



RIVER VALLEY SCHOOL DISTRICT

Home of the Blackhawks



BRIAN KREY
Business Manager

660 West Daley Street ≈ Spring Green, Wisconsin 53588 ≈ Phone: 608-588-2551

TO: River Valley Budget/ERC Committee

FROM: Brian Krey, Business Manager

DATE: May 7, 2020

SUBJECT: MAY 11, 2020 BUDGET/ERC COMMITTEE AGENDA ITEMS

2. 2019-2020 Budget Update

Item 2a

The budget passed at our annual meeting for the 2019-2020 school year resulted in a \$153,031 surplus. The addition of a 0.4 FTE nurse at an expense of approximately \$20,000, results in a projected surplus of \$133,031 for 2019-2020.

Currently our revenues are on target and approaching our budget numbers as expected. Our expenditures at this time of year compared to last year are lower than budgeted/anticipated. The main reason for this is the decrease in transportation expenses this year compared to last year. We are anticipating \$288,000 less in transportation expenses than budgeted.

In addition, Lamers has not reached out to the District since March 18 via email (please see letter on portal) to discuss any payments to them while they are not providing services to the District. Administration has been in contact with our attorney regarding this situation, and I have uploaded a memorandum from our attorney's office at Boardman & Clark regarding advisement on this topic. Administration would like to have a conversation about what this budgeted line item means for 2019-2020 and potentially 2020-2021.

Item 2b

Currently, the District is serving 504 breakfasts and 504 lunches daily to district students. These meals are reimbursable by the federal government, so there is little to no cost on food expenses for these meals. Our support staff that are currently preparing, packaging, and delivering these meals have contracts through June 4, 2020. Through a waiver, we can continue to prepare & deliver meals, with reimbursement through June 30 if the District is interested in doing so. This would result in 18 additional days (just over 3 weeks) of meals for students. The cost to the District would be staffing for the preparing, packaging, and delivery of meals. The estimated weekly cost of this would be approximately \$2,500; and a total estimated cost of \$9,000.

Item 2c

River Valley has typically received about 25-35% of our local tax revenue between May and August each year. Currently, we are still due about 29% of our local tax revenue that totals \$2,762,243.





On April 15, 2020, Governor Evers signed into law Act 185, which allows counties and municipalities the ability to pass resolutions allowing the interest and penalty waived from the installment due date of July 31 until October 1. This waiver only applies to taxpayers that still owe the second installment of their property tax bill.

At this time, I will monitor if our counties and municipalities decide to provide this extension for taxpayers. Based on the amount we have yet to receive, if a significant percentage of property taxes are not paid until September or October, the District may be in a situation where we will have to short-term borrow in order to pay bills & payroll. While this would be a worst-case scenario, I wanted you to be aware of the possibility.

3. Spring 2020 Co-Curricular Pay

Administration is recommending that the District pay High School Head Coaches in full for the spring sports season and pay high school assistants \$500 per assistant. While the spring sports season has been canceled, with the possibility for a 30 day season in July, we feel a head coach is a year round commitment. When head coaches are not “in season” some of the items they are responsible for include: preparing practice plans, planning and supervising open gyms, coordinating game schedules and bus schedules with Mr. Hegland, taking care of and working on their facilities, working concession stands, leading fund raising activities, attending booster club meetings, preparing for parent/athlete meetings, preparing and gathering clothing orders, preparing for senior night and senior banners, purchasing equipment, updating historical lists (team records/results), ensuring paperwork is completed (physicals, codes, concussion forms), preparing rosters, completing pre-season and out of season newspaper and website write-ups, organizing team & individual photos, and hiring assistant coaches.

In a statewide survey, with 218 responses (as of May 4, 2020): 64 districts responded that they are paying spring sport coaches; 55 are not paying coaches; 30 answered yes-at a reduced rate, while 69 answered “other” meaning they are still yet undecided or paid coaches in a hybrid fashion. I sent the results of this survey via email on Wednesday, May 6, 2020, which are updated daily by the Wisconsin Association of School Personnel Administrators (WASPA).

Area schools that are paying spring sport coaches in full include: Belmont, Baraboo, Ithaca, Highland, Benton, Mount Horeb, Weston, Madison Schools, and all suburban schools of Madison. Fennimore, Mauston, Pecatonica, and Marshall are only paying for hours worked or at a reduced rate.

The SWC will make a decision regarding its approach to the 30 day July season on June 1, 2020.

Spring activities scheduled for payment this month also include Post Prom Advisor, Jr. Class/Prom Advisor, and the Middle School Play. Administration is recommending paying these advisors in full for their work prior to the school closure.

Our salary schedules for spring athletics and activities is online here:

<https://www.rvschools.org/district/1920allstaffemployeehandbook.cfm>



4. Preliminary 2020-2021 Budget

The base projection for 2020-2021 was presented at the February 24, 2020 Budget/ERC committee meeting. This projection was based upon the current state budget and historical assumptions. This projection had a surplus/deficit (deficit in parenthesis) of:

Base Projection 2020-2021 (February 24, 2020)

2020-2021: \$635,348
2021-2022: \$923,755
2022-2023: (\$2,793,852)
2023-2024: (\$3,640,180)
2024-2025: (\$4,586,173)

Much has changed since our February meeting, and the state is now projecting a two billion dollar budget deficit. That most likely means cuts and/or reductions to the current state budget, and we expect education to be part of these cuts/reductions. Based upon conversations with John Forrester, the Executive Director of the School Administrators Alliance and colleagues across the state, I have created a new financial forecast that drastically changes our five year projected budgets.

This updated forecast projection considers the following assumptions:

- **Revenue Limit Per Pupil amount:** -\$50 in FY 21 and \$0 in FY 22-25
 - Base Projection was \$179 in FY 21 – FY 25.
- **Per Pupil Categorical Aid amount:** \$705 (FY 21 & 22, \$742 in FY 23-25).
 - Base Projection: \$742
- **Special Education Aidable Costs Reimbursement percentage:** 25% (FY21-25)
 - Base Projection: 30% (FY21-25)
- **Summer School Revenue Limit Enrollment:** 0 FTE (FY21) increased to 14 (FY 22-25)
 - Base Projection: 14 FTE

Based on these assumptions, our updated financial projection (May 11, 2020) has surplus/deficits (deficit in parenthesis) of:

2020-2021: \$175,476
2021-2022: \$470,184
2022-2023: (\$3,425,605)
2023-2024: (\$4,470,188)
2024-2025: (\$5,446,762)

Last, I have provided a preliminary budget that is on the portal. I will be looking for approval of the preliminary budget at the June meeting.



5. CESA 10 Contract

Administration is recommending to continue working with CESA 10 on District maintenance projects. The proposed contract is on the portal. This contract will allow the District to work with CESA 10 (John Berget) on coordinating contractors, requests for proposal, and assisting with prioritizing maintenance needs/repairs. We believe that having an expert that can read through recommendations, specifications, request for proposals (RFP's), and manage maintenance projects will be very beneficial to the District. CESA 10 (John Berget) has done this over the past two years with the Energy Efficiency exemption. The estimated cost to the District for CESA 10's services is \$13,740 for the 2020-2021 budget.

6. Staff Compensation 2020-2021

In March, the Board acted on and unanimously approved a 2.5% salary increase for all employees. The Budget/ERC committee accounted for another 0.25% salary increase by way of the compensation model. In addition, administration was directed to use 0.25% (approximately \$22,500) on market based/value increases. Based on current 2019-2020 salary data from Forecast 5, administration is recommending increases to six employees, while utilizing \$6,000 for PLC Team Leaders in the 2020-2021 school year. The list of employee recommendations and the comparable graphs for each employee was emailed on May 6, 2020.

7. Employee Handbook

Based on a civil rights audit, and advice from our attorney, administration is recommending the following text be added to the employee handbook on page 4 as the last paragraph in the "Equal Opportunity Employment" section.

Recommended addition is:

Reasonable workplace accommodations shall be made, upon request, for qualified individuals with a disability, unless such accommodations would impose an undue hardship to the District. Accordingly, the District will provide reasonable accommodations to qualified individuals with disabilities when such are directly related to performing the essential function of a job. An employee or applicant requiring a modified work environment as the result of a disability may request a reasonable accommodation. To request an accommodation, the employee or applicant may provide a request in verbally or in writing, which includes an option to complete and submit the Disability Accommodation Request Form, which will be available upon request. As part of this request, the employee or applicant may be required to provide medical verification of the need for the accommodation and may be required to sign an Authorization for Release of Medical Records to allow the District to communicate with the employee's health care providers. All information received during this process, whether written or verbal, will be kept confidential and disclosed only to those individuals who are relevant to the decision process. The District Administrator and Business Manager will review requests for accommodation. Approved accommodations will be reevaluated periodically to ensure that they remain necessary, reasonable, and effective.

8. Strategic Plan and Correlation to Committee's Work

9 & 10. Set Next Meeting Date & Agenda Items

Monday, June 8, 2020 at 5 pm.