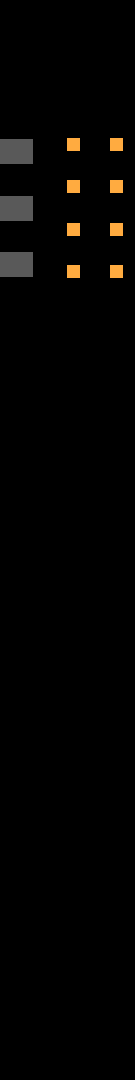




2020-21 Budget Hearing & Annual Meeting



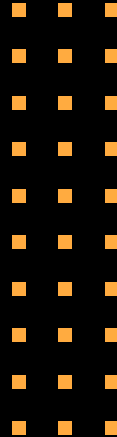
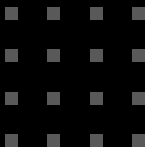
Budget Items to be Presented:

- Significant Factors
- Projections
- Enrollment
- Revenues
- Expenditures
- Board Resolution 20-5
- 2020-21 Focus
- Annual Meeting
 - Tax Levy



Significant Factors

Revenue Limit & State Equalization Aid



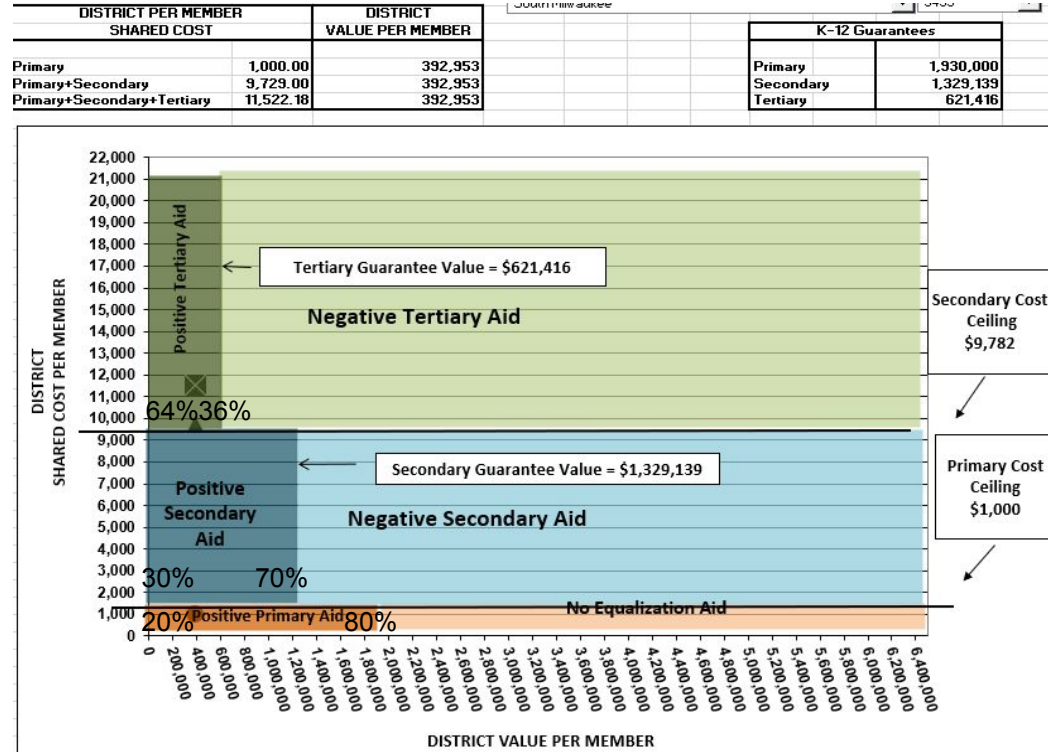


Revenue Limits

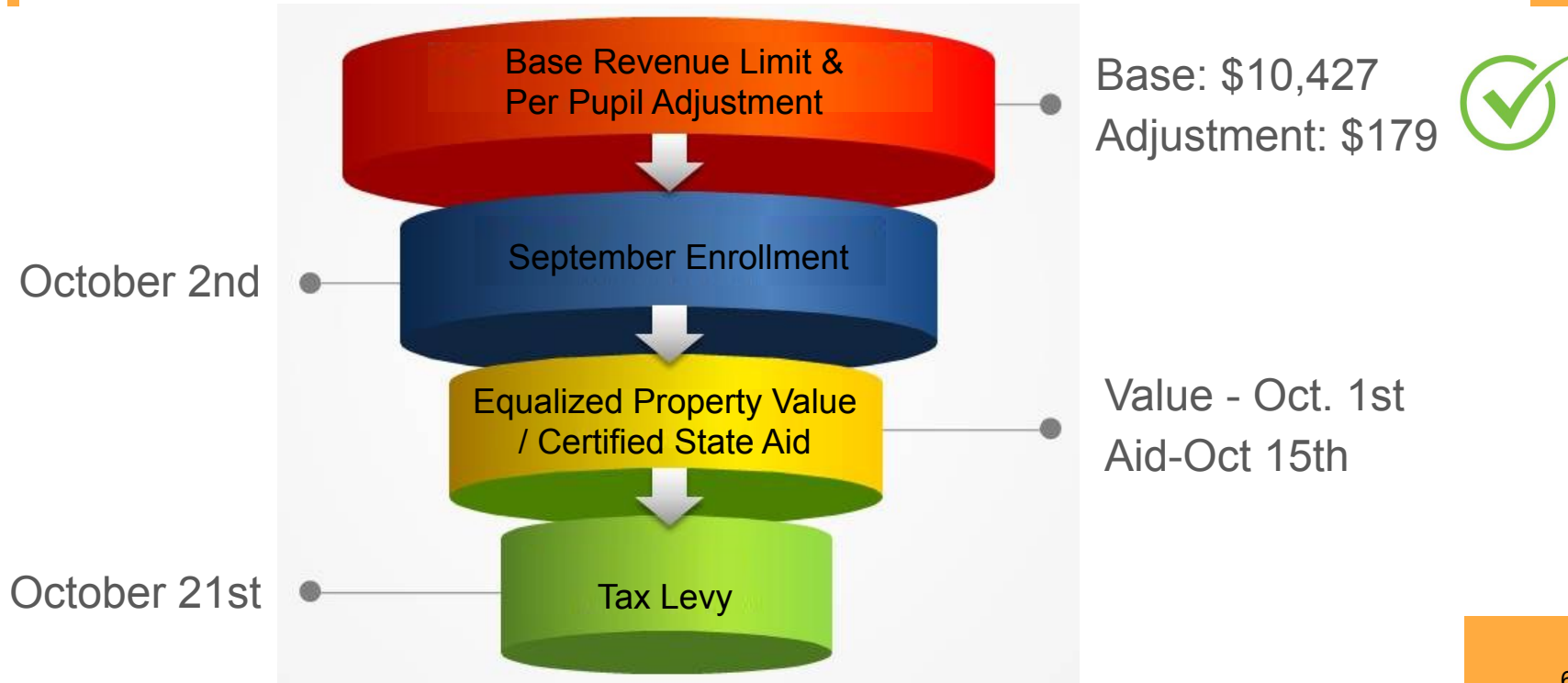
- **Purpose:**
 - Limit the amount of revenue generated between Local Taxes and State Aid (Allow the State to influence/control local tax levies)
- **History:**
 - Began in 1993
 - Each District was locked in based on their 1992 budget decisions
 - Adjustments have been made to the Per Pupil Adjustment (both positive and negative adjustments)
- **Factors**
 - Prior Year Base Revenue
 - Enrollment
 - Tax Levy & State Aid

Equalization Aid

- Main method of State funding to reach schools
- Under the Revenue Limit (This is how the State can influence local tax levies)
- Factors
 - Shared Costs (Prior Year)
 - Enrollment
 - Ability to pay locally as determined by equalized property value/member
- State Appropriation



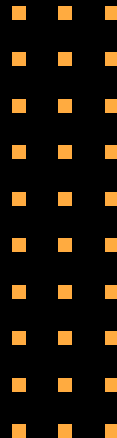
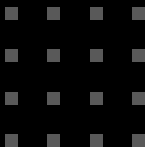
As of 9/23 Variables to be Determined





Projections

Revenue Limit, Tax Levy, Mill Rate



2020-21 Revenue Limit

Revenue Limit Element	2019-20 Unaudited	2020-21 Budgeted	Change
State Aid	\$22,574,622	\$23,332,897	\$758,275
Integration Aid	\$110,919	\$73,868	(\$37,051)
Computer Aid	\$88,175	\$88,175	0
General Fund Levy	\$8,661,138	\$8,580,885	(\$80,253)
Fund 38 Debt Levy	\$521,832	\$528,582	\$6,750
Total Revenue Limit	\$31,956,686	\$32,604,407	\$647,721

The increase to the revenue limit is primarily due to a combination of 2020-21 declining enrollment exemption and hold harmless exemption which will disappear in 2021-22.

The referendum from 2018 was able to keep the programs that would have been lost due to the expiring 2019-20 declining enrollment exemption

Exemptions: Declining Enrollment

The declining enrollment exemption is intended to allow us to utilize funding for one year so that we can adjust our staffing plan / budget based on enrollment changes

Declining Enrollment Calculation:

2017, 2018, 2019

2018, 2019, 2020

Previous 3 Year Student Average (minus) Current 3 Year Student Average= Enrollment Decline

2,956

-

2,895

=

61

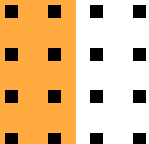
Enrollment Decline	(multiplied)	by Per Pupil Amount	=	Declining Enrollment Exemption
61	x	\$10,606.08	=	\$646,971

Exemptions: Hold Harmless

The hold harmless exemption is intended to keep our new year revenues at the same level as the previous year so that time can be provided for future budgets to be adjusted.

Hold Harmless Calculation:

Base Year Revenue	-	Current Year Revenue	=	Hold Harmless Exemption
\$30,822,436	-	\$30,704,602	=	\$117,834

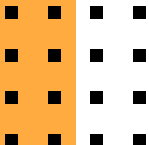


Exemptions: Future Impact

Future Impact

The declining enrollment exemption combined with the hold harmless exemption allowed the School District to continue to receive **\$764,805** in funding in 2020-21 that would otherwise have been lost.

This funding will be lost in 2021-22, so we must aware that obligating one time funding for ongoing expenses creates a burden on future budgets.



2020-21 Tax Levy

Tax Levy Element	2019-20 Unaudited	2020-21 Budgeted	Change
General Fund	\$8,661,138	\$8,580,885	(\$80,253)
Levy Chargebacks	\$344	\$0	(\$344)
Debt Service (38 & 39)	\$4,141,932	\$4,150,332	\$8,400
Community Service Fund 80	\$749,603	\$792,808	\$43,205
Total School Levy	\$13,553,017	\$13,524,025	(\$28,992)

The projected change to local taxes is a **decrease of \$28,992.**

This change includes the successful 2018 referendum.

2020-21 Mill Rate

Mill Rate Element	2019-20 Unaudited	2020-21 Budgeted	Change
Equalized Value	\$1,241,338,700	\$1,241,338,700	\$0
Levy Rate	.01092	.01089	(.00002)
Equalized Mill Rate	\$10.92	\$10.89	(\$.02)

The Mill Rate is determined by taking the total levy and dividing it by the equalized value.

That rate then is multiplied by 1,000 to get the amount of tax per \$1,000 of value.

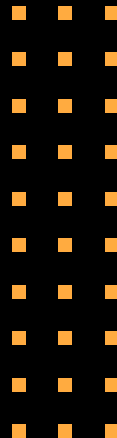
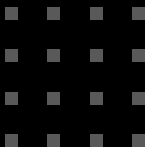
*Assumes no change to equalized value

*Levy credits will lower tax impact as well



Enrollment & Assumptions

Historical & Projected September



Enrollment

Enrollment projections will be revised as soon as the September pupil count is completed.

School District of South Milwaukee
Enrollment History & September 2020 Pupil Count

	SEPTEMBER 2017				SEPTEMBER 2018					SEPTEMBER 2019					PROJECTED SEPTEMBER 2020				
Grade	2017-18 Resident	OE TW (2)	220	TOTAL	2018-19 Resident	OE	TW (2)	220	TOTAL	2019-20 Resident	OE	TW (2)	220	TOTAL	2020-21 Resident	OE	New OE In	TW (2)	TOTAL
EC-.50	25	0	0	25	22	0	0	0	22	16	0	0	0	16	16	0		0	16
4K-.60	146	3	0	149	159	6	0	0	165	127	5	0	0	132	127	0		0	127
5K	189	9	0	198	179	8	0	0	187	186	9	0	0	195	187	5		0	192
1	175	7	0	182	170	11	0	0	181	167	8	0	0	175	171	9		0	180
2	164	10	0	174	183	14	1	0	198	174	13	1	0	188	173	8		0	181
3	180	14	0	194	159	12	1	0	172	193	11	1	0	205	177	14		0	191
4	201	14	0	215	178	14	0	0	192	161	13	1	0	175	193	12		0	205
5	197	21	0	218	210	18	0	0	228	174	18	0	0	192	164	14		0	178
Sub Total	1277	78	0	1355	1260	83	2	0	1345	1198	77	3	0	1278	1178	62	0	0	1240
6	224	14	0	238	204	25	1	0	230	210	18	0	0	228	178	18		0	196
7	193	20	0	213	217	19	1	0	237	205	23	0	0	228	207	18		0	225
8	204	19	0	223	184	26	2	0	212	219	20	1	0	240	202	23		0	225
Sub Total	621	53	0	674	605	70	4	0	679	634	61	1	0	696	587	59	0	0	646
9	219	46	1	266	217	42	0	0	259	194	52	2	0	248	231	21		0	252
10	230	60	0	290	223	51	1	0	273	215	45	2	0	262	194	54		0	248
11	196	69	1	266	221	55	1	0	277	212	53	0	0	265	206	47		0	253
12	257	66	3	326	189	75	2	1	267	222	55	1	0	278	203	53		0	262
Sub Total	902	241	5	1148	848	223	4	1	1076	843	205	5	0	1053	840	175	0	0	1015
Total	2800	372	5	3177	2713	376	10	1	3100	2675	343	9	0	3027	2605	296	0	0	2901
Total OE & TW IN						386					352					296			
220 Out	4				4					3					3				
Tuition Out	1				0					0					0				
OE & TW Out	273				273					266					266				
Grand Total	3078	372	5	3177	2988	376	10	1	3100	2944	343	9	0	3027	2874	296	0	0	2901

2020-21 Budget Assumptions

The assumptions to the right were created before COVID-19 changed the landscape of education.

We need to remain nimble to adjust expenditures to account for enrollment fluxuations and COVID-19 mitigation efforts, federal grants will be added soon.

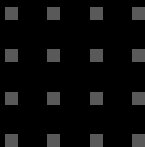
School District of South Milwaukee 2020-21 Budget Budget Assumptions & Recommendations March 18, 2020

Description	Increase/ (Decrease)	Totals
Revenue:		
Revenue Cap Change (\$179 x 2,895 Less \$10,427 x 60)	(107,426)	
19-20 Revenue Cap Declining Enrollment Exemption Expired	(544,487)	
19-20 Revenue Cap Hold Harmless Exemptions Expired	(17,912)	
20-21 Revenue Cap Declining Enrollment Exemption New	636,371	
20-21 Revenue Cap Hold Harmless Exemption New	107,433	
Per Pupil Categorical Aid Loss (2,955-2,895 x \$742)	(44,520)	
Interest Revenue	10,000	
Special Education Categorical Aid	100,000	
Referendum Funds For Maintaining (Recurring Referendum Amount for 2020-21)	550,000	
Total Revenue Increase		689,459
Expenditure Increases:		
Staff Salaries & Benefits	552,500	
Hold for Declining Enrollment Exemption Expiration	134,459	
Total Expenditure Increase		686,959
Budget Adjustments / Reallocations:		
Staff Turnover Savings	(100,000)	
Increase and Modify Co-Curricular Activities and Rates	35,000	
Increase 1.0 FTE HS Physical Education Teacher	75,000	
Reduce 0.50 FTE HS At-Risk Teacher	(35,000)	
Reduce 0.67 FTE HS Technology & Engineering Teacher	(40,000)	
Increase 1.0 FTE Elementary Special Education Teacher Position	70,000	
Elimination of 10 Paraprofessional Aide Hours	(43,000)	
Increase 0.60 School Psychologist Position (Grant Funded)	45,000	
Reduce 0.50 FTE Special Education Literacy Coach Position (Grant Funded)	(45,000)	
Increase 0.50 4k Teacher Position	40,000	
Revise & Increase High School Nurse Position (3 hours to 5 hours)	3,500	
Increase 2.0 Hours MS Guidance Secretary Position	6,000	
Revise the Energy Efficiency Model	(9,000)	
Total Budget Reductions / Reallocations		2,500
Budget Surplus (Deficit)		(0)



Revenues

Revenue Limit Inequities, Makeup, Total Revenue



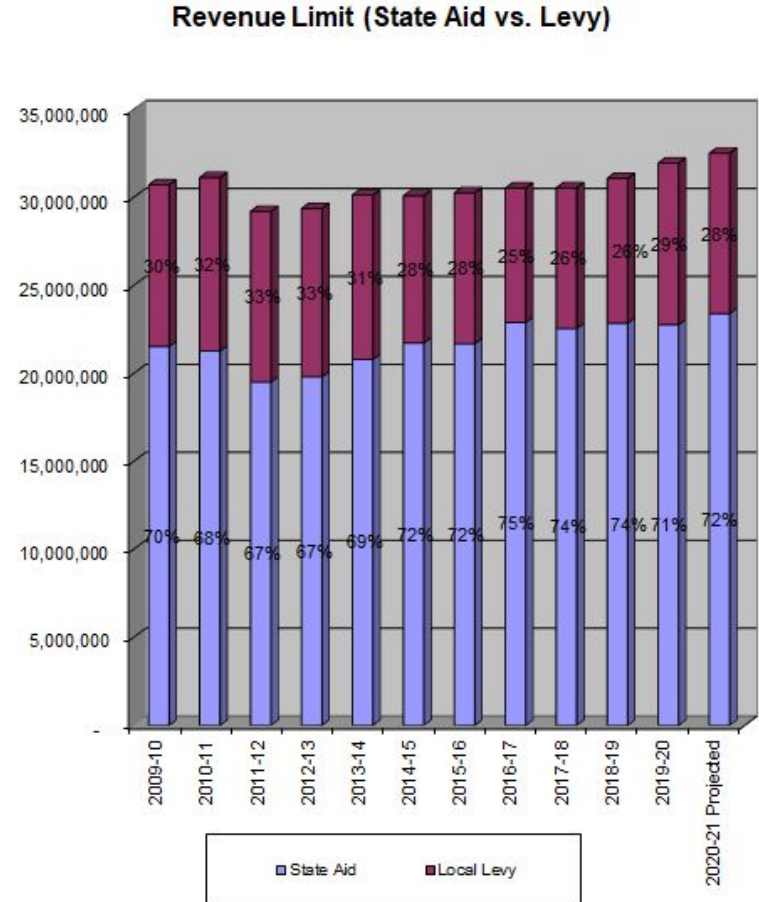
Revenue Limit Inequities

Revenue limits were introduced in 1993-94 and they cap the amount of revenue that a District is allowed to generate between local taxes and state aid. The cap was introduced based on the 1992-93 revenue amounts, so frugal Districts were forever locked in at a lower amount. The inequities can be seen in the table to the right.

District	2019-20 Rank	2019-20 RL/Member
Brown Deer	1	\$12,065
Elmbrook	2	\$11,844
Shorewood	3	\$11,798
New Berlin	4	\$11,480
Whitefish Bay	5	\$11,452
Franklin	6	\$11,309
Menomonee Falls	7	\$11,252
Greendale	8	\$11,202
Mequon-Thiensville	9	\$10,915
Whitnall	10	\$10,820
Pewaukee	11	\$10,623
Cudahy	12	\$10,560
Hamilton	13	\$10,552
Wauwatosa	14	\$10,495
Greenfield	15	\$10,364
Germantown	16	\$10,314
Milwaukee	17	\$10,297
West Allis	18	\$10,240
Saint Francis	19	\$10,217
South Milwaukee	20	\$10,083
Oak Creek	21	\$9,700

Revenue Limit Makeup

Revenue Limits are made up of General State Aid and Local taxes. The chart to the right shows the relationship between those two revenue sources as a percentage of the revenue limit.



Private School Vouchers

The State Budget for 2015-2017 included the implementation of taxpayer supported Private School Vouchers which were implemented statewide. The funding mechanism for the vouchers consisted of local school districts being told to launder the funding through their accounting system and assess the voucher cost to the local taxpayers in the community that the student resided. The table to the right shows the impact of the voucher program on South Milwaukee Taxpayers.

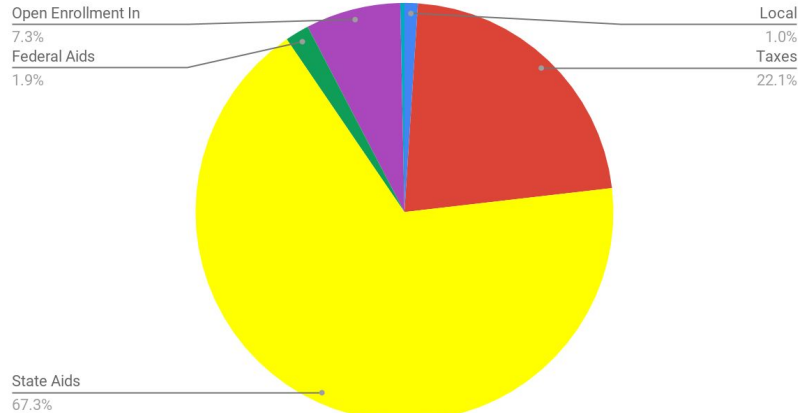
Fiscal Year	Amount	Change
2015-16	\$22,680	N/A
2016-17	\$37,907	67.14%
2017-18	\$47,978	26.57%
2018-19	\$237,172	394.33%
2019-20	\$491,231	107.12%
2020-21	TBD October 2020 (Budgeting \$500,000)	

Revenue & Timing Considerations

Revenue Sources

School Districts have about 90% of available revenues capped by the Revenue Limit; however there are some other revenues that schools can receive.

Revenue Sources



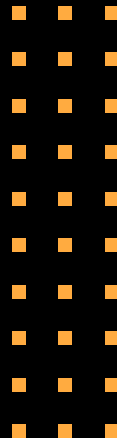
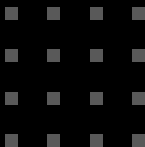
Cash Flow

One of the challenges with school district revenues is receiving them in a timely fashion so that our expenditure obligations can be paid. The timing challenge requires school districts to be efficient with their payments, hold funds in reserve, and when necessary, borrow funds to meet expenditure obligations. South Milwaukee has successfully avoided borrowing funds for the past five years!!



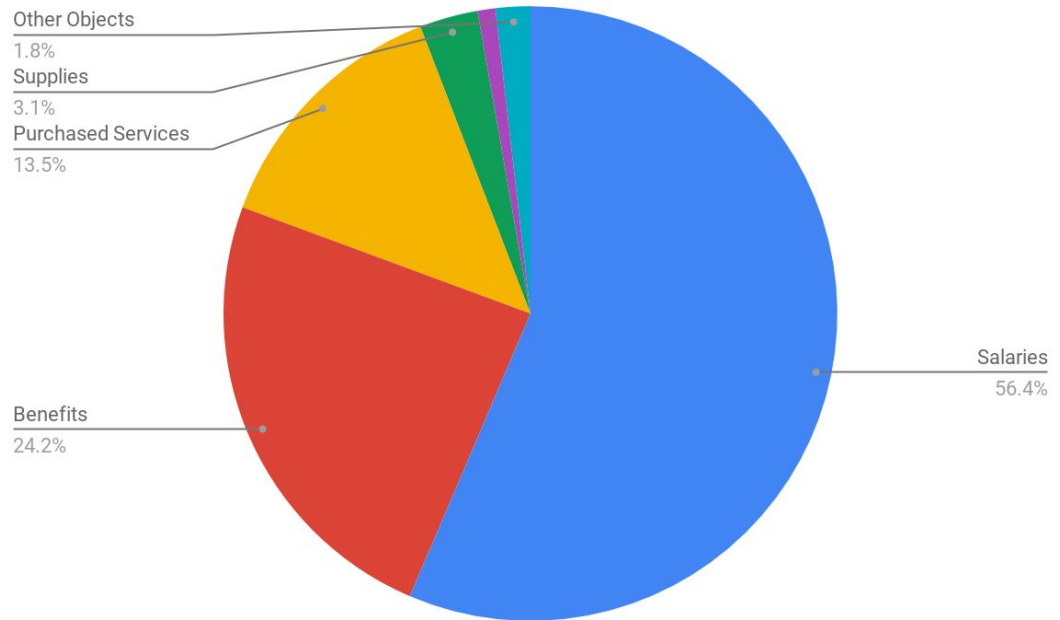
Expenditures

Expenditures & Staffing Plan



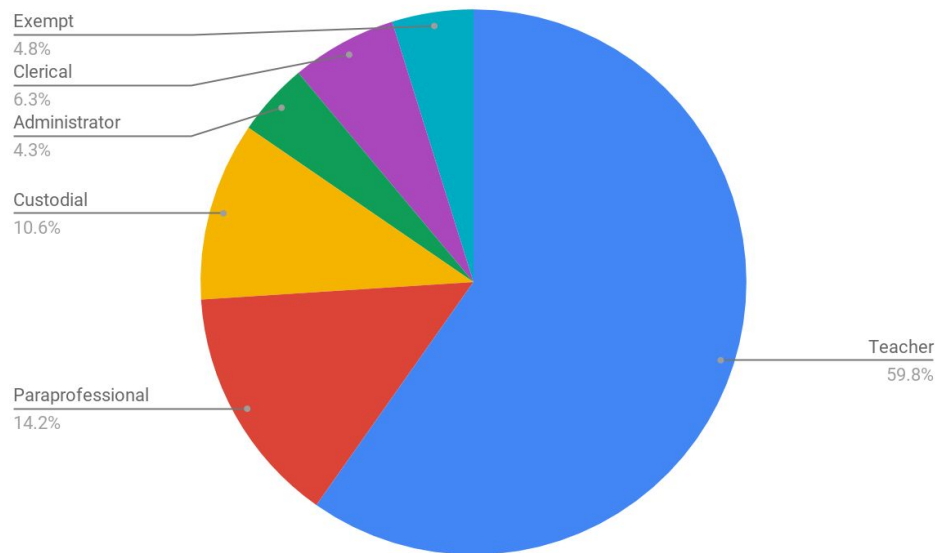
Expenditures

School Districts provide a service to the community, which in turn requires a bulk of our expenditures to be allocated to salaries and benefits.



Staffing Plan

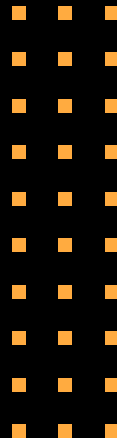
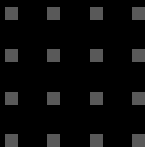
Teachers make up the majority of SDSM Staff, other staff are support staff that help round out the student experience. Our staffing plans are reviewed annually based on student needs and enrollment trends. (The figures to the right include part time staff as well)





Board Resolution 20-5

COVID-19 Reforms



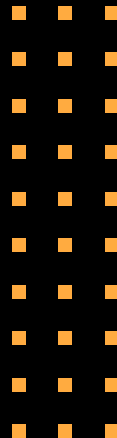
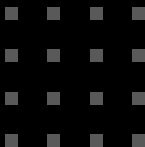
Board Resolution 20-5 COVID-19 Reform

- Allow School Districts to use their 2019-20 pupil counts or their actual 2020-21 counts (whichever is larger)
- Provide immunity from civil liability for schools, specifically good faith efforts to open schools as safely as possible
- Suspend student assessment requirements for the 2020-21 school year
- Suspend the school report card for 2020-21
- Eliminate limits on hiring retired staff
- Provide broad Teacher and Professional Staff Licensure flexibility



2020-21 Focus

Equity, Data Literacy, Culture



Focus for 2020-21

Equity

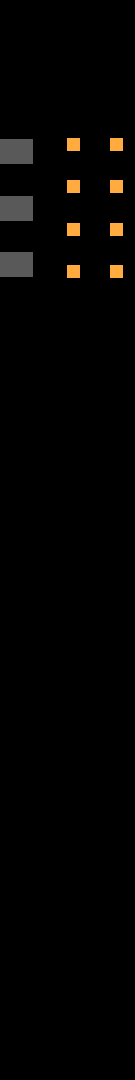
This school year, SDSM identified equity as one of our priority areas. Our work around equity last school year focused on creating more equitable learning environments for our students with disabilities. This work is incredibly important and will continue into next year and beyond. However, there is significant work yet to be done in order to ensure that ALL of our students have opportunity and access to an education that is unbiased and provides equal opportunities to ALL. We are committed to making certain that all students receive a high quality education.

Data Literacy

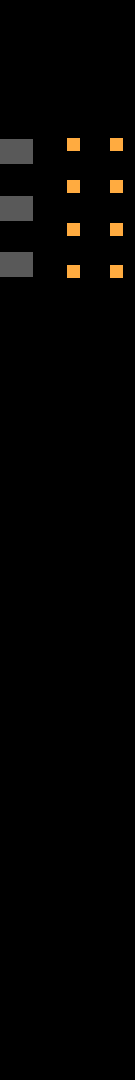
Many organizations are awash in data. Few organizations are able to turn data into actionable information. We strive at SDSM to use data to improve instructional learning opportunities for our students.

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 priorities.



Budget Hearing Concluded



Annual Meeting