



Fall Budget Adoption and Tax Levy Certification

2016-17 School
Year



MADISON METROPOLITAN
SCHOOL DISTRICT



DRAFT
PRELIMINARY
BUDGET

Fiscal Year 2016-2017



Action Items Tonight

- **Adopt a 2016-17 Budget: (Single Motion)**
 - Replaces the Preliminary Budget adopted June 27, 2016
 - Includes June-to-October budget adjustments
 - Includes first annual draw on Promissory Note (TID # 25)
 - Does not include impact of November referendum
 - May need to revise budget depending on referendum outcome
- **Adopt a 2016-17 Tax Levy: (Dual Motions)**
 - The Board must adopt a tax levy before Nov. 1 (Wis. Stats. 120.12 (3)(a)). Due to the November 8, 2016 referendum, the board will adopt both a tax levy and an alternate tax levy to be used if voters approve the November 8th referendum

BUDGET ADOPTION

2016-17

Our Approach

- Despite a challenging budget, stay anchored to our strategy as a district
- Repurpose funds to invest in our priorities, fund our compensation plan, find efficiencies, control health care costs, adjust staffing to enrollment, minimize impact on schools



State Budget Impact

No Increase in Revenue Limit Per Pupil



June Preliminary Budget:

Less than 1% revenue growth and a temporary decrease in enrollment (-150 students)

Identify \$8.2 million in budget reductions, including a decrease of 64.2 positions via attrition (1.6% of staff)

Fund salary/wage plan, hold health insurance to zero increase with an avg. 3% employee premium contribution

Fund essential priority actions totaling \$2.1 million

Use \$1.6 million in reserves carried over from 2015-16 to bridge the budget gap 2016-17

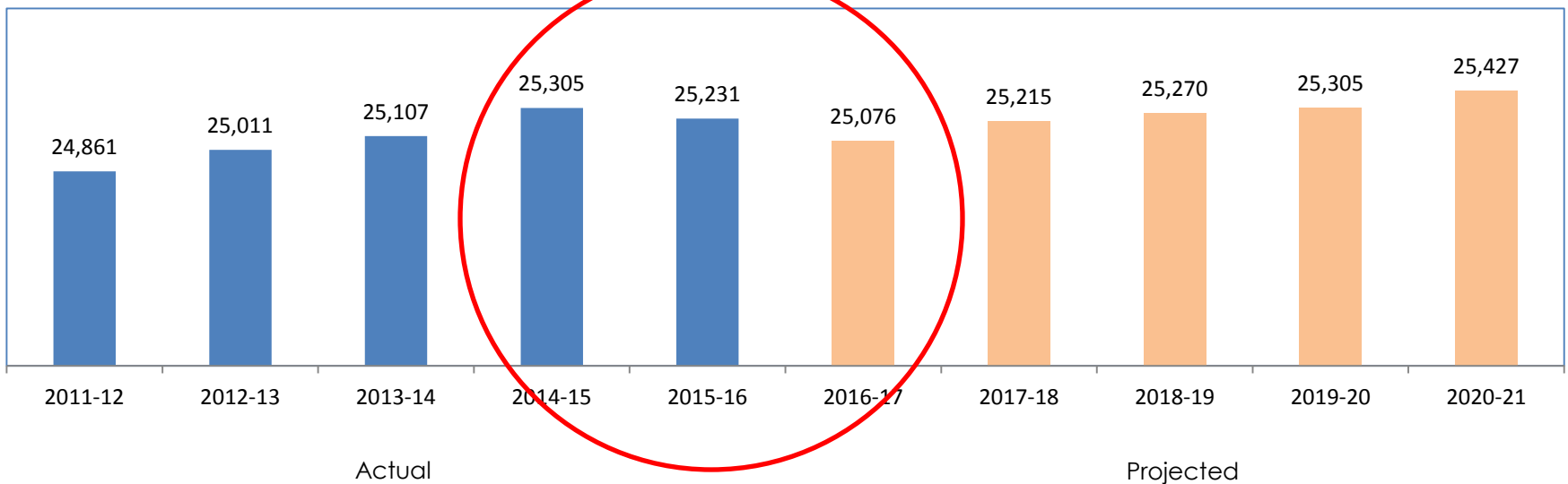
Decrease in state aid of -9% and tax levy increase of 2.49%



October
Update

Student Enrollment

K-12 Enrollment History and Forecast



Third Friday in September "students in seats" count excluding 4K

October
Update

MMSD Staffing Plan

	FY 2015	FY 2016	FY 2017	Change FY16- FY17	% Change FY16- FY17
District-Wide Administrators	73.5	66.7	62.7	-4.0	-6.0
Principals	49.0	50.0	50.0	0.0	0.0
Assistant Principals	27.0	26.0	26.0	0.0	0.0
Teachers	2679.9	2622.6	2560.3	-62.3	-2.4
Specialists (Hearing Interpreters, OTAs, etc.)	33.2	33.0	33.5	0.5	1.4
Bilingual Resource Specialists	78.9	79.9	80.9	1.0	1.3
Professionals (Non-Union)	101.8	108.2	110.7	2.5	2.3
Clerical/Technical	227.1	224.1	220.5	-3.7	-1.6
Ed. Assts. (EA, SEA, BEA, Nurse Asst)	489.8	496.7	499.6	2.9	0.6
Custodial	221.3	217.3	216.3	-1.0	-0.5
Trades	33.0	33.0	32.0	-1.0	-3.0
Food Service	94.4	94.4	94.4	0.0	0.0
Security	30.5	29.3	28.3	-1.0	-3.4
	4139.2	4081.1	4014.9	-66.2	-1.6

October
Update

Promissory Note (TID 25)

In August, the City of Madison arranged for distribution of \$9.27 million in TID # 25 surplus funds to MMSD over the next five years.

The 2016-17 budget has been updated to account for a draw of \$2.0 million. This first of five annual draws will focus primarily on facility improvements and technology infrastructure.

Future draws broaden the focus to include high leverage planning and design, and innovation opportunities. Future draws will be approved by the board annually.



October
Update

Equalization Aid and the Local Tax Levy

- Equalization aid was estimated to decrease by 9%, from \$52.4 million to \$47.7 million. The June preliminary budget used a cautious estimate.
- In October, equalization aid estimate was revised to an increase of 3.82%, from \$52.4 million to \$54.4 million.
- This change in state aid allows us to lower the tax levy estimate.



October
Update

Property Tax Forecast

Without Additional Levy Authority in November
Referendum

	2014-15 Actual	2015-16 Actual	2016-17 June	2016-17 Fall
Total Tax Levy	268,500,294	281,158,559	288,172,085	282,121,169
Levy % Increase	4.18%	4.71%	2.50%	0.34%
Equalized Tax Rate (per \$1,000)	11.94	12.08	11.96	11.71
Equalized Tax Rate % Increase	0.68%	1.15%	-0.99%	-3.06%



October
Update

Madison Metropolitan School District Operating Funds (10/27)

Summary Revenue and Expenditures Fund Table By Year

Note: Includes Interfund Transfers listed separately

Funds 10 & 27	2013-14 Actuals	2014-15 Actuals	2015-16 Actual	2016-17 Fall Budget	Percent Change
Revenues					
Total Revenues	354,056,391	365,732,284	370,068,375	376,284,537	1.68%
Expenditures					
Total Expenditures	361,819,372	367,930,444	368,503,390	379,999,619	3.12%
Proceeds from Debt	-	665,365	-	2,055,000	0.00%
Transfers in	48,681,980	49,911,992	49,661,337	50,325,733	1.34%
Transfers out	(48,855,179)	(49,876,545)	(49,596,117)	(50,265,651)	1.35%
Net change in fund balance	(7,936,180)	(1,497,348)	1,630,206	(1,600,000)	-198.15%
Fund balance - beginning of year	45,312,969	37,376,789	35,879,442	37,509,647	4.54%
Fund balance - end of year	37,376,789	35,879,442	37,509,647	35,909,647	-4.27%



Motion on Budget Adoption

I move that the Board approve and adopt the 2016-2017 budget as presented in the materials for the October 24, 2016 Regular Meeting, in the following amounts:

Total Revenue for All Funds (Net of Inter-fund Transfers):	\$ 422,443,540
Total Expenditures for All Funds (Net of Inter-fund Transfers):	\$ 448,873,330

Includes Funds: 10, 27, 30, 38, 41, 42, 50, 80

TAX LEVY CERTIFICATION

2016-17

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Property Tax Forecast

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Levy % Increase	4.18%	4.71%	2.50%	2.11%
Equalized Tax Rate (per \$1,000)	11.94	12.08	11.96	11.92
Equalized Tax Rate % Increase	0.68%	1.15%	-0.99%	-1.32%

MMSD Property Tax Forecast 2016-17

A relatively small increase in the tax levy and strong tax base growth combine to minimize the estimated tax impact for an average value Madison home.

Two Levy Scenarios:	Without Referendum Impact	With \$5MM Referendum Impact
Total Levy	282,121,169	287,092,023
Levy % Incr	0.34%	2.11%
Tax Base Incr	3.51%	3.51%
Prior Year Tax Rate	12.08	12.08
Current Year Tax Rate	11.71	11.92
Average Home Tax Bill Change	\$ (53.12)	\$ (1.71)

Dual Motions on Levy Certification

#1: I move that the board certify the 2016-17 All Funds Tax Levy in conjunction with the 2016-17 budget, incorporating an assumption that the November 8 operational referendum DOES NOT pass, in the total tax levy amount of \$282,121,169 which consists of the specific subcomponents listed below in the “Levy Without Referendum” column.

#2. I move that the Board establish and approve an alternative 2016-17 All Funds Tax Levy in conjunction with the 2016-17 budget, incorporating an assumption that the November 8 operational referendum DOES pass, in the total tax levy amount of \$287,092,023 which consists of the specific subcomponents listed below in the “Levy With Referendum \$5 Million Additional” column.

Fund:	Fund Name:	Levy Without Referendum	Levy With Referendum \$5 Million Additional
Fund 10	General Fund	254,232,451	259,203,305
Fund 38	Non-referendum Debt Service	4,087,409	4,087,409
Fund 39	Referendum-Approved Debt Service	7,999,159	7,999,159
Fund 41	Capital Expansion Fund	4,000,000	4,000,000
Fund 80	Community Services Fund	11,802,150	11,802,150
Total Levy		282,121,169	287,092,023