

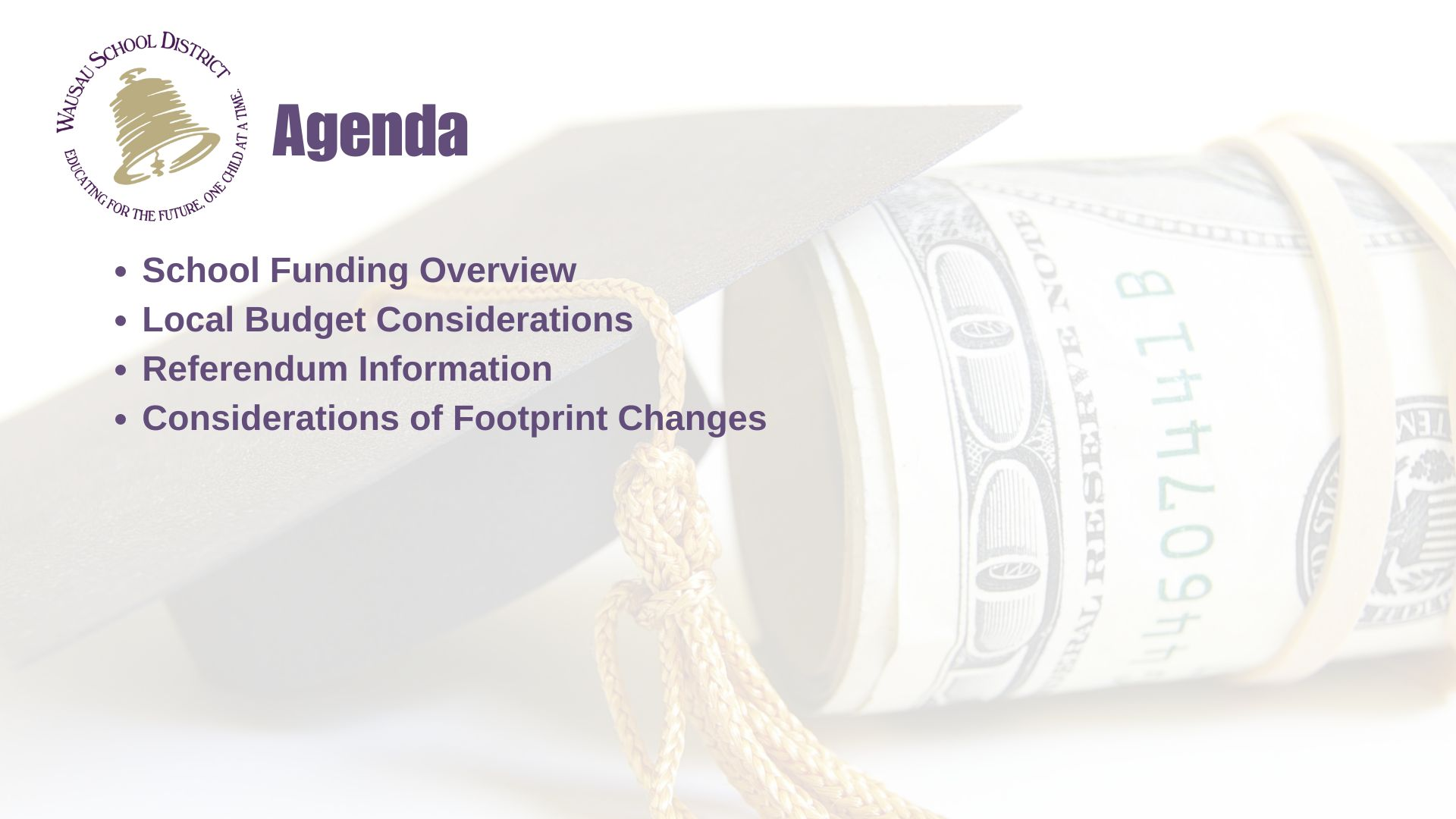


Understanding Wausau School District Finance



Agenda

- **School Funding Overview**
- **Local Budget Considerations**
- **Referendum Information**
- **Considerations of Footprint Changes**





The Basics....

Revenue Limit

- In fall of 1993, Wisconsin legislature instituted a control on revenue a school district is entitled to receive from two sources:
 1. General State Aid
 2. Select Local Levies
- Based upon 3-year average resident membership multiplied by a per pupil amount
- Wisconsin Biennial Budget determines maximum revenue per resident pupil

Membership



Max. Per
Pupil Revenue



Allowable
Revenue*

Less: State Aid

- Wisconsin Biennial Budget determines the amount of revenue available for public schools
- Distribution is based on the following factors:
 1. Property value per student
 2. Spending per student
- Reimbursements at Various levels: primary, secondary, tertiary

Equals: Local Property Tax Levy

- The revenue limit calculation (less) state aid (equals) local property tax levy



School Funding – *Simplified!*

General State Aid Amount

General Fund Levy
Amount

Full Revenue Limit—Operational Budget Dollars Available

How much we **spend**
per student in the
General Fund

Revenue
Limit

How much the
State pays

State Aid

How much
local tax
payers pay

Property
Tax Levy

2023-24 Estimated Amounts

\$12,081

\$8,790

\$3,291

73%

27%

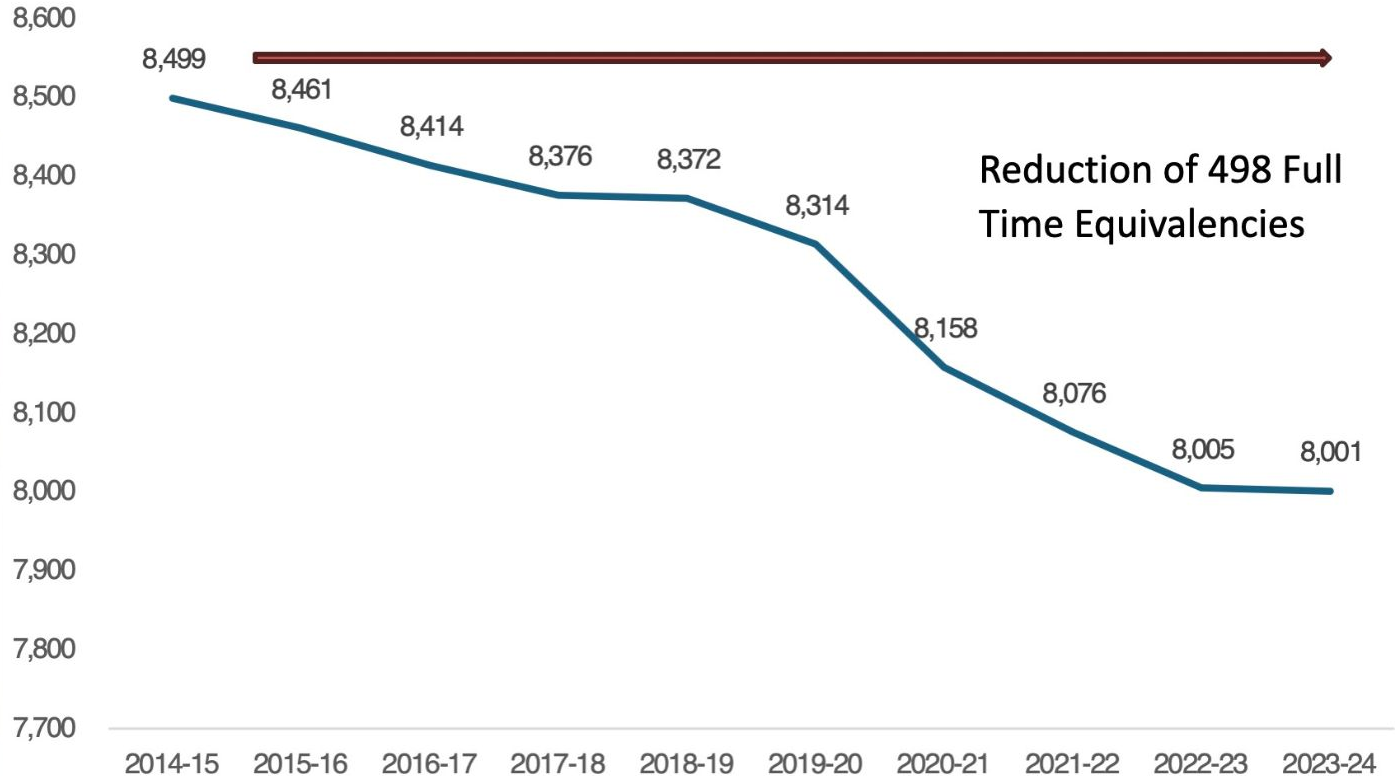
*** The impact on individual property taxes varies with home values ***





Wausau School District Enrollment Trend

Current 3-Year Membership





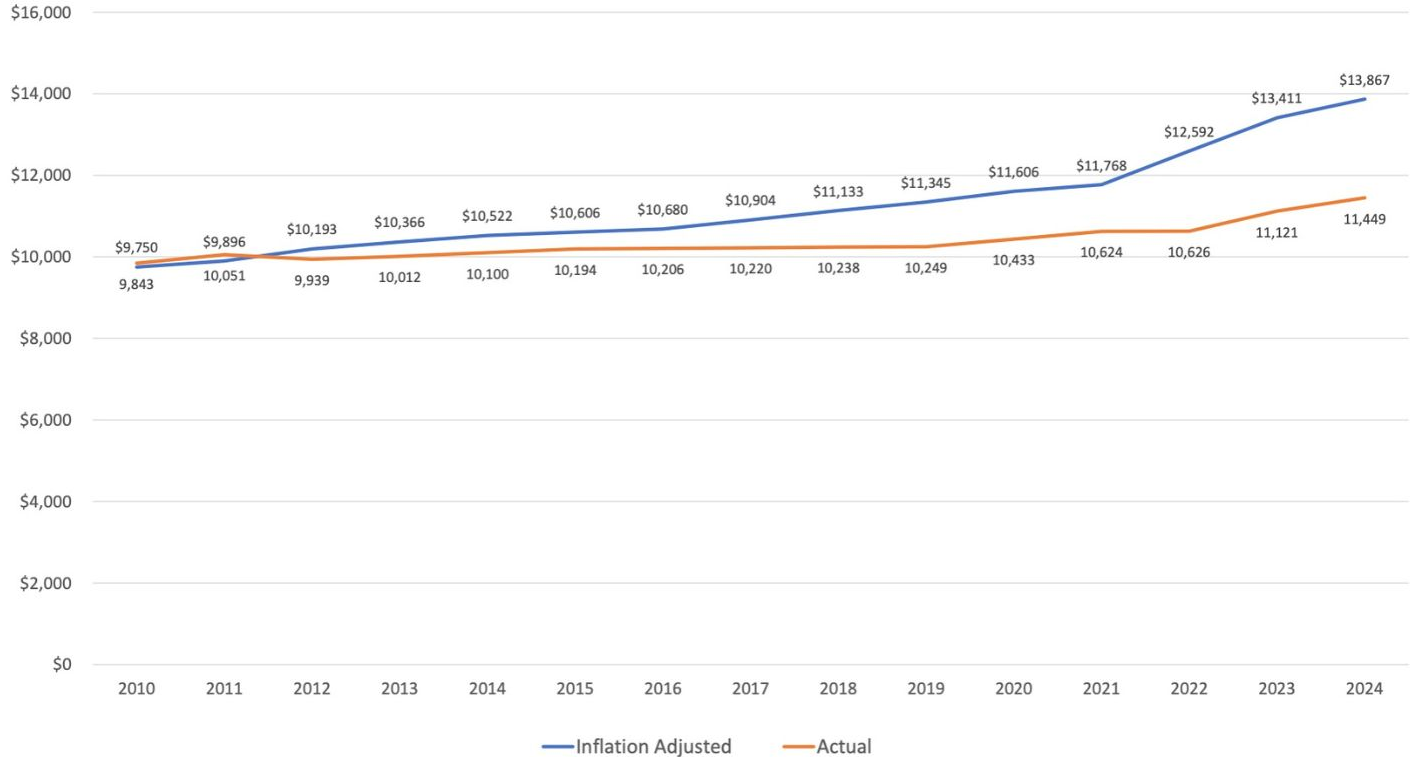
- | YEAR | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 | 23-24 |
|--|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Per-Pupil Increase | \$275 | \$200 | \$200 | -\$578 | \$50 | \$75 | \$75 | \$0 | \$0 | \$0 | \$0 | \$175 | \$179 | \$0 | \$0 | \$325 |
| -----ANNUAL PER PUPIL REVENUE LIMIT INCREASES----- | | | | | | | | | | | | | | | | |

- | YEAR | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 | 23-24 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Per-Pupil Increase | \$0 | \$0 | \$0 | \$0 | \$50 | \$25 | \$75 | \$0 | \$100 | \$200 | \$204 | \$88 | \$0 | \$0 | \$0 | \$0 |
| -----ANNUAL PER PUPIL CATEGORICAL AID INCREASES----- | | | | | | | | | | | | | | | | |



Per Pupil Revenue

Wausau School District Maximum Revenue Per Pupil





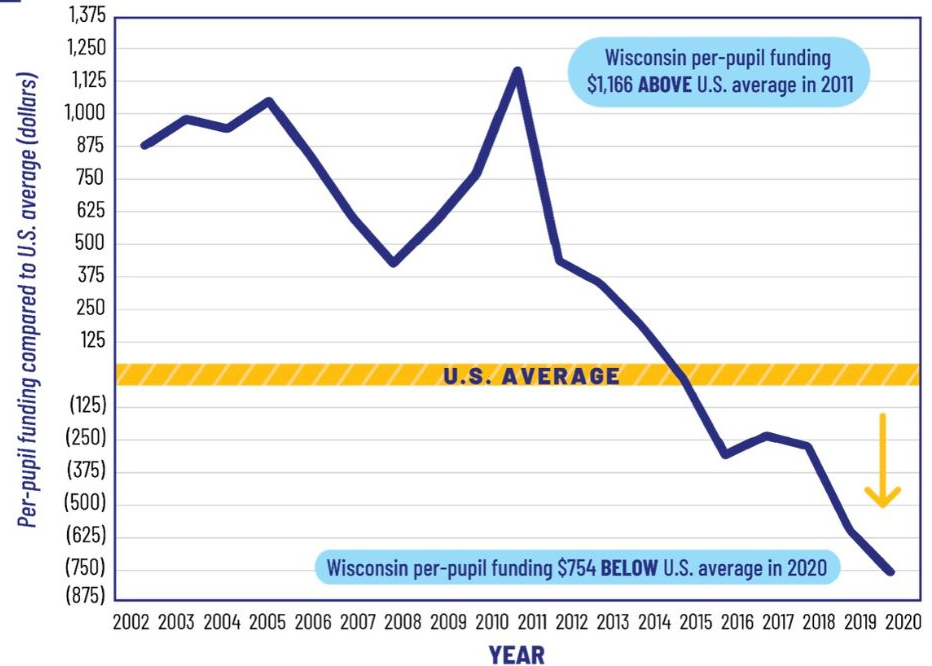
Funding for Wisconsin Public Education

Wis. Ranked 25th in the Nation

As recently as 2011, Wisconsin's per-pupil funding was **\$1,166** above the national average.

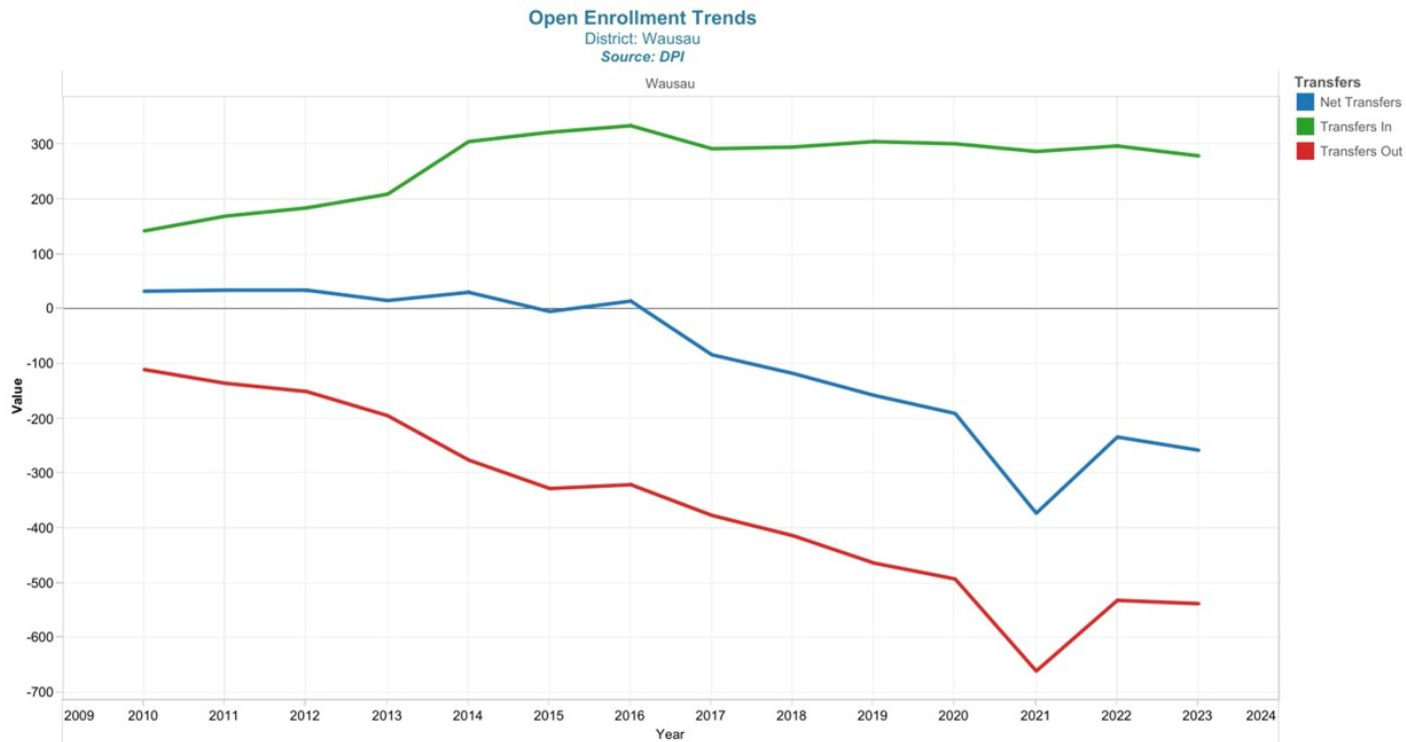
! In nine years, we have fallen **\$754** BELOW the national average. !

This is before two years of a \$0 increase from the state.





Wausau Open Enrollment History



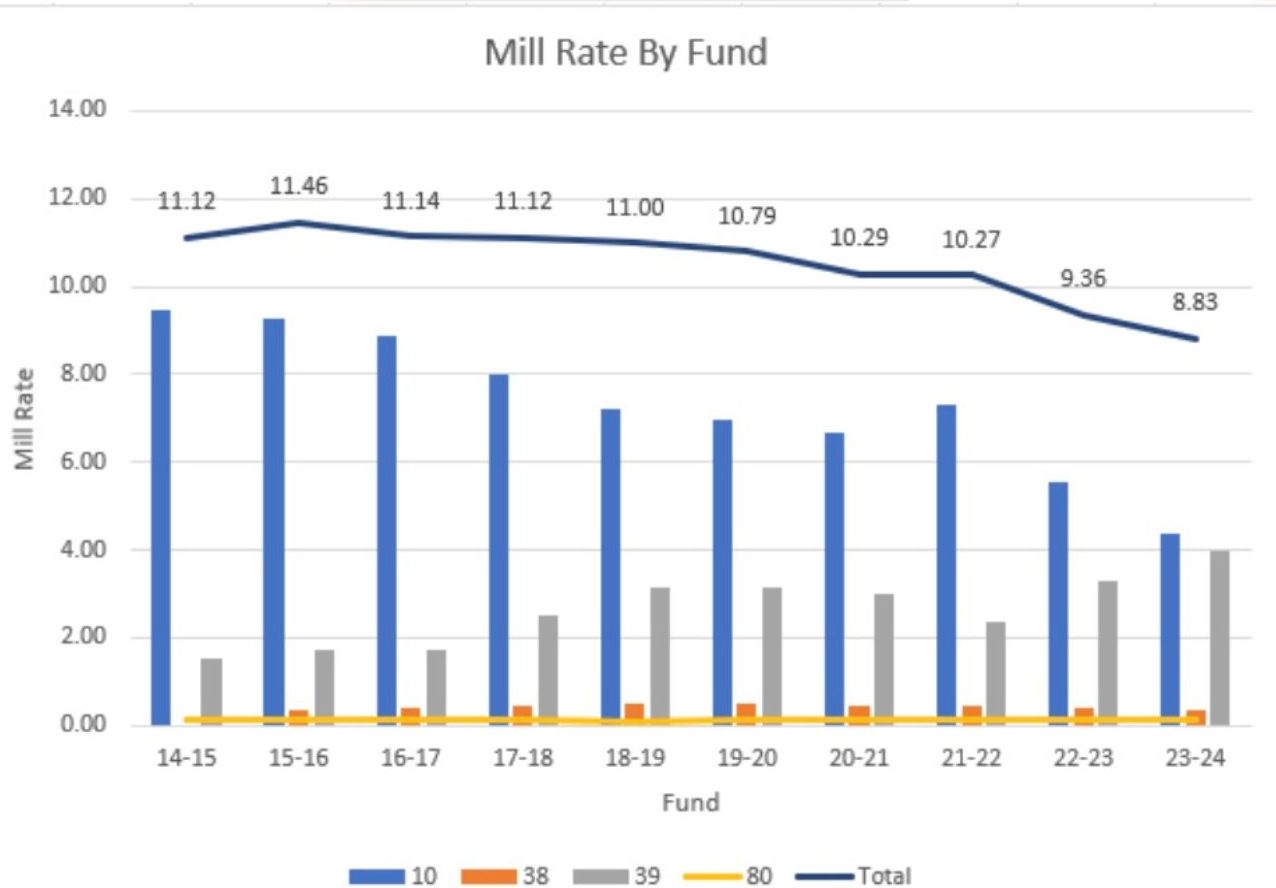


2024-25 Budget

- **End of ESSER Funding**
- **Budget Deficit**
- **Salary/Benefit Costs**



Mill Rate History





Budget Information

Budget assumptions presented in January, 2024 have been used to build the 2024-25 initial budget. The budget reconciliation plan approved by the Board in April accepts all presented assumptions in development of the initial budget:

- **Expense**: One of the initial foundational assumptions built into the fiscal projection model was to increase all employee group wage/salaries by 3%.
- **Expense**: Aggregate health insurance premiums were assumed to increase 4% for 2024-2025 and this remains to be the case in the initial budget.
 - Freedom Network High Deductible Health Plan premiums will increase 4%
 - Signature Network High Deductible Health Plan premiums will increase 4%
 - Signature Network Traditional Plan premiums will increase 4%
- **Expense**: Most non-personnel expenses are assumed to remain flat or increase slightly for the 2024-25 initial budget.
- **Revenue**: An increase in the revenue limit of \$325 per pupil is being budgeted
- **Revenue**: The special education reimbursement rate is budgeted to remain the same at approximately 33%



Current Financial Position

- ▶ 24-25 budget deficit of \$1.5 million
- ▶ Five Year Forecast:

	BUDGET FY - 2024	FY - 2025	% Δ	FY - 2026	% Δ	FY - 2027	% Δ	FY - 2028	% Δ	FY - 2029
REVENUE										
Local Sources	\$25,196,122	\$23,220,746	▼ -7.84%	\$21,416,046	▼ -7.77%	\$21,135,703	▼ -1.31%	\$20,794,902	▼ -1.61%	\$20,419,751
State Sources	\$78,988,343	\$83,621,520	▲ 5.87%	\$87,656,405	▲ 4.83%	\$90,725,957	▲ 3.50%	\$93,680,439	▲ 3.26%	\$96,654,183
Federal Sources	\$10,472,670	\$4,163,041	▼ -60.25%	\$3,970,795	▼ -4.62%	\$3,970,795	0.00%	\$3,970,795	0.00%	\$3,970,795
Other	\$2,771,139	\$2,915,924	▲ 5.22%	\$2,975,900	▲ 2.06%	\$3,051,500	▲ 2.54%	\$3,127,100	▲ 2.48%	\$3,177,500
TOTAL REVENUE	\$117,428,274	\$113,921,231	▼ -2.99%	\$116,019,146	▲ 1.84%	\$118,883,955	▲ 2.47%	\$121,573,236	▲ 2.26%	\$124,222,229
EXPENDITURES										
Salary and Benefits	\$78,363,438	\$78,245,561	▼ -0.15%	\$80,098,988	▲ 2.37%	\$82,013,604	▲ 2.39%	\$83,991,476	▲ 2.41%	\$86,030,199
Other Objects	\$39,780,895	\$37,159,696	▼ -6.59%	\$38,354,451	▲ 3.22%	\$39,026,020	▲ 1.75%	\$39,734,966	▲ 1.82%	\$40,412,325
TOTAL EXPENDITURES	\$118,144,332	\$115,405,257	▼ -2.32%	\$118,453,439	▲ 2.64%	\$121,039,625	▲ 2.18%	\$123,726,442	▲ 2.22%	\$126,442,525
SURPLUS / DEFICIT	(\$716,058)	(\$1,484,026)		(\$2,434,293)		(\$2,155,669)		(\$2,153,205)		(\$2,220,295)
Change over Previous Year		(\$767,968)		(\$950,267)		\$278,624		\$2,464		(\$67,090)
BEGINNING FUND BALANCE	\$32,288,574	\$31,572,516		\$30,088,490		\$27,654,197		\$25,498,528		\$23,345,323
ENDING FUND BALANCE	\$31,572,516	\$30,088,490		\$27,654,197		\$25,498,528		\$23,345,323		\$21,125,028
FUND BALANCE AS % OF EXPENDITURES	26.72%	26.07%		23.35%		21.07%		18.87%		16.71%



Referendum Information

- **Operational Referendum**

- A school district may ask voters to exceed the allowable maximum revenue through a voter approved referendum to support operational expenses
- Recurring Referendum – never stops
- Non-Recurring Referendum – exists for a defined period of time

- **Capital Referendum**

- A school district may ask voters to exceed the allowable maximum revenue through a voter approved referendum to support capital expenses
- Allows the district to borrow funds immediately and pay back over time
- Alleviates the tax burden of a long term capital asset over a longer period of time

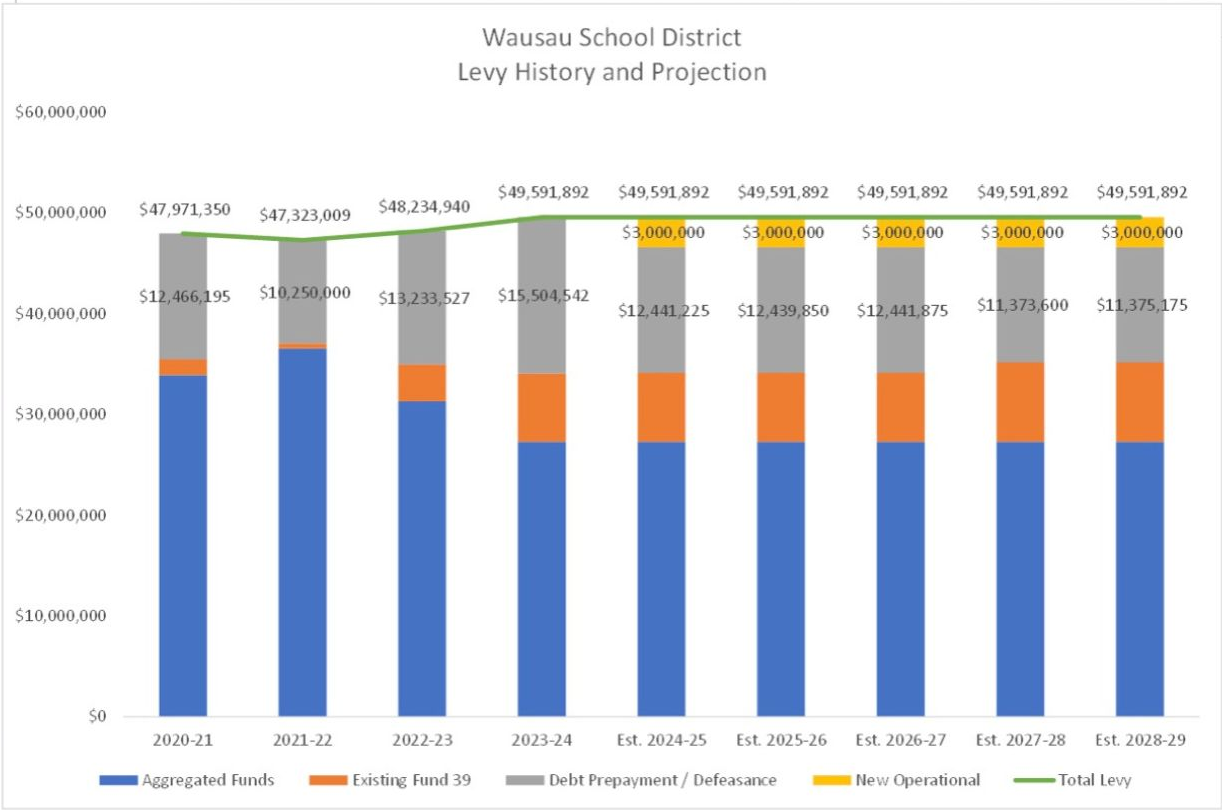


Debt Defeasance

- **Annually the Board of Education approves a final tax levy and mill rate**
 - **Depending upon variables flexibility with Debt Levy**
 - **State Aid**
 - **School Levy Credit**
 - **Net New Construction**
- **Additional levy ABOVE annual principal and interest payments provides flexibility**
 - **Continuation of additional levy vs. replacement with operational referendum**



Tax Impact





Important Considerations

- Since 2017 School Districts are limited to when a referendum question can be asked and the number in any calendar year
 - Referendum questions allowed during general elections and primaries
 - Popular approach is Spring General Election or Fall Gubernatorial/Presidential Elections
 - Even years allow for April and November (non-primary)
 - Odd years allow for only April (non-primary)
- School Districts are capped at two referendum questions in any calendar year



Footprint Change Considerations



Questions?