

# Middleton—Cross Plains Area School District

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## 2018-19 Budget Hearing

# Budget Hearing Agenda

- Overview of 2018-19 Preliminary Budget
- Review Tax Impact on the Community
- Provide Opportunities for Questions



# Budget Development

- Review Current Year Programs/Services
- Analyze Student Enrollment/Demographics
- Identify Community Expectations
- Identify Major Budget Factors
  - Revenue Limit Calculations
  - General State Aid Projections
  - Staff Wage & Benefit Increases

# 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 approximately **90%** of the general fund 2018-19 preliminary revenue budget.



# Revenue Limit – Key Factor

- Student Enrollment:
  - Increased student numbers means increased dollars available within the revenue limit.
  - For preliminary budget purposes, we estimated an increase of 171 students.

## Enrollment Projections

	2014-15	2015-16	2016-17	2017-18	2018-19
Estimated	50	82	140	146	171
Actual	98	237	145	149	171 (est)

# Revenue Limit – Key Factor

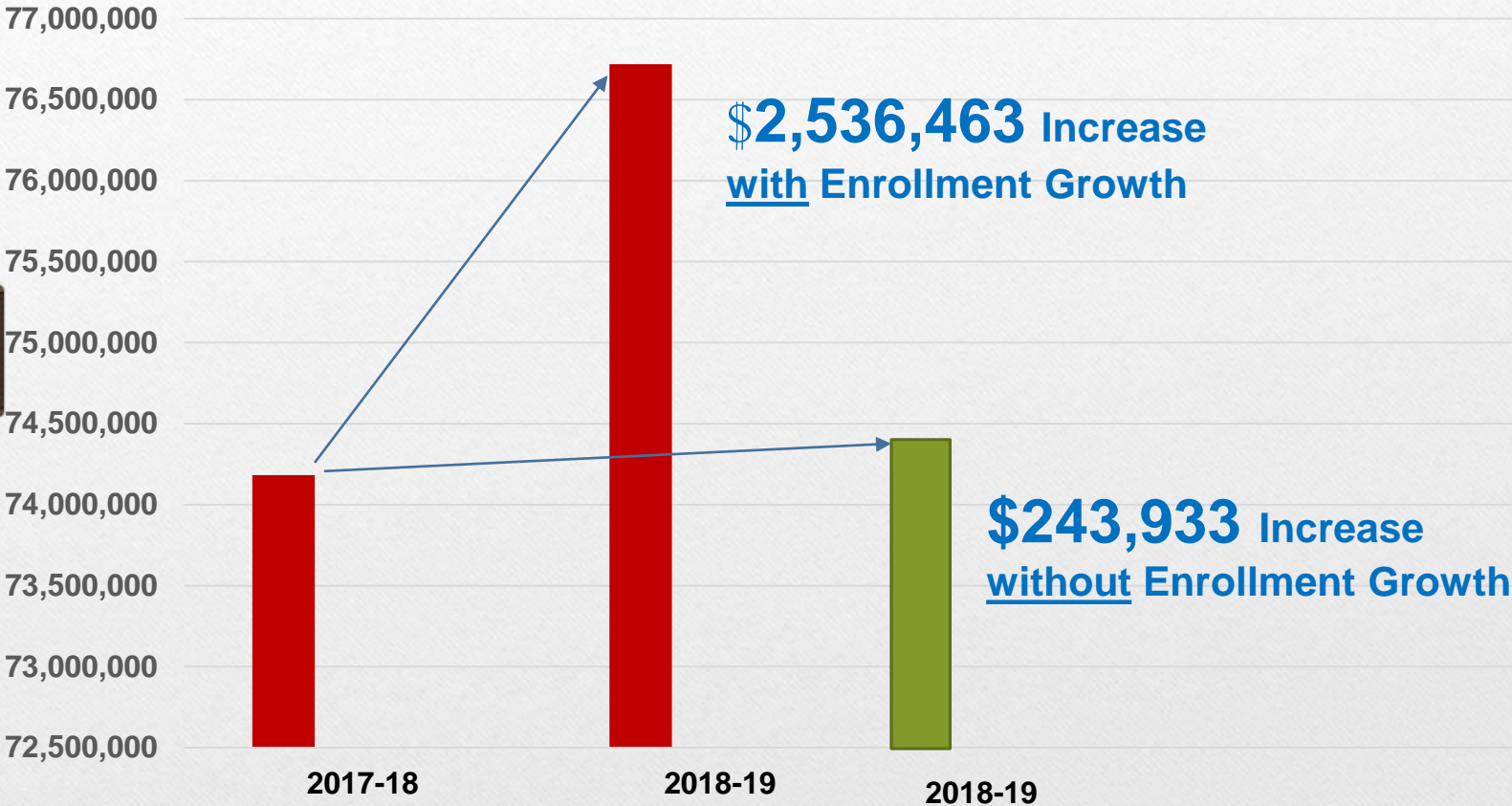
- Revenue Limit Per Member Increase:
  - The 2017-19 proposed State Biennial Budget does not include an increase to the revenue limit per member.

Fiscal Year	Per Member Inc
2018-19	0.00
2017-18	0.00
2016-17	0.00
2015-16	0.00
2014-15	75.00



# Revenue Limit Increase

Estimated 2018-19 Revenue Limit Increase

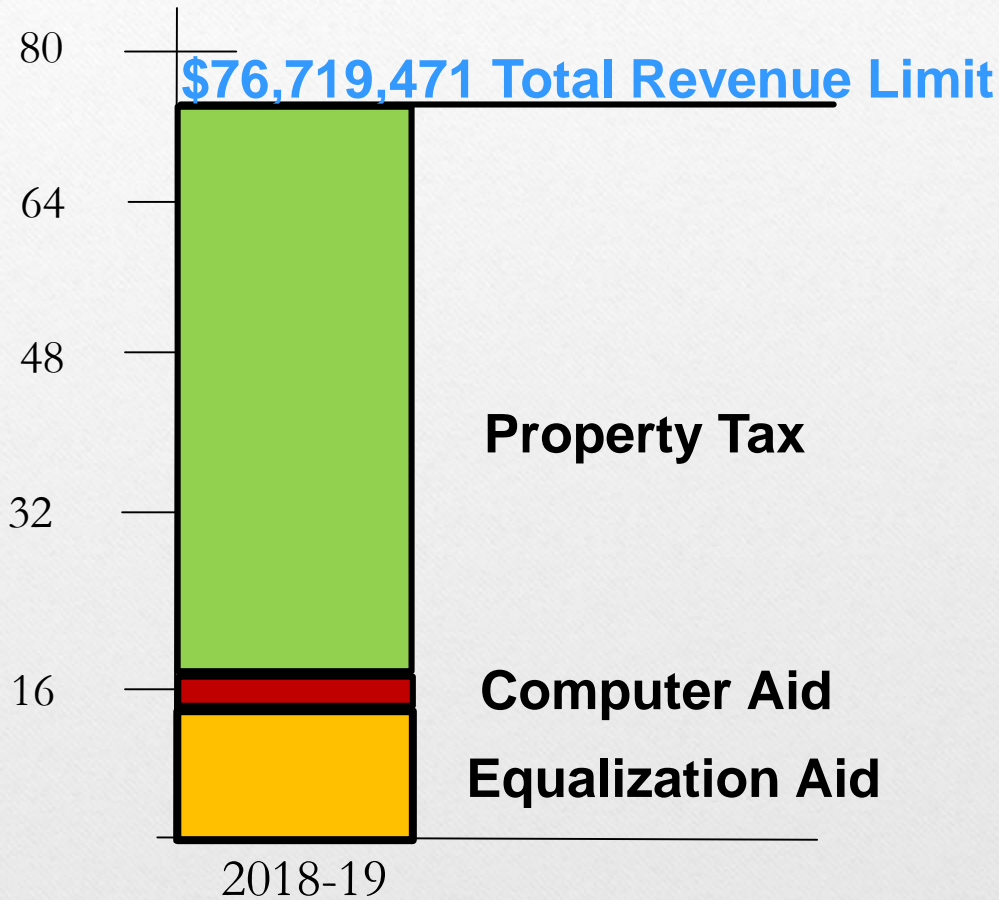


# Revenue Limit Distribution

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

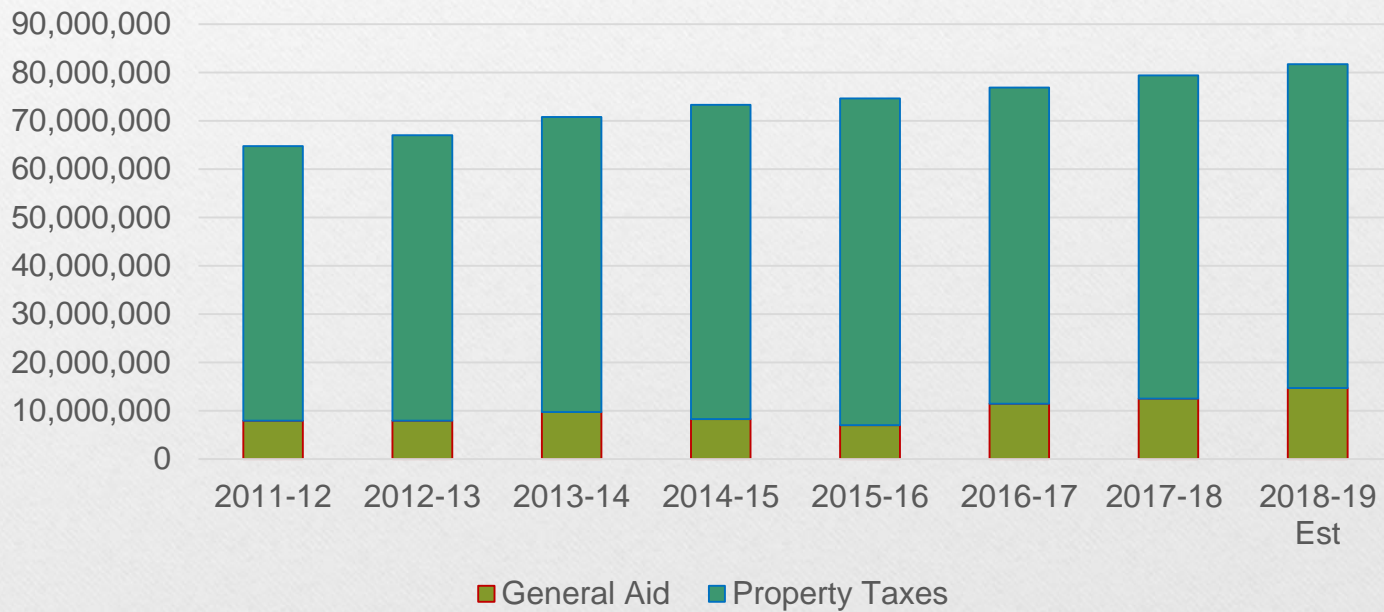


# Revenue Limit Distribution



# General Aid – Property Tax History

Aid-Tax Comparison





# Per Pupil Categorical Aid

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- Originally created in 2012-13, this state aid is paid annually and considered revenue outside of the revenue limit.
- The State Biennial Budget increases the per pupil categorical aid as opposed to increasing the revenue limit per member amount.

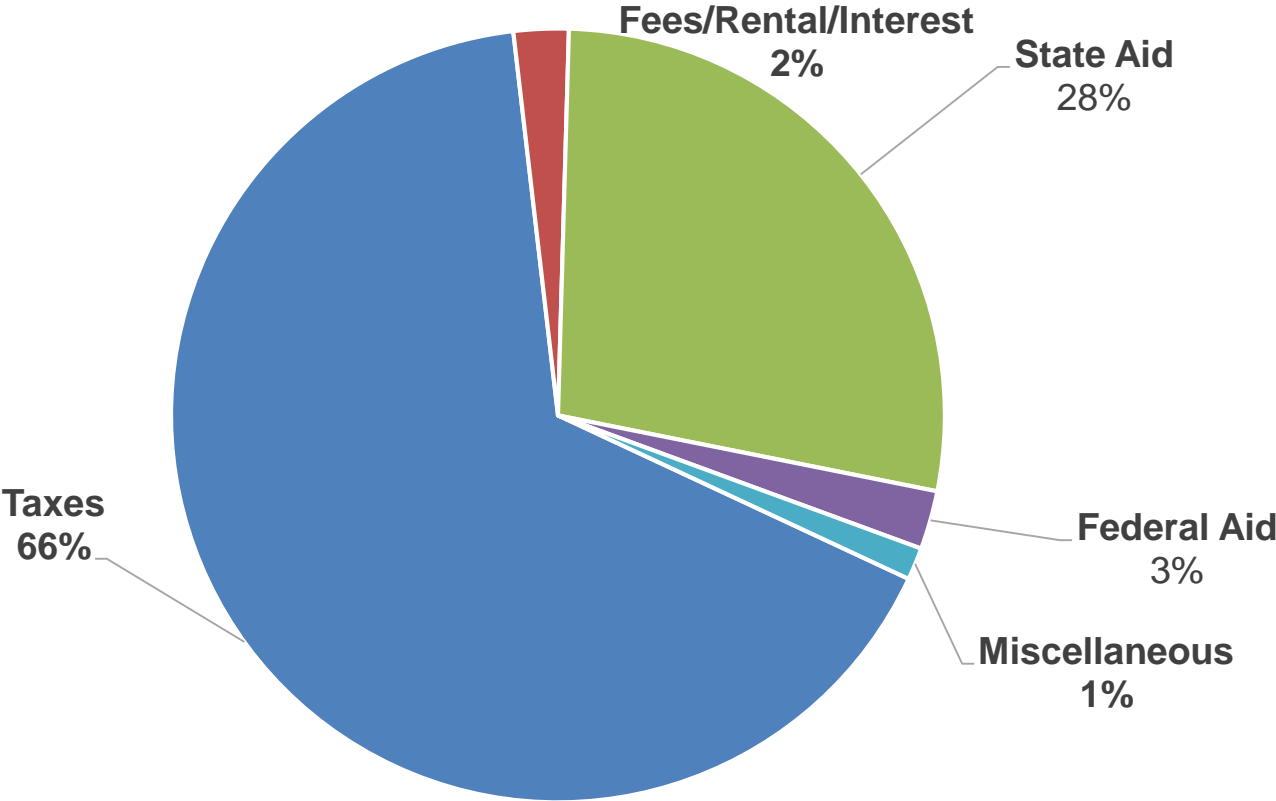
# Per Pupil Categorical Aid

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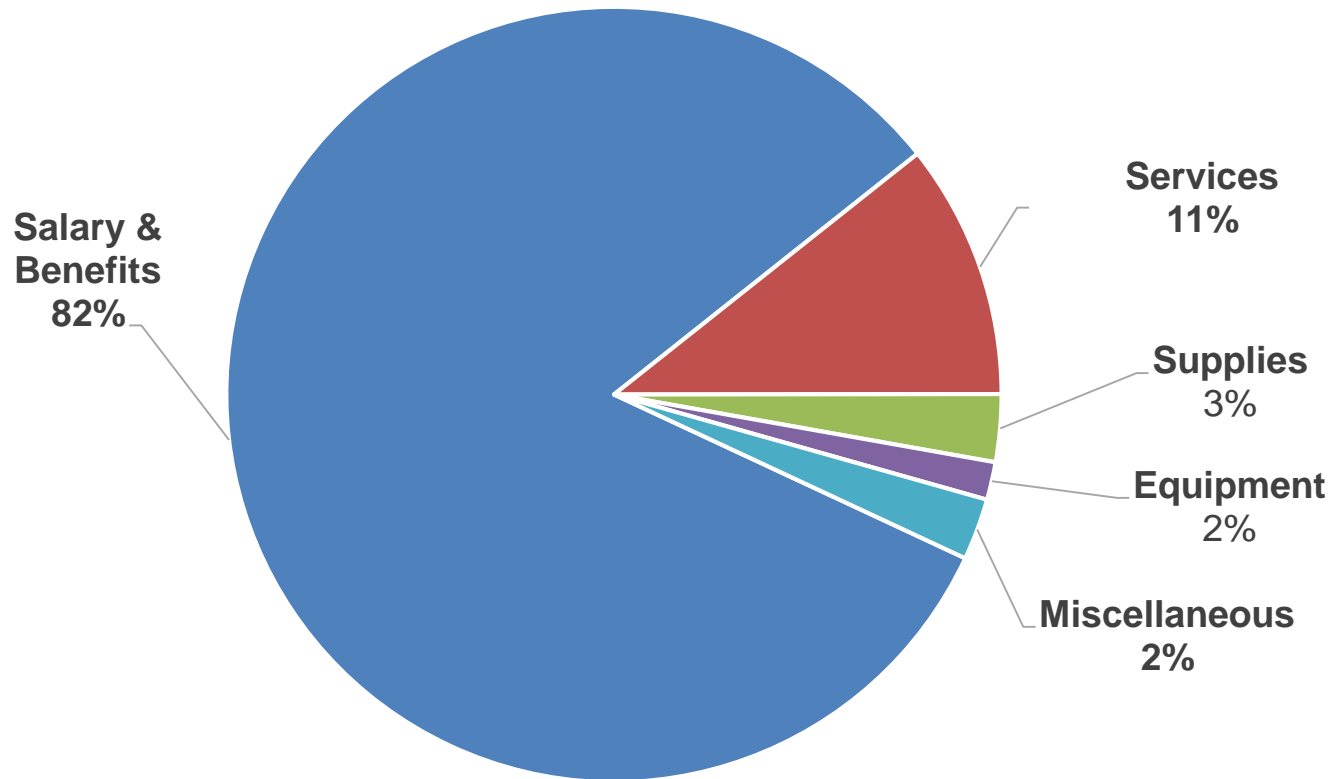
Fiscal Year	Per Pupil Aid
2018-19	654.00
2017-18	450.00
2016-17	250.00
2015-16	150.00
2014-15	150.00
2013-14	75.00



# 2018-19 Operating Revenue Budget



# 2018-19 Operating Expenditure Budget





# Tax Levy

## Tax Levy History

	Est. 2018-19 Levy	% Change From Prior Year	2017-18 Levy	% Change From Prior Year	2016-17 Levy	% Change From Prior Year
Operations	59,785,586	0.16%	59,692,781	2.94%	57,987,946	1.46%
Long Term Debt	6,186,300	-0.01%	6,186,879	-3.54%	6,413,832	-3.83%
Capital Projects	1,000,000	2.56%	975,000	2.63%	950,000	5.56%
Community Service	74,000	7.06%	69,120	-6.89%	74,235	-78.06%
	67,045,886	0.18%	66,923,780	2.29%	65,426,013	0.56%

# Mill Rate

## Mill Rate Calculation

Year	Equalized Valuation	% Change	Tax Levy	% Change	Mill Rate	% Change
2014-15	5,652,641,569		65,059,046		11.51	
2015-16	5,812,395,312	2.83%	67,578,826	3.87%	11.63	1.04%
2016-17	6,157,479,991	5.94%	65,426,013	-3.19%	10.63	-8.60%
2017-18	6,487,832,784	5.37%	66,923,780	2.29%	10.32	-2.92%
2018-19 Est	6,714,906,931	3.50%	67,045,886	0.18%	9.98	-3.29%



# Estimated Tax Levy - Impact

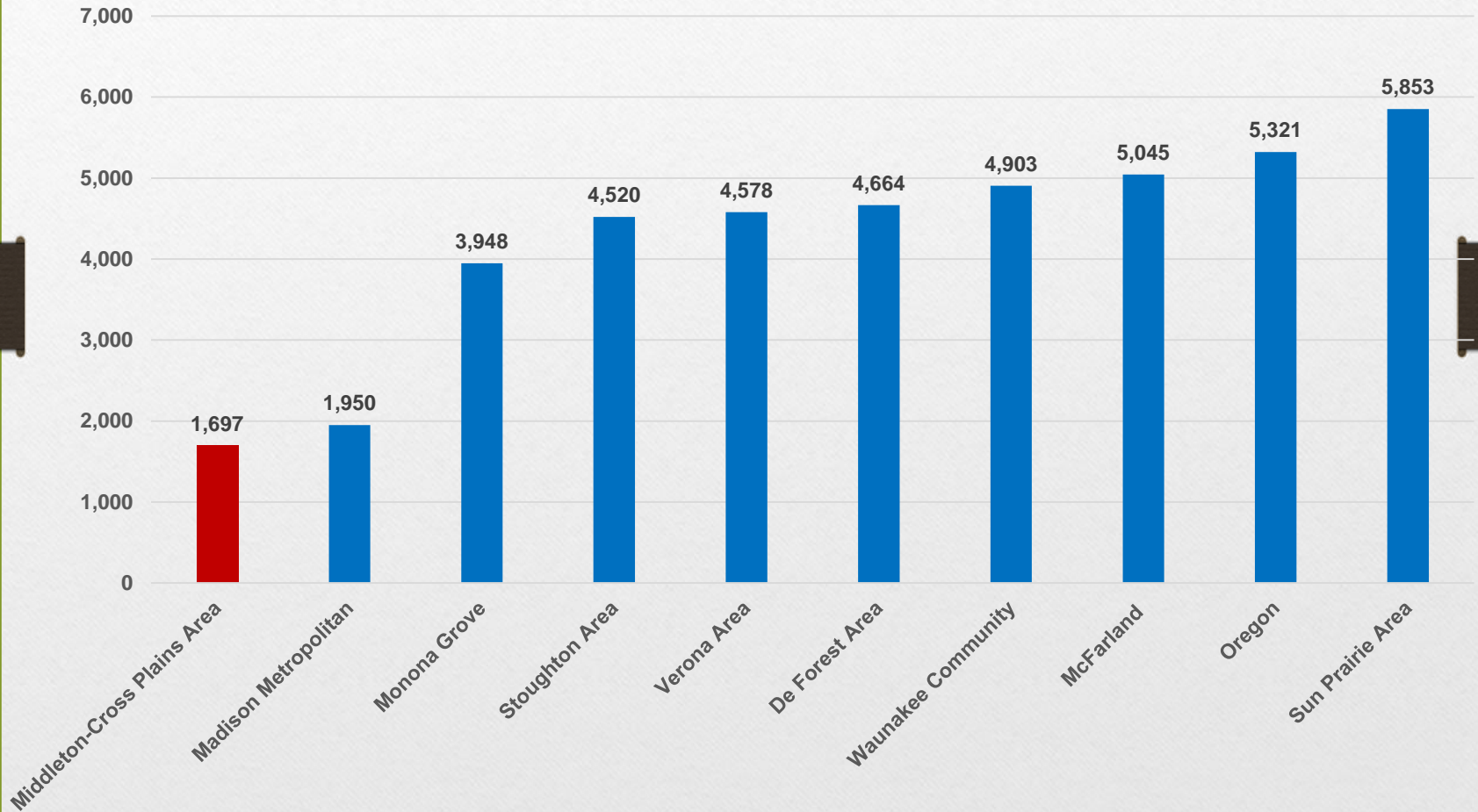
Fiscal Year	Mill Rate	Residential Property Value					
		\$200,000	\$207,000	\$300,000	\$310,500	\$400,000	\$414,000
2017-18	\$10.32	\$2,064		\$3,096		\$4,128	
2018-19	\$9.98		\$2,066		\$3,099		\$4,132
Difference			\$2		\$3		\$4

\* Note the District's overall equalized value is estimated to increase by 3.5%.

<sup>1</sup> The 2018-19 data is an estimate with final values certified October 2018.

# Dane County Peers – Equalization Aid

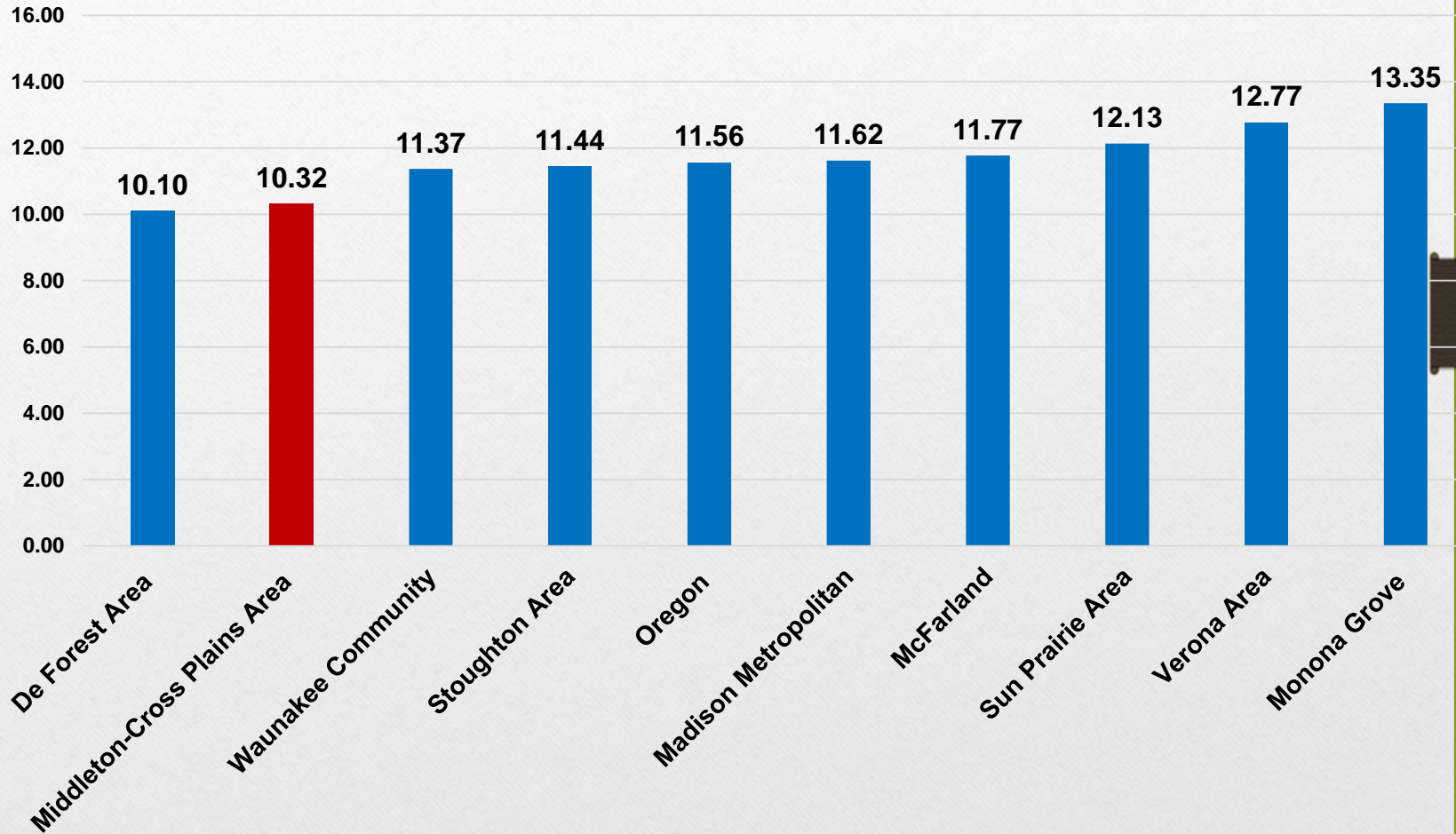
2016-17 Equalization Aid Per Student





# Dane County Peers – Mill Rate

2017-18 Mill Rate





# 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 (bills due, but not paid)
- Fund Balance does not mean cash on hand.

	<b>Fund Balance</b>	<b>Cash Balance</b>
6/30/2018	\$20,829,803	\$12,573,961

# 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 2017-18, the District established a line of credit in the amount of \$4,162,000 for cash flow purposes, resulting in \$9,225 of interest expense.



# Fund Balance – Cash Flow Borrow

	Fund Balance	Amount Borrowed	Interest Paid
2014-15	17,643,389	3,800,000	35,206
2015-16	18,567,925	3,800,000	33,144
2016-17	19,588,701	2,290,000	6,942
2017-18	20,829,803	4,162,000	9,225



# Future Budget Work

- Continue to monitor factors affecting the 2018-19 budget.
  - Enrollment (3<sup>rd</sup> Friday in September)
  - Property Values (October 1<sup>st</sup>)
  - Aid Certification (October 15<sup>th</sup>)
- Adopt the original budget prior to October 31<sup>st</sup>.

# Future Budget Work

- Continue to implement effective (fiscal) resource management & strategies
  - Managing health insurance cost
  - Energy Conservation
  - Proactive Risk Management
  - Invest in Cost-Saving Technology
  - Intergovernmental Cooperation





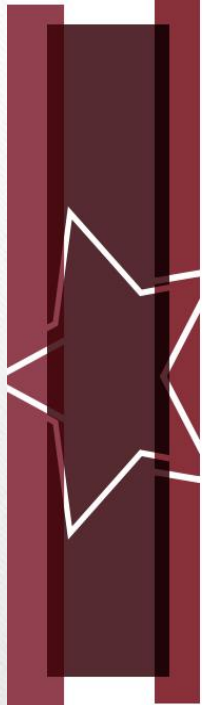
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Questions?

Contact Lori Ames, Director of Business Services  
lames@mcpasd.k12.wi.us  
608-829-9002





# Middleton–Cross Plains Area School District

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## 2018-19 Annual Meeting

# Agenda

- Call to Order and Introductions
- Election of Chairperson
- Reading of Minutes, 9/18/2017 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 2018-19 fiscal year a tax in the amount of \$1,000,000 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 \$67,045,886 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 2018-19 fiscal year.

# Resolution C

- **RESOLUTION C** - Adoption of School Board Salaries for 2018-19

BE IT RESOLVED: That the salaries of the school board members for the 2018-19 school year be established as follows:

President . . . . . \$ 4,200

Other Members . . \$ 3,600

*NOTE: These salaries remain the same as approved at the 2015 Annual Meeting.*