



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

EXECUTIVE SUMMARY

Subject: Action to Approve Preliminary 2011-12 Proposed Budget	Category: <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Attachments: 2011-12 Budget Plan (Year 1) 2011-12 Budget Summary DPI Proposed Budget Adoption Format 2011-12 Detailed Budget Document	Date for Consideration: June 20, 2011

Background

The formal budget presentation for the 2011-12 Budget will be conducted at the Budget Hearing held immediately prior to the District Annual Meeting on July 25, 2011. However, since our fiscal year begins July 1st Board action is necessary to adopt a preliminary budget on June 20, 2011.

Attached is a summary of the Proposed 2011-12 Budget in Department of Public Instruction adoption format and a detailed 2011-12 budget document.

Highlights: I have highlighted some pertinent information/facts below:					
<table border="1"> <thead> <tr> <th data-bbox="181 1218 862 1266">Strengths</th> </tr> </thead> <tbody> <tr> <td data-bbox="181 1266 862 1877"> <ul style="list-style-type: none"> • Proposed budget is balanced assuming use of \$560,000 from prior year savings and other program/personnel reductions as presented in Year 1 of long range budget plan (attached.) • Proposed budget assumes minimal staff reductions but significant changes in staff compensation. • Proposed budget assumes employee contributions for Wisconsin Retirement System effective July 1, 2011. • Proposed 2011-12 budget reflects <u>minimum of \$440,000</u> in health insurance modifications for staff. • The 2011-12 Budget proposes a total tax levy in the amount of 37,961,370, a <u>decrease</u> of \$2,374,324 or- 5.89 % from prior year levy. </td> </tr> </tbody> </table>	Strengths	<ul style="list-style-type: none"> • Proposed budget is balanced assuming use of \$560,000 from prior year savings and other program/personnel reductions as presented in Year 1 of long range budget plan (attached.) • Proposed budget assumes minimal staff reductions but significant changes in staff compensation. • Proposed budget assumes employee contributions for Wisconsin Retirement System effective July 1, 2011. • Proposed 2011-12 budget reflects <u>minimum of \$440,000</u> in health insurance modifications for staff. • The 2011-12 Budget proposes a total tax levy in the amount of 37,961,370, a <u>decrease</u> of \$2,374,324 or- 5.89 % from prior year levy. 	<table border="1"> <thead> <tr> <th data-bbox="862 1218 1425 1266">Needs/Improvement</th> </tr> </thead> <tbody> <tr> <td data-bbox="862 1266 1425 1877"> <ul style="list-style-type: none"> • Unprecedented changes in school finance have occurred. Process, timing and delay in legislative action causing great uncertainty in the development of 2011-12 Budget. • Significant unknowns regarding collective bargaining laws and final outcome of employee compensation. • Reductions in school finance formula do not equal proposed loss in state aid creating significant property tax relief in this community at the sake of the school budget. </td> </tr> </tbody> </table>	Needs/Improvement	<ul style="list-style-type: none"> • Unprecedented changes in school finance have occurred. Process, timing and delay in legislative action causing great uncertainty in the development of 2011-12 Budget. • Significant unknowns regarding collective bargaining laws and final outcome of employee compensation. • Reductions in school finance formula do not equal proposed loss in state aid creating significant property tax relief in this community at the sake of the school budget.
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| <ul style="list-style-type: none"> • Proposed tax levy is the maximum allowed by law assuming \$607 reduction in per pupil in funding; \$2.2 million in general state aid; and a loss of 59 resident students. Projections will be updated in October. • Total budget proposed is \$52,464,564 which is a <u>decrease</u> of \$2,093,839 or - 3.8% from prior year total budget. • Preliminary tax rate proposed is \$8.73/\$1000 of equalized value assuming 3% reduction in equalized valuation, maximum tax levy adopted and receipt of \$2.2 million in general state aid. This is a <u>decrease</u> of \$0.26 or -2.89% from previous year. • See 2011-12 Budget document for additional information. | |
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Recommendation

Recommend preliminary approval of the 2011-12 Budget for presentation and official approval at Annual Meeting on July 25, 2011.

Motion required:

Move to approve the preliminary 2011-12 total school budget in the amount of \$52,464,564 including General Fund (\$40,123,963); Special Projects (\$7,359,768); Debt Service (\$2,719,253); Food Service (\$1,392,000); and Community Service Fund (\$869,580). This is a reduction of \$2,093,839 or -3.8% from prior year total school budget.

MEQUON-THIENSVILLE SCHOOL DISTRICT
BUDGET SHORTFALL PROJECTION 2011-12
2011-12 School Year - Projected Shortfall (\$1,100,000)
(Final amount to be determined after 3rd Friday Count Sept. 2011)
Assuming Passage of Budget Repair Bill

<u>Position/Program</u>	<u>FTE</u>	<u>3/22/2011</u>
Use of Fund Balance from 2010-11 Reductions		\$557,030
Contracted Janitorial Services (0% Vendor Increase)		\$51,500
<i>Pension Contributions - All Employees</i>		\$1,400,000
<i>Health Insurance - Employee Premium Increase (12.5%), Carrier Change and/or Plan Design Changes - All Employees</i>		\$440,000 **
<i>Teacher Salary Increase (limited to CPI)</i>		\$265,000
Transportation Savings Due to Modification in School Times <i>(Middle & Elementary)</i>		\$140,000
Reduction of Summer Curriculum Writing, MTSD Workshops & IMC Extended Contracts <i>\$8000 - M-T Instructors</i> <i>\$15,000 - Extended Contracts for IMC Specialists and IMC Aides</i> <i>\$17,000 - Curriculum Writing</i>		\$40,000
Natural Reductions of Staff due to Declining Enrollment <i>.50 at Elementary, .2 at Middle School, .33 at High School</i> <i>1.0 in Special Education</i>	2.00	\$150,000
Compensation Goals for Non-M-TEA Employee Groups		\$144,000
Reduction of an Interpreter		\$24,000
Reduction of Regular Education Paraprofessional (DB & OL)	2.00	\$47,000
Reduction of hours for Middle School Academic Intervention Aides <i>(7 hours to 6.5 hours per day)</i>		\$17,000
<u>Additional Personnel Request</u>		
New English Language Learner Teacher	1.00	-\$75,000
Total		\$3,200,530
Less: Estimated Deficit		\$2,900,000
(Budget Deficit)/Excess Reductions		\$300,530

**MEQUON-THIENSVILLE SCHOOL DISTRICT
2011-12 BUDGET SUMMARY**

The following table summarizes the proposed 2011-12 Budget, dollar change and percent increase as compared to the 2010-11 Budget:

	<u>2010-11 Budget</u>	<u>2011-12 Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
General Fund	\$41,510,931	\$40,123,963	-\$1,386,968	-3.3%
Special Projects Fund	\$8,106,458	\$7,359,768	-\$746,690	-9.2%
Debt Service	\$2,611,434	\$2,719,253	\$107,819	4.1%
Food Service	\$1,453,000	\$1,392,000	-\$61,000	-4.2%
Community Service Fund	\$876,580	\$869,580	-\$7,000	-0.8%
Gross Total Expenditures - All Funds	\$54,558,403	\$52,464,564	-\$2,093,839	-3.8%
Interfund Transfers	\$5,172,394	\$4,778,548	-\$393,846	-7.6%
Net Total Expenditures - All Funds	\$49,386,009	\$47,686,016	-\$1,699,993	-3.4%

PROPOSED BUDGET 2011-2012

GENERAL FUND (FUND 10)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
Beginning Fund Balance (Account 930 000)	6,930,134.00	6,934,172.00	7,494,172.00
Ending Fund Balance, Nonspendable (Acct. 935 000)	107,742.00	100,000.00	100,000.00
Ending Fund Balance, Restricted (Acct. 936 000)		0.00	0.00
Ending Fund Balance, Committed (Acct. 937 000)		0.00	0.00
Ending Fund Balance, Assigned (Acct. 938 000)		560,000.00	0.00
Ending Fund Balance, Unassigned (Acct. 939 000)	6,826,430.00	6,834,172.00	6,834,172.00
TOTAL ENDING FUND BALANCE (ACCT. 930 000)	6,934,172.00	7,494,172.00	6,934,172.00
REVENUES & OTHER FINANCING SOURCES			
100 Transfers-in	0.00	0.00	0.00
Local Sources			
210 Taxes	38,026,316.00	37,837,776.00	35,386,290.00
240 Payments for Services	0.00	0.00	
260 Non-Capital Sales	99,551.00	95,000.00	95,000.00
270 School Activity Income	93,745.00	117,000.00	95,000.00
280 Interest on Investments	41,840.00	74,396.00	50,000.00
290 Other Revenue, Local Sources	942,081.00	934,911.00	955,344.00
Subtotal Local Sources	39,203,533.00	39,059,083.00	36,581,634.00
Other School Districts Within Wisconsin			
310 Transit of Aids	5,414.00	0.00	0.00
340 Payments for Services	208,875.00	238,896.00	312,200.00
380 Medical Service Reimbursements	0.00	0.00	0.00
390 Other Inter-district, Within Wisconsin	0.00	0.00	0.00
Subtotal Other School Districts within Wisconsin	214,289.00	238,896.00	312,200.00
Other School Districts Outside Wisconsin			
440 Payments for Services	0.00	0.00	0.00
490 Other Inter-district, Outside Wisconsin	0.00	0.00	0.00
Subtotal Other School Districts Outside Wisconsin	0.00	0.00	0.00
Intermediate Sources			
510 Transit of Aids	0.00	0.00	0.00
530 Payments for Services from CCDEB	0.00	0.00	0.00
540 Payments for Services from CESA	0.00	0.00	0.00
580 Medical Services Reimbursement	0.00	0.00	0.00
590 Other Intermediate Sources	0.00	0.00	0.00
Subtotal Intermediate Sources	0.00	0.00	0.00
State Sources			
610 State Aid -- Categorical	1,203,986.00	1,276,198.00	1,228,000.00
620 State Aid -- General	1,093,254.00	1,142,297.00	1,100,000.00
630 DPI Special Project Grants	1,125.00	0.00	0.00
640 Payments for Services	0.00	0.00	0.00
650 Student Achievement Guarantee in Education (SAGE Grant)	0.00	0.00	0.00
660 Other State Revenue Through Local Units	0.00	0.00	0.00
690 Other Revenue	140,330.00	121,958.00	118,329.00
Subtotal State Sources	2,438,695.00	2,540,453.00	2,446,329.00

Federal Sources			
710 Transit of Aids	61,105.00	0.00	0.00
720 Impact Aid	0.00	0.00	0.00
730 DPI Special Project Grants	154,885.00	109,000.00	96,301.00
750 IASA Grants	96,964.00	84,499.00	84,499.00
760 JTPA	0.00	0.00	0.00
770 Other Federal Revenue Through Local Units	0.00	0.00	0.00
780 Other Federal Revenue Through State	0.00	0.00	0.00
790 Other Federal Revenue - Direct	0.00	0.00	0.00
Subtotal Federal Sources	312,954.00	193,499.00	180,800.00
Other Financing Sources			
850 Reorganization Settlement	0.00	0.00	0.00
860 Compensation, Fixed Assets	3,301.00	500.00	1,000.00
870 Long-Term Obligations	0.00	0.00	0.00
Subtotal Other Financing Sources	3,301.00	500.00	1,000.00
Other Revenues			
960 Adjustments	0.00	0.00	0.00
970 Refund of Disbursement	38,588.00	30,500.00	32,000.00
980 Medical Service Reimbursement	0.00	0.00	0.00
990 Miscellaneous	12,915.00	8,000.00	10,000.00
Subtotal Other Revenues	51,503.00	38,500.00	42,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	42,224,275.00	42,070,931.00	39,563,963.00
EXPENDITURES & OTHER FINANCING USES			
Instruction			
110 000 Undifferentiated Curriculum	9,392,998.00	9,875,380.00	9,139,039.00
120 000 Regular Curriculum	8,839,730.00	8,769,435.00	8,491,755.00
130 000 Vocational Curriculum	723,810.00	773,907.00	735,420.00
140 000 Physical Curriculum	1,337,534.00	1,306,406.00	1,262,913.00
160 000 Co-Curricular Activities	734,487.00	774,347.00	750,646.00
170 000 Other Special Needs	246,434.00	263,524.00	207,304.00
Subtotal Instruction	21,274,993.00	21,762,999.00	20,587,077.00
Support Sources			
210 000 Pupil Services	1,452,580.00	1,540,639.00	1,494,597.00
220 000 Instructional Staff Services	1,716,776.00	1,590,181.00	1,471,988.00
230 000 General Administration	496,038.00	474,630.00	479,626.00
240 000 School Building Administration	2,383,349.00	2,461,141.00	2,276,216.00
250 000 Business Administration	6,612,225.00	5,873,428.00	5,765,335.00
260 000 Central Services	1,134,264.00	1,001,830.00	858,842.00
270 000 Insurance & Judgments	243,313.00	282,300.00	225,000.00
280 000 Debt Services	95,209.00	61,000.00	81,000.00
290 000 Other Support Services	930,063.00	933,681.00	1,765,734.00
Subtotal Support Sources	15,063,817.00	14,218,830.00	14,418,338.00
Non-Program Transactions			
410 000 Inter-fund Transfers	5,672,905.00	5,172,394.00	4,778,548.00
430 000 Instructional Service Payments	199,370.00	351,708.00	335,000.00
490 000 Other Non-Program Transactions	9,152.00	5,000.00	5,000.00
Subtotal Non-Program Transactions	5,881,427.00	5,529,102.00	5,118,548.00
TOTAL EXPENDITURES & OTHER FINANCING USES	42,220,237.00	41,510,931.00	40,123,963.00

SPECIAL PROJECT FUNDS (FUNDS 21, 23, 27, 29)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	21,672.00	15,618.00	15,618.00
900 000 Ending Fund Balance	15,618.00	15,618.00	15,618.00
TOTAL REVENUES & OTHER FINANCING SOURCES	8,133,146.00	8,106,458.00	7,359,768.00
100 000 Instruction	6,018,013.00	5,924,319.00	5,577,337.00
200 000 Support Services	1,888,803.00	2,017,499.00	1,568,296.00
400 000 Non-Program Transactions	232,384.00	164,640.00	214,135.00
TOTAL EXPENDITURES & OTHER FINANCING USES	8,139,200.00	8,106,458.00	7,359,768.00

DEBT SERVICE FUND (FUNDS 38, 39)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	492,300.00	470,074.00	443,338.00
900 000 ENDING FUND BALANCES	470,074.00	443,338.00	413,238.00
TOTAL REVENUES & OTHER FINANCING SOURCES	2,854,426.00	2,584,698.00	2,689,153.00
281 000 Long-Term Capital Debt	2,232,688.00	2,298,075.00	2,377,600.00
282 000 Refinancing	0.00	0.00	0.00
283 000 Operational Debt	0.00	0.00	0.00
285 000 Post Employment Benefit Debt	0.00	0.00	0.00
288 000 Other Long-Term General Obligation Debt	643,964.00	313,359.00	341,653.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	2,876,652.00	2,611,434.00	2,719,253.00
842 000 INDEBTEDNESS, END OF YEAR	0.00	0.00	0.00

CAPITAL PROJECTS FUND (FUNDS 41, 48, 49)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	0.00	0.00	0.00
900 000 Ending Fund Balance	0.00	0.00	0.00
TOTAL REVENUES & OTHER FINANCING SOURCES	0.00	0.00	0.00
100 000 Instructional Services	0.00	0.00	0.00
200 000 Support Services	0.00	0.00	0.00
300 000 Community Services	0.00	0.00	0.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	0.00	0.00	0.00

FOOD SERVICE FUND (FUND 50)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	399,176.00	359,826.00	389,826.00
900 000 ENDING FUND BALANCE	359,826.00	389,826.00	379,826.00
TOTAL REVENUES & OTHER FINANCING SOURCES	1,383,133.00	1,483,000.00	1,382,000.00
200 000 Support Services	1,422,483.00	1,453,000.00	1,392,000.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	1,422,483.00	1,453,000.00	1,392,000.00

COMMUNITY SERVICE FUND (FUND 80)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	442,391.00	395,291.00	395,291.00
900 000 ENDING FUND BALANCE	395,291.00	395,291.00	395,291.00
TOTAL REVENUES & OTHER FINANCING SOURCES	872,133.00	876,580.00	869,580.00
200 000 Support Services	78,513.00	88,045.00	92,000.00
300 000 Community Services	840,720.00	788,535.00	777,580.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	919,233.00	876,580.00	869,580.00

PACKAGE & COOPERATIVE PROGRAM FUND (FUNDS 91, 93, 99)	Audited 2009-2010	Unaudited 2010-2011	Budget 2011-2012
900 000 Beginning Fund Balance	0.00	0.00	0.00
900 000 ENDING FUND BALANCE	0.00	0.00	0.00
TOTAL REVENUES & OTHER FINANCING SOURCES	206,665.00	62,000.00	0.00
100 000 Instruction	123,517.00	0.00	0.00
200 000 Support Services	83,148.00	62,000.00	0.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	206,665.00	62,000.00	0.00