

The logo for Baird, featuring the word "BAIRD" in white, uppercase letters on a dark blue, parallelogram-shaped background.The logo for Mequon-Thiensville School District, featuring a stylized blue "M" icon to the left of the text "Mequon Thiensville SCHOOL DISTRICT" in blue.

# Communicating Budget Variables

Wisconsin Association of School Business Officials  
Accounting Conference

March 21, 2023 – 12:30-1:20pm

**Sarah Viera, Director of Business Services**

Mequon-Thiensville School District  
262-238-8509  
sviera@mtsd.k12.wi.us

**Elise Murn, Vice President**

Baird Public Finance  
414-298-2324  
emurn@rwbaird.com

Discover the *Baird Difference*

A horizontal purple bar with a white circle on the left side, connected by a thin purple line. The circle has a purple outline and a white fill.

Recognize when and where school finance communication occurs

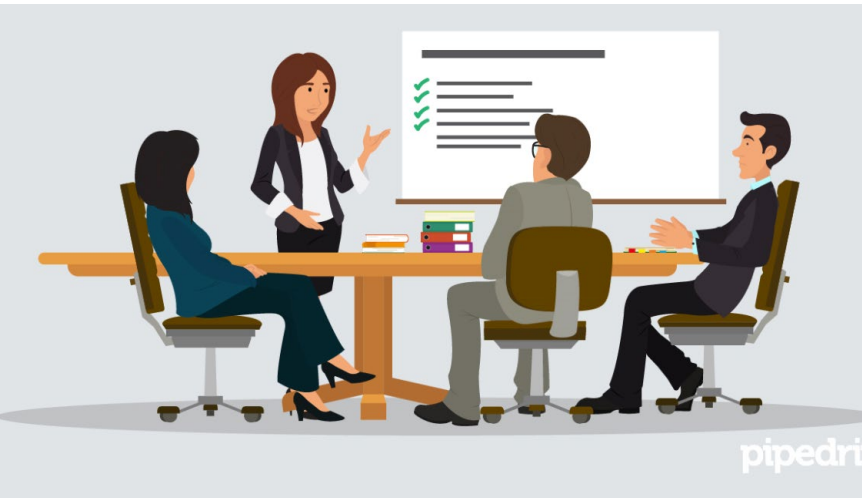
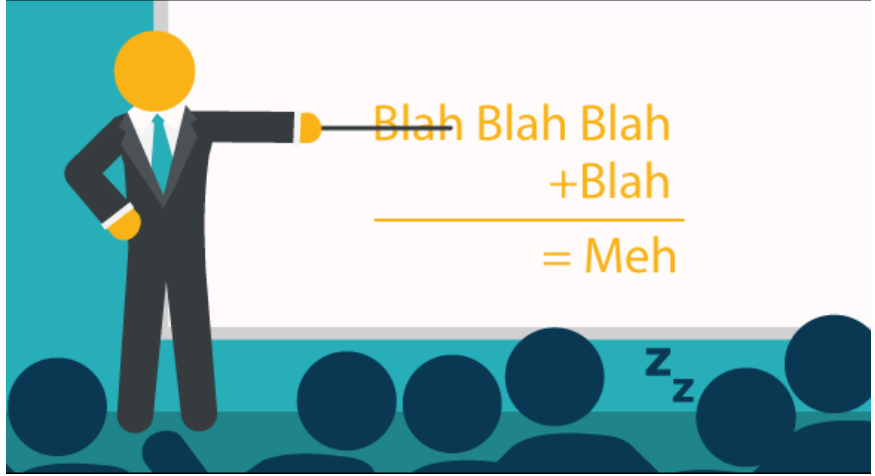
A horizontal blue bar with a white circle on the left side, connected by a thin blue line. The circle has a blue outline and a white fill.

Select two effective communication strategies you can implement in your business office

A horizontal grey bar with a white circle on the left side, connected by a thin grey line. The circle has a grey outline and a white fill.

Identify common causes of school finance misunderstandings and describe one strategy to anticipate and clarify

# When and Where Are We Communicating?



# Why Are We Communicating?

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This is difficult and  
challenging stuff to  
understand

People are affected by  
this

People want to know or  
may not want to know,  
but they *should* know

If you do not  
communicate it, people  
will write their own  
narratives

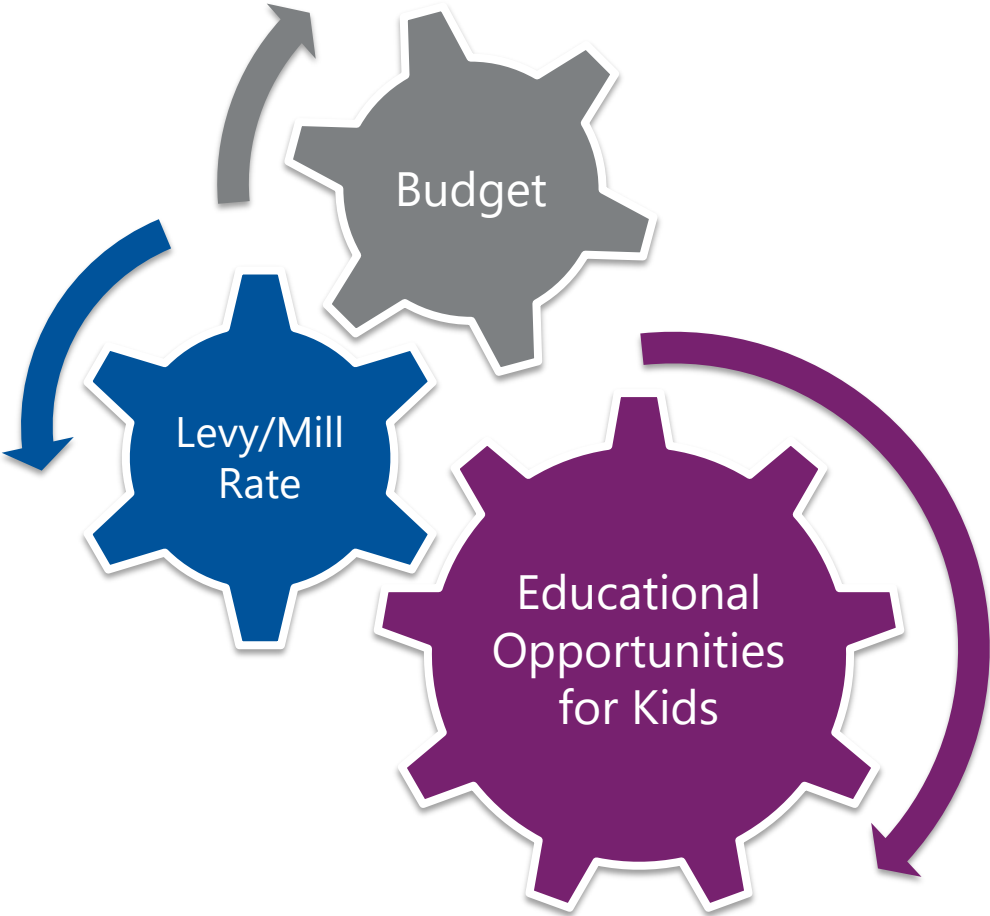


***Most people trust their emotions over fact!***

# How Are We Communicating?



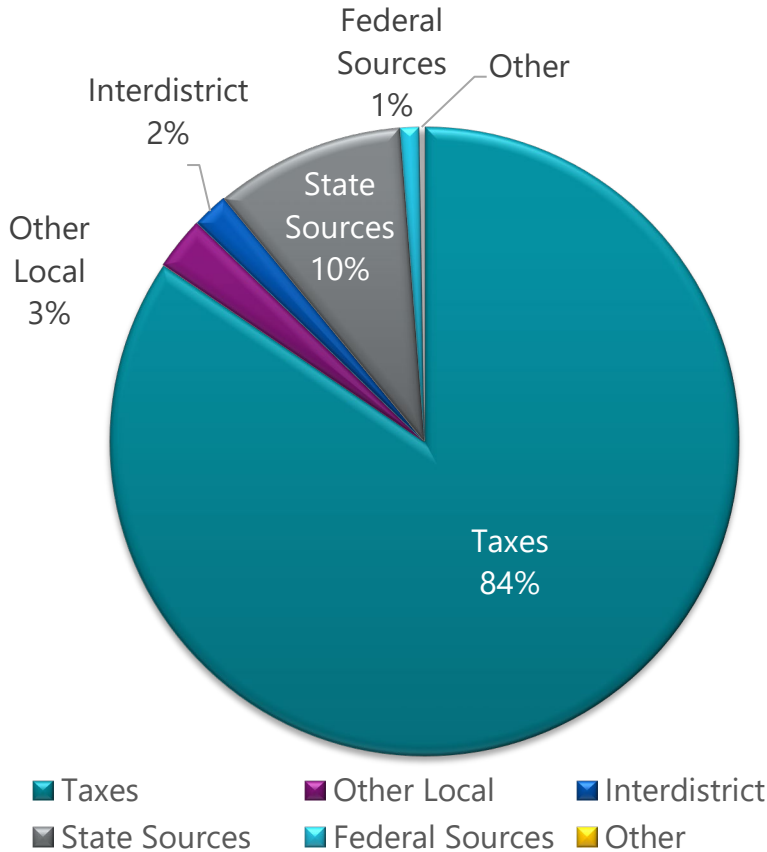
*Staying focused on your "why"*



# How Are We Communicating?

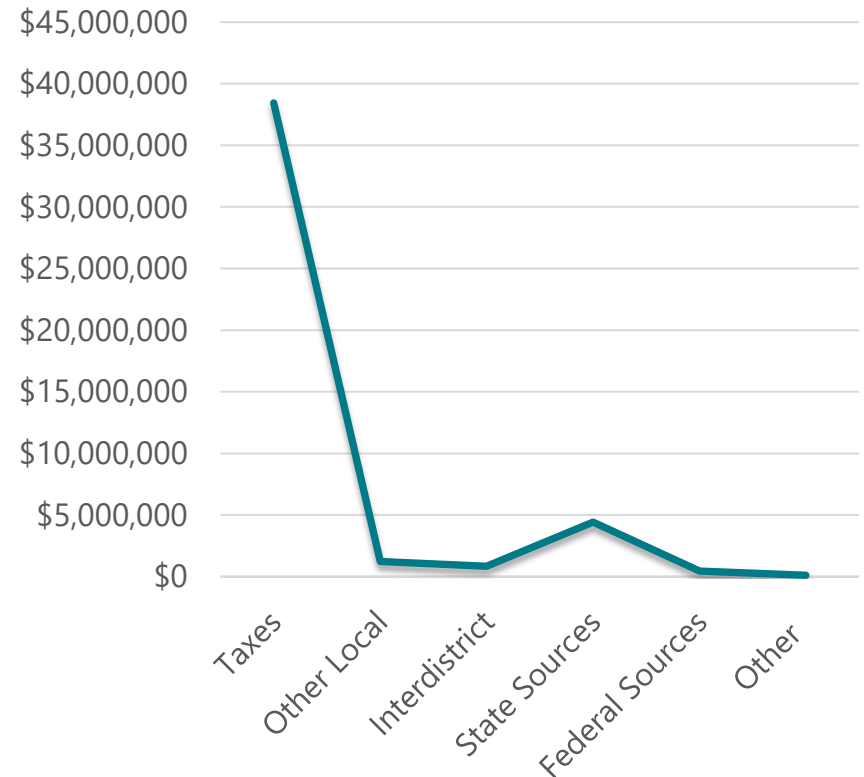
## CHOOSING THE RIGHT VISUAL

**Fund 10 Budgeted Revenue  
2023-24**



**VS.**

**Fund 10 Budgeted Revenue  
2023-24**



# How Are We Communicating?

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## ADJUST MESSAGE TO STAKEHOLDER GROUP

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### Budget Assumptions

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- \$325 revenue limit per pupil
- Steady resident enrollment
- No ESSER funding

### Budget Assumptions

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- 2.5% increase in equalized values
- 4.12% cost of living increase for teaching staff
- 5% increase in benefits



***Be aware of acronyms!***

# How Are We Communicating?

## RELATE TO PERSONAL EXPERIENCES

	20xx	
	Surplus/Deficit	
	Calculation	
	\$44,445,707	Revenues
-	\$43,781,793	Expenditures
	\$663,914	Surplus

That's A LOT!

We could have had  
"x" and "y"!

They DO NOT  
know what  
they're doing!

*"... 1.5% variance... compare to being within \$1,500 for an \$100,000 home budget..."*



***Teachable moment before year-end***



# How Are We Communicating?

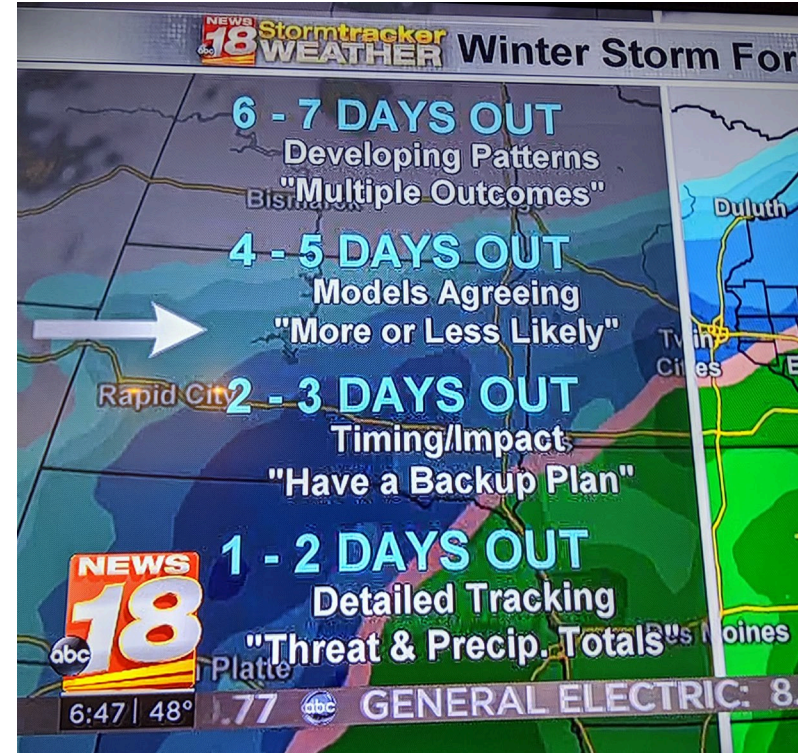
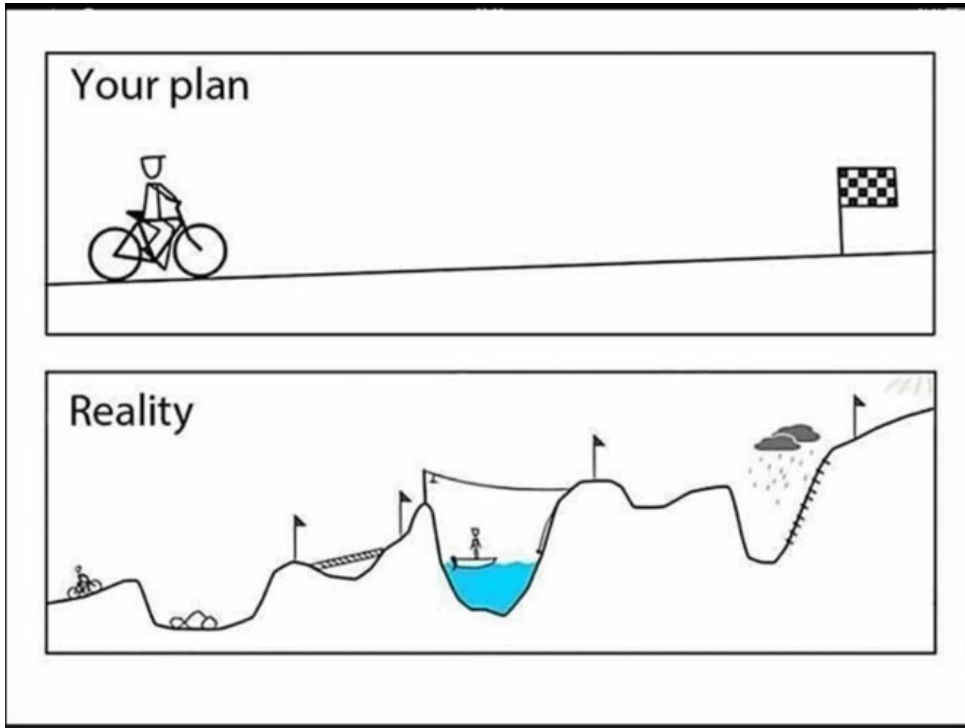
## USE DATA TO DRIVE DECISIONS

### EMPLOYEES VS. STUDENT BODY GROWTH (YEAR OVER YEAR)



- Use comparator data
- Include historical and projected information
- Data and narratives can often tell two different stories

# How Are We Communicating?



## BE TRANSPARENT

- Be proactive
- Prepare multiple scenarios
- Look forward
- Consider the long-term impact of your decision

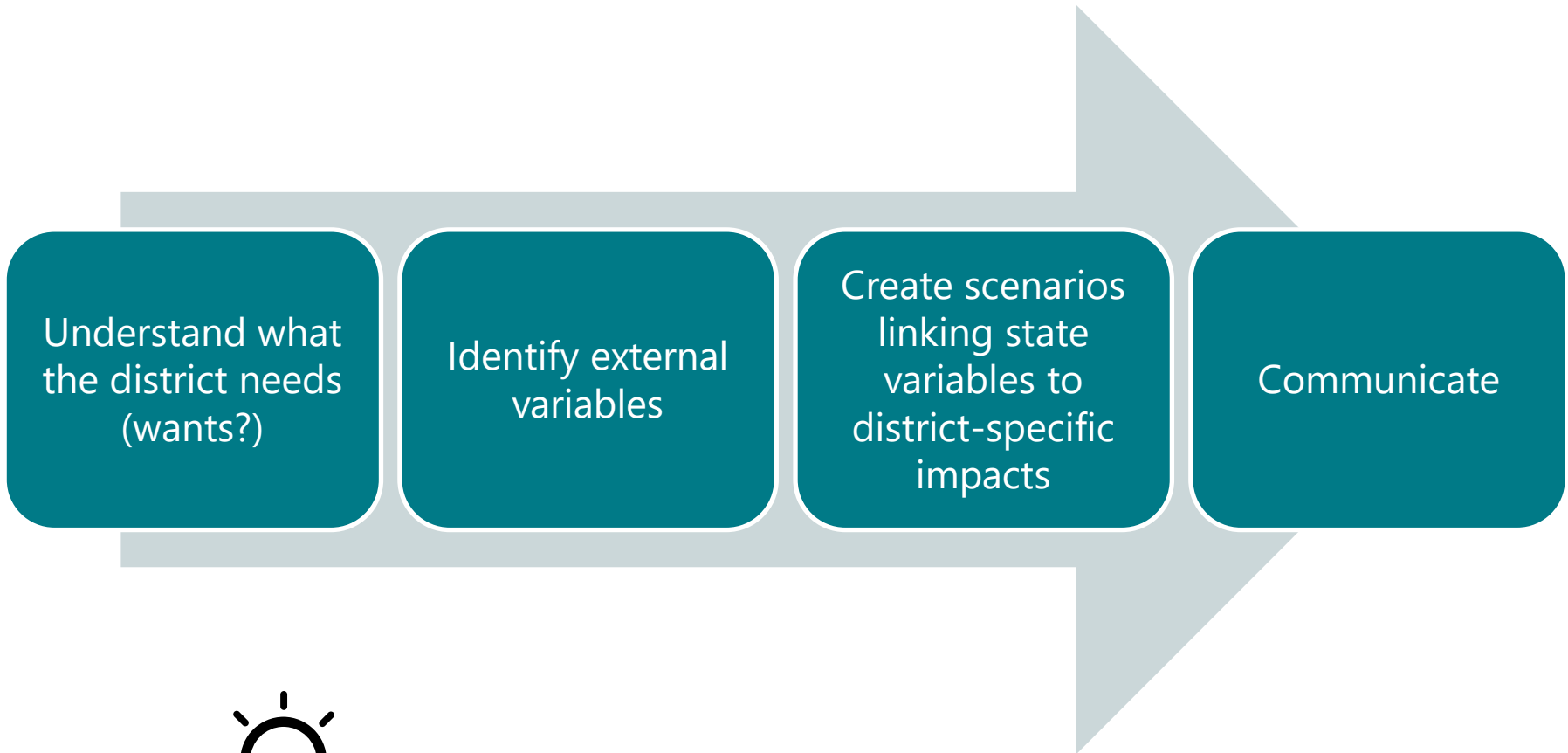
# How Are We Communicating?

## LOOK THROUGH THEIR LENS



# How Are We Communicating?

## BE PROACTIVE



***Can include teachable moments***

## ANTICIPATE POTENTIAL CHANGES

### Focus on three key messages:

- What do they know?
- What do they care about?
- What do you want them to think or do?

### Or...

- What is the "issue"?
- Why is it important?
- How does it impact them?

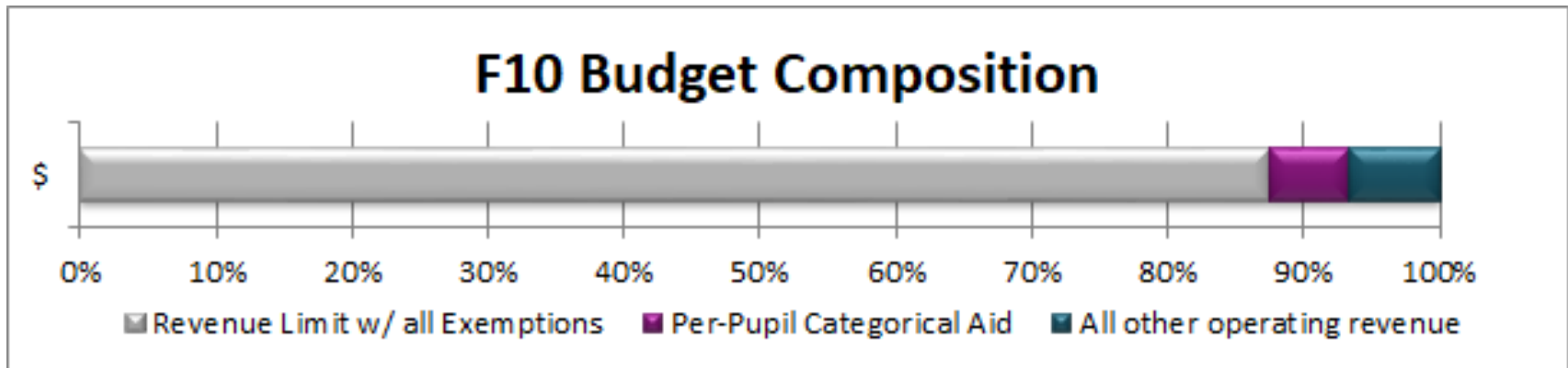


***Your stakeholder group determines how these questions are answered and how the messages are shaped.***

# Concepts – Revenue Limits

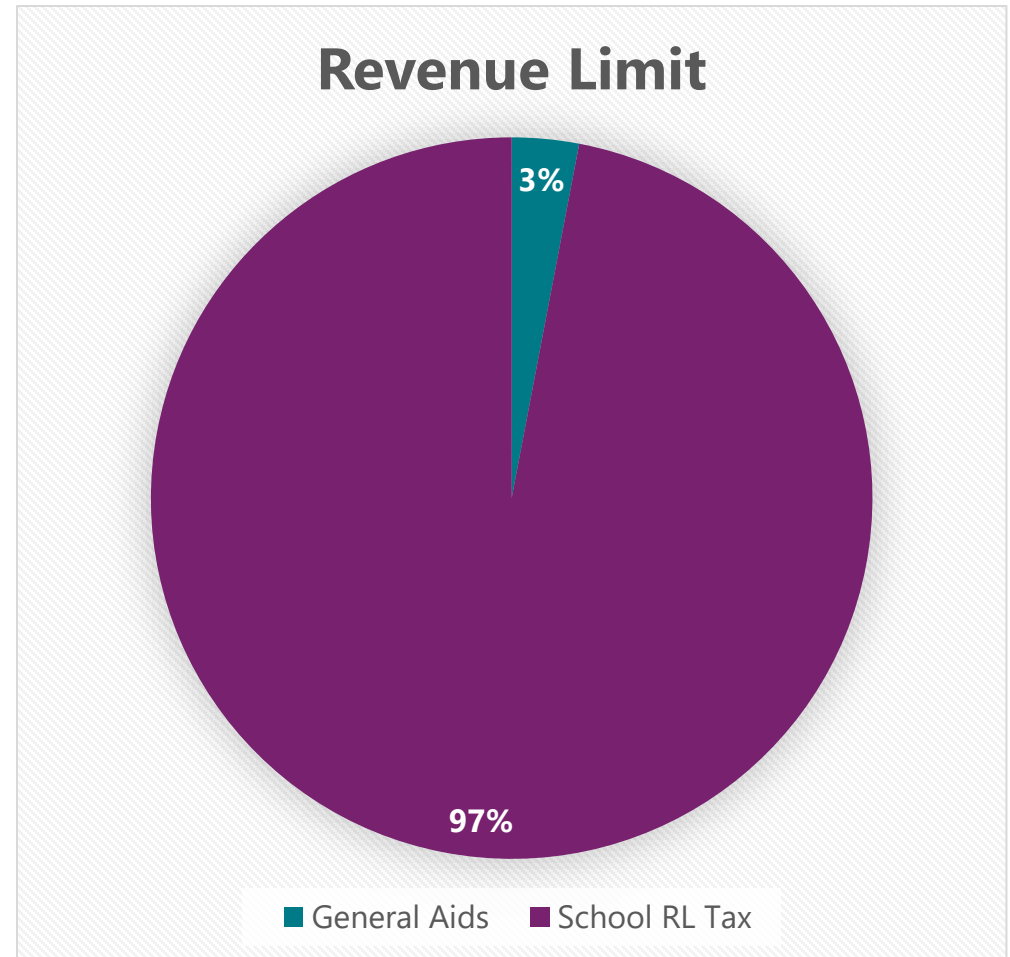
## BUDGETING BASICS – REVENUE LIMIT

- Restricts amount a school district can levy to the community
- Based on a formula that uses residential enrollment
- Operational budget largely controlled by state calculations

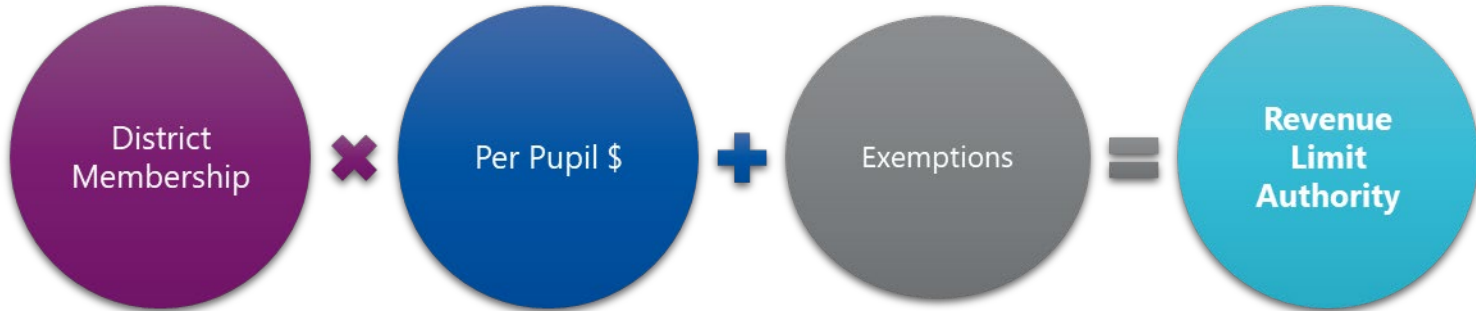


Think of revenue limit as a pie...

- The limit itself is the outer “crust,” defining the size of the pie.
- There are two “fillings”; **state aid** and **local taxes**. As one increases, the other decreases.



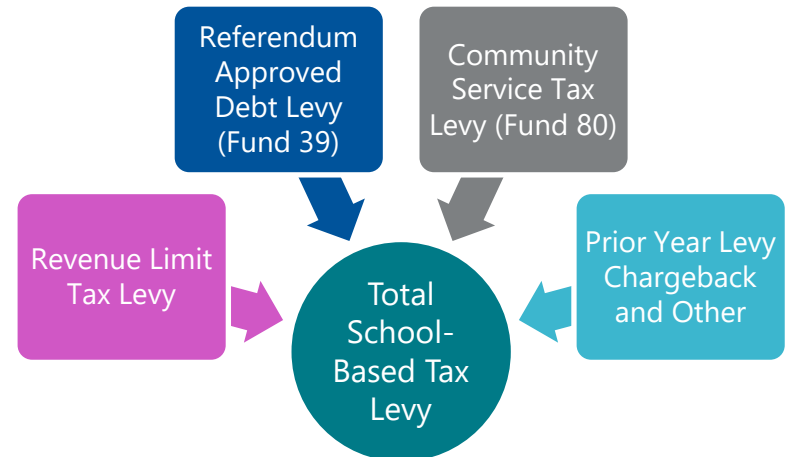
## TOTAL REVENUE LIMIT AUTHORITY



## BUDGETING BASICS – REVENUE LIMIT



## BUDGETING BASICS – REVENUE LIMIT





## State aid to schools slated to increase

Most local districts expected to receive more state money than last year



- **What might the reader glean?**  
"State Aid" = more to spend
- **What is fact?**  
Equalization Aid = levy relief

*"Remember, this does not give us more to spend, it, instead, decreases the school tax levy."*

## LEGISLATURE | JOINT FINANCE COMMITTEE Budget committee approves \$1 billion K-12 education spending increase in Wisconsin

■ Germantown, \$18.037 million. The amount is a \$3.3 million increase – about a 22.49-percent increase – over the approximately \$14.725 million Germantown School District received for the 2022-23 school year, according to DPI data.

■ Hartford Joint 1, \$11.993 million. The estimate is a 1.86-percent increase over last year's aid amount of \$11.77 million, with an additional \$218,857 in aid.

# Concepts – Tax Levy

Did you know? An individual taxpayer's school levy impact can change year to year due to changes in assessed value, and assessment ratio

ESTIMATED FAIR MARKET VALUE LAND 132,400	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 365,300	TOTAL ASSESSED VALUE 457,400	AVERAGE ASSMT. RATIO 0.919057543	NET ASSESSED VALUE RATE 0.01203471 <small>(Does NOT reflect credits)</small>
		TOTAL ESTIMATED FAIR MARKET VALUE 497,700	<input type="checkbox"/> A star in this year taxes. <b>.00707673</b>	School taxes also reduced by school levy tax credit 578.81



TAXING JURISDICTION	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2021 NET TAX	2022 NET TAX	% TAX CHANGE
OZAUKEE COUNTY	1,259,793	1,268,867	686.74	694.65	1.2%
CITY MEQUON	1,806,427	1,748,940	1,407.89	1,420.29	0.9%
SCHOOL #3479	5,612,990	5,611,741	2,995.33	2,942.08	-1.8%
TECH SCHOOL	4,786,101	4,766,004	462.42	447.67	-3.2%
<b>TOTAL</b>	<b>13,465,311</b>	<b>13,395,552</b>	<b>5,552.38</b>	<b>5,504.69</b>	<b>-0.9%</b>

Fair Market Value

School Mill Rate



School Levy Credit



Individuals' School Levy

## School Levy Credits

School levy credits are distributed based on each municipality's share of the statewide levies for school purposes during the preceding three years, with the highest-paying communities receiving the highest credits.

The school levy tax credit is applied to every taxable property in the state of Wisconsin. The credit amount is based on the property's assessed value as a percent of the municipality's total assessed value.

# Concepts – Enrollment / FTE



Use words and/or incorporate teachable moments

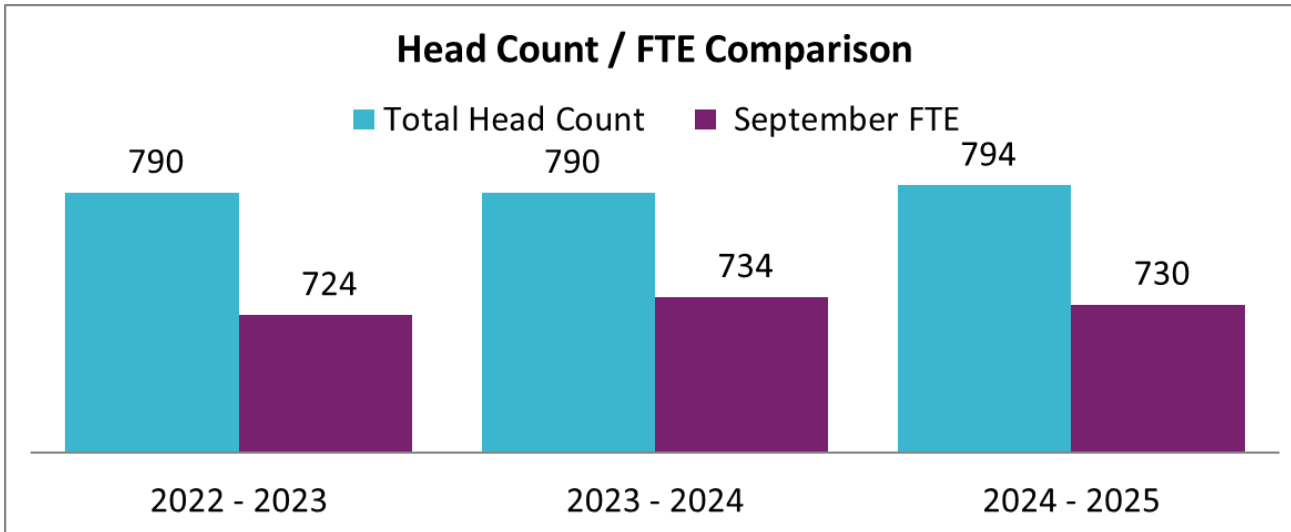
Use terminology familiar to and comfortable for them:

- Part-time vs. 0.6 FTE
- Students we serve vs.



Use accurately in regular conversation

Show side-by-side



Enrollment / FTE

● Head Count ● EQ Aid ● RL Avg



2023

## Focus on three key messages:

- What do they know?
- What do they care about?
- What do you want them to think or do?

## Or...

- What is the "issue"?
- Why is it important?
- How does it impact them?

# Preparing to Present Information

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Anticipate  
questions

Phone a  
friend

Do your  
homework

Practice

Prioritize a  
response

## PRESENTER CHECKLIST

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- Relax and listen
- Make sure you understand the question – repeat it back or use phrases such as, “I hear you saying...”
- Ask thoughtful questions to gain clarification
- Answer in terms the audience will understand
  - Consider using an example
- Know when to stop talking
- If you don’t know, say so
  - Find the answer and follow up
- Invite others to co-present or present
  - Adds perspective
  - Supports message or recommendation
  - Builds credibility

## Reflection

Activity/Presentation: \_\_\_\_\_

What went well and what would I like to continue?

What would I change for next time?

Notes for future success:

- How-to
- Artifacts
- Questions asked





Questions?

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# Important Disclosures

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