

APPLETON AREA SCHOOL DISTRICT

Public Hearing - 2022-2023 Budget Presentation

1. Meeting Opening

A. Roll Call

President Kay Eggert called the Public Hearing to order at 6:00 PM.

Members present: Kay Eggert, Pheng Thao, James Bowman. Kristine Sauter, Deb Truymen, Edward Ruffolo, and James Bacon

2. Budget Presentation

A. 2021-2022 Budget Summary Recap

Holly Burr, Executive Director of Finance for the Appleton Area School District, began the meeting by presenting a recap of the 2021-2022 fiscal year. This was our first year of the Biennial State budget and we did not see a change in the Revenue Limit. The State aid and general Tax Levy were also fairly level to the previous year. There was an increase in levy for private vouchers, of about \$750,000. We also did receive ESSER funding of about \$6,800,000.

The total expenditures (unaudited) were \$230,016,647, which includes all funding. Breaking down a few details; our ESSER related expenses totaled \$6.8 million; Compensation increases totaled \$1.0 million (pay scales and staffing changes); Health insurance decreases totaled \$458,000.

We will be carrying over approximately \$8 million in unspent dollars this fiscal year. We experienced saving on substitutes, co-curricular activities, food service and unfilled positions. Summer school expenses were again covered by ESSER funds.

The tax levy totaled \$72,683,034, which calculated to a tax levy rate (mill rate) of \$7.66, which was the lowest in over 35 years and \$.98 lower than the state average. The tax levy included \$5.5 million to prepay on debt incurred from the 2014 referendum, which will save the District in interest and leave only a \$6.36 million balance. This will be paid off in the spring of 2023.

B. 2022-2023 Enrollment

This year's 3rd Friday count is up again after a 3-year decline to 15,238. This number reflects actual students we are educating in the District. Students that open-enrolled into the District this year are 1,839. Students that open-enrolled out of the District are 880. This leaves us a positive net difference of +959. Our 10-year average is about 1,030.

C. 2022-2023 Proposed Budget

This year we are proposing a total budget of \$243.9 million. This number is based on the Referendum passing. The revenue limit is the total amount of combined State aid and property taxes we are allowed by the State to receive. As State aid goes up, the tax levy goes down. 2022-23 is the second year of the biennial State budget. We will see no increase to our portion of the revenue limit or to our categorical aid again for this year. Private school vouchers did increase about \$1,091,563 to a total of \$5,612,335. The overall revenue limit will decrease about \$2.2 million.

State equalization aid is based on last year's spending, District student membership, property values and total allocation by the State. Our State equalization aid will increase \$3,652,749 (3.85%) to \$98,432,124.

This year's budget was created under the assumption our referendum questions will pass. The tax levy will increase \$1,807,582 to \$74,490,616. A large part of this is due to the private school vouchers increase of \$1,091,563. It also includes \$6.92 million for future debt payment.

\$156.3 million is our Revenue Limit. After subtracting out Equalization Aid of \$99.6 million, our Property Tax Levy for general operations is \$56.7 million. We add in \$15.1 million, our referendum debt and \$2.6 million for our Community Services fund. Those amounts added together total \$74.5 million.

Per state statute, the Board must adopt a budget and tax levy before November 1, with certification to the Municipalities occurring by November 10. We have two referendum questions on the November 8 ballot. We will be asking the Board to approve the Budget and the Tax Levy in what is called, “In the Alternative” which means to approve one budget and levy if the referendum passes, and another if it fails. The only difference in the budgets is for future debt payment.

The property tax rate history showing the amount and state average was included, as this year will be the lowest in over 35 years at \$7.10.

Holly Burr broke down some specifics in the budget. The General Fund is our main operating fund making up over 80% of our total budget. We are projecting a decrease in revenues of about \$2 million. State aids and grants are up \$3.26 million and local revenues, made up mostly on the tax levy, but also include student fee and donations, are down \$4.99 million. The largest portion of our funding comes from State aid, followed by local funding, interdistrict funds (such as open enrollment) and finally, Federal grants.

The General Fund expenditures proposed are salary increases of \$3.0 million, benefit increases of \$3.2 million, and purchased services increases of \$4 million. This is a little larger than normal due to inflation. The total comes to \$199,933,991. That is an increase of about \$3.27 million.

The fund balance is increased when our revenues for a year exceed our expenditures for a year. It is often referred to as a carryover. We would like to keep this balance around 25% of expenditures. The current balance of \$59,583,238 is closer to 30%. This year’s revenues are projected to be less than our expenditures by \$3,270,206 million. We will be using this amount out of our fund balance to balance the budget for the year. This is a strategic, planned, and fiscally responsible way to maintain a healthy fund balance, while not affecting programs at the schools.

Lastly, other funds include:

Funds 21 & 29	Other Special Projects	\$ 3,500,000
Fund 27	Special Education	\$38,594,500
Fund 39	Referendum Debt	\$ 6,440,252
Fund 41	Capital Projects	\$ 5,000,000
Fund 50	Food Service	\$ 9,900,000
Fund 80	Community Service	\$ 3,270,206

3. Public Input

A. Public Input

Kay Eggert asked for any questions or comments related to the Budget Public Hearing

- An Appleton resident posed a question related to the Budget. No more questions or comments were put forward.

4. Adjourn

A. Motion to adjourn

Kay Eggert adjourned the Public Hearing at 6:30 PM.