

*Money Talks*  
**WASBO Webinar Series**

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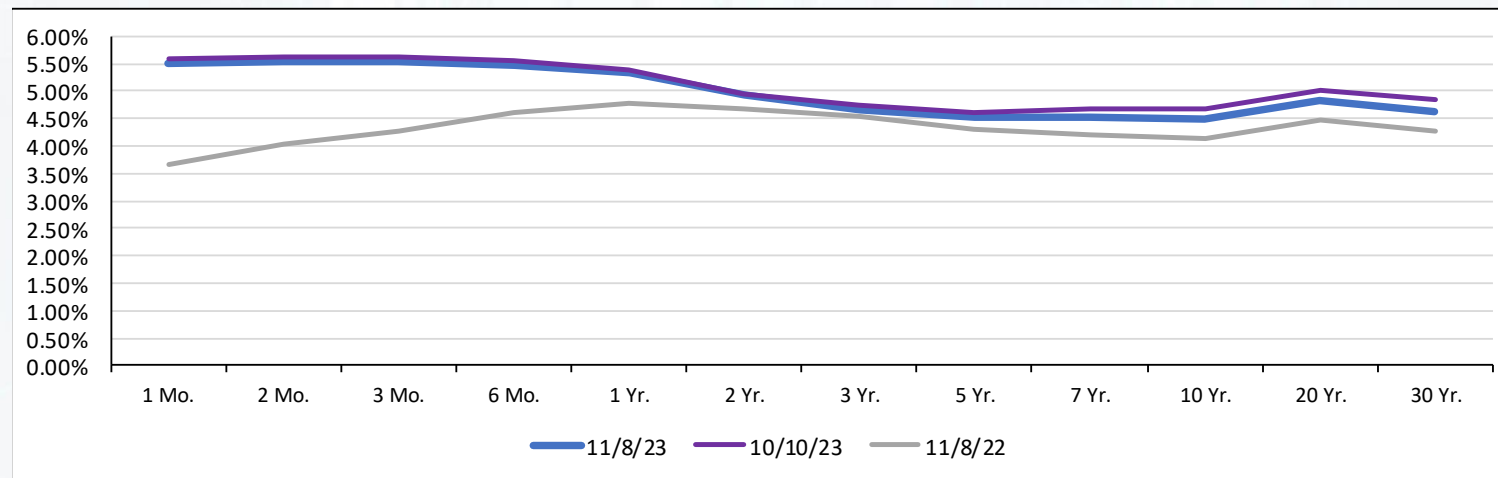
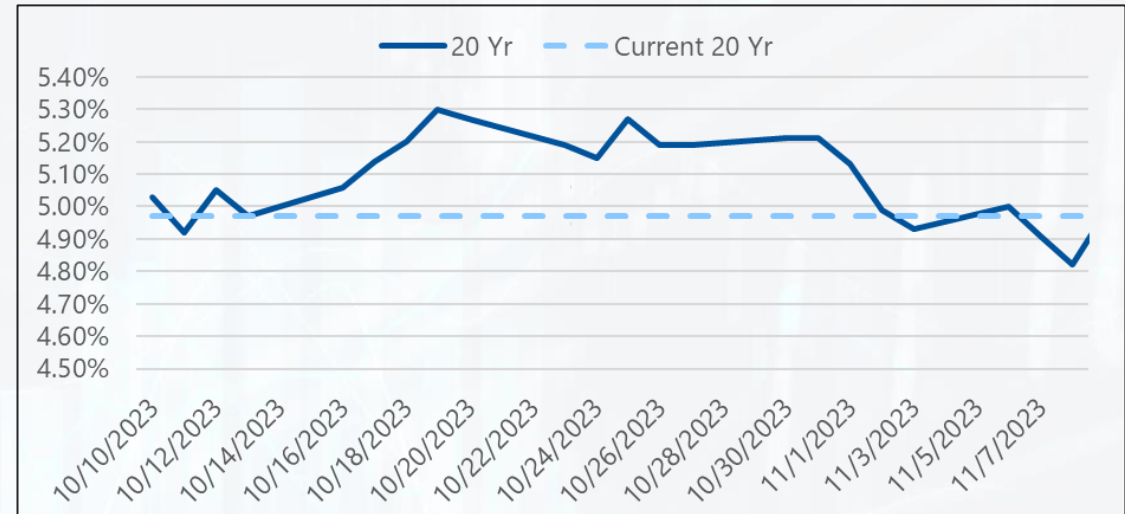
# Economic Update

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# U.S. Treasury Rates

Treasury Rates					
	11/8/23	10/10/23	MoM Δ	11/8/22	YoY Δ
1 Mo.	5.52%	5.60%	-0.08%	3.66%	1.86%
2 Mo.	5.54%	5.61%	-0.07%	4.04%	1.50%
3 Mo.	5.54%	5.61%	-0.07%	4.28%	1.26%
6 Mo.	5.46%	5.57%	-0.11%	4.60%	0.86%
1 Yr.	5.34%	5.37%	-0.03%	4.77%	0.57%
2 Yr.	4.93%	4.96%	-0.03%	4.67%	0.26%
3 Yr.	4.65%	4.74%	-0.09%	4.55%	0.10%
5 Yr.	4.51%	4.62%	-0.11%	4.31%	0.20%
7 Yr.	4.54%	4.66%	-0.12%	4.22%	0.32%
10 Yr.	4.49%	4.66%	-0.17%	4.14%	0.35%
20 Yr.	4.82%	5.03%	-0.21%	4.47%	0.35%
30 Yr.	4.64%	4.85%	-0.21%	4.28%	0.36%



Source: U.S. Department of the Treasury



# Federal Funds Effective Rate – 1 Year Snapshot

FRED  — Federal Funds Effective Rate



Shaded areas indicate U.S. recessions.

Source: Board of Governors of the Federal Reserve System (US)

[fred.stlouisfed.org](https://fred.stlouisfed.org)

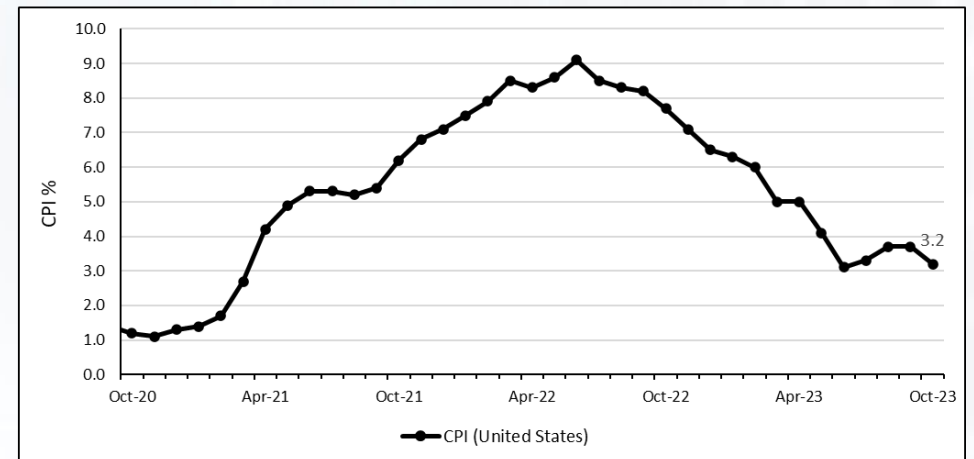
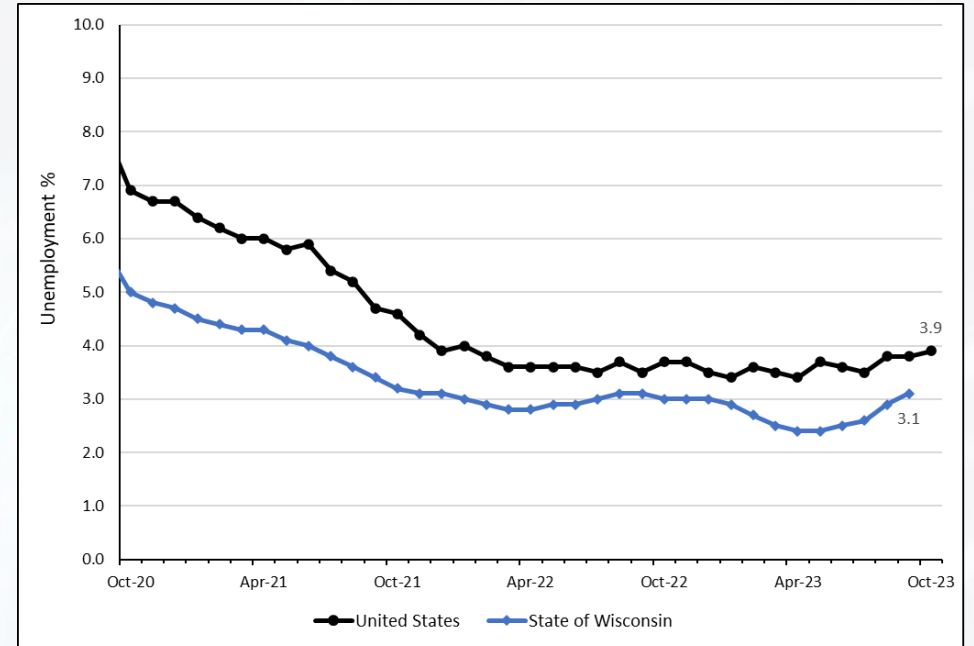


# Unemployment & Inflation

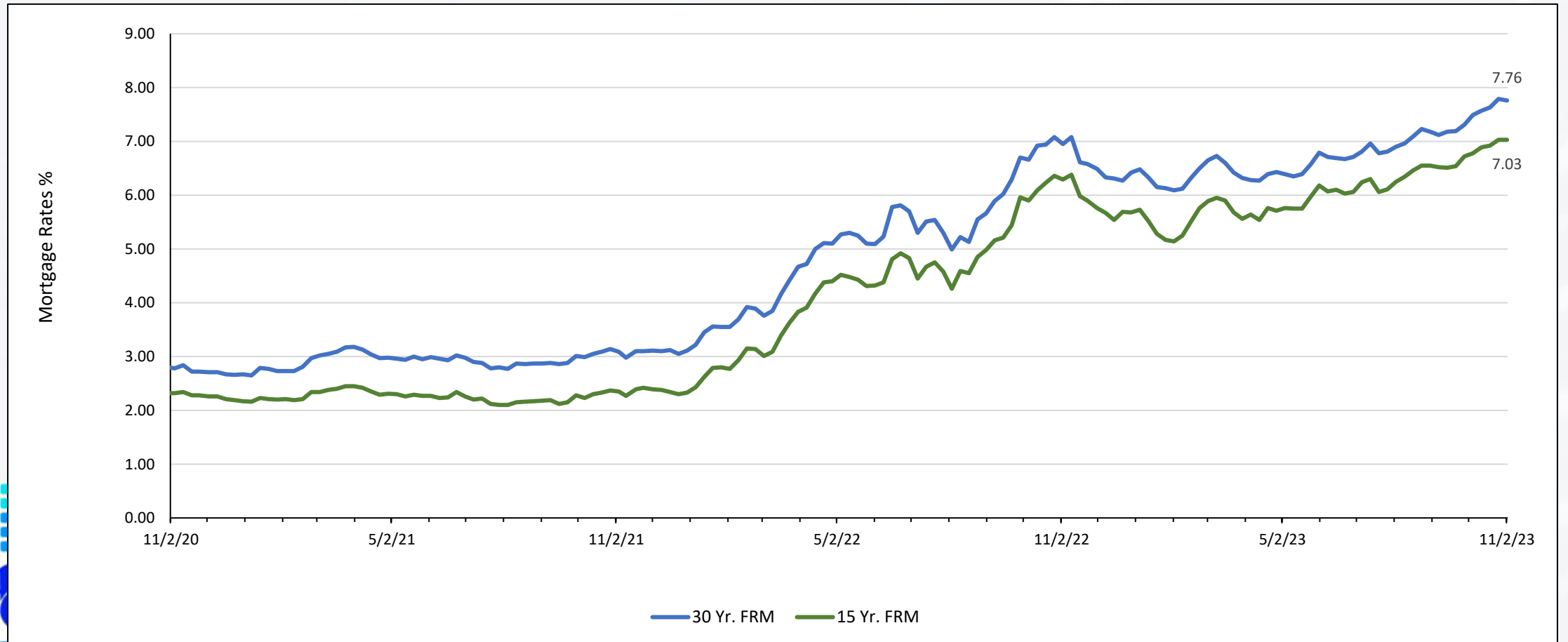
	<b>Unemployment</b>		<b>CPI</b>
	State of Wisconsin	United States	United States
2023 October		3.9	3.2
2023 September	3.1	3.8	3.7
2023 August	2.9	3.8	3.7
2023 July	2.6	3.5	3.3
2023 June	2.5	3.6	3.1
2023 May	2.4	3.7	4.1
2023 April	2.4	3.4	5.0
2023 March	2.5	3.5	5.0
2023 February	2.7	3.6	6.0
2023 January	2.9	3.4	6.3
2022 December	3.0	3.5	6.5
2022 November	3.0	3.7	7.1

*Unemployment Data Source: Wisconsin Department of Workforce Development. Data is seasonally adjusted.*

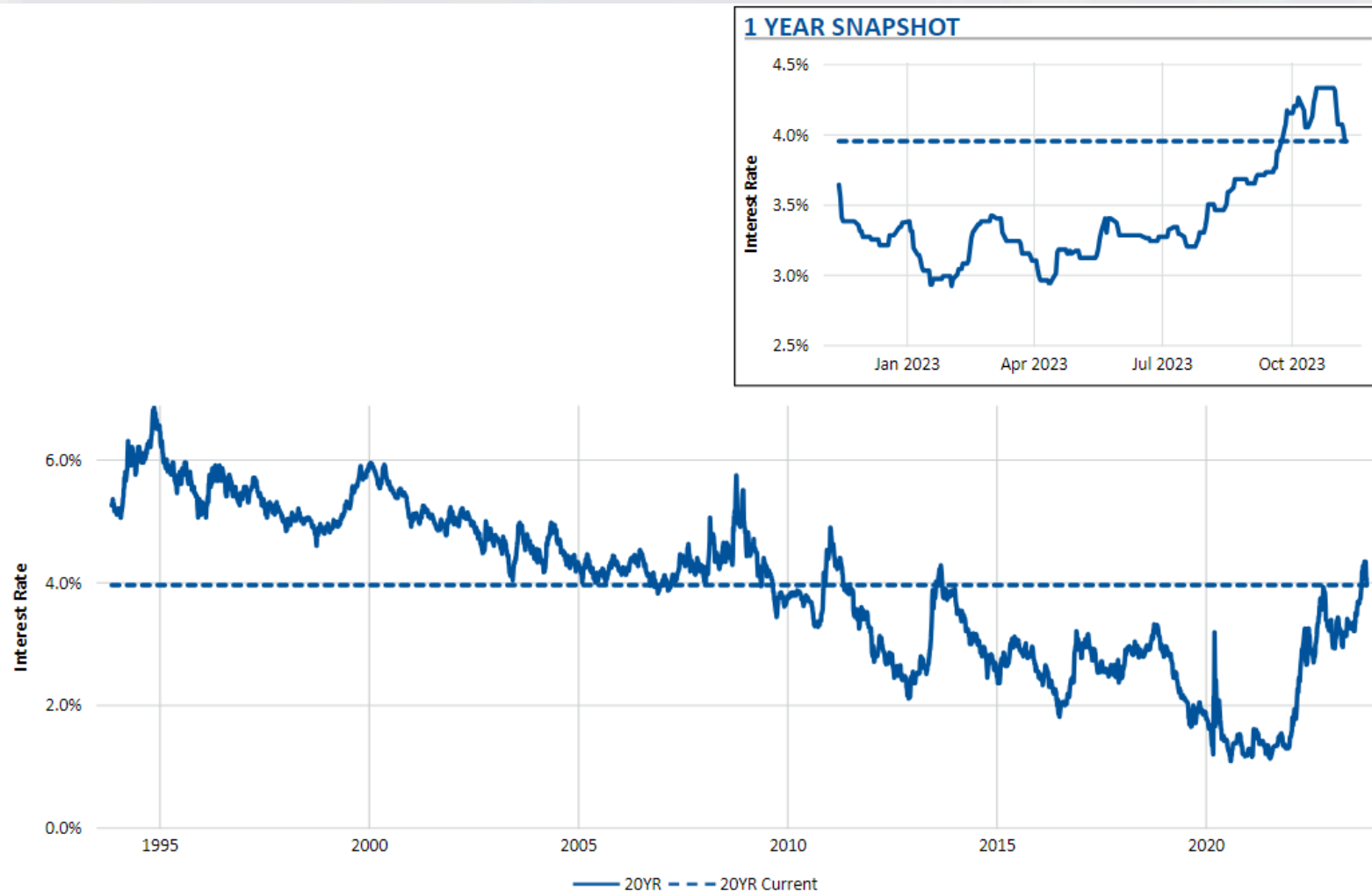
*CPI Data Source: U.S. Bureau of Labor Statistics. Data is seasonally adjusted.*



# Mortgage Rates



# Tax-Exempt Interest Rates — Past 30 Years



Source: Refinitiv as of November 9, 2023



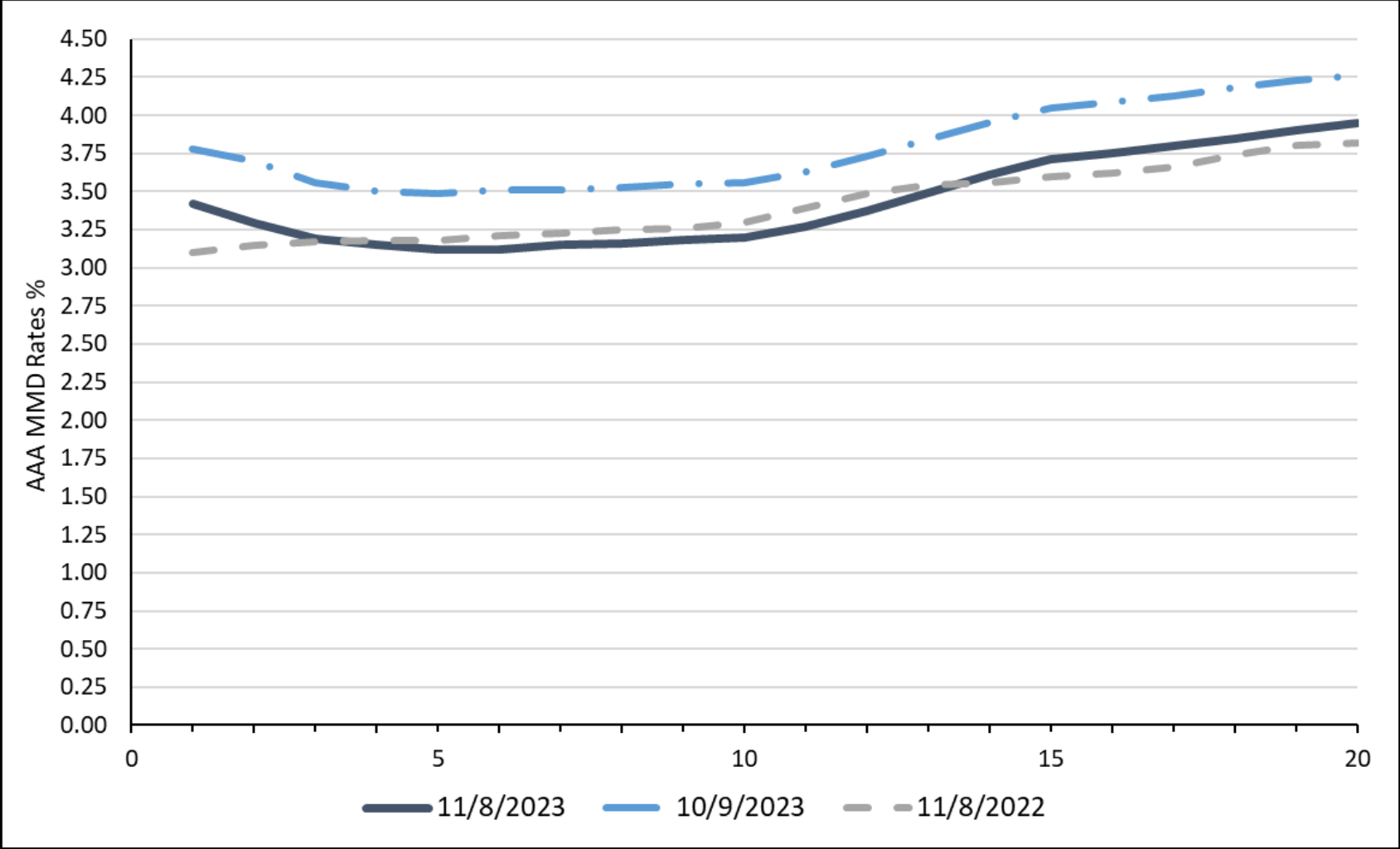
## Recent Wisconsin Bond Issuance Activity

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# Municipal Market Data (MMD) – Yield Curve



Source: Refinitiv

# Municipal Market Data (MMD) – Credit Difference

Year	"AA"	"A"	Difference
	11/8/2023	11/8/2023	
1	3.45	3.54	0.09
2	3.32	3.45	0.13
3	3.23	3.36	0.13
4	3.20	3.34	0.14
5	3.18	3.32	0.14
6	3.19	3.38	0.19
7	3.23	3.44	0.21
8	3.25	3.46	0.21
9	3.28	3.53	0.25
10	3.32	3.54	0.22
11	3.41	3.68	0.27
12	3.53	3.79	0.26
13	3.67	3.94	0.27
14	3.82	4.08	0.26
15	3.95	4.20	0.25
16	4.00	4.24	0.24
17	4.06	4.29	0.23
18	4.12	4.34	0.22
19	4.18	4.41	0.23
20	4.24	4.48	0.24



# Recent WI General Obligation Bond Issuance

Sale Date	Entity	Par Amount	Tax Status	First Maturity	Final Maturity	Rating	Interest Rate Range
11/8/2023	Municipality	\$6,000,000	Tax Exempt	2024	2033	NR/AA Insured	3.55% - 3.80%
11/8/2023	Technical College	\$1,500,000	Tax Exempt	2024	2033	Aa1	3.60% - 3.80%
11/7/2023	Municipality	\$5,975,000	Tax Exempt	2024	2043	Aa2	3.65% - 4.50%
11/7/2023	Municipality	\$21,380,000	Tax Exempt	2024	2037	AA-	3.70% - 4.33%
11/7/2023	Municipality	\$2,350,000	Tax Exempt	2024	2033	Aa2	3.55% - 3.93%
10/31/2023	Municipality	\$6,225,000	Tax Exempt	2024	2043	Aa2	4.00% - 4.67%
10/26/2023	County	\$30,885,000	Tax Exempt	2025	2043	Aa2	3.91% - 4.88%
10/25/2023	Municipality	\$21,500,000	Tax Exempt	2025	2033	A3/A-/AA Insured	4.15% - 4.25%
10/25/2023	Municipality	\$8,500,000	Tax Exempt	2034	2038	A3/A-/AA Insured	4.35% - 4.80%
10/25/2023	Technical College	\$1,500,000	Tax Exempt	2026	2031	Aa1	3.84% - 4.00%
10/24/2023	Municipality	\$12,440,000	Tax Exempt	2024	2043	Aaa	3.66% - 4.90%
10/24/2023	Special District	\$1,715,000	Tax Exempt	2024	2038	NR	4.25% - 4.90%
10/24/2023	Municipality	\$3,935,000	Tax Exempt	2024	2033	Aaa	3.87% - 4.10%
10/24/2023	Technical College	\$1,500,000	Tax Exempt	2025	2028	Aa1	3.73% - 3.90%
10/24/2023	County	\$1,010,000	Tax Exempt	2024	2024	-	4.50% - 4.50%
10/23/2023	Municipality	\$2,985,000	Tax Exempt	2024	2033	Aa2	4.00% - 4.19%
10/19/2023	Technical College	\$1,500,000	Tax Exempt	2024	2028	Aaa	3.80% - 3.90%
10/18/2023	Municipality	\$15,430,000	Tax Exempt	2026	2043	AA-/AA Insured	3.90% - 4.75%
10/18/2023	Technical College	\$8,640,000	Tax Exempt	2024	2043	Aaa	3.85% - 4.64%
10/17/2023	County	\$42,500,000	Tax Exempt	2027	2043	AA-	3.76% - 4.78%
10/17/2023	Technical College	\$3,500,000	Tax Exempt	2024	2033	AAA	3.75% - 3.94%
10/17/2023	County	\$10,145,000	Tax Exempt	2024	2033	Aa3/AA/AA	3.80% - 4.00%
10/17/2023	County	\$9,900,000	Tax Exempt	2024	2033	Aa1	3.78% - 3.97%
10/17/2023	Technical College	\$6,365,000	Tax Exempt	2024	2030	Aa1	3.70% - 3.93%
10/17/2023	Technical College	\$1,500,000	Tax Exempt	2024	2030	Aaa	3.75% - 4.00%
10/17/2023	County	\$8,205,000	Taxable	2024	2027	Aa3/AA/AA	5.20% - 5.45%
10/17/2023	County	\$7,275,000	Tax Exempt	2024	2026	Aa3/AA/AA	3.75% - 4.54%
10/10/2023	County	\$25,000,000	Tax Exempt	2024	2043	Aaa	4.20% - 5.11%
10/10/2023	Municipality	\$1,250,000	Tax Exempt	2029	2033	NR/AA Insured	4.10% - 4.15%

Source: Refinitiv



# Investment Rates

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# Investment Rates

## Fixed Rates

	<i>Treasuries</i>			<i>CDs</i>		
	11/8/23	10/10/23	MoM Δ	November	October	MoM Δ
1 Mo.	5.52%	5.60%	-0.08%	5.40%	5.35%	0.05%
2 Mo.	5.54%	5.61%	-0.07%	5.30%	5.20%	0.10%
3 Mo.	5.54%	5.61%	-0.07%	5.50%	5.45%	0.05%
6 Mo.	5.46%	5.57%	-0.11%	5.55%	5.75%	-0.20%
1 Yr.	5.34%	5.37%	-0.03%	5.65%	5.75%	-0.10%
2 Yr.	4.93%	4.96%	-0.03%	5.65%	5.40%	0.25%
3 Yr.	4.65%	4.74%	-0.09%	5.50%	5.45%	0.05%

## Liquid Rates

	<u>October</u>
LGIP Pool	5.37%
WISC IS	5.34%
AMMA	5.30%



Timely Topic

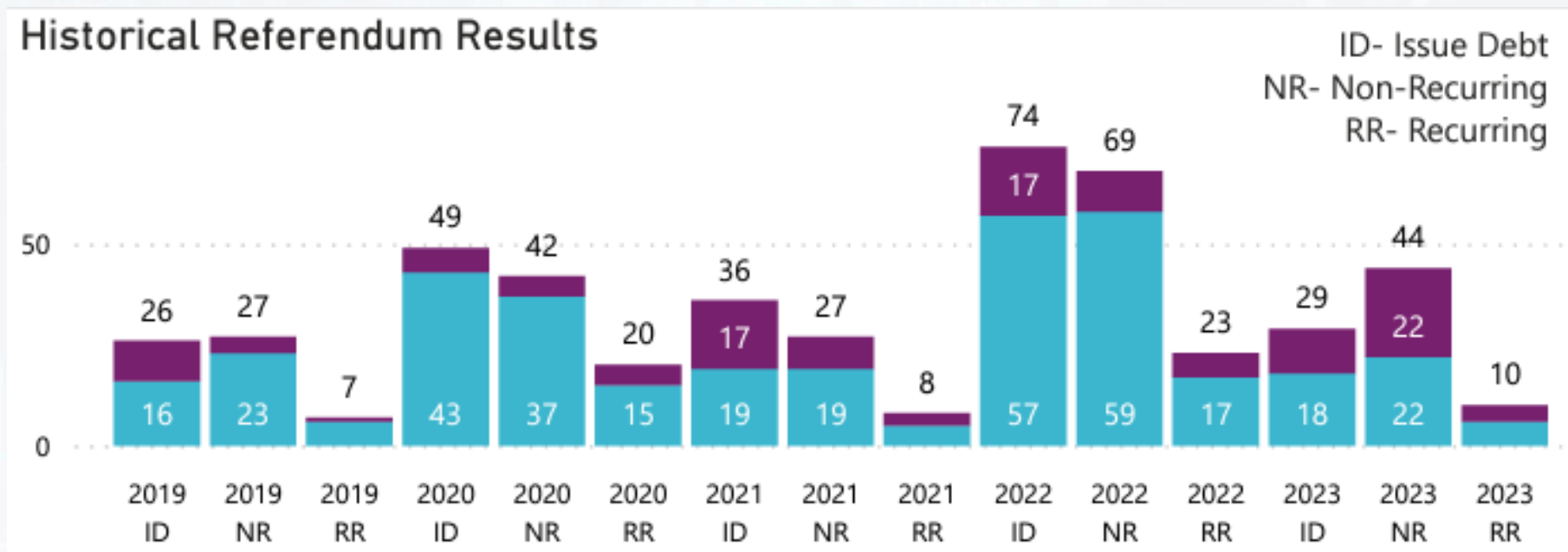
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WASBO Money Talks



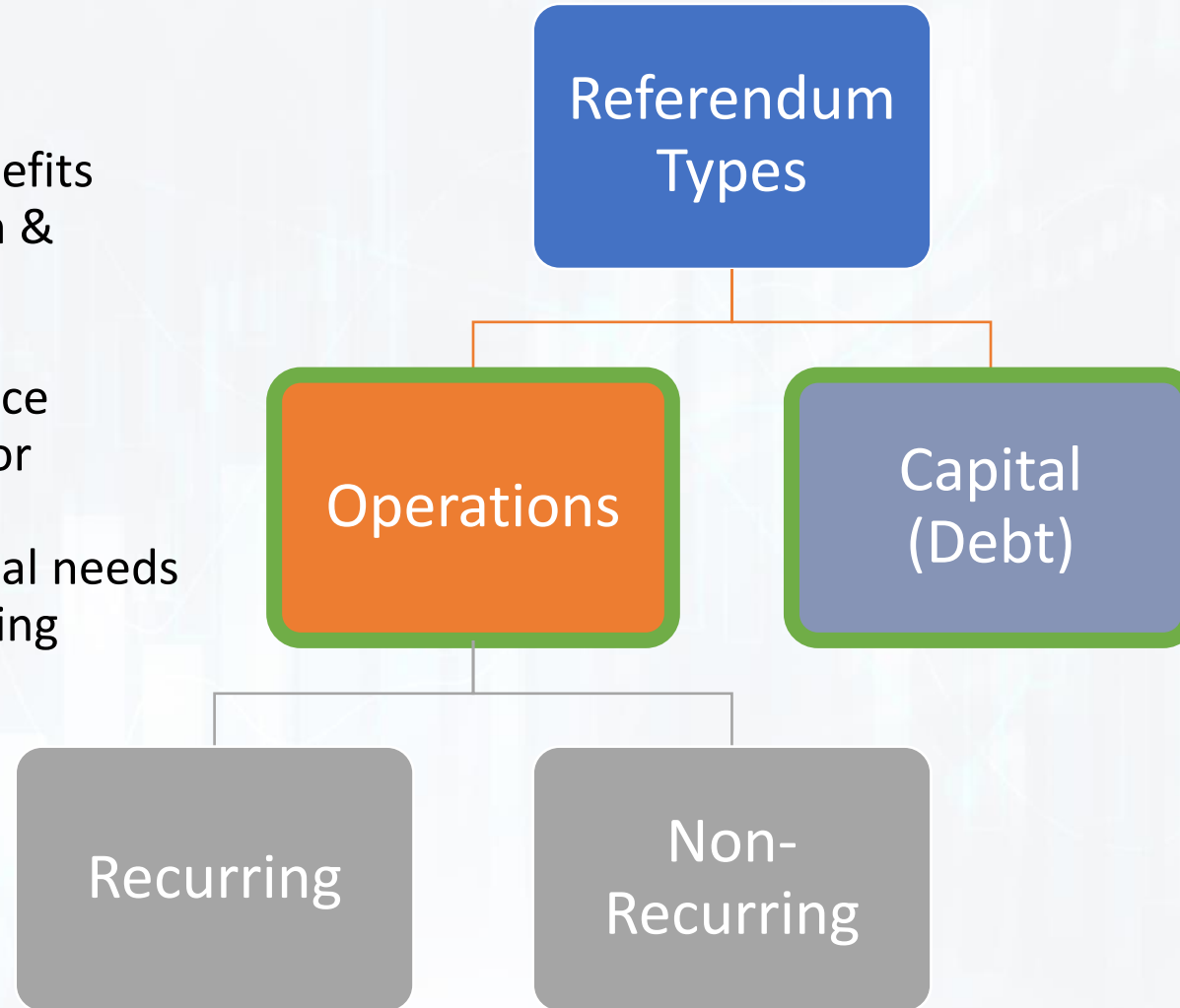
# Setting the Stage

- Referendums expected to continue
- Focus today: Operational Referendums
- Relevant timing:
  - Need continues
  - Upcoming election cycle / dates



# Setting the Stage

- Salary/benefits
- Curriculum & instruction
- Ongoing maintenance
- One-time or ongoing instructional needs
- Programming
- Other



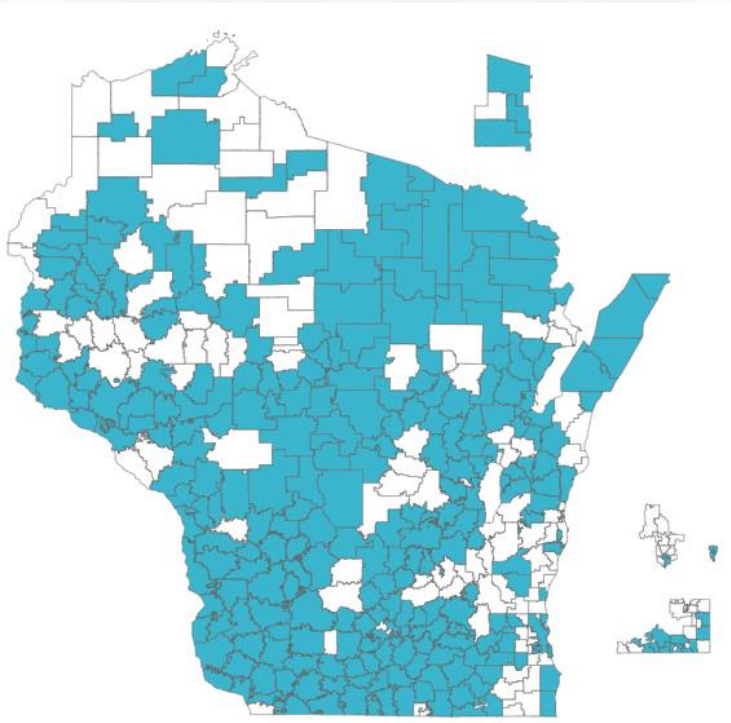
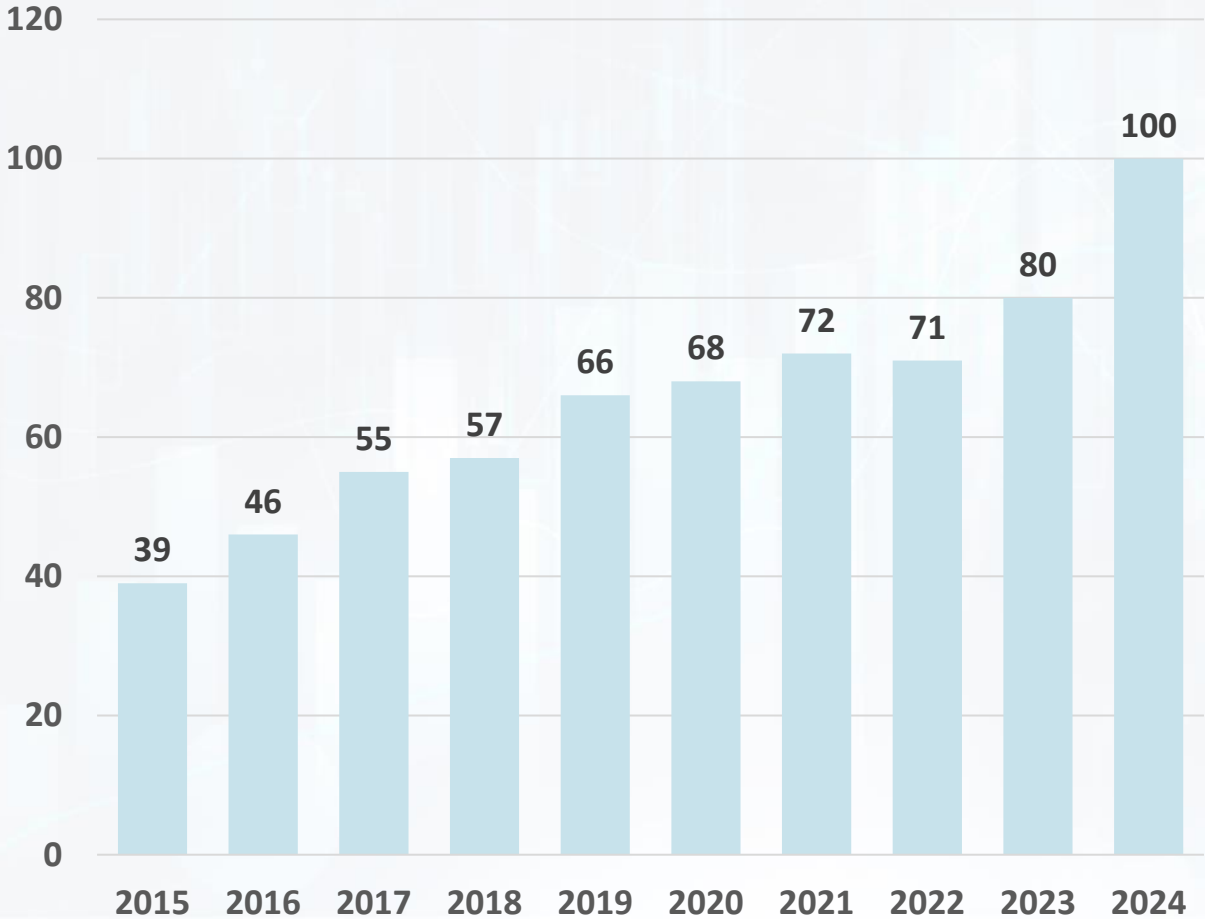
- New construction
- Facilities
- Maintenance
- Remodel
- Safety/Energy improvements
- Land Purchase
- Other





# Operational Referendum Summary

**Districts that have at least 10% of their base revenue limit supplemented by non-recurring operating referendum**



**Districts who have passed an Operational Referendum Question since 1992**

Source: Department of Public Instruction



# Operational Referendums Expected to Continue

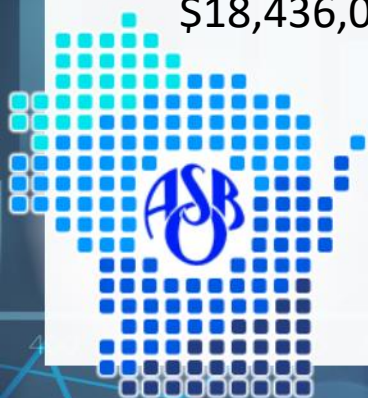
- Low Revenue Ceiling not providing all funds expected

2022-2023 Revenue Limit Worksheet			
1.	2022-23 Base Revenue (Funds 10, 38, 41)	(from left)	17,205,790
2.	Base Sept Membership Avg (2019+.4ss, 2020+.4ss, 2021+.4ss)/3	(from left)	1,702
3.	2022-23 Base Revenue Per Member (Ln 1 / Ln 2)	(with cents)	10,109.16
4.	2022-23 Per Member Change (A+B)		0.00
	2022-23 Low Revenue Ceiling per s.121.905(1):	10,000.00	
A.	Allowed Per-Member Change for 22-23	0.00	
B.	Low Rev Incr ((Low Rev Ceiling-(3+4A))-4C) NOT<0	0.00	
C.	Value of the CCDEB (22-23 DPI Computed-CCDEB Dists only)	0.00	
5.	2022-23 Maximum Revenue / Member (Ln 3 + Ln 4)		10,109.16
6.	Current Membership Avg (2020+.4ss, 2021+.4ss, 2022+.4ss)/3	(from left)	1,685
7.	2022-23 Rev Limit, No Exemptions (Ln 7A + Ln 7B)	(rounded)	17,205,790
A.	Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	17,033,935	
B.	Hold Harmless Non-Recurring Exemption	171,855	

2024 Revenue Limit Worksheet			
	2023-24 Low Revenue Ceiling per s.121.905(1):	11,000.00	
A.	Allowed Per-Member Change for 23-24	325.00	
B.	Low Rev Incr ((Low Rev Ceiling-(3+4A))-4C) NOT<0	540.39	
C.	Value of the CCDEB (23-24 DPI Computed-CCDEB Dists only)	0.00	
5.	2023-24 Maximum Revenue / Member (Ln 3 + Ln 4)		11,000.00
6.	Current Membership Avg (2021+.4ss, 2022+.4ss, 2023+.4ss)/3	(from left)	1,676
7.	2023-24 Rev Limit, No Exemptions (Ln7A + Ln 7B)	(rounded)	18,436,000
A.	Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	18,436,000	
B.	Hold Harmless Non-Recurring Exemption	0	

$$\$865.39 * 1676 = \$1,450,394$$

$$\$18,436,000 - \$17,205,790 = \$1,230,210$$



# WASBO-Created Per-Pupil Visual

Selected years	Class of 2023 Grade	Combined resource change per pupil (revenue limits + per pupil aid)	Amount behind inflation (Cumulative, per pupil)	National spending ranking (Census)	Context Notes
2009-10	4K	\$200	\$75	17th	1 <sup>st</sup> year revenue limits were decoupled from inflation
2010-11	5K	\$200	\$156	17th	State raised proficiency cut scores, Act 10
2011-12	1st	-\$554	\$998	21st	Revenue limits cut/state aid cut in 2011-13 budget
2013-14	3rd	\$100	\$1,395	21st	Statewide voucher program established
2015-16	5 <sup>th</sup>	\$0	\$1,856	23rd	Sharp rise in referendum questions and dollars
2019-20	9th	\$263	\$2,365	25th	COVID-19 global pandemic hits
2020-21	10th	\$179	\$2,520	25th	Inflation soars
2021-22	11th	\$0	\$2,863	NA	Revenue limits are frozen, no increases for two years
2022-23	12th	\$0	<b>\$3,235</b>	NA	Graduation! 2 <sup>nd</sup> year of frozen revenue limits, amid continued inflation

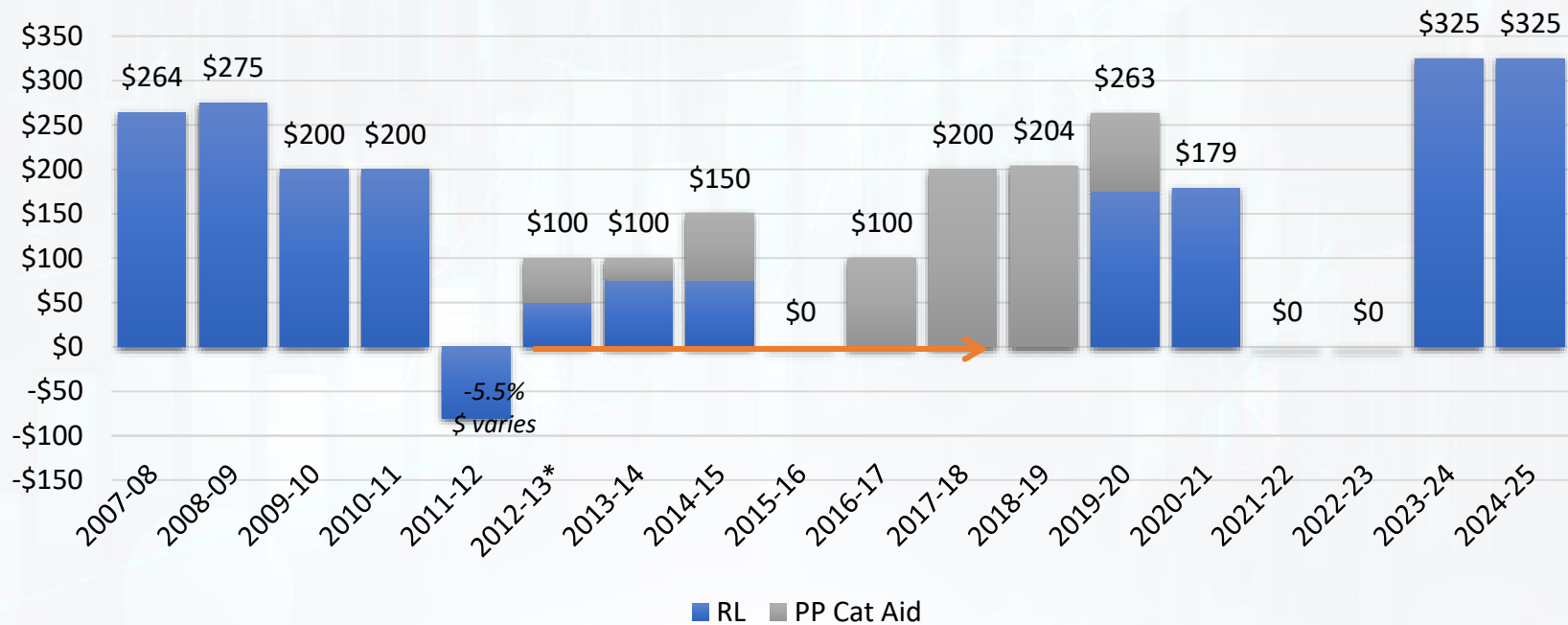
Source: Department of Public Instruction



# Key 2023-24 Revenue Limit Variables

- Largest one-time increase to the low revenue ceiling from \$10,000 to \$11,000
- \$325 per-pupil revenue limit increase each year of the biennium + 400 years

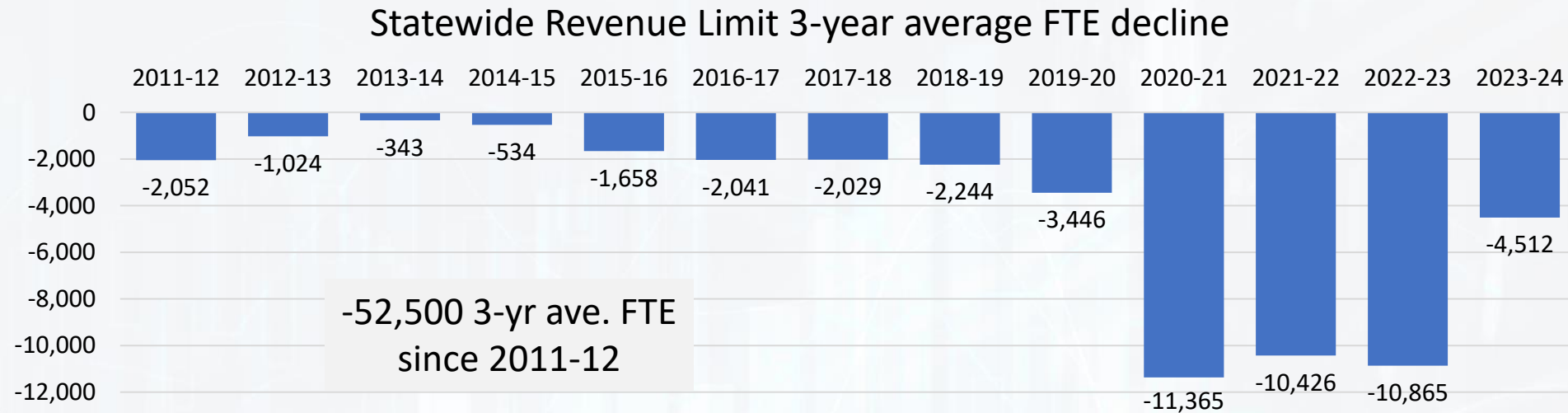
## Revenue Limit + Per-Pupil Categorical Aid Increases



Source: Department of Public Instruction



# Statewide Trends



- ESSER Funds retiring in 2024
  - ≈ \$1bn ESSER funds remaining to be claimed in 2023-24; represents ≈44% of all allocated funds
- [Forward Analytics Article](#)



# Operational Referendums Expected to Continue

When?

What Kind?

How Much?

	Historical	Current Year	Budget Year	Forecast			
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
Sept Membership (FTE)	3,033	3,074	3,074	3,074	3,074	3,074	3,074
Per Pupil Increase	\$0	\$325	\$325	\$325	\$325	\$325	\$325
Per-Pupil Categorical Aid \$	\$742	\$742	\$742	\$742	\$742	\$742	\$742
TIF Out Equalized Valuation Growth	10.39%	9.60%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Fund 10 Revenues</b>	\$41,597,270	\$44,360,318	\$44,256,413	\$42,964,135	\$43,978,785	\$44,993,435	\$46,008,085
<b>Fund 10 Expenditures</b>	\$41,265,376	\$44,360,318	\$46,045,215	\$47,777,510	\$49,493,084	\$51,316,979	\$53,256,864
<b>Surplus (Deficit)</b>	<b>\$331,894</b>	<b>\$0</b>	<b>(\$1,788,802)</b>	<b>(\$4,813,374)</b>	<b>(\$5,514,299)</b>	<b>(\$6,323,544)</b>	<b>(\$7,248,779)</b>
<b>Fund Balance</b>	\$8,362,007	\$8,362,007	\$6,573,205	\$1,759,831	<b>(\$3,754,468)</b>	<b>(\$10,078,012)</b>	<b>(\$17,326,790)</b>
<b>Fund Balance as % of Expenditures</b>	20.26%	18.85%	14.28%	3.68%	-7.59%	-19.64%	-32.53%
<b>Total School-Based Tax Levy</b>	<b>\$12,264,364</b>	<b>\$14,326,330</b>	<b>\$14,431,603</b>	<b>\$11,940,377</b>	<b>\$12,235,481</b>	<b>\$12,489,178</b>	<b>\$12,673,241</b>
% change		16.81%	0.73%	-17.26%	2.47%	2.07%	1.47%
<b>Mill Rate (per \$1,000 EQ Value)</b>	<b>\$5.91</b>	<b>\$6.30</b>	<b>\$6.35</b>	<b>\$5.25</b>	<b>\$5.38</b>	<b>\$5.50</b>	<b>\$5.58</b>
% change		6.58%	0.73%	-17.26%	2.47%	2.07%	1.47%
<b>Non-Recurring Referendum \$</b>	\$1,500,000	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$0
<b>Recurring Referendum \$</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Example for hypothetical purposes only

Red numbers = Need!

# Process



# Upcoming Election Dates

	2024	2025	2026
<b>Spring Primary</b>	<b>02/20/2024</b>	<b>02/18/2025</b>	<b>02/17/2026</b>
Adopt and file resolution(s):	12/12/2023	12/10/2024	12/09/2025
<b>Spring General</b>	<b>04/02/2024</b>	<b>04/01/2025</b>	<b>04/07/2026</b>
Adopt and file resolution(s):	01/23/2024	01/21/2025	01/27/2026
<b>Fall Primary</b>	<b>08/13/2024</b>		<b>08/11/2026</b>
Adopt and file resolution(s):	06/04/2024		06/02/2026
<b>Fall General</b>	<b>11/05/2024</b>		<b>11/03/2026</b>
Adopt and file resolution(s):	08/27/2024		08/25/2026

\*The governing board is required to file adopted referendum ballot resolutions with their municipal clerks **at least 70 days prior** to the election indicating the amount and purpose.

\***No more than two** board resolutions per calendar year





Questions?

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