

School District of South Milwaukee
2016-17 BUDGET WORK SESSION
Budget Assumptions and Recommendations
February 24, 2016

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**School District of South Milwaukee
2016-17 Revenue Limit Assumptions
February 24, 2016**

- Increase of 6 September FTE (Full Time Equivalent) Membership (Three year history attached)

EC	11	Same as prior year
4K	152	Same as prior year
5K	192	Increase of 40 from prior year 4K (based on 2 year average from 4K to 5K) (monitor closely)
1 st	172	Increase of 1 from prior year 5K (based on 2 year average from 5K to 1 st)
2 nd	190	Increase of 1 from prior year 1 st (based on 2 year average from 1st to 2 nd)
3 rd	202	Decrease of 4 from prior year 2 nd (based on 2 year average from 2 nd to 3 rd)
4 th	197	Increase of 4 from prior year 3 rd (based on 2 year average from 3 rd to 4 th)
5 th	210	Decrease of 8 from prior year 4 th (based on 2 year average from 4 th to 5 th)
6 th	195	Increase of 7 from prior year 5 th (based on 2 year average from 5 th to 6 th)
7 th	217	Increase of 4 from prior year 6 th (based on 2 year average from 6 th to 7 th)
8 th	213	No change from prior year 7 th (based on 2 year average from 7 th to 8 th)
9 th	246	Increase of 20 from prior year 8 th (based on 2 year average from 8 th to 9 th)
10 th	220	Increase of 1 from prior year 9 th (based on 2 year average from 9 th to 10 th)
11 th	249	No change from prior year 10 th (based on 2 year average from 10 th to 11 th)
12 th	234	Increase of 6 from prior year 11 th (based on 2 year average from 11 th to 12 th)

- Flat Summer FTE Membership

Year	2013	2014	2015	2016
Summer FTE	77	67	75	75
40%	31	27	30	30

- Per Member Increase \$0 (history attached)

Enrollment History School District of South Milwaukee

Grade	SEPTEMBER 2013						SEPTEMBER 2014					SEPTEMBER 2015				PROJECTED SEPTEMBER 2016			
	2013-14 Resident	TW(1)	OE TW (2)	220	TUITION	TOTAL	2014-15 Resident	TW(1)	OE TW (2)	220	TOTAL	2015-16 Resident	OE TW (2)	220	TOTAL	2016-17 Resident	OE TW (2)	220	TOTAL
EC-.50	17	0	0	0	0	17	17	0	0	0	17	11	0	0	11	11	0	0	11
4K-.60	141	0	4	0	0	145	137	0	3	0	140	152	0	0	152	152	0	0	152
5K	200	0	5	0	0	205	187	0	8	0	195	171	9	0	180	192	4	0	196
1	201	0	6	0	0	207	199	0	8	0	207	189	10	0	199	172	12	0	184
2	218	0	8	0	0	226	195	0	12	0	207	206	10	0	216	190	12	0	202
3	203	0	6	0	0	209	211	0	10	0	221	193	17	0	210	202	12	0	214
4	208	0	10	0	0	218	204	0	8	0	212	218	14	0	232	197	17	0	214
5	193	0	13	1	0	207	207	0	11	0	218	188	12	0	200	210	14	0	224
Sub Total	1381	0	52	1	0	1434	1357	0	60	0	1417	1328	72	0	1400	1326	71	0	1397
6	230	0	16	1	0	247	201	2	18	1	222	213	13	0	226	195	15	0	210
7	204	0	23	1	0	228	225	0	17	0	242	213	26	1	240	217	17	0	234
8	225	0	25	3	0	253	202	0	24	1	227	226	17	0	243	213	26	1	240
Sub Total	659	0	64	5	0	728	628	2	59	2	691	652	56	1	709	625	58	1	684
9	225	0	50	5	0	280	248	3	56	3	310	219	55	1	275	246	55	0	301
10	227	0	48	9	0	284	226	1	57	4	288	249	60	3	312	220	55	1	276
11	197	0	56	6	0	259	224	2	50	6	282	228	53	3	284	249	60	3	312
12	259	0	50	3	1	313	204	0	51	5	260	228	52	6	286	234	53	3	290
Sub Total	908	0	204	23	1	1136	902	6	214	18	1140	924	220	13	1157	949	223	7	1179
Total	2948	0	320	29	1	3298	2887	8	333	20	3248	2904	348	14	3266	2900	352	8	3260
220 Out	14						12					8				8			
Tuition Out	2						2					3				3			
OE & TW Out	146						171					195				204			
Grand Total	3110	0	320	29		3298	3080	8	333	20	3248	3110	348	14	3266	3115	352	8	3260
Head Count						3298					3248				3266				3260
Change						(12)					(50)				18				(6)
Resident Count		3108						3078					3107				3112		
Change		(8)						(30)					29				5		
Resident FTE		3,044						3,012					3,039				3,044		
Change		10						(32)					27				6		

Acronyms:

OE: Open Enrollment
 TW: Tuition Waiver
 220: Chapter 220 Program

*Colors signify the # of students as they progress throughout the years

History of Revenue Limit Per Pupil Change

<u>Year</u>	<u>Revenue Limit Per Pupil Change</u>	<u>Base Revenue Limit Per Pupil</u>	<u>Total Revenue Limit Ability*</u>	<u>Revenue Limit Change</u>	<u>% Dollar Change</u>
2007-08	\$264.12	\$9,330.25	29,994,523		
2008-09	\$274.68	\$9,615.99	30,568,942	574,419	1.9%
2009-10	\$200.00	\$9,837.53	30,604,556	35,614	0.1%
2010-11	\$200.00	\$10,037.53	31,135,398	530,842	1.7%
2011-12	-\$552.76	\$9,497.50	29,213,516	(1,921,882)	-6.2%
2012-13	\$50.00	\$9,550.33	29,371,915	158,399	0.5%
2013-14	\$75.00	\$9,628.63	29,544,863	172,948	0.6%
2014-15	\$75.00	\$9,733.34	29,842,504	297,641	1.0%
2015-16	\$0.00	\$9,751.35	29,923,300	80,796	0.3%
2016-17	\$0.00	\$9,775.66	29,923,300	-	0.0%

Transfer of
Service

* Net Energy Exemption to the Revenue Limit

**School District of South Milwaukee
2016-17 Revenue Limit Explanation
February 24, 2016**

Line 1	Determine current year base revenue				29,923,300
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).				
		2013	2014	2015	
		3,074	3,040	3,068	3,061
Line 3	Base revenue per member (Line 1 / Line 2)				
		29,923,300	3,061		9,775.66
Line 4	Allowable per member increase determined by the legislature.				
		0	100%		0.00
Line 5	Maximum revenue per member (Line 3 + Line 4)				9,775.66
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).				
		2014	2015	2016	
		3,040	3,068	3,074	3,061
Line 7	Revenue Limit with no exemptions (Line 5 x Line 6)				29,923,295
	Hold Harmless Non-Recurring Exemption				5
Line 8	Transfer of Service				0
Line 9	Revenue Limit without Declining Enrollment (Line 7 + Line 8)				29,923,300
Line 10	Declining Enrollment Exemption				0
	(Average FTE loss = Line 2 - Line 6 x 1.0)				
		3,061	3,061	0	
	(Average FTE loss x Line 5)				
		0	9,751.35	0	
Line 11	Revenue Limit with all exemptions (Line 9 + Line 10)				29,923,300
	2015-16 Revenue Limit				29,923,300
	2016-17 Revenue Limit Change				0
	% Change				0.00

**School District of South Milwaukee
2016-17 Budget Assumptions
Budget Assumptions & Recommendations
February 24, 2016**

Description	Increase/ (Decrease)	Totals
Revenue:		
Special Education Categorical Aid	25,000	
Revenue Cap \$0 Per Pupil	0	
Per Pupil Categorical Aid \$100 increase (3,060 x \$100)	306,000	
Transfer of Service Adjustments	128,000	
Voucher (Private School) Exemption	21,000	
Total Revenue Increase		480,000
Expenditure Increases:		
Staff Salaries & Benefits	298,500	
4K Revisions	6,000	
Voucher (Private School) Expense	21,000	
Total Expenditure Increase		325,500
Budget Adjustments / Reallocations:		
Staff Turnover Savings	(50,000)	
Pupil Services Medicaid Position to Human Resources Asst.	0	
Total Budget Adjustments / Reallocations		(50,000)
Budget Additions:		
Luther 1.0 Teacher (11-4-15)	67,000	
MS Science Aide Time 6.75 Hour (8-26-15)	30,000	
Lakeview Aide Time 5.5 Hour (10-21-15)	17,000	
Blakewood Aide Time 4 Hour (10-21-15)	12,500	
Luther Aide Time 5.5 Hour (11-4-15)	17,000	
MS Aide Time 5.5 Hour (12-16-15)	17,000	
Blakewood Aide Time 7 Hour (12-16-15)	22,000	
High School Aide Time 7 Hour (12-16-15)	22,000	
Total Budget Additions		204,500
Budget Surplus (Deficit)		0

School District of South Milwaukee

Budget Impact Statements

February 24, 2016

The School District of South Milwaukee has been in the unfortunate situation of having to reduce positions, programs and budgets by over \$10 million over the last 14 years. These reductions have been necessary as a direct result of limited revenue cap increases. This year, the District is continuing to struggle with a flat to decreasing revenue limit. Over the last five years, the District has dealt with extremely challenging budget constraints. In 2011-12 the District lost nearly 2 million dollars in revenue. The following three years brought revenue limit adjustments of 0.5%, 0.9% and zero. Meanwhile, the cost of operations outpaced the low to nonexistent revenue increases. For 2016-17 the District is set to receive an increase in the unequalized per pupil categorical aid, however the increase will be close to 9/10ths of a percent. It is time for sustainable, predictable and equitable funding for our Public Schools. We encourage members of our South Milwaukee community to let the state decision-makers know of your support of public education and the need for proper funding.

REVENUE

Special Education Categorical Aids:

+\$25,000

Beginning in 2015-16 the District established an OPEB trust to help fund the benefits promised to our retired employees. The accounting for the trust requires that the benefit expenses be distributed to all funds in our chart of accounts. This accounting change conservatively produced \$100,000 in categorically aidable special education expenses. The aid on those expenses will arrive the year after they have been expended which will be in 2016-17.

Revenue Cap Adjustment

\$0

The proposed State Budget includes \$0 in the per pupil adjustment amount. A \$0 per pupil change is a continuation of poor legislative prioritization in Madison.

Per Pupil Categorical Aid

+\$306,000

The state budget allows for a \$100 increase to the unequalized per pupil categorical aid. This unequalized aid will grow from \$150 per student to \$250 per student. This increase is desperately needed.

Transfer of Service Adjustments

+\$128,000

The revenue limit is projected to be adjusted based on services that the District will provide to students that are new residents of South Milwaukee. These positions include a special education teacher at EW Luther, aide time at EW Luther, aide time at Blakewood, and aide time at the High School.

Voucher (Private School) Exemption

+21,000

Please see below as this is associated with the Voucher (Private School) Expense.

EXPENDITURES INCREASES

Staff Salary & Benefits

+\$298,500

The amount above is being set aside to invest in our ability to attract and retain our staff.

4k Staffing: Reduce 1.0 FTE Teacher Position and Increase 3.5 FTE Paraprofessional Aides

+\$6,000

In 2016-17, the 4K program will be going through modifications, including a new curriculum, new instructional delivery format, and a new assessment framework. These changes are supported by research in best practice design for early childhood programming. We are highlighting three areas in our 4K redesign: high quality interactions between teachers and children, cohesive curricula aligned to early learning standards, and ideal adult to student ratio of 1:10. These findings have guided our program redesign resulting in staffing and budgetary implications.

Current class size numbers are averaging one teacher for 18 students per classroom (1:18). The proposal increases students in the classroom to 22, with an additional staff member (paraprofessional aide) resulting in a 2:22 ratio. Adding a paraprofessional to the classroom will support student learning for enhanced small group instruction. This increase in student class size reduces the classroom teacher need by 1.0 FTE (4.5 FTE to 3.5 FTE) but increases the paraprofessional need by 3.5 FTE (currently there are no paraprofessional aides supporting the regular education 4k program). These figures are based on predictions for similar student enrollment in 4K for the 2016-17 school year. If we have significant increased enrollment in 4k, we would anticipate increasing by .5 FTE teaching position and .5 FTE paraprofessional aide position. Please note that due to other openings throughout the district, there will not be any actual staff reductions with these recommendations.

Voucher (Private School) Expense

+\$21,000

At this point (4:54pm on February 18th) it appears as if the legislature will pass a piece of legislation that only allows for the exact amount of current vouchers to be levied in the revenue limit. This would have a net impact of \$0 if you don't consider the possible declining enrollment; which may or may not happen. Typically the students that receive vouchers are already students in the private schools thus not placing downward pressure on our enrollments, but rather placing pressure on the limited state funds for K-12 public education.

BUDGET REALLOCATIONS

Staff Turnover Savings

(\$50,000)

The District annually reviews staff turnover due to retirement and resignations and the impact on salary costs. Given what we know now and a conservative trend, it is anticipated that the District will realize savings of approximately \$50,000.

Pupil Services Medicaid Position to Human Resources Assistant

\$0

Currently there is a part-time Pupil Services Medicaid position that, upon a retirement, will be revised to a Human Resources Assistant position. The two duties of the Medicaid position will be transferred to the Accounting and Benefits Assistant and the Pupil Services Secretary. The new half-time Human Resources Assistant will assist the Superintendent's Secretary in providing support to the Director of Personnel, Administrative & Legal Services. There has been significant increases in the duties of the Superintendent's Secretary (year-round open enrollment, increased staffing reports due to the state, year-round student residency checks, etc.), while maintaining the main duties of working for the Superintendent and Director of Personnel, Administrative & Legal Services, at the same time as being one of the main receptionists in the district office. The job description of the new position is currently being created as we work to determine how to best separate the job duties of one position to 1.5 positions.

STAFFING INCREASE

Please note that all staffing increases found below were already approved by the Board during the 2015-16 school year. As all positions were added after the finalization of the budget, they are now listed here to include in the 2016-17 budget.

Increase of 1.0 FTE Special Education Teacher at E.W. Luther

+\$67,000

The Board approved the addition of a new 1.0 FTE Special Education Teacher in Fall 2015 due to student needs at EW Luther. It is anticipated that this staffing increase will be paid for by the transfer of service to the revenue limit and this position will be officially added to the budget for 2016-17.

Increase of 6.75 Hour Aide - MS

+\$30,000

The Board previously approved the increase of a 6.75 hour aide for the middle school science program due to enrollment sizes. This position will be officially added to the budget for 2016-17.

Increase of 5.5 Hour Aide - Lakeview

+\$17,000

The Board previously approved the increase of a 5.5 hour aide for Lakeview Elementary due to special education needs. This position will be officially added to the budget for 2016-17.

Increase of 4 Hour Aide - Blakewood

+\$12,500

The Board previously approved the increase of a 4 hour aide for Blakewood Elementary due to special education needs. This position will be officially added to the budget for 2016-17.

Increase of 5.5 Hour Aide - E.W. Luther

+\$30,000

The Board previously approved the increase of a 5.5 hour aide for E.W. Luther Elementary due to special education needs. It is anticipated that this staffing increase will be paid for by the transfer of service to the revenue limit and this position will be officially added to the budget for 2016-17

Increase of 5.5 Hour Aide - MS

+\$17,000

The Board previously approved the increase of a 5.5 hour aide for the Middle School due to special education needs. This position will be officially added to the budget for 2016-17.

Increase of 7 Hour Aide - Blakewood

+\$22,000

The Board previously approved the increase of a 7 hour aide for Blakewood Elementary due to special education needs. It is anticipated that this staffing increase will be paid for by the transfer of service to the revenue limit and this position will be officially added to the budget for 2016-17

Increase of 7 Hour Aide - High School

+\$22,000

The Board previously approved the increase of a 7 hour aide for the High School due to special education needs. It is anticipated that this staffing increase will be paid for by the transfer of service to the revenue limit and this position will be officially added to the budget for 2016-17