

REPORT

2022-23 Proposed Final Budget

Tuesday, October 25th
6:30 PM



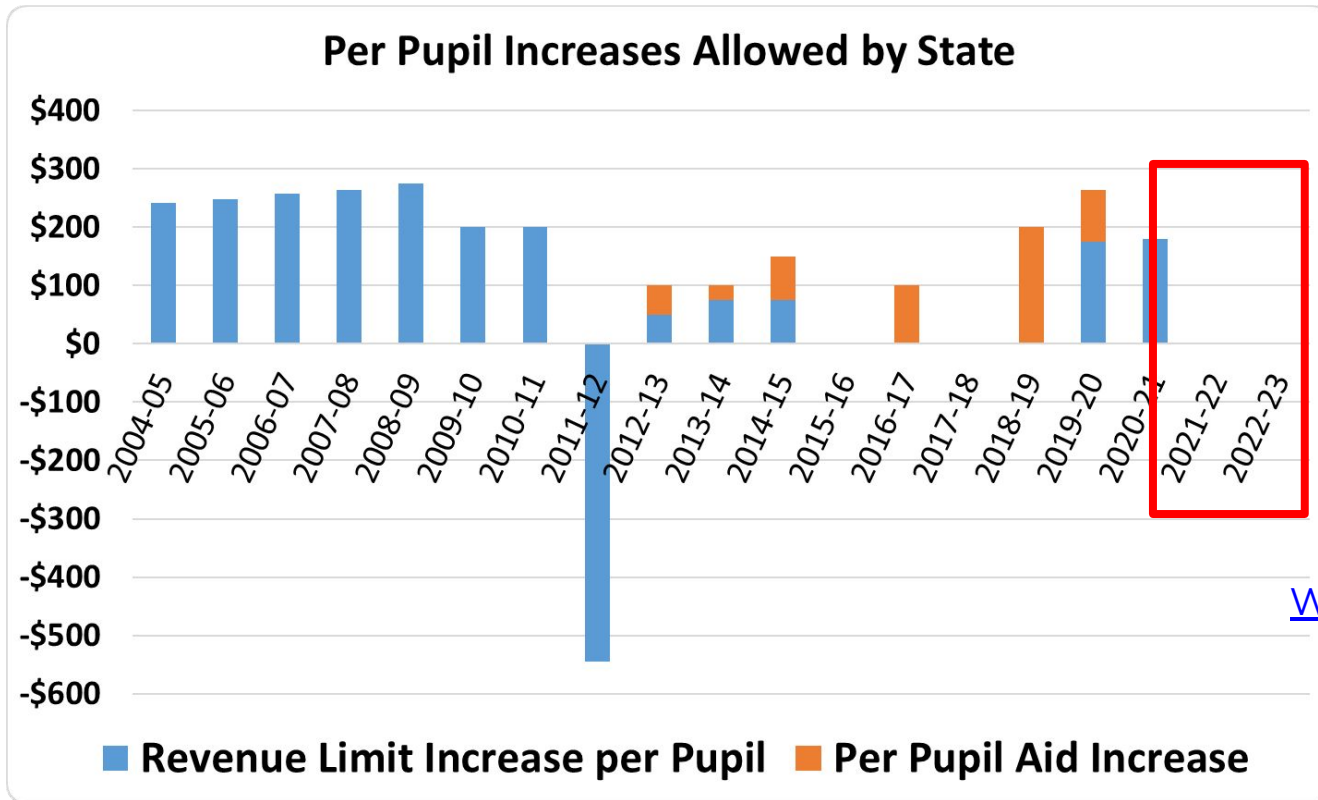
Board Discussion on Strategies

- Providing a competitive compensation and benefit package for 2022-2023 and in our financial forecasting
- Right-sizing our staff to align to current and forecasted enrollment and program needs
- Evaluation of all vacancies for possible attrition or restructuring
- Analysis of current programming to prioritize return on investment and recognize opportunities for strategic abandonment
- Engaging community in potential capital investment of a new middle school and addressing urgent security and maintenance needs
- Continued planning for an operational referendum
- Leveraging one-time ESSER funds to cover shortfalls and make strategic investments



Revenue Assumptions

NO ALLOWABLE INCREASE



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Enrollment

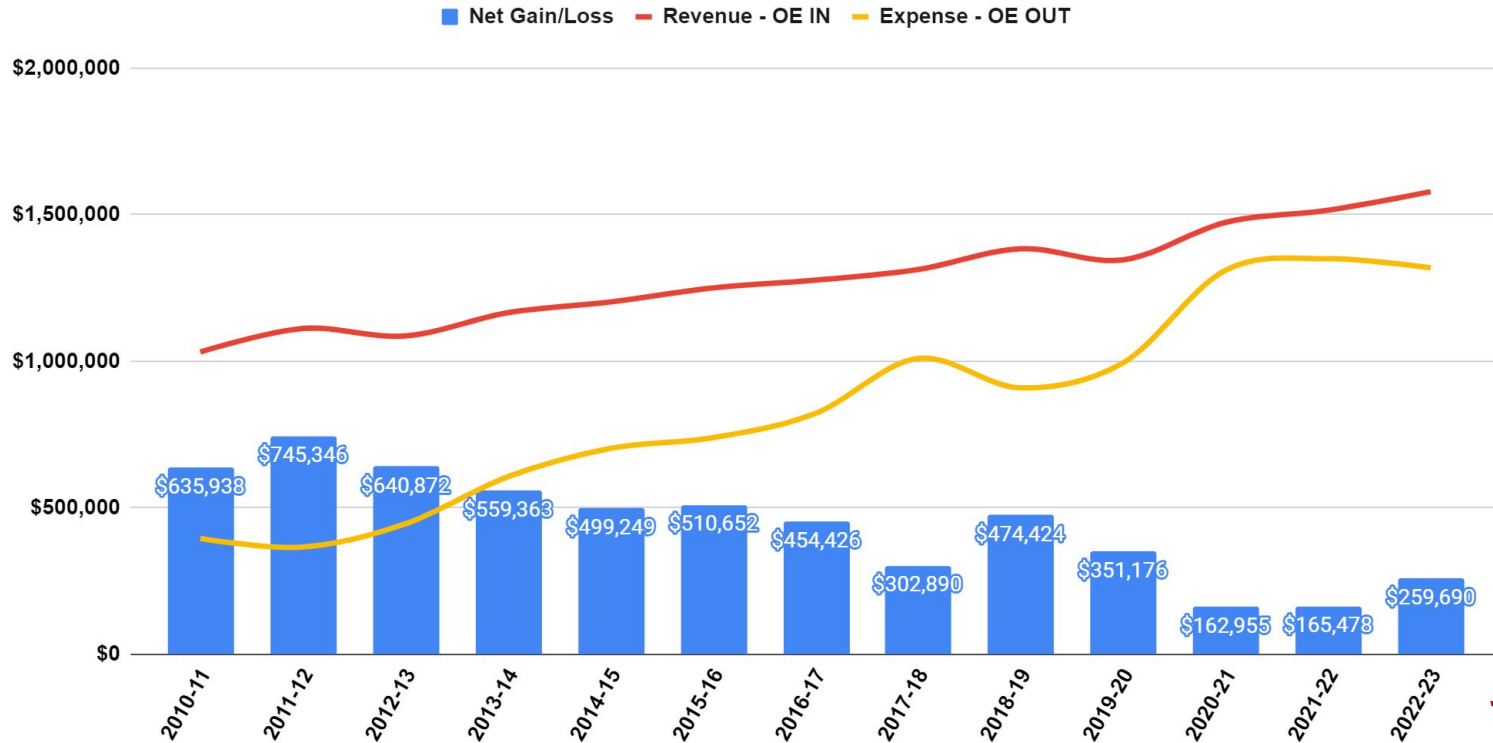
RESIDENT STUDENT FTE COUNT (For Revenue Limit Purposes)

		<u>Actual 2020/21</u>	<u>Actual 2021/22</u>	<u>Prelim Budget 2022/23</u>	<u>Actual 2022/23</u>
Resident Student FTE		2,546	2,504	2,436	2,421
	Change		-42	-68	-83
Summer School FTE		14	97	97	106
	Change		83	0	9
Total Revenue Limit FTE		2,552	2,543	2,475	2,469
	Change		-9	-68	-74



Open Enrollment

Open Enrollment History



Operating Revenue Changes (Fund 10)

Total Revenue Decrease = (\$2,189,907)

Adjust Tax Levy (No Operating Referendum Included)	(\$2,443,024)
One-Time ARPA Revenue from State	\$236,808
Increase Interest Earnings	\$160,000
Adjust State Aid to Actual	(\$132,501)
Grant Funding	\$64,858
Adjust Open Enrollment Revenue to Actual	(\$37,442)
Other State Aid	(\$12,674)
Other Miscellaneous Adjustments	(\$25,932)



Operating Expense Changes (Fund 10)

Total Expense Increase = \$360,547

Carryover of FY22 Funds (Including Grants)	\$308,762
Adjust Salaries & Benefits to Actuals	(\$256,014)
Private School Voucher Payments	\$192,686
Operating Transfer to Special Education (Fund 27)	\$190,601
Add Fund Balance Loan for Technology Devices	\$127,584
Adjust 4K Payments to Actual Enrollment	(\$121,574)
Open Enrollment	(\$110,860)
Other Miscellaneous Adjustments	\$29,362



Proposed Budget Summary

REVENUES v. EXPENDITURES

	Audited 2020/21	Unaudited 2021/22	Prelim Budget 2022/23	Original Budget 2022/23	With Referendum 2022/23
General Fund Revenues	\$40,950,876	\$42,189,961	\$44,036,130	\$41,846,223	\$44,846,223
% Change		3.03%	4.38%	-0.81%	6.30%
General Fund Expenditures	\$38,258,637	\$40,573,211	\$42,066,727	\$42,427,274	\$42,427,274
% Change		6.05%	3.68%	4.57%	4.57%
General Fund Surplus (Deficit)	\$2,692,239	\$1,616,750	\$1,969,403	-\$581,051	\$2,418,949



Proposed Tax Levy

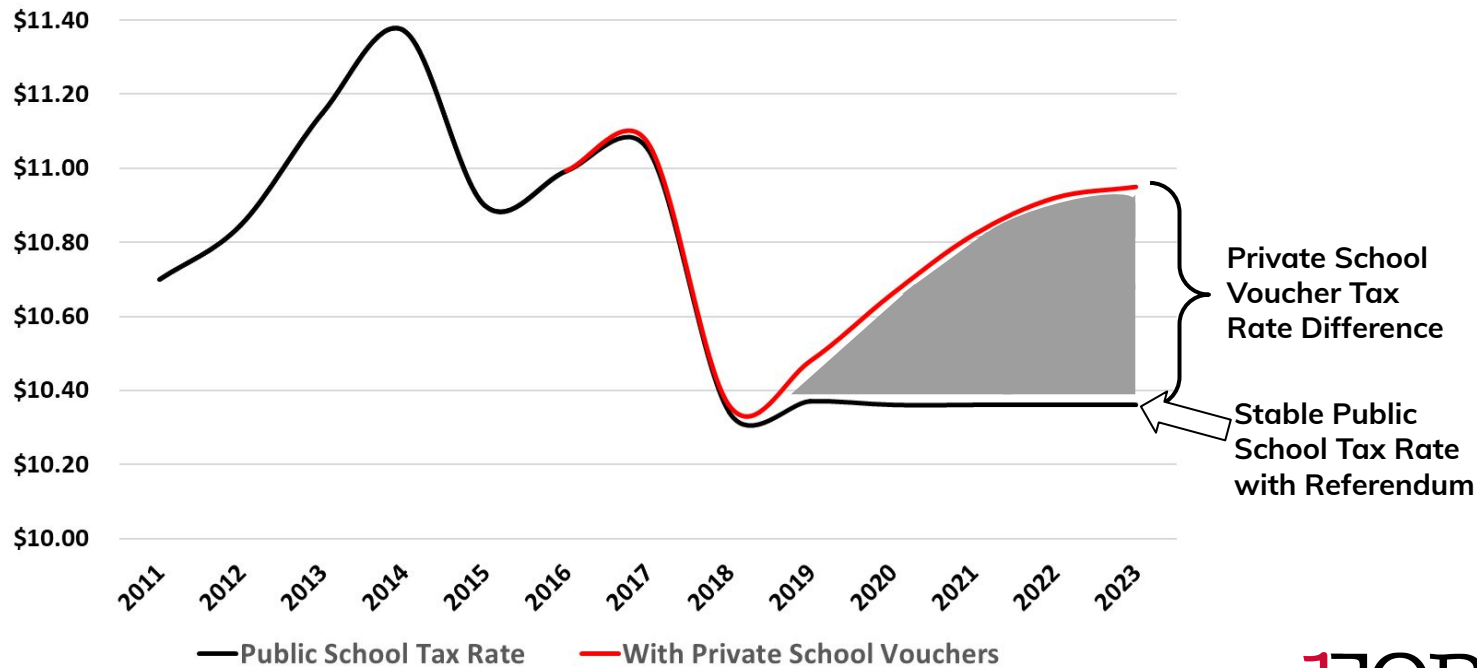
TAX LEVY

	<u>Audited</u> <u>2020/21</u>	<u>Unaudited</u> <u>2021/22</u>	<u>Prelim Budget</u> <u>2022/23</u>	<u>Original Budget</u> <u>2022/23</u>	<u>With Referendum</u> <u>2022/23</u>
General Fund	\$18,061,050	\$17,889,639	\$18,869,633	\$16,428,799	\$19,428,799
General Fund (Prior Year)	\$0	\$2,198	\$2,198	\$0	\$0
Non-Referendum Debt Service Fund	\$0	\$192,093	\$193,375	\$193,375	\$193,375
Referendum Debt Service Fund	\$40,602	\$1,445,000	\$1,063,363	\$518,331	\$2,750,000
Total Tax Levy	\$18,101,652	\$19,528,930	\$20,128,569	\$17,140,505	\$22,372,174
% Change		7.88%	3.07%	-12.23%	14.56%
Mill Rate w/ Vouchers	\$10.82	\$10.92	\$10.92	\$8.39	\$10.95
Mill Rate w/o Vouchers	\$10.36	\$10.36	\$10.37	\$7.80	\$10.36



Tax Levy Rate History

School District of Fort Atkinson Tax Rate
(Per \$1,000 of Property Value)



Proposed Referendum Plan

- Debt Retirement + Increased State Aid Allow for Projected Minimal Tax Rate Impact Over Next Four Years
- November, 2022 Referendum
 - Secure Entries + Urgent Maintenance + HS Traffic = \$22M (20-year bonds)
 - \$3 Million Recurring Operational
 - 3-Year Non-Recurring Operational
 - \$4 Million in 2023-24 & 2024-25
 - \$5 Million in 2025-26
 - What is levied for operations in 2023-26 will depend on financial changes - these would be maximums and could be lower
- Plan & Message for November 2026 Middle School Referendum



Tax Impact

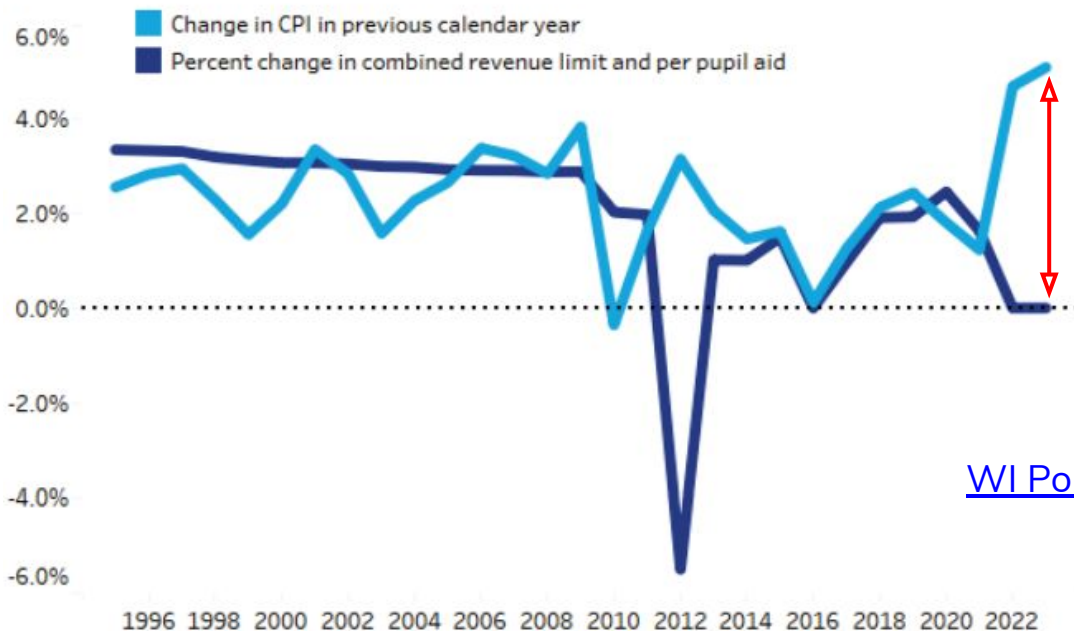
- Intention = Public School Tax RATE remains stable
- What does this mean?
 - If a home's value increases, school taxes on the property will increase accordingly
 - If Private School Vouchers increase, the school tax rate and taxes on the property will increase accordingly



State Budget Impact

Figure 2: State School Revenue Caps No Longer Tracking Inflation

Percent change in revenue limit and per pupil aid by school year compared to the change in the Consumer Price Index



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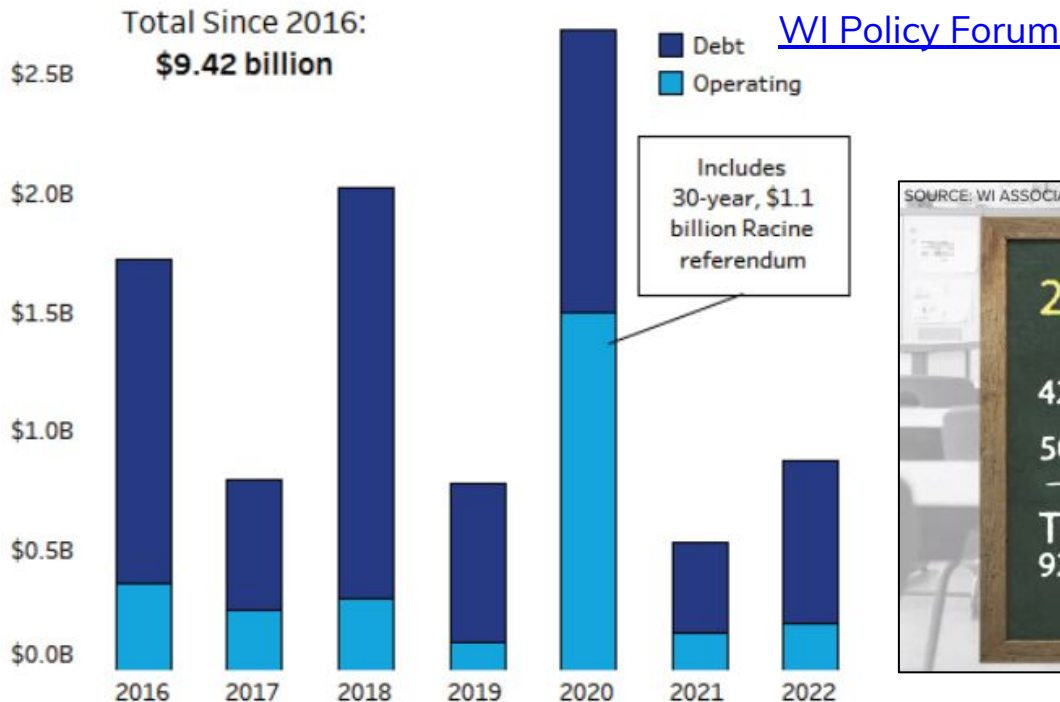
Sources: WI Department of Public Instruction, U.S. Bureau of Labor Statistics, and Bloomberg; the combined amount in revenue limit and per pupil aid is divided by the average revenue limit per member and the change in the Consumer Price Index is calculated with calendar year averages and a 2022 forecast.



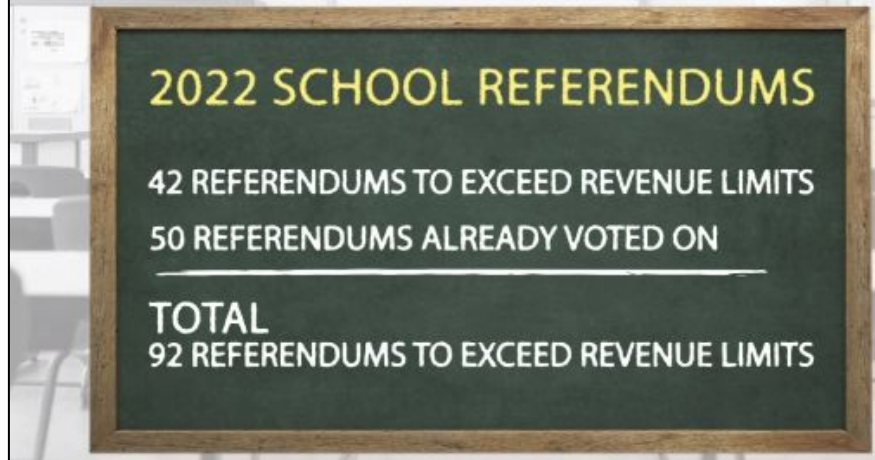
State Budget Impact

Figure 3: Billions Approved by Referenda in Recent Years

Addtl spending and property taxes authorized* by referendum by type



SOURCE: WI ASSOCIATION OF SCHOOL BOARDS



Source: Dept. of Public Instruction. *Dollar amounts are counted in the year that referenda passed, not necessarily in the year that taxes and spending were raised.



Budget Timeline

- October 25 → Tax Levy Determined
- November 8 → Election Day
- November 9 → Tax Levy Certified Based on Referendum Results
- November 10 → Tax Levy Sent to Municipalities



Tax Levy Resolutions

- **Both Questions Pass** → BE IT RESOLVED that the tax to fund the 2022-23 School District budget be set at **\$22,372,174** and that the necessary certification of said levy be forwarded to the Clerk of the City of Fort Atkinson and the Clerk of each of the appropriate townships.
- **Capital Passes, Operational Fails** → BE IT RESOLVED that the tax to fund the 2022-23 School District budget be set at **\$22,372,174** and that the necessary certification of said levy be forwarded to the Clerk of the City of Fort Atkinson and the Clerk of each of the appropriate townships.
- **Operational Passes, Capital Fails** → BE IT RESOLVED that the tax to fund the 2022-23 School District budget be set at **\$20,140,505** and that the necessary certification of said levy be forwarded to the Clerk of the City of Fort Atkinson and the Clerk of each of the appropriate townships.
- **Both Questions Fail** → BE IT RESOLVED that the tax to fund the 2022-23 School District budget be set at **\$17,140,505** and that the necessary certification of said levy be forwarded to the Clerk of the City of Fort Atkinson and the Clerk of each of the appropriate townships.



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