

School District of South Milwaukee  
**2017-18 BUDGET WORK SESSION**  
**Budget Assumptions**  
March 22, 2017

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**School District of South Milwaukee  
2017-18 Revenue Limit Assumptions  
March 22, 2017**

- Decrease of 27 September FTE (Full Time Equivalent) Membership (Three year history attached)

EC	13	Estimate
4K	140	Estimate
5K	182	Increase of 36 from prior year 4K (based on 2 year average from 4K to 5K) (monitor closely)
1 <sup>st</sup>	190	Increase of 1 from prior year 5K (based on 2 year average from 5K to 1 <sup>st</sup> )
2 <sup>nd</sup>	170	Decrease of 1 from prior year 1 <sup>st</sup> (based on 2 year average from 1 <sup>st</sup> to 2 <sup>nd</sup> )
3 <sup>rd</sup>	179	Decrease of 1 from prior year 2 <sup>nd</sup> (based on 2 year average from 2 <sup>nd</sup> to 3 <sup>rd</sup> )
4 <sup>th</sup>	209	Increase of 4 from prior year 3 <sup>rd</sup> (based on 2 year average from 3 <sup>rd</sup> to 4 <sup>th</sup> )
5 <sup>th</sup>	185	Decrease of 8 from prior year 4 <sup>th</sup> (based on 2 year average from 4 <sup>th</sup> to 5 <sup>th</sup> )
6 <sup>th</sup>	226	Increase of 9 from prior year 5 <sup>th</sup> (based on 2 year average from 5 <sup>th</sup> to 6 <sup>th</sup> )
7 <sup>th</sup>	205	Increase of 5 from prior year 6 <sup>th</sup> (based on 2 year average from 6 <sup>th</sup> to 7 <sup>th</sup> )
8 <sup>th</sup>	213	Increase of 3 from prior year 7 <sup>th</sup> (based on 2 year average from 7 <sup>th</sup> to 8 <sup>th</sup> )
9 <sup>th</sup>	230	Increase of 12 from prior year 8 <sup>th</sup> (based on 2 year average from 8 <sup>th</sup> to 9 <sup>th</sup> )
10 <sup>th</sup>	224	Decrease of 9 from prior year 9 <sup>th</sup> (based on 2 year average from 9 <sup>th</sup> to 10 <sup>th</sup> )
11 <sup>th</sup>	204	Increase of 4 from prior year 10 <sup>th</sup> (based on 2 year average from 10 <sup>th</sup> to 11 <sup>th</sup> )
12 <sup>th</sup>	257	Increase of 1 from prior year 11 <sup>th</sup> (based on 2 year average from 11 <sup>th</sup> to 12 <sup>th</sup> )

- Conservative Summer FTE Membership to match 2015

Year	2014	2015	2016	2017
Summer FTE	67	75	87	75
40%	27	30	35	30

- Per Member Increase \$0 (history attached)

## Enrollment History School District of South Milwaukee

Grade	SEPTEMBER 2014					SEPTEMBER 2015				SEPTEMBER 2016				PROJECTED SEPTEMBER 2017			
	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	2017-18 Resident	OE TW (2)	220	TOTAL
EC-.50	17	0	0	0	17	11	0	0	11	18	1	0	19	13			13
4K-.60	137	0	3	0	140	152	0	0	152	146	6	0	152	140	1	0	141
5K	187	0	8	0	195	171	9	0	180	189	2	0	191	182	6	0	188
1	199	0	8	0	207	189	10	0	199	171	8	0	179	190	2	0	192
2	195	0	12	0	207	206	10	0	216	180	13	0	193	170	8	0	178
3	211	0	10	0	221	193	17	0	210	205	11	0	216	179	13	0	192
4	204	0	8	0	212	218	14	0	232	193	18	0	211	209	11	0	220
5	207	0	11	0	218	188	12	0	200	217	14	0	231	185	18	0	203
<b>Sub Total</b>	<b>1357</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>1417</b>	<b>1328</b>	<b>72</b>	<b>0</b>	<b>1400</b>	<b>1319</b>	<b>73</b>	<b>0</b>	<b>1392</b>	<b>1268</b>	<b>59</b>	<b>0</b>	<b>1327</b>
6	201	2	18	1	222	213	13	0	226	200	15	0	215	226	15	0	241
7	225	0	17	0	242	213	26	1	240	210	16	0	226	205	20	0	225
8	202	0	24	1	227	226	17	0	243	218	28	1	247	213	24	0	237
<b>Sub Total</b>	<b>628</b>	<b>2</b>	<b>59</b>	<b>2</b>	<b>691</b>	<b>652</b>	<b>56</b>	<b>1</b>	<b>709</b>	<b>628</b>	<b>59</b>	<b>1</b>	<b>688</b>	<b>644</b>	<b>59</b>	<b>0</b>	<b>703</b>
9	248	3	56	3	310	219	55	1	275	233	57	0	290	230	65	1	296
10	226	1	57	4	288	249	60	3	312	200	62	1	263	224	60	0	284
11	224	2	50	6	282	228	53	3	284	256	63	3	322	204	64	1	269
12	204	0	51	5	260	228	52	6	286	226	53	3	282	257	63	3	323
<b>Sub Total</b>	<b>902</b>	<b>6</b>	<b>214</b>	<b>18</b>	<b>1140</b>	<b>924</b>	<b>220</b>	<b>13</b>	<b>1157</b>	<b>915</b>	<b>235</b>	<b>7</b>	<b>1157</b>	<b>915</b>	<b>252</b>	<b>5</b>	<b>1172</b>
<b>Total</b>	<b>2887</b>	<b>8</b>	<b>333</b>	<b>20</b>	<b>3248</b>	<b>2904</b>	<b>348</b>	<b>14</b>	<b>3266</b>	<b>2862</b>	<b>367</b>	<b>8</b>	<b>3237</b>	<b>2827</b>	<b>370</b>	<b>5</b>	<b>3202</b>
220 Out	12					8				6				6			
Tuition Out	2					3				1				0			
OE & TW Out	171					195				231				235			
<b>Grand Total</b>	<b>3080</b>	<b>8</b>	<b>333</b>	<b>20</b>	<b>3248</b>	<b>3110</b>	<b>348</b>	<b>14</b>	<b>3266</b>	<b>3100</b>	<b>367</b>	<b>8</b>	<b>3237</b>	<b>3068</b>	<b>370</b>	<b>5</b>	<b>3202</b>
<b>Head Count Change</b>					<b>3248</b> <b>(50)</b>				<b>3266</b> <b>18</b>				<b>3237</b> <b>(29)</b>				<b>3202</b> <b>(64)</b>
<b>Resident Count Change</b>		<b>3078</b> <b>(30)</b>					<b>3107</b> <b>29</b>				<b>3099</b> <b>(8)</b>			<b>3068</b> <b>(31)</b>			
<b>Resident FTE Change</b>		<b>3,012</b> <b>(32)</b>					<b>3,039</b> <b>27</b>				<b>3,027</b> <b>(12)</b>			<b>3,000</b> <b>(27)</b>			

168 Reg. Ed  
27 Sped  
195 Total

194 Reg. Ed  
37 Sped 37% Inc.  
231 Total 19% Inc

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% Transfer of Service
2016-17	\$0.00	\$9,778.85	30,122,216	198,916	0.7% Transfer of Service
2017-18	\$0.00	\$9,831.12	30,093,044	(29,172)	-0.1%

\* Net Energy Exemption and Nonrecurring Exemptions such as the Voucher School Levy

## History of Categorical Per Pupil Aid Change

<u>Year</u>	<u>Per Pupil Change</u>	<u>Per Pupil Amount</u>	<u>Total Per Pupil</u>	<u>Total Per Pupil Change</u>	<u>% Dollar Change</u>
2012-13	Established	\$50	\$152,849	\$152,849	Established
2013-14	\$25	\$75	\$229,500	\$76,651	50%
2014-15	\$75	\$150	\$458,625	\$229,125	100%
2015-16	\$0	\$150	\$459,150	\$525	0%
2016-17	\$100	\$250	\$765,000	\$305,850	67%
2017-18	\$275	\$525	\$1,606,500	\$841,500	110% Scenario 1
2017-18	\$200	\$450	\$1,377,000	\$612,000	80% Scenario 2
2017-18	\$150	\$400	\$1,224,000	\$459,000	60% Scenario 3
2017-18	\$100	\$350	\$1,071,000	\$306,000	40% Scenario 4

**School District of South Milwaukee  
2017-18 Revenue Limit Explanation  
March 22, 2017**

<b>Line 1</b>	Determine current year base revenue				<b>30,063,551</b>
<b>Line 2</b>	Calculate base membership average (The district's most recent three September membership totals, excluding the year for which the limit is being calculated).				
		2014	2015	2016	
		3,039	3,069	3,067	<b>3,058</b>
<b>Line 3</b>	Base revenue per member (Line 1 / Line 2)				
		30,063,551	3,058		<b>9,831.12</b>
<b>Line 4</b>	Allowable per member increase determined by the legislature.				
		0	100%		<b>0.00</b>
<b>Line 5</b>	Maximum revenue per member (Line 3 + Line 4)				<b>9,831.12</b>
<b>Line 6</b>	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).				
		2015	2016	2017	
		3,069	3,067	3,030	<b>3,055</b>
<b>Line 7</b>	Revenue Limit with no exemptions (Line 5 x Line 6)				<b>30,034,072</b>
	Hold Harmless Non-Recurring Exemption				<b>29,479</b>
<b>Line 8</b>	Transfer of Service				<b>0</b>
<b>Line 9</b>	Revenue Limit without Declining Enrollment (Line 7 + Line 8)				<b>30,063,551</b>
<b>Line 10</b>	Declining Enrollment Exemption				<b>29,493</b>
	(Average FTE loss = Line 2 - Line 6 x 1.0)				
		3,058	3,055	3	
	(Average FTE loss x Line 5)				
		3	9,831.12	29,493	
<b>Line 11</b>	Revenue Limit with all exemptions (Line 9 + Line 10)				<b>30,093,044</b>
	<b>2016-17 Revenue Limit</b>				<b>30,122,216</b>
	<b>2017-18 Revenue Limit Change</b>				<b>-29,172</b>
	<b>% Change</b>				<b>-0.10</b>

**School District of South Milwaukee**  
**2017-18 Budget Assumptions**  
**Budget Assumptions**  
**March 21, 2017**

Description	Increase/ (Decrease)	Totals
<b>Revenue:</b>		
Special Education Categorical Aid	50,000	
Revenue Cap \$0 Per Pupil (Declining Enrollment)	(29,172)	
Per Pupil Categorical Aid \$275 increase (3,060 x \$275)*	841,500	
Student Fee Increase of \$5	12,800	
<b>Total Revenue Increase</b>		<b>875,128</b>
<b>Expenditure Increases:</b>		
Staff Salaries & Benefits	564,955	
Open Enrollment Expense	250,000	
Heart Rate Monitor Budget	2,400	
Online Payment Fee Budget	8,000	
<b>Total Expenditure Increase</b>		<b>825,355</b>
<b>Budget Adjustments / Reallocations:</b>		
Staff Turnover Savings	(60,000)	
Transition of BL to MS Position	0	
Reduction in Math Overloads	(18,000)	
Revision to In Lieu of Health Benefits	(50,000)	
Cafeteria Supervision Transferred to Food Service	(45,000)	
Flow Through Budget Reallocation to Literacy Coach	(85,000)	
<b>Total Budget Reductions / Reallocations</b>		<b>(258,000)</b>
<b>Budget Additions:</b>		
High School Math Teacher 1.0 FTE	75,000	
Music Transition Elem/ MS / HS .17 FTE	10,000	
Special Education Elementary Literacy Coach 1.0 FTE	85,000	
MS Special Education Aide 5 Hour (12-14-16)	18,000	
Special Education Aide 5 hours - Elementary (Unallocated)	18,000	
Exempt Support Staff Realignment (20 additional hours)	21,320	
Robotics and Anime Club Cocurricular Addition	2,064	
Advanced Placement FAR Funding	5,000	
Out of District Student Placements	35,000	
<b>Total Budget Additions</b>		<b>269,384</b>
<b>Budget Surplus (Deficit) \$275 PP</b>		<b>38,389</b>
<b>Budget Surplus (Deficit) \$200 PP (Difference from \$275)*</b>		<b>(191,111)</b>
<b>Budget Surplus (Deficit) \$150 PP (Difference from \$275)*</b>		<b>(344,111)</b>
<b>Budget Surplus (Deficit) \$100 PP (Difference from \$275)*</b>		<b>(497,111)</b>

# School District of South Milwaukee

## Budget Impact Statements

### March 22, 2017

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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 15 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 decreasing operating revenue limit, although it is anticipated that revenue may increase through the State budgeting process. It is not anticipated that the increases will be sufficient to fund on-going expenditure and existing needs.

Over the last six years, the District has dealt with extremely challenging budget constraints. In 2011-12 the District lost nearly \$2 million in revenue in one year. 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. The State Biennial budget work is underway but is clouded with a great amount of uncertainty due to different sets of priorities between the Governor, Assembly and Senate.

The 2017-18 budget assumptions includes multiple scenarios. Each scenario is dependent upon the outcome of the State budget process. We are hopeful that the legislature will realize that 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.

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#### **REVENUE**

##### Special Education Categorical Aids:

+\$50,000

Based on analysis of our special education expenses we are projecting an additional \$50,000 of special education categorical aid in 2017-18. The special education categorical aid is based on the previous year's eligible expenses multiplied by a percent (state allocation is prorated); the projected rate for 2017-18 is 26%.

##### Revenue Cap Adjustment

(\$29,172)

The proposed State Budget includes \$0 in the per pupil adjustment, when combined with declining enrollment the District is projected to experience a \$29,172 decrease in revenue limit authority. A \$0 per pupil change is a continuation of poor legislative prioritization in Madison.

Per Pupil Categorical Aid

+\$841,500

The School Board passed a resolution supporting a \$275 increase to the unequalized per pupil categorical aid. The \$841,500 would be the resulting increased revenue if the state were to approve that amount of an increase. The budget documents reflect the overall impact to the budget if the revenue were to increase by \$275/per pupil in addition to other (more likely) scenarios.

Student Fee Increase of \$5

+\$12,800

The student fees have not increased in several years. This increase results in student fees that are still below many of our neighboring districts.

**EXPENDITURES INCREASES**

Staff Salary & Benefits

+\$564,955

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

Open Enrollment Expense

+\$250,000

Our open enrollment “out” students have increased at a rate of approximately 10% per year. This is not unique, as most of our neighboring schools have also seen an increase in open enrollment out students. This expense increase reflects actual costs increases from the current year. It is important to note that the District still receives more funding from students coming into the District over the amount of students choosing another option.

Heart Rate Monitor Expense

+\$2,400

As the Board heard recently, the middle school physical education department significantly changed their instruction this year, requiring students to obtain heart rate monitors and straps, at a cost to families. This increase reflects the choice of the administration to provide the monitors and straps to students without cost.

Online Payment Fee Expense

+\$8,000

The administration has explored ways to allow families to pay fees online, eliminating the need to bring cash or checks to school buildings. There is a fee associated with this process of approximately \$8,000.



## **BUDGET ADJUSTMENTS / REALLOCATIONS**

### Staff Turnover Savings

(\$60,000)

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 \$60,000.

### Elementary to Middle School Position Change

\$0

As we evaluate class sizes for next year, we are planning to eliminate one elementary classroom position at Blakewood and move the position to the middle school due to a large incoming 6th grade class. There are no layoffs associated with this change.

### Reduction in Math Overload Costs

(\$18,000)

The high school currently has several overload positions in the math department. As described below, the overloads would be eliminated and a new position would be created.

### Revision to In Lieu of Benefits

(\$50,000)

The in lieu of benefits are currently \$400/month for all employee groups except teachers who are currently receiving \$475/month if they are eligible for and decline health insurance. This budget revision brings teachers in line with the other employee groups to \$400/month.

### Cafeteria Supervision Transferred to Food Service

(\$45,000)

The Department of Public Instruction recently provided new guidance to the District that costs directly related to supervision of students in the lunchroom could be charged to Fund 50, food service. Supervision of lunch recess is specifically excluded and must continue to be paid through Fund 10. The \$45,000 transfer does not include all of the lunch supervision costs. The food service budget will be monitored next year to determine if more lunch supervision costs could be transferred, as well as monitoring the funding sources to determine if the hourly rate for lunch supervision could be increased for the 2018-19 school year.

### Flow Through Budget Utilized for Elementary Special Education Literacy Coach

+\$85,000

Flow Through funds will be reallocated to use for this position, as described below.

## **BUDGET ADDITIONS**

### **Increase of .1.0 FTE High School Math Teacher**

+\$75,000

The high school had six terms of overload this year to meet the needs of students, mainly as a result of the year long Algebra class for 9th grade students. In addition, the School Board approved a new Advanced Placement Statistics course for next year that has a large interest from the students. We are also looking at class numbers at the middle school, and one section may be allocated to the middle school to address the large incoming 6th grade class.

### **Increase of 0.17 Music Teacher**

+\$10,000

The School Board approved new high school music courses, which have filled to capacity during scheduling for next year. In order to have the courses run, the administration anticipates shifting some of the music teachers and still needing to hire for one class at the middle school. (Or, have it taught through an overload for one year, which would be approximately the same cost.)

### **Increase of 1.0 FTE Special Education Elementary Literacy Coach**

+\$85,000

The funding for this position will be through federal Flow Through funds. The purpose will be to assist elementary special education teachers to provide specialized instruction for students with disabilities to better address the achievement gap in the area of reading. Given that Results Driven Accountability has been translated by DPI as Reading Drives Achievement, our District determination with respect to meeting the requirements of IDEA will soon be based on 50% compliance measures and 50% results (reading achievement). This staffing addition directly relates to building the capacity of all our special education teachers to help our students with disabilities demonstrate increased achievement in the area of reading.

### **Continue 5.0 Hour Special Education Paraprofessional Aide - MS**

+\$18,000

The Board previously approved this position in December 2016 based on a specific student need. This position will be officially added to the budget for 2017-18.

### **Increase of 5.0 Hour Special Education Paraprofessional Aide - Elementary**

+\$18,000

The administration is aware of various needs at the elementary level in the area of special education. We will be working together to review caseloads and student needs to determine if any staffing can be reallocated to better meet student needs. We anticipate that there will be the need for at least one additional special education paraprofessional position.

### **Increase of 20 Hours Exempt Support Staff**

+\$21,320

This addition relates to two areas. First, there are two district office support staff retirements this spring.

As with all retirements, the duties of the position are reviewed, as well as other needs in those areas. Currently, the Director of Instruction does not have a clerical support position. The secretary in the Professional Development Center is mainly focused on technical issues related to the student management system and related Department of Public Instruction reports. The recommendation would involve creating a support position for the Director of Instruction and reallocating the student management duties to the new position and the part-time HR Coordinator position. In order to complete all the new responsibilities and the existing, the part-time HR Coordinator position would be increased from 18 hours/week to 28 hours/week.

Second, the Board approved a change to the operations secretary position in December 2016, with the understanding that if the change was productive it would be requested for the 2017-18 budget. The following summarizes the change: The 6-12 Logistics/Activities & Athletics secretary position is currently responsible for supporting the Activities, Athletics & Recreation Coordinator, for absence management and for many duties related to facilities scheduling and management. Duties in all three of these areas have grown each year as responsibilities in all areas have increased and all the required duties cannot be fulfilled at the level required. Therefore, the operations secretary position would receive increased hours of under 2 hours/day and obtain the facility scheduling duties.

#### Increase of 2 Club Advisor Positions - High School

+\$2,064

The high school has had a Robotics club and an Anime club for many years. The administration believes that the commitment of the staff and students to both clubs should result in a paid position for both clubs. The amount requested is the total for both clubs combined.

#### Create Advanced Placement Testing Budget - High School

+\$5,000

The high school is responsible for payment for the Advanced Placement test fees for students who are identified as free or reduced lunch status. This budget does not exist at this time and needs to be created to track the costs and be revised as necessary.

#### Out of District Student Placements

+\$35,000

The District currently has four students who are being educated outside of the six schools in South Milwaukee. Typically these students have been identified as a student with a disability and have needs that cannot be met in the District, or have been expelled and may not attend on campus. The increase reflects the increased number of students placed outside of South Milwaukee. The administration is also exploring ways to restructure staff and facilities to potentially provide education on campus.