



**2011-2012
GENERAL OPERATING BUDGET
PROJECTION**

Operating Revenues

- **Operating revenues** consist of funds generated under the revenue limit as well as through other local, state, and federal mechanisms
 - Property taxes
 - State aids
 - **Equalization, transportation, special education, library, etc.**
 - Federal aids
 - **Title funding, special education flow through funds, etc.**
 - Local revenues
 - **Ticket sales, fees, fines, gifts, etc.**

Operating Revenues

- **2010-11 total operating revenue** **\$45,281,470**
- **2011-12 revenue decrease** **\$ 2,161,688**
 - Revenue decrease for 2011-12 is based on the following:
 - Tax levy set to the maximum allowable by state law
 - 18 additional students (FTE's) added to the rolling average count
 - 4,238 students counted for revenue limit purposes in 2011-12
 - 4,220 students counted for revenue limit purposes in 2010-11
 - 4,176 students counted for revenue limit purposes in 2009-10
 - \$527 decrease in per pupil allocation over 2011-12 figure
 - \$9,594 per student for KASD in 2010-11
 - Dropped from \$200 increase in 2010-11 to a \$527 decrease for 2011-12
- **2011-12 maximum operating revenue** **\$43,119,782**
 - **4.77%** decrease from maximum 2010-11 revenue
 - 2011-12 revenue is approximately the same amount received in 2008-09

Operating Revenues

- **Other projected operating revenue changes:**
 - Nicolet School lease agreement **\$-47,740**
 - *Building sold, costs also not in budget (shown in maintenance costs for 2011-12)*
 - Open enrollment aid transfer in **+\$80,000**
 - *Projected to pick up 11 students over 2010-11 open enrollment in count*
 - Title I funding **\$-40,000**
 - *Carryover from 2009-10 used in 2010-11*
 - *No carryover funds projected for 2011-12*
 - Loss of AODA State Grant **\$-60,000**
 - *District will lose access to state issued AODA grant beginning in 2011-12*
 - Federal ARRA/Stimulus Funding Ends **\$-310,000**
 - *Program officially complete as of 6/30/2011*

Operating Revenues

- **In summary...**

- 2011-12 maximum allowable revenue **\$43,119,782**

- **\$2,161,688** decrease in revenue, 2010-11 to 2011-12

- *Recent history of operating revenue changes for KASD:*

- » 2006-07 to 2007-08 5.52%

- » 2007-08 to 2008-09 2.47%

- » 2008-09 to 2009-10 3.34%

- » 2009-10 to 2010-11 2.30%

- » **2010-11 to 2011-12 -4.77%**

- **\$1,905,609** is the projected loss in the state revenue limit formula funding from the proposed state budget (\$527 per pupil decrease)

- **\$256,079** of the projected \$2,161,688 loss in revenue for 2011-12 is from areas outside of the revenue limit formula

Kaukauna Area School District

Tax Levy

- The tax levy is approximately 33% of the revenue limit amount allowed to any school district with the remainder coming from state equalization aid
- The total tax levy includes any amount approved through referendum (KHS)
- The tax levy is set in October for the following calendar year
- The tax levy has a direct effect on the maximum revenue a district can generate the following year
 - A reduction in tax levy in one year will decrease the revenue allowed a district the following year and for all subsequent years
 - For example, if a district under taxed by \$300,000 in 2011-12 that amount would be left out of the revenue limit for 2012-13 and all future years

Kaukauna Area School District Tax Levy

- 2010-11 KASD tax levy **\$15,524,222**
 - Revenue limit portion \$12,806,429
 - Certified tax levies (debt) \$ 2,717,793
 - 2010-11 mill rate **\$8.91** per \$1,000 value
 - For a \$150,000 property the tax levy from KASD was \$1,336
 - Total value of district \$1,742,986,574
- Maximum allowable 2011-12 levy **\$15,917,826**
 - Revenue limit portion \$13,395,076
 - Certified tax levy (debt) \$ 2,522,750
 - Projected 2011-12 mill rate **\$9.11** per \$1,000 value
 - For a \$150,000 property the tax levy from KASD would be \$1,366
 - Total value of district (0.6% increase) \$1,754,849,455
 - **Maximum tax levy increase** **2.24%**
 - **Tax levy increase on \$150,000 property** **\$30.00**
 - *Figures shown are based on estimated values; final tax levy not due until November, 2011*

Kaukauna Area School District Tax Levy

- **Should the Board of Education freeze the tax levy at 2010-11 levels?**
 - *At this time the Board of Education is planning on taxing to the legal limit of the law for 2011-12*
 - *By taxing to the legal limit the Kaukauna Area School District is able to generate **\$43,119,782** in general operating revenue for 2011-12*
 - *Any amount in which the district does not tax to the fullest amount will result in reduced revenues*
 - *A reduction in revenues will force the district to make further modifications to its operating plan for 2011-12 in order to create a balanced budget*

Operating Expenditures

- Operating expenditures include all items necessary to conduct school less the food service program, debt service, and student activity accounts
- The 2010-11 operating budget for the district included **\$44,934,339** in expenditures while 2011-12 revenues are expected to be **\$43,119,782**
- The budget produced and passed by the Board of Education for 2010-11 had a surplus of \$345,000 and is currently on track to add that amount of money to the district's fund balance
 - *The surplus was removed for purposes of calculating the 2011-12 operating budget*

Operating Expenditures

2011-12 Changes

- **Utilities** **\$47,983**
 - Electricity up 5%
 - Gas for heat up 5%
 - Storm water utility steady
 - Water up 6%
 - Sewer up 6%
- **Maintenance** **\$55,606**
 - Cleaning service (+\$22,406)
 - Other maintenance services (+\$30,000)
 - Snow plowing (+\$2,000)
 - Recycling fees (+\$1,200)
- **Insurance** **\$40,000**
 - Work comp (+\$40,000)
- **Settled Contract** **\$25,000**
 - Educational Assistants Only

- **Purchased services** **\$225,407**
 - Bussing up 4% (+\$67,757)
 - Gas/Diesel Costs (+\$145,000)
 - CESA contract up 3.5% (+\$12,300)
 - Alarm monitoring up 3% (+\$350)
- **Open enrollment out** **\$840,000**
 - 5% increase in aid (\$6,665 to \$7,000), 399 students enrolled out in 2010-11; 28 were seniors leaving 371 still open enrolled out for 2011-12; 240 new applicants to open enroll; 50% projected to follow through = \$840,000 extra expense based on state aid transfer
- **ARRA/Stimulus Funds** **-\$400,000**
 - Federal stimulus funds through ARRA will no longer be available after July 1, 2011

Operating Expenditures

2011-12 Changes

- *2011-12 operating budget expenditures for the district are expected to increase by **\$833,996** over 2010-11 amounts*
 - *Figure includes the **\$840,000** projected increase in open enrollment applicants leaving the district*
 - *Also includes **\$400,000** reduction in costs for ARRA/Jobs Fund personnel and programs*
 - *The operating expenditure increases shown are without any modifications made to the district for 2011-12*

Summary

- 2011-12 revenue decrease **\$2,161,688**
- 2011-12 expenditure increases **\$ 833,996**
- **Projected deficit for 2011-12** **\$2,995,684**
 - *The district is showing a budget deficit of **\$2,995,684** based on the projected revenue decrease and increase in operating expenditures*
 - *Salary and benefit costs are included in the above deficit*
 - *Settled contract increases were factored in (only Educational Assistants have a settled 2011-12 contract with KASD)*
 - *Expiring contracts as of 7/1/2011 were built in at 0% total package for 2011-12*

Scope of the Deficit

- ***How deep is the projected 2011-12 deficit?***
 - \$2,995,684 is 6.62% of the 2010-11 operating budget for the district
 - \$2,995,684 is twice as much as the district spends on supplies and materials to educate students in a normal school year
 - \$2,995,684 is more than the 2010-11 building budget, including salary and benefits, for either Park Elementary School or Victor Haen Elementary School

Kaukauna Area School District

Budget Building Blocks

- **How was the 2011-12 Kaukauna Area School District operating budget constructed?**
 - *Current Wisconsin laws regarding collective bargaining were used as the basis for projecting salary and benefit costs for 2011-12 and creating the operating budget*
 - *Prior to February 11, 2011, the district was anticipating a **balanced operating budget** but changes at the state have forced the district to make major revisions to its original forecast*
 - *The district's 2011-12 operating budget is built on the premise that the proposed state budget for 2011-13 will be signed into law as is*
 - *Reductions in the per pupil allocation are included (\$527 for KASD)*
 - *Aid reductions in specialized areas, such as an AODA grant for \$60,000, have been taken into account*
 - *All other state/federal aids have been frozen for 2011-12*

Kaukauna Area School District

Budget Building Blocks

- ***How was the 2011-12 Kaukauna Area School District operating budget constructed?***
 - *The original budget, before the coming modifications, was built on maintaining 2010-11 staffing levels less individuals or programs paid for through specialized federal programs*
 - *All American Recovery and Reinvestment Act programs/personnel were removed*
 - *All Federal Jobs Fund hires were removed*
 - *The district will use its remaining \$515,000 from the Federal Jobs Fund to offset 2011-12 costs*
- ***What may change in the 2011-12 operating budget?***
 - *Wisconsin Act 10, also known as the Budget Correction Bill or Collective Bargaining Law, if enacted, would have a significant impact on the tax levy, district staffing, and corresponding salary and benefits of all employees*
 - ***ALL collective bargaining unit contracts*** *would be modified extensively should the Budget Correction Bill be signed into law*
 - *Salary and benefit packages would be changed to give the flexibility needed to call back potential layoffs, reduce class sizes, and enhance the fiscal wellness of the district for the long term*

Correcting The Budgetary Shortfall

- **Reductions must be sustainable**
 - *An influx of funds in the next five years from the State of Wisconsin is unlikely so any changes made to the 2011-12 budget must be sustainable for the long term*
- **75% of the operating budget is salary/benefit**
 - *Because three-fourths of the budget is based on personnel the brunt of the reductions must be made through staffing*
 - *Staffing changes must be sustainable*
 - *The proposed **Budget Repair Bill** will greatly impact the sustainability of the operating budget for the district*

Proposed Adjustments

Balancing the 2011-12 Budget

- **Buildings and Grounds Area**

- **Pre-purchase natural gas through a different vendor** **\$47,006**
 - Projected 5% savings when natural gas is purchased in advance
 - Center Point Energy has been contracted to handle this
- **Reduce Maintenance Level II budget by 50%** **\$109,000**
 - Maintenance Level II budget is for larger projects that need to be done
 - \$50,000 of the \$109,000 has to be used to pay back the QSCB loan
- **Reduce Custodial/Maintenance overtime hours by 60%** **\$56,758**
 - All extra hours will be billed to groups/organizations that require custodial/maintenance presence at events
 - Eight hours days will be strictly adhered to
- **Eliminate budget for summer maintenance workers** **\$32,395**
- **Eliminate Custodial/Maintenance Dept Supervisor position** **\$30,286**
 - Duties to be delegated to Financial Officer

- **Total cost savings – Buildings and Grounds** **\$275,445**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Information Technology Area**

- **Reduce Level II IT Department budget by 45%** **\$167,000**
 - Current IT Department Level II budget is \$367,000
 - Level II budget is used to purchase hardware, software, and infrastructure products to maintain the district computer and communication systems
- **Reduce Full Time IT Department staffing by one FTE** **\$68,749**
 - Three full time IT Department employees will remain
- **Reduce IT Department intern program to one FTE** **\$12,315**
 - One intern will remain for 2011-12

- **Total Cost Savings – Information Technology Area** **\$248,064**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Other District Operations**

- **Remove Post Retirement Benefit payment** **\$100,000**

- District currently pays \$100,000 into a fund for future post retirement benefits
 - Current pay-as-you go post retirement cost for KASD is \$1,100,000
 - DPI recommends to pay more than the pay-as-you go amount to the post retirement benefit fund

- **Reduce KASD Public Relations Department funding** **\$12,500**

- District office staff will take on duties currently contracted for

- **Modify district payroll processing** **\$15,000**

- A modified payroll processing plan will save on short term borrowing costs when funds are not available to make payroll
 - Current payroll for KASD is done twice per month

- **Cost Savings – Other District Operations** **\$127,500**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Co-curricular Activities**

- **Reduce Co-curricular/Extracurricular costs by 10%** **\$33,529**

- Reduce supplies costs in Quill and Scroll, KHS Destination Imagination, Mock Trial, KHS Poms
 - Reduce athletic department travel stipends, dues and fees, and purchased services
 - Reduce vehicle rental cost
 - Elimination of Kaukauna High School Destination Imagination position
 - Elimination of Kaukauna High School Mock Trial position
 - Reduce River View Middle School Destination Imagination teams by one
 - Elimination of River View Middle School Computer Club position
 - Elimination of Kaukauna High School Quill and Scroll position
 - Elimination of Kaukauna High School Effective Parenting classes
 - Elimination of Kaukauna High School Pom and Dance Assistant Coach position
 - Revamped Building Leadership Team structure

- **Signage Revenue – Kaukauna High School Gym** **\$10,000**

- **Cost Savings – Co-curricular Activities** **\$43,529**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Student Transportation**

- **Two-mile bussing for all students, Grades 1-12** **\$180,000**

- State law requires all public school districts to transport students that live two miles or more from school
- Students must have a safe walk route to school as designated by a representative from the State of Wisconsin
- Current district policy states that students in grades one-four that live one mile or more from school will receive free transportation
- Kobussen Buses will continue to offer paid bussing for those that do not live outside of two miles from their school and can get to an established bus stop
- Cost savings above includes gasoline/diesel fuel budgeted at \$5 per gallon
- *Cost savings is an estimate until final routes can be set-up for 2011-12*

- **Cost Savings – Student Transportation** **\$180,000**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Administrative Assistant Reconfiguration**

- **Elimination of one 10-month position** **\$53,103**
 - River View Intermediate School and River View Middle School will share the current Middle School office starting in 2011-12
 - Two 12-month, full time Administrative Assistants will be in the River View office
 - One 10-month Administrative Assistant will be split evenly between River View and Kaukauna High School
- **Reduction: 12-month full time to 10-month half time** **\$34,312**
 - Position currently shared between District Office and Electa Quinney Elementary School
 - Position based at Electa Quinney School for 2011-12
- **Reduction: 12-month full time to 10-month full time** **\$7,706**
 - Attendance position at Kaukauna High School reduced from 12-months to 10-month

- **Cost Savings – Administrative Assistants** **\$95,121**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Four Year Old Kindergarten Program**

- **Modified Four Year Old Kindergarten school day** **\$306,889**

- **All day, every other day, every other Friday program for 2011-12**
- Currently students attend either mornings or afternoons, five days per week
- 2011-12 configuration allows for the elimination of the midday bus route
 - *Cost savings shown is an estimate until final bus routes and style of bus is determined*
- Student learning time will be equal to or greater than student learning time under the current morning or afternoon schedule
- Transportation for four year kindergarten will be done using both small and large buses
 - Transportation will be tied in with the five year kindergarten program
 - Large buses will be used where possible
 - Routing will be done in a **similar manner** to what was done in 2010-11

- **Cost Savings – Modified 4K Program** **\$306,889**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Close Park Elementary School**

- **Close Park School for 2011-12** **\$253,066**

- Elimination of the equivalent of three full time Educational Assistants
 - Elimination of one full time Administrative Assistant position
 - Elimination of contracted cleaning service
 - Reduction in building maintenance program
 - Reduction in utility costs
 - Minor reduction in office supplies (transfer to new site)
 - *No change – Principal for 2011-12 was to have been covering two buildings thus no reduction in this area*
 - *No change – rental agreements that are in place for machinery or equipment*
 - *Included in cost savings – additional bussing that may be necessary to cover new Park Community Charter School location*
 - *Included in cost savings – cost to maintain building while it is not occupied (based on Nicolet School cost while it was not occupied)*

- **Cost Savings – Close Park Elementary School** **\$253,066**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Elementary School Configuration 2011-12**
 - Based on Park Elementary School closing for 2011-12 the following configuration for Kaukauna Area School District elementary schools will be in place
 - **Tanner Early Learning Center**
 - Early childhood program
 - All district four year old kindergarten students
 - All district five year old kindergarten students
 - **New Directions Learning Community Charter School**
 - **Electa Quinney Elementary School**
 - Quinney attendance area students, grades 1-4
 - Old Nicolet School attendance area students, grades 1-4
 - **Victor Haen Elementary School**
 - Haen School attendance area students, grades 1-4
 - **Park Community Charter School**

Proposed Adjustments

Balancing the 2011-12 Budget

- **Projected Budget Shortfall, 2011-12** **\$2,995,684**

- **Budget savings – non-personnel** **\$-1,063,187**
 - Items listed that did not include district personnel
 - Cost savings shown, when used to offset the budget shortfall, **will maintain jobs in the district**

- **Budget savings – personnel** **\$- 466,427**
 - Items listed that have a direct effect on district personnel

- **Updated budget Shortfall, 2011-12** **\$1,466,070**

Proposed Adjustments

Balancing the 2011-12 Budget

KAUKAUNA AREA SCHOOL DISTRICT

Proposed Staffing Reductions, 2011-12

Position	Layoff Notices Issued	Projected Callbacks	Projected Layoffs	Cost Savings
Art	1.65	1.00	0.65	\$ 52,607
Autism	0.50	0.50	0.00	\$ -
Business Education	0.70	0.20	0.50	\$ 27,306
Special Ed - CD	1.00	0.00	1.00	\$ 81,237
Computer Science	1.00	0.80	0.20	\$ 22,447
Special Ed - Cross Cat	1.00	1.00	0.00	\$ -
Deaf/Hard of Hearing	0.95	0.00	0.95	\$ -
Early Childhood EEN	0.50	0.00	0.50	\$ 19,376
Special Ed - EBD	1.00	0.50	0.50	\$ 27,287
Elementary Education	16.00	8.50	7.50	\$ 608,264
English Language Learn	1.00	1.00	0.00	\$ -
English	4.00	2.80	1.20	\$ 72,102
Family Consumer Ed	0.70	0.20	0.50	\$ 34,201

Proposed Adjustments

Balancing the 2011-12 Budget

KAUKAUNA AREA SCHOOL DISTRICT

Proposed Staffing Reductions, 2011-12

Position	Layoff Notices Issued	Projected Callbacks	Projected Layoffs	Cost Savings
Guidance	1.00	1.00	0.00	\$ -
Health	0.50	0.50	0.00	\$ -
Librarian	1.00	1.00	0.00	\$ -
Literacy Coordinator	0.50	0.50	0.00	\$ -
Math	3.70	3.10	0.60	\$ 48,705
Music	1.09	0.00	1.09	\$ 89,303
Physical Education	2.60	2.00	0.60	\$ 29,387
Reading	1.50	1.50	0.00	\$ -
Science	3.70	2.50	1.20	\$ 116,329
Special Ed - SLD	1.30	1.00	0.30	\$ 27,287
Social Studies	4.00	3.00	1.00	\$ 96,049
Spanish	1.60	1.20	0.40	\$ 25,157
Speech Therapist	1.00	0.40	0.60	\$ 48,742
Technology Education	1.90	0.85	1.05	\$ 74,185
Workstudy Coordinator	0.50	0.50	0.00	\$ -
TOTAL	55.89	35.55	20.34	\$ 1,499,971

Proposed Adjustments Balancing the 2011-12 Budget

KAUKAUNA AREA SCHOOL DISTRICT

Proposed Staffing Reductions, 2011-12

Position	Layoff Notices Issued		Projected Callbacks		Projected Layoffs		Cost Savings
Federal Jobs Fund Act							
Special Ed - EBD	0.50		0.00		0.50		0
English	1.00		0.00		1.00		0
Guidance (Park School)	0.50		0.00		0.50		0
Math	0.30		0.00		0.30		0
Science	0.30		0.00		0.30		0
Social Studies	0.40		0.00		0.40		0
TOTAL	3.00		0.00		3.00		0.00
American Recover and Reinvestment Act							
Early Childhood	0.50		0.00		0.50		0
Reading	2.00		0.00		2.00		0
TOTAL	2.50		0.00		2.50		0.00
GRAND TOTAL	61.39		35.55		25.84		\$ 1,499,971

Proposed Adjustments

Projected 2011-12 Class Sizes

- **Projected Class Sizes**

- *The projected class sizes for 2011-12 based on the staffing modifications shown as well as changes to the building structures are as follows:*

- Tanner Early Learning Center 24
- Elementary Grades 1-4 26.1
- River View Grades 5-6 31
- River View Grades 7-8 30.65
- Kaukauna High School 32.01
 - *Core courses average 31.0*
- Charter Schools 24.5

- *If the proposed Budget Correction Bill becomes law class sizes will be reduced*

Summary

Balancing the 2011-12 Budget

- **Total budget shortfall, 2011-12** **\$2,995,684**
 - Budget savings, non-personnel modifications \$-1,063,187
 - Budget savings, personnel, non-certified staff \$- 466,427
 - Budget savings, certified staff \$- 1,499,971
- **Projected operating budget, 2011-12** **=\$+ 33,901**
 - *With all of the modifications made to the 2011-12 operating budget there would be a surplus of \$33,901*

2011-12 Operating Budget

- **Questions**
- **Suggestions**
- **Comments**
- ***This budget presentation will be posted on the district website for future reference***