

Norwalk-Ontario-Wilton School District

Budget Hearing

October 24, 2016

Fund Balance, Debt Payment and Other Information

Prior to 2003, to replenish the state's retirement system, all municipalities were assessed a financial amount based on the payroll of individual municipalities. In March of 2006, the Norwalk-Ontario-Wilton School District has an unfunded assessment of \$616,847.91, and it was growing. The School Board voted to take out a bond to pay off the liability. After ten years, the Norwalk-Ontario-Wilton School District could refinance the bond. The Board of Education decided to pay off the remaining \$416,000 left on the bond ten years early.

Payment of this debt saved the school district approximately \$150,000 in interest over the next ten years.

Current Fund Balance is: \$2,468,428

The NOW School District Fund 10 Balance decreased by \$142,828 last year, due to paying off the debt refinanced in 2006.

The NOW Fund Balance keeps a strong enough cash flow to keep the school district from short term borrowing for operational needs.

Food Service Department was self-funded for the third year in a row.



Student Enrollment Decrease

The number of students attending the Norwalk-Ontario-Wilton School District drives school district revenues under state law.

A three year rolling average of the full-time equivalency (FTE) of the student body drives the revenue limit (**state aid + property taxes**) for the operation of a school district.

2015-16 Enrollment:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>3 Year Average</u>
FTE	708	722	710	713
2016-17 Enrollment:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>3 Year Average</u>
FTE	722	710	684	705

705 students X \$9,866.97 per student = \$6,956,214 in revenue for the school district.

2015-16 total revenue was \$7,035,150, by law the 2016-17 revenue can't be less than 2015-16.

3 year rolling average decrease of 8 students X \$9,866.97 per student = \$78,935.76 Declining Enrollment Exemption

\$7,035,150 + \$78,936 Declining Enrollment Exemption + \$25,670 Prior Year Open Enrollment Exemption = \$7,139,756 in Total Revenue

State General Aid

There is a pot of money and it is distributed among school districts based on several factors:

- Property Values
- Student Enrollment
- Shared Costs
- What the other 434 public school districts have done in these three areas (Based on Spring property values, previous year's enrollment and shared costs)

2013-14 General Aid Amount: \$5,122,899

2014-15 General Aid Amount: \$5,524,463

2015-16 General Aid Amount: \$5,510,833

2015-17 General Aid Amount \$5,729,288

Increase of General Aid: \$ 218,455 (or) 3.96%

2016-17 Area General Aid Increases/Decreases

<u>School District</u>	<u>Increase/Decrease</u>	<u>% Change</u>
Bangor	\$ 95,801 Increase	2.55%
Cashton	\$ 68,572 Increase	1.64%
Hillsboro	\$228,457 Increase	7.02%
LaFarge	\$ 99,190 Increase	6.47%
Necedah	\$129,859 Increase	4.86%
New Lisbon	\$ 62,680 Decrease	2.07%
Norwalk-Ontario-Wilton	\$218,455 Increase	3.96%
Royall	\$ 6,058 Increase	0.13%
Wonewoc-Union Center	\$128,458 Increase	8.30%

Comparison of Percentage of State Aid/Property Taxes in 2016-17

Revenue Limit

<u>School District</u>	<u>State Aid</u>	<u>Property Taxes</u>
Norwalk-Ontario-Wilton	80.9%	19.1%
Cashton	79.9%	20.1%
Royall	71.9%	28.1%
Hillsboro	67.8%	32.2%
Bangor	62.1%	37.9%
New Lisbon	60.0%	40.0%
LaFarge	58.9%	41.1%
Wonewoc Union Center	41.1%	58.9%
Necedah Area	39.4%	60.6%

Review of Revenue Limit Authority

OPERATIONAL LEVY (Fund 10)

Total Revenue Limit Amount:	\$7,139,756
(subtract)	
State General Aid Amount:	\$5,729,288
Poverty Aid Amount:	\$ 47,773
<u>Computer Aid Amount:</u>	<u>\$ 687</u>
Property Tax Levy	\$1,362,008

Total Revenue Limit Amount (2014-15) \$7,035,150

Revenue Limit Increase of \$104,606 + General Aid Increase of \$218,455 = A
Property Tax Decrease.

Review of Total Tax Levy and Mill Rate

2016-17 Fund 10 Tax Levy:	\$1,362,008
<u>2016-17 Fund 39 Tax Levy (Referendum Debt):</u>	<u>\$ 428,400</u>
2016-17 Total Tax Levy:	\$1,790,408

2015-16 Fund 10 Tax Levy:	\$1,423,545
2015-16 Fund 38 Tax Levy (Inside Limit):	\$ 51,950
<u>2015-16 Fund 39 Tax Levy (Referendum Debt):</u>	<u>\$ 429,150</u>
2015-16 Total Tax Levy:	\$1,904,645

Total Tax Levy Decrease of: \$114,237 or 6.0%

2015-16 Property Valuation:	\$180,827,812
2016-17 Property Valuation:	\$196,911,361

Increase of \$16,083,549 or 8.89%

2015-16 Mill Rate:	\$10.54 per thousand \$ of property value
2016-17 Mill Rate:	\$ 9.10 per thousand \$ of property value

Decrease of \$1.44 per thousand or 13.7%

Other General School District Revenues

SAGE - \$240,000

Title I, Title II, Title III - \$464,752

Per Pupil Categorical Aid - \$176,250

21st Century Learning Grant - \$50,000

Transportation Aid - \$34,718

Title VI(B) - \$14,759

High Cost Transportation Aid - \$110,000

Miscellaneous Smaller Grants - \$20,000

Sparsity Aid - \$207,597

Kickapoo Valley Reserve and Trailer Taxes - \$25,000

Common School Fund - \$20,000

Unused LP Gas Contract - \$15,652



2016-17 General Expenditure Additions

- Wage Increases for 112 Employees = \$80,000
- FICA & Retirement Increase due to Wage Increase = \$11,280
- 3% Health Insurance Increase = \$40,519
- Sidewalk and Landscaping Work = \$15,000
- Classroom Instructional Supplies = \$15,000
- Lined Drainage Culvert under Elementary School = \$32,000
- Upgrading Fire Alarm System = \$28,000
- Upgrade in Lighting = \$5,000
- Alternate Year Paper Purchase = \$10,000
- Science Textbooks and Curriculum Supplies = \$70,000
- Summer School Program = \$20,000
- New School Bus = \$88,937
- New 8 Passenger Van - \$26,653
- Used Car = \$8,500

2016-17 General Expenditure Subtractions

- **3 School Buses = \$260,000**
- **Elimination of one Elementary Teaching Position = \$45,000**
- **Social Studies Textbooks and Curriculum Materials = \$65,000**
- **Fuel = \$15,000**
- **Elimination of Fund 38 Debt = \$51,950**

Other Budget Facts

OPERATIONAL BUDGET INFORMATION

➤ Fund 10 (General Fund) Expenditures:	\$8,867,762
➤ Fund 27 (Special Education Fund) Expenditures:	\$1,270,128
➤ <u>Fund 50 (Food Service Fund) Expenditures:</u>	<u>\$ 465,478</u>
➤ Total Expenditures to Operate the School District:	\$10,603,368
➤ Salaries:	\$4,693,851
➤ Health Insurance:	\$2,176,107
➤ <u>Social Security and Retirement Contributions:</u>	<u>\$ 660,895</u>
➤ Total Salaries and Benefits:	\$7,530,853

Grand Total: Salaries and Benefits are 71% of the entire 2016-17 Budget

Information About the 2017-18 Budget

It is a biennial budget year at the state level. No one knows what will come from the Governor's Office, State Legislature and Joint Finance Committee in regards to school finance in the next two year state budget. At the top of the Assembly's agenda is the development of Education Savings Accounts. This would allow for more funding to pay the tuition of public education students to attend private schools.

Factors that keep the NOW School District aided at a high rate:

- Low property values
- High student enrollment
- This year the district paid off its Fund 38 debt, increasing its shared costs.

Reality for 2017-18

- District property values increased by almost 9%
- Student enrollment is down 27 students.
- With the Fund 38 debt being paid off, shared costs will be down.

The result is probably going to be less state aid, a higher tax levy, and a higher mill rate. The tax decrease this year will most likely be wiped out and at minimum the taxpayers will be back being levied at 2015-16 levels.

Area Rural School District Costs per Student

How much does each School District spend to educate one student ?
(Most Recent Data Available on DPI Web-site)

<u>School District</u>	<u>2013-14</u>	<u>2014-15</u>
Norwalk-Ontario-Wilton:	\$13,351	\$12,751
Cashton:	\$13,968	\$13,046
New Lisbon:	\$13,499	\$13,545
Bangor:	\$14,414	\$13,585
Royall:	\$14,026	\$13,816
Average of the 9 Schools:	\$14,182	\$14,140
Hillsboro:	\$14,214	\$14,357
Necedah:	\$14,227	\$14,461
Wonewoc-Union Center:	\$15,071	\$14,822
LaFarge:	\$14,870	\$16,879

2015-16 Area Rural School Property Tax Comparisons

A reminder that property tax levels vary depending on many factors in a complex formula that include, but are not limited to: Student Enrollment, Property Values, Referendum Debt and Shared Costs.

LaFarge;	\$1,378,011
Norwalk-Ontario-Wilton:	\$1,904,645
Cashton:	\$1,947,493
Hillsboro:	\$2,302,438
Royall:	\$2,618,634
Wonewoc-Union Center	\$2,661,451
Bangor:	\$2,895,953
New Lisbon:	\$3,528,863
Necedah:	\$5,259,491

Local Mill Rate Comparisons from 2015-16

<u>School District</u>	<u>2015-16</u>
Bangor	\$11.47
Cashton	\$10.12
Hillsboro	\$11.41
LaFarge	\$13.97
Necedah	\$11.33
New Lisbon	\$10.30
Norwalk-Ontario-Wilton	\$10.54
Royall	\$13.24
Wonewoc Union Center	\$11.57
Average	\$11.55

QUESTIONS?

