



Oak Creek-Franklin Joint School District

BUILDING SUCCESSFUL FUTURES TOGETHER

Budget Hearing

Monday, August 27, 2018

7:00 PM

and

Annual Meeting

Immediately to Follow

State Budget Impact

Revenue - General Fund

- Majority of district operating revenue is generated through:
 - State Equalization Aid = 46%
 - Local Property Taxes = 36%

This is governed by the statutorily imposed REVENUE LIMITS.

State Budget Impact

State Aid



conversely

When state aid is decreased, property taxes increase.

State Budget Impact

- Revenue Limit = \$0 increase per pupil
 - Revenue Limit - has not been increased since 2014-15.
 - low ceiling - is currently \$9,100 per pupil and by 2022-23, will increase to \$9,800. Our first increase will be in 2019-2020 for approximately \$26 per pupil.
 - *Increases are permanent unless decreased by statute*

- Categorical Aid = \$654 per pupil
 - Increase of \$204 per pupil from 2017-18
 - *One Time Supplemental Revenue*

State Budget Impact

- July 1, 2018 State Equalization Aid Estimate
\$32,762,405
- Increase of \$329,793 from 2017-18

Remember: This lowers the local levy, but does not provide more to spend for schools

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.*

- Flat enrollment projection and Board approved open enrollment seats available. (APL projection provided in 2017-18)
 - ❑ OE Out projected at 81% of seats applied for.
 - ❑ OE In projected at 37% of seats applied for.
- Property Valuation growth equivalent to average of 5 previous years = \$74,849,361.
- Potential salary increase of up to 2.236% for teachers and 1.236% for all remaining staff. (Note CPI for last year was 2.13%). (*Preliminary Budget #2 was 1.936%/0.963%*)
- Health care increase of 8% with cash in lieu reduction from \$4,000 to \$2,000.

Budget Planning Assumptions

- Continued employee Health Reimbursement Account (post-employment, for future retirees) contribution of \$2.1 million
- Maintain fund balance that eliminates the need to short term borrow
- Continue to review opportunities to restructure/reduce District's debt service obligations for cost savings
- Utilize July 1 Equalization Aid Estimate of \$32,762,405 until October 15th state certification

Projected Revenues - Fund 10

LOCAL LEVY	\$26,911,848	37.43%
OPEN ENROLLMENT	\$4,710,340	6.55%
STATE	\$38,364,631	53.36%
FEDERAL	\$1,076,468	1.50%
OTHER	<u>\$835,157</u>	<u>1.16%</u>
	\$71,898,444	100%

Projected Expenditures - Fund 10

INSTRUCTION	\$38,924,323	54.17%
SUPPORT SERVICES	\$23,284,884	32.40%
NON-PROGRAM TRANSACTIONS*	<u>\$ 9,648,066</u>	<u>13.43%</u>
	\$71,857,273	100%

*INCLUDES \$5,747,963 TRANSFER
TO FUND 27 - Special Education

Summary - Fund 10

2018-19 BUDGET \$71,857,273

2017-18 UNAUDITED \$70,063,928

INCREASE = \$1,793,345

INCREASE = 2.56%

Fund 10 Budget Increases

- Special Education - 1 FTE - \$75,470
- Art - 1 FTE - \$65,721
- Family and Consumer Science - 1 FTE - \$75,470
- Empower Academy - 2 FTEs + Budget - \$176,361
- School Counselor at Cedar Hills- .5 FTE - \$29,797
- District Wide Technology Tech - 1 FTE - \$52,638
- Open Enrollment Out / Voucher Increase - \$1,039,923

Projected Revenues - Fund 27 (Special Education)

LOCAL*	\$5,747,963	65.75%
STATE AID	\$1,785,000	20.42%
FEDERAL	<u>\$1,209,282</u>	<u>13.83%</u>
	\$8,742,245	100%

* Interfund Transfer from Fund 10

Projected Expenditures - Fund 27

INSTRUCTION	\$6,260,704	71.61%
SUPPORT SERVICES	\$2,334,041	26.70%
NON-PROGRAM TRANSACTIONS	<u>\$ 147,500</u>	<u>1.69%</u>
	\$8,742,245	100%

Expenditures in All Funds

All Funds	2017-18 Unaudited	2018-19 Budget
General (10)	\$70,063,928.00	\$71,857,273
Special Education /Projects (20s)	\$8,444,290.15	\$8,742,245
Debt Service (30s)	\$24,825,913.06	\$7,793,282
Capital Projects (40s)	\$5,803,155.09	\$2,622,120
Food Service (50)	\$2,568,984.44	\$2,526,018
Community Service (80)	\$1,050,130.33	\$959,285
Package & Cooperative Programs (90s)	\$0.00	\$0.00

All Fund Total Expenditures & Other Financing Uses

All Funds	2017-18 Unaudited	2018-19 Budget
Gross Total	\$112,756,401.07	\$94,500,223
Less: Interfund Transfer	\$5,689,014.99	\$5,747,963
Less: Refinancing	<u>\$17,724,028.04</u>	<u>\$0.00</u>
Net Total	\$89,343,358.04	\$88,752,260
% Change from Prior Year	-13.90%	-0.66%

2018-19 Proposed Tax Levy

- The Final Tax Levy is determined using the REVENUE LIMIT CALCULATION
- Missing Two CRITICAL Pieces of Information to Finalize:
 - 3rd Friday Count-September 21
 - State Aid Certification-October 15

2018-19 Proposed Tax Levy

	2017-18	2018-19 Proposed
General Fund (10)	\$25,865,380	\$26,016,848
Non-Referendum Debt (38)	\$379,050	\$918,546
Referendum Debt (39)	\$6,674,195	\$6,732,193
Community Service (80)	<u>\$0</u>	<u>\$0</u>
TOTAL	\$32,918,625	\$33,667,587
% Change from Prior Year	0.78%	2.28%

2018-19 Projected Mill Rate

	2016-17	2017-18	2018-19 Projected
Equalized Value	\$3,658,896,960	\$3,802,114,900	*\$3,876,964,261
Mill Rate	\$8.93	\$8.66	\$8.68
% Change from Prior Year	-8.88%	-3.03%	0.23%

*Updated equalized value to be provided by 10/1/2018

**Increased equalized value = lower mill rate

***Decreased equalized value = higher mill rate

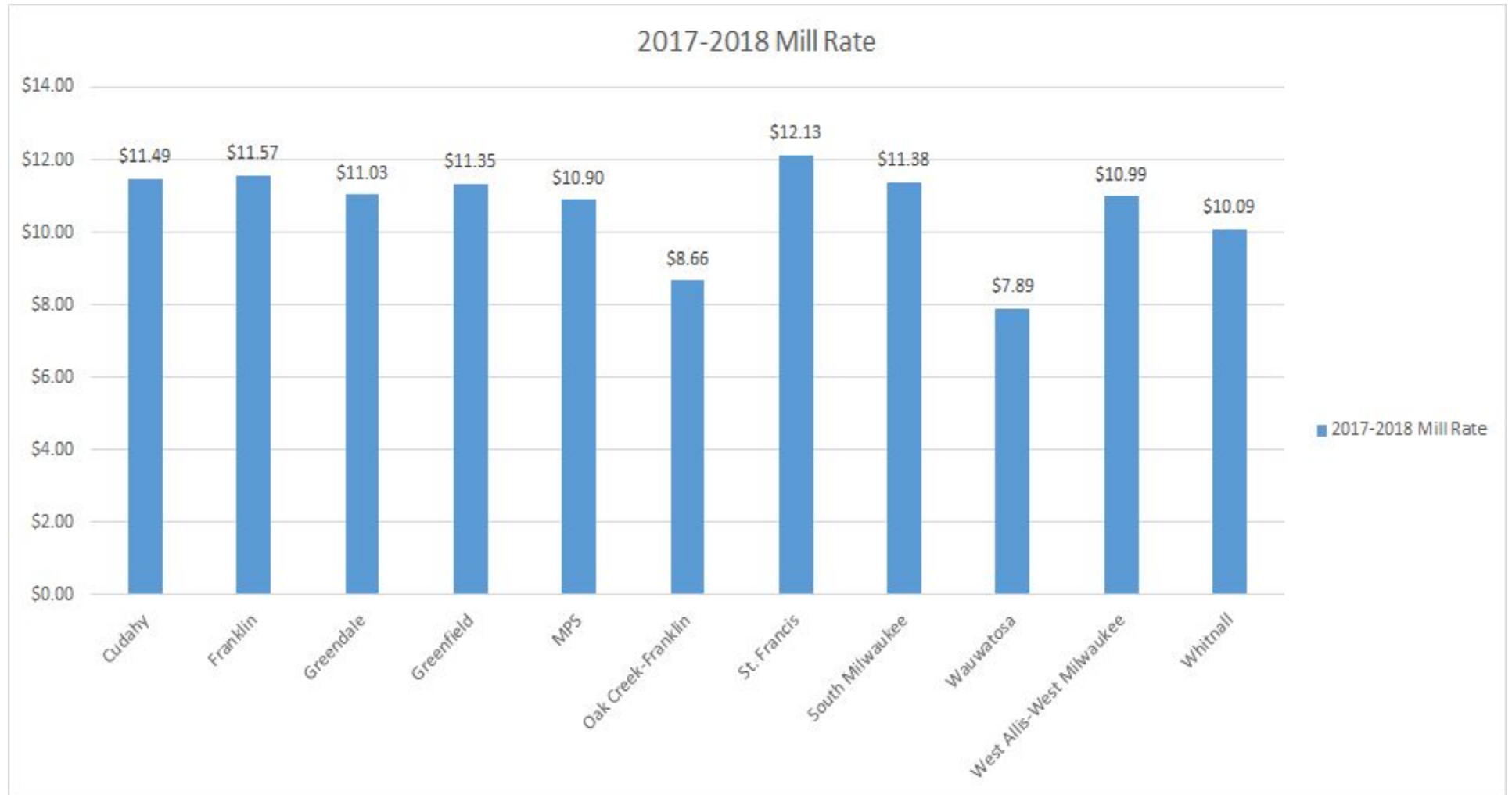
2018-19 Projected Tax Impact

	<i>2017-18</i>	2018-19	Difference
Home Value	<i>\$100,000</i>	\$100,000	\$0
Mill Rate	<i>\$8.66</i>	\$8.68	+\$0.02
School Property Taxes / Year	<i>\$866</i>	\$868	+\$2.00
Average Home Value	<i>\$225,000</i>	\$225,000	\$0
Mill Rate	<i>\$8.66</i>	\$8.68	+\$0.02
School Property Taxes / Year	<i>\$1,948.50</i>	\$1,953.00	\$4.50

District Mill Rate History



Area 2017-18 Mill Rate Comparison



2018-19 Budget Summary

- 2018-19 General Fund expenditures increase of \$1,793,345 or +2.56%
- Tax Levy increase of \$748,962 or +2.28%
- Projected Mill Rate increase of \$8.68 = \$2.00 per \$100,000 of Equalized Home Value
- Final Budget Needs
 - 3rd Friday Count
 - October 1 Equalized Property Value
 - October 15 General Aid Certification
- 2018-19 All Fund Budget = \$88,752,260

PUBLIC COMMENT

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

Thank you

Budget Adoption

Move to adopt the budget as presented on pages 10-11 of the 2018-2019 Budget Hearing and 37th Annual Meeting packet.



Oak Creek-Franklin Joint School District

BUILDING SUCCESSFUL FUTURES TOGETHER

2017-18 Treasurer's Report - Unaudited

Fund Balance Designations

Non-Spendable Fund Balance (935000)

- Prepaid Expenses (retiree health/multi year contracts)
- Inventory-intended use within 1 year

Restricted Fund Balance (936000)

- Funds with specific spending requirements (38, 39, 46, 49)

Committed Fund Balance (937000)

- Special projects (Fund 21)

Assigned Fund Balance (938000)

- Encumbrances
- Self Funded Health/Dental Reserve
- Building Budget Carryover

Unassigned Fund Balance (939000)

Unaudited Treasurer's Report for 2017-18 - Beginning Fund Balance

Beginning Fund Balance as of 7/1/2017	General Operating Fund (10)	All Other Funds	Total
Nonspendable Fund Balance (935000)	\$992,088.03	\$14,016.12	\$1,006,104.15
Restricted Fund Balance (936000)	\$0.00	\$7,536,139.44	\$7,536,139.44
Committed Fund Balance (937000)	\$0.00	\$190,000.00	\$190,000.00
Assigned Fund Balance (938000)	\$295,748.01	\$321,253.71	\$617,001.72
Unassigned Fund Balance	\$23,348,022.86	\$98,061.63	\$23,446,084.49
Total Fund Balance	\$24,635,858.90	\$8,159,470.90	\$32,795,329.80

Unaudited Treasurer's Report for 2017-18 - Revenues

	General Operating Fund	All Other Funds	Total
General Fund (10)	\$69,701,787.98		\$69,701,787.98
Special Education/Projects (20s)		\$8,450,276.66	\$8,450,276.66
Debt Service Fund (30s)		\$25,127,247.91	\$25,127,247.91
Capital Projects Fund (40s)		\$17,635,636.83	\$17,635,636.83
Food Service Fund (50)		\$2,485,110.70	\$2,485,110.70
Community Service Fund (80)		\$985,024.03	\$985,024.03
Total	\$69,701,787.98	\$54,683,296.13	\$124,385,084.11
Less: Interfund Transfers	<u>\$0.00</u>	<u>\$5,689,014.99</u>	<u>\$5,689,014.99</u>
Total Funds Available	\$69,701,787.98	\$48,994,281.14	\$118,696,068.12

Unaudited Treasurer's Report for 2017-18 - Expenses

	General Operating Fund	All Other Funds	Total
General Fund (10)	\$70,063,928.00		\$70,063,928.00
Special Education/Projects (20s)		\$8,444,290.15	\$8,444,290.15
Debt Service Fund (30s)		\$24,825,913.06	\$24,825,913.06
Capital Projects Fund (40s)		\$5,803,155.09	\$5,803,155.09
Food Service Fund (50)		\$2,568,984.44	\$2,568,984.44
Community Service Fund (80)		\$1,050,130.33	\$1,050,130.33
Total	\$70,063,928.00	\$42,692,473.07	\$112,756,401.07
Less: Interfund Transfers	\$5,689,014.99	\$0.00	\$5,689,014.99
Less: Refinancing	<u>\$0.00</u>	<u>\$17,724,028.04</u>	<u>\$17,724,028.04</u>
Total Funds Available	\$64,374,913.01	\$24,968,445.03	\$89,343,358.04

Unaudited Treasurer's Report for 2017-18 - Ending Fund Balance

Beginning Fund Balance as of 6/30/2018	General Operating Fund (10)	All Other Funds	Total
Nonspendable Fund Balance (935000)	\$992,088.03	\$14,016.12	\$1,006,104.15
Restricted Fund Balance (936000)	\$0.00	\$19,664,127.03	\$19,664,127.03
Committed Fund Balance (937000)	\$0.00	\$190,000.00	\$190,000.00
Assigned Fund Balance (938000)	\$295,748.01	\$280,065.84	\$575,813.85
Unassigned Fund Balance	<u>\$22,997,540.84</u>	<u>\$0.00</u>	<u>\$22,997,540.84</u>
Total Fund Balance	\$24,285,376.88	\$20,148,208.99	\$44,433,585.87

Board Approved Fund Balance Projects

- West Middle School LED Lighting
- Oak Creek High School Athletic Scoreboards (Football Stadium, Gymnasiums)

*Repayment plans approved with each fund balance project