



2017-18 BUDGET

**State and District Budgets
School Board Meeting
March 22, 2017**

STATE PROCESS

- Governor's Proposed Budget February 8th
- Assembly & Senate Make Changes April - June
 - Joint Finance
 - Holds Hearings (6 this year) April 5th at State Fair
- Assembly & Senate Pass Budget June
- Governor Signs Budget with Vetoes June

GOVERNOR'S BUDGET

Summary: Far from perfect, but reflects a realization that costs increase, and this budget helps us maintain what we do

K-12 Elements:

-Per Pupil Aid

-No Revenue Limit Adjustment

-Eliminates Energy Exemption

-Increases Equalization Aid for purposes of Tax Reduction

-Increases Tax Levy Credit for purposes of Tax Reduction

-School Mental Health Initiatives

-Lifetime Licenses for teachers and administrators

-Voucher Expansion is not accelerated (seats grow by 1% per year and income guidelines are not altered)

PER PUPIL CATEGORICAL AID

Appropriation: Established in 2011 Wisconsin Act 32 (Sum-Sufficient Allocation) Est. \$211,115,500 [\$0 change in 2015-16; \$100 increase per pupil in 2016-17]

Factors: School districts automatically receive this aid. There are no eligibility criteria and no proration of aid.

Set to \$250 for 2016-17. This aid is NOT equalized, all districts receive the same per pupil amount directly from the state regardless of their ability to pay.

Governor's Recommendation: Increase by \$200 to \$450 for 2017-18 and by an additional \$204 to \$654 for 2018-19.

PER PUPIL AID STRINGS

Must certify that we have enacted the 12% employee share of health insurance costs allowed by Act 10

Must direct aid to individual school buildings

\$12 in 2017-18 and \$24 in 2018-19 are contingent on the State saving funds by self-insuring the State health insurance plan



SCHOOL MENTAL HEALTH INITIATIVES

Funding to expand and improve access to mental health services for school-age youth.

\$3,000,000 in 2018-19 to support availability of social work services in schools

\$2,500,000 in 2018-19 for grants for school-linked mental health services

CURRENT "STATE" OF THE BUDGET

- Assembly Republicans want to ignore the Governor's Budget
 - Start from "Base"
 - Difference of starting from an increase of \$0 or \$650,000,000
- Why the push to start from Base?
 - To lower the funding increase to public education
 - Increase the funding for Transportation
- Next Steps . . .

WHAT CAN BE DONE

Advocate to keep the Governor's K-12 budget recommendations!

Ways that we Advocate:

- ✓ Board Resolutions
- ✓ WASB Day at the Capital
- ✓ SWSA Involvement

Small group meetings with our Representative and Senator

Joint Finance Testimony

Parent & Student Voices

2017-18 SOUTH MILWAUKEE BUDGET

Revenue Limit Assumptions

- Assumes a September FTE decrease of 27 students
- Assumes a Summer School FTE of 30
- Assumes \$0 per pupil adjustment

REVENUE LIMIT HISTORY & PROJECTION

Year	Per Pupil Change	Revenue Limit / Pupil	Total Revenue Operating Revenue Limit	Revenue Limit Change	% Dollar Change
2008-09	\$274.68	\$9,615.99	\$30,568,942	\$574,419	1.90%
2009-10	\$200.00	\$9,837.53	\$30,604,556	\$35,614	0.10%
2010-11	\$200.00	\$10,037.53	\$31,135,398	\$530,842	1.70%
2011-12	-\$552.76	\$9,497.50	\$29,213,516	-\$1,921,882	-6.20%
2012-13	\$50.00	\$9,550.33	\$29,371,915	\$158,399	0.50%
2013-14	\$75.00	\$9,628.63	\$29,544,863	\$172,948	0.60%
2014-15	\$75.00	\$9,733.34	\$29,842,504	\$297,641	1.00%
2015-16	\$0.00	\$9,751.35	\$29,923,300	\$80,796*	0.30%
2016-17	\$0.00	\$9,778.85	\$30,122,216	\$198,916*	0.70%
2017-18	\$0.00	\$9,831.12	\$30,093,044	-\$29,172	-0.10%

*Increase is due to transfer of service

PER PUPIL CATEGORICAL AID HISTORY & SCENARIO PROJECTION

Year	Per Pupil Change	Per Pupil Amount	Total Per Pupil Revenue	Total Per Pupil Change
2012-13	Established	\$50	\$152,849	\$152,849
2013-14	\$25	\$75	\$229,500	\$76,651
2014-15	\$75	\$150	\$458,625	\$229,125
2015-16	\$0	\$150	\$459,150	\$525
2016-17	\$100	\$250	\$765,000	\$305,850
2017-18 Scenario 1	\$275	\$525	\$1,606,500	\$841,500
2017-18 Scenario 2	\$200	\$450	\$1,377,000	\$612,000
2017-18 Scenario 3	\$150	\$400	\$1,224,000	\$459,000
2017-18 Scenario 4	\$100	\$350	\$1,071,000	\$306,000

2017-18 REVENUE LIMIT EXPLANATION

Line 1 Determine current year base revenue

30,063,551

Where
Inequity
Starts

Line 2 Calculate base membership average (The district's most recent three September membership totals, excluding the year for which the limit is being calculated).

2014	2015	2016	
3,039	3,069	3,067	3,058

Line 3 Base revenue per member
(Line 1 / Line 2)

30,063,551	3,058	9,831.12
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Where
Inequity is
Transparent

Line 4 Allowable per member increase determined by the legislature.

0	100%	0.00
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Line 5 Maximum revenue per member
(Line 3 + Line 4)

9,831.12

Line 6 Calculate current membership average (The district's last two September membership totals plus the membership estimate for the year in which the limit is being calculated).

2015	2016	2017	
3,069	3,067	3,030	3,055

Line 7 Revenue Limit with no exemptions
(Line 5 x Line 6)

30,034,072

District	Rank	2016-17 Revenue Limit Per Member
Brown Deer	1	\$11,890
Shorewood	2	\$11,623
Elmbrook	3	\$11,611
New Berlin	4	\$11,269
Whitefish Bay	5	\$11,247
Franklin	6	\$11,134
Menomonee Falls	7	\$11,068
Greendale	8	\$10,999
Mequon-Thiensville	9	\$10,663
Whitnall	10	\$10,614
Pewaukee	11	\$10,392
Cudahy	12	\$10,385
Hamilton	13	\$10,365
Wauwatosa	14	\$10,277
Greenfield	15	\$10,176
Germantown	16	\$10,139
Milwaukee	17	\$10,122
Saint Francis	18	\$10,042
West Allis	19	\$9,957
South Milwaukee	20	\$9,779
Oak Creek	21	\$9,474

2017-18 REVENUE LIMIT EXPLANATION CONTINUED

Line 7	Revenue Limit with no exemptions (Line 5 x Line 6)	30,034,072
	Hold Harmless Non-Recurring Exemption	29,479
Line 8	Transfer of Service	0
Line 9	Revenue Limit without Declining Enrollment (Line 7 + Line 8)	30,063,551
Line 10	Declining Enrollment Exemption	29,493
	(Average FTE loss = Line 2 - Line 6 x 1.0)	
	3,058 3,055 3	
	(Average FTE loss x Line 5)	
	3 9,831.12 29,493	
Line 11	Revenue Limit with all exemptions (Line 9 + Line 10)	30,093,044
2016-17 Revenue Limit		30,122,216
2017-18 Revenue Limit Change		-29,172
% Change		-0.10

SM BUDGET ASSUMPTIONS & RECOMMENDATIONS

Multi Scenario	\$275 Per Pupil	\$200 Per Pupil	\$150 Per Pupil	\$100 Per Pupil
Revenue Adjustments	\$875,128	\$645,628	\$492,628	\$339,628
Expenditure Increases	(\$825,355)	(\$825,355)	(\$825,355)	(\$825,355)
Budget Reallocations	\$258,000	\$258,000	\$258,000	\$258,000
Budget Additions	(\$269,384)	(\$269,384)	(\$269,384)	(\$269,384)
Variance	\$38,389	(\$191,111)	(\$344,111)	(\$497,111)

REVENUE ADJUSTMENTS

Description	Increase (Decrease)
Special Education Categorical Aid	\$50,000
Revenue Cap Adjustment	(\$29,172)
Per Pupil Categorical Aid (\$275, \$200, \$150, \$100)	\$841,500 / \$612,000 / \$459,000 / \$306,000
Student Fee Increase of \$5	\$12,800
Total Revenue	\$875,128/ \$645,628 / \$492,628 / \$339,628

*The budget assumptions include 4 scenarios, all of which are based on varied Per Pupil Categorical Aid amounts

EXPENDITURE INCREASE

Description	Increase (Decrease)
Staff Salaries & Benefits	\$564,955
Open Enrollment Expense	\$250,000
Heart Rate Monitor Budget	\$2,400
Online Payment Fee Budget	\$8,000
Total Expenditure Increase	\$825,355

BUDGET REDUCTIONS/ REALLOCATIONS

Description	Increase (Decrease)
Staff Turnover Savings	(\$60,000)
Transition of BL to MS Position	\$0
Reduction in Math Overloads	(\$18,000)
Revise In Lieu of Health Benefits	(\$50,000)
Cafeteria Supervision Allocated to Fund 50	(\$45,000)
Flow Through Budget Reallocation	(85,000)
Total Reductions / Reallocations	(\$258,000)

BUDGET ADDITIONS

Description	Increase (Decrease)
High School Math Teacher 1.0 FTE	\$75,000
Music Transition Elem/MS/HS .17 FTE	\$10,000
Special Education Literacy Coach 1.0 FTE	\$85,000
MS Special Education Aide 5 Hours	\$18,000
Elementary Special Education Aide 5 Hours	\$18,000
Exempt Support Staff Realignment (20 Hr. Addition)	\$21,320
Robotics & Anime Club Co-Curricular Addition	\$2,064
Advanced Placement Test FAR Funding	\$5,000
Out of District Student Placements	\$35,000
Budget Additions	\$269,384

BUDGET SCENARIOS

Multi Scenario	\$275 Per Pupil	\$200 Per Pupil	\$150 Per Pupil	\$100 Per Pupil
Revenue Adjustments	\$875,128	\$645,628	\$492,628	\$339,628
Expenditure Increases	(\$825,355)	(\$825,355)	(\$825,355)	(\$825,355)
Budget Reallocations	\$258,000	\$258,000	\$258,000	\$258,000
Budget Additions	(\$269,384)	(\$269,384)	(\$269,384)	(\$269,384)
Variance	\$38,389	(\$191,111)	(\$344,111)	(\$497,111)

Our budget flexibility will depend on the strength of K-12 public education advocacy efforts! Need to support the Governor's Budget

FUTURE ADVOCACY

Revenue Limits

We need the revenue limit be equitable

Three Ways to bring about revenue limit equity:

- Change in Madison
- Lawsuit based on formula inequities
- Local Referendum

District	Rank	2016-17 Revenue Limit / Member
Brown Deer	1	\$11,890
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Elmbrook	3	\$11,611
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Germantown	16	\$10,139
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West Allis	19	\$9,957
South Milwaukee	20	\$9,779
Oak Creek	21	\$9,474

REVENUE LIMITS

Established in 1993 based on previous year Tax Levy & State Aid

Limits the ability to raise revenues from Local Tax Levy & State Equalization Aid (which account for up to 90% of available school revenues)



Designed to control property taxes, not fund public schools

Revenue Limit - State Equalization Aid = Tax Levy

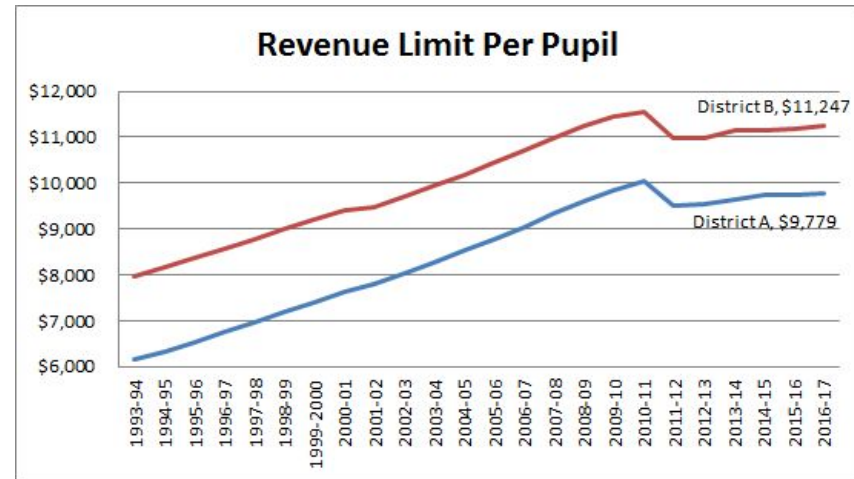
* \$0 revenue limit adjustments combined with State Equalization Aid increases result in reduced local tax levies **not** additional funding for students

REVENUE LIMIT INEQUITY

Individual District Revenue Limits were established in 1993 based on previous year Tax Levy & State Aid so Conservative Districts were forever disadvantaged and held to an artificially low revenue limit per member as evidenced in the chart below.

District A and B Compete for the same staff, and desire to provide the highest level of services to students and families, however District A is at a significant disadvantage.

District A has 280 more pupils, and as a result of the 1993 revenue limit base their revenue limit authority is over \$1,200,000 less than District B.



WHAT WOULD EQUITABLE OPPORTUNITY LOOK LIKE IN SM....

This is currently under construction and would be the basis for a plan if we were to have a more equitable revenue limit in the future.

Three Ways to bring about revenue limit equity:

- Change in Madison
- Lawsuit based on formula inequities
- Local Referendum

Revenue Limit/Pupil of \$10,500 would add \$2,015,956 to our Revenue Limit authority

What
If ...

District	Rank	2016-17 Revenue Limit / Member
Brown Deer	1	\$11,890
Shorewood	2	\$11,623
Elmbrook	3	\$11,611
New Berlin	4	\$11,269
Whitefish Bay	5	\$11,247
Franklin	6	\$11,134
Menomonee Falls	7	\$11,068
Greendale	8	\$10,999
Mequon-Thiensville	9	\$10,663
Whitnall	10	\$10,614
South Milwaukee	Revised 11th	\$10,500
Pewaukee	12	\$10,392
Cudahy	13	\$10,385
Hamilton	14	\$10,365
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