

School District of South Milwaukee Budget Hearing & Annual Meeting

2021-22

This presentation will be interactive, so please disregard any interactive slides if viewing after the initial presentation.

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Or

Text: sdsm to 37607

Agenda for Public Hearing

2021-22

1. Explanation of Dual Meeting and Opening Remarks
 - a. Introduction of School Board and Selected Staff Members
2. Introduction
3. Presentation of Treasurer's Report
4. Opportunity for Public Comments on the Proposed Budget
5. Closing Remarks and Adjournment

At the conclusion of the Public Hearing, the Board will move into the Annual Meeting.

South Milwaukee School Board Members

Member	Title	Service Began	Term Expires
Douglas Perry	President	2013	2022
Sophia Williams	Vice President	2018	2022
Augie Vega	Treasurer	2019	2023
Sarah Brooks	Clerk	2019	2023
Patrick Hintz	Member	2020	2024
Jon Shelenske	Member	2015	2023
Angie DeFord	Member	2021	2024

School Board Details

Board Meetings:

The Board holds regular meetings at least twice each month on the first Wednesday after the first Monday of each month, and two weeks hence, at 6:30p.m. (Meetings may be virtual as the need arises)

Board Resources:

[School Board Agenda/Minutes](#)

[School Board Policies](#)

[School Board Working Agreement](#)

Introduction

The following slides will list our District focus along with some new elements in our quest for continuous improvement. The Treasurer's Report will focus on finances. In general, finances are intended to be based on our community's needs. We strive to have our needs determine our finances, but the reality is we have a finite pool of resources. It is incumbent upon our organization to wisely allocate the finite pool of resources in a way that maximizes the impact on our students, families and community.



[Letter to the Community from
Board President Doug Perry](#)

District Focus

- Data Literacy: Many organizations are awash in data. Few organizations are able to turn data into actionable information. We strive at SDSM to use data to improve instructional learning opportunities for our students
- Culture: Peter Drucker is known for his phrase that, “Culture eats strategy for breakfast.” At SDSM, creating a culture of excellence with high levels of employee engagement is one of our top priorities.
- Equity: All students have opportunities and access to an education that is unbiased and provides equal opportunities for ALL. We are committed to making certain that all students receive a high quality education.

School Improvement Plans

Our School Leadership Teams (SLTs) are tasked with turning our data into action. By reviewing and analyzing our achievement, attendance, and engagement data, goals are set to improve education for ALL of our students.

District Scorecard

Much like our SLTs, the District Leadership Team (DLT) is responsible for using data to identify systems-level improvements. The District Scorecard provides a public and transparent way to report progress. The District Scorecard will go live this fall.

Continuous Improvement

Plans for improvement must be constantly monitored, reviewed, and revised in order for positive change to occur. By implementing a continuous improvement process, the SDSM will be able to make our school and district plans come to life.

Check for Understanding

What is the focus of the District

Data Literacy, Culture, Bucks in 6

Culture, Data Literacy, Equity

Equity, Culture, Advocacy

None of the above



Treasurer's Report

Budget Adoption Format (DPI Required)

General Fund: Fund
Balance

Revenue
Section

Decrease of
\$464,434 from
19-20 to 20-21

BUDGET ADOPTION 2021-22			
	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
GENERAL FUND (FUND 10)			
Beginning Fund Balance (Account 930 000)	9,656,108.87	9,242,293.40	8,777,859.67
Ending Fund Balance, Nonspendable (Acct. 935 000)	2,958,837.65	0.00	0.00
Ending Fund Balance, Restricted (Acct. 936 000)	71,813.66	0.00	0.00
Ending Fund Balance, Committed (Acct. 937 000)	0.00	0.00	0.00
Ending Fund Balance, Assigned (Acct. 938 000)	0.00	0.00	0.00
Ending Fund Balance, Unassigned (Acct. 939 000)	6,211,642.09	0.00	0.00
TOTAL ENDING FUND BALANCE (ACCT. 930 000)	9,242,293.40	8,777,859.67	8,777,859.67
REVENUES & OTHER FINANCING SOURCES			
100 Transfers-in	0.00	0.00	0.00
Local Sources			
210 Taxes	8,661,482.00	9,133,034.00	8,342,696.00
240 Payments for Services	0.00	0.00	0.00
260 Non-Capital Sales	26,844.29	686.50	0.00
270 School Activity Income	22,132.01	0.00	30,000.00
280 Interest on Investments	106,796.95	8,530.26	30,000.00
290 Other Revenue, Local Sources	180,166.58	143,426.80	233,500.00
Subtotal Local Sources	8,997,421.83	9,285,677.56	8,636,196.00
Other School Districts Within Wisconsin			
310 Transit of Aids	0.00	0.00	0.00
340 Payments for Services	2,748,912.00	3,048,780.00	3,191,236.00
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	2,748,912.00	3,048,780.00	3,191,236.00
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	131.00	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	131.00	0.00	0.00
State Sources			
610 State Aid -- Categorical	288,401.72	343,422.58	157,571.00
620 State Aid -- General	22,574,622.00	23,502,004.00	24,152,904.00
630 DPI Special Project Grants	64,193.58	43,499.45	0.00
640 Payments for Services	0.00	0.00	0.00
650 Student Achievement Guarantee in Education (SAGE Grant)	262,684.64	256,863.44	260,000.00
660 Other State Revenue Through Local Units	0.00	0.00	0.00
690 Other Revenue	2,559,221.89	2,213,881.41	2,171,290.00
Subtotal State Sources	25,749,123.83	26,359,670.88	26,741,765.00

More Revenues

	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Federal Sources			
710 Federal Aid - Categorical	0.00	0.00	0.00
720 Impact Aid	0.00	0.00	0.00
730 DPI Special Project Grants	188,862.56	1,101,421.45	836,660.00
750 IASA Grants	581,109.45	732,963.24	684,835.00
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	189,168.14	160,601.74	150,000.00
790 Other Federal Revenue - Direct	0.00	0.00	0.00
Subtotal Federal Sources	959,140.15	1,994,986.43	1,671,495.00
Other Financing Sources			
850 Reorganization Settlement	0.00	0.00	0.00
860 Compensation, Fixed Assets	1,560.00	0.00	0.00
870 Long-Term Obligations	0.00	0.00	0.00
Subtotal Other Financing Sources	1,560.00	0.00	0.00
Other Revenues			
960 Adjustments	39,186.00	0.00	0.00
970 Refund of Disbursement	10,981.08	43,464.99	100,000.00
980 Medical Service Reimbursement	0.00	0.00	0.00
990 Miscellaneous	17,197.17	22,563.68	0.00
Subtotal Other Revenues	67,364.25	66,028.67	100,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	38,523,653.06	40,755,143.54	40,340,692.00

Total Revenues are going down by \$414,451, however, once we complete the ESSER Plan and create the budget, they will increase.

Expense Budgets

	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
EXPENDITURES & OTHER FINANCING USES			
<i>Instruction</i>			
110 000 Undifferentiated Curriculum	5,554,291.88	5,879,106.62	6,227,158.00
120 000 Regular Curriculum	9,469,305.35	9,141,359.57	9,261,280.00
130 000 Vocational Curriculum	1,223,671.52	1,250,680.89	1,262,820.00
140 000 Physical Curriculum	750,642.65	797,389.75	877,989.00
160 000 Co-Curricular Activities	341,614.39	393,757.28	417,072.00
170 000 Other Special Needs	263,090.88	210,599.32	279,481.00
Subtotal Instruction	17,602,616.67	17,672,893.43	18,325,800.00
<i>Support Sources</i>			
210 000 Pupil Services	1,435,147.06	1,590,845.75	1,674,794.00
220 000 Instructional Staff Services	2,574,908.83	3,820,115.11	3,240,168.00
230 000 General Administration	704,560.94	734,117.88	715,675.00
240 000 School Building Administration	2,199,820.08	2,125,533.76	2,281,549.00
250 000 Business Administration	5,152,046.87	5,204,821.37	4,566,027.00
260 000 Central Services	588,055.04	598,828.00	711,984.00
270 000 Insurance & Judgments	445,920.61	483,901.73	472,200.00
280 000 Debt Services	0.00	0.00	10,000.00
290 000 Other Support Services	359,729.85	382,832.25	112,995.00
Subtotal Support Sources	13,460,189.28	14,940,995.85	13,785,392.00
<i>Non-Program Transactions</i>			
410 000 Inter-fund Transfers	5,018,383.15	4,722,481.18	4,474,854.00
430 000 Instructional Service Payments	2,845,769.64	3,819,470.22	3,754,646.00
450 000 Post-Secondary Scholarship Expenditures	0.00	0.00	0.00
490 000 Other Non-Program Transactions	10,509.79	63,736.59	0.00
Subtotal Non-Program Transactions	7,874,662.58	8,605,687.99	8,229,500.00
TOTAL EXPENDITURES & OTHER FINANCING USES	38,937,468.53	41,219,577.27	40,340,692.00

Expenses are going down by \$878,885, however, much like the revenues, once we have the ESSER Plan finalized, the expense budget will go up

Fund 27 (Special Education) Revenues

Fund 21 (Gift Fund)

SPECIAL PROJECT FUNDS (FUNDS 21, 23, 29)			
900 000 Beginning Fund Balance	333,315.97	864,003.97	986,621.60
900 000 Ending Fund Balance	864,003.97	986,621.60	986,621.60
REVENUES & OTHER FINANCING SOURCES	810,767.93	255,244.12	0.00
100 000 Instruction	259,179.27	117,976.49	0.00
200 000 Support Services	1,900.66	0.00	0.00
400 000 Non-Program Transactions	19,000.00	14,650.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	280,079.93	132,626.49	0.00

SPECIAL EDUCATION FUND (FUND 27)	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
900 000 Beginning Fund Balance	0.00	0.00	0.00
900 000 Ending Fund Balance	0.00	0.00	0.00
REVENUES & OTHER FINANCING SOURCES			
100 Transfers-In	4,111,348.15	3,778,069.27	4,291,024.00
Local Sources			
240 Payments for Services	0.00	0.00	0.00
260 Non-Capital Sales	0.00	0.00	0.00
270 School Activity Income	0.00	0.00	0.00
290 Other Revenue, Local Sources	0.00	0.00	0.00
Subtotal Local Sources	0.00	0.00	0.00
Other School Districts Within Wisconsin			
310 Transit of Aids	0.00	0.00	0.00
340 Payments for Services	0.00	0.00	0.00
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	0.00	0.00	0.00
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	1,719.88	6,535.77	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	1,719.88	6,535.77	0.00
State Sources			
610 State Aid -- Categorical	1,264,893.00	1,515,129.00	1,500,000.00
620 State Aid -- General	27,667.00	10,676.00	0.00
630 DPI Special Project Grants	0.00	0.00	0.00
640 Payments for Services	0.00	0.00	0.00
650 Achievement Gap Reduction (AGR grant)	0.00	0.00	0.00
690 Other Revenue	0.00	13,000.00	0.00
Subtotal State Sources	1,292,560.00	1,538,805.00	1,500,000.00
Federal Sources			
710 Federal Aid - Categorical	0.00	0.00	0.00
730 DPI Special Project Grants	761,564.73	794,421.29	757,563.00
750 IASA Grants	0.00	0.00	0.00
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	105,822.46	44,292.35	150,000.00
790 Other Federal Revenue - Direct	0.00	0.00	0.00
Subtotal Federal Sources	867,387.19	838,713.64	907,563.00
Other Financing Sources			
860 Compensation, Fixed Assets	0.00	0.00	0.00
870 Long-Term Obligations	0.00	0.00	0.00
Subtotal Other Financing Sources	0.00	0.00	0.00
Other Revenues			
960 Adjustments	0.00	0.00	0.00
970 Refund of Disbursement	0.00	0.00	0.00
990 Miscellaneous	0.00	26,410.15	0.00
Subtotal Other Revenues	0.00	26,410.15	0.00
TOTAL REVENUES & OTHER FINANCING SOURCES	6,273,015.22	6,188,533.83	6,698,587.00

Fund 27
Expenses

	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
EXPENDITURES & OTHER FINANCING USES			
<i>Instruction</i>			
110 000 Undifferentiated Curriculum	0.00	0.00	0.00
120 000 Regular Curriculum	100,339.45	49,943.32	0.00
130 000 Vocational Curriculum	0.00	0.00	0.00
140 000 Physical Curriculum	0.00	0.00	0.00
150 000 Special Education Curriculum	4,634,029.97	4,501,402.22	4,828,189.00
160 000 Co-Curricular Activities	0.00	0.00	0.00
170 000 Other Special Needs	0.00	0.00	0.00
Subtotal Instruction	4,734,369.42	4,551,345.54	4,828,189.00
<i>Support Sources</i>			
210 000 Pupil Services	896,095.27	938,365.28	1,097,967.00
220 000 Instructional Staff Services	271,655.65	273,931.91	314,881.00
230 000 General Administration	655.50	0.00	0.00
240 000 School Building Administration	0.00	0.00	0.00
250 000 Business Administration	85,562.61	136,547.20	182,000.00
260 000 Central Services	10,700.00	0.00	0.00
270 000 Insurance & Judgments	0.00	0.00	0.00
280 000 Debt Services	0.00	0.00	0.00
290 000 Other Support Services	0.00	9,800.00	0.00
Subtotal Support Sources	1,264,669.03	1,358,644.39	1,594,848.00
<i>Non-Program Transactions</i>			
410 000 Inter-fund Transfers	0.00	0.00	0.00
430 000 Instructional Service Payments	273,976.77	278,543.90	275,550.00
490 000 Other Non-Program Transactions	0.00	0.00	0.00
Subtotal Non-Program Transactions	273,976.77	278,543.90	275,550.00
TOTAL EXPENDITURES & OTHER FINANCING USES	6,273,015.22	6,188,533.83	6,698,587.00

Debt Service
Fund 38 & 39

	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
DEBT SERVICE FUND (FUNDS 38, 39)			
900 000 Beginning Fund Balance	964,309.44	966,476.40	985,645.55
900 000 ENDING FUND BALANCES	966,476.40	985,645.55	1,002,263.55
TOTAL REVENUES & OTHER FINANCING SOURCES	4,338,524.46	4,331,426.65	4,339,776.00
281 000 Long-Term Capital Debt	3,865,925.00	3,834,525.00	3,829,225.00
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
289 000 Other Long-Term General Obligation Debt	470,432.50	477,732.50	493,933.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	4,336,357.50	4,312,257.50	4,323,158.00
842 000 INDEBTEDNESS, END OF YEAR	0.00	0.00	0.00

Long Term
Maintenance
Fund 46

CAPITAL PROJECTS FUND (FUNDS 41, 46, 48, 49)			
900 000 Beginning Fund Balance	174,804.15	832,710.01	935,541.33
900 000 Ending Fund Balance	832,710.01	935,541.33	935,541.33
TOTAL REVENUES & OTHER FINANCING SOURCES	730,159.56	765,092.22	0.00
100 000 Instructional Services	0.00	64,282.06	0.00
200 000 Support Services	70,714.82	597,978.84	0.00
300 000 Community Services	0.00	0.00	0.00
400 000 Non-Program Transactions	1,538.88	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	72,253.70	662,260.90	0.00

Food Service
Fund 50

FOOD SERVICE FUND (FUND 50)			
900 000 Beginning Fund Balance	559,816.00	324,042.25	319,088.73
900 000 ENDING FUND BALANCE	324,042.25	319,088.73	319,088.73
TOTAL REVENUES & OTHER FINANCING SOURCES	1,278,918.76	967,664.76	1,627,478.00
200 000 Support Services	1,514,692.51	972,618.28	1,627,478.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	1,514,692.51	972,618.28	1,627,478.00

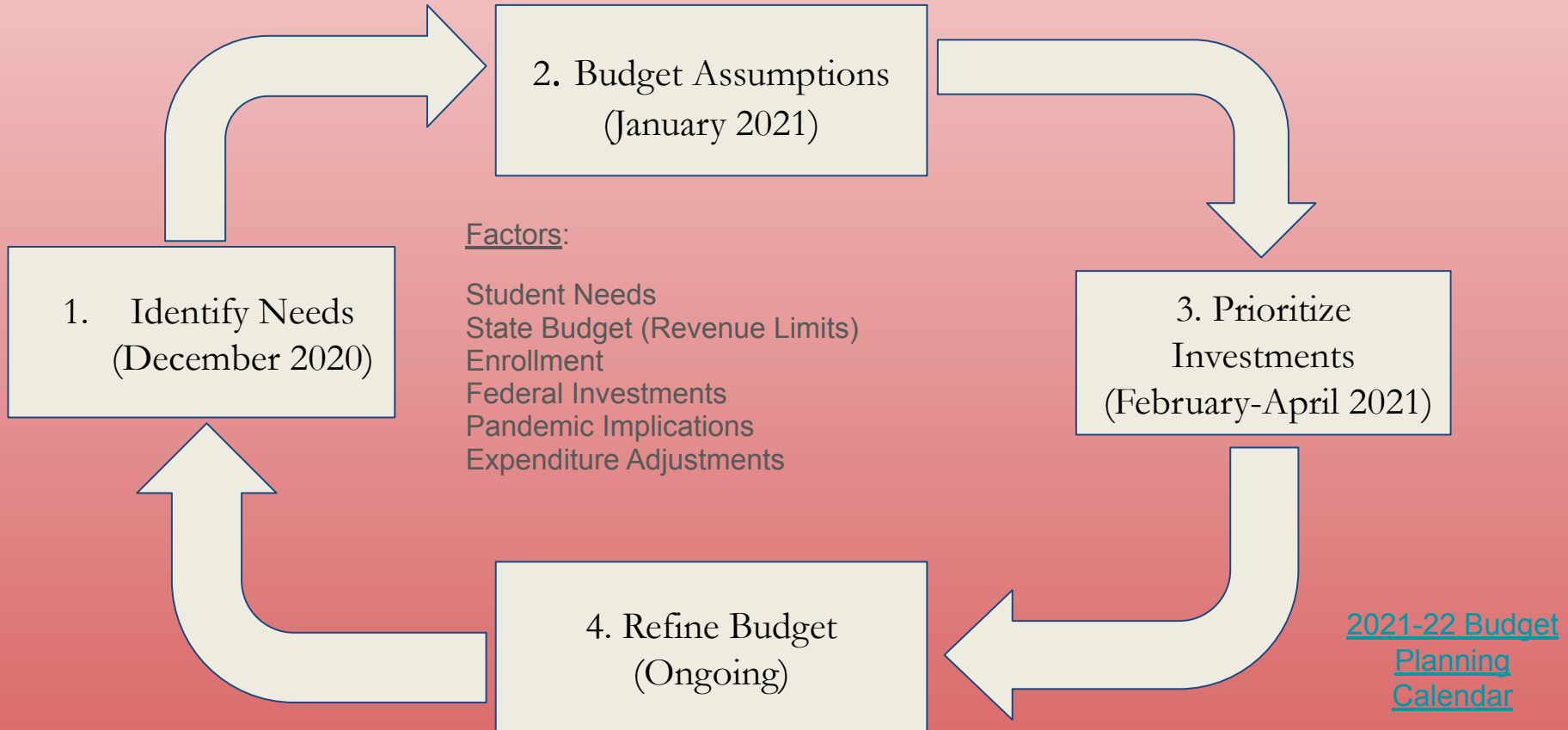
Community
Services
Fund 80

Fiscal Agent
Cooperatives:
-Perkins
-Youth
Apprenticeship
-SWSA

	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
COMMUNITY SERVICE FUND (FUND 80)			
900 000 Beginning Fund Balance	501,484.57	469,907.09	501,630.24
900 000 ENDING FUND BALANCE	469,907.09	501,630.24	501,630.24
TOTAL REVENUES & OTHER FINANCING SOURCES	1,226,301.83	1,139,888.77	1,459,471.00
200 000 Support Services	105,191.52	104,303.98	150,038.00
300 000 Community Services	1,152,687.79	1,003,861.64	1,309,433.00
400 000 Non-Program Transactions	0.00	0.00	0.00
TOTAL EXPENDITURES & OTHER FINANCING USES	1,257,879.31	1,108,165.62	1,459,471.00
PACKAGE & COOPERATIVE PROGRAM FUND (FUNDS 91, 93,			
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	238,265.19	217,254.37	237,980.00
100 000 Instruction	41,303.68	28,885.83	24,989.00
200 000 Support Services	161,968.17	157,745.37	169,291.00
400 000 Non-Program Transactions	34,993.34	30,623.17	43,700.00
TOTAL EXPENDITURES & OTHER FINANCING USES	238,265.19	217,254.37	237,980.00

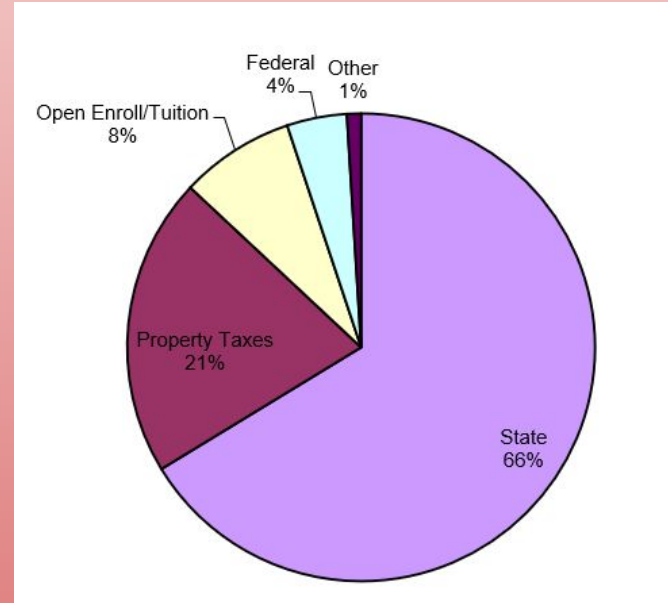
\$31,723
increase in
fund balance

Budget Process for 2021-22



General Fund Revenues

- 87% of revenue comes from Local Taxes & State Aid
- Most of the Local Taxes and State Aids (Equalization) are under revenue limits
- Ability to generate other sources of revenue are limited
- Federal revenues typically come as grants which are directed to specific allowable areas
 - Most ESSER funding is not budgeted yet this year due to ongoing planning



Revenue Limits

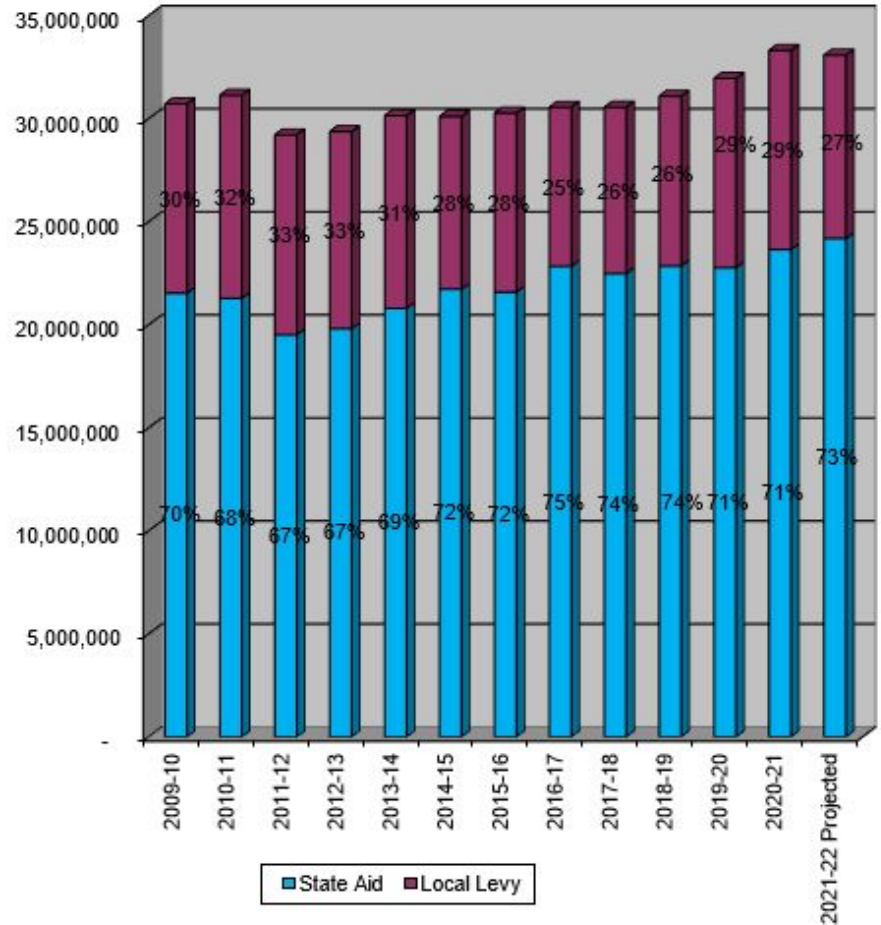
- Limits the overall funding that can be generated between:
 - State Equalization Aid + Local Taxes
- The combination of the State Equalization Aid and Local Taxes is about 85% of total general fund revenues.
- Created in 1993 which locked districts in at the revenue per pupil that they were at in the previous year, great inequities exist still today.
- Factors:
 - Previous Year Revenue (Base Revenues)
 - Enrollment
 - Per Pupil Adjustment

Revenue Makeup

The chart shows that our projected revenue limit consists of 73% state aid and 27% local taxes.

The chart also shows that our overall revenue limit is going down from 2020-21 to 2021-22; this is a contraction of revenue and challenges our ability to sustain our programs.

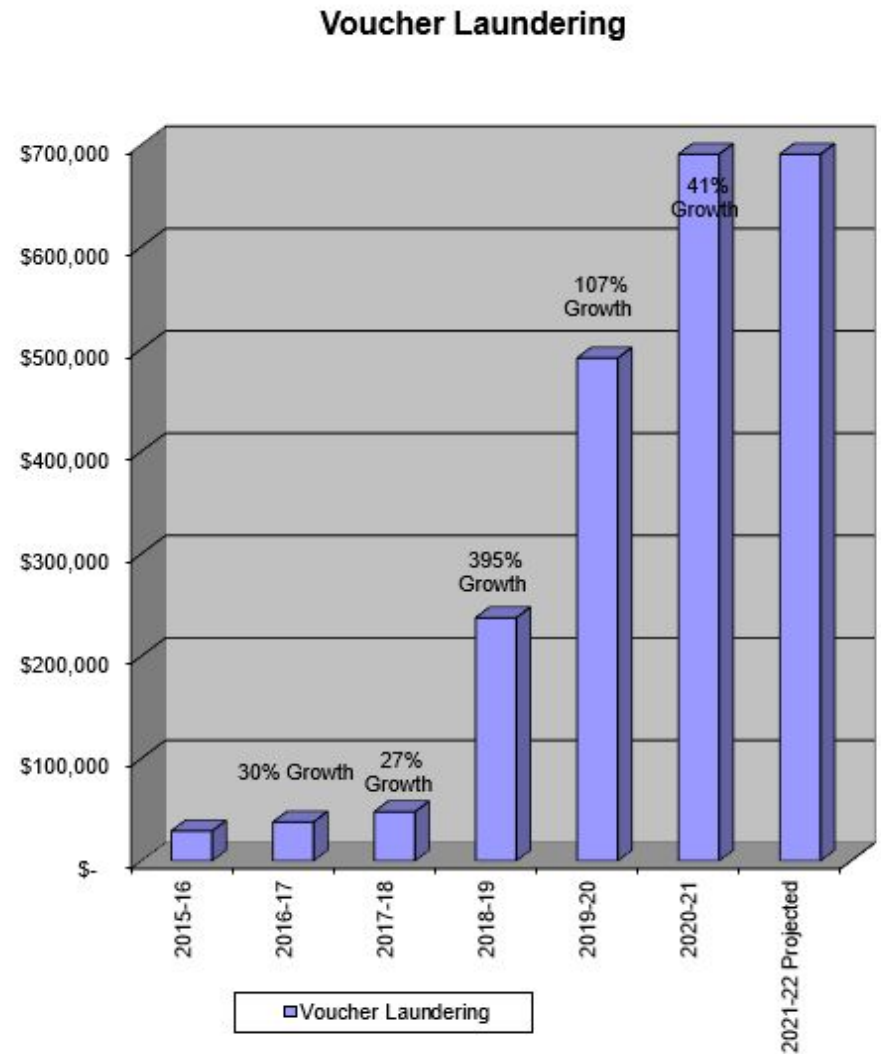
Revenue Limit (State Aid vs. Levy)



Voucher Laundering

In 2015-16 South Milwaukee Public Schools was forced to launder local tax dollars for the State in an effort to provide subsidies to private schools. The state embedded this scheme into the revenue limit whereby South Milwaukee must tax for the private schools and then the State deducts the amount from our state aid and forwards it to the private schools, thus successfully hiding the subsidy for private schools.

*Launder: Alter (information) to make it appear more acceptable.



Check for Understanding

Which best describes a school district revenue limit?

A cap on a schools ability to generate revenue from the combination of equalization aid and local tax levy.

A cap on a schools ability to generate revenue from the combination of equalization aid and local tax levy that was implemented in 1993.

A cap on a schools ability to generate revenue from the combination of equalization aid and local tax levy that was implemented in 1993 and later amended to include a laundering function for passing local taxpayer funding to private schools.



Enrollment

Headcount: Counts all students in our buildings [Used for staffing]

Resident Enrollment: Counts all students in our buildings (LESS) non-resident students (PLUS) resident students that do not attend South Milwaukee
*4K students are only counted at .60
[Used for Revenue Limits & State Aid]

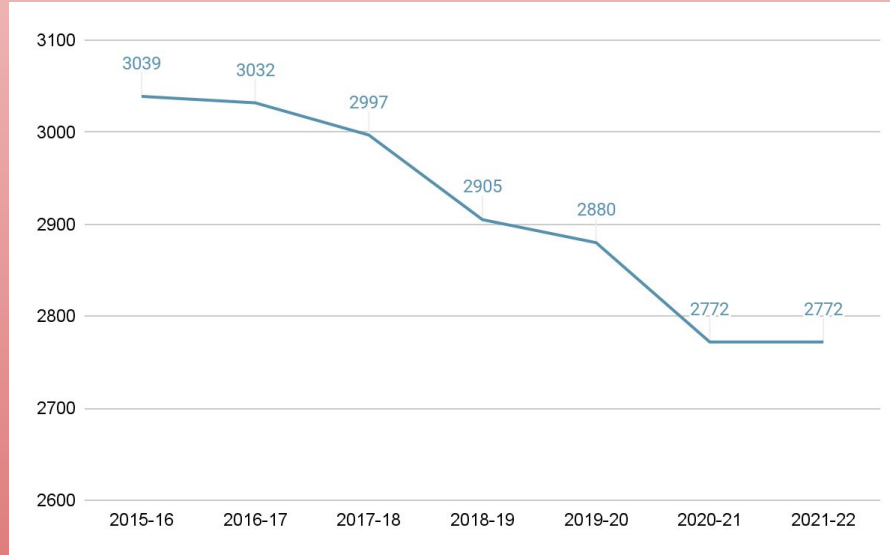
For Revenue Limits counts are taken on the **3rd Friday in September**.

For State Aid counts are taken on the **3rd Friday in September** and the **2nd Friday in January**, which are then averaged.

40% of summer school resident enrollment is also added to both the Revenue Limits and State Aid Calculations

Enrollment (Third Friday)

The third Friday in September is a key enrollment count date for the revenue limit. Since 2015-16 we have declined by nearly 9%.



*This counts all students enrolled less open enrollment in, plus open enrollment out.
[The goal is Resident Students]

Revenue Limits and Declining Enrollment

Revenue Limits utilize a three year average for enrollment calculations

Revenue Limit Per Pupil= \$10,851

For 2021-22 our projected three year average decline is 48 pupils

The resulting non recurring exemption is $\$10,851 \times 48 = \$520,848$

That means that in a normal system, our revenue would have decreased by \$520,848 BUT, the declining enrollment exemption allows us to keep that funding for one year, which theoretically allows us time to right size our expenditure budget so that we can reduce that amount the following year. To minimize the impact, other revenues could be sought after as well.

If those enrollment losses are spread evenly among 14 grade levels through six schools that would mean a loss of about 3 students per grade level; how do you reduce expenses in this situation?

Check for Understanding

How can schools account for the impact of declining enrollment?

Blaise will worry about it

Reduce the expenditure budget

Secure other revenues

All of the above



State Budget (2021-23)

- \$0 per pupil adjustment for both years in the biennium
 - Coupled with declining enrollment we will experience a contraction to our revenue limit barring significant increases to the voucher laundering program.
- \$0 additional per pupil categorical aid for both years in the biennium
- Additional funding to meet the 30% special education reimbursement
- Equalization Aid increase
 - Due to the inverse relationship between equalization aid and local tax levies under the revenue limit, we will simply see a swap of funding whereby each new \$1 of state funding will replace \$1 of local tax funding. While this is a welcome budget item, it does not increase overall funding, there is not one penny of spendable funding. The increase is simply tax relief, and does NOT invest additional funds into the services our students or communities receive.

Federal COVID-19 Relief

- One-time funding to deal with the challenges resulting from the COVID-19 pandemic
 - ESSER 2
 - \$2,490,990
 - ESSER 3
 - \$5,594,078, 20% required to be allocated for unfinished teaching & learning
 - Developing a comprehensive plan on how to allocate the funding
 - Three buckets:
 - Safety
 - Unfinished Teaching & Learning
 - Transitioning through and to a Post pandemic period
 - Mixed messages
 - Federal: Use to address pandemic
 - State: No spendable increase for two years from the State so use one-time federal funding to pay for ongoing cost increases for the next two years. (This message will result in severe budget pain as a funding cliff will result)

Check for Understanding

Federal one-time COVID-19 funding should NOT be used for

...

recovering from the pandemic

supplanting our legislators job to provide
a spendable increase for the next two
years to support ongoing programs.

safety and mitigation strategies around
COVID-19



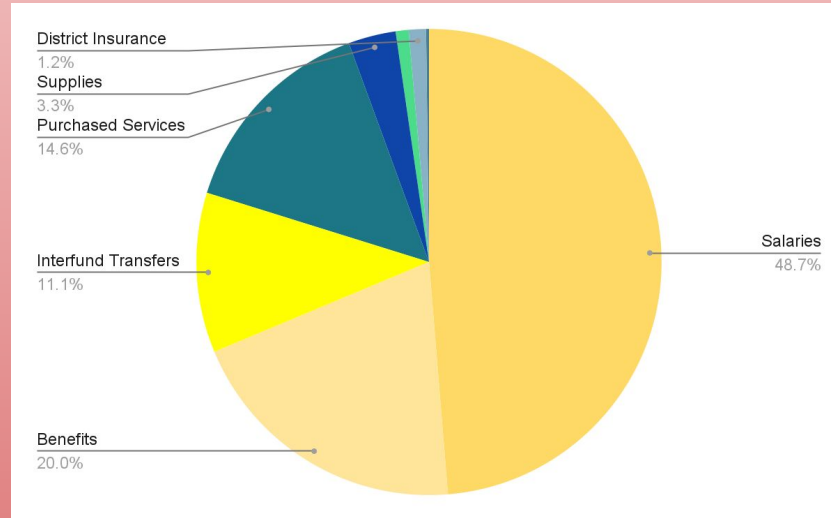
Referendum Funds

For 2021-22 the District will be able to access \$575,000 of new revenue limit authority. This is great news, however, given that the non recurring revenue limit exemptions from last year have expired, we will actually see a net decrease in the revenue limit, even with the referendum funding.

The net decrease would have been significantly worse had the referendum not passed, so it is important to remember how fortunate South Milwaukee is to have had the support of the community to help make these challenging times not as challenging as they would have been.

Expenditures - General Fund

- Salaries and Benefits makeup 68.7% of the general fund.
- Interfund transfers includes funding sent to the Special Education fund to help cover salaries and benefits.
- Purchased Services includes open enrollment out costs and the voucher laundering costs.



Expenditure Observations

- Staffing costs makeup the largest pieces of our budget (Salaries & Benefits)
 - We have a decent amount of competition for high quality staff in the Milwaukee area.
 - The Consumer Price Index (inflation) will cause the cost of labor to increase.
 - Wisconsin (as is the Nation) is challenged with a teacher pipeline issue, while declining enrollment may ease some of that issue, it will not offset the overall demand for high quality staff.
- Utility costs are non-negotiable, and we will need to find ways to address those cost increases.
- Marketing our programs to new residents could prove beneficial to deter added open enrollment expenses; and may have a positive impact on revenues at the same time.
- Voucher laundering will continue, and is on an upward trajectory.

2021-22 Budget

Assumptions/ Recommendations

- With \$0 adjustment to the revenue limit we will end up with a greater amount of one-time exemptions for 2021-22 which will result in a larger deficit in 2022-23.
- Utilizing (ARPA) or ESSER 3 to balance the budget
- DPI Publication Format

Revenue Limit Details

$$\text{Revenue Limit} = \text{State Aids} + \text{Local Levy}$$

State Budget + Enrollment

Oct. 15

(End Result)

$$\text{Local Levy} = \text{Revenue Limit} - \text{State Aids}$$

State Budget + Enrollment

Oct. 15

The revenue limit table illustrates how awful the non recurring exemptions were last year. Even with \$575,000 of new referendum funding in the 2021-22 revenue limit the revenue limit is going down by -\$159,973, had the referendum not passed, the decrease would have been -\$734,973.

Revenue Limit Comparison	Unaudited 20-21	Budget 21-22	\$ Change	% Change
State Equalization Aid	\$23,502,004	\$24,152,904	\$650,900	2.77%
Integration Aid	73,926	37,571	-36,355	-49.18%
High Poverty Aid	0	0	0	0%
Computer Aid	74,398	74,398	0	0%
General Fund Levy	9,132,608	8,342,696	-789,912	-8.65%
Non Referendum Debt Levy	528,582	543,976	15,394	2.91%
Total Revenue Limit	33,311,518	33,151,545	-159,973	-0.48%

Tax Levy Details

Due to the State of Wisconsin's denial of an inflation adjustment to the revenue limit along with additional state aid to deceptively comply with ESSER Federal MOE, we are projecting downward pressure on the tax levy, thus showing a tax levy decrease of -\$774,165

The levy will be modified once the voucher laundering amount is disclosed to us for this year, that will be given in October.

Proposed Tax Levy	Unaudited 20-21	Budget 21-22	\$ Change	% Change
General Fund (Fund 10)	\$9,132,608	\$8,342,696	-\$789,912	-8.65%
General Fund Chargebacks	426	0	-426	
Debt Service (Fund 38 & 39)	4,150,332	4,159,776	9,444	0.23%
Community Services Fund 80	792,808	799,537	6,729	0.85%
Total Tax Levy	14,076,174	13,302,009	-774,165	-5.51%

Mill Rate

$$\frac{\text{Total Levy}}{\text{Equalized Value}} \times 1,000 = \text{Mill Rate}$$

Mill Rates are a common metric to compare the rate paid per \$1,000 of property value.

It should be noted that due to some political posturing at the State, the Mill Rate is not what you will actually see on your tax bill. The state created “School Levy Credits” as a way to disqualify state funding and direct state resources to more affluent districts, thus decreasing property taxes in higher property taxed communities.

No Property Value Change	Unaudited 20-21	Budget 21-22	\$ Change	% Change
Total School Levy	\$14,076,174	\$13,302,009	-\$774,165	-5.51%
Equalized Value	1,283,568,400	1,283,568,400	\$0	0%
Mill Rate	\$10.97	\$10.36	-\$-.60	-5.5%

3% Property Value Increase	Unaudited 20-21	Budget 21-22	\$ Change	% Change
Total School Levy	\$14,076,174	\$13,302,009	-\$774,165	-5.51%
Equalized Value	1,283,568,400	1,322,075,452	38,507,052	3.0%
Mill Rate	\$10.97	\$10.06	-\$-.90	-8.2%

Future Challenges

- Enrollment
- Balancing our budget with our need to Attract and Retain High Quality Staff
- Developing an efficient staffing plan, based on enrollment and student needs, while keeping our focus on Equity, Data Literacy and Culture
- Resisting the urge to leverage one-time funding for ongoing expenses
- Finding ways to advocate for our students & organization given that our legislators have decided to shirk their responsibility to fund schools
- Continue to navigate the COVID-19 pandemic in a safe and effective manner for the benefit of all our stakeholders

Check for Understanding

The next two years will be fiscally challenging, how should budget challenges be addressed?

Seek out additional revenues **A**

Adjust the expenditure budget **B**

Use one-time federal funding **C**

Both A & B **D**

All of the above **E**



Public Comments

Annual Meeting

Agenda for Annual Meeting

2021-22

1. Call to Order
2. Explanation of Ground Rules
3. Elect Chairperson
4. Approve Agenda
5. Approval of Previous Minutes
6. Adoption of Resolution on Tax Levy
7. Adjournment

Ground Rules for the School District of South Milwaukee Annual Meeting

01

PROCEDURE FOR ADDRESSING THE CHAIR:

Each speaker shall rise, proceed to the nearest microphone, wait to be recognized by the chair, state their name and address before addressing the chair.

02

DISCUSSION PROCEDURES:

There shall be no time limit on the part of any person participating in any of the discussions. However, it is requested that each person be brief to give others an opportunity to speak. Secondly, anyone may speak more than once on the same subject. Again, we ask that each person be brief in his or her comments to the group.

03

QUALIFICATIONS OF VOTERS:

Each person voting at the Annual Meeting must be: (Section 6.02, WI. Stats.)

- a. A citizen of the United States, 18 years of age or older; and
- b. A resident of the District for at least ten days before this meeting.

If a person is challenged as to his qualifications to vote, the Chairman shall state the above qualifications necessary to vote to the challenged person. If the challenged person declares he is eligible to vote and the challenge is not withdrawn, the Chairman shall administer the following oath and affirmation to the challenged person:

"You do solemnly swear (or affirm) that you are an actual resident of this School District and that you are qualified according to law to vote in this matter".

A person taking such oath or affirmation shall be permitted to vote, but if he refuses to take such oath or affirmation, he may not vote. (Section 120.08(5) WI. Stats.)

Ground Rules for the School District of South Milwaukee Annual Meeting Continued

04

VOTING PROCEDURE

All voting shall be STANDING or RAISING OF HANDS. Ballots have been prepared should a motion for a paper ballot be approved. Motions for a paper ballot must be made for each resolution and should immediately follow the motion on the resolution. The motion for use of paper ballots is not debatable.

05

PROCEDURE FOR THE ELECTION OF A CHAIRMAN FOR THE ANNUAL MEETING:

The School Board president shall call for nominations from the floor three times; whereupon I shall ask for a motion and a second that the nominations be closed, whereupon there must be a two-thirds majority vote to close the nominations. The vote shall then be taken and recorded, if more than one person is nominated.

The newly elected Chairman shall then assume his/her duties for this evening's meeting.

POWER OF THE ANNUAL MEETING: As Per WI Statute 120.10

1. Elect a chairman of the meeting.
2. Adjournment from time to time.
3. Vote annual salaries for School Board Members.
4. Authorize the payment of expenses of School Board Members.
5. Designate sites for school district buildings.
6. Tax for sites, buildings and maintenance.
7. Tax for transportation vehicles.
8. Tax for operations.
9. Tax for debts.
10. Vote to create a sinking fund.
11. Tax for recreation authority.
12. Authorize the sale of property.
13. Fix the number of school days.
14. Direct and provide for legal proceedings.
15. Authorize the furnishings of textbooks.
16. Direct the School Board to furnish school lunches.
17. Authorize the employment of nurses.
18. Authorize the board to make agreements with school building corporations.
19. Consolidate high schools in union high school districts.

Motion to Approve Tax Levy

_____ move to approve a property tax levy for the 2021-22 school year in the total amount of \$13,302,009:

Fund 10- General Fund	\$8,342,696
Fund 38- Non-Referendum Debt	\$543,976
Fund 39- Referendum Debt	\$3,615,800
Fund 80- Community Services	\$799,537

2020 Public Hearing / Annual Meeting Minutes

School District of South Milwaukee Public Hearing/Annual Meeting September 23, 2020

The Public Hearing/Annual Meeting was called to order by President Maass at 6:30 p.m. Roll call indicated all were present.

III. Public Hearing started at 6:30 and ended at 7:07 p.m.

- A. Explanation of Dual Meeting and Opening Remarks – Mr. Maass, President
- B. Presentation of Treasurer's Report – Mr. Shelenske
- C. Public Comments on the Proposed Budget - Various individuals spoke regarding the proposed budget.
- D. Closing Remarks and Adjournment of Public Hearing – Mr. Maass, President

IV. Annual Meeting started at 7:08 and ended at 7:16 p.m.

- A. Call to Order – Mr. Maass, President
- B. Review of Ground Rules – Mr. Maass, President
- C. Election of Chairperson – Moved by Brooks to nominate Maass as Chairperson of the Annual Meeting and close the nominations for Chairperson, seconded by Perry. All voted aye by show of hands. Motion carried 7-0.
- D. Approval of Agenda – Moved by Williams to approve the Annual Meeting agenda as presented in the Annual Meeting document (page 30), seconded by Vega. All voted aye by show of hands. Motion carried 7-0.
- E. Approval of Previous Minutes – Moved by Perry to approve the September 4, 2019 Annual Meeting minutes as reprinted in the Annual Meeting document (page 23) and kept in the district office, seconded by Shelenske. All voted aye by show of hands. Motion carried 7-0.
- F. Approval of Resolution on Tax Levy – Moved by Shelenske to approve a property tax levy for the 2020-2021 school year in the total amount of \$13,524,025: Fund 10 General Operations - \$8,580,885, Fund 38 Non-Referendum Debt - \$528,582, Fund 39 Referendum Debt - \$3,621,750 and Fund 80 Community Services - \$792,808 pursuant to the budget presented at the Budget Hearing, seconded by Hintz. All voted aye or nay by show of hands. Motion carried 11-7.
- G. Adjournment – Mr. Maass stated that the annual meeting shall be adjourned and that the Board will move into the regular agenda at 7:16.

Notice of OPEB Trust

The School District does maintain a trust for Other Post Employment Benefits. At the close of the 2020-21 fiscal year the trust had a balance of \$1,070,985.53. The net investment return for the 2020-21 fiscal year was \$73,775.90. In addition to the investment return the allocation of OPEB contributions to Fund 27 provides additional special education state aid to be received.

The total disbursements for the 2020-21 fiscal year were \$1,162,463.21. Funding is allocated every payroll to fund the disbursements. The investment manager for the Trust is Prudent Man Advisors, LLC (PMA). The trust is administered by CESA 6 and banking is through BMO Bank.

Thank You for Attending!