

2021-22 Budget Challenges, Assumptions & Recommendations

April 7, 2021
Board Meeting

■ Presentation Goals

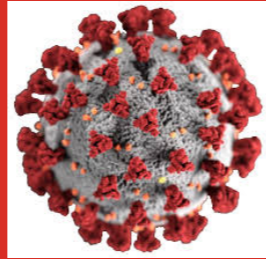
1. Overview of school finance and the impact on SM
2. Understand 2021-22 budget development challenges
3. Understand the assumptions and recommendations

There is a lot of unknowns, probably more than ever before, and it is incumbent upon us to make the best decisions for students based on the variables we know and strive for a balanced budget.

Budget Factors



2021-23 State Budget
Specifically Revenue
Limits & Aids



Federal Revenues
Specifically COVID-19
Relief



Other Revenues
Local

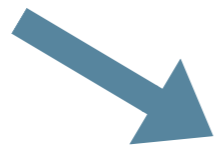
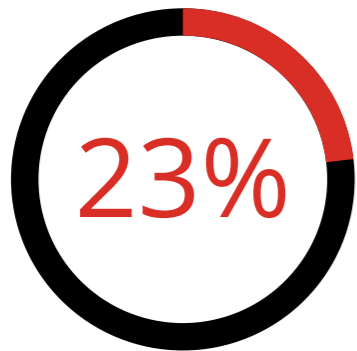


Expenditures

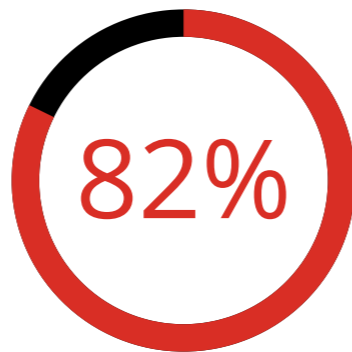
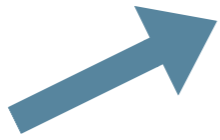
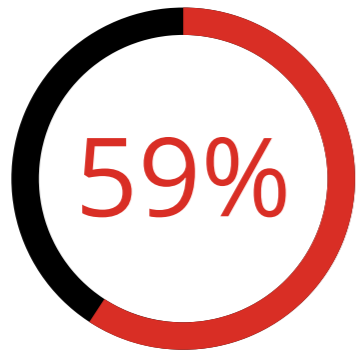
■ General Fund Revenues

*Capped By
Revenue Limits*

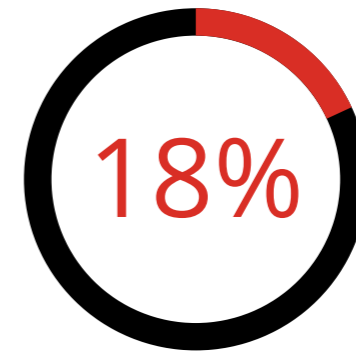
Local Taxes



State Equalization Aid

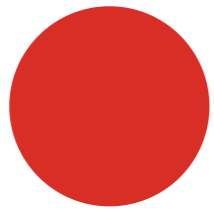


Other Revenues



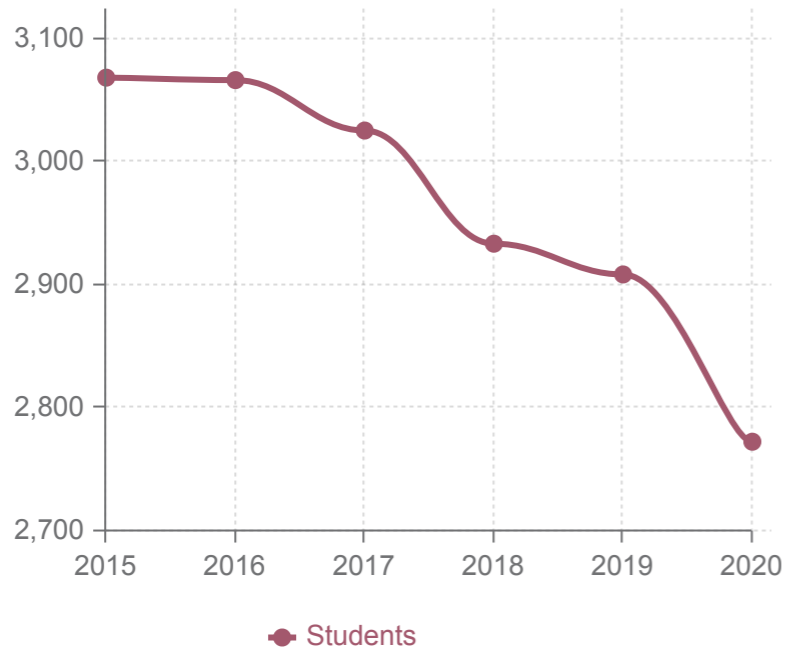
- State Grants
- Federal Grants
- Student Fees
- Open Enrollment In
- Interest

Big Revenue Limit Variables

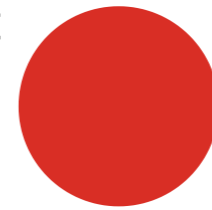


Enrollment
3-Year Average
(Base Avg. & Current Avg.)

RL Student Avg



Per Pupil Adjustment
An amount that limits are adjusted by based on the **State Budget**



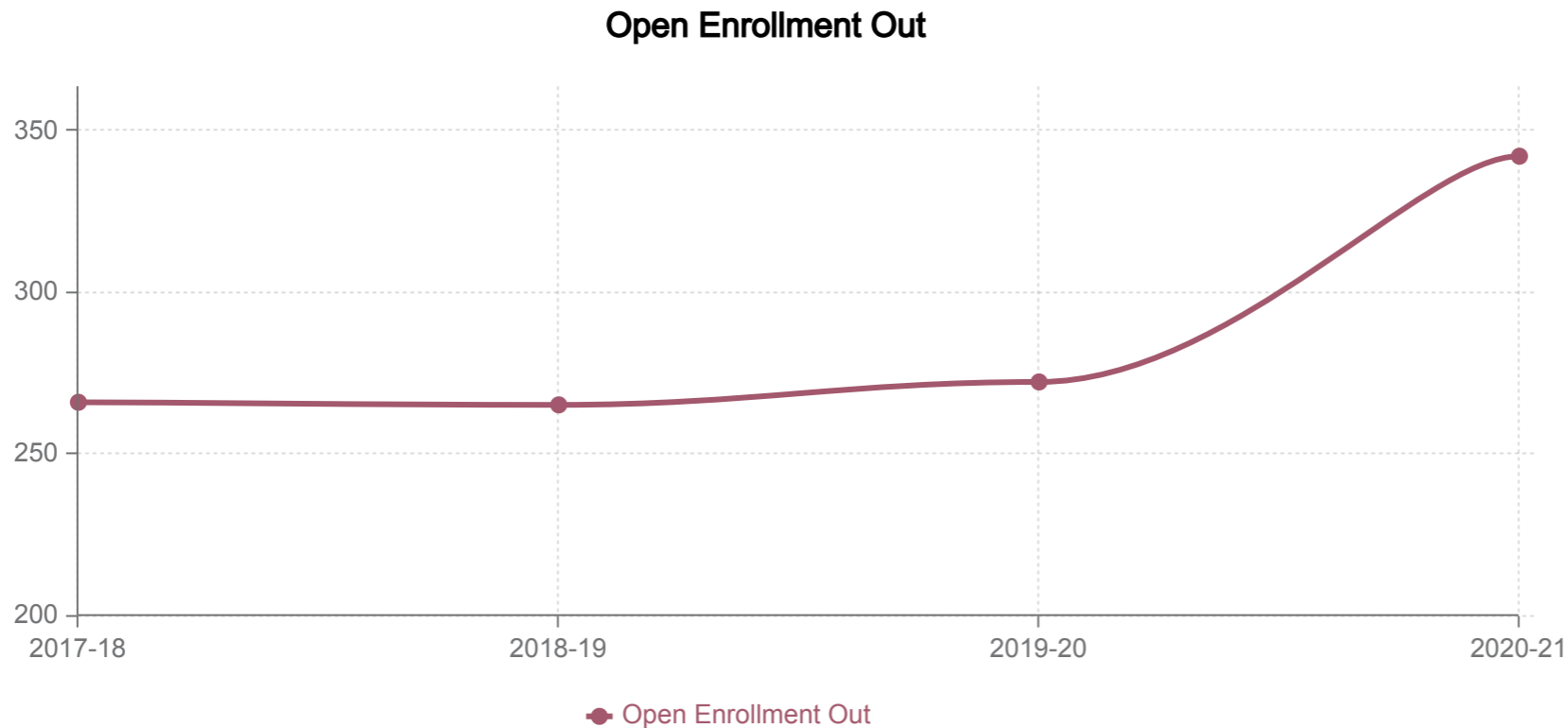
Exemptions
Declining Enrollment
Hold Harmless

These are exemptions that funding is obtainable on a one time basis, however the district will need a plan to either fund the future expenditures with a different source or eliminate the expenditures

The declining enrollment has caused over \$1,200,000 of exemptions in 2020-21, which will expire in 2021-22

Open Enrollment Out

Each year families can choose where to send their students. This year we saw a 30% increase in families choosing to send their students out of South Milwaukee. We do continue to have a favorable ratio for Open Enrollment In vs. Out

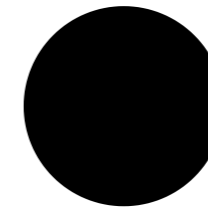
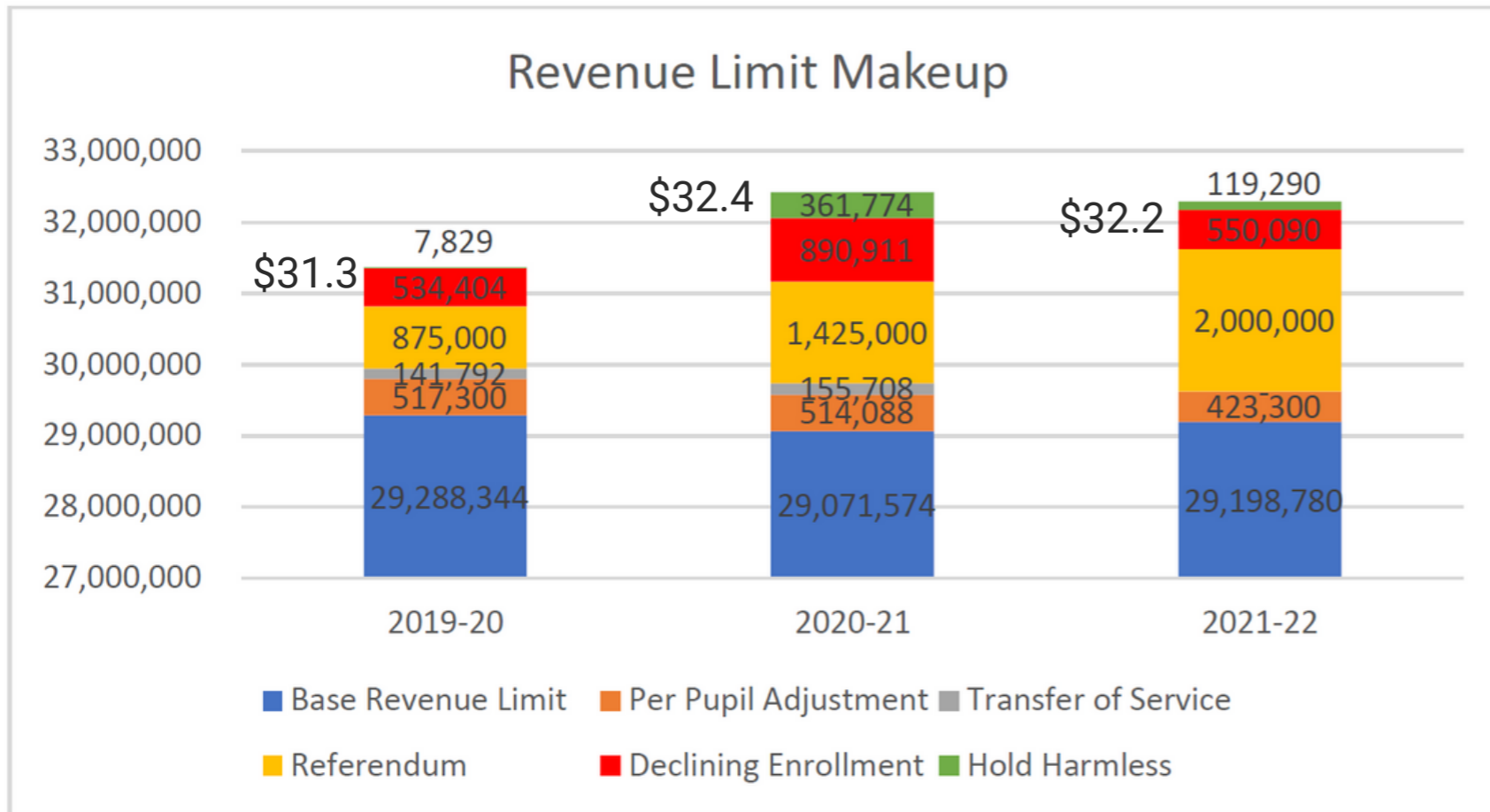


30% increase

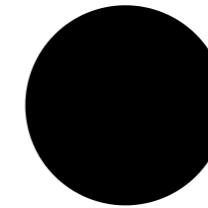


\$761,455 in additional expenses

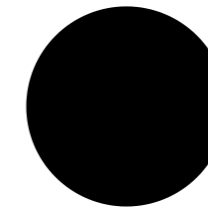
Revenue Limit Makeup



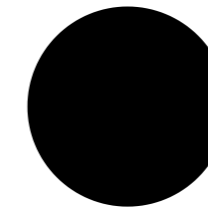
2020-21 Revenue Limit included over \$1,200,000 in one time exemptions



2021-22 Referendum will help ease the impact of the lost exemptions



2021-22 is projected to have about \$630,000 in new one time exemptions



Overall operating Revenue Limit is projected to decrease in 2021-22

Federal COVID-19 Assistance & Focus Areas

The District has been allocated \$849,452 from the first round of CARES act funding.

We are projected to receive an additional \$2,490,990 in round 2

We are waiting on an allocation for round 3

1

Safety & Mitigation

2

Unfinished Teaching and Learning

3

Transitioning to a Post Pandemic Period

It is important to note that this funding is **ONE TIME** funding and must be used responsibly to prevent the creation of a funding cliff.

Wisconsin 2021-23 Biennial Budget

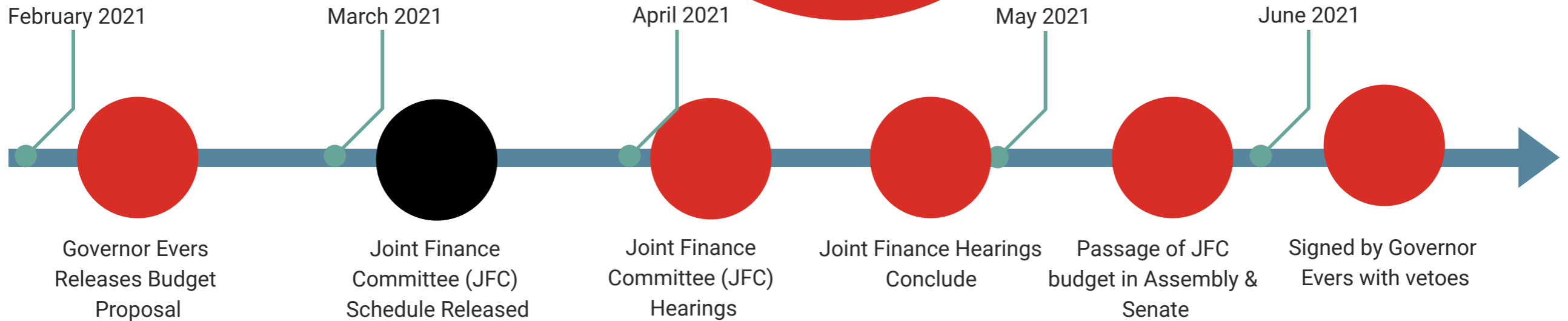
The Governor has released his budget, however it has just begun its long journey to becoming law.

Priorities

- COVID-19 Enrollment Relief
- Special Education Aid Increase
- Revenue Limit Increase
- Poverty Aid

Joint Finance Hearings

- 4/9: 10am - 5pm Whitewater
- 4/21: 10am - 5pm Rhinelander
- 4/22: 10am - 5pm Menomonie
- 4/28: Virtual



South Milwaukee Representation



Senator Chris Larson

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Representative Jessie Rodriguez

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Assembly District 21
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How to contact and what to talk about:

Phone calls are the most effective way to communicate with our legislators. More contact information can be found at: <http://legis.wisconsin.gov/>

- Schools should not be penalized for the COVID-19 pandemic impact on enrollments; by not penalizing schools you will allow them to be ready to meet the social emotional and academic needs of every student in a post pandemic environment. Making up lost ground after the pandemic is over is going to be front and center, pandemic enrollment figures will hurt schools in 2021-22 and beyond if they are not addressed.
- Increasing Special Education Categorical aid to 50% will show our commitment to our students that need help the most without sacrificing the investments made to the universal instruction that all our students receive.
- Let them know that you support the Governor's budget request that includes a \$200 per pupil revenue limit increase for 2021-22 and \$204 revenue limit per pupil increase for 2022-23.
- Creating a new per pupil aid in the amount of \$75 for every free and reduced student will help Districts provide a more equitable education for students in poverty and is long overdue and a good first step towards equity.

Joint Finance

Joint Finance is made up of:

-12 majority members (Republicans) 6 are from the Assembly, and 6 are from the Senate

-4 minority members (Democrats) 2 are from the Assembly, and 2 are from the Senate

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