

# Kaukauna Area School District

2019-20 Budget Hearing and Tax Levy Certification

October 28, 2019

# 2019-20 Budget Hearing and Tax Levy Certification

- 2019-20 Budget Hearing
  - Discussion will take place on the following as outlined throughout this power point presentation
    - Certified values from the Wisconsin Department of Public Instruction
    - Projected revenues and expenditures for the 2019-2020 school year
    - Property tax levy

# Equalized Property Values

- Kaukauna School District Property Value History

- Note the continual increase by percentage in property values for the Kaukauna Area School District over the past five years. The 6.37% increase for 2019-20 is 1.37% higher than originally budgeted

• 2014-2015	\$1,884,317,513	2.59%
• 2015-2016	\$1,951,300,593	3.55%
• 2016-2017	\$2,036,256,118	4.35%
• 2017-2018	\$2,129,406,019	4.57%
• 2018-2019	\$2,278,369,173	7.00%
• 2019-2020	\$2,423,396,071	6.37%

- The 2019-20 property valuation will be certified on October 15<sup>th</sup>. The expected property valuation increase of 6.37% is above the 5% budgeted and will cut down the mill rate charged by KASD
  - Budget forecast models moving forward have a 5.0% property value increase per year built into the equation

# Revenue Limit

- Revenue Limit History

- KASD must follow the same formula as all other Wisconsin public schools when generating maximum allowable revenue to complete general operations. The complex equation creates a cap from which, coupled with equalized aid, a tax levy can be generated. For historical perspective the recent Kaukauna School District revenue limits are shown below:

• 2014-2015	\$41,643,240	
• 2015-2016	\$42,262,755	1.49% increase
• 2016-2017	\$42,945,059	1.61% increase
• 2017-2018	\$47,436,355	10.46% increase
• 2018-2019	\$48,981,986	3.26% increase
• 2019-2020	\$51,126,905	4.38% increase

- The spike from 2016-2017 to 2017-2018 was generated when the District added energy efficiency projects to its overall spending which allowed for an immediate increase in the revenue limit formula amount

- \$4,312,843 of the \$4,491,296 increase in 2017-2018 was due to the EEE project

- With State of Wisconsin budget passage \$175 per student was allowed for additional revenue limit resources for 2019-2020 which added over \$800,000 to the allowed amount

# Revenue Limit Formula: Key Components

- Key Components to the Revenue Limit Formula
  - Already a complex equation, the Wisconsin revenue limit worksheet has progressed to a new level with the implementation of recurring and non-recurring exemptions
    - Recurring exemptions are allowed to be carried from year-to-year and include items such as prior year carryover, transfer of service and recurring referenda to exceed the revenue limit
      - Transfer of service came into play for Kaukauna Schools in 2019-2020 as a high cost special education student moved into the District during 2018-2019. This exemption allows KASD to increase the revenue limit moving forward to offset the unexpected cost
    - Non-recurring exemptions are counted in the current year only and then removed from the base in subsequent years. Included in this category are amounts for declining enrollment, energy efficiency costs, prior year open enrollment not already aided, and the private school voucher program
  - Standard items that are tied to the revenue limit formula include the prior year revenue limit base, three year rolling pupil count average, property valuation, and allowable revenue limit per member allocation increase

# Revenue Limit Formula: Key Components

- Energy Efficiency Exemption (Non-recurring Exemption)
  - The District's Energy Efficiency Exemption construction is now 99% complete with payback of the \$52 million borrowing taking place over the next eight years. Below is a chart showing the impact of the borrowing on the revenue limit formula and the mill rate impact (actual through this year, projected moving forward)
    - Note the impact of the EEE borrowing on the revenue limit for 2019-2020 is a \$5,675,836 exemption (increase to the revenue limit) with the mill rate impact set at \$2.34 per \$1,000 of value or \$351 on a \$150,000 property

Kaukauna Area School District - Energy Efficiency Borrowing Mill Rate Impact					
Fiscal Yr	Energy Eff Tax	Property Value	EEE Mill Rt	Mill Rate	EEE % Mill
2014-15		\$ 1,884,317,513.00	\$ -	\$ 9.13	0.00%
2015-16	\$ 103,056.00	\$ 1,951,300,593.00	\$ 0.05	\$ 9.13	0.58%
2016-17	\$ 342,435.00	\$ 2,036,256,118.00	\$ 0.17	\$ 8.81	1.91%
2017-18	\$ 4,312,843.00	\$ 2,129,406,019.00	\$ 2.03	\$ 9.20	22.01%
2018-19	\$ 5,046,480.00	\$ 2,278,369,173.00	\$ 2.21	\$ 8.70	25.46%
<b>2019-20</b>	<b>\$ 5,675,836.00</b>	<b>\$ 2,423,396,071.00</b>	<b>\$ 2.34</b>	<b>\$ 8.75</b>	<b>26.77%</b>
2020-21	\$ 5,873,305.00	\$ 2,544,565,874.55	\$ 2.31	\$ 9.01	25.62%
2021-22	\$ 5,975,679.00	\$ 2,671,794,168.28	\$ 2.24	\$ 8.88	25.19%
2022-23	\$ 6,048,205.00	\$ 2,805,383,876.69	\$ 2.16	\$ 8.92	24.17%
2023-24	\$ 6,152,816.00	\$ 2,945,653,070.53	\$ 2.09	\$ 8.86	23.58%
2024-25	\$ 6,200,221.00	\$ 3,092,935,724.05	\$ 2.00	\$ 8.77	22.86%
2025-26	\$ 6,193,529.00	\$ 3,247,582,510.25	\$ 1.91	\$ 8.70	21.92%
2026-27	\$ 2,800,525.00	\$ 3,409,961,635.77	\$ 0.82	\$ 7.00	11.73%
2027-28	\$ -	\$ 3,580,459,717.56	\$ -	\$ 6.15	0.00%

# Revenue Limit Formula: Key Components

- Private School Voucher Program (Non-recurring Exemption)
  - Wisconsin public school districts have the ability to increase their revenue limit up to an amount that offsets the aid reduction taken by the State of Wisconsin for students living in the District and attending private schools. The District does not have to tax for this aid reduction. Any tax for this is placed directly on top of the maximum levy and impacts the mill rate directly. A history of the voucher program cost and impact on mill rate is shown below
    - The impact on the 2019-2020 mill rate for voucher students is \$0.27 per \$1,000 of value or \$40.50 for a \$150,000 property. THE 82% INCREASE IN VOUCHER COST FOR KASD PUSHED THE MILL RATE HIGHER THAN THE \$8.67 PREVIOUSLY DISCUSSED TO \$8.75. KASD had budgeted an increase of \$125,000 in this area for 2019-2020

Kaukauna Area School District - Private School Voucher Program and Mill Rate Impact					
Fiscal Yr	Voucher Exemption	Property Value	Voucher Mill Rate	Mill Rate	Voucher % of Mill
2014-15		\$ 1,884,317,513.00	\$ -	\$ 9.13	0.00%
2015-16	\$ 70,471.00	\$ 1,951,300,593.00	\$ 0.04	\$ 9.13	0.40%
2016-17	\$ 91,752.00	\$ 2,036,256,118.00	\$ 0.05	\$ 8.81	0.51%
2017-18	\$ 143,292.00	\$ 2,129,406,019.00	\$ 0.07	\$ 9.20	0.73%
2018-19	\$ 361,851.00	\$ 2,278,369,173.00	\$ 0.16	\$ 8.70	1.83%
<b>2019-20</b>	<b>\$ 657,728.00</b>	<b>\$ 2,423,396,071.00</b>	<b>\$ 0.27</b>	<b>\$ 8.75</b>	<b>3.10%</b>
2020-21	\$ 853,980.00	\$ 2,544,565,874.55	\$ 0.34	\$ 9.01	3.72%
2021-22	\$ 1,014,450.00	\$ 2,671,794,168.28	\$ 0.38	\$ 8.88	4.28%
2022-23	\$ 1,186,020.00	\$ 2,805,383,876.69	\$ 0.42	\$ 8.92	4.74%
2023-24	\$ 1,366,590.00	\$ 2,945,653,070.53	\$ 0.46	\$ 8.86	5.24%
2024-25	\$ 1,503,249.00	\$ 3,092,935,724.05	\$ 0.49	\$ 8.77	5.54%
2025-26	\$ 1,653,573.90	\$ 3,247,582,510.25	\$ 0.51	\$ 8.70	5.85%
2026-27	\$ 1,818,931.29	\$ 3,409,961,635.77	\$ 0.53	\$ 7.00	7.62%
2027-28	\$ 2,000,824.42	\$ 3,580,459,717.56	\$ 0.56	\$ 6.15	9.09%

# Certified State Aid

- Certified State Equalized Aid
  - A historical review of equalized state aid for the Kaukauna Area School District is shown below including the now certified 2019-2020 value

• 2014-2015	\$26,161,556	
• 2015-2016	\$26,609,832	1.71% increase
• 2016-2017	\$27,640,022	3.87% increase
• 2017-2018	\$27,824,469	0.67% increase
• 2018-2019	\$29,143,686	4.74% increase
• 2019-2020	\$29,895,985	2.58% increase
  - Equalized state aid plays a key role in setting the tax levy amount as the total revenue limit less the aid amount yields the general operating tax levy allowed



# Fund 10 General Operations

- Fund 10 Operating Fund Balance
  - A historical look at the fund balance of the Kaukauna Area School District over the past decade is shown below as well as the projected ending fund balance as of 6/30/2020

• 2009-2010	\$3,486,486	7.28%
• 2010-2011	\$4,197,876	8.62%
• 2011-2012	\$6,676,234	14.97%
• 2012-2013	\$5,710,367	11.93%
• 2013-2014	\$5,248,038	10.67%
• 2014-2015	\$5,518,999	11.13%
• 2015-2016	\$3,869,475	7.32%
• 2016-2017	\$3,883,054	7.33%
• 2017-2018	\$4,454,219	8.02%
• 2018-2019	\$5,087,535	8.96%
• 2019-2020	\$5,587,535	9.52%

# Fund 10 General Operations

- Fund 10 General Operations Budget 2019-2020
  - Note the projected \$500,000 add to fund balance with revenues at \$51,527,186 and expenditures at \$51,027,168
    - Fund 10 budget includes capital projects as outlined in the October 14<sup>th</sup> meeting of \$1,067,093 as well as \$333,854 in other projects yielding a true surplus of \$1,900,947 (capital projects + \$500,000 to fund balance)
    - As presented, Fund 10 is showing a tax to the fullest amount

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
200	REVENUE FROM LOCAL SOURCES	\$ 15,666,822.00	\$ 15,001,084.55	\$ 15,726,809.50	\$ 15,087,880.32	\$ 15,331,116.31
300	INTERDISTRICT PAYMENTS W/IN WI	\$ 1,066,334.00	\$ 1,144,493.00	\$ 1,011,660.00	\$ 924,697.64	\$ 715,174.66
500	REVENUE FROM INTERMEDIATE SRCS	\$ 37,037.33	\$ 31,818.79	\$ 50,596.67	\$ 38,971.75	\$ 31,500.15
600	REVENUE FROM STATE SERVICES	\$ 34,176,876.48	\$ 32,903,810.53	\$ 30,243,256.84	\$ 29,162,700.41	\$ 27,686,850.62
700	REVENUE FROM FEDERAL SOURCES	\$ 538,267.11	\$ 623,263.23	\$ 660,725.89	\$ 543,064.55	\$ 449,970.00
900	OTHER REVENUE	\$ 41,850.00	\$ 39,364.72	\$ 136,607.28	\$ 106,413.15	\$ 31,229.31
<b>10 R ---</b>	<b>Revenue</b>	<b>\$ 51,527,186.92</b>	<b>\$ 49,743,834.82</b>	<b>\$ 47,829,656.18</b>	<b>\$ 45,863,727.82</b>	<b>\$ 44,245,841.05</b>
100	SALARIES	\$ 19,525,312.92	\$ 19,057,350.78	\$ 18,861,998.64	\$ 18,918,278.78	\$ 18,507,693.87
200	EMPLOYEE BENEFITS	\$ 7,437,172.22	\$ 7,188,913.32	\$ 6,623,084.98	\$ 6,295,924.98	\$ 5,643,525.52
300	PURCHASED SERVICES	\$ 15,955,709.19	\$ 15,456,633.06	\$ 13,482,616.97	\$ 13,163,229.71	\$ 13,845,122.29
400	NON-CAPITAL OBJECTS	\$ 1,968,764.96	\$ 1,601,657.92	\$ 2,321,607.47	\$ 1,925,072.32	\$ 1,306,558.43
500	CAPITAL OBJECTS	\$ 503,501.40	\$ 219,012.99	\$ 348,367.24	\$ 358,536.92	\$ 1,559,868.17
600	DEBT RETIREMENT	\$ 5,000.00		\$ 199,081.87	\$ 72,120.33	\$ 16,680.00
700	INSURANCE & JUDGMENTS	\$ 300,930.00	\$ 293,942.67	\$ 299,631.32	\$ 313,454.64	\$ 300,126.94
800	OPERATING TRANSFERS-OUT	\$ 5,273,149.73	\$ 5,217,404.82	\$ 4,981,953.81	\$ 4,751,016.82	\$ 4,635,396.95
900	OTHER OBJECTS	\$ 57,646.50	\$ 75,603.44	\$ 140,149.13	\$ 52,513.94	\$ 80,393.17
<b>10 E ---</b>	<b>Expense</b>	<b>\$ 51,027,186.92</b>	<b>\$ 49,110,519.00</b>	<b>\$ 47,258,491.43</b>	<b>\$ 45,850,148.44</b>	<b>\$ 45,895,365.34</b>
<b>10 - ---</b>	<b>GENERAL OPERATIONS</b>	<b>\$ 500,000.00</b>	<b>\$ 633,315.82</b>	<b>\$ 571,164.75</b>	<b>\$ 13,579.38</b>	<b>\$ (1,649,524.29)</b>

# Fund 27 Special Education

- Fund 27 Special Education Budget 2019-2020
  - Special Education shows a balanced budget for 2019-2020 with revenues and expenditures set at \$7,855,626
    - The transfer in to cover Special Education from Fund 10, General Operations, is earmarked at \$5,164,185
    - In 2015-2016 KASD benefit costs in Special Education were 31.5% of salary expenditures. For 2019-2020 the District is projected to spend 40.7% on benefits when compared to salary cost

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
100	OPERATING TRANSFERS - IN	\$ 5,164,185.73	\$ 5,128,409.32	\$ 4,916,433.81	\$ 4,743,430.41	\$ 4,635,396.95
300	INTERDISTRICT PAYMENTS W/IN WI	\$ 40,000.00	\$ 39,154.00	\$ 35,649.50	\$ 25,408.80	\$ 47,820.45
500	REVENUE FROM INTERMEDIATE SRCS	\$ 2,700.00	\$ 1,042.36	\$ 2,712.00	\$ 6,255.43	\$ 8,872.91
600	REVENUE FROM STATE SERVICES	\$ 1,726,807.38	\$ 1,546,077.00	\$ 1,588,989.00	\$ 1,553,648.12	\$ 1,516,233.00
700	REVENUE FROM FEDERAL SOURCES	\$ 921,933.00	\$ 935,287.96	\$ 820,128.00	\$ 793,027.25	\$ 770,963.97
<b>27 R ---</b>	<b>Revenue</b>	<b>\$ 7,855,626.11</b>	<b>\$ 7,649,970.64</b>	<b>\$ 7,363,912.31</b>	<b>\$ 7,121,770.01</b>	<b>\$ 6,979,287.28</b>
100	SALARIES	\$ 4,910,226.84	\$ 4,705,103.43	\$ 4,524,242.28	\$ 4,448,757.24	\$ 4,256,599.72
200	EMPLOYEE BENEFITS	\$ 2,000,668.68	\$ 1,896,782.73	\$ 1,763,552.63	\$ 1,623,080.11	\$ 1,343,506.19
300	PURCHASED SERVICES	\$ 781,175.47	\$ 896,153.18	\$ 954,099.38	\$ 901,250.31	\$ 1,266,211.55
400	NON-CAPITAL OBJECTS	\$ 159,605.12	\$ 110,101.30	\$ 117,023.02	\$ 133,618.35	\$ 109,209.27
500	CAPITAL OBJECTS		\$ 37,500.00		\$ 10,856.00	
900	OTHER OBJECTS	\$ 3,950.00	\$ 4,330.00	\$ 4,995.00	\$ 4,208.00	\$ 3,760.55
<b>27 E ---</b>	<b>Expense</b>	<b>\$ 7,855,626.11</b>	<b>\$ 7,649,970.64</b>	<b>\$ 7,363,912.31</b>	<b>\$ 7,121,770.01</b>	<b>\$ 6,979,287.28</b>
<b>27 - ---</b>	<b>SPECIAL EDUCATION</b>					

# Fund 38 Non- referendum Debt Service

- Fund 38 Non-referendum Debt Service Budget 2019-2020
  - The local tax levy for Fund 38, Debt Service, will be set at \$6,249,369 with a \$106,995 transfer from Fund 10 (mandatory Energy Efficiency Exemption funding) to create \$6,356,364 in revenues
  - Debt retirement payments for 2019-2020 will be \$6,421,507.50
    - The debt service revenue and expense amounts do not match annually. Revenues are taken to make debt service payments in calendar year 2020 rather than on a fiscal year basis. Expenditure amounts shown are for fiscal year (July 2019-June 2020) which are partially paid for by the tax amount carried forward from 2018-2019

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
100	OPERATING TRANSFERS - IN	\$ 106,995.00	\$ 88,995.50	\$ 65,520.00		
200	REVENUE FROM LOCAL SOURCES	\$ 6,249,369.00	\$ 5,542,891.69	\$ 4,765,751.29	\$ 834,877.50	\$ 487,610.00
800	OTHER FINANCING SOURCES			\$ 928,524.31		
900	OTHER REVENUE			\$ 1,243,232.36	\$ 530,000.00	\$ 92,805.60
<b>38 R ---</b>	<b>Revenue</b>	<b>\$ 6,356,364.00</b>	<b>\$ 5,631,887.19</b>	<b>\$ 7,003,027.96</b>	<b>\$ 1,364,877.50</b>	<b>\$ 580,415.60</b>
600	DEBT RETIREMENT	\$ 6,421,507.50	\$ 5,677,007.50	\$ 6,844,392.72	\$ 1,065,801.51	\$ 541,092.91
<b>38 E ---</b>	<b>Expense</b>	<b>\$ 6,421,507.50</b>	<b>\$ 5,677,007.50</b>	<b>\$ 6,844,392.72</b>	<b>\$ 1,065,801.51</b>	<b>\$ 541,092.91</b>
<b>38 - ---</b>	<b>BOARD APPROVED DEBT SERVICE</b>	<b>\$ (65,143.50)</b>	<b>\$ (45,120.31)</b>	<b>\$ 158,635.24</b>	<b>\$ 299,075.99</b>	<b>\$ 39,322.69</b>

# Fund 49 Capital Projects

- Fund 49 Capital Projects Budget 2019-2020
  - The completion of the Energy Efficiency Exemption projects will bring to close Fund 49 for Kaukauna Schools
    - KASD carried \$70,777 in fund balance in Fund 49 as of 6/30/2019 thus the spend down in this account (no revenues, only expenditures) will clear out Fund 49 at the end of the year

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
200	REVENUE FROM LOCAL SOURCES		\$ 292,909.08	\$ 102,903.41	\$ 43,108.52	
800	OTHER FINANCING SOURCES			\$ 24,082,720.06	\$ 23,805,900.60	\$ 2,950,000.00
900	OTHER REVENUE			\$ 22,196.15		
<b>49 R ---</b>	<b>Revenue</b>		<b>\$ 292,909.08</b>	<b>\$ 24,207,819.62</b>	<b>\$ 23,849,009.12</b>	<b>\$ 2,950,000.00</b>
300	PURCHASED SERVICES	\$ 70,777.00	\$ 17,426,115.93	\$ 10,872,447.28	\$ 11,401,456.84	\$ 434,920.04
500	CAPITAL OBJECTS			\$ 6,633,990.44	\$ 2,459,026.90	\$ 2,515,079.96
900	OTHER OBJECTS				\$ 2,096.01	
<b>49 E ---</b>	<b>Expense</b>	<b>\$ 70,777.00</b>	<b>\$ 17,426,115.93</b>	<b>\$ 17,506,437.72</b>	<b>\$ 13,862,579.75</b>	<b>\$ 2,950,000.00</b>
<b>49 - ---</b>	<b>CAPITAL PROJECTS - ENERGY EFF</b>	<b>\$ (70,777.00)</b>	<b>\$ (17,133,206.85)</b>	<b>\$ 6,701,381.90</b>	<b>\$ 9,986,429.37</b>	

# Fund 50 Food Service

- Fund 50 Food Service Budget 2019-2020
  - Operating revenues and expenditures for Food Service are budgeted at \$1,403,506 for 2019-2020 which would be a \$34,000 uptick in revenues
    - KASD's contract with Chartwells for 2019-2020 guarantees a "profit" of \$80,000 as of 6/30/2020. This figure is not built into the budget but could come into play with Fund 10, General Operations, at the end of the fiscal year due to a transfer of costs from Fund 10
    - Food Service had a fund balance of just over \$11,000 heading into 2019-2020. Those funds have been allocated for non-capital equipment purchases

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
100	OPERATING TRANSFERS - IN				\$ 7,586.41	
200	REVENUE FROM LOCAL SOURCES	\$ 831,744.14	\$ 797,530.12	\$ 805,713.57	\$ 789,607.80	\$ 778,129.18
600	REVENUE FROM STATE SERVICES	\$ 18,300.15	\$ 18,300.15	\$ 18,521.71	\$ 19,080.72	\$ 19,352.73
700	REVENUE FROM FEDERAL SOURCES	\$ 553,462.46	\$ 553,462.46	\$ 568,539.88	\$ 565,228.63	\$ 580,289.41
800	OTHER FINANCING SOURCES			\$ 39,232.95		
900	OTHER REVENUE				\$ 1,122.20	
<b>50 R ---</b>	<b>Revenue</b>	<b>\$ 1,403,506.75</b>	<b>\$ 1,369,292.73</b>	<b>\$ 1,432,008.11</b>	<b>\$ 1,382,625.76</b>	<b>\$ 1,377,771.32</b>
100	CLASSROOM TEACHER			\$ 2,086.00		\$ 52,385.84
200	EMPLOYEE BENEFITS			\$ 159.58		\$ 10,494.75
300	PURCHASED SERVICES	\$ 902,854.42	\$ 902,854.42	\$ 871,183.80	\$ 833,055.64	\$ 763,434.02
400	NON-CAPITAL OBJECTS	\$ 472,486.95	\$ 472,486.95	\$ 493,080.82	\$ 520,571.88	\$ 520,606.99
500	CAPITAL OBJECTS	\$ 5,901.76	\$ 5,901.76		\$ 6,865.00	\$ 6,865.00
900	OTHER OBJECTS	\$ 22,263.62	\$ 22,263.62	\$ 19,673.23	\$ 22,133.24	\$ 23,984.72
<b>50 E ---</b>	<b>Expense</b>	<b>\$ 1,403,506.75</b>	<b>\$ 1,403,506.75</b>	<b>\$ 1,386,183.43</b>	<b>\$ 1,382,625.76</b>	<b>\$ 1,377,771.32</b>
<b>50 - ---</b>	<b>FOOD SERVICE FUND</b>		<b>\$ (34,214.02)</b>	<b>\$ 45,824.68</b>		

# Fund 72 Scholarship Fund

- Fund 72 Scholarship Fund Budget 2019-2020
  - Expenditures are projected to outweigh revenues, per the norm unless a donation is made, in the Scholarship Fund. Basically the \$659 revenue amount is interest to be earned on CD's while the District's expense is for those scholarships paid through the funds KASD has fiduciary responsibility for

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
200	REVENUE FROM LOCAL SOURCES	\$ 659.66	\$ 659.66	\$ 35,574.65	\$ 2,347.03	\$ 3,353.77
<b>72 R ---</b>	<b>Revenue</b>	<b>\$ 659.66</b>	<b>\$ 659.66</b>	<b>\$ 35,574.65</b>	<b>\$ 2,347.03</b>	<b>\$ 3,353.77</b>
900	OTHER OBJECTS	\$ 6,050.00	\$ 6,050.00	\$ 6,415.53	\$ 6,300.00	\$ 2,050.00
<b>72 E ---</b>	<b>Expense</b>	<b>\$ 6,050.00</b>	<b>\$ 6,050.00</b>	<b>\$ 6,415.53</b>	<b>\$ 6,300.00</b>	<b>\$ 2,050.00</b>
<b>72 - ---</b>	<b>SCHOLARSHIP FUND</b>	<b>\$ (5,390.34)</b>	<b>\$ (5,390.34)</b>	<b>\$ 29,159.12</b>	<b>\$ (3,952.97)</b>	<b>\$ 1,303.77</b>

# Fund 73 Other Post Employment Benefit Fund

- Fund 73 Other Post Employment Benefit Fund Budget 2019-2020
  - The District is anticipating \$35,000 in payments from retirees on the health/dental or life insurance plan paying their portion of the premium with the expense being a transfer to Fund 10 to offset the cost of OPEB payments made during the year
    - Based on State Statute with Fund 73 documentation follows regarding funding mechanisms in the place by KASD for its post employment liability and how the District handles payments

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
200	REVENUE FROM LOCAL SOURCES	\$ 16.53	\$ 16.53	\$ 6.09	\$ 31.87	\$ 532.81
900	OTHER REVENUE	\$ 35,000.00	\$ 35,554.46	\$ 32,128.14	\$ 38,557.09	\$ 74,406.21
<b>73 R ---</b>	<b>Revenue</b>	<b>\$ 35,016.53</b>	<b>\$ 35,570.99</b>	<b>\$ 32,134.23</b>	<b>\$ 38,588.96</b>	<b>\$ 74,939.02</b>
900	OTHER OBJECTS	\$ 35,000.00	\$ 32,859.16	\$ 32,128.14	\$ 43,459.44	\$ 1,101,910.51
<b>73 E ---</b>	<b>Expense</b>	<b>\$ 35,000.00</b>	<b>\$ 32,859.16</b>	<b>\$ 32,128.14</b>	<b>\$ 43,459.44</b>	<b>\$ 1,101,910.51</b>
<b>73 - ---</b>	<b>POST EMPLOYMENT BENEFIT</b>	<b>\$ 16.53</b>	<b>\$ 2,711.83</b>	<b>\$ 6.09</b>	<b>\$ (4,870.48)</b>	<b>\$ (1,026,971.49)</b>



# Fund 73 Employee Benefit Trust Fund

- Statutory Requirements

- Balance 7/1/18 \$1,088.45
- Balance 6/30/19 \$3,800.28
- Investment gain 2018-19 \$16.53
- Payments 2018-19 \$32,859.16
- KASD has NO investment manager tied to Fund 73, Employee Benefit Trust Fund

# Fund 73 Employee Benefit Trust Fund

- Kaukauna School District Post Retirement Benefit Obligation 2019-20
  - The District will make the following payments for obligations owed to retirees
    - Health insurance \$408,714.55
    - Dental insurance \$25,704.81
    - Life insurance \$32,031.12
    - Long term care insurance \$5,872.80
    - Stipend payments \$42,440.20
    - Total Post Employment Benefit \$514,763.48
  - At present, KASD collects 12.6% per retired member for health insurance along with full payment for life insurance, should the member wish to continue on the plan, from time of retirement to age 65
    - The District will receive approximately \$33,000 during 2019-20 from former employees for these benefits or 6.37% of the total post employee benefit cost
  - The net cost to the operating budget of KASD for post employment benefits for 2019-20 is \$448,763 or 0.83% of the full year spend

# Fund 73 Employee Benefit Trust Fund

- Kaukauna Area School District Estimated Post Employment Liability
  - Key Benefit Concepts is contracted to annually perform an evaluation of the District's post employment benefit plan and create the estimated liability of the District for current and future retirees
    - Current KASD Staff Handbook benchmarks are as follows:
      - 1. To access post-employment benefits, employees must be eligible to retire under Wisconsin Retirement System provisions.
      - 2. With twenty-five (25) years of service to the District, employees currently enrolled in the District's Health and Dental Insurance Plans will be eligible for three (3) years of health and dental insurance coverage. The District will pay the same percentage of insurance premium in effect at the employee's retirement provided the employee retires. These three (3) years of coverage begin upon retirement.
      - 3. In addition employees who meet the requirement in number one may "convert" accumulated sick leave at the following conversion rate: 60 days of sick leave = 1 year of health and dental insurance (5 sick leave days equal one month coverage)
        - Employees may convert the equivalent of 120 days of sick leave for up to two (2) years of paid health and dental at the same percentage of insurance premium in effect at the employee's retirement.
      - 4. Employees on single insurance plans will not be eligible to convert to family plans when accessing this benefit.
      - 5. Eligibility for these post-employment benefits will cease upon Medicare eligibility or expiration of benefit.
    - Kaukauna's current post employee benefit liability is projected at \$9,045,590

# Fund 80 Community Service Fund

- Fund 80 Community Service Fund Budget 2019-2020
  - As shown below the tax levy for Fund 80, Community Service, for 2019-2020 is \$202,900 with expenditures matching that amount
  - Fund 80 is the only place in the tax levy equation where a modification can be made to lower the mill rate without having other implications in the revenue limit formula
    - For example, an under-levy in Fund 10 will take away a portion of potential one-time revenue limit increases for voucher students in the following fiscal year
    - The \$202,900 tax amount is \$0.08 per \$1,000 of value or approximately 0.9% of the \$8.75 maximum mill rate

		2019-20	2018-19	2017-18	2016-17	2015-16
		Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
200	REVENUE FROM LOCAL SOURCES	\$ 202,900.00	\$ 202,397.00	\$ 198,112.00	\$ 194,055.00	\$ 79,373.00
<b>80 R ---</b>	<b>Revenue</b>	<b>\$ 202,900.00</b>	<b>\$ 202,397.00</b>	<b>\$ 198,112.00</b>	<b>\$ 194,055.00</b>	<b>\$ 79,373.00</b>
100	SALARIES	\$ 21,452.72	\$ 21,606.47	\$ 23,376.41	\$ 20,541.02	\$ 21,029.75
200	EMPLOYEE BENEFITS	\$ 11,485.46	\$ 10,726.54	\$ 10,007.73	\$ 8,854.37	\$ 9,500.14
300	PURCHASED SERVICES	\$ 169,961.82	\$ 170,063.99	\$ 162,536.31	\$ 164,659.61	\$ 51,034.66
<b>80 E ---</b>	<b>Expense</b>	<b>\$ 202,900.00</b>	<b>\$ 202,397.00</b>	<b>\$ 195,920.45</b>	<b>\$ 194,055.00</b>	<b>\$ 81,564.55</b>
<b>80 - ---</b>	<b>COMMUNITY SERVICE FUND</b>			<b>\$ 2,191.55</b>		<b>\$ (2,191.55)</b>

# 2019-2020 Overall Budget

- 2019-2020 Overall Budget
  - A summary of total revenues and expenditures for 2019-2020 with comparison to prior years is shown below
    - Expenditures are at the lowest amount in five years which is directly related to the Energy Efficiency Exemption projects of 2015-2019. For true comparison the District is spending \$7,500,000 more to educate students in 2019-2020 than it did in 2014-2015 or 13.8%
      - With a five year comparison, the 13.8% increase can be broken down to roughly 2.76% per year. CPI-U annual increases over the past five years are shown below:
        - 2014-2015 1.46%
        - 2015-2016 1.62%
        - 2016-2017 0.12%
        - 2017-2018 1.26%
        - 2018-2019 2.13%
        - 2019-2020 2.44%
    - The amounts shown below do NOT include transfers between accounts and are the true revenues and expenditures for KASD. The full budget printout includes the transfer costs thus the difference in the bottom line

	2019-20	2018-19	2017-18	2016-17	2015-16
	Original Budget	FY Activity	FY Activity	FY Activity	FY Activity
TOTAL REVENUES	\$ 62,110,079.24	\$ 59,709,117.29	\$ 83,120,291.25	\$ 75,065,984.38	\$ 51,655,584.09
TOTAL EXPENDITURES	\$ 61,749,404.55	\$ 76,291,021.16	\$ 75,611,927.92	\$ 64,775,723.09	\$ 54,293,644.96

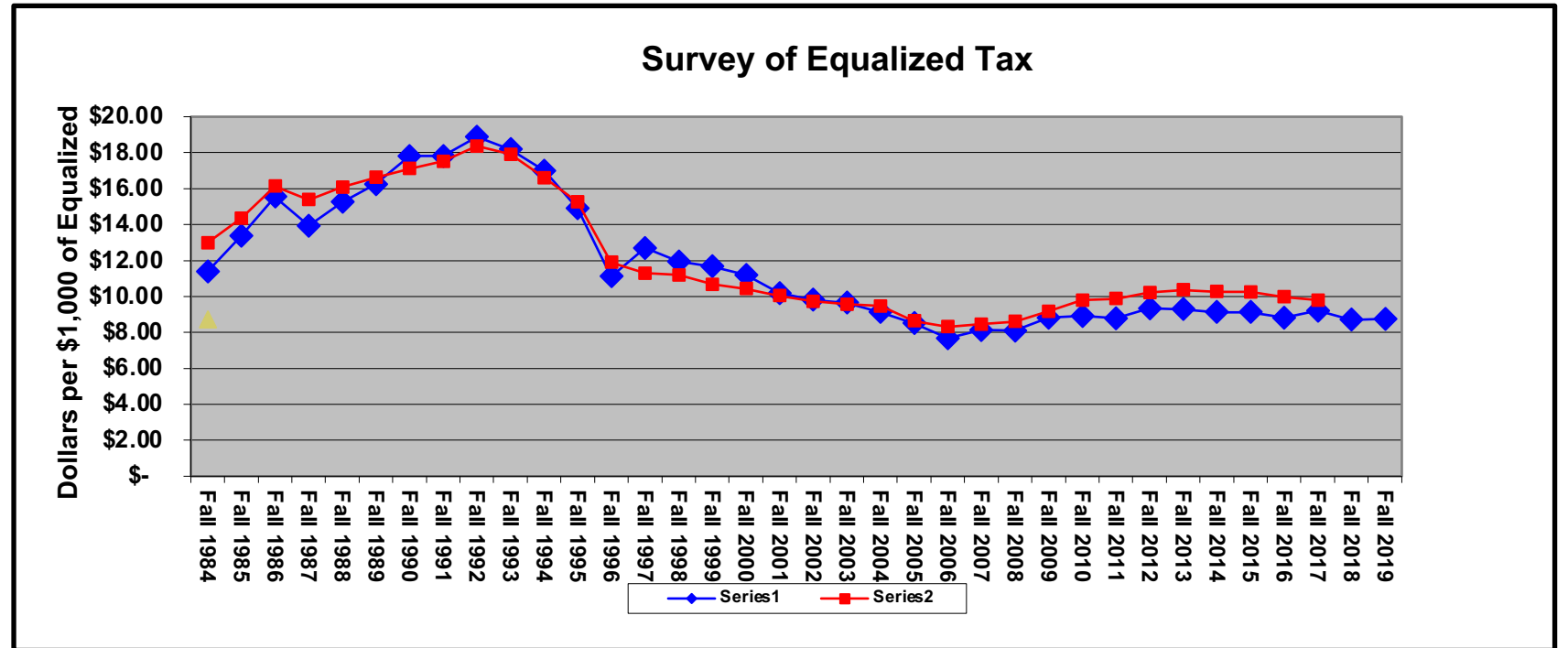
- Kaukauna Area School District Tax Levy Mill Rate History
  - Below is 36-year history of tax levy mill rates for Kaukauna Schools

Longitudinal Survey of Levies, Equalized Values, and Equalized Tax Rates*								
Kaukauna Area						Kaukauna Area	2758	
	Fall 1984	Fall 1985	Fall 1986	Fall 1987	Fall 1988	Fall 1989	Fall 1990	Fall 1991
Total Levy	\$ 4,631,902	\$ 5,502,979	\$ 6,271,109	\$ 5,729,691	\$ 6,478,166	\$ 7,256,214	\$ 8,431,922	\$ 9,065,387
Total Equalized Value	\$ 406,836,972	\$ 411,268,018	\$ 403,665,738	\$ 410,927,105	\$ 424,465,521	\$ 446,835,404	\$ 473,497,178	\$ 509,068,344
Equalized Rate	\$ 11.39	\$ 13.38	\$ 15.54	\$ 13.94	\$ 15.26	\$ 16.24	\$ 17.81	\$ 17.81
K-12 Average	\$ 12.98	\$ 14.35	\$ 16.13	\$ 15.38	\$ 16.09	\$ 16.62	\$ 17.11	\$ 17.51
	Fall 1992	Fall 1993	Fall 1994	Fall 1995	Fall 1996	Fall 1997	Fall 1998	Fall 1999
Total Levy	\$ 10,082,034	\$ 10,571,639	\$ 10,658,841	\$ 10,386,064	\$ 8,197,384	\$ 9,788,117	\$ 9,805,537	\$ 10,057,678
Total Equalized Value	\$ 534,141,578	\$ 581,327,640	\$ 626,980,228	\$ 697,412,106	\$ 737,547,545	\$ 771,466,444	\$ 821,002,920	\$ 862,833,947
Equalized Rate	\$ 18.88	\$ 18.19	\$ 17.00	\$ 14.89	\$ 11.11	\$ 12.69	\$ 11.94	\$ 11.66
K-12 Average	\$ 18.37	\$ 17.91	\$ 16.60	\$ 15.26	\$ 11.90	\$ 11.30	\$ 11.20	\$ 10.68
	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007
Total Levy	\$ 10,147,210	\$ 10,115,350	\$ 10,595,734	\$ 11,403,684	\$ 12,380,236	\$ 12,612,833	\$ 12,322,395	\$ 13,498,368
Total Equalized Value	\$ 905,743,475	\$ 993,888,384	\$ 1,079,775,816	\$ 1,181,163,288	\$ 1,355,449,264	\$ 1,484,696,697	\$ 1,604,817,678	\$ 1,659,872,622
Equalized Rate	\$ 11.20	\$ 10.18	\$ 9.81	\$ 9.65	\$ 9.13	\$ 8.50	\$ 7.68	\$ 8.13
K-12 Average	\$ 10.43	\$ 10.04	\$ 9.73	\$ 9.56	\$ 9.46	\$ 8.63	\$ 8.31	\$ 8.45
	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015
Total Levy	\$ 13,912,548	\$ 15,322,775	\$ 15,524,222	\$ 16,210,408	\$ 16,690,494	\$ 17,054,265	\$ 17,195,682	\$ 17,811,016
Total Equalized Value	\$ 1,716,585,013	\$ 1,737,982,998	\$ 1,742,986,574	\$ 1,843,177,117	\$ 1,788,398,439	\$ 1,836,671,386	\$ 1,884,317,513	\$ 1,951,300,593
Equalized Rate	\$ 8.10	\$ 8.82	\$ 8.91	\$ 8.79	\$ 9.33	\$ 9.29	\$ 9.13	\$ 9.13
K-12 Average	\$ 8.61	\$ 9.18	\$ 9.80	\$ 9.88	\$ 10.21	\$ 10.37	\$ 10.26	\$ 10.25
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Levy	\$ 17,930,401	\$ 19,586,802	\$ 19,825,198	\$ 21,204,389				
Total Equalized Value	\$ 2,036,256,118	\$ 2,129,406,019	\$ 2,278,369,173	\$ 2,423,369,173				
Equalized Rate	\$ 8.81	\$ 9.20	\$ 8.70	\$ 8.75	<i>Shown will full tax levy in all categories</i>			
K-12 Average	\$ 9.97	\$ 9.79						

# Tax Levy and Mill Rate Information

# Tax Levy and Mill Rate Information

- Kaukauna Area School District Property Tax Levy History



# Property Tax Levy and Mill Rate Information

- Kaukauna School District Tax Levy Options
  - Two options for the 2019-2020 tax levy are shown below. Given previous discussion regarding a mill rate of \$8.67 there is an option to maintain that amount. Also shown is a tax levy that sets the mill rate at \$8.75. For comparison the 2018-19 amounts are also shown

• Tax Levy Year	2018-19	2019-20 (no Fund 80)	2019-20
• Fund 10	\$14,080,039	\$14,752,120	\$14,752,120
• Fund 38	\$5,542,762	\$6,251,338	\$6,251,338
• Fund 80	\$202,397	\$0	\$202,900
• <b>Total Tax Levy</b>	<b>\$19,825,198</b>	<b>\$21,001,489</b>	<b>\$21,204,389</b>
• Fund 10 Mill Rate	\$6.18 per \$1,000	\$6.09 per \$1,000	\$6.09 per \$1,000
• Fund 38 Mill Rate	\$2.43 per \$1,000	\$2.58 per \$1,000	\$2.58 per \$1,000
• Fund 80 Mill Rate	\$0.09 per \$1,000	\$0.00 per \$1,000	\$0.00 per \$1,000
• <b>Total Mill Rate</b>	<b>\$8.70 per \$1,000</b>	<b>\$8.67 per \$1,000</b>	<b>\$8.75 per \$1,000</b>

*The option shown with a tax levy mill rate at \$8.67 removes Fund 80, Community Service from the tax levy and places the entire expense into Fund 10, General Operations. This would cut down the projected surplus in Fund 10 by \$202,900 for 2019-2020 and also potentially reduce the surplus amounts in future years*



# Five Year Budget Projection

- KASD Five Year Budget Projection
  - A five year budget forecast model is shown below. Key aspects of the projection include:
    - Removing the majority of school fees and resale revenue for budgets after 2019-2020
    - Health insurance budgeted with a 10% increase per year
    - Staffing modifications based on the downward trend of student count in some buildings
    - Full tax levy in place for 2019-2020 leaving Fund 80, Community Service, as is

Fund 10 - General Fund - Projection Summary											
2019-2020 Operating Budget - Full Tax Levy With Fund 80											
	BUDGET	REVENUE & EXPENDITURE PROJECTIONS									
	FY - 2019	FY - 2020	% Δ	FY - 2021	% Δ	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ
<b>REVENUE</b>											
Local Sources	\$15,001,089	\$15,666,825	4.44%	\$16,936,817	8.11%	\$17,638,289	4.14%	\$18,861,337	6.93%	\$19,835,915	5.17%
State Sources	\$32,903,809	\$34,176,876	3.87%	\$34,369,136	0.56%	\$35,132,713	2.22%	\$35,534,701	1.14%	\$35,982,155	1.26%
Federal Sources	\$623,263	\$538,267	-13.64%	\$538,267	0.00%	\$538,267	0.00%	\$538,267	0.00%	\$538,267	0.00%
Other	\$1,215,675	\$1,145,221	-5.80%	\$1,170,863	2.24%	\$1,310,538	11.93%	\$1,422,413	8.54%	\$1,567,363	10.19%
<b>TOTAL REVENUE</b>	<b>\$49,743,836</b>	<b>\$51,527,189</b>	<b>3.59%</b>	<b>\$53,015,083</b>	<b>2.89%</b>	<b>\$54,619,807</b>	<b>3.03%</b>	<b>\$56,356,718</b>	<b>3.18%</b>	<b>\$57,923,700</b>	<b>2.78%</b>
<b>EXPENDITURES</b>											
Salary and Benefits	\$26,246,265	\$26,962,486	2.73%	\$27,576,290	2.28%	\$28,425,760	3.08%	\$29,177,228	2.64%	\$30,184,913	3.45%
Other Objects	\$22,864,251	\$24,064,701	5.25%	\$25,438,793	5.71%	\$26,194,047	2.97%	\$27,179,490	3.76%	\$27,738,787	2.06%
<b>TOTAL EXPENDITURES</b>	<b>\$49,110,517</b>	<b>\$51,027,187</b>	<b>3.90%</b>	<b>\$53,015,084</b>	<b>3.90%</b>	<b>\$54,619,807</b>	<b>3.03%</b>	<b>\$56,356,718</b>	<b>3.18%</b>	<b>\$57,923,700</b>	<b>2.78%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$633,319</b>	<b>\$500,003</b>		<b>(\$1)</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>	
<b>Projected Surplus/Deficit</b>		<b>\$1,900,947</b>		<b>\$2,850,134</b>		<b>\$2,633,293</b>		<b>\$2,330,256</b>		<b>\$1,687,976</b>	
										<b>\$11,402,606 total</b>	

# Action Items: Tax Levy Overall Budget

- Setting the 2019-2020 Tax Levy and Overall KASD Budget
  - Two options have been presented below to the Board of Education for setting the 2019-2020 tax levy. Option 1 removes Fund 80, Community Service tax levy while Option 2 leaves it in. Option 1 would reduce the surplus amount in Fund 10 for 2019-2020 by \$202,900. After the levy is set a second motion will be needed to set the 2019-2020 overall Kaukauna Area School District budget
    - **Option 1 – Mill rate at \$8.67**
      - I hereby make a motion to set the 2019-2020 tax levy for the Kaukauna Area School District at \$21,001,489 which includes \$14,752,120 for general operations and \$6,249,369 for debt service
      - I hereby make a motion to set the 2019-2020 overall budget for the Kaukauna Area School District with revenues of \$61,907,179.24 and expenditures of \$61,749,404.55
    - **Option 2 – Mill rate at \$8.75**
      - I hereby make a motion to set the 2019-2020 tax levy for the Kaukauna Area School District at \$21,204,389 which includes \$14,752,120 for general operations, \$6,249,369 for debt service, and \$202,900 for community service
      - I hereby make a motion to set the 2019-2020 overall budget for the Kaukauna Area School District with revenues of \$62,110,079.24 and expenditures of \$61,749,404.55

*Setting the tax levy at \$21,001,489 and mill rate at \$8.67 reduces overall revenue by the \$202,900 not taxed in Fund 80. Expenditures are unchanged due to the programs being in place and moved to Fund 10*