

# 2017-18

## Stoughton Area School District

### Budget Report

Serving the following communities:

Albion, Christiana, Stoughton, Cottage Grove, Deerfield, Dunkirk, Dunn, Pleasant Springs and Rutland in Dane County and Porter and Union in Rock County



The mission of the Stoughton Area School District, with students as our number one priority, is to ensure educational opportunities which challenge students to achieve excellence, maximize their unique talents and abilities, prepare them to face the demands of the future, and be literate, contributing members of society.

# **Stoughton Area School District School Buildings**

## **Fox Prairie Elementary**

Grades K-5

1601 West South Street 608.877.5100

Krista Huntley Rogers, Principal

2017-18 Enrollment : 387

## **Kegonsa Elementary**

Grades K-5

1400 Vernon Street 608.877.5200

Erin Conrad, Principal

2017-18 Enrollment : 353

## **Sandhill Elementary**

Grades 4K-5, EC

1920 Lincoln Avenue 608.877.5400

Jeff Fimreite, Principal

2017-18 Enrollment : 661

## **River Bluff Middle School**

Grades 6-8

235 North Forrest Street 608.877.5500

Trish Gates, Principal

2017-18 Enrollment : 672

## **Stoughton High School**

Grades 9-12

600 Lincoln Ave 608.877.5600

Mike Kruse, Principal

2017-18 Enrollment : 960

## **JEDI**

Grades K-12

320 North Street 608.877.5032

2017-18 Enrollment: 27

# STOUGHTON AREA SCHOOL DISTRICT

Administrative & Educational Services Center  
320 North Street  
608.877.5000

District Administrator Tim Onsager, Ed.D.

## BOARD OF EDUCATION MEMBERS 2017-2018

Board Member Name	Role	E-mail Address	Term End
Scott Dirks	President	Scott.Dirks@Stoughton.k12.wi.us	April 2018
Joe Freye	Vice President	Joe.Frey@Stoughton.k12.wi.us	April 2019
Allison Sorg	Treasurer	Allison.Sorg@Stoughton.k12.wi.us	April 2018
Yolibeth FitzGibbon	Clerk	Yolibeth.Fitzgibbon@Stoughton.k12.wi.us	April 2018
Frank Sullivan	Deputy Clerk	Frank.Sullivan@Stoughton.k12.wi.us	April 2018
Tim Bubon	Member	Tim.Bubon@Stoughton.k12.wi.us	April 2020
Jon Coughlin	Member	Jon.Coughlin@stoughton.k12.wi.us	April 2020
Steve Jackson	Member	Steve.Jackson@Stoughton.k12.wi.us	April 2020
Donna Tarpinian	Member	Donna.Tarpinian@Stoughton.k12.wi.us	April 2019
Isabelle G.	Student Rep		April 2018

Regular meetings of the Board of Education will be held in the Administrative and Educational Services Center Board Room or other location designated by the Board of Education at least once a month, at a time to be set by the Board of Education. Special meetings shall be held upon the written request of any Board of Education member; meetings may be held in closed session as determined by the Board of Education. Cross Reference Policy 107.11.

**Administrative and Educational Services Center  
Room 200  
320 North Street**

Agendas are posted in each school, the Administrative and Educational Services Center, as well as the District website prior to each meeting.

**The public is welcome.**

Visit our website: [www.stoughton.k12.wi.us](http://www.stoughton.k12.wi.us)

# INTRODUCTION

The budget is a financial plan to achieve the educational objectives of the school district. The Business Services Office works with administration, staff, and board members in preparing the annual budget. Annually, an official public hearing is held in October regarding the proposed budget.

The October 23, 2017 Annual Meeting is also the time at which the property tax levy to support the budget is submitted for consideration. Citizens of the District are invited to attend the Annual Meeting and are encouraged to participate.

Additional budget information is available on the District's website at [www.stoughton.k12.wi.us](http://www.stoughton.k12.wi.us) or by contacting the Business Services Office at 320 North Street, Stoughton, WI 53589, telephone number (608) 877-5012.

## 2017-18 Budget Objectives

- Maintain current level of programs and educational initiatives
- Continue providing transparency in district finances
- Create a staffing plan according to class size policy and district services
- Manage our resources responsibly to create trust
- Reduce budgeted expenses whenever possible, helping to minimize future deficits
- Continue to look for ways to improve efficiency while providing quality services
- Manage ongoing changes in State and Federal budgets that impact local funding
- Align our budget to support the District's strategic plan and ongoing goals

## Fiscal Challenges

- Continue improvement of student achievement while balancing future budgets
- Educating stakeholders around the impact of revenue limits, declining enrollment, and reduced state aid
- Sustain programs and services regardless of declining student enrollment and economic development in the Stoughton area
- Provide adequate resources given the current method of state funding for Wisconsin public schools
- Continue to meet new and ongoing state and federal requirements around various areas such as teacher evaluation, student achievement, student wellbeing, and child nutrition

# GLOSSARY OF FUNDS

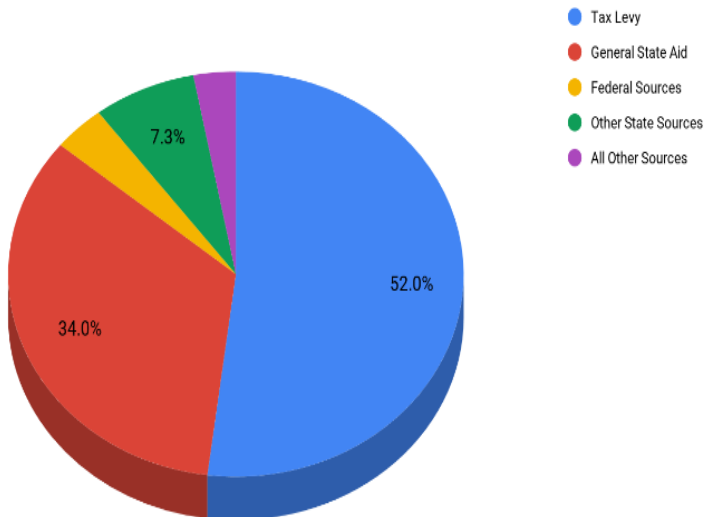
10 – General Fund	The general fund is used to account for all financial transactions relating to the district's current operations, except for those required to be accounted for in other funds.
21 – Special Revenue Trust Fund	This fund is used to account for trust funds that can be used for district operations. The source of such funds is gifts and donations from private parties. Cash and investments in this fund are expended pursuant to donor specifications. There may be a fund balance in this fund.
27 – Special Education Fund	This fund is used to account for special education and related services funded wholly or in part with state or federal special education aid or charges for services provided to other districts as a result of being a host district for a special education package or cooperative program. No fund balance or deficit can exist in this fund.
38 – Non-referendum Debt Service Fund	This fund is used to account for transactions for the repayment of debt issues that were either: not authorized by school board resolution before August 12, 1993, or incurred without referendum approval after that date. A fund balance may exist in this fund.
39 – Referendum Approved Debt Service Fund	This fund is used to account for transactions for the repayment of debt issues that were either: authorized by school board resolution before August 12, 1993, or approved by referendum. A fund balance may exist in this fund.
41 – Capital Expansion Fund	Projects financed with tax levy per statute 120.10(10m). State statute restricts the use of this fund for capital expenditures related to buildings and sites. Equipment cannot be acquired through the use of this Fund. For the purpose of determining eligible expenditures from this Fund, the DPI defines "capital expenditures related to buildings and sites" as being expenditures for acquiring and remodeling buildings and sites, and maintenance or repair expenditures that extend or enhance the service life of buildings and building components, sites and site components.
46 – Long Term Capital Improvement Trust Fund	A school board with an approved long-term capital improvement plan (minimum of 10 years) may establish a "trust" that is funded with a transfer from the general fund. The contribution from Fund 10 to Fund 46 (Long-term Capital Improvement Trust Fund) is recorded as the expenditure for shared cost and equalization aid purposes. Future expenditures from Fund 46 are not part of shared costs. A school board is prohibited from removing money deposited into Fund 46 for a period of five years after the fund is created. After the initial five year wait period is over, funds may only be used for the purposes identified in the approved long-term capital improvement plan. Fund 46 assets may not be transferred to any other school district fund.
49 – Other Capital Projects Fund	Used to report capital project fund activities not required to be reported in Funds 41 or 48. A fund balance may exist in this fund. This fund has been used to record the costs and revenue associated with a referendum project, such as the pool.
50 – Food Service Fund	All revenues and expenditures related to pupil and elderly food service activities are recorded in this fund. A fund balance in the Food Service Fund is permitted. There may be no deficit in the district's Food Service Fund. Any food service fund deficit, resulting from student food services, must be eliminated by an operating transfer from the General Fund. The maximum that may be transferred if the district does not have a deficit in the Food Service Fund is limited to an amount necessary to cover a current year deficit in a particular food service program (National School Lunch, Breakfast, Ala Carte, etc.)
60 – Agency Fund	This fund is used to account for our student activity funds.
72 – Private Purpose Trust Fund	This fund is used to account for gifts and donations specified for the benefit of private individuals and organizations not under the control of the school board. Scholarships are recorded in this fund. Cash and investments in this fund are expended pursuant to donor specifications. There may be a fund balance in this fund.
80 – Community Service Fund	This fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. Expenditures for these activities, including cost allocations for salaries, benefits, travel, purchased services, etc. are to be included in this Fund to the extent feasible. The district may adopt a separate tax levy for this Fund. Building use fees charged for utilities and other operational costs must be recorded in the General Fund if no cost allocation was made for these to the Community Service Fund.
90 – Package and Cooperative Program Fund	This fund is to be used for cooperative instructional funds. No fund balance or deficit can exist in this fund. SASD uses it for activity such as a sports coop or educational activities through a 66.03 agreement.

# WHERE DOES THE MONEY COME FROM?

## Sources of Revenue

Funding for public education comes from several different sources. The Stoughton Area School District receives 86% of its fund 10 and 27 revenues from two sources: general state aid – 34.0% and local property taxes – 52.0% (Chart 1). Other sources include revenue from the state and federal government, fees, program-related payments, and earnings on investments.

**Chart 1**  
**Revenues by Source (Funds 10 & 27)**

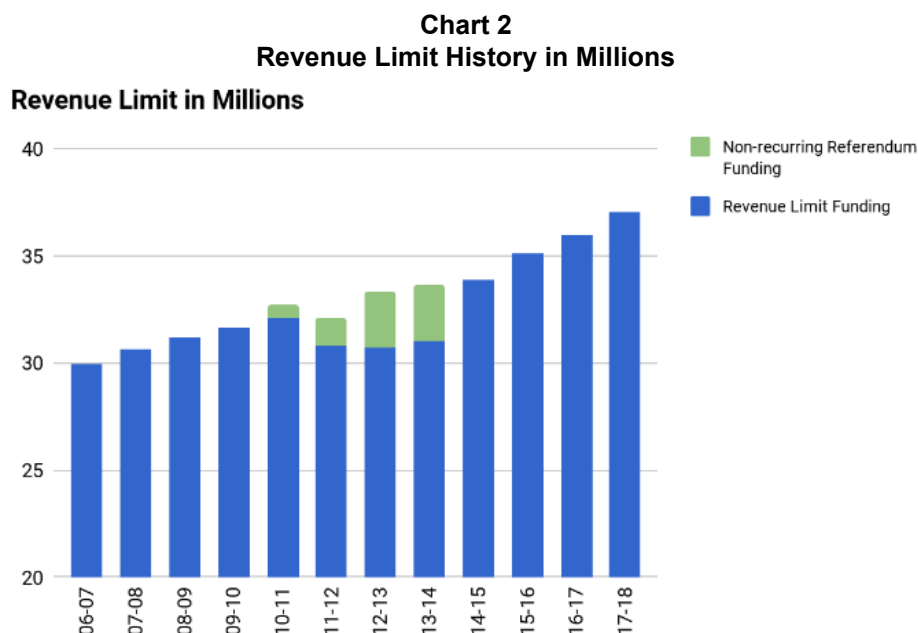


## Revenue Limits and State Aid

Wisconsin schools are subject to state-imposed revenue limits that establish the maximum amount of property tax and general state aid a district is allowed.

The state revenue limit is calculated by using a 3-year student membership average multiplied by the maximum revenue per member. Historically, the revenue per student increased by the CPI index, an average of approximately 2.5% for SASD since the inception of revenue limits through the 2008-09 school year. Since that time, increases have been minimal - in one year, the amount per student actually decreased by \$401 for Stoughton. As the state has struggled to balance its budget, increases in school funding have been impacted. These changes prompted the district to pursue a non-recurring operational referendum allowing the district to exceed the revenue limit as a means to balance the budget instead of making significant reductions to programs and services in 2010. Non-recurring referendum funding is represented in green on Chart 2. In 2014, when the 2010 referendum expired, the district passed a recurring operational referendum to provide ongoing financial support.

As limitations on school revenue limits have been put in place, some additional funding has become available through the state's per pupil categorical aid. Instead of raising the revenue limit per student, which could result in property tax increases, the state has created, and slowly increased, the per pupil aid that is provided to each district. The 2017-19 state biennium budget made an increase to this aid of \$200 per student for the 2017-18 school year which provides SASD with approximately \$650,000 more in resources in this fiscal year.



## Revenue Limits and State Aid Continued...

Expenses increasing at a higher percentage than the allowable growth in a district's revenue is an ongoing challenge for all Wisconsin public school districts. This challenge, coupled with SASD's declining enrollment, results in fewer dollars available to support students (Chart 3).

How much each district receives per student in the revenue limit calculation is different. The amount is based on what the district spent per student in 1993 when revenue limits were put in place. Historically, that amount increased annually. In 2011-12 the amount decreased and there has been no state provided increase for 2017-18. SASD has been able to avoid major cuts to programs and services due to the additional referendum approved funding received over the past few years.

**Table 1**  
**Allowable Revenue Limit**

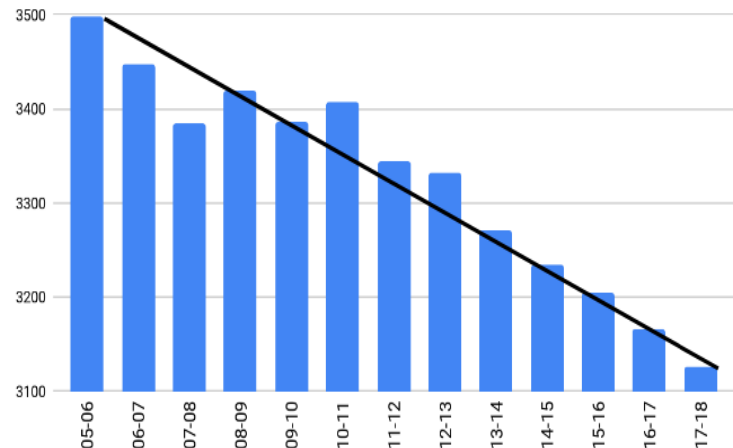
Allowable Revenue Limit	\$37,034,590
Less 2017-18 Gen. State Aid	(14,152,268)
<b>Maximum 2017-17 Levy (Funds 10, 38, 41)</b>	<b>22,882,322</b>
Add: Debt Service Levy	1,372,018
Community Service Levy	50,000
Prior Year Chargeback	0
<b>Total Allowable School Tax Levy</b>	<b>24,304,340</b>
Deduct: State Computer Aid	(79,797)
<b>Net 2017-18 Maximum School Tax Levy</b>	<b>24,224,543</b>

State aid is calculated and distributed across Wisconsin public school districts based on need. In order to calculate which districts receive a higher percentage of aid, the state determines each district's wealth by calculating its property value per student. The calculation is complex but the basic concept is that the total equalized property value in the district divided by the number of students determines the property value per student. Districts with a high property value per student receive a smaller portion of their revenue limit in the form of state aid as these districts are considered wealthier. Wealthier districts are perceived to have a greater ability to pay (tax levy) than districts with a low property value per student.

SASD has a higher property value per student than the state average. This phenomenon over time, coupled with additional tax levy due to approved referenda, has resulted in the percentage of revenue coming from state aid to decrease and the percentage coming from local taxpayers to increase (Table 2).

**Chart 3**

September Membership History



The allowable revenue limit for 2017-18 is \$37,034,590 (Table 1). In the revenue limit formula, an inverse relationship exists between state aids and maximum allowable local property taxes. In years when state aid is increased, the allowable property tax levy is reduced. The 2017-18 budget includes state aid of \$14,152,268 - a decrease of \$456,200 from the 2016-17 general state aid received. SASD continues to experience a declining trend in the amount of state aid received. The district's 2017-18 allowable revenue limit includes \$1,450,000 in additional tax dollars approved through an April 2014 operational referendum.

**Table 2**  
**Funds 10 & 27 Revenue by Source Summary**

Year	State Aid	Tax Levy	Other State Sources	Federal Sources	All Other Sources
<b>17-18</b>	34.0%	52.0%	7.3%	3.7%	3.0%
<b>16-17</b>	36.2%	51.4%	5.9%	3.6%	2.9%
<b>15-16</b>	38.2%	50.4%	4.9%	3.8%	2.7%
<b>14-15</b>	40.2%	48.2%	4.8%	4.1%	2.7%
<b>13-14</b>	40.1%	48.6%	4.3%	4.1%	2.9%
<b>12-13</b>	39.8%	50.0%	3.9%	3.6%	2.7%
<b>11-12</b>	42.4%	46.9%	4.1%	3.8%	2.8%
<b>10-11</b>	44.5%	41.2%	3.6%	7.5%	3.2%
<b>09-10</b>	46.6%	38.4%	4.5%	6.6%	3.9%



Property Taxes and Mill Rate

Property taxes make up 52.0% of the district’s 2017-18 operational revenue (Table 2 and Chart 1). The total school tax levy for 2017-18 is \$24,224,543, representing an increase of 6.7% over 2016-17 (Table 3). In addition to our general levy (fund 10), the district levies for capital expansion (fund 41), debt service (fund 39) and community service (fund 80). Our fund 80 levy, combined with user fees, supports community use of the aquatics center, performing arts center, middle school athletics and custodial services for use of facilities after the normal school day. Costs accounted for in fund 80 occur outside of the school day and are not part of the district’s instructional programming.

Each year the district receives the total SASD equalized property value from the State of Wisconsin. To determine the district’s mill rate, the total tax levy is divided by the equalized property value. The mill rate can increase or decrease without a change in levy. This year, the levy is increasing at a higher percentage than our property value, which causes the mill rate to increase.

The 2017-18 mill rate is \$11.44/thousand — a \$0.16 or 1.4% increase from the 2016-17 mill rate of \$11.28/thousand.

The SASD mill rate had a declining trend between the 2001-02 school year and the 2006-07 school year. Between 2006-07 and 2013-14, the mill rate increased (Chart 4) An increase in mill rate indicates that the percentage increase in total dollars levied is higher than the total increase in property value. Prior to 14-15, SASD experienced declining property values for 5 years in a row. This year, our property value increased by approximately \$105 million or 5.2% compared to the 2016-17 school year. Chart 4 demonstrates the slight increase in the 2017-18 mill rate.

Table 3  
Tax Levy Summary by Fund

	2016-17	2017-18	Variance	% Change
General (10)	\$20,755,389	\$21,621,921	\$866,532	4.2%
Capital Expansion (41)	520,200	1,180,604	660,404	127.0%
<b>Total Revenue Limit Levy</b>	<b>21,275,589</b>	<b>22,802,525</b>	<b>1,526,936</b>	<b>7.2%</b>
Referendum Approved Debt (39)	1,376,167	1,372,018	(4,149)	(0.3%)
Community Service (80)	50,000	50,000	0	0.0%
Prior Year Chargeback	449	0	(449)	(100%)
<b>Total Levy</b>	<b>\$22,702,205</b>	<b>\$24,224,543</b>	<b>\$1,522,338</b>	<b>6.7%</b>

Budget Impact on Local Taxpayers

Table 4 illustrates the general estimated tax impact on a homeowner for 2017-18. In this scenario, a taxpayer is experiencing an increase in property value similar to what the district experienced as a whole and will see a school tax levy increase of \$151 (6.7%). These estimates will fluctuate depending upon the value of each home.

Chart 4  
SASD Mill Rate History

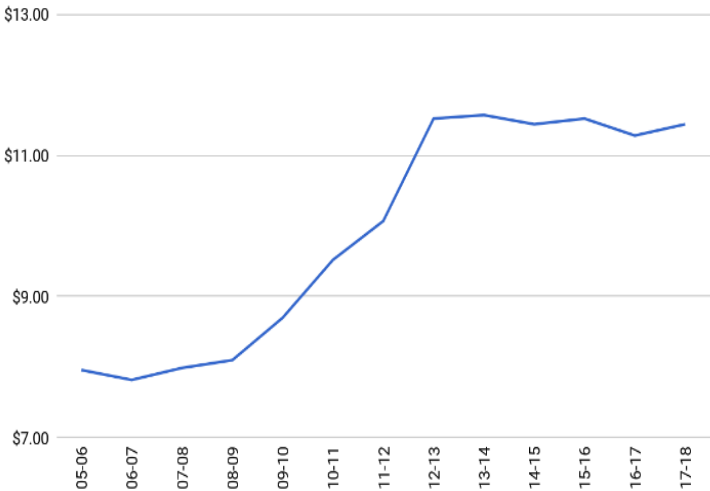


Table 4  
Tax Impact for Home Buyers

School Year	Home Value	Mill Rate	School Tax
2016-17	\$200,000	\$11.28	\$2,256
2017-18	\$210,417	\$11.44	\$2,407
\$ Increase / (Decrease)	\$10,417	\$0.16	\$151
% Increase / (Decrease)	5.2%	1.4%	6.7%



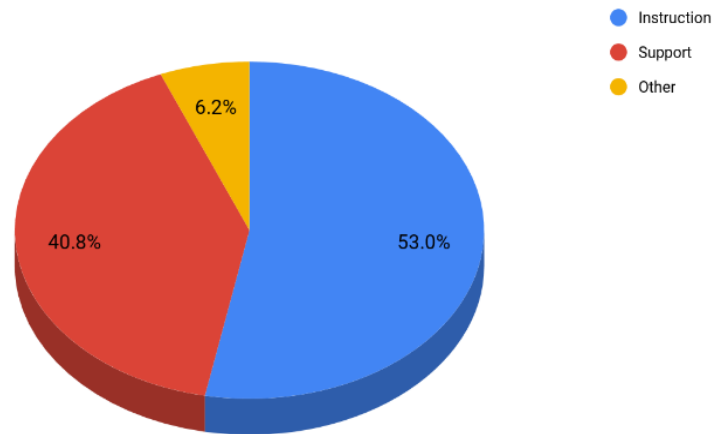
# HOW IS THE MONEY SPENT?

## Expenses by Function and Object

The school district analyzes expenditures from different perspectives. Chart 5 illustrates expenditures by function (purpose for which an expenditure is made), and Chart 6 illustrates expenditures by object (actual goods or services purchased).

As shown in Chart 5, the district spends the greatest amount on direct instruction (53.0%). Support services, including items such as libraries, psychologists, counselors, social workers, nurses, therapists, utilities, maintenance, transportation, administration and overhead, represent 40.8% of the budget. The remaining 6.2% is dedicated to non-program transactions such as tuition expenses for open enrollment and private voucher schools and a transfer to Fund 27 to support special education costs.

**Chart 5**  
**Summary by Function Funds 10 & 27**



**Chart 6**  
**Summary of Object Funds 10 & 27**

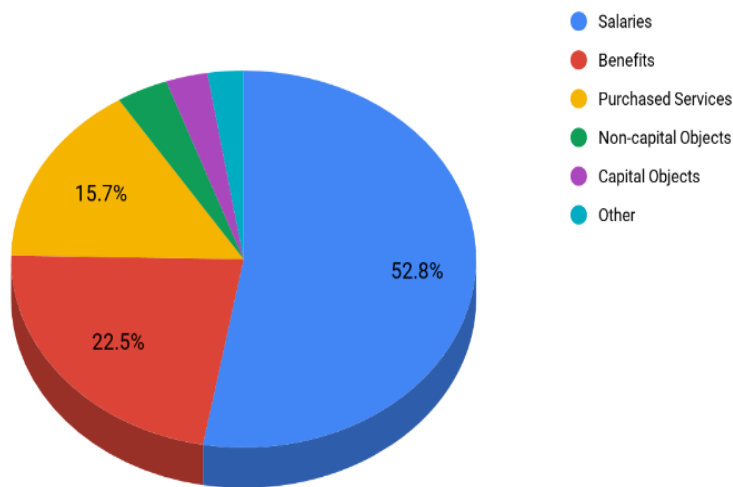


Chart 6 further illustrates the fact that most of the district expenses are for staffing. Expenditures are as follows: salaries and benefits 75.3%, purchased services, supplies, and equipment 22.2%, leaving 2.5% for capital leases, insurances, and other items.

The state analyzes revenues and expenditures by fund designation. The majority of all district activity is recorded in the general fund (10). Other funds designated for recording revenues and expenditures include: special education (27), referendum approved debt service (39), capital expansion (41), capital improvement (46), food service (50), student activities (60), scholarships (72), and community service (80). A detailed description of each fund is listed on page 4.

Table 5 shows the budget amounts for the various objects in our general (10) and special education (27) funds. Table 6 shows the budget by function.

**Table 5**

### General & Special Education Fund Budget by Object

Object	General (10)	Spec. Ed (27)	Total
Salaries	\$17,827,122	\$4,160,887	\$21,988,009
Benefits	7,305,564	2,059,206	9,364,770
Purch Services	6,207,034	309,005	6,516,039
Non-Cap Obj	1,415,502	84,979	1,500,481
Capital Objects	1,197,762	0	1,197,762
Other Objects*	1,050,547	0	1,050,547
Total	\$35,003,531	\$6,614,077	\$41,617,608

**Table 6**

### General & Special Education Fund Budget by Function

Function	General (10)	Spec. Ed (27)	Total
Instruction	\$16,987,894	\$5,018,276	\$22,006,170
Support	15,637,576	1,374,216	17,011,792
Non-program*	2,378,061	221,585	2,599,646
Total	\$35,003,531	\$6,614,077	\$41,617,608

\*excludes fund transfers to fund 27 of \$4,378,603

# STOUGHTON AREA SCHOOL DISTRICT STRATEGIC PLAN

Annual budget planning is guided by a strategic plan that identifies the long-term direction of the District. The current strategic plan affirms our commitment to improving learning, partnerships, workforce, and funding. Each building and department creates goals centered on the strategic plan. The 2017-18 budget supports several strategic initiatives consistent with these goals and commitments.

## Learning

- The District will ensure that all students are able to read, write, express, calculate and compute effectively in order to critically analyze situations and solve problems independently and as part of a group.

## Partnerships

- The District will build community support by promoting, encouraging and maintaining meaningful partnerships and mutually beneficial collaboration.

## Workforce

- The District will use best practices to hire, develop and retain a skilled, empowered and engaged workforce to ensure that the district achieves its mission and vision.

## Funding

- The District will maintain a balanced budget by using available funds in the most efficient and effective manner and, if necessary, will seek needed funding to advance its mission and vision.