

River Valley School District
Budget Summary
August 26, 2010

Introduction

The annual budget is a financial plan to achieve educational objectives. The School Board has made budget determinations based upon educational priorities throughout the year, at regularly scheduled meetings. A property tax levy to support the budget will be submitted for consideration at the Annual Meeting on Thursday, August 26, 2010. Following determination of enrollment and certification of general state aid in late October, this annual budget, a financial plan, is adjusted and the original budget for the school year is adopted.

Budget Priorities

- Increase innovative support for classroom teachers.
- Focus on Literacy by continuing the K-12 literacy model that is district-wide, multi-leveled, and supported by best-practice research.
- Continue the STAR Reading Assessment Program, 6 Traits Writing Model Program, Sitton Spelling and Curriculum Mapping Programs.
- Implement policies and procedures that ensure greater student achievement.
- Continue to align curriculum and staffing to assure quality education and alignment with state standards.
- Implementing a new virtual school program.
- Exploration of newly approved charter school grant.
- Provide financial solvency by continuing to prioritize budget priorities that are in the long-term best interest of students and taxpayers.
- Maintain buildings and grounds using the District's Fifteen Year Maintenance Schedule as a repair timeline tool as stated in the Referendum.
- Address Annual Roof Replacement needs as stated in the Referendum.
- Continue to provide necessary support services.
- Continue evaluation of enrollment trends and develop long-range budget plans for the school district.
- Continue to provide a safe and productive school environment.

Budget Assumptions

The following assumptions have been made to guide the development of this annual budget (financial plan). Changes in laws and regulations of the state or federal government may render the assumptions incomplete or inaccurate. This annual budget is adjusted in late October to reflect information that is current at that time. Listed below are decisions that influence these budget projections:

- Current state law regarding school finance may be altered in such a way as to reduce categorical funding and further reduce revenue limits.
- District enrollment is estimated to decline by twenty-one students from last year using the revenue limit September Third Friday Count methodology calculation. It is assumed the district will accept twenty students under the open enrollment law and that forty-five students will leave the district under the open enrollment law.
- No significant program changes will be made in 2010-2011.
- Health Insurance cost will *increase* by approximately 10%. Dental Insurance costs will increase by 2%.
- Reduced Positions: 1 FTE Teacher, 7.75 FTE Support Staff Positions
- Replaced Positions due to retirement or resignations: 9 FTE Teachers, 0 FTE Support Staff, .5 FTE AODA Counselor
- Added Positions: 0
- Continue the Community Service Fund (Fund 80) for community facility usage.

Where Does the Money Come From?

School finance regulations specify the amount of dollars the district is permitted to raise from property taxes and general state aid. This amount is called the revenue limit. River Valley School District receives 96% of its money from these two revenues: 53% from property taxes/local sources and 43% from general state aid payments. The remaining 4% is derived from federal and other miscellaneous sources. *The Revenues by Source graph depicts this projection.*

Where is the Money Spent?

The school district analyzes expenditures from two different perspectives – expenditures by function and expenditures by object. Function is the purpose for which the expenditure is made and an object is the type of goods and services purchased. The multiple perspectives are a different way of looking at the same expenditures. The function definitions used by the district are consistent with the definitions used by the Wisconsin Department of Public Instruction.

Instruction, (including instruction related operating fund transfers) accounts for 65% of the district's costs. Pupil and staff support, which includes libraries, psychologists, counselors, nurses, therapists, transportation, co-curricular, athletics, administration, utilities and building maintenance account for 33% of the district's costs. Non-program expenditures include open enrollment and general tuition payments and accounts for 2% of the district's cost. *The Projected Expenditures by Function graph depicts this projection.*

The other way to view expenditures is by object. Wages and benefits for staff is 81% of the budget, thus being the single largest cost item. All other non-salary expenditures account for 19% of the budget. *The Projected Expenditures by Object graph depicts this projection.* Also, a detailed breakout of these expenditures is shown in the Budget Breakout by Category Sheet.

River Valley School District's Mill Rate Pattern

The property tax levy required to support the 2010-11 budget is estimated at \$9,038,490. If one views *River Valley School District's Mill Rate Pattern* chart, it will show last years mill rate at \$10.04 per \$1000 of property value, which compared to this year's projection of \$10.07 shows a projected Mill Rate increase of \$0.03 per \$1000 of property value. However, the property tax levy and tax rates are estimates and the final state aid amount may change the actual levy and rate before the final levy is set by the School Board by November 1st.

Current Education Cost Comparisons of Surrounding School Districts

School Districts analyze costs in various ways. The spreadsheet titled *Comparative Cost per Member for Surrounding School Districts* compares cost data within River Valley School District's to six surrounding school districts. The two cost measures considered most reliable for comparison purposes are Current Educational Cost (CEC) and Total Educational Cost (TEC). Current Educational Cost includes overall instruction and overall instructional support cost per student for a school district. River Valley School District's 2008-09 CEC cost per student is \$11,036. The average CEC cost for the eight Surrounding School Districts is \$11,000 while the State average school district cost is \$10,652. Depicted on the *2008-09 Surrounding District's Current Educational Cost Comparisons chart.*

The Total Educational Cost (TEC) measures the CEC cost plus transportation and facility cost per student. River Valley School District's 2008-09 TEC cost is \$12,246 per student. The average TEC cost for the eight Surrounding School Districts is \$12,535 while the State average school district cost is \$12,111. Depicted on the 2008-09 Surrounding District's Total Educational Cost Comparisons chart.

River Valley School District's 2008-09 TEC cost per student is lower than the eight Surrounding School Districts and slightly higher than the State average.

** This data was attained from the Wisconsin Department of Public Instruction 2008-09 district audited annual reports. It is the most recent data available.*

Current Education Cost Comparisons with CESA 3 Schools

River Valley School District's 2008-09 CEC cost per student is \$11,036. The average CEC cost for the CESA 3 schools (31 school districts including River Valley) is \$11,048 while the State average school district cost is \$10,652. Depicted on the 2008-09 CESA 3 Current Educational Cost Comparisons chart.

The Total Educational Cost (TEC) measures the CEC cost plus transportation and facility cost per student. River Valley School District's 2008-09 TEC cost is \$12,246 per student. The average TEC cost for the CESA 3 schools is \$12,423 while the State average school district cost is \$12,111. Depicted on the 2008-09 CESA 3 Schools Total Educational Cost Comparisons chart.

River Valley School District's 2008-09 TEC cost per student is again lower than the larger sample of CESA 3 schools and slightly higher than the State average.

** This data was attained from the Wisconsin Department of Public Instruction 2008-09 districts audited annual reports. It is the most recent data available.*