

2023-24

Stoughton Area School District

Budget Report

Serving the following communities:

Albion, Christiana, Stoughton, Cottage Grove, Deerfield, Dunkirk, Dunn, Pleasant Springs and Rutland in Dane County and Porter and Union in Rock County



The mission of the Stoughton Area School District, with students as our number one priority, is to ensure educational opportunities which challenge students to achieve excellence, maximize their unique talents and abilities, prepare them to face the demands of the future, and be literate, contributing members of society.

Visit our website at www.stoughton.k12.wi.us / Our district / departments/ Business Services

Stoughton Area School District School Buildings

Fox Prairie Elementary - Grades K-5

1601 West South Street 608.877.5100

Krista Huntley Rogers, Principal

2023-24 Enrollment : 435

Kegonsa Elementary - Grades K-5

1400 Vernon Street 608.877.5200

Erin Conrad, Principal

2023-24 Enrollment : 303

Sandhill Elementary - Grades K-5

1920 Lincoln Avenue 608.877.5400

Bob Johnson, Principal

2023-24 Enrollment : 409

River Bluff Middle School - Grades 6-8

235 North Forrest Street 608.877.5500

Nick Jones, Principal

2023-24 Enrollment : 570

Stoughton High School - Grades 9-12

600 Lincoln Ave 608.877.5600

Mike Kruse, Principal

2023-24 Enrollment : 861

Early Childhood

2023-24 Enrollment : 13

4 Year Old Kindergarten

2023-24 Enrollment : 172

STOUGHTON AREA SCHOOL DISTRICT

Administrative & Educational Services Center
320 North Street
608.877.5000

District Administrator Dan Keyser, Ed.D.

BOARD OF EDUCATION MEMBERS 2022-2023

Board Member Name	Role	E-mail Address	Term End
Jill Patterson	President	Jill.Patterson@Stoughton.k12.wi.us	April 2025
Francis Sullivan	Vice President	Francis.Sullivan@Stoughton.k12.wi.us	April 2024
Allison Sorg	Treasurer	Allison.Sorg@Stoughton.k12.wi.us	April 2024
Lisa Pugh	Clerk	Lisa.Pugh@Stoughton.k12.wi.us	April 2025
Holly Tellander	Deputy Clerk	Holly.Tellander@Stoughton.k12.wi.us	April 2026
Tim Bubon	Member	Tim.Bubon@Stoughton.k12.wi.us	April 2026
Mia Croyle	Member	Mia.Croyle@Stoughton.k12.wi.us	April 2024
Joe Freye	Member	Joe.Freye@Stoughton.k12.wi.us	April 2025
Zach Masa-Myers	Member	Zach.MasaMyers@Stoughton.k12.wi.us	April 2026
Simon M.	Student Rep		April 2024

Regular meetings of the Board of Education will be held in the Administrative and Educational Services Center Board Room or other location designated by the Board of Education at least once a month, at a time to be set by the Board of Education. Special meetings shall be held upon the written request of any Board of Education member; meetings may be held in closed session as determined by the Board of Education.

**District Office
Room 200
320 North Street**

Agendas are posted in each school, the Administrative and Educational Services Center, as well as the District website prior to each meeting.

The public is welcome.

INTRODUCTION

The budget is a financial plan to achieve the educational objectives of the school district. The Business Services Office works with administration, staff, and Board in preparing the annual budget. Annually, an official public hearing is held in October regarding the proposed budget.

The October 23, 2023 Annual Meeting is also the time at which the property tax levy to support the budget is submitted for consideration. Citizens of the District are invited to attend the Annual Meeting and are encouraged to participate.

Additional budget information is available on the District's website at www.stoughton.k12.wi.us or by contacting the Business Services Office at 320 North Street, Stoughton, WI 53589, telephone number (608) 877-5012.

2023-24 Budget Objectives

- Continue improving programs and educational initiatives
- Continue providing transparency in district finances
- Create a staffing plan according to class size policy and district services
- Manage our resources responsibly to create trust
- Reduce budgeted expenses whenever possible, helping to minimize future deficits
- Continue to look for ways to improve efficiency while providing quality services
- Align our budget to support the District's strategic plan and ongoing goals
- Align our resources to support the District's equity vision statement and corresponding work
- Utilize Federal ESSER funds to balance the budget

Fiscal Challenges

- Continue improvement of student achievement while balancing future budgets
- Educating stakeholders around the impact of revenue limits and declining enrollment
- Attract and retain high quality employees in a highly competitive market with shrinking candidate pools
- Balance a budget using modest revenue limit per pupil increases and federal ESSER funds
- Continue to meet new and ongoing state and federal requirements around various areas such as school safety, student achievement, student wellbeing, and child nutrition

GLOSSARY OF FUNDS

10 – General Fund	The general fund is used to account for all financial transactions relating to the district's current operations, except for those required to be accounted for in other funds.
21 – Special Revenue Trust Fund	This fund is used to account for the proceeds of non-trust revenues of which the expenditures are limited to specified purposes related to district operations. The most common source of such funds is gifts and donations. There may be a fund balance in this fund.
27 – Special Education Fund	This fund is used to account for the excess cost of providing special education and related services for students with disabilities during the regular school year or extended school year. Also included are charges for services provided to other districts as a result of being a host district for a special education package or cooperative program. School Age Parent costs are also charged to this fund. No fund balance or deficit can exist in this fund.
39 – Referendum Approved Debt Service Fund	This fund is used to account for transactions for the repayment of debt issues that were either: authorized by school board resolution before August 12, 1993, or approved by referendum. A fund balance may exist in this fund.
41 – Capital Expansion Fund	Projects financed with tax levy per statute 120.10(10m). State statute restricts the use of this fund for capital expenditures related to buildings and sites. Equipment cannot be acquired through the use of this Fund. For the purpose of determining eligible expenditures from this Fund, the DPI defines "capital expenditures related to buildings and sites" as being expenditures for acquiring and remodeling buildings and sites, and maintenance or repair expenditures that extend or enhance the service life of buildings and building components, sites and site components.
46- Long Term Capital Improvement Trust Fund	A school board with an approved long-term capital improvement plan (minimum of 10 years) may establish a "trust" that is funded with a transfer from the general fund. The contribution from Fund 10 to Fund 46 (Long-term Capital Improvement Trust Fund) is recorded as the expenditure for shared cost and equalization aid purposes. Future expenditures from Fund 46 are not part of shared costs. A school board is prohibited from removing money deposited into Fund 46 for a period of five years after the fund is created. After the initial five year wait period is over, funds may only be used for the purposes identified in the approved long-term capital improvement plan. Fund 46 assets may not be transferred to any other school district fund.
49 – Other Capital Projects Fund	Used to report capital project fund activities not required to be reported in Funds 41 or 48. A fund balance may exist in this fund. This fund has been used to record the costs and revenue associated with referendum projects.
50 – Food Service Fund	All revenues and expenditures related to pupil and elderly food service activities are recorded in this fund. A fund balance in the Food Service Fund is permitted. There may be no deficit in the district's Food Service Fund. Any food service fund deficit, resulting from student food services, must be eliminated by an operating transfer from the General Fund. Any food service fund deficit, resulting from elderly food services, must be eliminated by a transfer from the district's Community Service Fund. The maximum that may be transferred if the district does not have a deficit in the Food Service Fund is limited to an amount necessary to cover a current year deficit in a particular food service program (National School Lunch, Breakfast, Ala Carte, etc.)
73 - Pension and Other Employee Benefit Trust Fund	This fund is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans, or employee benefit plans. Such plans must be legally established in accordance with state statutes, federal laws and Internal Revenue Service requirements. Specific requirements for use of this fund have been established by the Department of Public Instruction. This fund applies to all post-employment benefit plans where the district is providing such benefits by contribution to a legally established irrevocable trust.

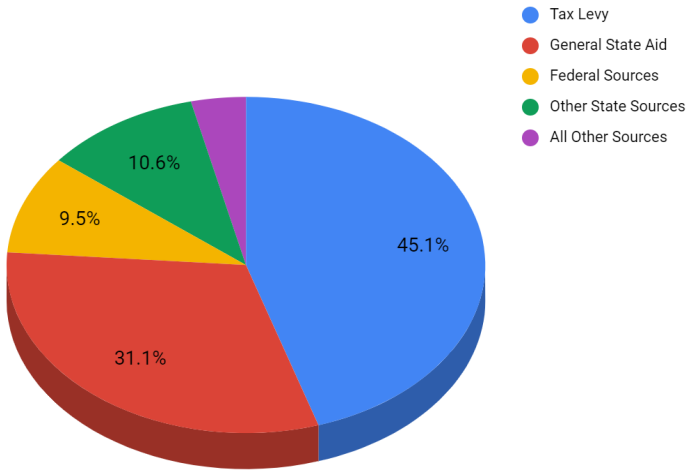
80 – Community Service Fund	This fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Expenditures for these activities are to be included in this Fund to the extent feasible. The district may adopt a separate tax levy for this Fund.
90 – Package and Cooperative Program Fund	This fund is to be used for cooperative instructional funds. No fund balance or deficit can exist in this fund. SASD uses it for activities such as a sports coop or educational activities through a 66.03 agreement.

WHERE DOES THE MONEY COME FROM?

Sources of Revenue

Funding for public education comes from several different sources. The Stoughton Area School District receives 76.2% of its fund 10 and 27 revenues from two sources: general state aid – 31.1% and local property taxes – 45.1% (Chart 1). Other sources include revenue from the state and federal government, fees, program-related payments, and earnings on investments.

Chart 1
Revenues by Source (Funds 10 & 27)



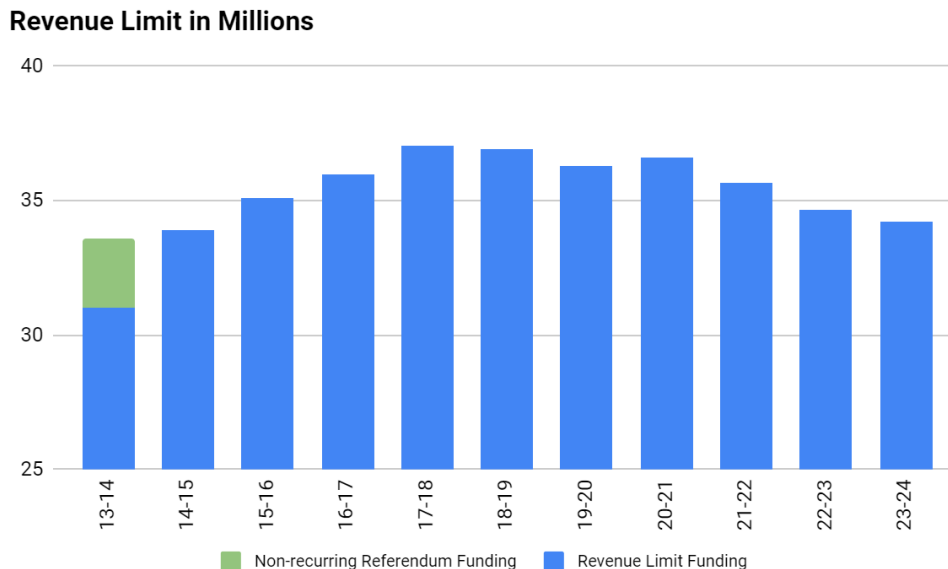
Revenue Limits and State Aid

Wisconsin schools are subject to state-imposed revenue limits that establish the maximum amount of property tax and general state aid a district is allowed.

The state revenue limit is calculated by using a 3-year student membership average multiplied by the maximum revenue per member. Historically, the revenue per student increased by the CPI index, an average of approximately 2.5% for SASD since the inception of revenue limits through the 2008-09 school year. Since that time, increases have been minimal - in one year, the amount per student actually decreased by \$401 for Stoughton. As the state has struggled to balance its budget, increases in school funding have been impacted. These changes prompted the district to pursue a non-recurring operational referendum allowing the district to exceed the revenue limit as a means to balance the budget instead of making significant reductions to programs and services in 2010. Non-recurring referendum funding is represented in green on Chart 2. In 2014, when the 2010 referendum expired, the district passed a recurring operational referendum to provide ongoing financial support.

As limitations on school revenue limits have been put in place, some additional funding has become available through the state's per pupil categorical aid. Instead of raising the revenue limit per student, which could result in property tax increases, the state has created, and increased, the per pupil aid that is provided to each district. Those increases have been minimal in the past few years as well. The 2023-24 allocation per student of \$742 has not increased since 2019-20 and provides SASD with approximately \$2.1 million this fiscal year.

Chart 2
Revenue Limit History in Millions



Revenue Limits and State Aid Continued...

Expenses increasing at a higher percentage than the allowable growth in a district's revenue is an ongoing challenge for all Wisconsin public school districts. This challenge, coupled with SASD's historic declining enrollment, results in fewer dollars available to support students (Chart 3).

Each district receives a different amount per student in the revenue limit calculation. The amount is based on what the district spent per student in 1993 when revenue limits were put in place. Historically, that amount increased annually. Over the past few state budget cycles, increases have been inconsistent. Increases in 2019-20 and 2020-21 of \$175 and \$179 per student respectively were the first state provided revenue limit increases since 2015-16. The most recent state budget provides an increase of \$325 per student for 2023-24. SASD has relied on community support provided through referendum approved funding and the additional per-pupil aid to preserve and improve services for students.

Table 1
Allowable Revenue Limit

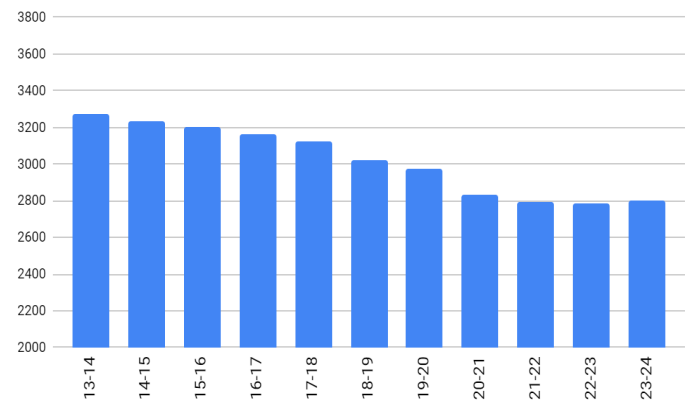
2023-24 Allowable Revenue Limit	\$34,197,939
Less: General State Aid	(13,637,115)
Less: Aid for Exempt Computers & Pers. Property	(186,594)
Maximum 2023-24 Levy (Funds 10, 38, 41)	20,374,230
Add: Debt Service Levy	3,433,118
Add: Community Service Levy	239,809
Add: Prior Year Chargeback	789
Maximum Allowable 2023-24 School Tax Levy	24,047,946

State aid is calculated and distributed across Wisconsin public school districts based on need. In order to calculate which districts receive a higher percentage of aid, the state determines each district's wealth by calculating its property value per student. The calculation is complex but the basic concept is that the total equalized property value in the district divided by the number of students determines the property value per student. Districts with a high property value per student receive a smaller portion of their revenue limit in the form of state aid as these districts are considered wealthier. Wealthier districts are perceived to have a greater ability to pay (tax levy) than districts with a low property value per student.

SASD has a higher property value per student than the state average. This phenomenon over time, coupled with additional tax levy due to approved referenda and declining student enrollment, has resulted in the percentage of revenue coming from state aid to decrease and the percentage coming from local taxpayers to increase (Table 2).

Chart 3

September Membership History



The allowable revenue limit for 2023-24 is \$34,197,939 (Table 1). In the revenue limit formula, an inverse relationship exists between state aid and maximum allowable local property taxes. In years when state aid is increased, the allowable property tax levy is reduced. The 2023-24 budget includes state aid of \$13,637,115 - an increase of \$1,053,904 (7.7%) from the 2022-23 general state aid received. SASD has been generally experiencing a declining trend in state aid received. Due to an increase in the overall state aid allocation in this year's biennium budget, SASD is receiving a much larger increase than has been the case for many years. In addition to the \$20,374,230 levy determined by the revenue limit, the district levies a tax for debt service and community service funds. SASD has a new debt levy due to the referendum approved on November 8, 2022.

Table 2
Funds 10 & 27 Revenue by Source Summary

Year	State Aid	Tax Levy	Other State Sources	Federal Sources	All Other Sources
23-24	31.1%	45.1%	10.6%	9.5%	3.7%
22-23	28.0%	47.6%	9.2%	12.6%	2.6%
21-22	28.6%	52.3%	9.4%	7.2%	2.5%
20-21	28.9%	54.3%	10.0%	4.0%	2.8%
19-20	28.1%	56.0%	9.9%	3.5%	2.5%
18-19	31.1%	52.8%	9.2%	3.5%	3.4%
17-18	34.0%	52.0%	7.3%	3.7%	3.0%
16-17	36.2%	51.4%	5.9%	3.6%	2.9%
15-16	38.2%	50.4%	4.9%	3.8%	2.7%

Property Taxes and Mill Rate

Property taxes make up 45.1% of the district's 2023-24 operational revenue (Table 2 and Chart 1). The total levy for 2023-24 is \$24,047,946, representing an increase of 2.4% over 2022-23 (Table 3). In addition to the \$325 per pupil increase in the revenue limit, SASD is using one-time Federal COVID relief funds to balance the budget, causing federal sources to remain higher than historic averages and the tax levy percentage to drop (Table 2). This short term solution will create a fiscal cliff when the federal resources are depleted. In addition to our general levy (fund 10), the district levies for capital expansion (fund 41), debt service (fund 39) and community service (fund 80). Our fund 80 levy, combined with user fees, supports community use of the aquatics center, performing arts center, middle school athletics and custodial services for use of facilities after the normal school day. Costs accounted for in fund 80 occur outside of the school day and are not part of the district's instructional programming.

Table 3
Tax Levy Summary by Fund

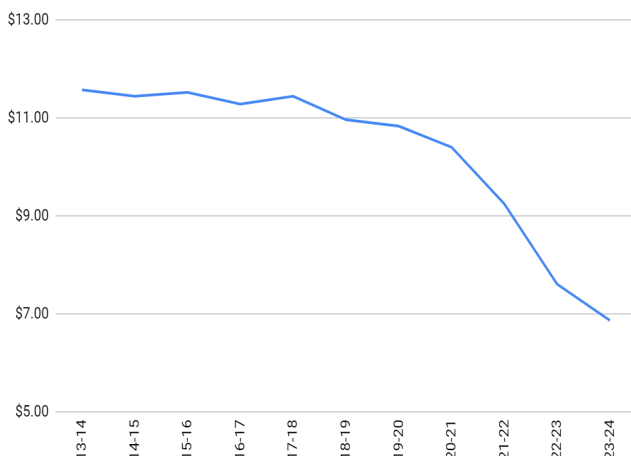
Levy Funds	2022-23	2023-24	Variance	% Change
General (10)	\$21,332,422	\$19,785,529	(\$1,546,893)	(7.3%)
Capital Expansion (41)	577,158	588,701	11,543	2.0%
Total Revenue Limit Levy	\$21,909,580	\$20,374,230	(\$1,535,350)	(7.0%)
Referendum Approved Debt (39)	1,353,831	\$3,433,118	2,079,287	156.6%
Community Service (80)	220,000	239,809	19,809	9.0%
Prior Year Chargeback	1,683	789	(894)	(53.1%)
Total Levy	\$23,485,094	\$24,047,946	\$562,852	2.4%

Each year the district receives the total SASD equalized property value from the State of Wisconsin. To determine the mill rate, the total levy is divided by the equalized property value. The mill rate can increase or decrease without a change in levy. This year, the levy is increasing at a lower percentage than property value is increasing, which causes the mill rate to decrease.

The 2023-24 mill rate is \$6.86/thousand — a \$0.74 or 9.74% decrease from the 2022-23 mill rate of \$7.59/thousand.

In the past 10 years, our mill rate has decreased approximately 41%. This year, our property value increased by approximately \$412.9 million or 13.4% compared to the 2022-23 school year. Chart 4 demonstrates the decrease in the 2023-24 mill rate.

Chart 4
SASD Mill Rate History



Budget Impact on Local Taxpayers

Table 4 illustrates the general estimated tax impact on a homeowner for 2023-24. In this scenario, a taxpayer is experiencing an increase in property value similar to what the district experienced as a whole and will see a school tax levy increase of \$56 (2.5%). These estimates will fluctuate depending upon the value of each home.

Table 4
Tax Impact for Home Buyers

School Year	Home Value	Mill Rate	School Tax
2022-23	\$300,000	\$7.59	\$2,277
2023-24	\$340,060	\$6.86	\$2,333
\$ Increase / (Decrease)	\$30,840	(\$0.73)	\$56
% Increase / (Decrease)	13.4%	(9.6%)	2.5%

HOW IS THE MONEY SPENT?

Expenses by Function and Object

The school district analyzes expenditures from different perspectives. Chart 5 illustrates expenditures by function (purpose for which an expenditure is made), and Chart 6 illustrates expenditures by object (actual goods or services purchased).

As shown in Chart 5, the district spends the greatest amount on direct instruction (52.2%). Support services, including items such as libraries, psychologists, counselors, social workers, nurses, therapists, utilities, maintenance, transportation, administration and overhead, represents 40.2% of the budget. The remaining 7.6% is dedicated to non-program transactions such as tuition expenses for open enrollment, outsourced substitute staff costs, and a transfer to Fund 27 to support special education costs.

Chart 5
Summary by Function Funds 10 & 27

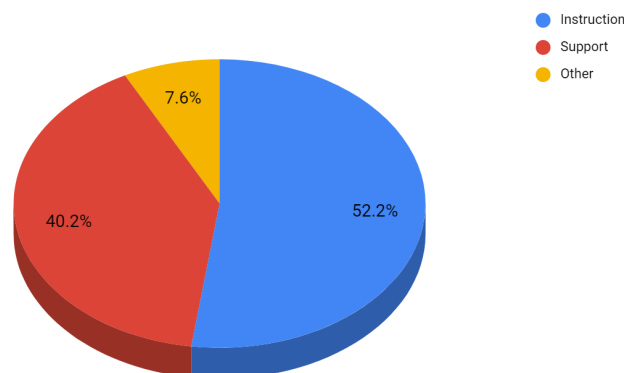


Chart 6
Summary of Object Funds 10 & 27

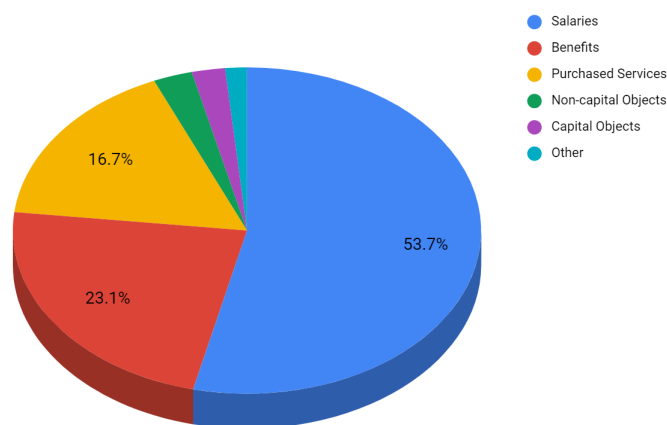


Chart 6 further illustrates the fact that most of the district expenses are for staffing. Expenditures are as follows: salaries and benefits 76.8%, purchased services, supplies, and equipment 21.7%, leaving 1.5% for insurances, and other items.

The state analyzes revenues and expenditures by fund designation. The majority of all district activity is recorded in the general fund (10). Other funds designated for recording revenues and expenditures include: special revenue trust (21), special education (27), referendum approved debt service (39), capital expansion (41), capital improvement (46), other capital projects (49), food service (50), community service (80), and package and cooperative program (90). A detailed description of each fund is listed on page 4.

Table 5 shows the budget amounts for the various objects in our general (10) and special education (27) funds. Table 6 shows the budget by function.

Table 5

General & Special Education Fund Budget by Object

Object	General (10)	Spec. Ed (27)	Total
Salaries	\$18,642,407	\$4,893,571	\$23,535,978
Benefits	7,704,602	2,449,660	10,154,262
Purch Services	6,808,018	520,180	7,328,198
Non-Cap Obj	1,151,741	23,550	1,175,291
Capital Objects	987,919	2,550	990,469
Other Objects*	655,837	0	655,837
Total	\$35,950,524	\$7,889,511	\$43,840,035

Table 6

General & Special Education Fund Budget by Function

Function	General (10)	Spec. Ed (27)	Total
Instruction	\$17,507,589	\$5,467,406	\$22,974,995
Support	18,220,607	1,504,865	19,725,472
Non-program*	1,947,859	256,435	2,204,294
Total	\$37,676,055	\$7,228,706	\$44,904,761

*excludes fund transfer to fund 27 of \$4,726,786

STOUGHTON AREA SCHOOL DISTRICT STRATEGIC PLAN

Annual budget planning is guided by strategic goals and initiatives that drive the long-term direction of the District. The 2023-24 budget supports the learning goal to create conditions today for every student to thrive academically, socially, and emotionally for unlimited opportunities in their future.



Goal

Create conditions today for every student to thrive academically, socially, and emotionally for unlimited opportunities

Engage Students...

in standards aligned curriculum and instruction.

in instruction that promotes physical and emotional well-being.

Engage Staff...

in effective research-based and differentiated Professional Development opportunities tied directly to school and district improvement plans.

by retaining, recruiting, and developing highly-qualified diverse staff who reflect and support our student population.

Engage Community...

by developing strong connections among schools, families and the community to support student growth and development.

by coordinating resources to broaden opportunities.

Mission

The Mission of the Stoughton Area School District is to ensure educational opportunities which challenge all students to achieve excellence, maximize their talents and abilities, prepare them to face the demands of the future, and be literate, contributing members of society.

Equity Vision Statement

Our Compassionate School Community will operate within a proactive system of support to promote a positive, inclusive culture with equity, respect, and dignity so we can thrive emotionally, socially, and academically.

Core Values

**Excellence & Equity in Teaching & Learning
 Respect & Commitment to each other
 Personal & Social Responsibility
 Community Engagement
 Sustainability of Resources**