
Kenosha Unified School District No.1

Kenosha • Pleasant Prairie • Somers



Proposed 2006-2007 Budget

April 25, 2006

Agenda

- ◆ **Introductions**
- ◆ **Budget Process for 2006-2007**
- ◆ **2005-2010 Strategic Plan**
- ◆ **Summary of Stakeholder Meetings**
- ◆ **Budget Factors for 2006-2007**
- ◆ **Revenue Budget Assumptions**
- ◆ **Expenditure Budget Assumptions**
- ◆ **Next Steps**
- ◆ **Questions**

Introductions

- ◆ **Dr. Scott Pierce – Superintendent**
- ◆ **Bill Johnston – Director of Finance**

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Budget Process for 2006-2007

- ◆ **2006-2007 Enrollment Projections presented on November 22, 2005**
 - Projected increase of 318 in actual enrollment
 - Translates into 306 FTE students for Revenue

- ◆ **Request for new Budget Assumptions sent to all Budget Managers in early December**

- ◆ **Budget Assumption requests returned by December 22nd**

Budget Process for 2006-2007

- ◆ **Staffing Projections presented to Board on January 24, 2006**
 - Projected increase in classroom staffing – 9.5 FTE
 - Projected increase in middle school staffing – 5 FTE
 - Projected increase in support staffing – 10 FTE

- ◆ **Board approved the addition of 15.5 FTE on January 24th**
 - Increase in classroom staffing – 9.5 FTE
 - Increase in support staffing – 5.5 FTE

Budget Process for 2006-2007

- ◆ **Discretionary budget packets distributed to Budget Managers in January**
- ◆ **Stakeholder Sessions under the new format held in January and February**
 - **Administrative Staff held on January 12th**
 - **Initial Community Stakeholder Kick-off held on January 25th**
 - **Five (5) groups met several times during late January through the end of February**
 - **Concluding Presentation held on March 27th**

Budget Process for 2006-2007

- ◆ **In early April, Administrative Team developed budget assumptions to present to the Board of Education**

- ◆ **Due to the uncertainty regarding the actual 2006-2007 Health Insurance premiums, preliminary layoff notices sent out April 12th based on Principal recommendations**
 - **57 Teaching positions**
 - **85 Ed. Assistant Positions**

Budget Process for 2006-2007

- ◆ **Initial Budget Presentation this evening**
- ◆ **Budget Meetings to be held in May through June**
- ◆ **Final layoff notices to be delivered May 31st**
- ◆ **Preliminary budget adoption scheduled for July 25th**

Budget Process for 2006-2007

- ◆ **Public Hearing on the Budget scheduled for September 11th**
- ◆ **Third Friday count to be conducted on September 15th**
- ◆ **Tax Values and Aid Amounts received from State in early October**
- ◆ **Final budget adoption to be on October 24th**

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Strategic Planning

Designing A Plan for Our Future

Mission

The mission of Kenosha Unified School District, an educational system which values our multicultural heritage, is to empower all students to reach their unique capabilities, contribute to our community, and compete in a global society by providing diverse and challenging opportunities to learn through the collaborative efforts of students, families, community and staff.

District Strategic Plan

Mission Statement

The mission of Kenosha Unified School District, an educational system which values our multicultural heritage, is to empower all students to reach their unique capabilities, contribute to our community, and compete in a global society by providing diverse and challenging opportunities to learn through the collaborative efforts of students, families, community and staff.

2005-2010 District Strategies

Budget Related Parameters

- ◆ **No program or service will be retained unless it continues to make an optimal contribution to the mission, and benefits continue to justify cost.**
- ◆ **No new program or service will be accepted unless it is consistent with the strategic plan, benefits clearly justify costs, and provisions are made for professional development and program evaluation.**

2005-2010 District Strategies

Budget Related Parameters

- ◆ **The District will strive to maintain a fund balance in the operating fund equal to a minimum of 15% of budgeted appropriation, representing approximately 45 days of operation. At most, Kenosha Unified will maintain a maximum fund balance in the operating fund equal to 20% of budget appropriation, representing approximately 90 days of operation.**

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Stakeholder Meeting Participants

- ◆ **For the AST Stakeholder Meeting, all 109 of our Administrative, Supervisory and Technical staff participated**
- ◆ **Administration recommended the following groups based on discussions from previous years with the goal of providing more in-depth information and education to those participating**
 - **Staffing Levels (e.g., student teacher ratios)**
 - **Facilities (e.g., capacity issues and ongoing maintenance)**
 - **Educational Programs (e.g. types of Reading Programs)**
 - **Extra-Curricular Programs (e.g., funding of Athletics & Arts)**
 - **Student Services (e.g., staffing for Counselors)**

Summary of Stakeholder Meetings

The highest recommended budget reductions, in no particular order, based on the Stakeholder groups were:

- ◆ Increase Class Size**
- ◆ Increase Co-curricular Fees**
- ◆ Increase Parking Fees for High School**
- ◆ Lower Health Insurance costs**
- ◆ Reduce Elementary Support Positions**
- ◆ Reduce new staff request**

(Appendix A)

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Budget Factors for 2006-2007

- ◆ **Projected 2006-2007 Revenue Limit increase is 5.03%**
 - \$252 estimated increase in the per pupil allocation
- ◆ **Projected Required Expenditure increase is 6.98%**
 - Salaries budgeted based on contract settlement
 - Health insurance budgeted at a 10% increase
 - Utilities budgeted at 10-15% increase
- ◆ **24.5 FTE new staff required for enrollment growth (Board authorized 15 FTE be included)**
- ◆ **Operating budget for Nash (not in Referendum)**

Budget Factors for 2006-2007

◆ **Projected 2006-2007 budget picture communicated over the last several months:**

Anticipated Revenues	\$ 9,740,161 (318 new students)
Contractual Obligations	\$12,817,657
Contingencies from 05-06	(\$ 1,365,000)
New Staff for growth	<u>\$ 1,039,650</u> (15 FTE)
	(\$ 2,752,146)
Proposed Additional Needs	\$ 2,563,645
Potential Budget Deficit	(\$ 5,315,791)

Recent Budget Issues

Amount of budget reductions needed to balance the annual budget:

2001-2002	\$4,650,788	(20.06% health increase)
2002-2003	\$4,099,381	(24.34% health increase)
2003-2004	\$2,779,562	(6.81% health increase)
2004-2005	\$2,981,887	(7.16% health increase)
2005-2006	\$2,092,929	(6.08% health increase)

Please refer to Appendix B for a listing of major budget cuts from these years

Kenosha Unified School District, No. 1
2006-2007 Budget Assumptions
Initial Budget Presentation
April 25, 2006

	Revenue	2006-2007 Projected Budget 01/25/06	2006-2007 Projected Budget 04/25/06	Assumption Explanation
Required Budget Assumptions				
1	Projected Increase in Revenue Limit - Additional Students	2,758,619	2,758,619	It is estimated that the district will increase by 306 full time equivalent (FTE) pupils. In order to calculate the effect of this increase on the district's revenue limit, the difference between the 2006-2007 and 2005-2006 base three-year average is multiplied by the base revenue per pupil of \$8,845.83.
2	Projected Increase in Revenue Limit - Increase in Rate	5,423,821	5,423,821	This budget is built using an allowable per pupil inflationary increase at \$252.00. In order to calculate the effects on district's revenue, the current three-year average is multiplied by the 2005-2006 projected per pupil revenue limit increase.
3	Transfer of Service Revenue Limit Exemption	1,557,721	1,557,721	Maintain 2005-2006 budgeted exemption level (actual was \$2,196,207). Not known until July for 2006-2007.
4	Prior Year Carryover of Revenue Limit		514,573	Not all of the Revenue Limit Authority was used in the 2005-2006 budget and will be added to the 2006-2007 budget.
Proposed Required Revenue Change Total		9,740,161	10,254,734	
Expenditures				
Required Budget Assumptions				
21	Increase Salary and Benefits for current staff	12,009,719	12,009,719	Increases in Salary and Benefit costs for current employees is based on approved contracts for Teachers, AST, Service and Secretaries and a 3% step and level for all other bargained staff. An assumed increase of 10% for health insurance premiums is also included.
22	Additional Staff due to enrollment growth	658,445	658,445	Additional Salary and Benefit expenditure for new staff (9.5 FTE) based on enrollment projections of 318 new students. 4.5 at the elementary level and 5 at the high school level.
22a	Additional Support Staff due to enrollment growth	381,205	381,205	Additional Salary and Benefit expenditure for new support staff (5.5 FTE) based on enrollment projections. 2 Spec. Education, 2 Student Support and 1.5 Bi-lingual staff.
23	Transportation Rate Increase	106,000	106,000	Increase Laidlaw Bus transportation cost based on contractual increase of 2.33% in 2006-2007.
24	Transportation Route Increase	209,336	209,336	Increase to route transportation based on adding 6 routes due to enrollment in 2006-2007.
25	Transportation Services - City Bus Passes	25,830	25,830	District transportation costs have been increased by an amount equal to the City of Kenosha's reduced subsidy of student bus passes (5% increase per year).
26	Property Insurance Increase	42,261	42,261	Estimated increase for 2006-2007 of 15%.
27	Increase Liability Insurance	19,309	19,309	Estimated increase for 2006-2007 of 10%.
28	Electric Utilities Increase	209,549	209,549	Estimated increase for 2006-2007 of 10%.
29	Gas Utilities Increase	214,811	214,811	Estimated increase for 2006-2007 of 15%.
30	Increase Water Utilities	13,075	13,075	Estimated increase for 2006-2007 of 5%.
31	Eliminate maintenance for Bain Utilities	(1,704)	(1,704)	Remove the 2005-2006 budget to maintain Bain building utilities for ½ of the year.
32	School Leadership - Police Liaison Officers	8,486	8,486	Projected increase in the City of Kenosha Police Liaison Contract.
33	Site Discretionary Increase	35,154	35,154	Estimated costs of 2006-2007 allocations to schools, based on 318 new students (not FTE).
34	Increase in Savings From Five Voluntary Buy Back Days	(2,387)	(2,387)	Additional savings on buy-back days based on a 3% increase in salaries of those currently contributing.
35	Increase in Nursing Contract	20,684	20,684	Anticipated increase in cost of School Nursing Services from the County at 6%.
36	Fund Balance Replenishment	250,000	250,000	Throughout the Strategic Planning Process a Fund Balance Policy has been established - this is money set aside to increase the District's Fund Balance up to 15%. A CPI increase is recommended to insure a consistent growth.
37	Business Information System allocation	(279,217)	(279,217)	The Board authorized this budget for a five (5) year period. The 2005-2006 school year is the last year of this budget.
38	Eliminate Energy Contingency	(515,000)	(515,000)	In the 2005-2006, the Board agreed to add a \$515,000 contingency for the anticipated higher than normal utility cost during the 2005-2006 school year. This was not authorized as a permanent budget allocation.
39	Eliminate Substitute Staff Contingency	(850,000)	(500,000)	In the 2005-2006, the Board agreed to add a \$850,000 contingency for substitute costs since the costs had ran higher the last several years. This was not authorized as a permanent budget allocation.
40	Prior Year Carryover of Revenue Limit	(514,573)		Not all of the Revenue Limit Authority was used in the 2005-2006 budget and can be added to the 2006-2007 budget.
51	Nash Elementary Principal	60,000	60,000	To fund the Principal of Nash for ½ of the school year at step 3 of the Elem. Principal pay grade.
52	Utilities Increase for Prairie Lane East Addition	13,009	13,009	Due to increased gas and electric usage for new addition of 10,752 square feet (starting May 06)
53	Utilities Increase for Prairie Lane North Addition	7,335	7,335	Due to increased gas and electric usage for new addition of 7,275 square feet (starting Sep 06)
54	Utilities Increase for Prairie Lane A/C Addition	27,175	27,175	Due to increased gas and electric usage for A/C Unit for the existing 49,410 square feet (May 06)
55	Increase Utilities budget for Bradford Addition	6,937	6,937	Due to increased gas and electric usage for new addition of 7,500 square feet
56	Increase Utilities budget for Tremper Addition	47,151	47,151	Due to increased gas and electric usage for new addition of 40,300 square feet
57	Additional Utility cost for Nash Elementary	10,500	10,500	Create new budget for new elementary of 75,000 square feet (May 2007 - June 2007)
98	Student Information System	279,217	279,217	Transfer the Bi-Tech budget to be used for the new Student Information System per Board action on 02/14/06
Proposed Required Expenditure Change Total		12,492,307	13,356,880	
Current Budget Position with Required Budget Assumptions		(2,752,146)	(3,102,146)	

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Revenue Budget Assumptions

The current revenue assumptions add \$10,254,734 to the Fund 10 and Fund 27 budgets over the 2005-2006 budget.

The revenue budget assumptions that follow are based on what is projected to be allowed by the State Revenue Limit formula (Appendix C).

	Revenue	2006-2007 Projected Budget 04/25/06
Required Budget Assumptions		
1	Projected Increase in Revenue Limit - Additional Students	2,758,619
2	Projected Increase in Revenue Limit - Increase in Rate	5,423,821
3	Transfer of Service Revenue Limit Exemption	1,557,721
4	Prior Year Carryover of Revenue Limit	514,573
	Proposed Required Revenue Change Total	10,254,734

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Expenditure Assumptions

Delinedated into two categories:

- ◆ **Required Budget Assumptions**
- ◆ **Proposed Budget Assumptions**

Expenditure Assumptions

The required and proposed expenditure assumptions add \$10,254,734 to the Fund 10 and 27 budgets over the 2005-2006 budget to create a balanced budget for 2006-2007.

The expenditure assumptions have been reviewed by Cabinet and are presented for the Board's review.

Required Budget Assumptions

The budget assumptions that follow are required budget assumptions either based on an existing prior contract or they were previously approved by the Board.

These required expenditure assumptions add \$13,356,880 to the Fund 10 and 27 budgets over the 2005-2006 budget.

The required expenditure assumptions are not in any priority order with the *additions* to the budget listed prior to the *reductions* from the budget.

2006-2007 Budget Presentation

Additions to the Budget

Required Budget Assumptions		
21	Increase Salary and Benefits for current staff	12,009,719
22	Additional Staff due to enrollment growth	658,445
22a	Additional Support Staff due to enrollment growth	381,205
23	Transportation Rate Increase	106,000
24	Transportation Route Increase	209,336
25	Transportation Services - City Bus Passes	25,830
26	Property Insurance Increase	42,261
27	Increase Liability Insurance	19,309
28	Electric Utilities Increase	209,549
29	Gas Utilities Increase	214,811
30	Increase Water Utilities	13,075
32	School Leadership - Police Liaison Officers	8,486
33	Site Discretionary Increase	35,154
35	Increase in Nursing Contract	20,684
36	Fund Balance Replenishment	250,000
51	Nash Elementary Principal	60,000
52	Utilities Increase for Prairie Lane East Addition	13,009
53	Utilities Increase for Prairie Lane North Addition	7,335
54	Utilities Increase for Prairie Lane A/C Addition	27,175
55	Increase Utilities budget for Bradford Addition	6,937
56	Increase Utilities budget for Tremper Addition	47,151
57	Additional Utility cost for Nash Elementary	10,500
98	Student Information System	279,217
	Proposed Required Expenditure Change Total	14,655,188

2006-2007 Budget Presentation

Reductions to the Budget

Required Budget Assumptions		
31	Eliminate maintenance for Bain Utilities	(1,704)
34	Increase in Savings From Five Voluntary Buy Back Days	(2,387)
37	Business Information System allocation	(279,217)
38	Eliminate Energy Contingency	(515,000)
39	Eliminate Substitute Staff Contingency	(500,000)
	Proposed Required Expenditure Change Total	(1,298,308)

Proposed Budget Assumptions

The budget assumptions that follow are required to balance the budget and are not based on existing prior contract or previous agreements by the Board.

These proposed expenditure assumptions reduce \$3,102,146 from the Fund 10 and 27 budgets.

The expenditure assumptions have been reviewed by Cabinet and are presented for the Board's review. The assumptions will be reviewed with *additions* presented first and then the *reductions*.

2006-2007 Budget Presentation

**Requested Additions to the Budget
Expenditures Endorsed by Cabinet**

Requested Budget Assumptions		
50	Maintain Energy Contingency	200,000
59	Strategic Planning Team 1	18,000
64	Conversion of Part Time Hours to Secretary I	36,918
65	Teacher Consultant Curric. Writing	30,653
68	Strategy IV and VII - Reading Assessment	200,000
76	Talent Development - Improve AP Course Offerings	47,316
77	Talent Development - Training for 6th Grade Math Staff	1,880
78	Talent Development - Long Range Plan	12,120
79	Talent Development - 1st Grade Achievement Tests	25,000
83	Athletics - Transportation Increase	5,820
84	Athletics - Equipment Replacement	18,000
87	Career & Tech Ed. - Completion of MS Labs	110,000
95	Bradford - Add two (2) Educational Assistants	72,892
97	Indian Trail - Add two (2) Education Assistants	40,000
	Requested Budget Assumption Total	818,599

2006-2007 Budget Presentation

**Stakeholder Recommended and
Cabinet Endorsed Increases to the
Revenue Budget**

Cabinet Recommended Revenue Budget Assumptions		
10	Increase Student Parking Fees	36,080
11	Usage Fee For Each Vending Machine	79,056
12	Facilities Permit Fees	17,000
13	Increase Gate Receipts	40,000
14	Increase Athletic User Fees	14,000
15	Increase Music User Fees	3,780
	Cabinet Recommended Revenue Change Total	189,916

2006-2007 Budget Presentation

Cabinet Recommended Reductions to the Expenditure Budget

ESC Staffing Reductions

2002-2003	11 employees	\$581,531
2003-2004	5 employees	\$385,054
2004-2005	4 employees	\$415,285
2005-2006	9 employees	\$626,953

**Please refer to Appendix B for a listing of the
ESC positions cut from these years**

Cabinet Recommended Expenditure Budget Assumptions	
Increase AP Test Budget	20,000
Add Sub Cost For Field Trips	(20,000)
Reduce Elementary Custodial Services	(265,484)
Transfer Community Access To Fund 80	(410,938)
Waived Building Fees Transfer To Fund 80	(100,000)
Reduce Position Control Budget	(2,911,020)
Reduce Art, Music, PE at Elem due to Inc Class Size	(43,387)
Cabinet Recommended Revenue Change Total	(3,730,829)

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Next Steps

- ◆ **Budget Workshop to discuss proposed budget assumptions in May and June**
- ◆ **Additional workshops as determined**
- ◆ **Notification of any additional teaching staff layoffs by May 1st**
- ◆ **Preliminary budget adoption in July**

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2006-2007 Budget Presentation

Questions