

April 24th, 2017

Budget Workshop

The School District of North Fond du Lac

- *Maria Putzer – Business Manager*
- *Aaron Sadoff - Superintendent*



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Working Together for the Success of All.



The School District of North Fond du Lac

Vision

The North Fond du Lac School District, in cooperation with the community, is committed to providing an outstanding educational program in a safe and nurturing environment built upon mutual trust and respect, and designed so all individuals become lifelong learners.

Motto

*“Working Together for the
Success of All.”*

School Board

Pete Chisholm - President
Stephen Hock – Vice President
Vickie Goldapske - Clerk
Mike Streetar – Treasurer
Melissa Will – Member

Superintendent

Aaron Sadoff

Disability

Accommodations

Notice

Upon request to the superintendent, submitted twenty-four hours in advance, the District shall make reasonable accommodation including the provision of informal material in an alternative format for a disabled person to be able to attend this meeting.

The School District of North Fond du Lac Notice of School Board Meeting

Notice is hereby given that a Budget Workshop of the Board of Education of the School District of North Fond du Lac will take place on Monday, April 24th, 2017 at 6:00 p.m. in the District Meeting Room

Aaron Sadoff – Superintendent

AGENDA

- A. Call to Order
- B. Roll Call
- C. Report on Public Notice
- D. Pledge of Allegiance
- E. New Business
 1. Review Budget Guideline Goals
 2. Review Budgeting Timeline
 3. Review 2016-2017 Budget
 4. Review 2016-2017 Budget Revisions
 5. Review 2017-2018 and 2018-2019 Budget Projections
 - a. Costs/Savings/Cash Flow
 - b. Bond – Referendum Information and Impact
 - c. April 2019 – Possible Operational Referendum
 6. Schedule next budget workshop
- F. Adjourn

Budget Guideline Goals – The School District of North Fond du Lac

- Budget on a 2-year fiscal cycle
- Maximize local resources and look for alternative revenue sources
- Prioritize and allocated funds within budget (work to not short-term borrow)

To: Board of Education
From: Maria Putzer
Date: April 24, 2017
RE: Budget Workshop



2016-17 Budget Update

We still have a little over two months to go, however, everything looks to be on track to have a balanced 2016-17 budget. This is great news and a testament to everyone's dedication to the District! Increased enrollment has been a big contributor and has had a favorable impact on our revenue limit. I am providing a spreadsheet which goes into some detail as to where budget differences have occurred. I will update this document for the May meeting and will present you with a formal request for a budget revision that will be submitted to the DPI. As you know, by submitting this budget revision prior to year-end, DPI will be able to provide us with a more accurate Aid estimate for the 17-18 fiscal year. If a surplus should occur for 2016-17, the recommendation would be to deposit it into Fund 73 to offset future retiree benefits while still receiving aid on that amount.

We still have some large expenditure items that will determine our final year-end position but I remain confident that we will be very close to balanced which means we will have maintained an approximate 21% fund balance.

2017-18 Budget Forecast

The Governor's budget has not been finalized and may not be finalized until late Spring or Mid-Summer. However, we still need to make staffing and facilities decisions that impact next year. Currently, the Governor's budget includes an increase of \$200 per pupil in Categorical Aid for 2017-18. This is in no way a done deal but it has been used to develop our 17-18 budget. I caution you that if this number is less than \$200 per pupil, we will have to revisit the budget.

At first glance, it appears we could be facing a deficit of \$521,529. This is the result of our conservative budgeting philosophy. If we take a less conservative approach and budget more according to trend, the result could be a deficit of \$115,529. While we still value the more conservative approach to budgeting, it would be beneficial to budget more realistically in order to preserve our bond rating. Bond rating can have an effect on the interest rate we pay for the bonds we issue from the referendum. I am including a spreadsheet describing both options as well as the assumptions used in creating the budget. Please note that even a deficit of \$115,529 could result in short term borrowing in the Fall. This would result in some interest costs that have not been budgeted for. Also, keep in mind that it is very early. We have many key pieces of information besides the State budget that drastically impact the District budget. Some of those key pieces are enrollment (determined in September), open enrollment (determined in September) and health insurance rates (determined in November). I will continue to update you as I have more information.

2018-19 Budget Forecast

The Governor's budget includes an increase of \$204 per pupil in Categorical Aid for 2018-19. Again, this is not a done deal but it has been used to create a very preliminary budget for 2018-19. At first glance, the deficit appears to be \$410,000. This is a result of using the LESS conservative and more trend-like budgeting approach as in 2017-18. Taking the traditional conservative approach would have resulted in over an \$800,000 deficit. This is a rough estimate assuming a 10% increase in our 2019 insurance premium renewal as well as an average 3% salary increase for staff, and \$30,000 from FD 73 to offset retiree benefit costs. This would exhaust FD 73. It also assumes flat enrollment from 2017-18. A deficit of \$410,000 could take our fund balance down to 16% which would definitely result in short-term borrowing.

SCHOOL DISTRICT OF NORTH FOND DU LAC

2017-2018 BUDGET TIMELINE

Dates	Who	Goal
November and December 2016	Superintendent Business Manager	<ul style="list-style-type: none"> • Conduct preliminary budget analysis
January 2017	Superintendent Business Manager	<ul style="list-style-type: none"> • Continue budget analysis. • Distribute 2016-2017 budget expenditure reports & 2017-2018 building budget • Allocations to Building principals.
February 2017	Administrative Team Superintendent Principals	<ul style="list-style-type: none"> • Continue Budge Analysis • Present “State of the District” • Gather data and begin staff and priority meetings
March 2017	Administrative Team	<ul style="list-style-type: none"> • Continue budget analysis • Work on staffing needs
April 2017	Administrative Team	<ul style="list-style-type: none"> • Principals submit budget requests and 17-18 budget summaries to business office. • Budget Workshop • Finalize staffing needs.
May 2017	Business Manager Board of Education Administrative Team Business Manager	<ul style="list-style-type: none"> • Budget workshop with superintendent and Board • Contracts and Pay Increases Decided and Issued • Present State of District Budget at Workshop • Publish 2016-17 Budget Revisions and present to Board • Continue to work on 2017-2018 Preliminary Budget
June 2017	Superintendent Business Manager	<ul style="list-style-type: none"> • Continue to work on 2017-2018 Preliminary Budget • Bond Issuance – 1st at \$19.5 million (apx) second will be in the spring Of 2018 for apx \$10 million • Update budget if State Budget is complete
July 2017	District	<ul style="list-style-type: none"> • Receive State Aid Estimate for 2017-2018 • Annual Audit
August 2017	Business Manager	<ul style="list-style-type: none"> • Finalize 2017-2018 Preliminary Budget
September 2017	District Business Manager Board of Education Superintendent Business Manager	<ul style="list-style-type: none"> • 3rd Friday Count • Adjust budget with new information • Budget Workshop – Up-Dates
October 2017	Business Manager Voters District Business Manager Board of Education Business Manager	<ul style="list-style-type: none"> • Publish 2017-2018 proposed budget 10 days prior to the Annual Meeting • Annual Meeting and approve tentative levy • Receive Equalized Aid Certification from DPI 10/15 • Adjust budget to reflect final equalized aid • Adopt final budget and tax levy at Board Meeting • Republish budget after final budget adopted

2016-17 BUDGET UPDATE 4/24/2017

	SURPLUS	DEFICIT	NOTES
ORIGINAL BUDGET		\$ 92,354.00	
REVENUE UPDATE			
EVENT ADMISSIONS		\$ -	
INTEREST ON INVESTMENTS	\$ 3,000.00		
TRANSPORTATION AID	\$ 2,800.00		
MISC REVENUE	\$ 1,300.00		
COMMON SCHOOL FUNDS		\$ 5,000.00	Less 3-21 district residents than budgeted
FOOD 4 THOUGHT		\$ 6,000.00	Double revenue entry by Business Manager
LFI TUITION		\$ 16,000.00	
STUDENT FEES		\$ 6,000.00	
TOTAL	\$ 7,100.00	\$ 33,000.00	
FD 10 EXPENDITURE UPDATE			
AUDIT	\$ 1,250.00		
ATHLETICS		\$ 7,300.00	
BOARD	\$ 5,000.00		
BRAY	\$ 15,000.00		
CAFÉ		\$ 5,000.00	
CESA ADMIN	\$ 3,000.00		
CURRICULUM		\$ 4,300.00	TRAVEL, FOOD, REMODEL, DIRECTOR CREDIT REIMBURSEMENT
CUSTODIAL SUBS		\$ 3,000.00	
DIRECTOR OF MAINT BONUS		\$ 3,000.00	
ELECTRICITY	\$ 10,000.00		
GRANT WRITING - CESA	\$ 4,000.00		
HEALTH INSURANCE RENEWAL	\$ 21,600.00		BUDGETED 10%, ACTUAL = 8.8%
HEAT	\$ 30,000.00		
HOCKEY CO-OP	\$ 1,600.00		NA THIS YEAR
HRA-DEDUCTIBLE	\$ 170,000.00		
INSURANCES	\$ 2,000.00		
IT INTERN		\$ 9,000.00	
LEGAL	\$ 1,000.00		
NURSING		\$ 1,400.00	AUDIOLOGIST SERVICES FROM FDL SCHOOLS
OPEB-RETIREEES	\$ 59,019.00		
OPEN ENROLLMENT		\$ 88,780.00	16 LESS OPI, 2 LESS OPO
ORANGE FROG		\$ 22,000.00	AUGUST STAFF DEVELOPMENT, ELEMENTARY SCHOOL BOOKS
OVER-LEVY ADJUSTMENT		\$ 6,639.00	ADJUSTMENT TO 15-16 COUNT
			SURVEY PRINTING (\$3,339 TO MINUTEMAN PRESS), SURVEY ADMIN (\$2,961 TO SCHOOL PERCEPTIONS), SURVEY RESULTS (\$2,993 TO SCHOOL PERCEPTIONS)
PRINTING		\$ 8,200.00	
PROPERTY ACCOUNTING	\$ 2,000.00		
SOFTBALL & BASEBALL SCOREBOARD INSTALLATION		\$ 9,000.00	
SURVEY		\$ 2,800.00	PHASE 2 SURVEY DESIGN (SCHOOL PERCEPTIONS)
TECHNOLOGY	\$ 25,000.00		
TESTING		\$ 1,500.00	
TRANSPORTATION		\$ 18,000.00	
WELLNESS	\$ 5,000.00		
TOTAL	\$ 355,469.00	\$ 189,919.00	
SPECIAL ED EXPENDITURE UPDATE			
ADDITIONAL AIDES (SALARY & BENEFITS)		\$ 55,337.00	
TOTAL	\$ -	\$ 55,337.00	
UPDATED SURPLUS/DEFICIT			
	\$ 362,569.00	\$ 370,610.00	
		\$ (8,041.00)	
FUND BALANCE			
		21%	
ASSUMPTIONS			
63% UTILIZATION OF ACTIVE HRA (CURRENTLY 21% USED)			
75% UTILIZATION OF OPEB (CURRENTLY 55% USED)			
MAINTENANCE ON TRACK			
SUPPLEMENTAL SPED AID OF \$150,000			
FD 73 UTILIZATION OF \$100,000 TO OFFSET OPEB			

2017-18 BUDGET UPDATE 4/24/2017

NOTES	INCREASES	DECREASES	TOTAL	DESCRIPTION
ORIGINAL BUDGET			\$ (592,719.00)	
IMMEDIATE REVISIONS				
BA TIER 3 LTSE - RECALCULATE		\$ 38,190.00		From \$88,190 to \$50,000
BA SPED AIDE (RR)		\$ 31,000.00		NOT REPLACING
SAFETY		\$ 10,000.00		CURRENTLY BUDGETED \$20,000
BUILDING REPAIRS		\$ 10,000.00		CURRENTLY BUDGETED \$83,000
ADDITIONAL TRANSPORTATION	\$ (18,000.00)			
UPDATED PROJECTION			\$ (521,529.00)	
			17.44% FUND BALANCE	
POTENTIAL REVENUE INCREASES				
2 ADDITIONAL RESIDENT FTE		\$ 18,000.00		CURRENTLY BUDGETED FLAT
10 ADDITIONAL NET OPI		\$ 67,000.00		CURRENTLY BUDGETED FLAT
TOTAL			\$ 85,000.00	
			\$ (436,529.00)	
POTENTIAL EXPENDITURE REDUCTIONS				
MAYBE HEALTH INSURANCE RENEWAL @ 9% - Not Planning		\$ 90,000.00		CURRENTLY BUDGETED 12% - get to 9% with bidding out and design change
DENTAL INSURANCE RENEWAL @ 0%		\$ 17,000.00		CURRENTLY BUDGETED 8% INCREASE (WAS 0% FOR 2017)
ACTIVE HRA (DEDUCTIBLE) @ 70% UTILIZATION		\$ 145,000.00		CURRENTLY BUDGETED 100% UTILIZATION
RETIREE HRA @ 80% UTILIZATION		\$ 34,000.00		CURRENTLY BUDGETED TREND
12% HEALTH INSURANCE PREMIUM (NOT RECOMMENDED Decide 11/2017)	\$25,000	\$ -		CURRENTLY BUDGETED 10%
\$250/\$500 DEDUCTIBLE (NOT RECOMMENDED Decide 11/2017)	\$38,000	\$ -		CURRENTLY BUDGETED \$100/\$200
HEAT/ELECTRIC		\$ 30,000.00		TREND
NEW TECHNOLOGY LEASE		\$ 5,000.00		CURRENTLY BUDGETED \$20,000
TOTAL			\$ 321,000.00	
			\$ (115,529.00)	
			20.50% FUND BALANCE	

Assumptions and Explanations of New Budget Items

ASSUMPTIONS				
\$100,000 FROM FD 73 (RETIREE BENEFITS)				\$30,000 REMAINING AFTER 17-18 SCHOOL YEAR
\$150,000 SUPPLEMENTAL SPED AID				TREND
FLAT ENROLLMENT				11 FTE DECREASE IN 16-17
\$200 PER PUPIL AID (GOVERNOR'S BUDGET NOT FINAL)				GOVERNOR'S BUDGET NOT FINAL
SALARY INCREASES - Hourly Waged/Educators/Administrators				2.50%
FLAT OPEN ENROLLMENT				NET POSITIVE 70 IN 16-17
*STAFFING - Already Added to Original Budget				
MS GUIDANCE INCREASE	\$ 23,631.00			FROM 60% TO 90%
MS/ELEMENTARY ART INCREASE	\$ 11,686.00			FROM 83% TO 100%
EL AIDE INCREASE	\$ 14,000.00			FROM 30 HOURS TO 40 HOURS
TECH ED INCREASE	\$ -			FROM 83% TO 100% - No cost due to salary change
BA TIER 3 INTERVENTIONIST	\$ 50,000.00			
HS MATH (CAPP)	\$ 43,140.00			ADD 50%
HS SCIENCE OVERLOAD	\$ 6,250.00			
NEW PSYCH	\$ 90,490.00			
NEW BA SPED TEACHER	\$ 76,691.00			
Total Staff Additions Proposed for 2017-2018	\$ 315,888.00			
UPDATED SURPLUS/DEFICIT 17-18:			\$ (115,529.00)	

*In addition to reducing a BA Aide we also reduced a 29.5 ELC Aide and an Early Childhood Social Worker