



ARROWHEAD UNION HIGH SCHOOL DISTRICT

**2024-25
BUDGET HEARING**
6:00 p.m.

(Annual Meeting begins at 6:30 p.m.)

October 16, 2024



2024-25 BUDGET HEARING OUTLINE

- Budget Development Timeline
- Wisconsin's School Funding Formula
- Enrollment & ***Membership*** *(Resident Students)*
- Revenue Budget
- Expenditure Budget
- Fund Balance
- Tax Levy and Mill (Tax) Rate
- Next Steps



2024-25 BUDGET DEVELOPMENT TIMELINE

December, 2023 through April, 2024 - Preliminary Budget Development Work

April 19, 2024 - Finance Committee meeting to review preliminary budget development

May 8, 2024 - School Board Action on preliminary 2024-25 budget

May, 2024 through October, 2024 - Monitor budget and determine any necessary adjustments

October 16, 2024 – Annual Meeting (and Budget Hearing)

Late October / Early November, 2024 - Final Certification of Tax Levy



■ Wisconsin's School Funding Formula

WISCONSIN'S BASIC SCHOOL FUNDING FORMULA

(Using Arrowhead's 2024-2025 Budget Figures)

Revenue
Limit
Authority

\$23,773,479

—

General State Aids

EQ Aid	\$5,384,529
Computer Aid	\$96,576
Personal Property	\$50,029

=

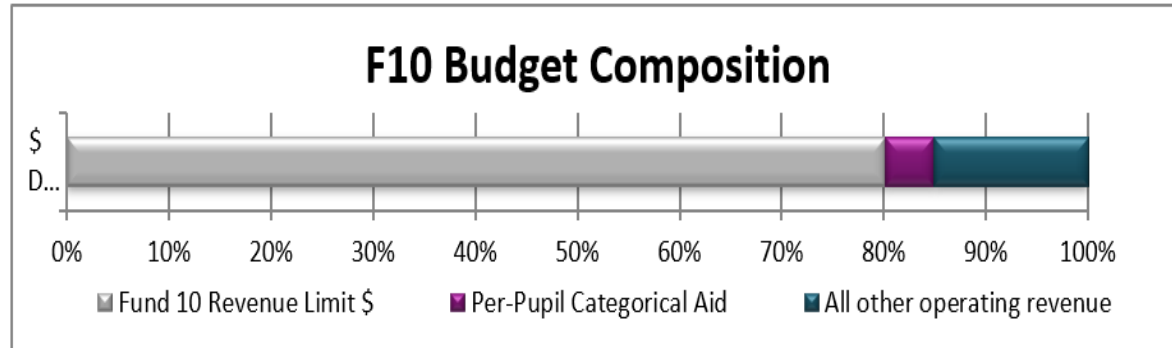
(Revenue Limit)
Tax Levy

\$18,242,345

REVENUE LIMIT... and why it is important?

The revenue limit + per-pupil categorical aid comprises approximately 85% of the school district's 2024 - 2025 general fund operating revenue.

2024 - 2025 Fund 10 Budget	<u>\$ Dollars</u>	<u>% Percent</u>
Fund 10 Revenue Limit \$	\$23,356,389	80.2%
Per-Pupil Categorical Aid	\$1,372,947	4.7%
All other operating revenue	\$4,391,846	15.1%
Total	\$29,121,182	100.0%



Revenue Limit Calculation

Membership

X

Maximum
Revenue/
Member

=

Revenue
Limit with No
Exemptions



Enrollment

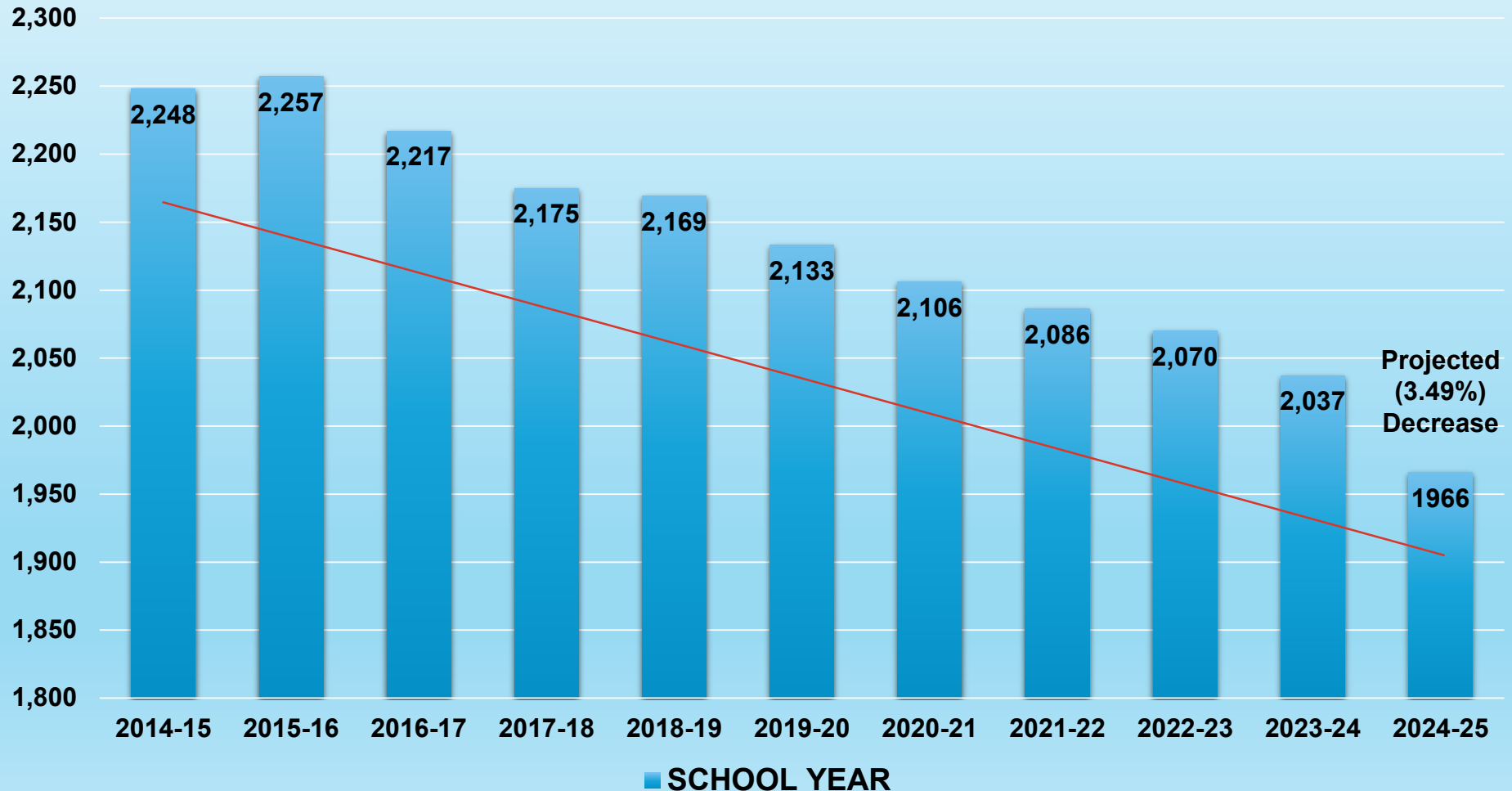


ENROLLMENT HISTORY & PROJECTION

ACTUAL	9TH	10TH	11TH	12TH	AHS TOTAL	<i>Previous Year's</i>	<i>Total</i>	<i>Variance</i>
2014-15	547	582	559	560	2,248	PROJECTION History	2,274	1.16%
2015-16	560	546	581	570	2,257		2,250	-0.31%
2016-17	519	559	542	597	2,217		2,215	-0.09%
2017-18	564	514	550	547	2,175		2,168	-0.32%
2018-19	525	565	516	563	2,169		2,160	-0.41%
2019-20	535	530	550	518	2,133		2,143	0.47%
2020-21	492	534	525	555	2,106		2,089	-0.81%
2021-22	534	489	530	533	2,086		2,076	-0.48%
2022-23	513	532	491	534	2,070		2,044	-1.26%
2023-24	475	522	496	544	2,037		2,042	0.25%
						10-year Average Projection Variance		-0.18%
PROJ ECTED	9TH	10TH	11TH	12TH	AHS TOTAL	<i>Previous Year's</i>	<i>Projection</i>	<i>Variance</i>
2024-25	468	475	515	508	1,966	PROJECTION History	1,954	0.60%
2025-26	428	467	467	531	1,893		1,877	0.88%
2026-27	444	426	457	482	1,810		1,772	2.11%
2027-28	466	443	415	469	1,793		1,776	0.96%
2028-29	487	464	432	427	1,811		1,800	0.57%
2029-30	489	482	452	448	1,870		1,860	0.57%
2030-31	502	483	468	474	1,926		1,904	1.16%
2031-32	547	496	453	498	1,993		NA	NA
						7-year Average Projection Variance		0.98%

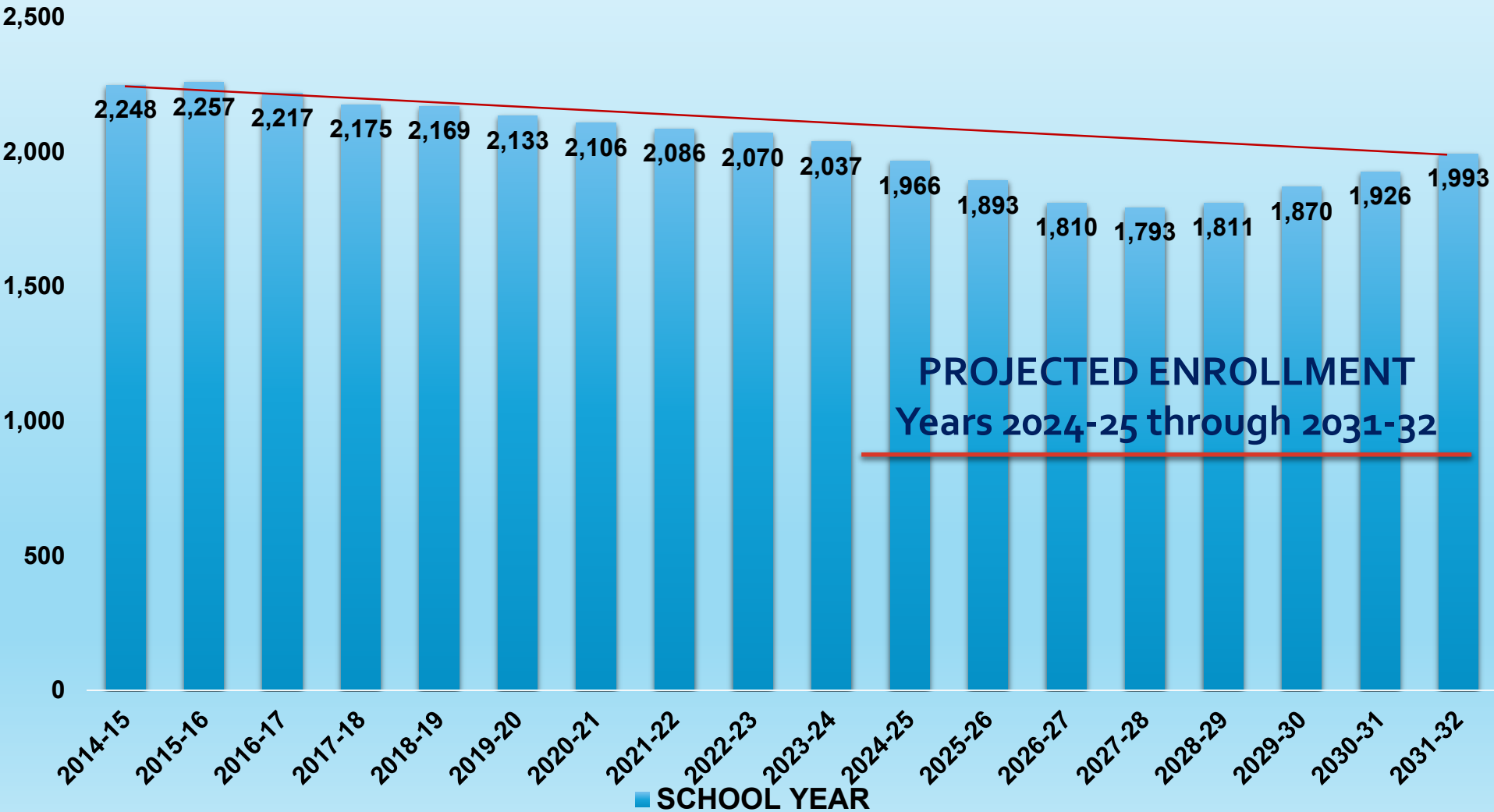


SEPTEMBER (HEAD COUNT) ENROLLMENT





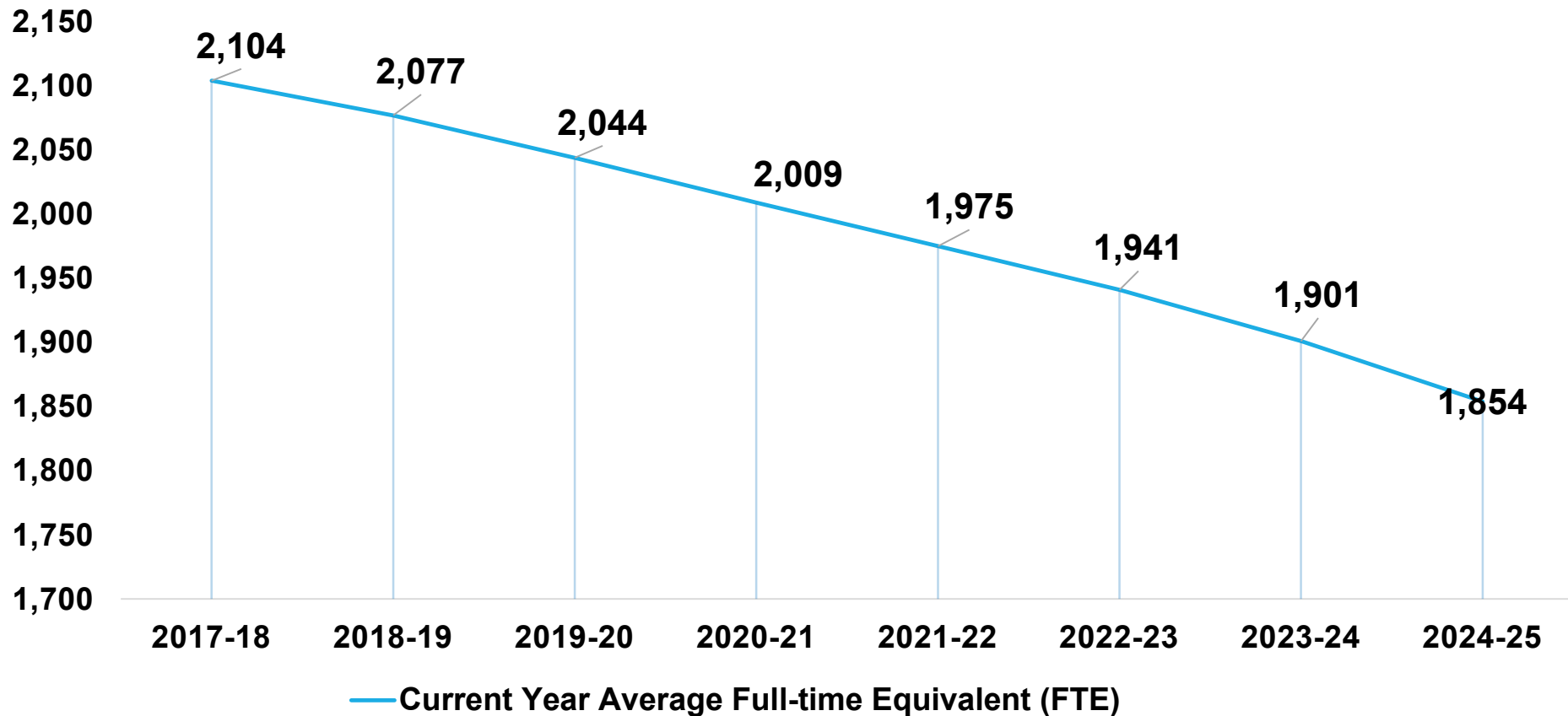
SEPTEMBER (HEAD COUNT) PAST, CURRENT, AND PROJECTED ENROLLMENT





REVENUE LIMIT MEMBERSHIP

Full-time Equivalent (FTE) Resident Students

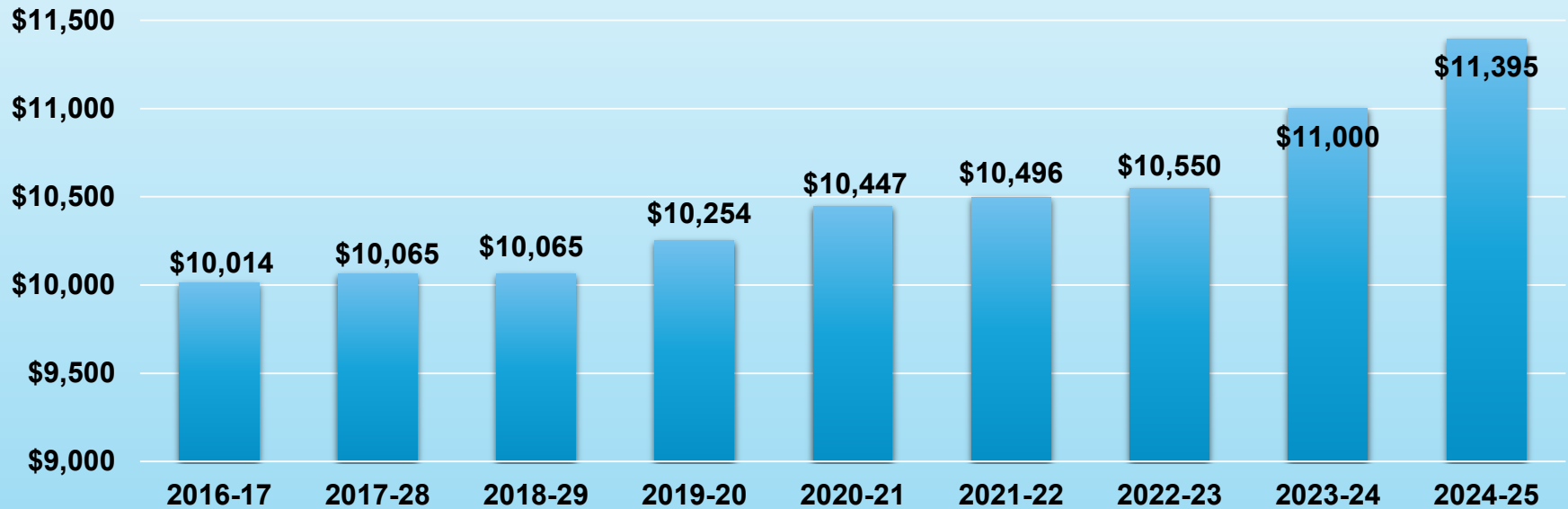




Revenue Budget



MAXIMUM REVENUE PER MEMBER



Revenue Limit Calculation

$$\text{Membership} \times \text{Maximum Revenue/Member} = \text{Revenue Limit with No Exemptions}$$



History of WI State Revenue Limit Adjustments to Base Revenue

<u>Year</u>	<u>Per Pupil Revenue Limit Adjustment</u>
1993-94	\$190.00 or CPI, whichever was greater
1994-95	\$194.37 or CPI, whichever was greater
1995-96	\$200.00
1996-97	\$206.00
1997-98	\$206.00
1998-99	\$208.88
1999-00	\$212.43
2000-01	\$220.29
2001-02	\$226.68
2002-03	\$230.08
2003-04	\$236.98
2004-05	\$241.01
2005-06	\$248.48
2006-07	\$256.93

<u>Year</u>	<u>Per Pupil Revenue Limit Adjustment</u>
2007-08	\$264.12
2008-09	\$274.68
2009-10	\$200.00
2010-11	\$200.00
2011-12*	-\$528.81
2012-13	\$50.00
2013-14	\$75.00
2014-15	\$75.00
2015-16	\$0.00
2016-17	\$0.00
2017-18	\$0.00
2018-19	\$0.00
2019-20	\$175.00
2020-21	\$179.00
2021-22	\$0.00
2022-23	\$0.00

MAXIMUM REVENUE LIMIT COMPARISON

Waukesha County School Districts (2023-24)

District	Max. Revenue per Student per year	Max. Revenue per Student times(x) 2,000 (Arrowhead) Students	ANNUAL Difference	Five-year Difference
Kettle Moraine	\$12,708	\$25,416,000	\$3,416,000	\$17,080,000
Elmbrook	\$12,532	\$25,064,000	\$3,064,000	\$15,320,000
New Berlin	\$11,984	\$23,968,000	\$1,968,000	\$9,840,000
Menomonee Falls	\$11,756	\$23,512,000	\$1,512,000	\$7,560,000
Hamilton	\$11,410	\$22,820,000	\$820,000	\$4,100,000
Pewaukee	\$11,130	\$22,260,000	\$260,000	\$1,300,000
Oconomowoc	\$11,037	\$22,074,000	\$74,000	\$370,000
Muskego	\$11,000	\$22,000,000	\$0	\$0
Waukesha	\$11,000	\$22,000,000	\$0	\$0
Mukwonago	\$11,000	\$22,000,000	\$0	\$0
Arrowhead UHS	\$11,000	\$22,000,000	\$0	\$0

Data source: WI Department of Instruction

MAXIMUM REVENUE LIMIT COMPARISON

Wisconsin Union High School (UHS) Districts (2023-24)

District	Max. Revenue per Student per year	Max. Revenue per Student times(x) 2,000 (Arrowhead) Students	ANNUAL Difference	Five-year Difference
Nicolet	\$16,162	\$32,324,000	\$10,324,000	\$51,620,000
Lakeland	\$15,260	\$30,520,000	\$8,520,000	\$42,600,000
Lake Geneva	\$13,781	\$27,562,000	\$5,562,000	\$27,810,000
Bigfoot	\$13,583	\$27,166,000	\$5,166,000	\$25,830,000
Waterford	\$13,554	\$27,108,000	\$5,108,000	\$25,540,000
Wilmot	\$12,594	\$25,188,000	\$3,188,000	\$15,940,000
Union Grove	\$12,157	\$24,314,000	\$2,314,000	\$11,570,000
Central/Westosha	\$11,868	\$23,736,000	\$1,736,000	\$8,680,000
Hartford	\$11,853	\$23,706,000	\$1,706,000	\$8,530,000
Arrowhead	\$11,000	\$22,000,000	\$0	\$0

Data source: WI Department of Instruction

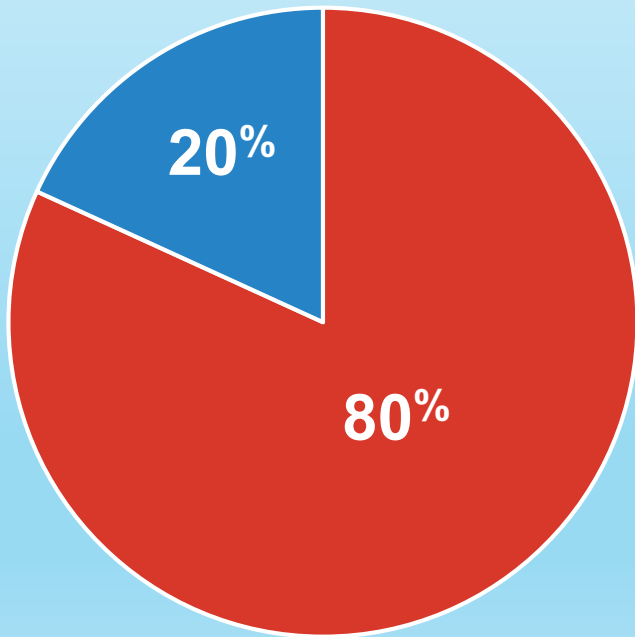
REVENUE LIMIT vs. STATE AID

What school districts can spend (**REVENUE LIMIT “the pizza diameter”**) and how much school districts receive in general school aids (**STATE AID “the toppings”**) are two different things.

- General school aids are purposeful tax relief
(*The main general school aid program is Equalization Aid*)

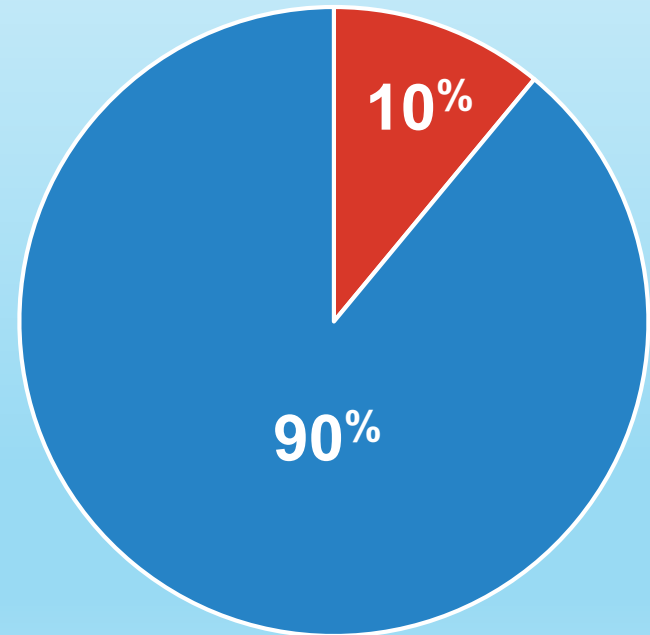
Same (“pizza diameter”) Revenue Limit, yet Different STATE AID amounts (“pizza toppings”) for Different School Districts

Property Wealthy District
(District “A”)



■ Local Taxes ■ State Aid

Property Poor District
(District “B”)



■ Local Taxes ■ State Aid

WISCONSIN'S BASIC SCHOOL FUNDING FORMULA

(Using Arrowhead's 2024-2025 Budget Figures)

Revenue
Limit
Authority

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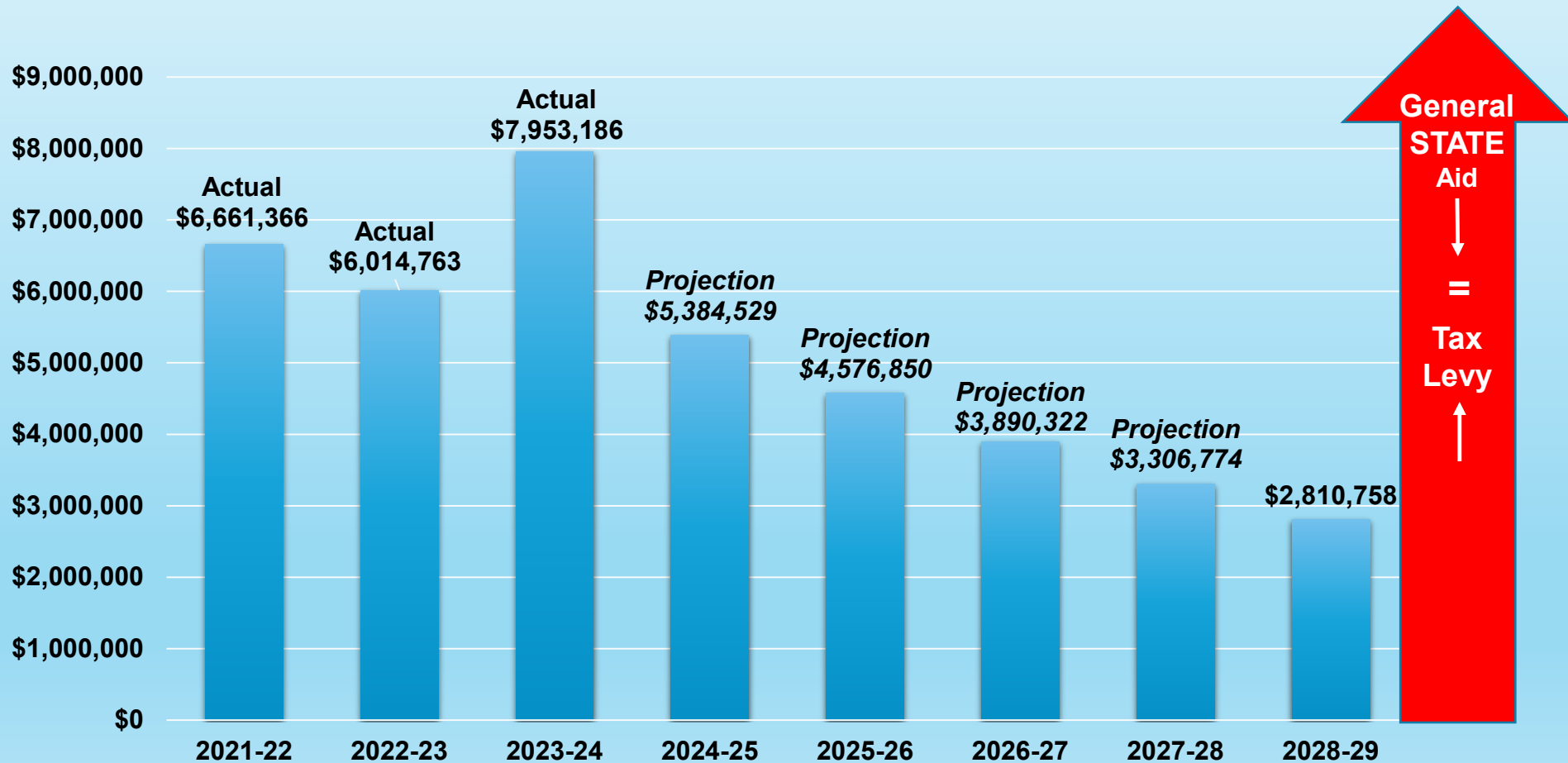
(Revenue Limit)
Tax Levy

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GENERAL STATE AID HISTORY

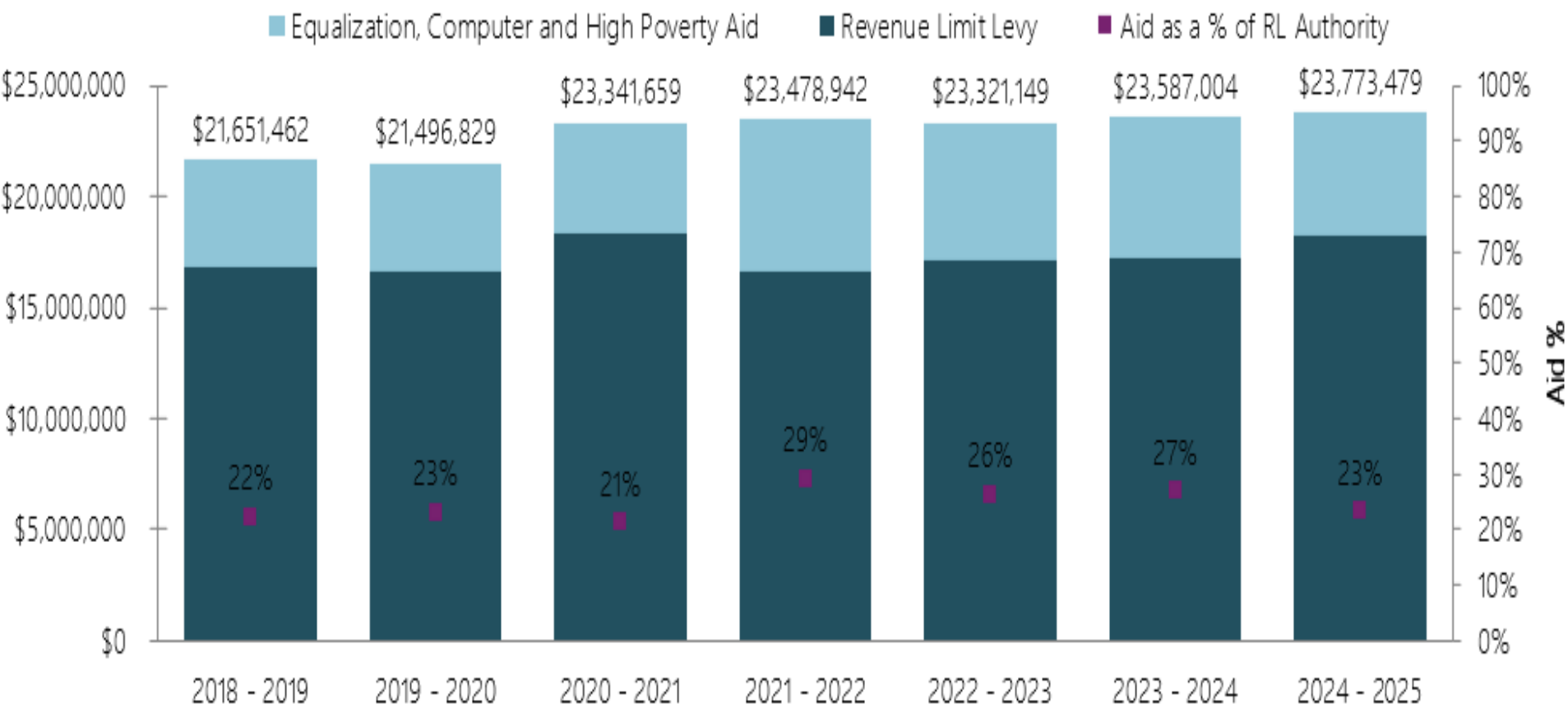
October 15 – Certification of State Aid





ARROWHEAD'S REVENUE LIMIT HISTORY

Revenue Limit Aid/Levy Distribution





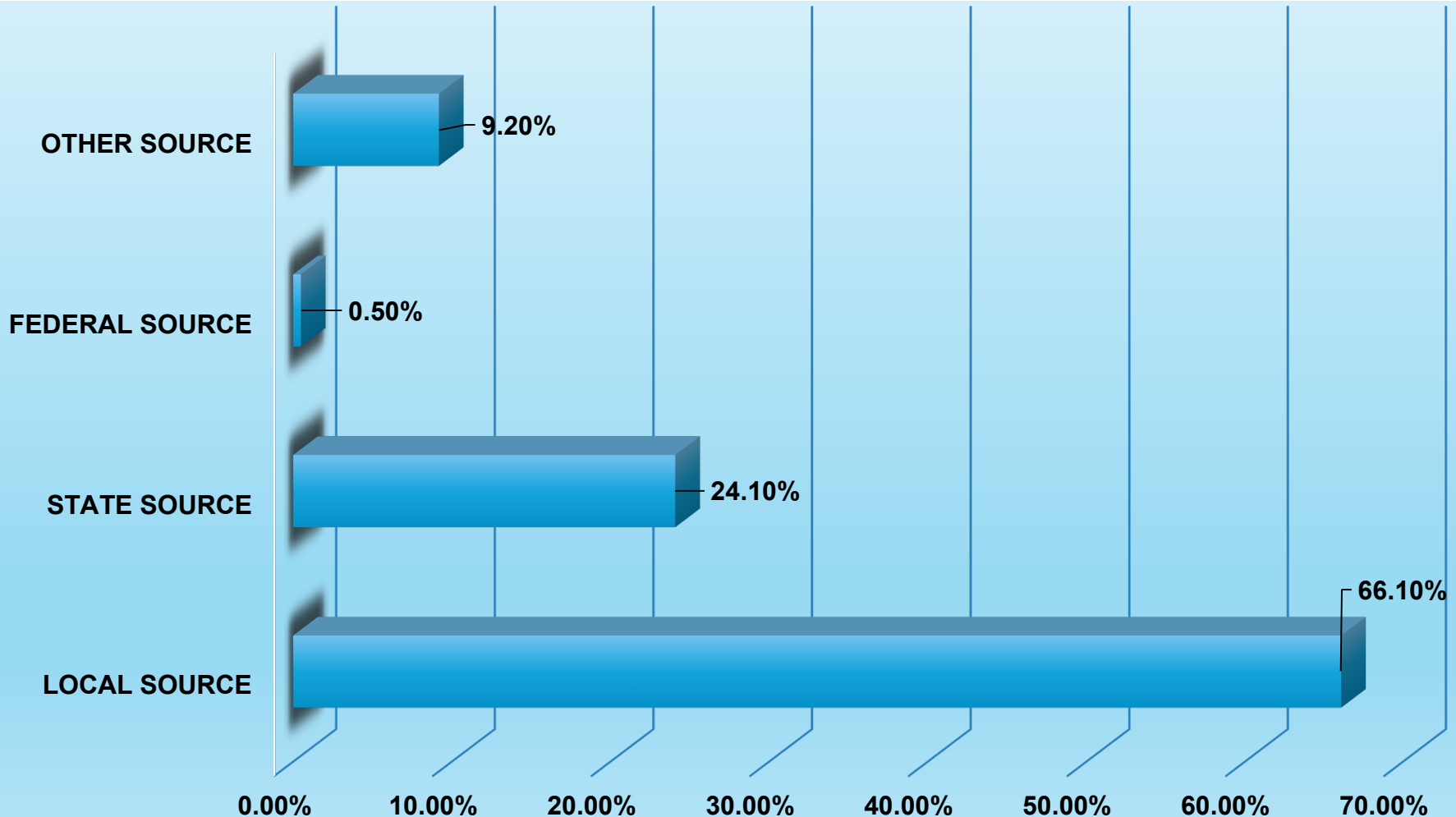
FUND 10 (General Fund) REVENUE SUMMARY

REVENUES	2022-23 Actual	2023-24 Budget	2024-25 BUDGET
Property Tax	\$16,742,691	\$16,818,194	\$17,825,255
Open Enrollment	\$2,231,138	\$2,341,000	\$2,501,882
State General (Equalization) Aid	\$6,014,763	\$6,205,115	\$5,384,529
State Computer/Personal Property Aid	\$146,605	\$146,605	\$146,605
State Per Pupil Categorical Aid	\$1,437,996	\$1,408,440	\$1,372,947
Other State Revenues (Categorical Aids)	\$212,085	\$192,268	\$192,268
Federal Revenue	\$1,117,067	\$1,657,242	\$155,922
Other Revenue	\$1,799,242	\$1,541,903	\$1,541,774
FUND 10 REVENUES	\$29,701,588	\$30,310,767	\$29,121,182



2023-24 OPERATING REVENUES

General Fund (10) and Capital Expansion Fund (41)





Expenditure Budget



ARROWHEAD'S FUND 10 (General Fund) EXPENDITURE SUMMARY

	2022-23 Actual	2023-24 Budget	2024-25 BUDGET
Salaries	\$14,070,272	\$14,523,164	\$15,117,671
WI Retirement System	\$901,914	\$971,659	\$1,011,434
Social Security (FICA/Medicare)	\$1,068,374	\$1,115,162	\$1,160,811
Insurance Benefits (Health, Dental, etc.)	\$2,145,515	\$2,313,865	\$2,420,446
Other Benefits	\$443,202	\$505,797	\$510,260
Total Salary and Benefits	\$18,629,278	\$19,429,647	\$20,220,621
Open Enrollment	\$612,032	\$625,000	\$625,456
Voucher Payments	\$255,325	\$400,065	\$410,729
Non-Capital and Capital Objects	\$1,830,938	\$1,679,451	\$1,679,451
Transfer to Special Ed (Fund 27)	\$1,846,143	\$2,056,610	\$2,015,664
Transfer to LT-Capital Improvement (Fund 46)	\$800,000	\$0	\$0
All Other Expenditures	\$5,056,988	\$6,219,994	\$4,169,261
FUND 10 EXPENDITURES	\$29,030,704	\$30,410,767	\$29,121,182



COST SAVINGS with BENEFIT CHANGES

Over the Last Ten (10) Years

YEAR	DESCRIPTION OF CHANGE	ANNUAL COST SAVINGS
2011-12	Health Insurance Carrier Change, Deductible Increase	\$457,000
2011-12	Employee Contribution to Wisconsin Retirement System	\$739,408
2012-13	Health Insurance Plan Design Change	\$187,570
2012-13	3% / 5% Increased Health Premium Contribution	\$41,961
2012-13	Dental Insurance Carrier Change and Plan Design Change	\$6,910
2012-13	Life Insurance Carrier Change	\$26,308
2012-13	Long Term Disability Insurance Carrier Change	\$6,983
2013-14	7.5% / 9.5% Increased Health Premium Contribution	\$138,078
2013-14	Terminate Long Term Card Insurance on 8/1/2013	\$205,778
2014-15	Health Insurance Plan Design Change	\$114,952
2014-15	Family Dental Contribution to 7.5%	\$17,965
2015-16	No Plan Design, Carrier or Premium Contribution Change	\$0
2016-17	Health Insurance Carrier Change	\$210,000
2017-18	Premium Contribution from 7.5% to 12%	\$119,010
2017-18	Dental Insurance Plan Design Change	\$5,270
2018-19	Health Insurance Plan Design Change, increased deductible, Co-pays	
2018-19	Implementation of HRA to Reimburse Deductible Increase	
2019-20	Dental Insurance Plan Design Change	\$13,992
2019-20	2nd Yr. of Implementation of HRA to Reimburse Deductible Increase	\$171,501
2020-21	Health Insurance Plan Design Change	\$176,685
2023-24	Self-funded Plan w/plan options High Deductible w/HSA or Lower Deductible w/HRA	\$803,500

Where does AHS rank on spending per student?

Arrowhead ranks 366 out of 420 districts (87th percentile) at \$15,012 Total District Cost (TDC) per resident student. Arrowhead is \$2,170 below the State Average TDC per resident student of \$17,182.

1	2022-23 School District Annual Report Data				Districts TDC > Arrowhead		365	87%
2	State Cost Per Member = \$17,182				Arrowhead		1	420
3					Districts TDC < Arrowhead		54	13%
4		Total Current Ed. Cost per member	Transport. Cost per member	Facility Cost per member	Total Ed. Cost per member	Comm. Serv. per member	Total District Cost per member	2022-23 RESIDENT ENROLLMENT
5	NAME							
367	Elmbrook	\$12,780	\$654	\$1,082	\$14,516	\$550	\$15,066	7,967
368	Shawano	\$12,306	\$557	\$1,033	\$13,896	\$1,158	\$15,054	2,389
369	Mondovi	\$12,299	\$573	\$1,411	\$14,283	\$745	\$15,028	965
370	Durand	\$11,696	\$1,071	\$1,639	\$14,406	\$610	\$15,016	998
371	Arrowhead UHS	\$13,194	\$598	\$749	\$14,542	\$469	\$15,012	1,975
372	Oconomowoc Area	\$12,563	\$502	\$1,335	\$14,400	\$581	\$14,980	5,489

Source: Wisconsin Department of Public Instruction



Fund Balance

DISTRICT FUND BALANCE

- **General Fund Balance** is appropriately used...
 - **to avoid** excessive short term borrowing thereby avoiding associated interested expense
 - **to fund** “one-time” emergency expenditures
 - **to demonstrate** financial stability
- General **Fund Balance** on June 30, 2023 was **\$11,681,889**... The district budgeted to use \$100,000 in general fund balance in 2023-24
 - The district has been able to avoid short term (cash flow) borrowing since 2019-20
- General **Fund Balance** demonstrates financial stability and therefore preserves or enhances the district's bond rating of **Aa1**... **saving on long term borrowing interest costs**
 - **Aa1 Rating** (next highest rating is Aaa, which only nine districts in the state have (2019)
 - Only 14 (2019) districts in the state have Aa1 or better (Aaa) Moody's bond rating
 - Factors contributing to the Aa1 Moody's rating include: **solid reserve levels**, large tax base, and low debt burden
- A prudent business practice would be to **retain three (3) months of expenditures as working cash**... Three (3) months of 2024-25 general fund expenditures at AHS amounts to approximately \$7,280,295.

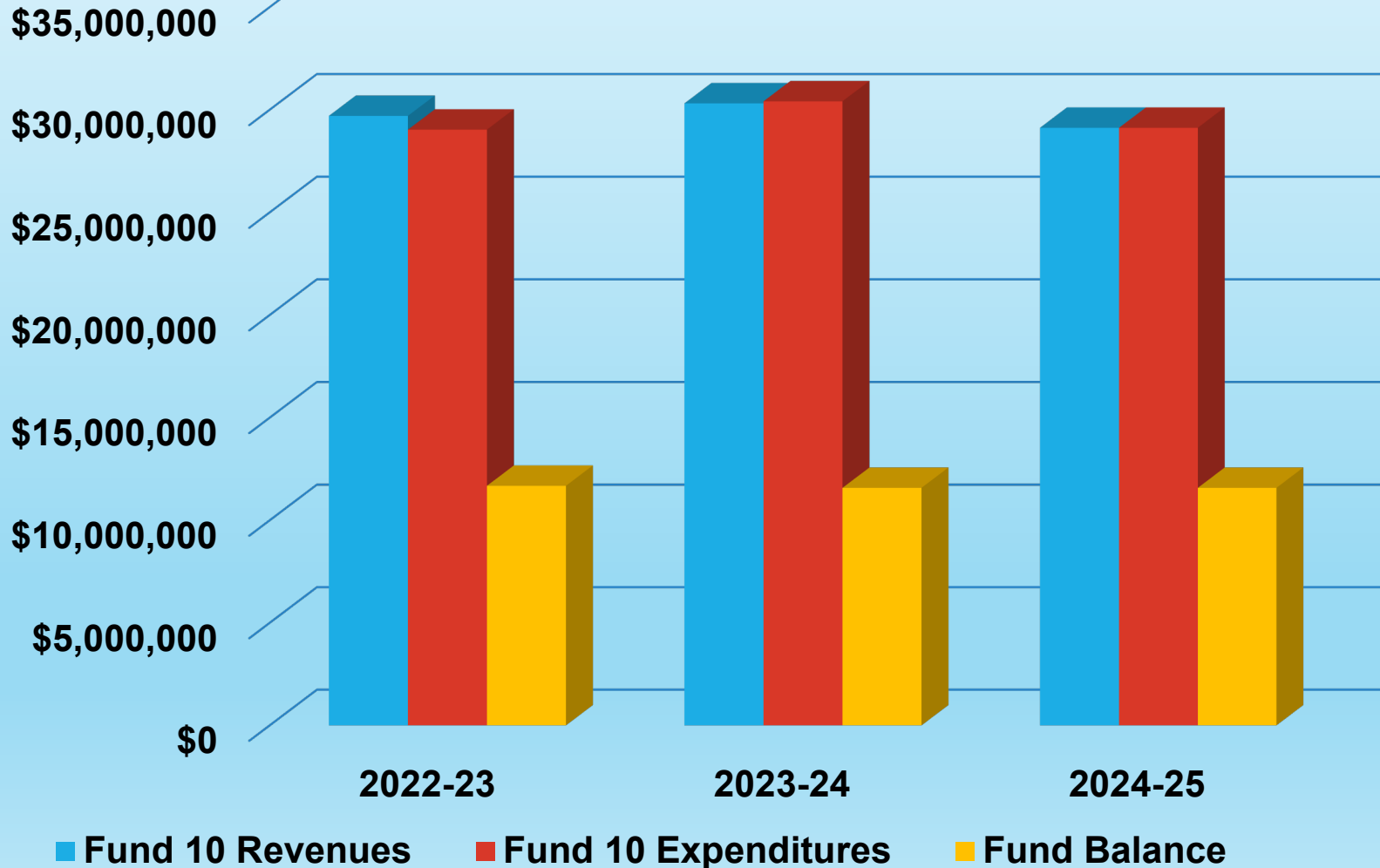


FUND 10 (General Fund) REVENUE, EXPENDITURE, AND FUND BALANCE SUMMARY

	2022-23 Actual	2023-24 Budget	2024-25 BUDGET
REVENUES			
Fund 10 Revenues	\$29,701,588	\$30,310,767	\$29,121,182
EXPENDITURES			
Fund 10 Expenditures	\$29,030,704	\$30,410,767	\$29,121,182
Surplus (Deficit)	\$670,884	(\$100,000)	\$0
Fund Balance	\$11,681,889	\$11,581,889	\$11,581,889
Fund Balance as % of Expenditures	40.24%	38.08%	39.77%



FUND 10 (General Fund) REVENUE, EXPENDITURE COMPARISON and FUND BALANCE SUMMARY



WISCONSIN'S BASIC SCHOOL FUNDING FORMULA

(Using Arrowhead's 2024-2025 Budget Figures)

Revenue
Limit
Authority

\$23,773,479

—

General State Aids

EQ Aid	\$5,384,529
Computer Aid	\$96,576
Personal Property	\$50,029

=

(Revenue Limit)
Tax Levy

\$18,242,345



Tax Levy and Mill (Tax) Rate



TAX LEVY ANALYSIS

All Funds

		Historical 2022-23	Current Year 2023-24	Budget Year 2024-25
General Fund	Fund 10	\$16,742,691	\$16,818,323	\$17,825,255
Non-Referendum Debt Service	Fund 38	\$117,090	\$117,090	\$117,090
Capital Expansion	Fund 41	\$300,000	\$300,000	\$300,000
Total Revenue Limit Levy		\$17,159,781	\$17,235,413	\$18,242,345
Referendum Approved Debt Service	Fund 39	\$0	\$0	\$0
Community Service	Fund 80	\$0	\$0	\$100,000
Property Tax Chargeback/Other	Fund 10	\$60	\$0	\$0
Total School-Based Tax Levy		\$17,159,841	\$17,235,413	\$18,342,345
% Change		2.93%	0.44%	6.42%



MILL (Tax) RATE ANALYSIS

All Funds

EQUALIZED VALUE ANALYSIS		2022-23	2023-24	2024-25
Equalized Value (TIF Out)		\$8,185,791,872	\$9,505,023,027	\$10,170,374,639
% Change		15.06%	16.12%	7.00%

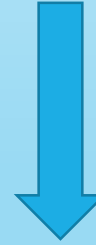
MILL RATE ANALYSIS		2022-23	2023-24	2024-25
General Fund	Fund 10	\$2.05	\$1.77	\$1.75
Non-Referndum Debt Service	Fund 38	\$0.01	\$0.01	\$0.01
Capital Expansion	Fund 41	\$0.04	\$0.03	\$0.03
Total Revenue Limit Mill Rate		\$2.10	\$1.81	\$1.79
Referendum Approved Debt Service	Fund 39	\$0.00	\$0.00	\$0.00
Community Service	Fund 80	\$0.00	\$0.00	\$0.01
Property Tax Chargeback/Other	Fund 10	\$0.00	\$0.00	\$0.00
Total School-Based Mill Rate		\$2.10	\$1.81	\$1.80
% Change		-10.54%	-13.50%	-0.54%



MILL (Tax) RATE CALCULATION

2024-25 Budget

$$\begin{array}{ccccccc} \text{Total} & & \text{Total} & & & & \\ \text{Tax Levy} & \div & \text{Equalized} & \times & \$1,000 & = & \text{Mill Rate} \\ & & \text{Property} & & & & \\ & & \text{Value} & & & & \end{array}$$

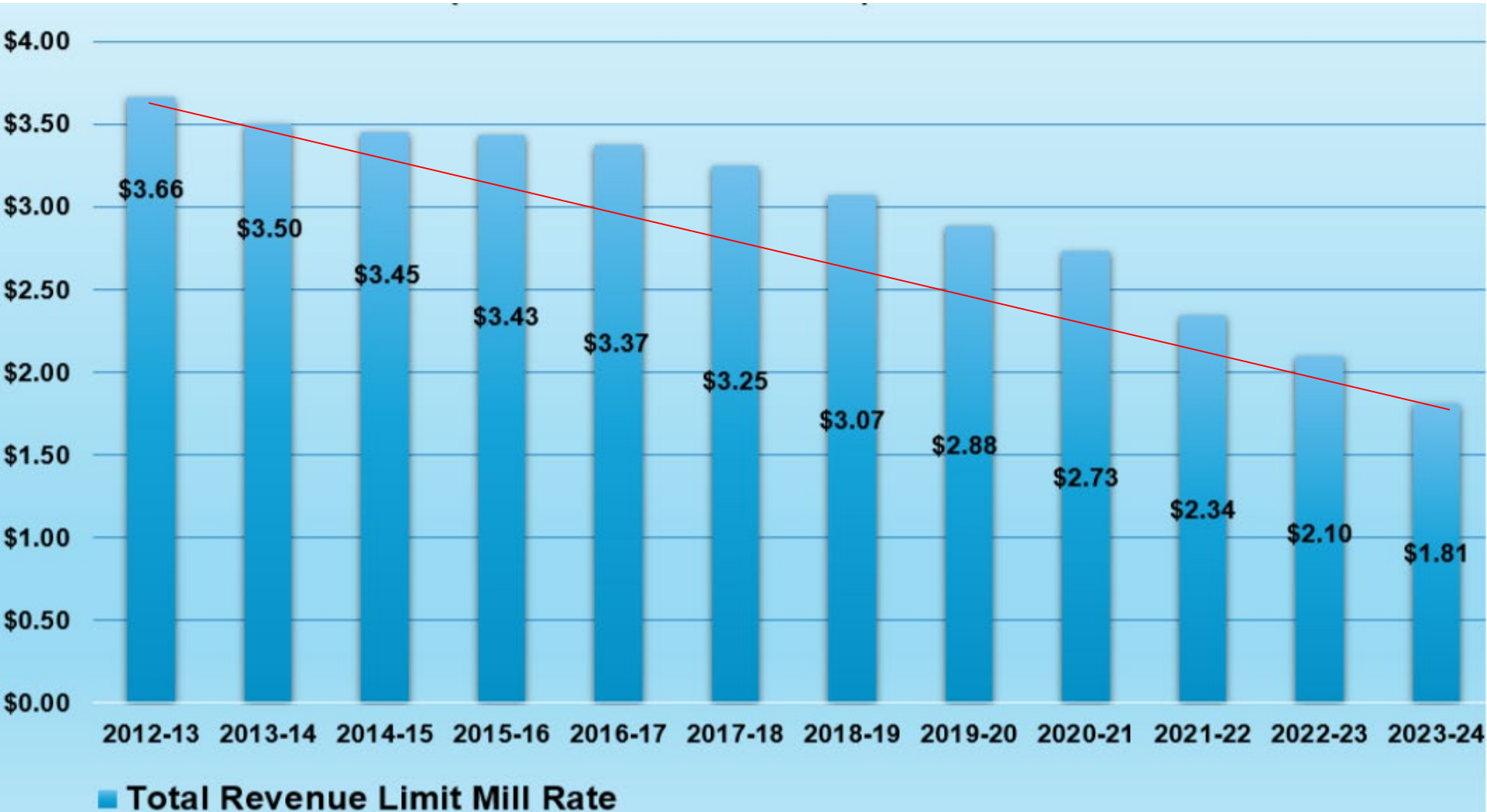


$$\$18,342,345 \div \$10,170,374,639 \times \$1,000 = \$1.80$$



MILL (Tax) RATE ANALYSIS

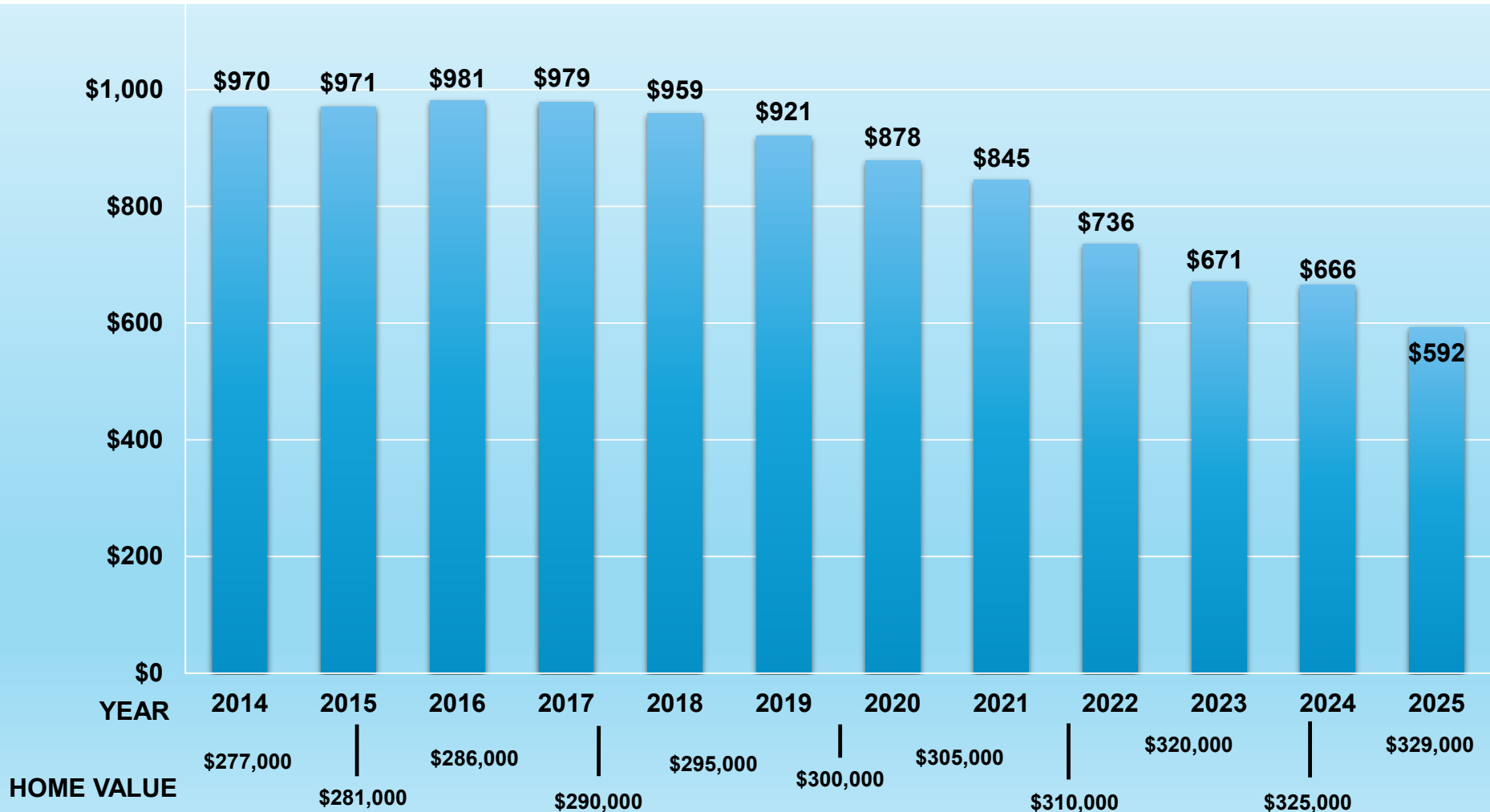
All Funds





PROPERTY TAX HISTORY

Home valued at \$277,000 and adjusted by an inflationary factor of 1.16% each year through 2025 is \$329,000 (1.16% is the 10-year average)





2023-24 Waukesha County MILL (Tax) RATE Comparison

Kettle Moraine	7.22
Menomonee Falls	6.91
Hamilton	6.91
Pewaukee	6.85
Elmbrook	6.50
Mukwonago	6.20
Oconomowoc	6.09
Muskego	5.99
New Berlin	5.87
Waukesha	5.64
***Arrowhead HS + Average 4K-8	5.18



Next Steps



2024-25 BUDGET VARIABLES and Next Steps

The 2023-25 State Biennial Budget – was signed into law on July 5, 2023

Budget variables yet to be certified...

- Actual **September membership** count
- Actual **State Aid** (certified by October 15)
- Actual **Equalized Property Values** (certified by October 15)

***Board adopts the Final 2024-25 Budget and Tax Levy
on or before November 1, 2024***



ARROWHEAD UNION HIGH SCHOOL DISTRICT

**2024-25
BUDGET HEARING**
6:00 p.m.

(Annual Meeting begins at 6:30 p.m.)

October 16, 2024