



Oak Creek-Franklin Joint School District

BUILDING SUCCESSFUL FUTURES TOGETHER

Budget Hearing and Annual Meeting

Monday, August 28, 2017

6:00 PM

State Budget Impact

The majority of school district General Fund revenue is obtained through two sources:

- State Aid (39%)**
- Local Property Taxes (54%)**

State Budget Impact

The total amount of revenue generated from these sources is statutorily restricted by the revenue limit calculation.

When state aid is increased, property taxes are reduced; conversely when state aid decreases, property taxes increase.

State Budget Impact: 2017 -18

- **\$200 per pupil in categorical aid was continued in 2017-18.**
 - **Additional \$200 per pupil is a potential additional source of revenue in the Governor's budget for 2017-18.**
 - **One time supplemental revenue**
- **There is no per pupil increase to revenue limits for 2017-18.**
 - **Increases in this formula are in perpetuity**
- **DPI July 1st state aid estimate is a .10% decrease or (\$33,518).**

2017-18 Budget Planning Parameters

Budget parameters are the guidelines recommended by administration and reviewed and supported by the school board.

- The budget is guided by the District's mission and vision and is focused on the District's strategic plan and goals
- Compliance with law and policy
- Open the new Oak Creek High School 9th Grade Center on time (August 2017), and at or under budget. Effectively budget for future MLPLC at the Center, projected opening 2018-19
- Maintain all core academic and extracurricular programs including class size guidelines.
- Maintain funds for Capital Improvement Projects at least \$1.2 million
- Budget at least \$50,000 to Fund 46 annually to support funding the 10 year facility plan
- A balanced budget, with the exception of using fund balance for anticipated property tax chargeback's due to settlements that correct municipality assessment errors.

2017-18 Budget Planning Assumptions

Budget assumptions are the variables that are being considered as the budget is developed. The assumptions are subject to change each time new information becomes available. This can be both internal and external information. Currently the Governor's Biennial budget is a significant variable that has yet to be defined or approved by the legislature

- Use R.W. Baird Forecasting Model
- Use flat enrollment growth (APL Projections) and Board approved open enrollment figures
- Monitor 2017-19 Governor's Biennial budget, aid impacts and legislative adjustments, if any, made to it.
 - Assume current levels of state equalization aid and categorical per pupil aid.
 - \$200 per pupil categorical aid in 2017-18 which is supplemental aid (i.e one time only).
 - Health care insurance premium contribution increase from 5.4% to 12% for all employees

2017-18 Budget Planning Assumptions

- Assume salary costs in total will not exceed 1.0% over WERC-approved CPI.
- Health benefit assumptions
 - estimated 13% blended increase to health benefit premiums
 - begin phase out of “cash in lieu of” health benefits
- There will be a need to add support staff FTE to open the 9th Grade Center
- Continued employee Health Retirement Account contribution of \$1.8 million
- Property value growth to remain flat.
- Maintain fund balance that eliminates the need for short term cash flow borrowing to fund operations.
- Continue to review opportunities to restructure/reduce District’s debt service obligations for cost savings.
- Consideration of other budget initiatives/proposals as funding may allow

2017-18 Budget Details

- All open full time teaching positions have been filled
- Projected flat enrollment however the numbers have been increasing slightly
 - Final counts are determined during the Third Friday count in September
- Continue to utilize the July 1 early estimate of state aid
 - A decrease of \$33,518 or .10% compared to 2016-17
- All salary and related benefits increase for all employee groups, as approved at previous board meetings
- Board approved 12% premium share for all employee groups, and \$4,000 cash in lieu of health insurance benefit.
- *Zero per pupil increase in Revenue Limit Authority**
- *\$200 per pupil in categorical aid**

****2017-2019 State Biennium Budget***

Projected Revenues – Fund 10

Fund 10 Revenues	Budget 2017-18	% of Total
Local	\$ 26,675,724	39.5%
Open Enrollment	\$ 3,995,870	5.9%
State Sources	\$ 36,206,723	53.7%
Federal Sources	\$ 403,900	0.6%
Other	<u>\$ 201,820</u>	<u>0.3%</u>
Total	\$ 67,484,037	100%

Projected Expenditures – Fund 10

Expenditures - Function	Budget 2017-18	% of Total
Instruction	\$ 37,667,531	55.8%
Support Services	\$ 22,642,864	33.6%
Non-program Transactions* *includes \$5,131,592 Transfer to Fund 27	\$ <u>7,173,642</u>	<u>10.6%</u>
Total	\$ 67,484,037	100.0%

General Fund (Fund 10) Summary

2017-18 Budget = \$67,484,037

2016-17 Unaudited = \$66,602,891

Increase = \$881,146

Percentage Increase = 1.31%

Projected Revenues – Fund 27

Fund 27 Revenues	Budget 2017-18	% of Total
Local*	\$ 5,131,592	62.7%
Interfund Transfer		
State Sources	\$ 1,880,743	23.0%
Federal Sources	\$ 1,170,012	14.3%
Other	\$ <u>0</u>	<u>0.0%</u>
Total	\$ 8,182,337	100%

Projected Expenditures – Fund 27

Expenditures – By Function	Budget 2017-18	%
Instruction	\$5,717,557	69.9%
Support Services	\$2,121,763	25.9%
Non-program Transactions	<u>\$343,027</u>	<u>4.2%</u>
Total	\$8,182,347	100%

Expenditures in All Funds

All Funds	2016-17 Unaudited	2017-18 Budget
General	\$65,782,549	\$64,484,037
Special Projects	\$8,064,324	\$8,182,347
Debt Service	\$7,153,067	\$7,102,370
Capital Projects	\$24,524,078	\$4,563,565
Food Service	\$2,342,132	\$2,503,891
Community Service	911,742	\$959,677
Package & Cooperative Programs	\$0	\$0

Total Expenditures & Other Financing Uses

All Funds	2016-17 Unaudited	2017-18 Budget
Gross Total	\$108,777,893	\$90,795,887
Less: Inter-fund Transfer	\$5,243,703	\$5,131,592
Less: Refinancing	<u>\$0</u>	<u>\$0</u>
Net Total	\$103,534,190	\$85,664,295
% Change from prior year	-2.65%	-17.26%

2017-18 Proposed Tax Levy

- **The final tax levy is determined using the revenue limit calculation.**
- **Two critical pieces of information are still unknown:**
 - **3rd Friday Count -September**
 - **State Aid Certification -
October**

2017 -18 Proposed Tax Levy

	2016-17	2017-18
General Fund (10)	\$25,586,248	\$26,019,724
Referendum Debt Service (39)	\$6,694,130	\$6,674,193
Non-Referendum Debt Service (38)	\$377,380	\$379,052
Community Service (80)	\$0	\$0
Total	\$32,657,758	\$33,072,969
% Change from Prior Year	-5.17%	+1.27%

Projected 2017-18 Mill Rate

- **The assessed value for the Oak Creek – Franklin Joint School District has not yet been finalized.**
 - **Dept of Revenue report on 8/28/17 state a 4% growth in Equalized Values – the largest growth since 2007**
- **If the value increases, the mill rate decreases.**
- **If the value decreases, the mill rate increases.**

Projected 2017-18 Mill Rate

	2016-17	2017-18	% Change
Assessed Value	\$3,658,896,960	*\$3,622,472,551	-1.0%
Assessed Mill Rate	\$ 8.93	\$ 9.13	+2.29%

***Estimated**

Estimated Tax Impact

-1.0% Change in Assessed Value	2016-17	2017-18	Difference
Home Value	\$ 100,000	\$ 100,000	\$ -
Assessed Mill Rate	\$ 8.93	\$ 9.13	+ \$ 0.20
School Property Taxes	\$ 893	\$ 913	+ \$ 20
0% Change in Assessed Value	2016-17	2017-18	Difference
Home Value	\$ 100,000	\$ 100,000	\$ -
Assessed Mill Rate	\$ 8.93	\$ 9.04	\$ 0.11
School Property Taxes	\$ 893	\$ 904	\$ 11

Budget Summary

- **2017-18 General Fund expenditures increase of \$881,146 or +1.31%**
- **Tax levy increase: \$415,3211 or +1.27% to \$9.13 OR \$20 per \$100,000 Assessed Value**
- **Projected Mill Rate increase from \$8.93**
- **Final budget and levy will be based on the 3rd Friday count and October certification of state aid.**
- **2017-18 All Fund Budget: \$85,664,295**

Public Comment

Please limit comments to 3 minutes per citizen to allow time for others to speak.



Oak Creek-Franklin Joint School District

BUILDING SUCCESSFUL FUTURES TOGETHER

2016-17 Treasurer's Report - Unaudited

Unaudited Treasurer's Report for 2016-17
 Beginning Fund Balance as of July 1, 2016

	General Operating Fund	All Other Funds	Total
Non-spendable Fund Balance (935000)	\$ 992,088		\$ 992,088
Restricted Fund Balance (936000)	\$0		\$0
Assigned Fund Balance (938000)	\$ 295,748	\$ 32,160,368	\$ 32,456,116
Unassigned Fund Balance	\$ 21,864,077		\$ 21,864,077
Total Fund Balance July 1, 2016	\$ 23,151,913	\$ 32,160,368	\$ 55,312,281

Unaudited Treasurer's Report for 2016-17

Revenues

	Operating Fund	All Other Funds	Total
General Fund (10)	\$66,602,891		\$66,602,891
Special Projects Fund (20's)		\$8,026,856	\$8,026,856
Debt Service Fund (30's)		\$7,080,827	\$7,080,827
Capital Projects Fund (40's)		\$430,649	\$430,649
Food Service Fund (50)		\$2,504,283	\$2,504,283
Community Service Fund (80)		\$980,841	\$980,841
Total	<u>\$66,602,891</u>	<u>\$19,023,456</u>	<u>\$85,626,347</u>
Interfund Transfers		(\$5,243,703)	(\$5,243,703)
Total Funds Available	<u>\$66,602,891</u>	<u>\$13,779,753</u>	<u>\$80,382,644</u>

Unaudited Treasurer's Report for 2016-17

Disbursements

	Operating Fund	All Other Funds	Total
General Fund (10)	\$65,782,549		\$65,782,549
Special Projects Fund (20's)		\$8,064,324	\$8,064,324
Debt Service Fund (30's)		\$7,153,067	\$7,153,067
Capital Projects Fund (40's)		\$24,524,078	\$24,524,078
Food Service Fund (50)		\$2,342,132	\$2,342,132
Community Service Fund (80)		\$911,742	\$911,742
Total	<u>\$65,782,549</u>	<u>\$42,995,343</u>	<u>\$108,777,892</u>
Interfund Transfers	(\$5,243,703)		(\$5,243,703)
Total Funds Available	<u>\$60,538,846</u>	<u>\$42,995,343</u>	<u>\$103,534,189</u>

Unaudited Treasurer's Report for 2016-17
 Ending Fund Balance as of July 1, 2017

	General Operating Fund	All Other Funds	Total
Non-spendable Fund Balance (935000)	\$ 992,088		\$ 992,088
Restricted Fund Balance (936000)	\$0		\$0
Assigned Fund Balance (938000)	\$ 1,116,090	\$ 8,188,479	\$ 9,304,569
Unassigned Fund Balance	\$ 21,864,077		\$ 21,864,077
Total Fund Balance July 1, 2016	\$ 23,972,955	\$ 8,188,479	\$ 32,160,734