



**MEQUON-THIENSVILLE SCHOOL DISTRICT
BOARD OF EDUCATION**

EXECUTIVE SUMMARY

<u>Subject:</u> Action to Approve 2011-12 Budget Adjustments and Certify 2011-12 Tax Levy	<u>Category:</u> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
<u>Attachments:</u> <ul style="list-style-type: none">• 3rd Friday Sept. Enrollment Reports (2)• 2011-12 Proposed Adjustments• 2011-12 Tax Levy Summary• Budget Adoption Format	<u>Date for Consideration:</u> October 31, 2011

Background

Budget development occurs as early as February or March of the previous school year. As the year progresses and enrollment is finalized, budget adjustments are typically done in October of each year.

Wis. Statutes 120.12(3) (a) and (c) requires that on or before November 1, a school board must determine if the tax approved at the Annual Meeting is sufficient to operate and maintain schools for the upcoming school year. The Board may increase or decrease the tax levy but cannot exceed limits established by law without penalty. Taxes must be certified to municipalities on or before November 6.

It is advantageous for the District under the current financing system to levy to the maximum available under the revenue limit. In order to complete the revenue limit and certify the maximum tax levy, the following information is needed: 3rd Friday in September pupil count; final budget adjustments; certification of state aid; and property valuation growth rates. This information is not complete until October 15th each year.

Below is an update on each of those areas.

Highlights:

- Resident enrollment certified on September 16, 2011 was 3497. Projected 2011 resident enrollment was 3563. Prior year (Sept. 2010) resident enrollment was 3624. Impact is loss of 127 resident students compared to prior year. Loss of additional 66 resident students compared to budget.
- There is no budget impact due to loss of additional students as declining enrollment exemption is increased.
- See attached chart for recommended adjustments to the 2011-12 Budget.
- General Fund (10) budget adjustments result in net expenditure reductions of \$934,005. Highlights include: savings resulting from insurance changes/ increase in employee contribution approved in July (including opt out & prorated benefit savings); teacher wage freeze & hiring/replacement staff savings; elimination of budget for educational attainment; open enrollment; and reduction in borrowing costs.
- General Fund (10) revenue adjustments result in net increase in revenue of \$25,995. See attached for detail.

- Impact to fund balance is increase of \$960,000. This will enable us to restore \$560,000 of fund balance approved at Annual Meeting and additional \$400,000 to help balance fiscal year 2012-13 deficit.
- The district received \$200,170 more in general aid than budgeted. This was an increase of \$98,546 from prior year. Additional aid does not help our budget but requires reduction in tax levy.
- Net impact to General Fund (10) tax levy is reduction of \$166,244 from tax levy adopted at annual meeting. Levy was reduced by \$200,170 as a result of an increase in general aid and increased by \$33,926 due to a transfer of service exemption. There is no change to other fund levies adopted at annual meeting.
- As a result of the above information, the total tax levy proposed for 2011-12 is \$37,795,126. This is a reduction of 6.30% or (\$2,540,568) from the total 2010-11 tax levy. It is a reduction of \$166,244 from the total tax levy adopted at the Annual Meeting.
- Equalized property valuations certified by the Department of Revenue reflect a 2.93% reduction in values from the previous year. A 3% decrease in valuations was assumed for budget preparation.
- Assuming the revised total tax levy of \$37,795,126 and updated property values, the equalized tax rate to be certified for 2011-12 is \$8.68/\$1000. This is a reduction of \$0.31/\$1000 or -3.4% from the rate certified for 2010-11. It is a reduction of \$0.05/\$1000 from rate projected at Annual Meeting.
- On a home valued at \$350,000, this will represent a decrease in property taxes of \$108.50 from prior year.

Strengths	Needs Improvement
<ul style="list-style-type: none"> • Utilizing Act 10 tools additional savings were generated from health/dental insurance changes, hiring practices for replacement staff, implementation of wage freeze and elimination of compensation for educational advancement. • Fund balance not needed for 2011-12. Excess savings resulting in 2011-12 can be reserved to assist with 2012-13 budget deficit. • Maximum tax levy assumed. • Reduction of \$166,244 in tax levy adopted at Annual Meeting. Reduction of \$2,540,568 in tax levy compared to prior year. • Trends in enrollment forecast model accurate for grades 1-8. Adjustments in kindergarten and high school formula may be necessary. 	<ul style="list-style-type: none"> • Decline in resident enrollment on-going concern.

Recommendation(s):

- 1) Motion to approve the 2011-12 budget adjustments as presented.
- 2) Motion to approve the revised 2011-12 total tax levy in the amount of \$37,795,126 including a General Fund (10) levy of \$35,220,046; Debt Service Fund (30) levy of \$2,347,500; and Community Service Fund (80) levy of \$227,580. This is a decrease of \$2,540,568 or -6.30% from the 2010-11 total tax levy.

Submitted By: Gail Grieger, Director of Business Services	
Board of Education Action:	<input type="checkbox"/> Approve <input type="checkbox"/> Reject <input type="checkbox"/> Research/Report Back

Resident Enrollment by Grade Level 2010-11 and Projected 2011-12										
	In-District	Out-of-District	Total Resident		In-District	Out-of-District	Total Resident			
Grade	Enrollment	Enrollment	Enrollment	Sub-Totals	Enrollment	Enrollment	Enrollment	Sub-Totals	Inc/(Dec)	FTE
	2010-2011	2010-2011	2010-2011		2011-12	2011-12	2011-12			
Early Childhood	19	21	40		19	21	40			20
K - Half Day	30	1	31		30	1	31			16
K - Full Day	195	3	198	269	195	3	198	269	0	198
1	214	1	215		229	4	233			233
2	211	5	216		216	1	217			217
3	247	5	252		213	5	218			218
4	244	6	250		249	5	254			254
5	248	3	251	1184	246	6	252	1174	(10)	252
6	284	1	285		250	3	253			253
7	268	7	275		286	1	287			287
8	267	9	276	836	270	7	277	817	(19)	277
9	308	6	314		307	9	316			316
10	315	3	318		318	6	324			324
11	319	6	325		325	3	328			328
12	362	14	376	1333	329	6	335	1303	(30)	335
Total	3531	91	3622	3622	3482	81	3563	3563	(59)	3528
Assumptions for 2011-12										
1. Grades advanced forward.										
2. Grade 1 added 4 students										
3. Grades 2-8 added 2 students each level.										
4. Grade 9 added 40 students.										
5. Grades 10-12 added 10 students each grade level.										
6. Kindergarten - same as previous year										
7. EC - projection same as last year.										
8. Out-of-District Enrollment - rolled forward - no new added										

Resident Enrollment by Grade Level 2010-11 and Actual 2011-12

	In-District Enrollment	Out-of-District Enrollment	Total Resident Enrollment		In-District Enrollment	Out-of-District Enrollment	Total Resident Enrollment			
Grade	2010-2011	2010-2011	2010-2011	Sub-Totals	2011-12	2011-12	2011-12	Sub-Totals	Inc/(Dec)	FTE
Early Childhood	19	22	41		16	22	38			19
K - Half Day	30	2	32		0	1	1			1
K - Full Day	196	3	199	272	178	2	180	219	(53)	180
1	214	1	215		227	4	231			231
2	211	5	216		217	2	219			219
3	247	5	252		221	2	223			223
4	244	6	250		247	4	251			251
5	248	3	251	1184	255	5	260	1184	0	260
6	284	1	285		257	2	259			259
7	268	7	275		283	1	284			284
8	267	9	276	836	267	5	272	815	(21)	272
9	308	6	314		315	3	318			318
10	315	3	318		300	7	307			307
11	319	6	325		318	6	324			324
12	362	13	375	1332	322	8	330	1279	(53)	330
Total	3532	92	3624	3624	3423	74	3497	3497	(127)	3478
								220 Reduction		-1
								Net FTE		3477

MEQUON-THIENSVILLE SCHOOL DISTRICT

2011-12 October Adjustments

FUND 10				Reason for Adjustment
		Expenditures		
	-\$313,803	Salaries/Benefits	10-700-XXX-XXXXXX	Teacher Wage Freeze; New Hire Savings
	-\$50,000	Salaries/Benefits	10-700-XXX-XXXXXX	Educational Attainment Lane Mvmnt. (\$90,000 budget less \$40000)
	-\$523,438	Salaries/Benefits	10-700-2XX-XXXXXX	Health/Dental Insurance Savings; Staff Opt Out; Prorated Benefits
	-\$80,000	Open Enrollment	10-800-382-435000	Fewer resident students leaving district thru OE
	-\$30,000	Temporary Borrowing	10-800-682-280000	Short-term borrowing costs less (principal and rate)
	\$86,000	Board Facilitator	10-800-310-231100	Long Range Planning Facilitator
	\$36,000	Consulting	10-800-310-231100	Communications Contract
	\$53,000	Salaries/Benefits	10-700-XXX-XXXXXX	K-8 BLT Stipends (\$47,000 + FICA/WRS)
	-\$35,000	Salaries/Benefits	10-700-111-240000	New Hire Salary Savings - Adm
	\$25,000	Contracted Services	10-800-386-260000-803	CESA Tech Director Contracted
	\$24,000	Salaries/Benefits	10-700-111-240000	Donges Bay Interim Principal
	\$27,069	Title I	10-700-112-110000-141	Grant Allocation
	-\$9,153	Title II	10-700-112-221300-365	Grant Allocation
	\$4,153	Title III	10-800-411-122000-391	Grant Allocation
	-\$147,833	Interfund Transfer (Fund 27)	10-800-827-410000	Interfund Transfer from Fund 27 (Special Education)
	-\$934,005	Total		
		Revenue		
	-\$30,000	Interest Income	10-800-280-500000	Reduced Interest Earnings
	\$27,069	Title I	10-800-751-500000-141	Grant Allocation
	-\$9,153	Title II	10-800-730-500000-328	Grant Allocation
	\$4,153	Title III	10-800-730-500000-329	Grant Allocation
	\$200,170	General Aid	10-800-XXX-500000	Increase in General Aid
	-\$166,244	Tax Levy	10-800-211-500000	Net Reduction in Tax Levy (-\$200,170 General Aid; +\$33,926 Transfer of Service)
	\$25,995	Total		
	-\$960,000	Total Impact - Increase to Fund Balance		
FUND 21		Expenditures		
	\$25,000	MTEF Various	21-XXX-XXX-XXXXXX	Estimated grants/donations for 2010-11
	\$25,000	Total		
		Revenue		
	\$20,000	MTEF Grants	21-800-291-500000-XXX	Estimated grants/donations for 2010-11
	\$5,000	DB Donation	21-800-291-500000-101	
	\$25,000	Total		
	\$0	Total Impact		

FUND 27		Expenditures		
	-\$10,197	Salaries/Benefits	27-700-XXX-XXXXXX	Teacher Wage Freeze; New Hire Savings
	-\$137,636	Salaries/Benefits	27-700-2XX-XXXXXX	Health/Dental Insurance Savings; Staff Opt Out; Prorated Benefits
	-\$147,833	Total		
		Revenue		
	-\$147,833	Interfund Transfer	27-800-110-410000	Interfund Transfer to Fund 10
	-\$147,833	Total		
		\$0 Total Impact		
FUND 90		Expenditures		
	\$19,452	Enhancing Technology Grant	90-XXX-XXX-XXXXXX-814	Enhancing Tech Grant Certified
	\$19,452	Total		
		Revenue		
	\$19,452	Enhancing Technology Grant	90-800-730-500000-814	Enhancing Tech Grant Certified
	\$19,452	Total		
		\$0 Total Impact		

Date: October, 2011

**NOTICE OF CHANGE IN ADOPTED BUDGET
MEQUON-THIENSVILLE SCHOOL DISTRICT**

Notice is hereby given, in accordance with the provisions of Wisconsin Statute 65.90(5)(a), that the School Board of Mequon-Thiensville, on October 31, 2011, adopted the following changes to previously approved budgeted 2011-12 amounts. The following presents only adopted budget line items with changes. Unchanged line items are not presented.

GENERAL FUND				
LINE ITEM	ACCOUNT CODE	PREVIOUS APPROVED AMOUNT \$	AMENDED APPROVED AMOUNT \$	CHANGE \$
Anticipated Revenue:				
Taxes	210	35,386,290.00	35,220,046.00	(166,244.00)
Interest on Investments	280	50,000.00	20,000.00	(30,000.00)
Integration Aid	616	1,000,000.00	1,062,220.00	62,220.00
Equalization Aid	621	1,100,000.00	1,242,342.00	142,342.00
Computer Aid	691	118,329.00	113,937.00	(4,392.00)
Title I Aid	751	84,499.00	111,568.00	27,069.00
Title II/III Aid	730	96,301.00	91,301.00	(5,000.00)
Total Anticipated Revenue		39,563,963.00	39,589,958.00	25,995.00
Expenditure Appropriations:				
Undifferentiated Curriculum	110000	9,139,039.00	8,773,398.00	(365,641.00)
Regular Curriculum	120000	8,491,755.00	8,234,191.00	(257,564.00)
Vocational Curriculum	130000	735,420.00	717,581.00	(17,839.00)
Physical Curriculum	140000	1,262,913.00	1,226,231.00	(36,682.00)
Other Special Needs	170000	207,304.00	200,933.00	(6,371.00)
Pupil Services	210000	1,494,597.00	1,465,177.00	(29,420.00)
Instructional Staff Services	220000	1,471,988.00	1,509,861.00	37,873.00
General Administration	230000	479,626.00	595,626.00	116,000.00
Building Administration	240000	2,276,216.00	2,225,866.00	(50,350.00)
Business Administration	250000	5,765,335.00	5,737,113.00	(28,222.00)
Central Services	260000	858,842.00	877,285.00	18,443.00
Debt Services	280000	81,000.00	51,000.00	(30,000.00)
Other Support Services	290000	1,765,734.00	1,709,335.00	(56,399.00)
Operating Transfers to Another Fund	410000	4,778,548.00	4,630,715.00	(147,833.00)
General Tuition	430000	335,000.00	255,000.00	(80,000.00)
Total Expenditure Appropriations		40,123,963.00	39,189,958.00	(934,005.00)
Projected Ending Fund Balance:				
Ending Fund Balance, Nonspendable	935000	100,000.00	100,000.00	0.00
Ending Fund Balance, Assigned	938000	0.00	0.00	0.00
Ending Fund Balance, Unassigned	939000	6,834,172.00	7,794,172.00	960,000.00
Projected Ending Fund Balance		6,934,172.00	7,894,172.00	960,000.00

SPECIAL PROJECTS FUND				
LINE ITEM	ACCOUNT CODE	PREVIOUS APPROVED AMOUNT \$	AMENDED APPROVED AMOUNT \$	CHANGE \$
Revenues & Other Financing Sources				
		7,359,768.00	7,236,935.00	(122,833.00)
Expenditure & Other Financing Uses				
		7,359,768.00	7,236,935.00	(122,833.00)

PACKAGE & COOPERATIVE PROGRAM FUND				
LINE ITEM	ACCOUNT CODE	PREVIOUS APPROVED AMOUNT \$	AMENDED APPROVED AMOUNT \$	CHANGE \$
Revenues & Other Financing Sources				
		0.00	19,452.00	19,452.00
Expenditure & Other Financing Uses				
		0.00	19,452.00	19,452.00

PROPOSED PROPERTY TAX LEVY

FUND	ACCOUNT CODE	PREVIOUS APPROVED AMOUNT \$	AMENDED APPROVED AMOUNT \$	CHANGE \$
General Fund		35,386,290.00	35,220,046.00	(166,244.00)
Referendum Debt Service Fund		2,347,500.00	2,347,500.00	0.00
Community Service Fund		227,580.00	227,580.00	0.00
TOTAL SCHOOL LEVY		37,961,370.00	37,795,126.00	(166,244.00)