

Middleton—Cross Plains Area School District

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2017-18 Budget Hearing

Budget Hearing Agenda

- Overview of 2017-18 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 90% of the general fund 2017-18 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 146 students.

Enrollment Projections

	2014-15	2015-16	2016-17	2017-18
Estimated	50	82	140	146
Actual	98	237	145	193 (est)

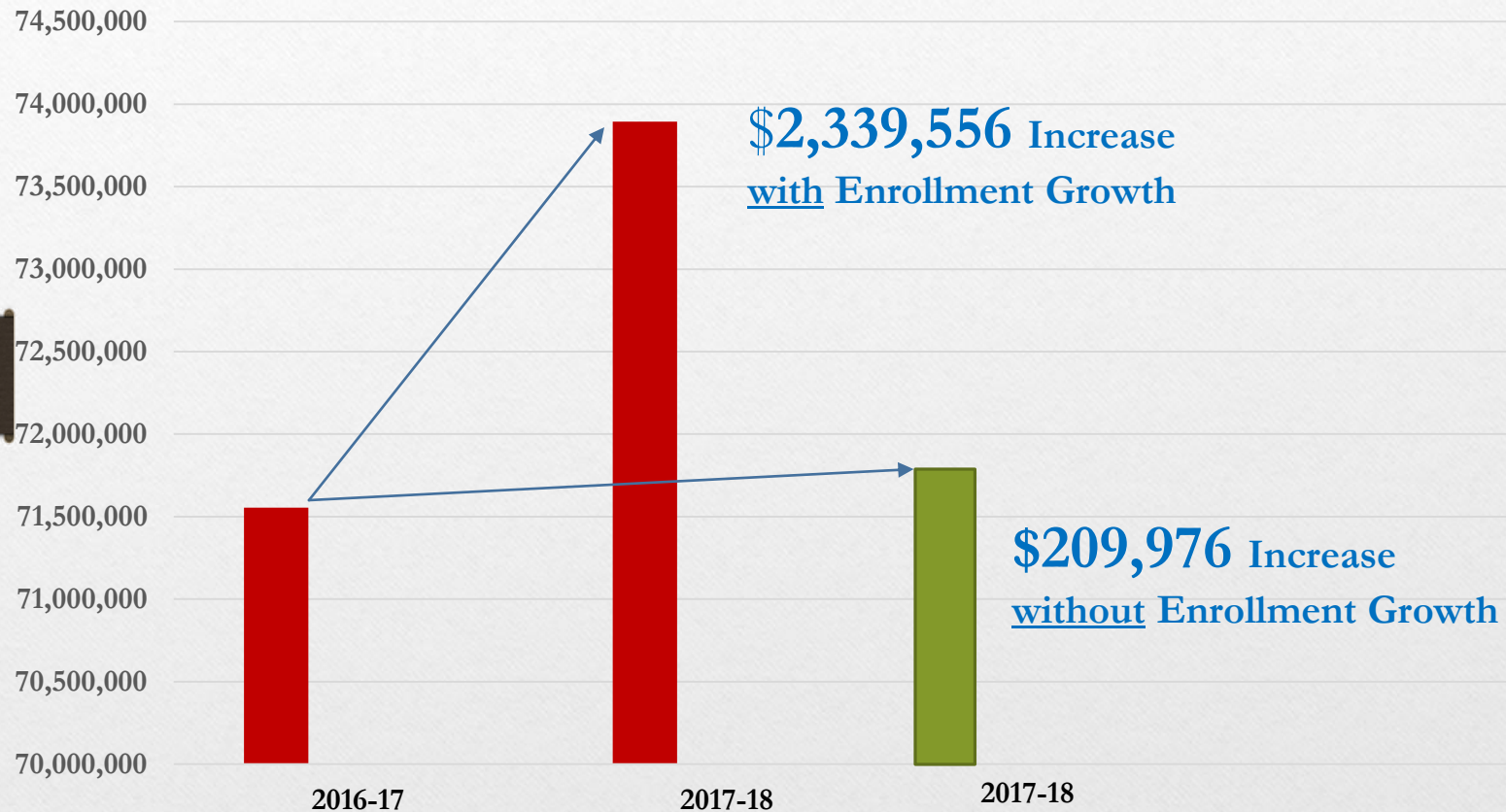
Revenue Limit – Key Factor

- 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
2017-18	0.00
2016-17	0.00
2015-16	0.00
2014-15	75.00
2013-14	75.00

Revenue Limit Increase

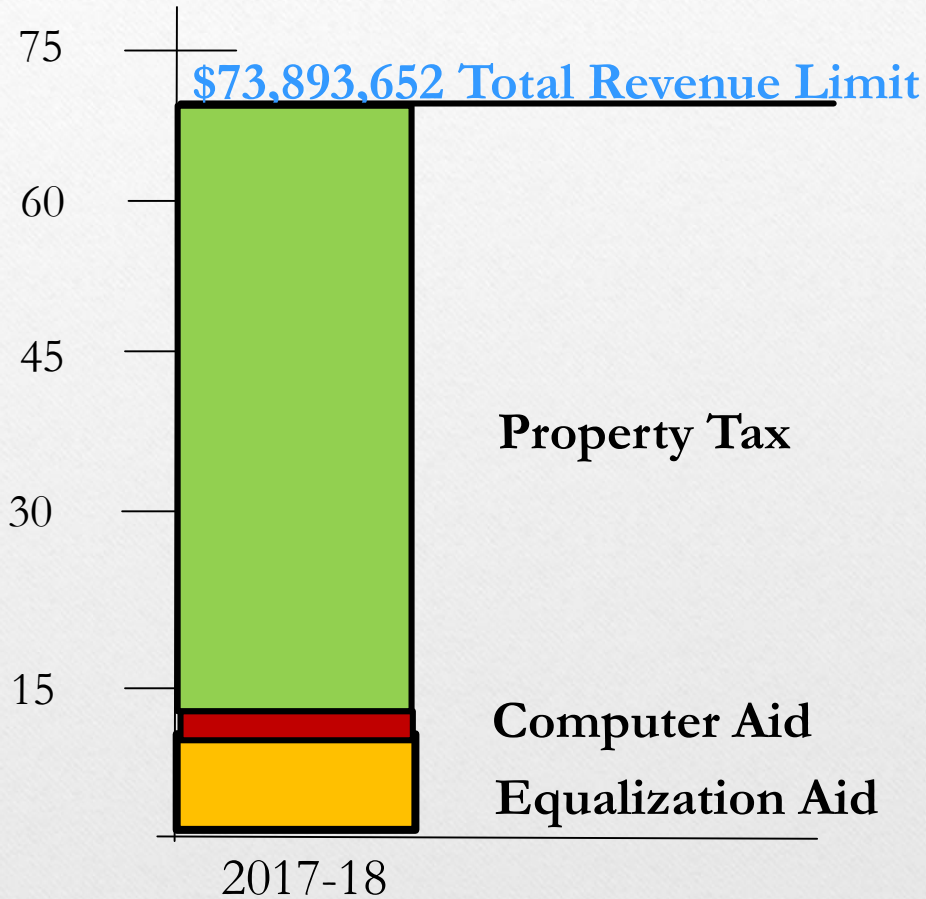
Estimated 2017-18 Revenue Limit Increase



Revenue Limit Distribution

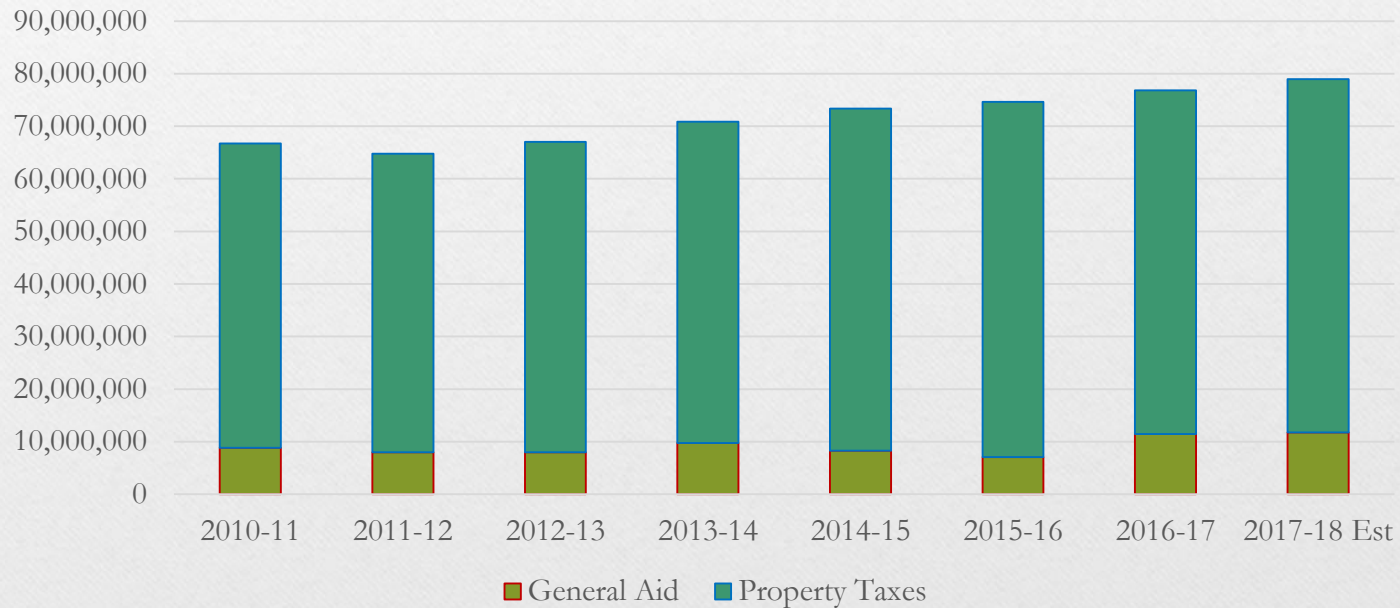
- Once the total revenue limit is determined, the amount needs to be broken down between:
 - State Equalization Aid
 - Computer Aid
 - Property Tax

Revenue Limit Distribution



General Aid – Property Tax History

Aid-Tax Comparison



Per Pupil Categorical Aid

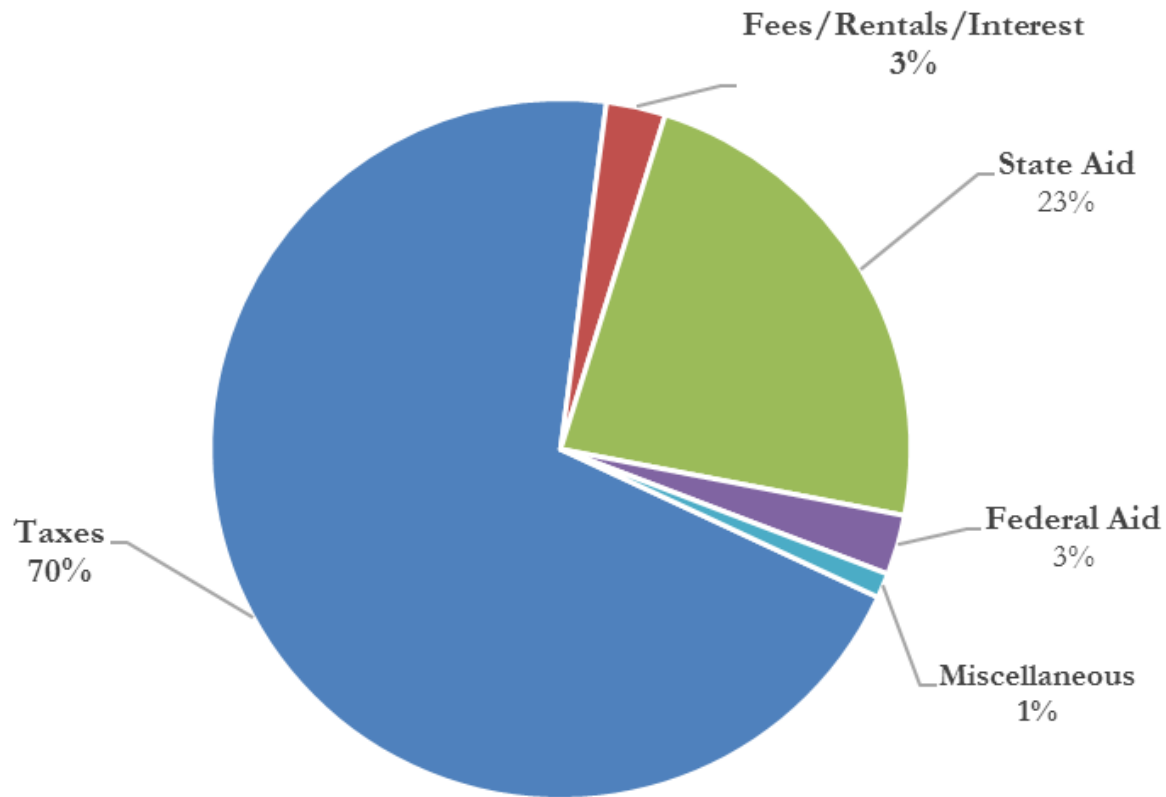
- Originally created in 2012-13, this state aid is paid annually and considered revenue outside of the revenue limit.
- The State Biennial Budget increases the per pupil categorical aid as opposed to increasing the revenue limit per member amount.

Per Pupil Categorical Aid

Fiscal Year	Per Pupil Aid
2017-18 (est)	400.00
2016-17	250.00
2015-16	150.00
2014-15	150.00
2013-14	75.00
2012-13	50.00

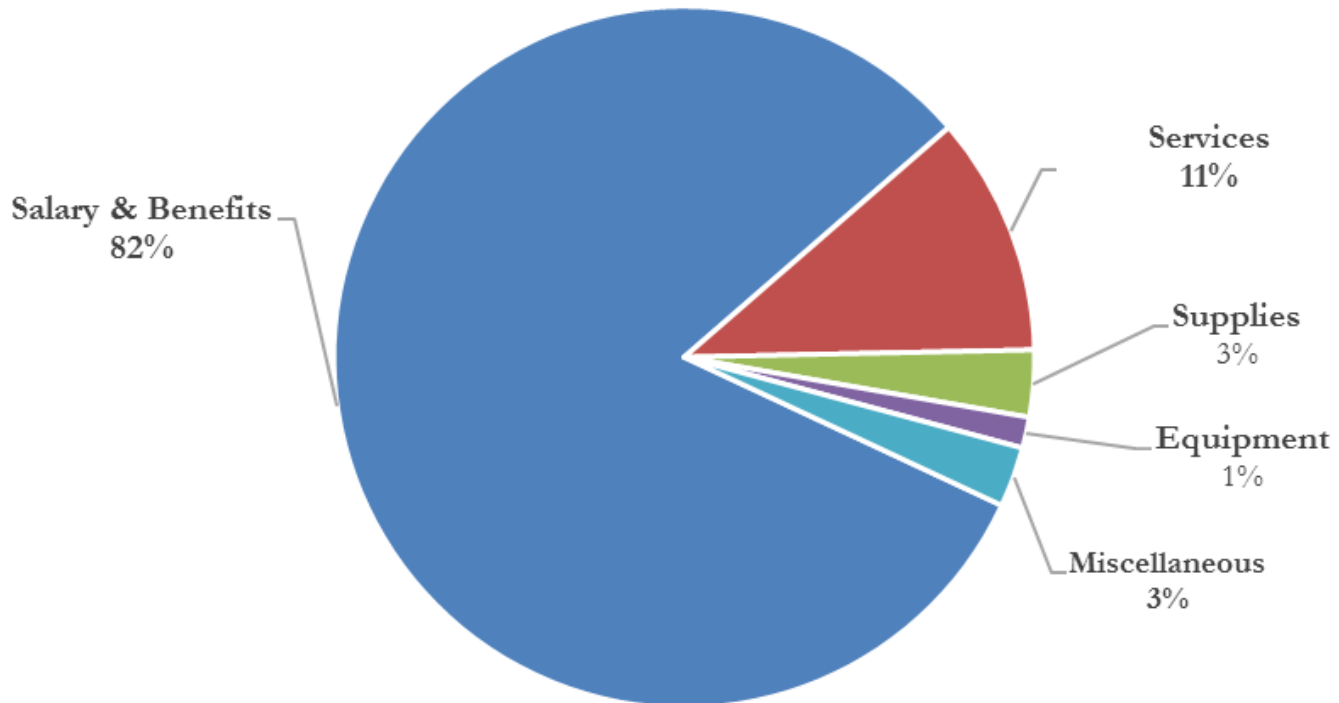
2017-18 Operating Revenue Budget

2017-18 Operational Revenue Summary



2017-18 Operating Expenditure Budget

2017-18 Operational Expenditure Summary



Tax Levy

Tax Levy History

	Est 2017 Levy	% Change From Prior Year	2016 Levy	% Change From Prior Year	2015 Levy	% Change From Prior Year
Operations	60,031,405	3.52%	57,987,946	-3.62%	60,166,972	5.28%
Long Term Debt	6,186,879	-3.54%	6,413,832	-0.14%	6,422,681	-3.70%
Capital Projects	975,000	2.63%	950,000	2.70%	925,000	2.78%
Community Service	69,120	-6.89%	74,235	15.68%	64,173	-81.04%
	67,262,404	2.81%	65,426,013	-3.19%	67,578,826	3.87%

Mill Rate

Mill Rate Calculation

Year	Equalized Valuation	% Change	Tax Levy	% Change	Mill Rate	% Change
2012-13	5,414,061,492		59,078,289		10.91	
2013-14	5,495,104,745	1.50%	61,087,793	3.40%	11.12	1.92%
2014-15	5,652,641,569	2.87%	65,059,046	6.50%	11.51	3.51%
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 (est)	6,342,204,391	3.00%	67,262,404	2.81%	10.61	-0.19%

Estimated Tax Levy - Impact

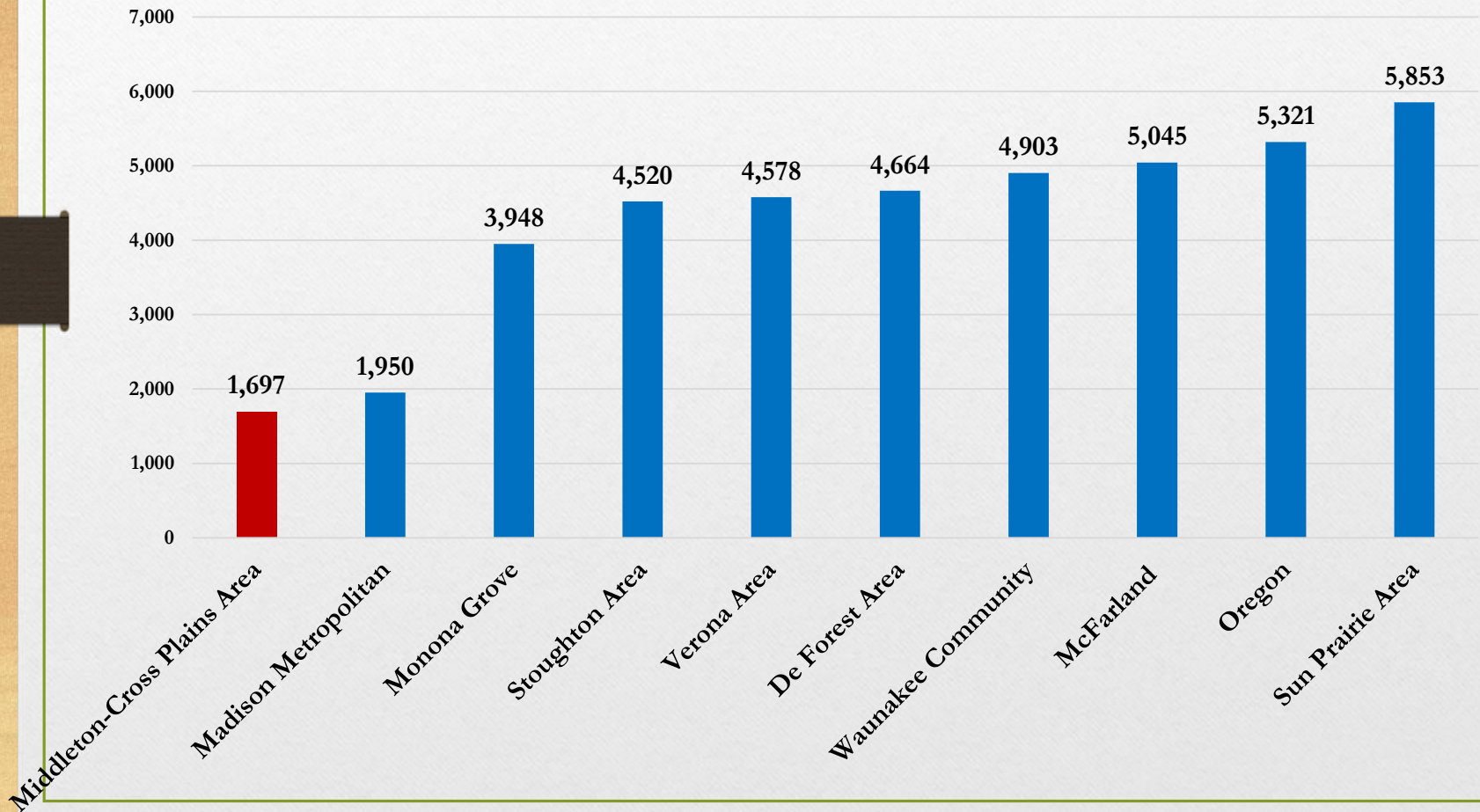
Fiscal Year	Mill Rate	Residential Property Value					
		\$200,000	\$206,000	\$300,000	\$309,000	\$400,000	\$412,000
2016-17	\$10.63	\$2,126		\$3,189		\$4,252	
2017-18	\$10.61		\$2,186		\$3,278		\$4,371
Difference			\$60		\$89		\$119

* Assumption: 3% increase in residential property value for 2017-18.

* The 2017-18 data is currently an estimate with final values certified October 2017.

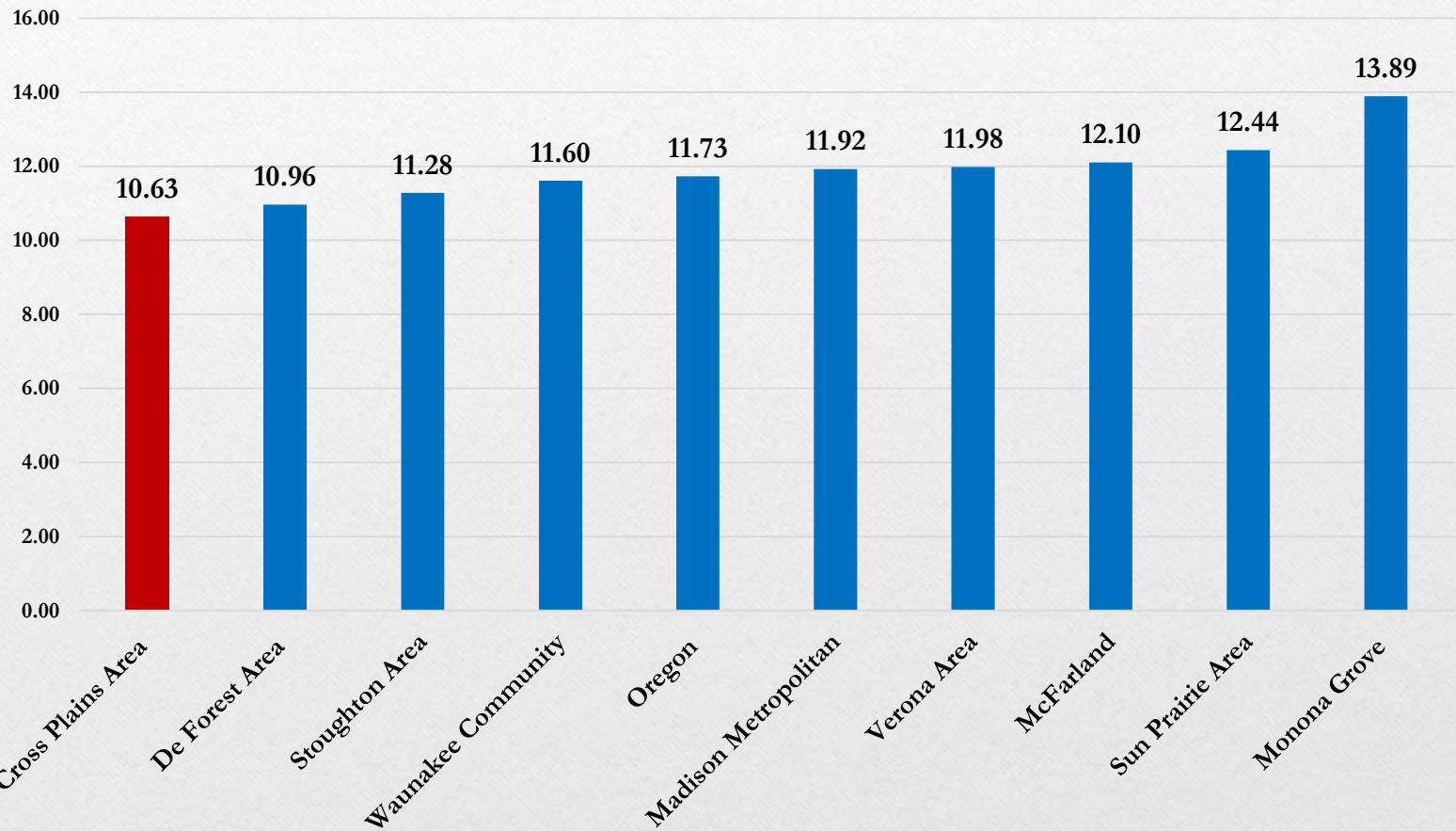
Dane County Peers – Equalization Aid

2016-17 Equalization Aid Per Student



Dane Cty Peers – Mill Rate

2016-17 Mill Rate



Middleton-Cross Plains Area

De Forest Area

Stoughton Area

Waunakee Community

Oregon

Madison Metropolitan

Verona Area

McFarland

Sun Prairie Area

Monona Grove

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.

	Fund Balance	Cash Balance
6/30/2017	\$19,588,701	\$9,893,544

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 2016-17, the District established a line of credit in the amount of \$2,290,000 for cash flow purposes, resulting in \$6,942.48 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

Future Budget Work

- Continue to monitor factors affecting the 2017-18 budget.
 - 2017-19 State Biennial 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
 - Energy Conservation
 - Proactive Risk Management
 - Invest in Cost-Saving Technology
 - Intergovernmental Cooperation



Middleton–Cross Plains Area School District

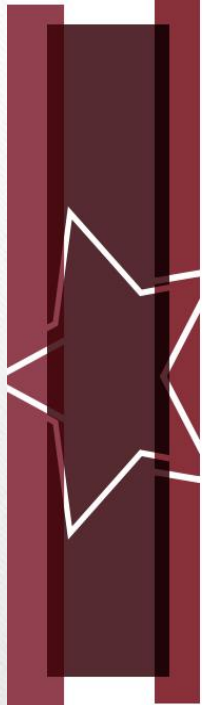
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Questions?

Contact Lori Ames, Director of Business Services

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608-829-9002



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2017-18 Annual Meeting

Agenda

- Call to Order and Introductions
- Election of Chairperson
- Reading of Minutes, 9/19/2016 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 2017-18 fiscal year a tax in the amount of \$975,000 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 \$67,262,404 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 2017-18 fiscal year.

Resolution C

- **RESOLUTION C** - Adoption of School Board Salaries for 2017-18

BE IT RESOLVED: That the salaries of the school board members for the 2017-18 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.