



**Agenda Item Details**

Meeting Mar 18, 2024 - Regular School Board Meeting - Revised

Category 3. Administrative Reports

Subject 3.2 Finance Manager Report

Type Discussion

**Cash/Loan Account Balances**

| <b>Account</b>                                      | <b>January</b> | <b>February</b> | <b>March</b>   |
|---|----------------|-----------------|----------------|
| Capital Expansion (Fund 49/Construction Impact Aid) | \$8,897.49     | \$8,907.69      | \$8,917.24     |
| Capital Improvements (Fund 46)                      | \$15,137.98    | \$15,155.53     | \$15,171.59    |
| General Checking                                    | \$154,122.09   | \$116,513.59    | \$75,779.29    |
| OPEB Trust Money Market                             | \$30,606.85    | \$30,641.94     | \$30,682.03    |
| OPEB CD   | \$306,672.99   | \$306,672.99    | \$306,672.99   |
| Scholarship Fund                                    | \$10,068.74    | \$10,080.28     | \$10,091.10    |
| Money Market  | \$364,942.42   | \$1,065,353.46  | \$2,687,484.32 |
| RBC Total CD's                                      | \$752,017.92   | \$757,308.54    | \$757,854.81   |
| Total Cash  | \$1,642,466.48 | \$2,310,634.02  | \$3,892,653.37 |
| Bremer Loan Balance                                 | \$500,000.00   | \$250,000.00    | \$0.00         |

**Impact Aid Program Update**

No new Impact Aid payments.

**Impact Aid Talking Points from the 2024 NAFIS (National Association of Federally Impacted Schools) Spring Conference**

FY 2025 Appropriations – With schools facing many challenges, including the need to build or renovate facilities, attract and retain educators, and adjust to recent education cuts, Impact Aid dollars are more precious now than they have ever been. Therefore, NAFIS is requesting a \$65 million increase for Basic Support, a \$2 million increase for Federal Property, a \$1.5 million increase for Construction, and a \$1.5 increase for Children with Disabilities.

Advancing Toward Impact Aid Full Funding Act – NAFIS endorsed a fully bipartisan bill, *Advancing Toward Impact Aid Full Funding Act* that has now been introduced in the House and the Senate. This legislation would fully fund Basic Support and provide a proportional increase to Federal Property, Construction, and Children with Disabilities. The Federal Government has not met its responsibility to fully fund Impact Aid, since 1969.

**Common School Funds (Library Aid)**

School Districts receive an annual distribution of earnings from the Common School Fund. This distribution is based on the number of residents ages four to twenty. These funds are to be used in the same fiscal year as they are received and are allocated as restricted funds. These funds are used to purchase library books and other instructional materials. We received notice of an addition \$6,069 in library aid. This brings our total allocation to \$30,029.

**High Cost Special Education Aid**

High Cost Special Education Aid provides additional support for school districts and other eligible Local Education Agencies (LEAs) serving students with disabilities that are significant and costly. District apply for partial reimbursement of the costs for individual students in the previous fiscal year. A district is eligible if a student with disabilities has additional, non-administrative costs of special education and related services in excess of \$30,000.

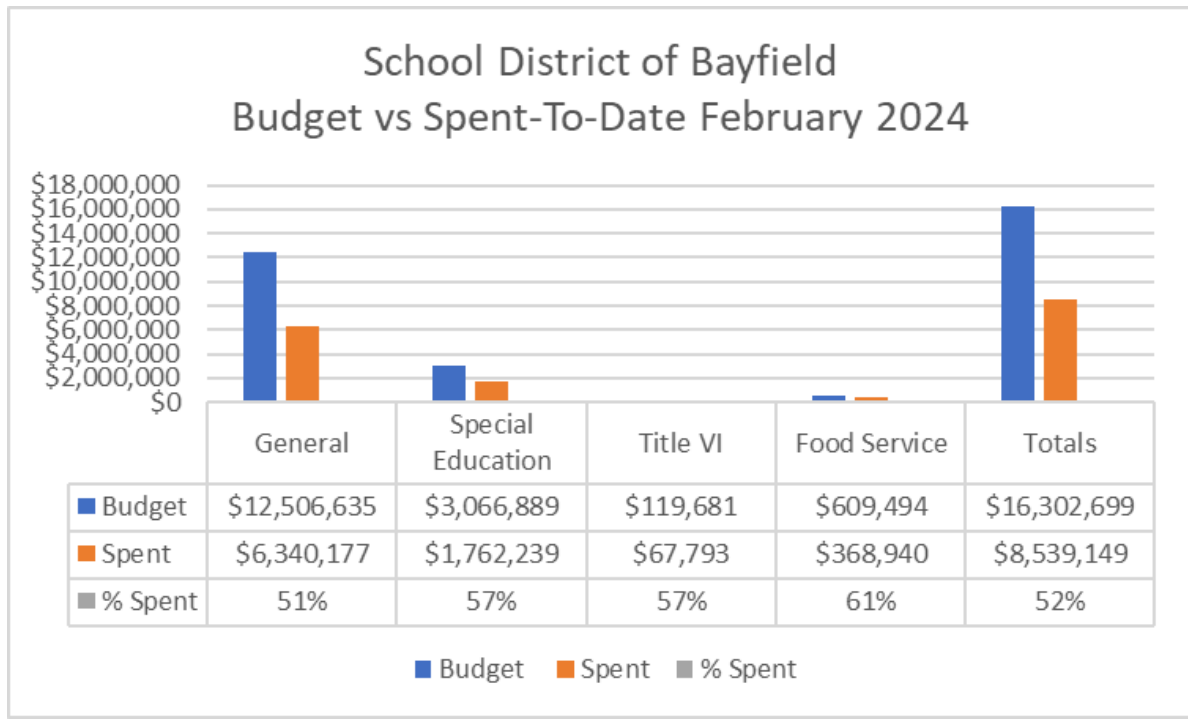
Eligible costs and are reimbursable include one-on-one paraprofessionals as well as related services such as speech and language, occupational therapy and physical therapy.

The claim I submitted was based on 2022-23 and was as follows:

Number of students: 13  
 Total Student Costs: \$882,235.94  
 Estimated Aid Payment: \$443,012.34

The estimated aid payment is the amount we would be eligible for if funds are available to pay claims in full and is not a guaranteed amount. Last year, out of our aid eligible amount of \$296,253, our payment was \$86,107. I am estimating our payment for this year will be approximately \$125,000.

**Total Budget Spent-to-Date**



**2024-2025 Budget Issues**

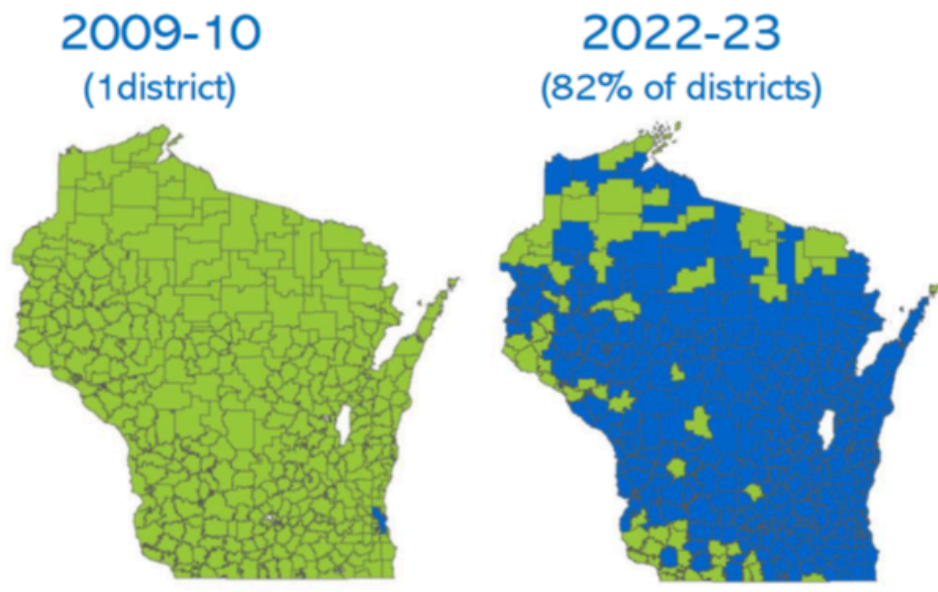
No new funding coming from the State. Wisconsin in 2002 was 11% above the national average spent on K-12 education. In 2021, Wisconsin spent 5.2% below the national average on K-12 education. This is forcing us to make hard choices because of so many factors. Other things hurting budgets:

- Wisconsin provides disproportionately less funds to rural districts: 11<sup>th</sup> lowest in the nation on state revenue to school per local dollar (\$.82 versus \$1.18 nationally).
- Education has fallen as a state budget priority. The K-12 school aids as a share of state GPR was 43.1% in 2003 and in 2023 it is 36.6%.
- Teacher turnover has been a challenge since Act 10, especially teachers of color, smaller districts and high poverty districts.
- The ESSER (Covid money) fiscal cliff is here. From a December 2023 WASBO survey of school district, 62% of respondents said the end of ESSER will cause a structural deficit for the 2024-25 school year. This also leads to an equity issue because high poverty (high need schools) communities will see sharper impacts to their school budgets in part because of how ESSER funding was structured.
- Revenue limit only increased by 2.7% in the 2023-24 among historically high inflation.
- Voucher program expansion.

**Voucher program expansion:  
2009-10 to 2022-23**

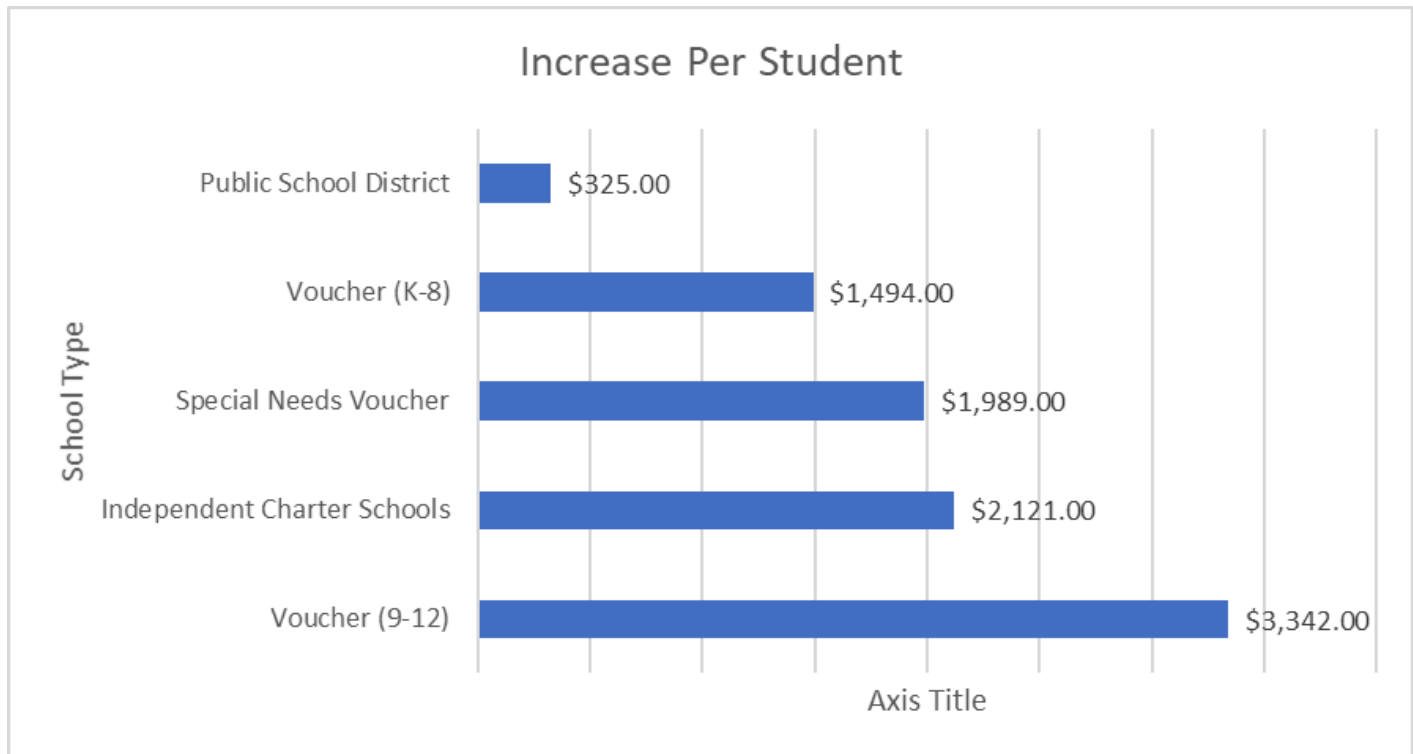
**Choice funding comes out of school district state aid**

**Each of these districts levies local property taxpayers to replace lost aid for voucher students**



## 2023-25 State Budget Overview and Impacts

The Revenue Limit increased \$325 per pupil in each year but still lags inflation. Compare the \$325 per pupil increase to what the state budget did for voucher and charter schools:



High poverty aid was eliminated. This was actually not an “aid” but provided property tax relief to districts serving a majority of economically disadvantaged students. We lost a total of \$23,075. Reimbursement from special education aid increased from 31.7% to 33.3%.

How did Bayfield cope with all these changes? We exhausted our Act 10 “tools”, deficit spending, tapping into fund balance, short term borrowing and using up all of our ESSER funding. Other districts did what we did but they also had to use operating referendums. In 2022, the state had the highest number of operating referendums since at least 1998. It is expected that 136 districts either confirmed or likely to call an operating referendum sometime in 2024.

### How do we compare to area schools?

The attached pie charts show you how our expenses compare to Drummond, Hurley, Mercer, South Shore, and Washburn.


| District    | Membership | Total Cost      | Cost Per Member |
|-------------|------------|-----------------|-----------------|
| Bayfield    | 432        | \$13,876,395.00 | \$32,121.00     |
| Drummond    | 370        | \$6,185,672.00  | \$16,718.00     |
| Hurley      | 523        | \$11,011,067.00 | \$21,054.00     |
| Mercer      | 132        | \$3,405,814.00  | \$25,802.00     |
| South Shore | 198        | \$4,598,394.00  | \$23,224.00     |
| Washburn    | 536        | \$9,100,042.00  | \$16,978.00     |


| District    | Administration |                         | Aides/Support/Other |                         | Licensed Staff |                         | Total     |                         |
|-------------|----------------|-------------------------|---------------------|-------------------------|----------------|-------------------------|-----------|-------------------------|
|             | FTE Staff      | Ratio Students to Staff | FTE Staff           | Ratio Students to Staff | FTE Staff      | Ratio Students to Staff | FTE Staff | Ratio Students to Staff |
| Bayfield    | 5.90           | 72.20                   | 48.54               | 8.78                    | 64.18          | 6.64                    | 118.62    | 3.59                    |
| Drummond    | 2.25           | 150.22                  | 18.00               | 18.78                   | 31.56          | 10.71                   | 51.81     | 6.52                    |
| Hurley      | 3.10           | 176.13                  | 13.10               | 41.68                   | 42.36          | 12.89                   | 58.56     | 9.32                    |
| Mercer      | 1.24           | 99.19                   | 9.50                | 12.95                   | 19.26          | 6.39                    | 30.00     | 4.10                    |
| South Shore | 2.10           | 94.29                   | 17.22               | 11.50                   | 20.34          | 9.73                    | 39.66     | 4.99                    |
| Washburn    | 3.25           | 184.31                  | 27.07               | 22.13                   | 51.52          | 11.63                   | 81.84     | 7.32                    |


### Other

- Winter Transportation Committee Meeting
- Annual ESSER Reporting (Due 4/12/24)
- Continuing a conversion file for the new Insurance Administration System
- WISEstaff data collection 2023-24 continues
- Processing grant claims.

- Continuing the OPEB (Other Post-Employment Benefits) Valuation for the 2023-24 audit.
- Payrolls
- Civil Rights Data Collection for the 2021-22 school year season continues

 [February Expense Report.pdf \(39 KB\)](#)

 [February Revenue Report.pdf \(11 KB\)](#)

 [Multi District Comparative Cost Using 2021-22 Audited Annual Data.pdf \(212 KB\)](#)

This meeting is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.