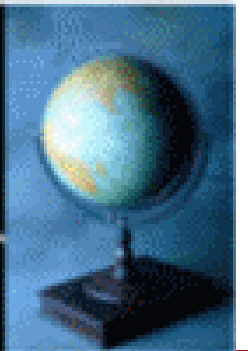
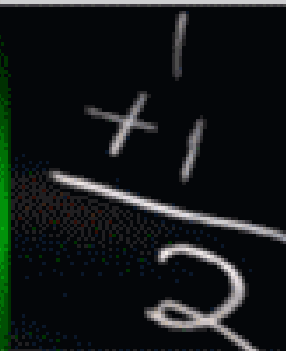
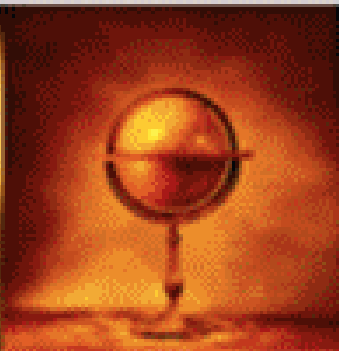




Middleton-Cross Plains Area School District

★ Inspire ★ Challenge ★ Empower





Inspire ★ Challenge ★ Empower

2014-15 Budget Hearing



Budget Hearing Agenda

- ❑ Overview of 2014-15 Preliminary Budget
- ❑ What will this mean for the school district tax payers?
- ❑ Questions regarding preliminary budget and tax levy?



2014-15

REVENUES

Revenue Limits

- Districts have operated under revenue limits since 1993. The revenue cap limits the amount of revenue a District can generate via:
 - Property tax
 - General state aid
 - Computer aid

- For MCPASD: these 3 revenues make up 90% of the general fund 2014-15 preliminary revenue budget.



Revenue Limit – Key Factor

- District Resident Enrollment:
 - Increased student numbers means increased dollars available within the revenue limit.
 - For preliminary budget purposes, we estimated a 50 full-time resident student increase.



Revenue Limit – Key Factor

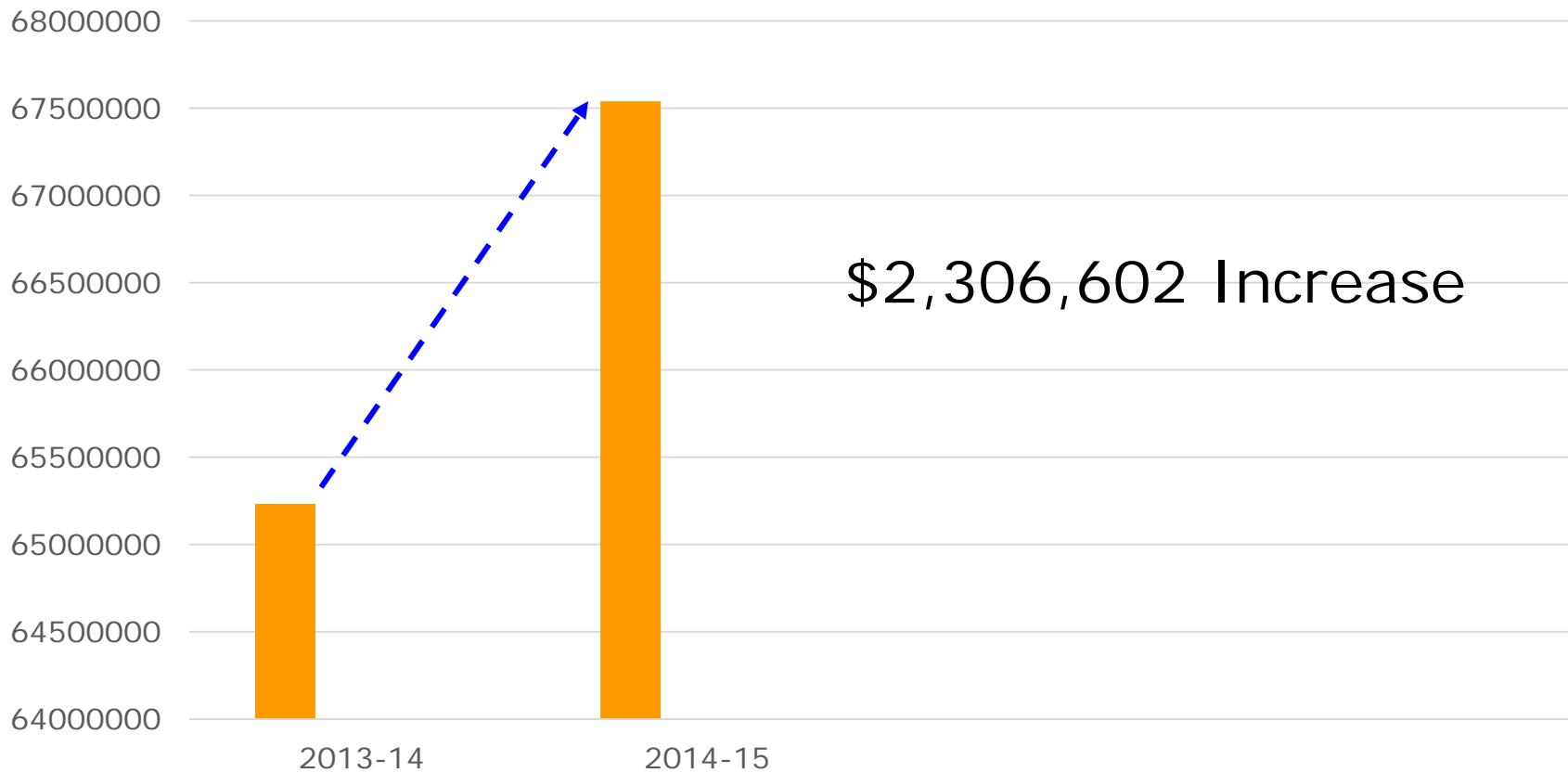
- Per Student Increase:
 - For the 2014-15 fiscal year, the per student increase is \$75.
 - This amount is determined by the state biennial budget.

Revenue Limit – Key Factor

- Revenue Limit Exemptions:
 - Recurring:
 - Transfer of service
 - Recurring referendum exemption
 - Non-Recurring
 - Declining Enrollment Exemptions
 - Non-Recurring Referendum Exemption

Revenue Limit Increase

Estimated 2014-15 Revenue Limit Increase





Revenue Limit Increase

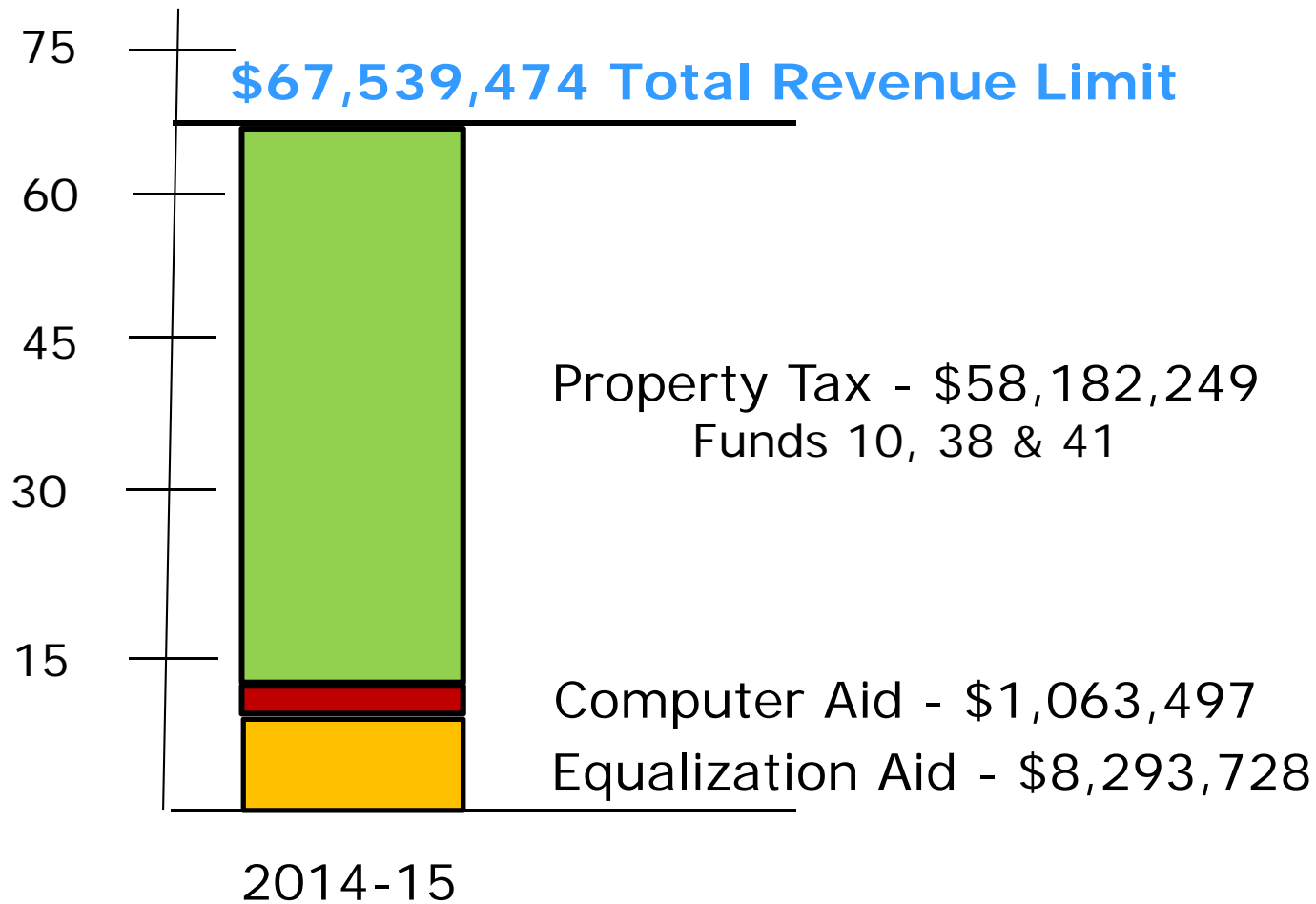
Factor	Amount
Per Student Increase (\$75)	\$ 471,842
Enrollment Growth	\$ 887,760
Transfer of Service	\$ 150,000
Recurring Referendum	<u>\$ 797,000</u>
Total	\$2,306,602

*Without our growing enrollment, our District would struggle to fund normal roll-up increases each year.



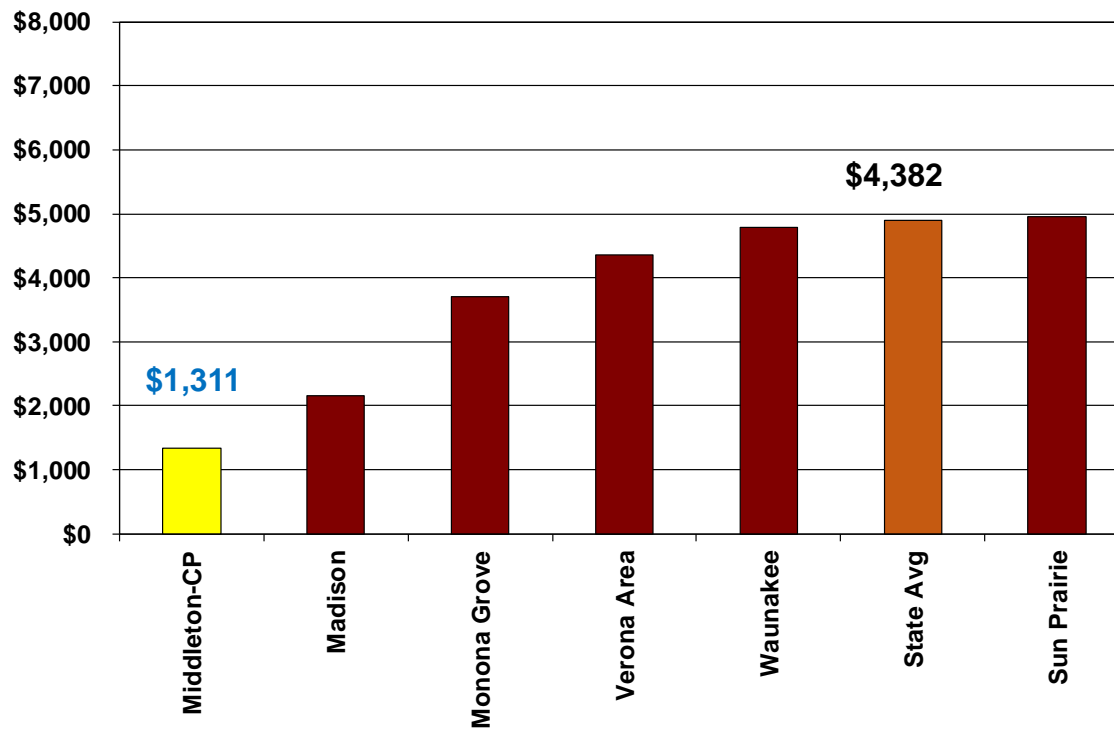
Revenue Limit Distribution

- Once the total revenue limit is determined, the amount needs to be broken down between:
 - State Equalization Aid
 - Computer Aid
 - Property Tax





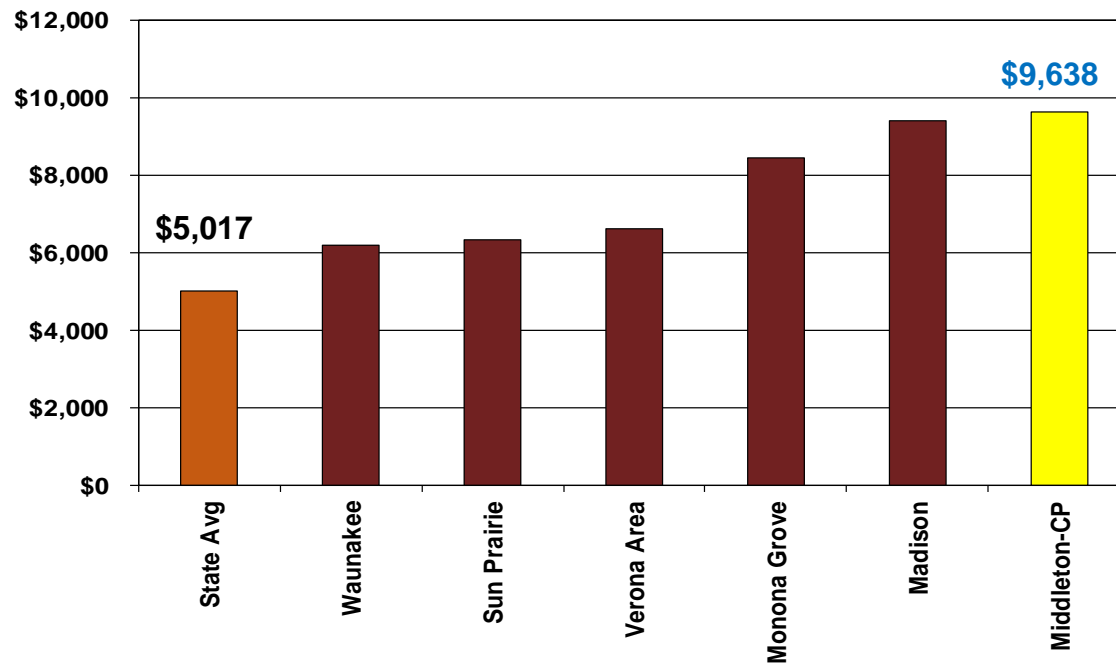
Equalization Aid Per Student Dane County School Districts (2012-13 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



Property Tax Levy Per Student Dane County School Districts (2013-14 Fiscal Year Data)

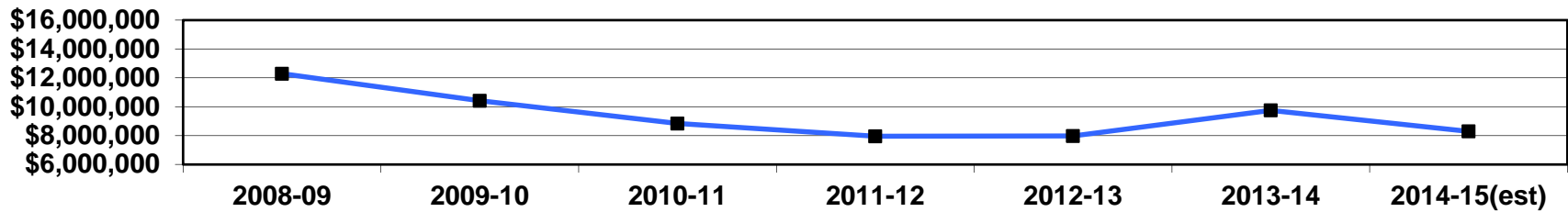


Source: Wisconsin Department of Public Instruction Data Warehouse

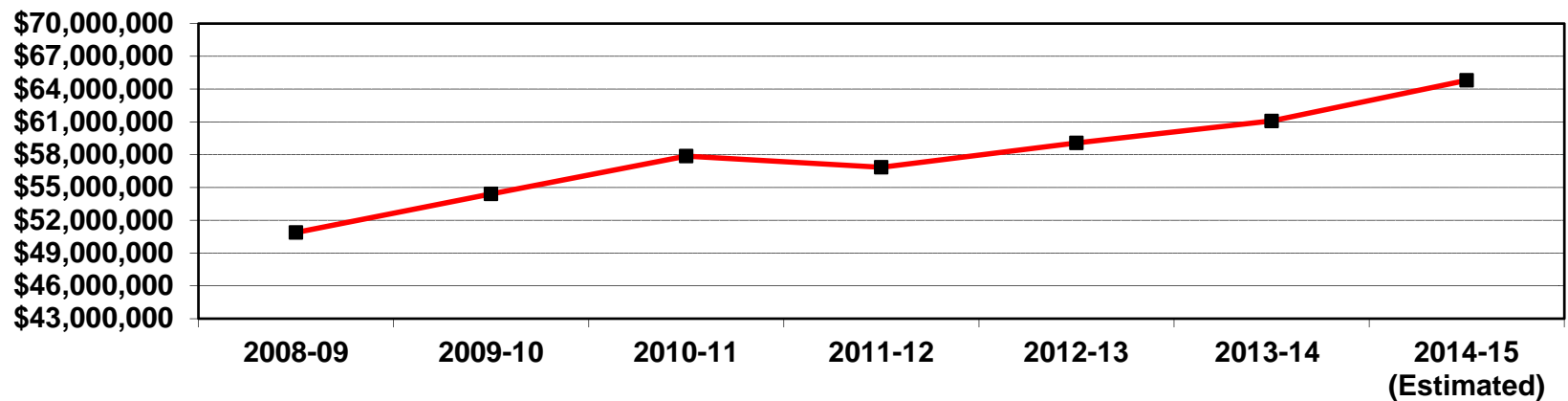


MCPASD: General Aid - Property Tax History

State General Aid



Property Tax Levy



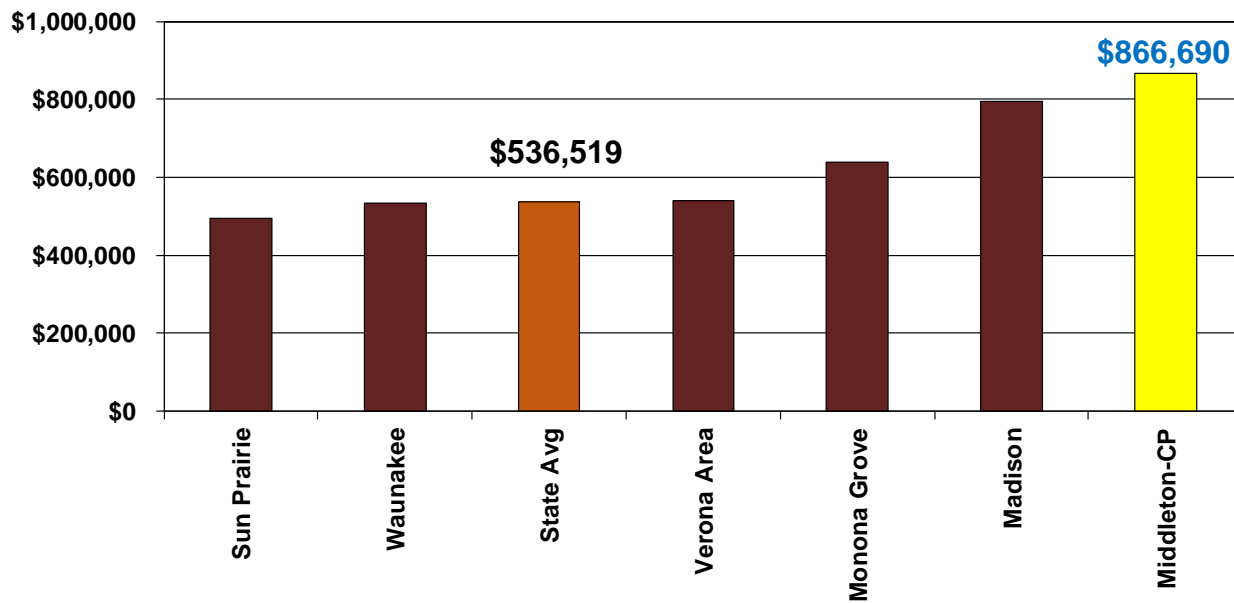


2014-15 Preliminary Budget Tax Levy

<u>FUND</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Change</u>
General Fund	\$ 53,223,965	\$56,888,923	+ 6.90%
Debt Service (Fund 38)	399,000	393,326	- 1.4%
Debt Service (Fund 39)	6,216,444	6,289,816	+ 1.18%
Capital Projects	875,000	900,000	+ 2.86%
Community Service	<u>373,393</u>	<u>338,393</u>	- <u>9.37%</u>
TOTAL:	<u>\$61,087,793</u>	<u>\$64,810,548</u>	+ <u>6.09%</u>



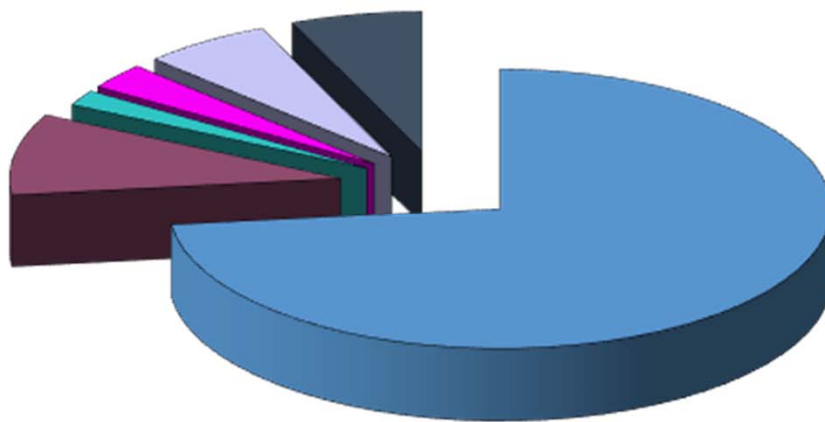
Property Value Per Student Dane County School Districts (2012-13 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



2014-15 Revenue Budget (not including interfund transfers)



- **Property Taxes 73.1%**
- **State General Aid 9.4%**
- **Other Revenue Sources 1.8%**
- **Federal Aid 3.0%**
- **Other State Aid 6.3%**
- **Other Local (Non-Property Tax) Revenue 6.4%**



Mill Rate

- Once the total property tax and property valuation amounts are known, the district's mill rate can be calculated.
- MCPASD's 2014-15 estimated mill rate is \$11.68 per thousand.



2014-15 Preliminary Tax Levy - Estimated Average Impact

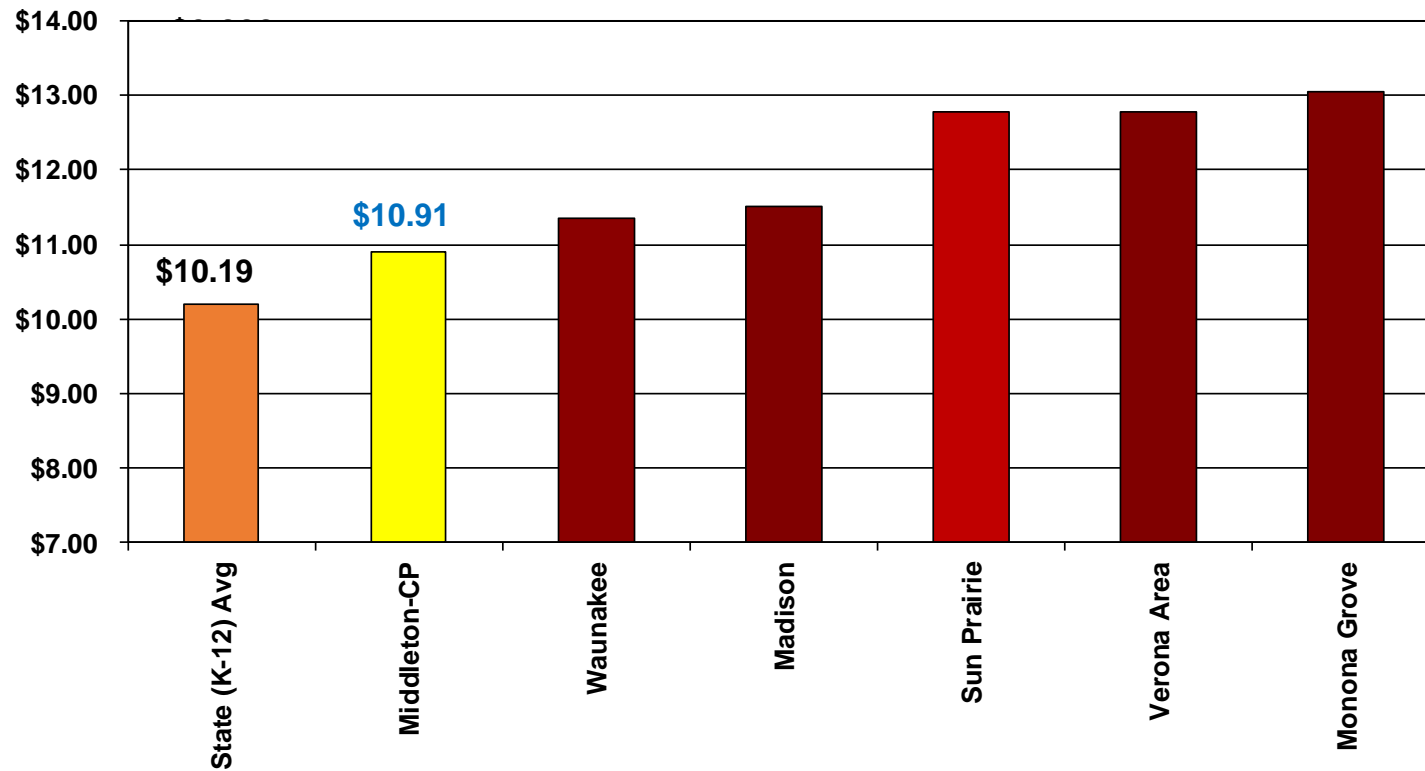
<u>Property Value</u>	<u>2013-14 Tax</u>	<u>2014-15 Tax¹</u>	<u>Change¹</u>
\$200,000	\$ 2,224	\$ 2,336	\$ + 112
\$300,000	\$ 3,336	\$ 3,504	\$ + 168
\$400,000	\$ 4,448	\$ 4,672	\$ + 224

¹ Estimated school taxes. The 2014-15 estimated school taxes were calculated using a projected school tax (mill) rate of \$11.68 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.



Property Tax (Mill) Rates Dane County School Districts (2012-13 Fiscal Year Data)



Source: Wisconsin Department of Public Instruction Data Warehouse



2014-15

EXPENDITURES



District Goals

- Addressing the achievement/opportunity gap
- Providing competitive salaries/fringe benefits
- Addressing Instructional Needs
 - Technology/Innovation
 - Professional Development
 - Curriculum Adoption



District Challenges

- Changing student demographics & needs
 - Increase in our free/reduced population - 19% in 2013-14
 - Increase in the needs of our special education population – 10.4% in 2013-14
 - Increase in the number of students receiving ELL/Bilingual services – 6.2% in 2013-14
 - Increase in the number of students in transition (homeless) – 133 students in 2013-14



District Challenges

- Achieving an appropriate balance
 - Providing a quality education
 - Increasing programmatic expectations
 - Willingness/Ability for our taxpayers to pay

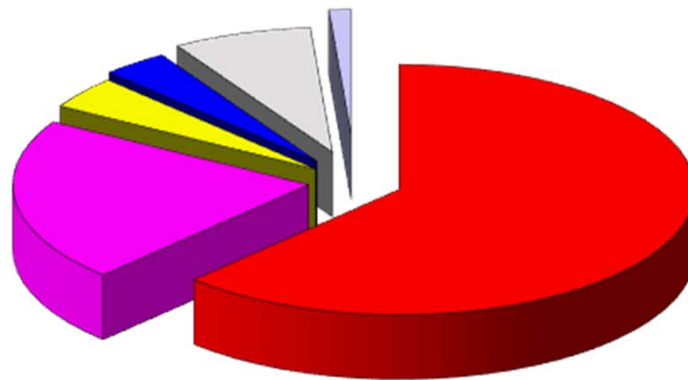
General Fund Expenditures

- Major Changes to the Preliminary Budget:
 - Enrollment driven staff increases
 - as of 9/8/14 our building enrollment has increased by 170 students
 - Staff Salary Increases
 - Teachers - 2.7% + \$125,000 cap on lane changes
 - All Other Staff – 2.0%
 - Market driven staff increases
 - New position – Director of Equity and Student Achievement

General Fund Expenditures

- Major Changes to the Preliminary Budget:
 - Staff and Operational increases Due to Glacier Creek & Kromrey remodeling and grade configuration changes
 - 2 Dean positions
 - Instructional, pupil services, and custodial staff
 - Busses and transportation staff
 - Decrease in expenditure due to project completion of the Sunset Ridge addition

2014-15 Expenditure Budget



■ Salaries & Fringe Benefits 62.2%

■ Purchased Services 21.2%

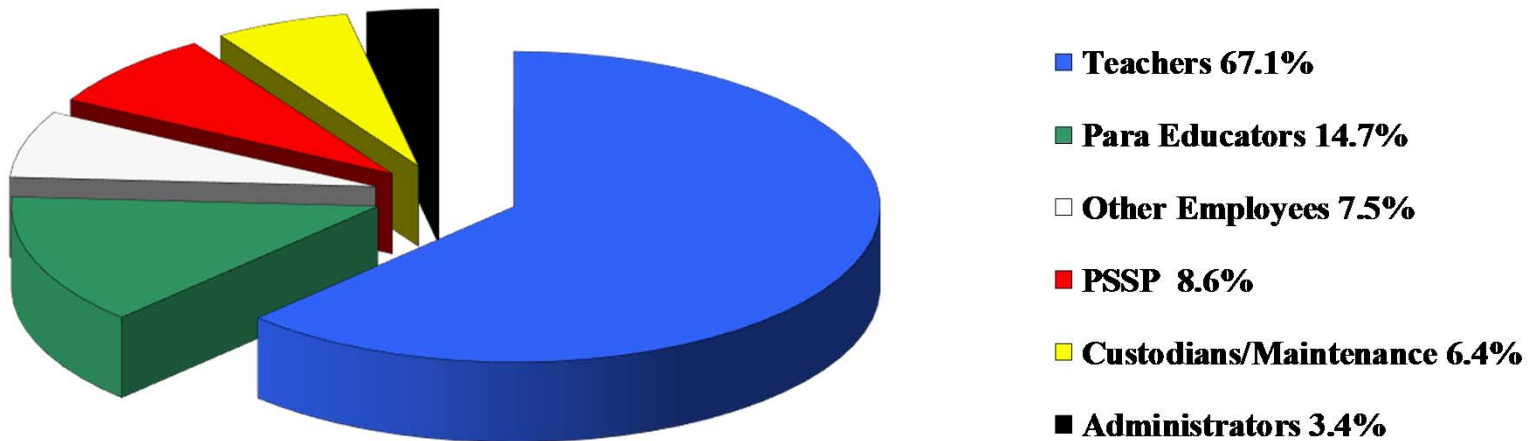
■ Non-Capital Objects 4.2%

■ Capital Objects 3.6%

□ Debt Retirement 7.6%

□ Other Objects 1.2%

2014-15 School Year Staffing



PSSP contains Clerical, Technology, Financial Specialists



2014-15

FUND BALANCE

Fund Balance

- Fund Balance is the difference between a District's assets and liabilities and consists of:
 - Cash and cash equivalents (investments)
 - Receivables (ex: taxes)
 - Payables

- Fund Balance does not mean cash on hand. As of 6/30/14, MCPASD's fund balance was \$17,844,056. Of that amount, \$16,783,530 was outstanding taxes due to be paid in August.

Fund Balance

- Why are sufficient cash reserves so important?
 - Insufficient cash reserves requires the district to borrow to meet cash flow needs, increasing interest expense.
 - In 2013-14, the District borrowed \$4,000,000 for cash flow purposes, and after premium, paid \$15,942 in interest.

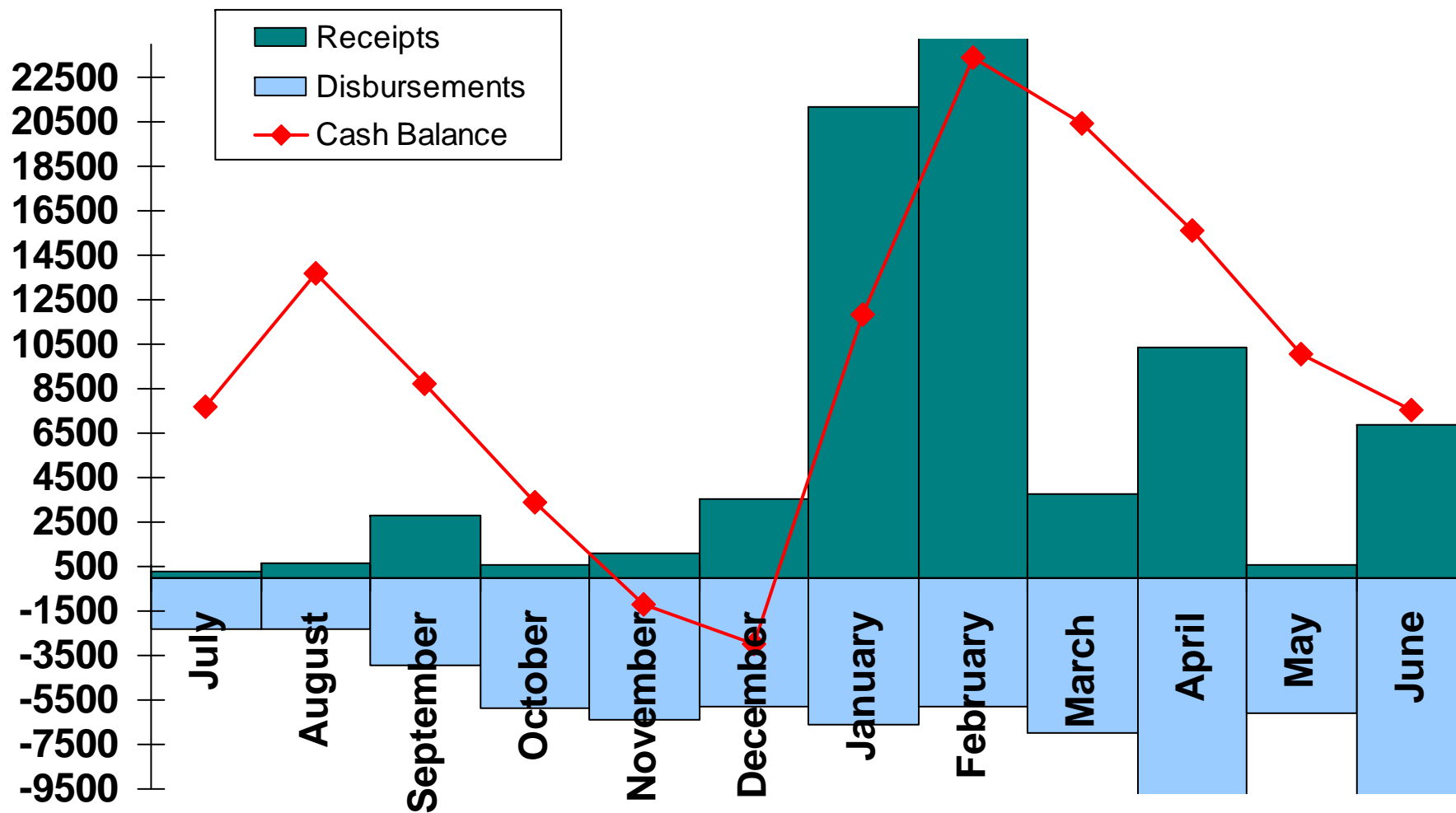
Fund Balance

- Why are sufficient cash reserves so important?
 - Sufficient reserves allow the district to address planned and unplanned expenses such as catastrophic events, or major purchases.
 - Sunset Ridge Addition
 - STEM renovation at MHS
 - Northside Classroom Addition

Fund Balance

- Why are sufficient cash reserves so important?
 - Sufficient and stable reserves is considered a prudent business practice and is favorably looked upon by rating agencies (Moody's), resulting in lower long term debt interest rates.
 - Currently the District has the highest possible rating. – Aaa
 - If the District would have had an "A" rating in April 2013, the \$59,860,000 borrowed for Kromrey & Glacier Creek would have potentially cost the district over \$1,000,000 in increased interest cost.

End of Month – Cash Flow (in thousands of dollars)



Future Budget Work

- Continue to monitor factors affecting the 2014-15 budget:
 - enrollment (3rd Friday in September)
 - property values (October 1st)
 - aid certification (October 15th)

- Adopt the original budget prior to October 31st.



Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
 - Managing health insurance cost
 - Wellness program
 - Health Risk Assessments for Employees & Spouses/Domestic Partners
 - Plan Design (i.e. copays, deductibles, benefit levels)

Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
 - Energy Conservation
 - Energy audits – energy cost avoidance to date is \$2,694,255
 - Use of renewable energy
 - Geothermal at Kromrey
 - Use of solar energy to supplement heating at the pool, Kromrey, and Glacier Creek

Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
 - Proactive Risk Management
 - Safety committee
 - Training program for staff (Public School Works)
 - Accident reporting & investigation

Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
 - Invest in Cost-Saving Technology
 - Print Management Program – reduces copies & uses copiers & printers more efficiently
 - Task Manager Process Flow – electronic process for tasks – reduces need for paper

Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
 - Intergovernmental Cooperation
 - City of Middleton
 - collaborative use of space (i.e. Youth Center, Soccer Fields, Tennis Courts, Indoor Pool)
 - Shared use of equipment and consolidation of volume for purchasing (i.e. salt)



Inspire ★ Challenge ★ Empower

Questions?



Inspire ★ Challenge ★ Empower

2014-15 Annual Meeting



Agenda

- Call to Order and Introductions
- Election of Chairperson
- Reading of Minutes, 9/16/2013 Annual Meeting
- Old Business
- New Business - Resolutions
- Other New Business
- Adjournment



Resolution A

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

BE IT RESOLVED: That there be levied for the 2014-15 fiscal year a tax in the amount of \$900,000 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

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

BE IT RESOLVED: That there be levied a tax in the amount of \$64,810,458 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 2014-15 fiscal year.



Resolution C

□ **RESOLUTION C** - Adoption of School Board Salaries for 2014-15

BE IT RESOLVED: That the salaries of the school board members for the 2014-15 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

- **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.