000 in interest costs due to refinancing of outstanding bonds
- ❖ In total, the debt service budget is \$17,100,000
- ❖ The District continues to plan for a secondary school space solution



# Community Service Levy

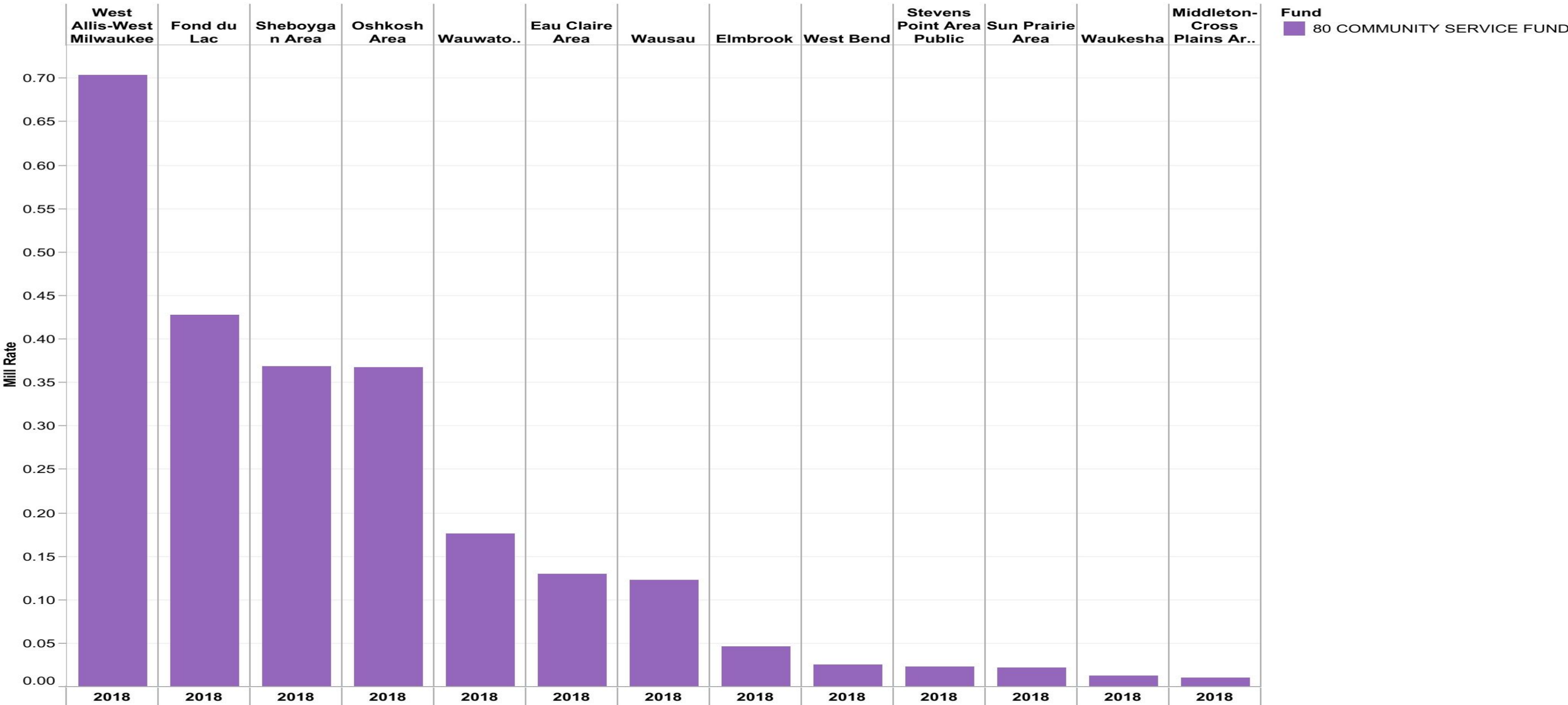
- ❖ Positions for:
  - Community Schools (partial salary); current
  - Performing Arts Center Assistant Manager; current
  - Expand community schools; new
  - Pool Assistant Manager; new
  - Diversity Liaison Consultant; new
- ❖ Currently budgeted at \$250,000



# Fund 80 Mill Rate Comparison

## Mill Rates

Source: WI Certification of Tax Levy Summary Per DPI



# Projected Total Levy Increase

- ❖ Referendum approved \$2,800,000 for new schools
- ❖ Estimated Increases:
  - General Fund Levy: \$3,600,000 or 9.3%
  - Debt Levy: \$920,000 or 5.7%
  - Community Service Levy: \$150,000 or 150%
  - Total Levy: \$4,700,000 or 8.5%



# Fund Balance Comparison

- ❖ As shown on the next two graphs, the current practice for SPASD is to budget with small variances

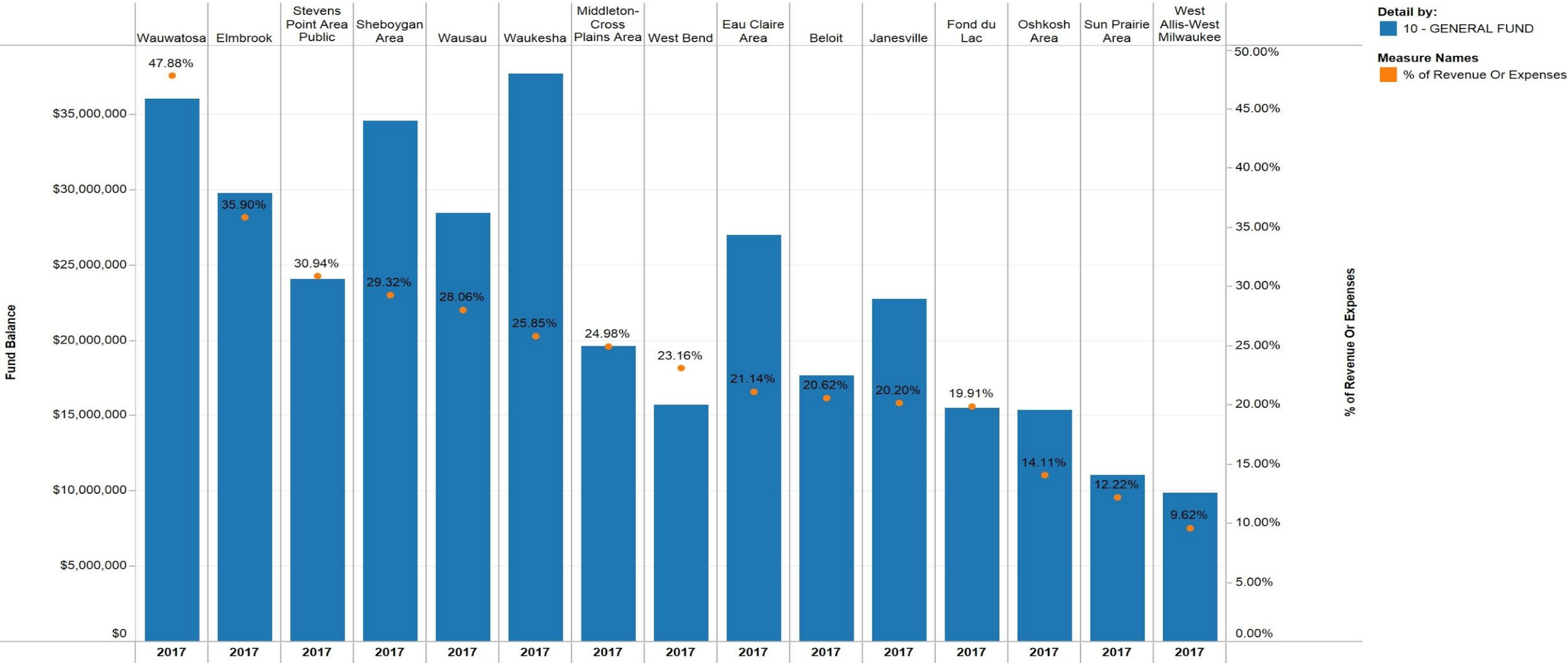




# Fund Balance Comparison

Fund Balance by Fund and Percentage  
Shown as a % of Expense  
District(s) - Wauwatosa, Elmbrook, Stevens Point Area Public and 12 more  
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.

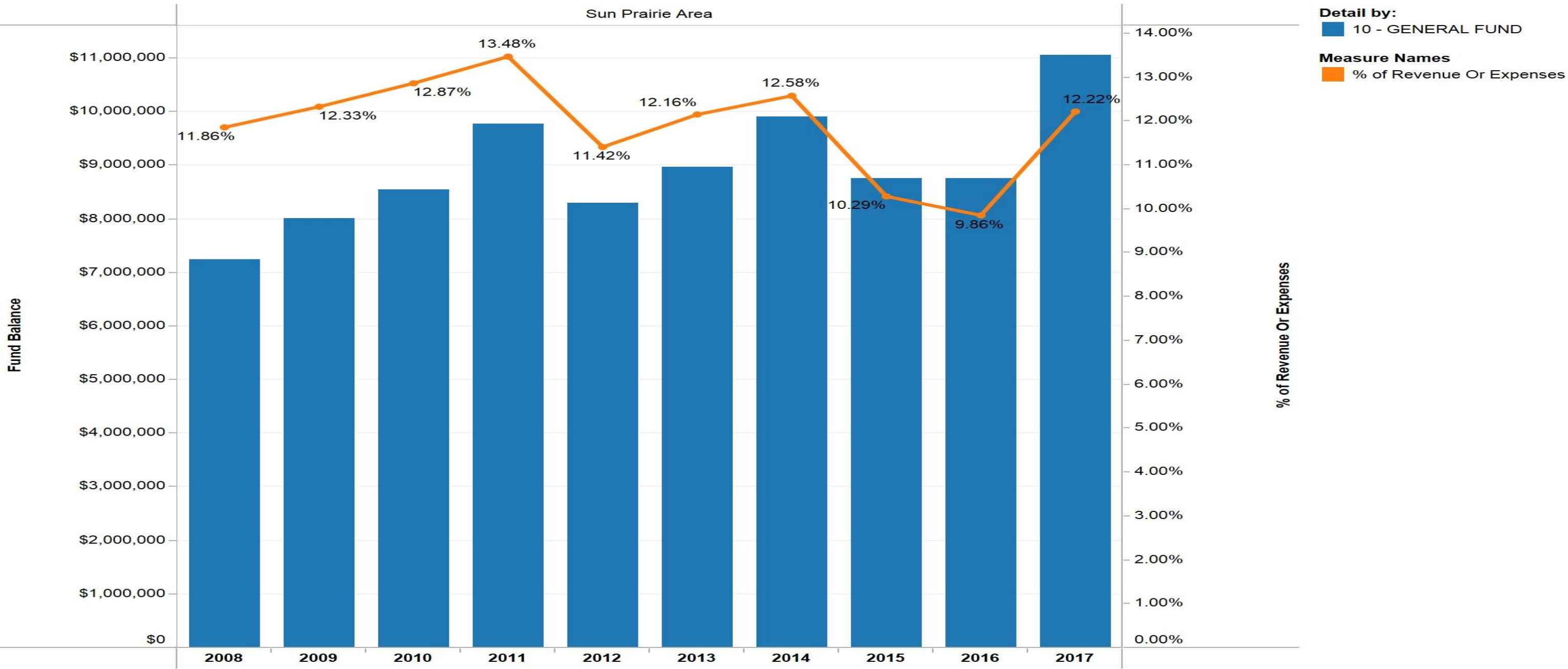


# Fund Balance Comparison

## 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.



# Mill Rate

- ❖ Current projections have a 7% increase in property value
- ❖ With a 7% property value increase, the mill rate would increase 1.4% to \$12.30
- ❖ The impact on a \$258,000 home would be an increase in school taxes of \$44
- ❖ The % increase will vary among the 10 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 2017-18 and 2018-19 budgets and adjust as needed**
2. **July 1, 2018:** Review DPI equalized aid estimate and adjust the budget accordingly
3. **July 25:** Public Hearing on Proposed Budget
4. **August 13 or 27:** School Board acts on Proposed Budget
5. **October 1:** School district holds Annual Meeting to set tax levy
6. **By October 31:** School Board adopts Original Budget

