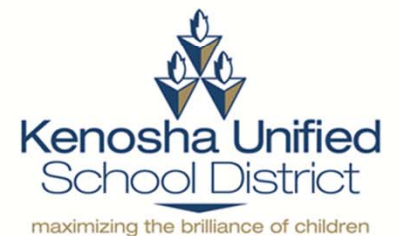


# 2013-14 Proposed Budget

## Annual Meeting

September 12, 2013



# Fiscal Year 2012-13 Overview

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## Budgeting History Impacting FY 2012-13

- Fiscal Year 2010-11 (Year of the Deficit)
- Fiscal Year 2011-12 (Year of the Crisis)
- Fiscal Year 2012-13 (Year of the Recovery)

# Fiscal Year 2010-11 (Year of the Deficit)

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- \$6.8 million deficit
  - Primarily caused by staffing issues
  - Staffing did not properly account for Long Term Leave positions



# Fiscal Year 2011-12 (Year of the Crisis)

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- The Perfect Storm Occurs:
  - Revenues Decrease
    - WI Budget Act 10 reduces KUSD revenues by \$554 / student
  - Expenses Increase
    - Multi-year contractual obligations

# Fiscal Year 2011-12 (Year of the Crisis)

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- Another deficit year would have been devastating, corrective actions were necessary:
  - Staffing was budgeted more conservatively and all possible positions and vacancies were identified
  - Emergency austerity measures were quickly put in place
    - Staff layoffs
    - Operational budget reductions (20%)

# Fiscal Year 2011-12 (Year of the Crisis)

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- Limited revenue options, expenses had to be reduced
  - Another credit downgrade would have put the District's critical cash flow in jeopardy
- The message to reduce spending was received District wide
- A **major crisis averted** – instead of another multi-million dollar deficit, FY12 operations were virtually balanced

# Fiscal Year 2012-13 (Year of the Recovery)

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- Administration cautiously plans for rebuilding of staffing, fund balance and credit rating by:
  - Restored operational budgets
  - Planned contribution to restore fund balance
  - Staffing recalls for laid off employees
  - Conservative hiring approach

# Fiscal Year 2012-13 (Year of the Recovery)

Results :

	Unaudited FY13 Actuals
Revenues	\$239,602,429
Expenditures	\$228,437,345
Net Revenue/Expenses	\$11,165,084

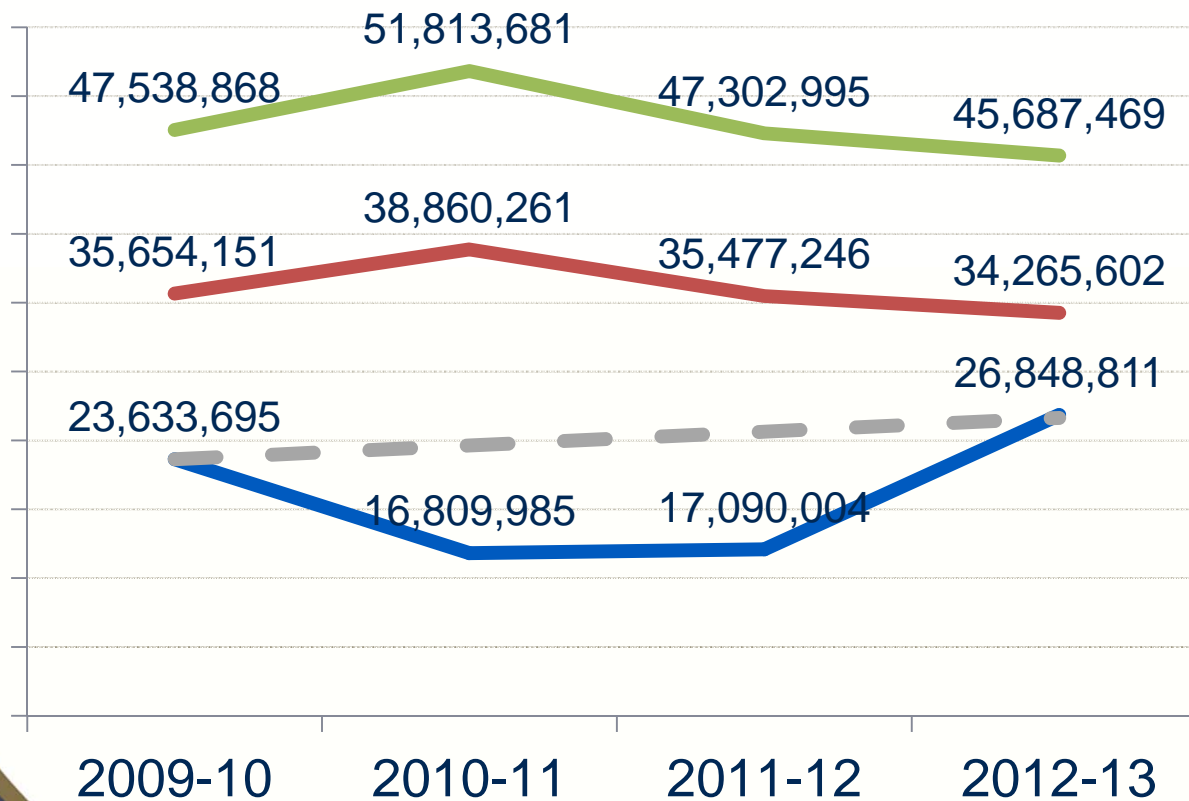
FY12 Restatement	\$1,406,276
Planned Fund Balance Restoration	\$3,000,000
Additional Contribution to Fund Balance	\$6,758,808

Areas of Budget Savings	
Unemployment	\$1,000,000
Utilities	\$1,000,000
Long Term Leave Positions	\$1,100,000
Position Vacancies	\$2,900,000
Other Object Variances	\$1,000,000



# Fiscal Year 2012-13 (Year of the Recovery)

## Ending General Fund Balance



**Policy Max**  
20% of  
Expenses

**Policy Min**  
15% of  
Expenses

Normalized  
Trend

**Actual  
Balance**

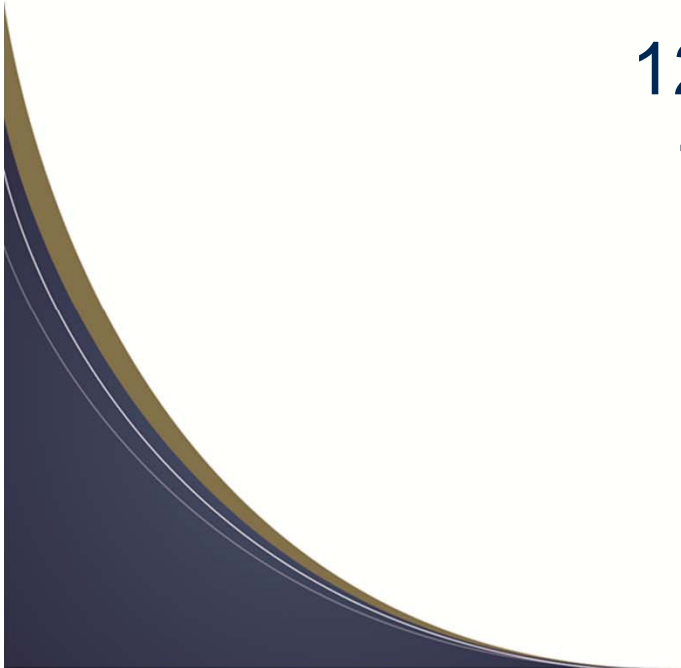
# Fiscal Year 2013-14 (Year of the Stability)

---

- Budget additions - focused on the restoration of teaching positions to reduce class sizes (primarily elementary)

## Full Time Equivalent (FTE) Additions

126	Teacher
14	ESP
2	Secretary
1	Service (Plumber)
7	Administrative



# Fiscal Year 2013-14 (Year of the Stability)

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- Budget Savings – from employee benefits
  - Mandatory Wisconsin Retirement System (WRS) employee contributions for all (per WI ACT 10)
  - Increased employee health insurance contributions
  - Change in benefit plans

# Budget Variables

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Student  
Membership

Revenue  
Limit

Equalization  
Aid

Open  
Enrollments

Equalized  
Property  
Values

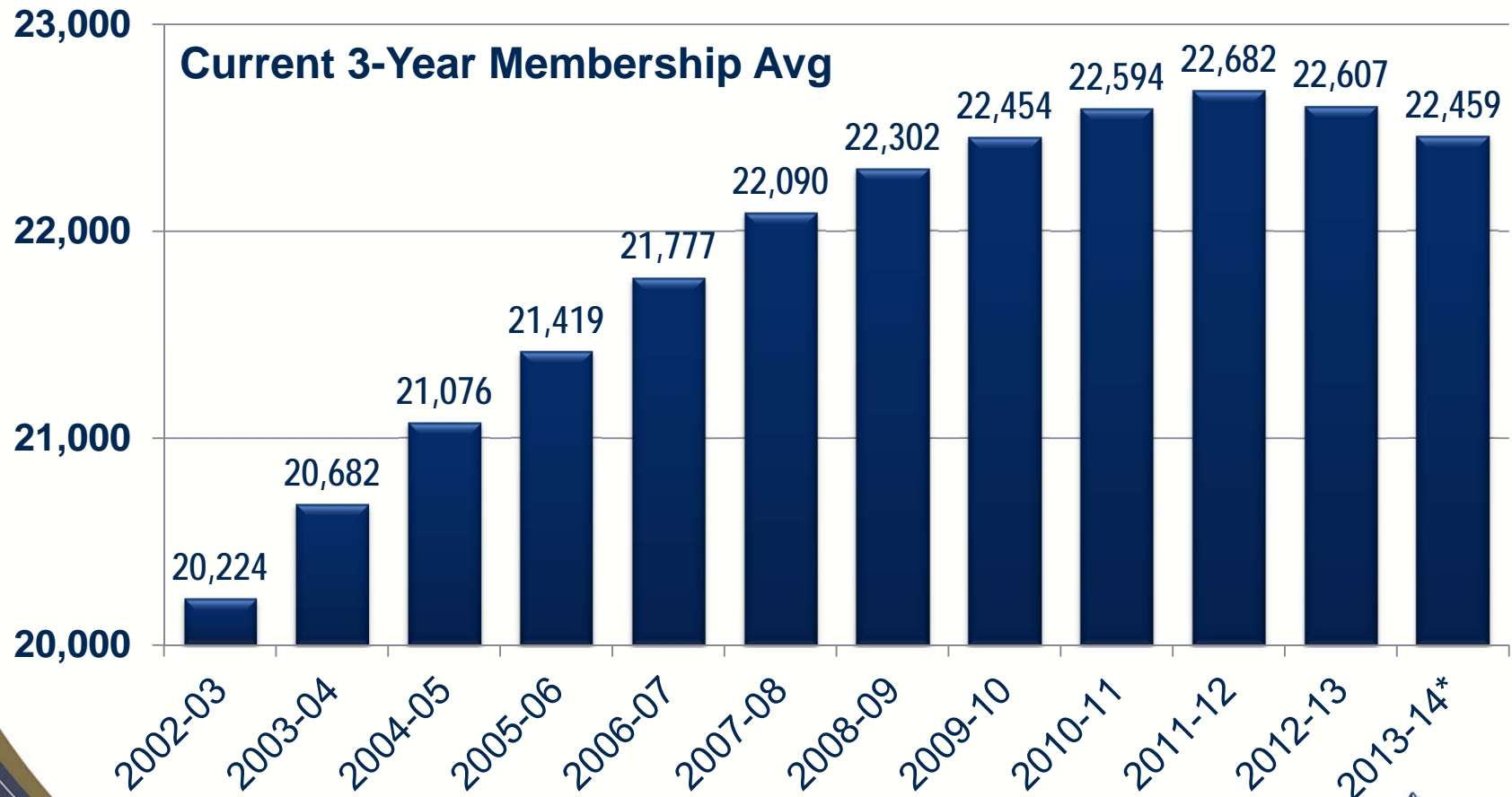
Mil Rate

Debt  
Expense

Tax Levy

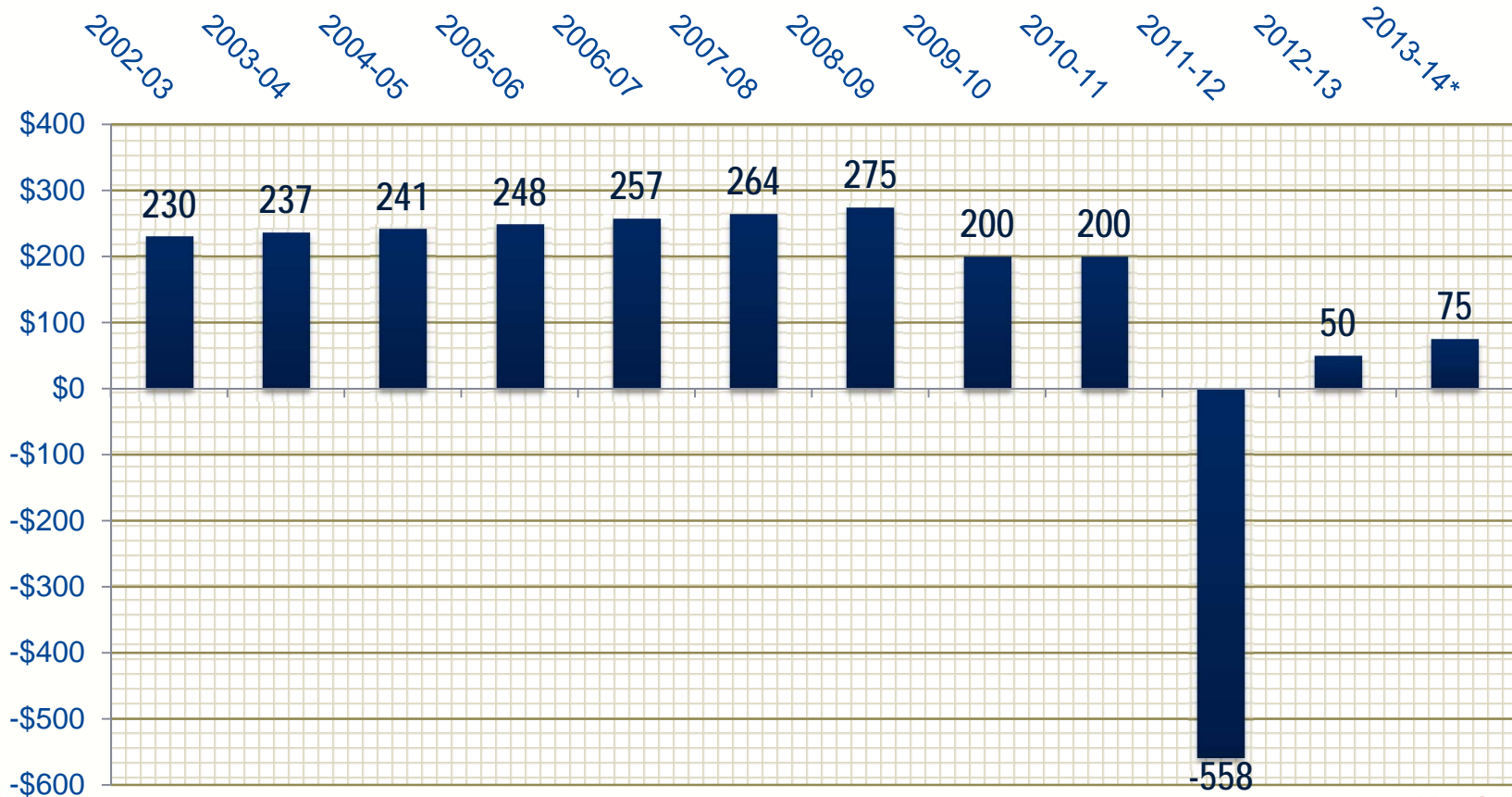
Salary &  
Fringes

# KUSD Enrollment Trend (Revenue Limit Membership FTE)



*\*Preliminary*

# Allowable Per Member Revenue Increase/Decrease

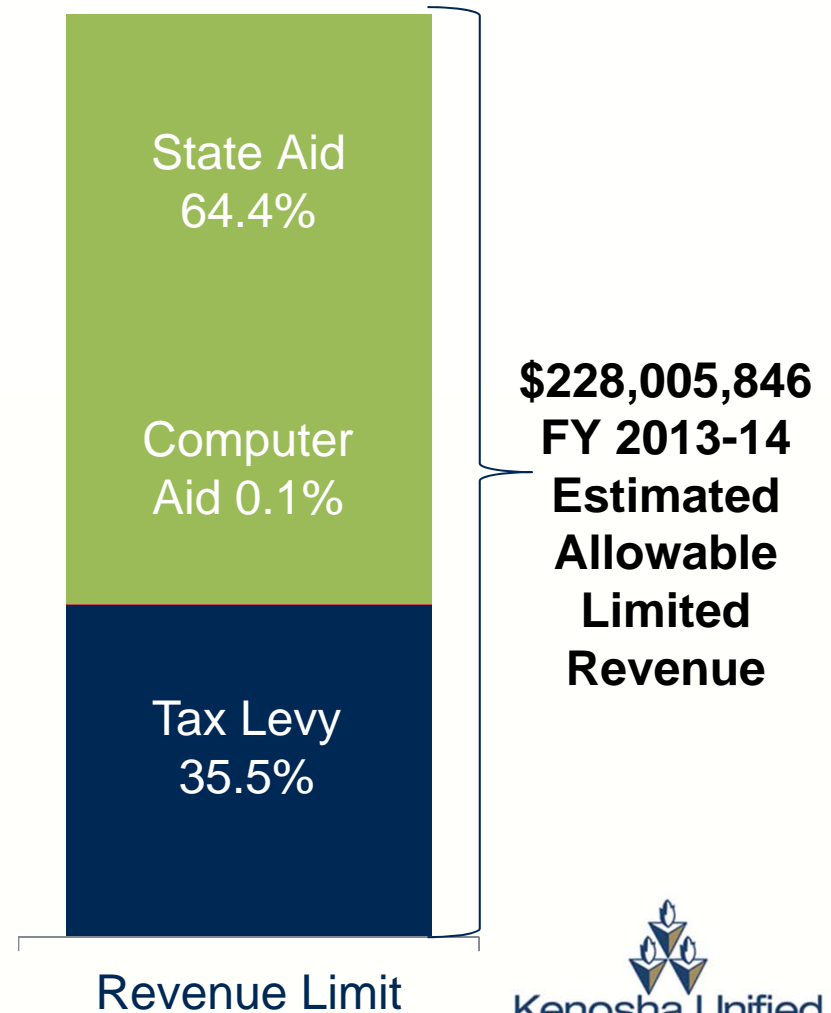


*\*Preliminary*

# Revenue Limit Calculation

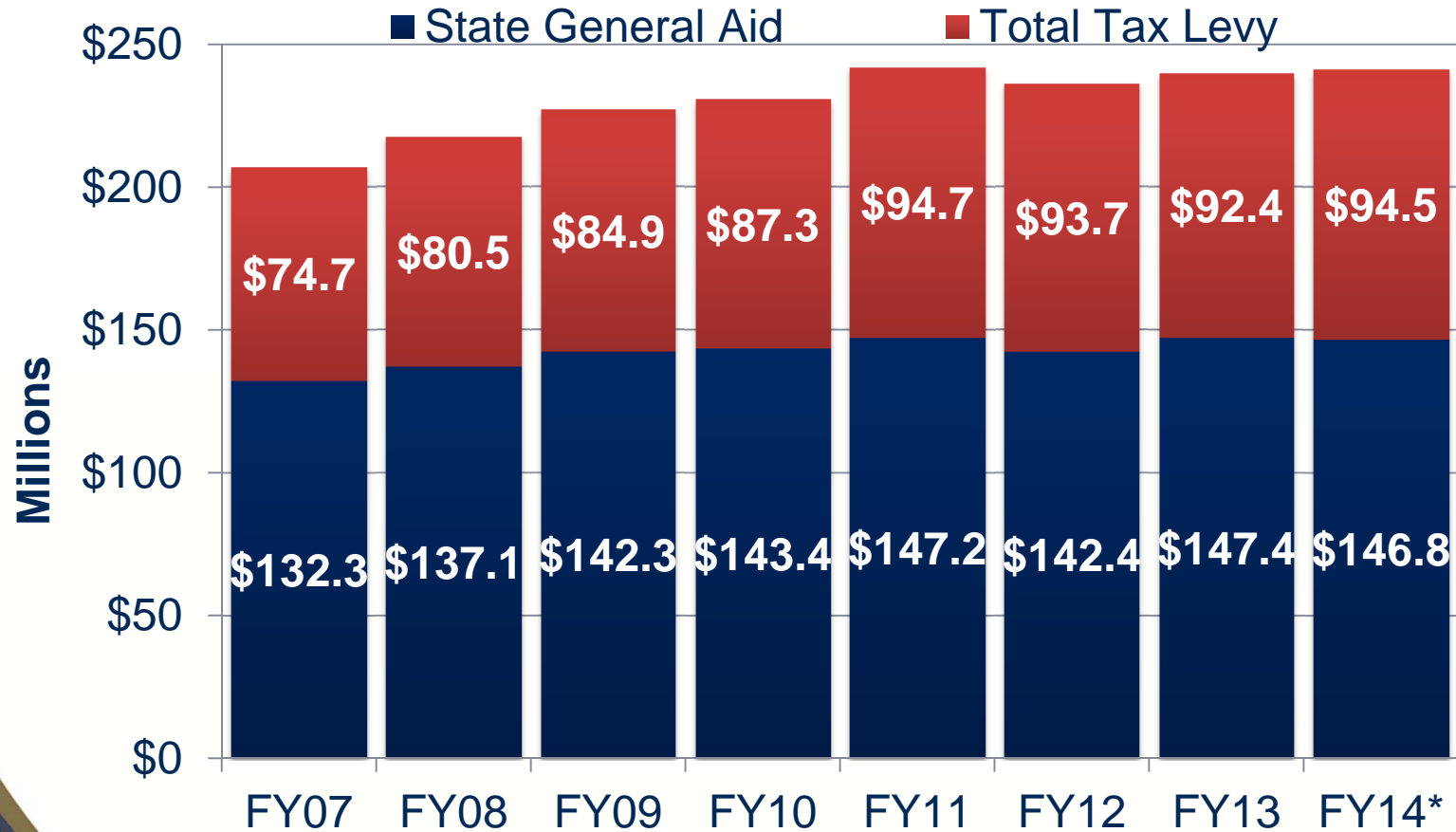
The District's main revenue sources are restricted by the Revenue Limit formula:

- General State Aid based on last year's expenses and equalized property values
- Local Tax Levy is the difference between the Revenue Limit and the projected General State Aid
- Computer Aid replaces a minor portion of Fund 10 Levy



Revenue Limit

# Revenue Limit History



*\*Preliminary*



# KUSD Fund Structure

## General Fund

- Operations (majority of salaries, benefits and other expenses)

## Debt Service

- Transactions for repayment of bonds, notes and loans.

## Community Service

- Activities supporting all Kenosha, Pleasant Prairie and Somers community members

## Special Projects

- Special Education
- Head Start

## Capital Projects

- Expenditures for expansion and remodeling

## Food Service

- Activities related to student food services

## Trust Fund

- Other post-employment benefits (OPEB)
- Scholarships



# Trust Funds (Fund 70)

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## OPEB

- Other Post Employment Benefits
  - Health
  - Dental
  - Life
  - Long Term Care

## Scholarships

- Student Groups
- Memorials
- Alumni

# OPEB Trust Fund (Fund 73)

Annual Update on Trust Activity

9/12/2012 thru 9/12/2013

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Trust Cash & Investments (Net of Due to Other Funds)	\$13,336,872
Return on Investments (earned)	\$13,605
Trust Disbursements:	
Insurance Premiums	\$4,238,278
Administrative Costs & Fees	\$14,914
Implicit Rate Subsidy (Due to Other Funds)	\$3,896,348
Total Trust Disbursements:	<u>\$8,149,540</u>

Note: PMA Securities acts as Financial Advisor to the District and the Trust, however no investment authority has been delegated.

# Community Service Funds (Fund 80)

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## Community and Parent Programs

- Family Education
- Safety Trainings
- Parenting Skills Development
- Alcohol and Other Drug Awareness (AODA)
- Community Outreach
- Adult Education
  - GED Programs
  - ESL
  - Even Start Literacy

## Recreation Department

- Adult Sports
  - Softball
  - Volleyball
  - Basketball
- Youth Summer Programs
- Swimming

## Senior Citizens Center

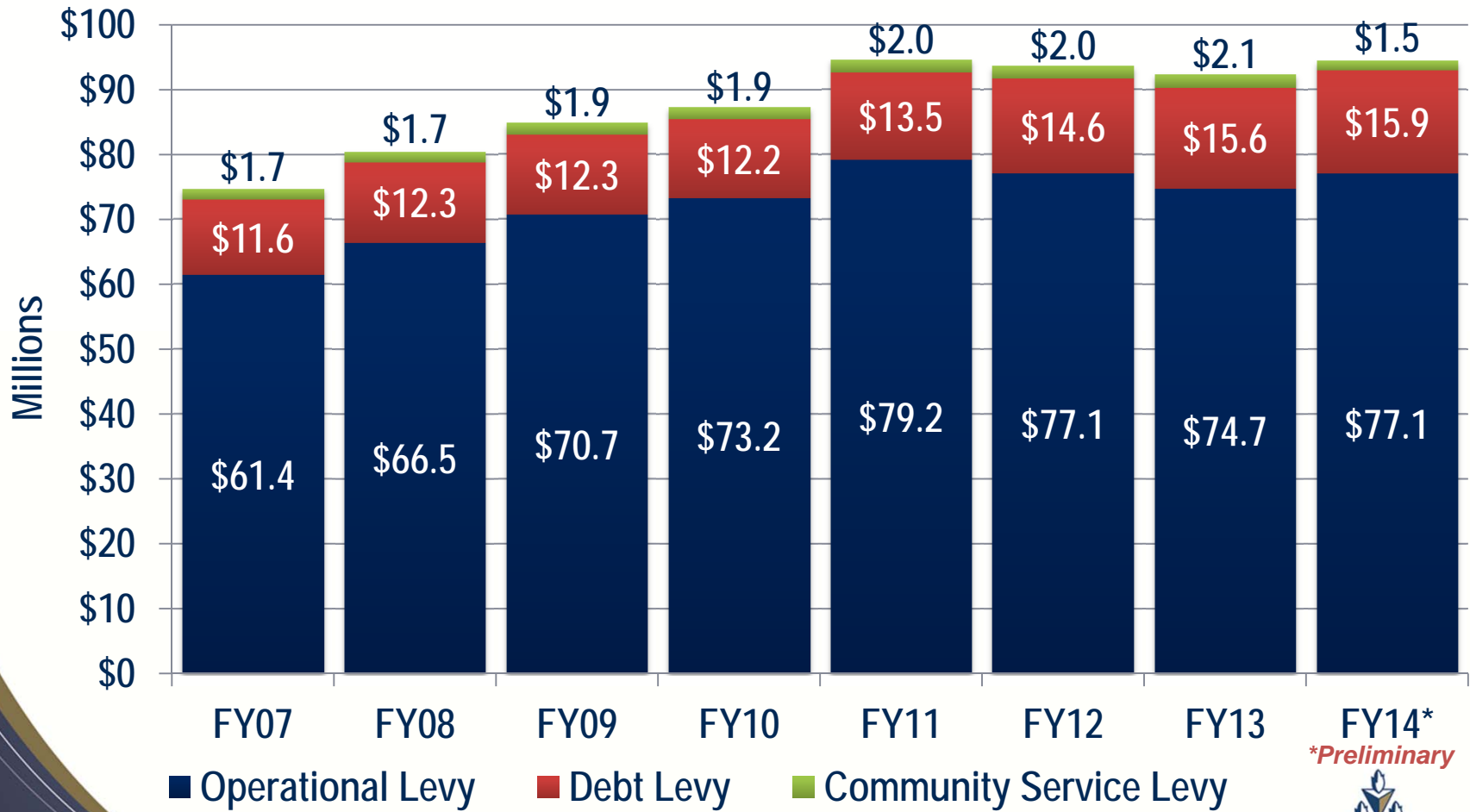
- Wide variety of popular recreational and social activities
- Membership of over 1,300 (including volunteers)

# Community Service Funds (Fund 80)

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Our Community Service Programs are open to all residents in our stakeholder communities and usually take place outside of the regular instructional time periods with additional costs being incurred by operating the programs.

# Tax Levy History



# Tax Levy Comparison



	FY 2011-12	FY 2012-13	FY 2013-14*
Total Tax Levy	1.04% decrease	1.34% decrease	2.19% increase
Mil Rate	\$11.02 per \$1,000	\$11.58 per \$1,000	\$12.27 per \$1,000
Property Tax on \$200,000 House	\$2,204	\$2,316	\$2,454