

Kenosha Unified School District No. 1
Kenosha, Wisconsin

July 24, 2012

Preliminary Adoption of the 2012-2013 Budget

At the February 14, 2012 joint Standing Committee meeting, the 2012-2013 initial budget assumptions and process was presented. That report outlined the rationale for Administration's initial revenue and expenditure additions or subtractions to the 2012-2013 budget. The budget assumptions including the proposed reductions were approved by the Board on February 28, 2012.

The Superintendent's Leadership Council and Budget Council, have met on many occasions to review and evaluate the submitted budget assumptions and District contractual obligations. These discussions have become the basis of the budget assumption priorities that Administration is presenting to the Board for preliminary approval at the July regular meeting.

The presentation including a budget timeline, enrollment projections and assumptions used in developing the budget will be distributed to the District Board members and the District's Audit, Budget and Finance Committee in advance of the Board meeting. Additional copies of the presentation will be made available at the Board meeting.

The proposed 2012-2013 budget assumptions continue to support all of the current instructional programs of the district, taking into consideration the beliefs, parameters and objectives of the Transformation Design Plan. Budget development is a dynamic and continuous process until the Board formally adopts the budget on or before November 1st.

Administration will be incorporating these budget assumptions into the District's Preliminary 2012-2013 Budget to be presented at the Public Hearing on the Budget scheduled for September 12, 2012. As always, the budget is developed and implemented with the ultimate goal of meeting the needs of all the students in the District.

Administrative Recommendation

Administration requests that the Board of Education approve the preliminary 2012-2013 Budget Assumptions and that these assumptions be used in formulating the preliminary budget to be used at the Public Hearing on the Budget in September.

Dr. Michele Hancock
Superintendent of Schools

Tina M. Schmitz
Chief Financial Officer

Tarik Hamdan
Budget & Grant Manager



2012-2013 Preliminary Budget

July 24, 2012 Board Meeting



2012-13 Financial Priorities

- Align the Budget with the

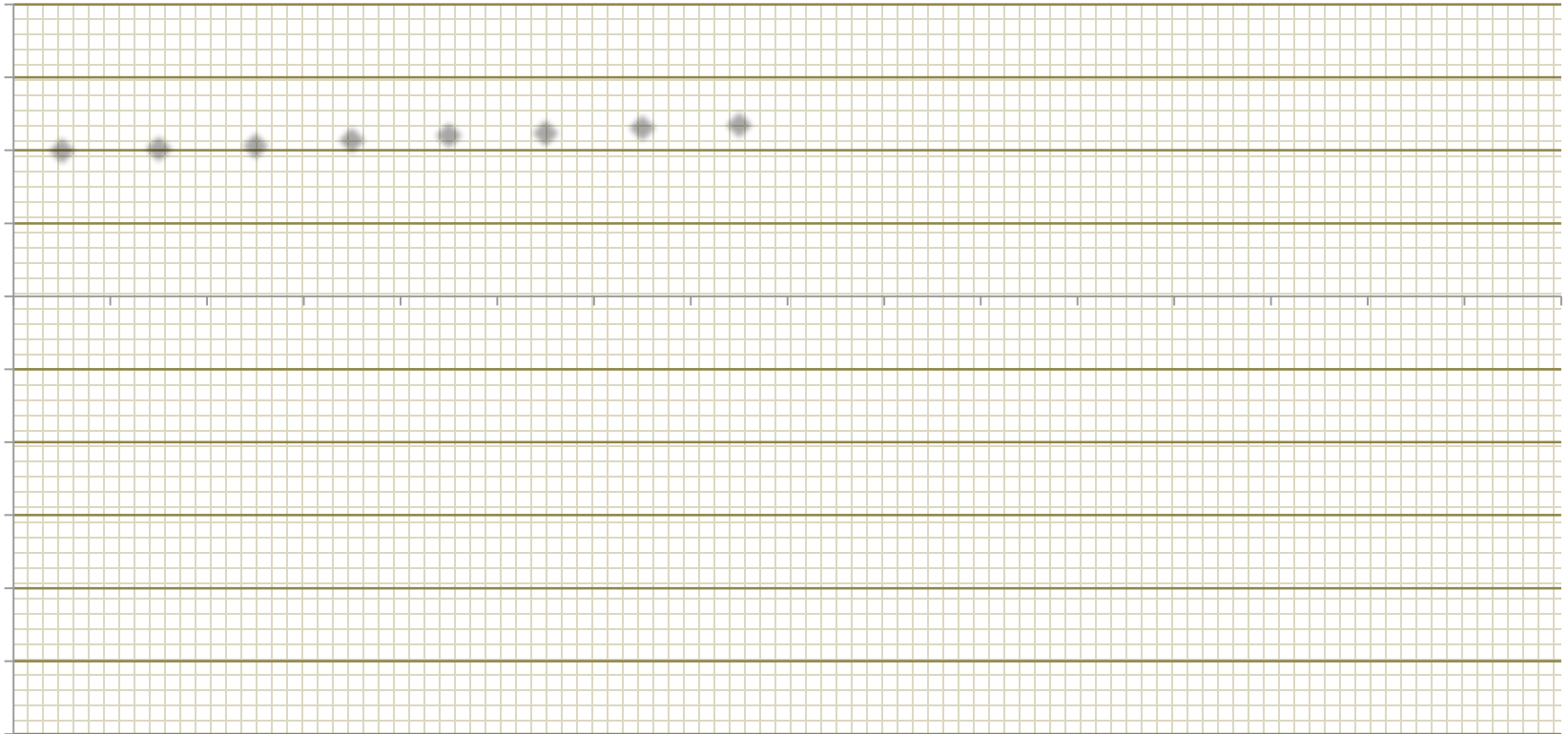


Staffing Changes

KUSD Employee Group	2011-12 Budget	2012-13 Projections
Administrative, Supervisory & Technical (includes school administrators)	122	114
Board of Education	7	7
Carpenters & Painters	9	9
Education Support Professionals	262	254
Interpreters	11	11
Teachers	1,637	1,458
Miscellaneous	54	62
Secretaries	139	123
Service	206	196
Totals	2,447	2,234



Per Member Revenue

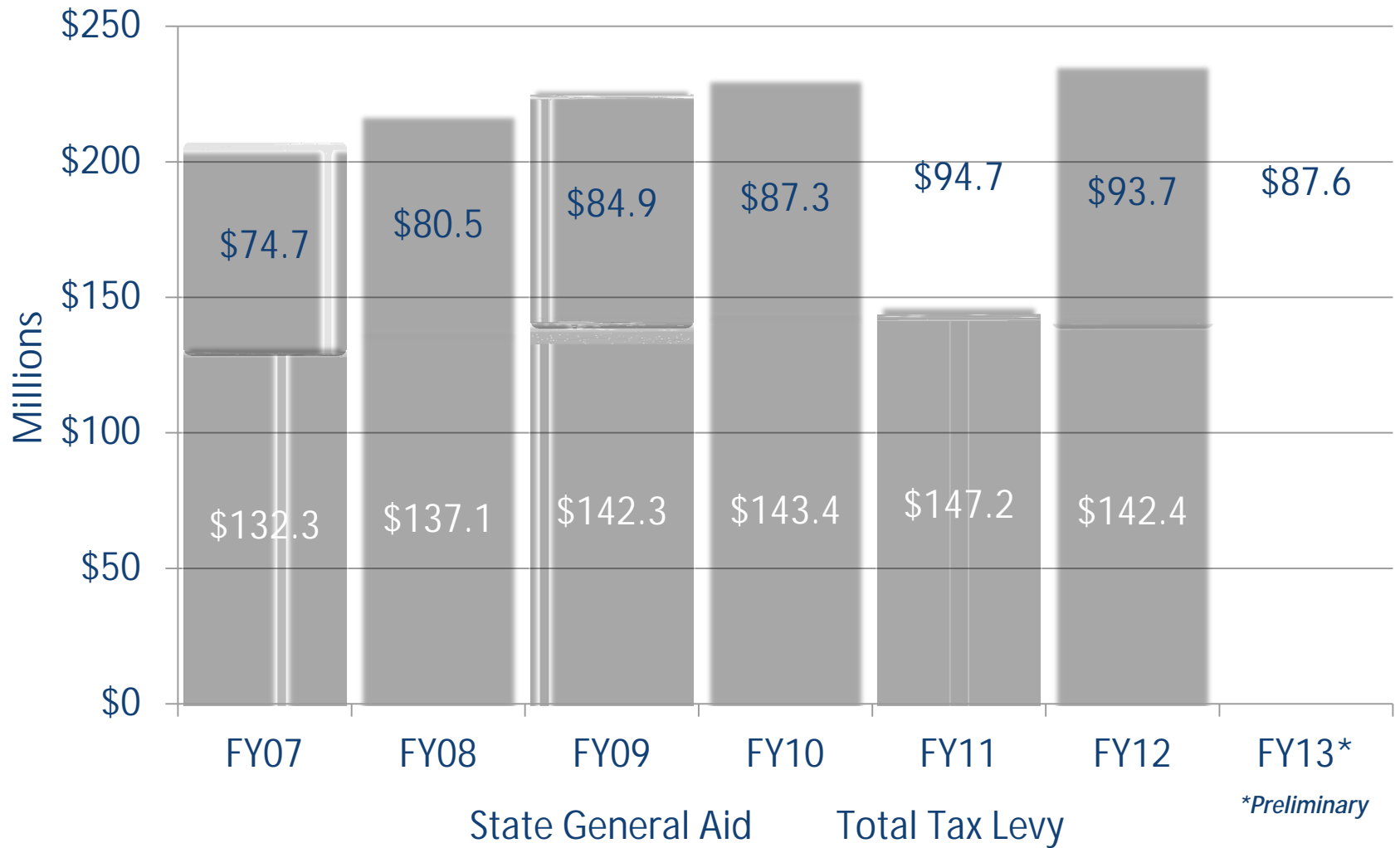


Revenue per Member Calculation

		FY 2011-2012 Actual	FY 2012-2013 Preliminary	Change
1) Start with	Base revenue from last year	\$229,159,798	\$222,441,496	\$ (6,718,302)
2) Divide by	3-year average membership		22,594	22,682
3) Equals	New base per member		\$ 9,855	\$ 9,855
4) Add	Per member increase/decrease		\$ (558)	\$ 50
5) Equals	Maximum revenue per member		\$ 9,585	\$ 9,855
6) Times	Current 3-year average membership		22,682	22,650
7) Equals	Revenue with exemptions		\$219,665,077	\$19,166,419
8) Plus	Exemptions: Prior Year Carryover		\$ 9,623,122	\$ 19,166,419
9) Equals	Limit with exemptions	\$222,441,496	\$224,288,199	\$ 1,847,703



Revenue Limit History



2012-2013 Budget Assumptions

Revenue Summary



2012-2013 Budget Assumptions

Expense Summary

- Salary increases per employee contracts
- \$730,000 decrease in health insurance
- 2-5% increase in other employee benefits
- \$25 million in reductions planned for FY13
- Additional budget requests of \$2.4 million



2012-2013 Budget Process

Next Steps:

- July - Approval of Preliminary Budget
- Aug. - Finalize Staffing
- Sept. - Public Hearing on Budget
- Oct. - Final DPI Revenue Distributed, Property Assessments Complete, and Final Budget Approved and Adopted by the Board



2012-2013



	Increase/ (Decrease)	Notes
1 General State Aid	\$ 6,600,000	Initial estimates from DPI July 1
2 Reduction in General Fund Levy	\$ (4,860,000)	Based on July 1 estimated Revenue Limits
3 Increase in non-referendum debt	\$ 809,000	Higher principal payments in 2013 offset by lower interest
4 Per Pupil Aid Adjustment	\$ 1,130,000	One-time aid adjustment-State Biennial Budget Adjustment
5 Increase in student and facility fees	\$ 25,000	Based on preliminary schedule presented to board July 24th

Sub-Total \$ 3,704,000

	Increase/ (Decrease)	
6 Increase in Wisconsin Retirement System expense (WRS)	\$ 750,000	Based on estimated increase of 1% to 1.9% on current 11.8% rate
7 Increase unemployment expense	\$ 1,000,000	Estimated increased based off of current year expense
8 Increase substitute budget	\$ 300,000	Based off of past year experience (FY12)
9 Incentive payouts (from FY11)	\$ 250,000	3 year payout schedule
10 Reduction in health insurance expense	\$ (730,000)	Per WEA proposal for 2012-2013
11 Reduction of 2 additional custodial positions	\$ (150,000)	Offset below in other expenses
12 Increase in community support hours	\$ 17,500	Fund 83 expense
13 Additional of HR Specialist	\$ 110,000	Hired July, 2012
14 Additional special education support personnel (5 FTE)	\$ 231,000	Support for special education
15 Increase in Library Media clerical hours	\$ 92,000	Increase in hours to support LMT's at the schools

Sub-Total \$ 1,870,500

	Increase/ (Decrease)	Notes
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