

Demystifying your Budget in a Post-ESSER and 2023-25 Biennial Budget Era

WASBO
Spring Conference 2024

Thursday, May 16th : 10:40am – 11:30am

Baird Public Finance
777 East Wisconsin Avenue
Milwaukee, WI 53202

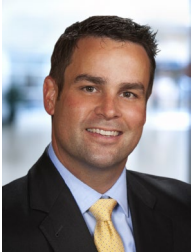
Demystifying Your Budget
Presentation Survey (WASBO)



Meet the Baird School Finance Team

BAIRD

BANKING TEAM



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Referendum Results

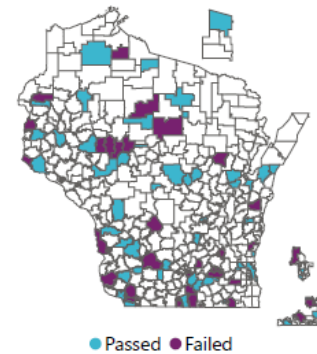
Wisconsin School Referendum Results

Tuesday, April 02, 2024 *

Public Finance

A total of:	Asked:	A total of:	Passed:
86	93	52	57
Districts	Questions	Districts	Questions

Type		Passed	Failed	Total
Issue Debt	# of ?s	19	11	30
	Total	\$473.3M	\$326.6M	\$799.9M
Non-Recurring	# of ?s	27	16	43
	Total	\$193.0M	\$138.6M	\$331.6M
Recurring	# of ?s	11	9	20
	Total	\$290.3M	\$31.9M	\$322.1M
Total	# of ?s	57	36	93
	Total	\$956.5M	\$497.1M	\$1,453.6M

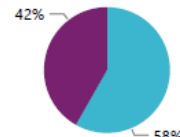


% Passed by Type	ID	NR	RR
	63.33%	62.79%	55.00%
	36.67%	37.21%	45.00%

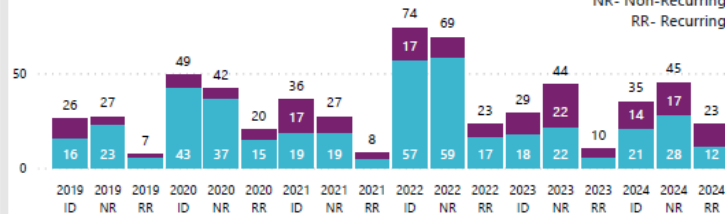


Results 1990 - Present

Passed Failed



Historical Referendum Results



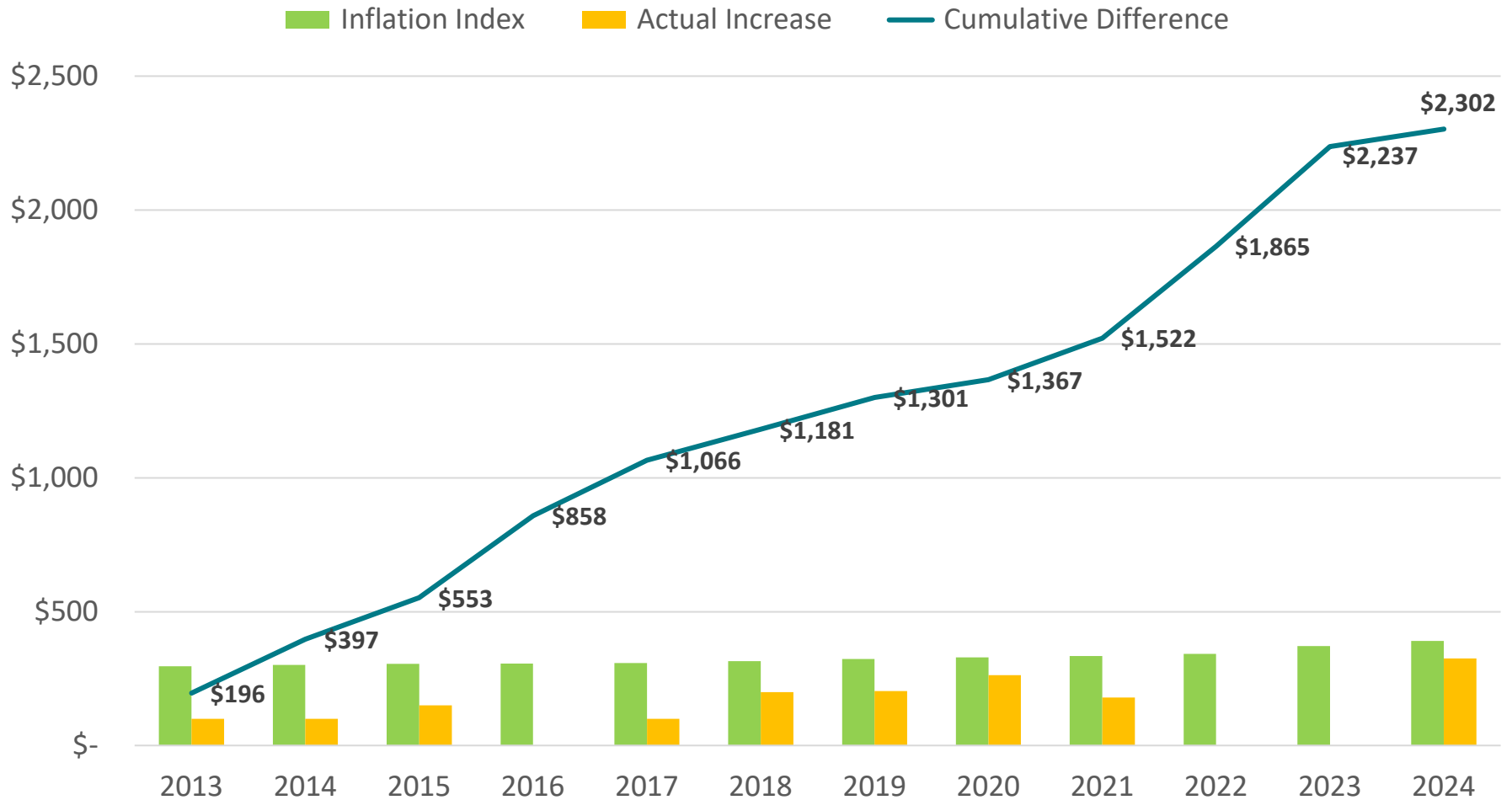
	2024	2025	2026	2027
School Finance Team				
Brian Brewer – Debby Brunnett	Spring Primary	02/20/2024	02/18/2025	02/17/2026
Michel Clark	Spring General	04/02/2024	04/01/2025	04/07/2026
Jordan Masnica – Kevin Mullen	Fall Primary	08/13/2024		08/11/2026
BairdPublicFinance@rwbaird.com	Fall General	11/05/2024		11/03/2026
School Business Solutions Team				
Dennis Birr – Mary Blaha				
Todd Hajewski				
Elise Murn – Kim Zabel				
SchoolBusinessSolutions@rwbaird.com				

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*Results are preliminary, data gathered from various news outlets, direct phone calls to Districts, and DPI

Per Pupil Adjustments Compared to Inflation

Revenue Limit Per Pupil Adjustment Under Prior Inflation Indexing Compared to Actual Change



Result of inflationary lag: Wisconsin's drop in per pupil spending ranking

#11 in 2002 – **11% above** national average



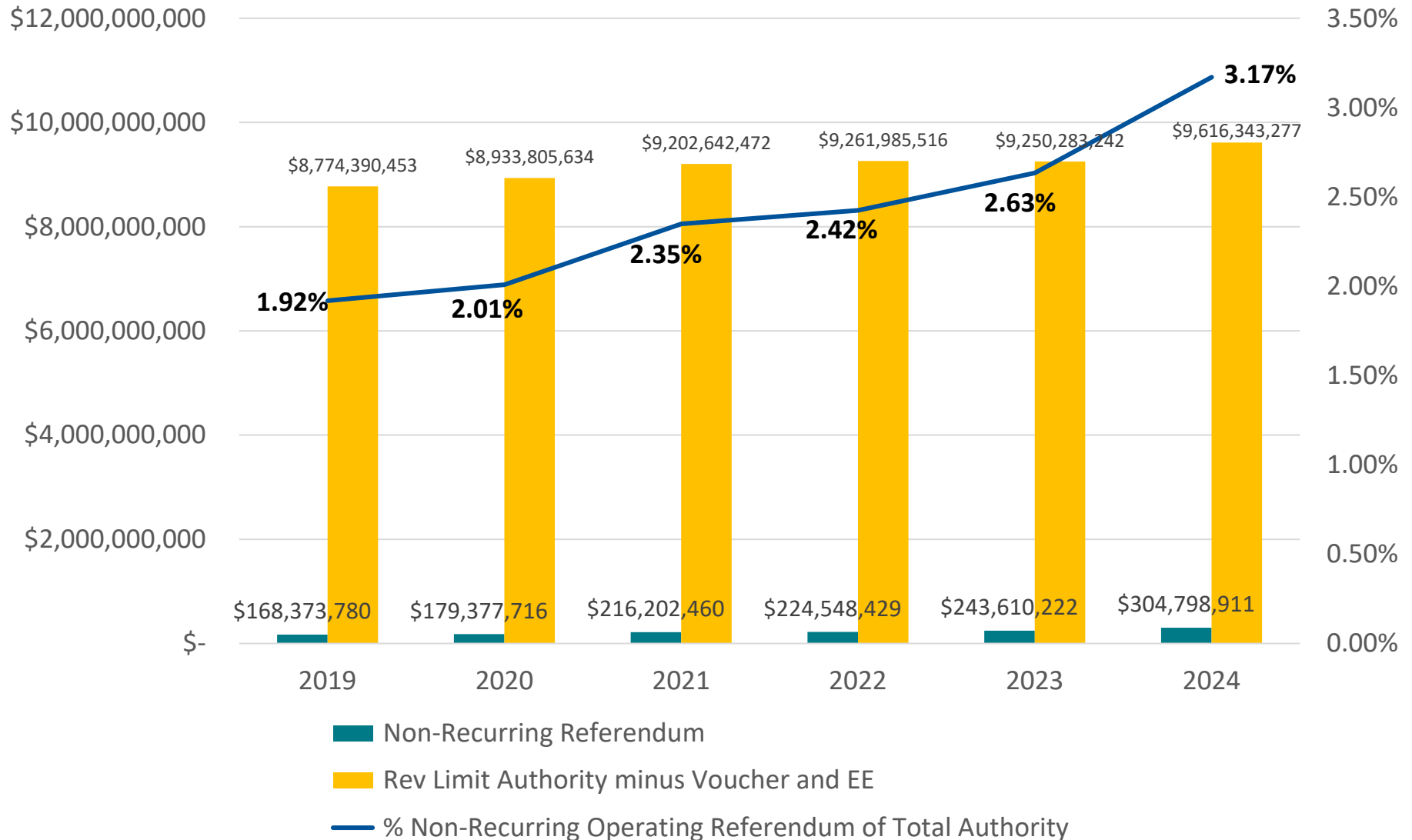
Largest drop in rankings of any state –
and that was *before* 2021-23 funding freeze

#25 in 2020 – **5.6% below** national average



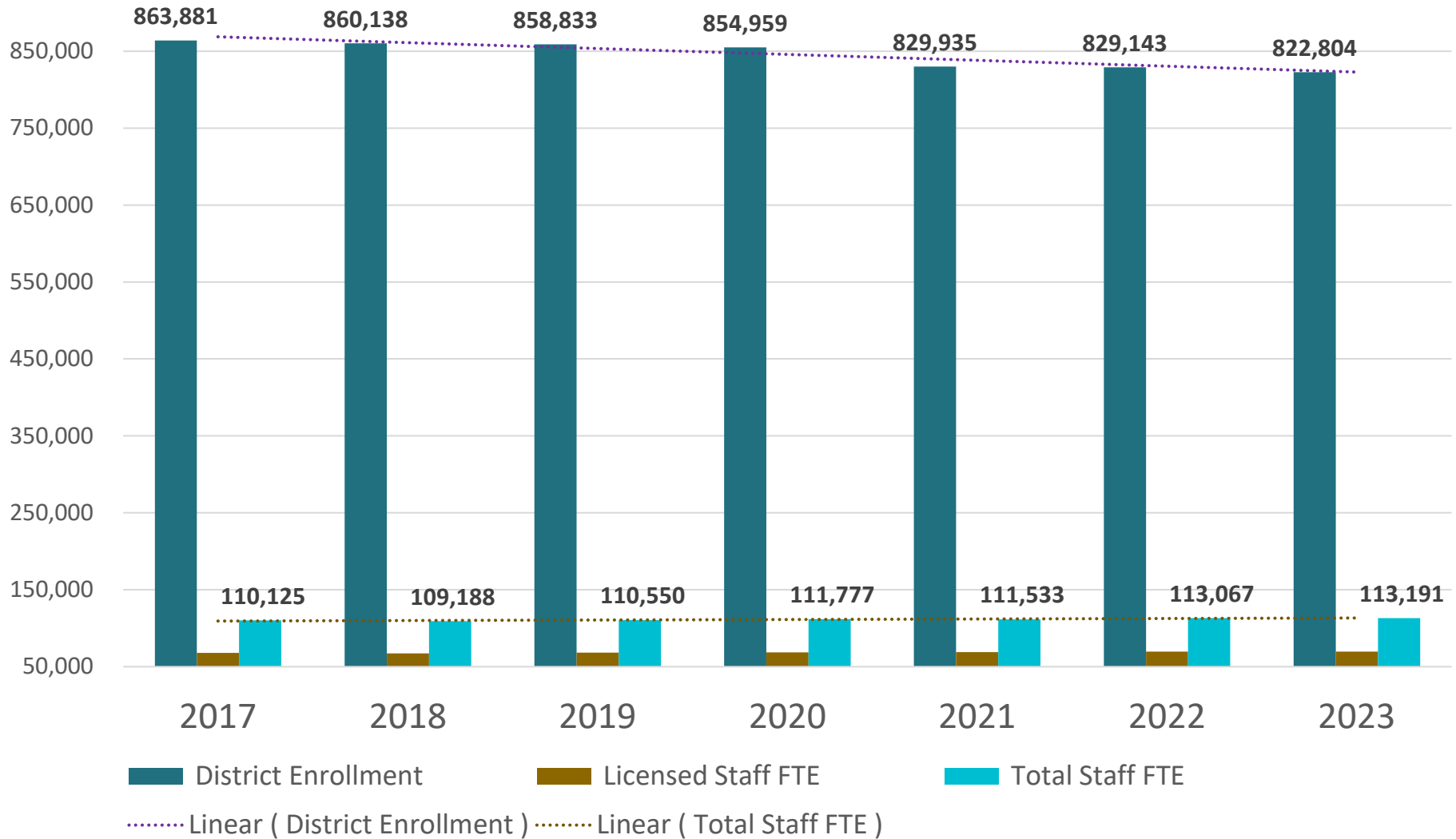
Revenue Limit Authority

Revenue Limit Authority with Non-Recurring Operating Referendums



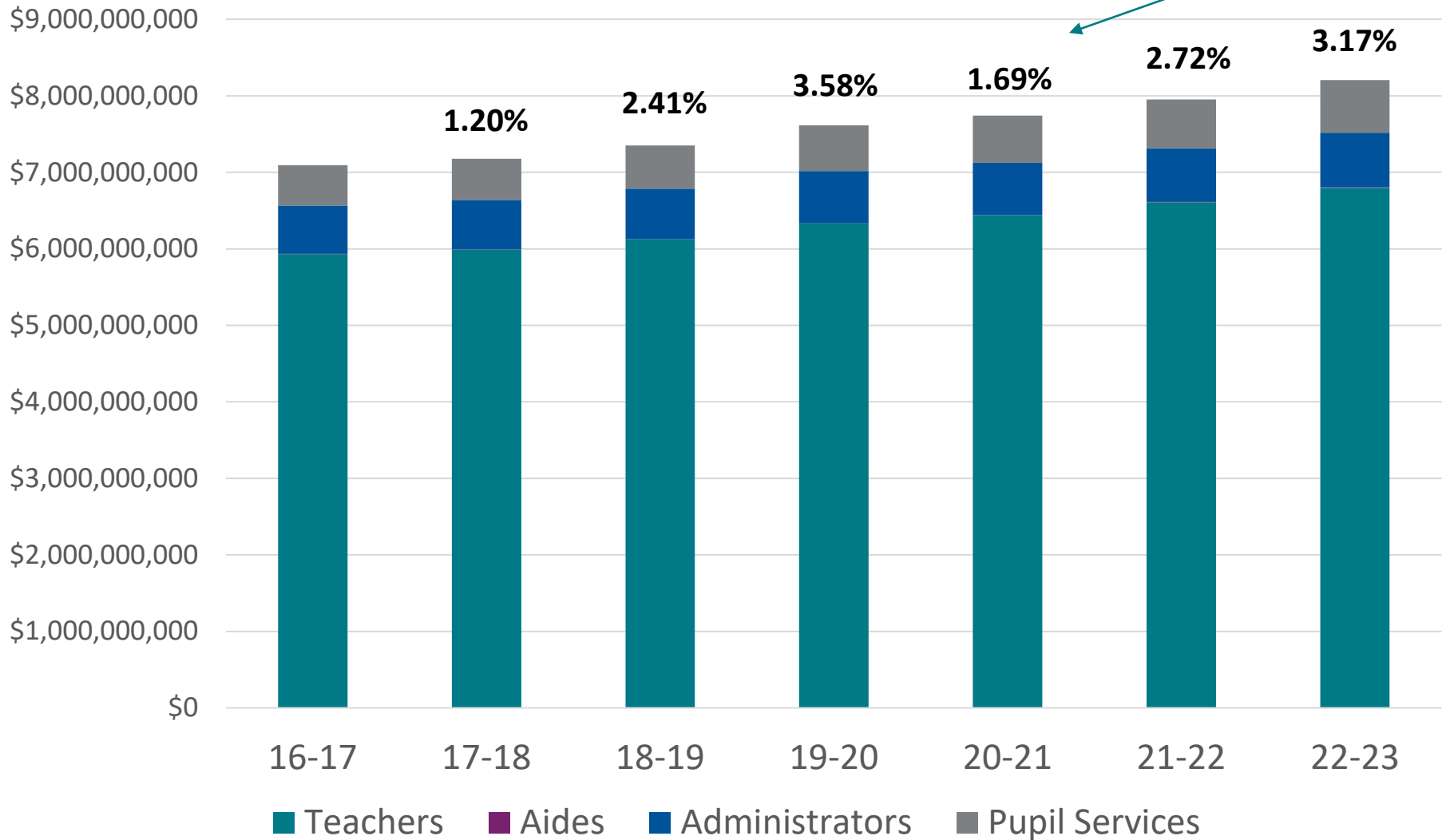
District Enrollment and Staff FTE

District Enrollment vs Licensed/Total Staff FTE



Total Compensation Increasing

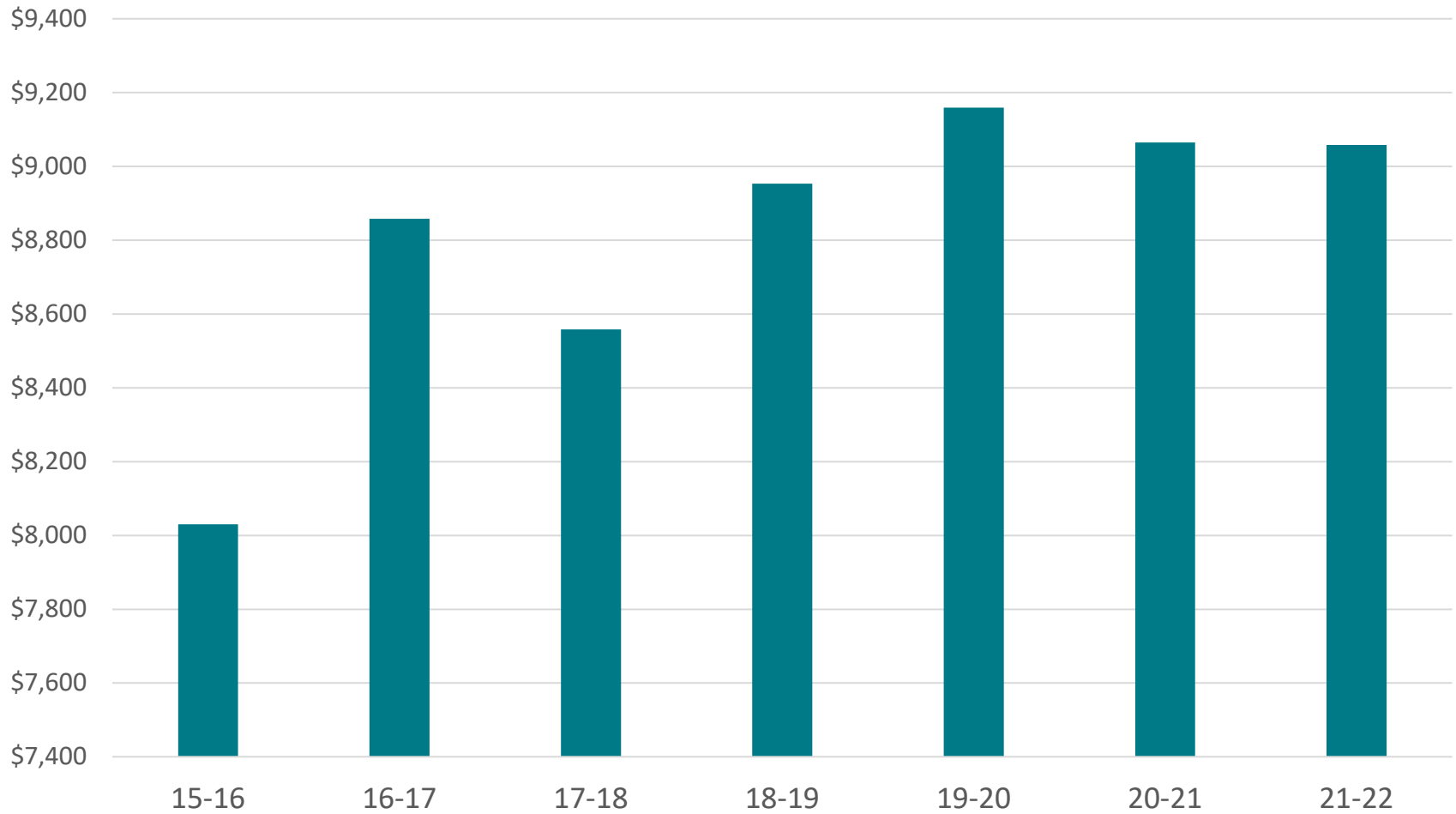
Total Compensation by Position



Source: Department of Instruction

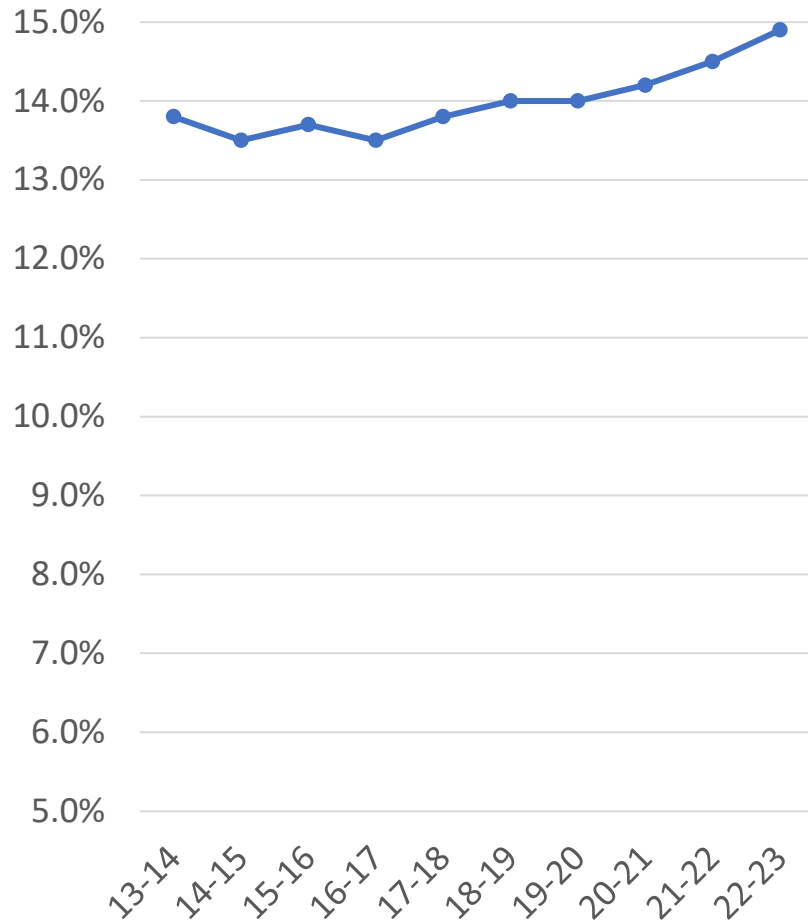
Special Education Costs per SwD – State Averages

Fund 10 Transfer/Students with Disabilities State Average

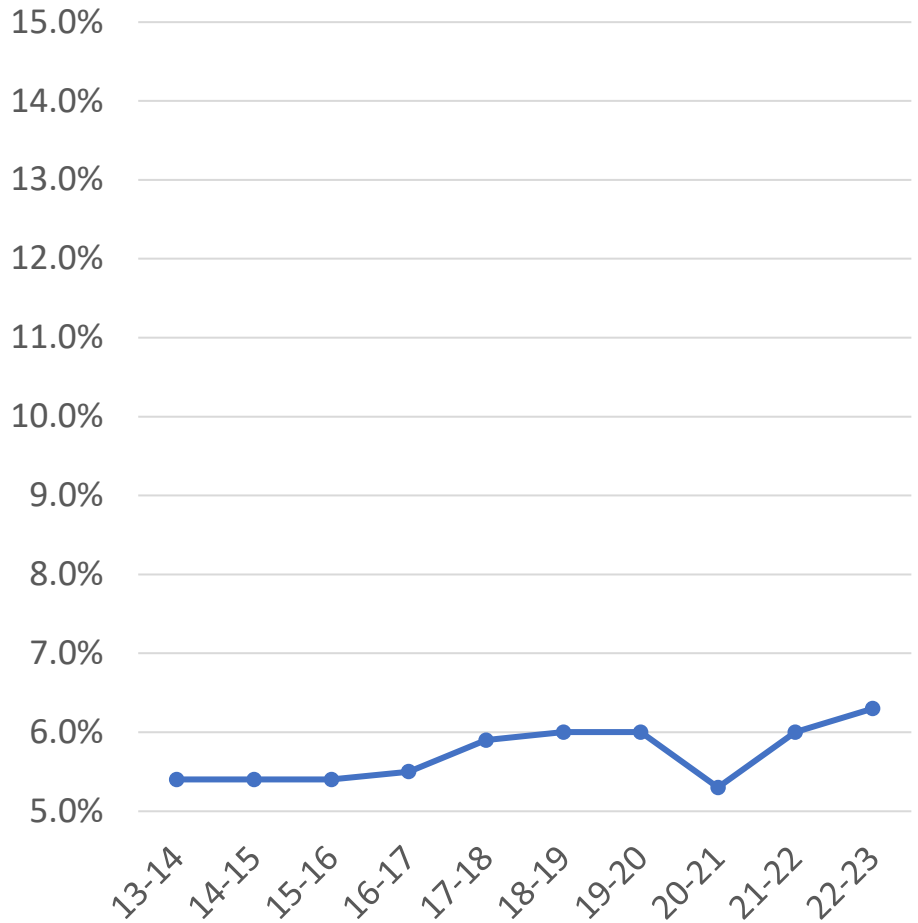


Student Enrollment by Group – State Averages

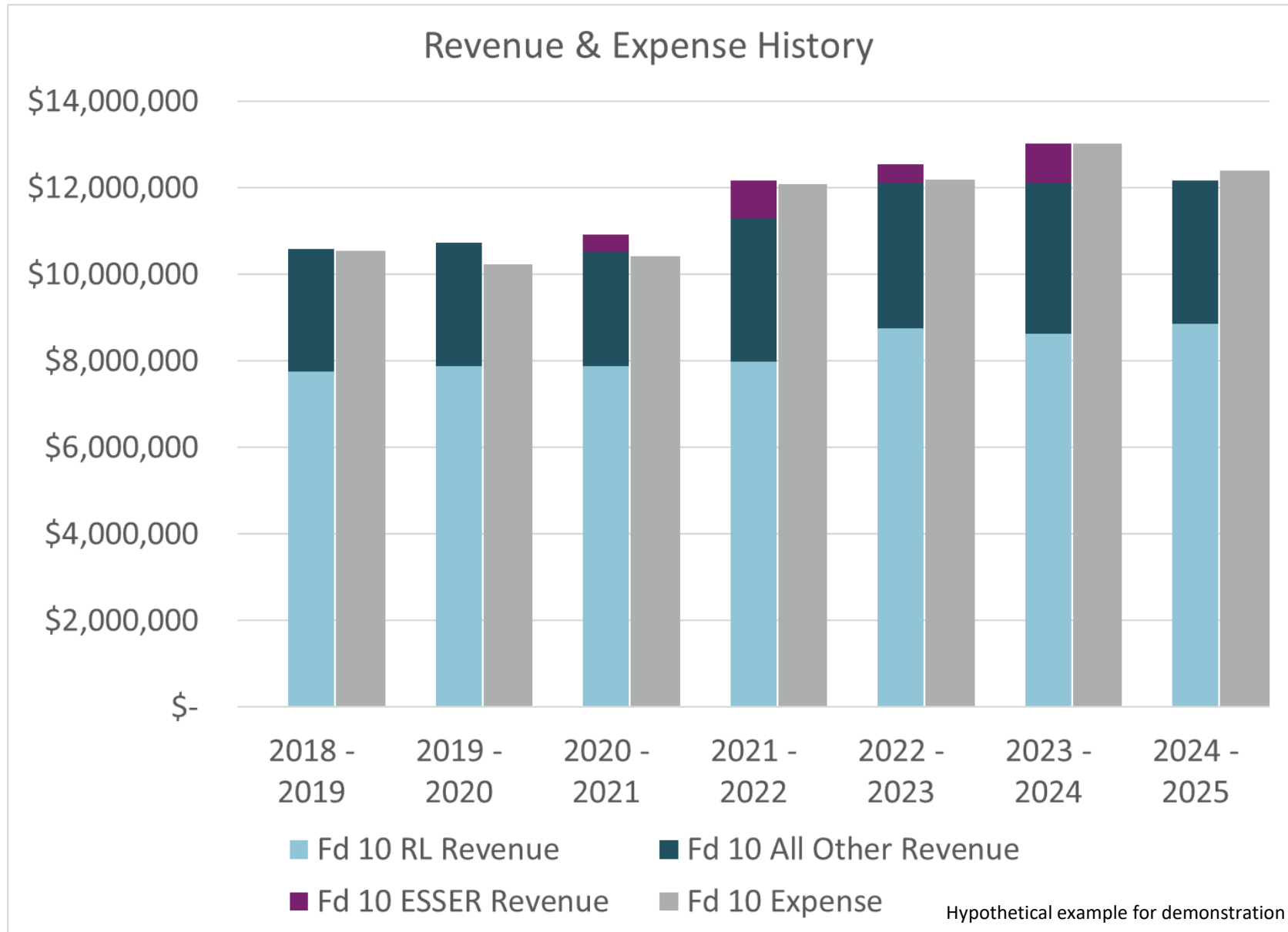
Students with Disabilities



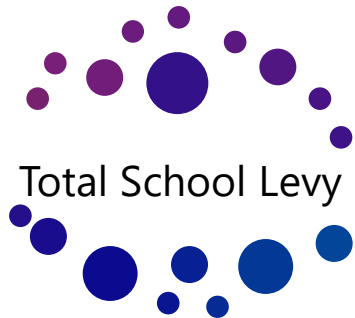
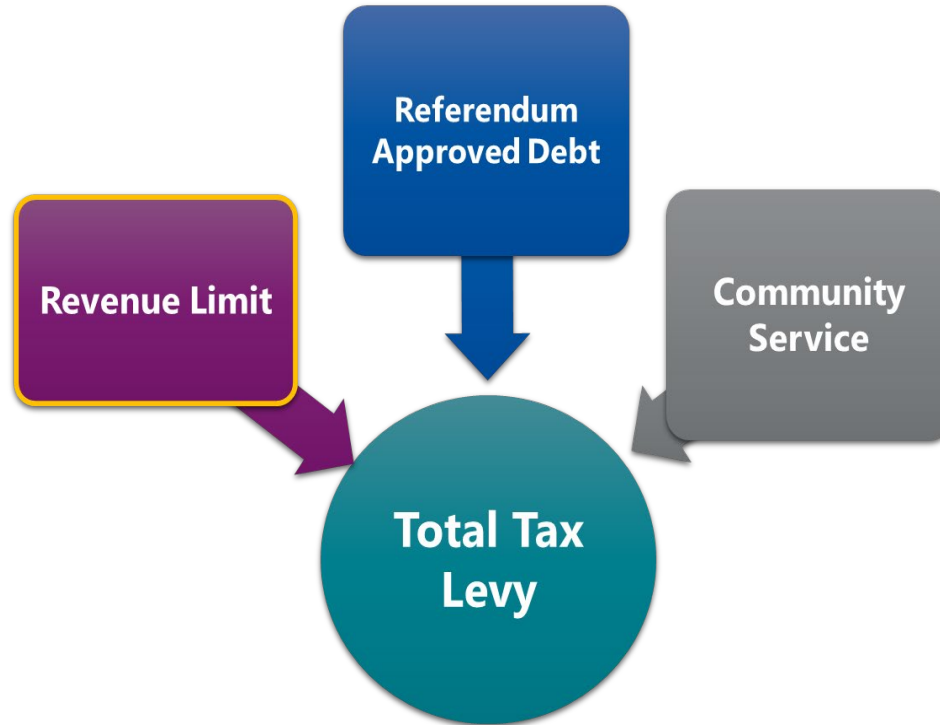
English Language Learners



ESSER Funding Summary: Revenue



Demystifying Your Budget – Levy/Taxes



Total School Levy



Equalized
Property Value



\$1,000



Mill Rate

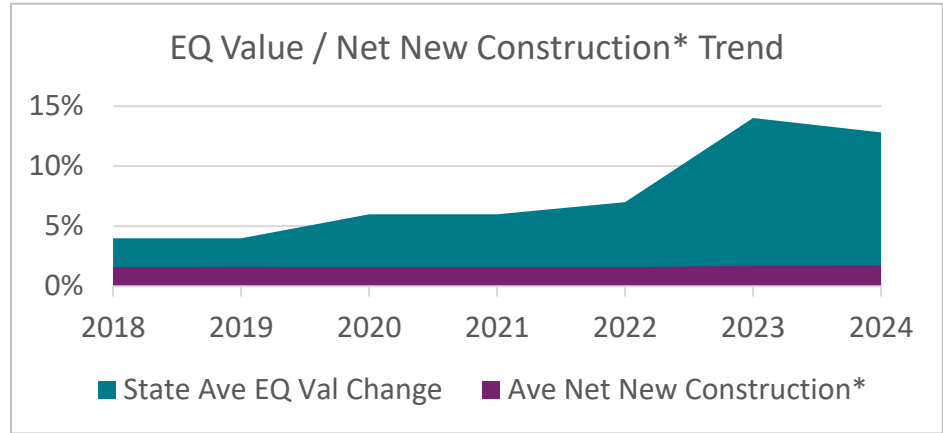


Mill Rate = Levy per \$1,000 Equalized Value

Valuation Impact on Levy & Mill Rate

Fiscal Year	State Ave EQ Val Change	Ave Net New Construction*
2018	4%	1.60%
2019	4%	1.62%
2020	6%	1.60%
2021	6%	1.60%
2022	7%	1.60%
2023	14%	1.71%
2024	13%	1.74%

* Calculated on TID-IN values



Focus on **Levy** & Mill Rate when most EQ Value growth is inflationary

Economic Growth vs. New Construction



County	40	Milwaukee						
City	291	Wauwatosa						
REAL ESTATE	2021 RE Equalized Value	Removal of Prior Year Compensation	% Change	\$ Amount of Economic Change	% Change	\$ Amount of New Constr	% Change	
Residential								
Land	1,426,210,200	9,200	0%	199,670,700	14%	135,700	0%	
Imp	2,817,037,500	11,600	0%	394,376,500	14%	30,032,600	1%	
Total	4,243,247,700	20,800	0%	594,047,200	14%	30,168,300	1%	
Commercial								
Land	754,218,100	0	0%	38,924,200	5%	5,250,600	1%	
Imp	2,203,796,200	0	0%	122,030,300	6%	101,135,600	5%	
Total	2,958,014,300	0	0%	160,954,500	5%	106,386,200	4%	
Manufacturing								
Land	45,732,700	0	0%	958,900	2%	0	0%	
Imp	96,273,100	581,300	1%	725,800	1%	550,300	1%	
Total	142,005,800	581,300	0%	1,684,700	1%	550,300	0%	

- **Economic Change** (example = 10%)
Change in what a property is worth (same taxpayers)

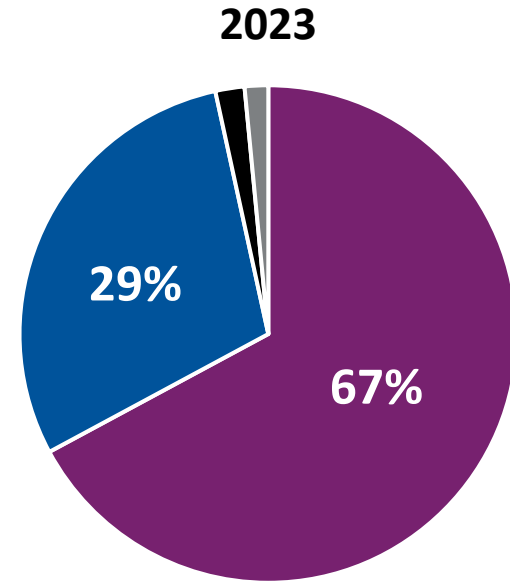
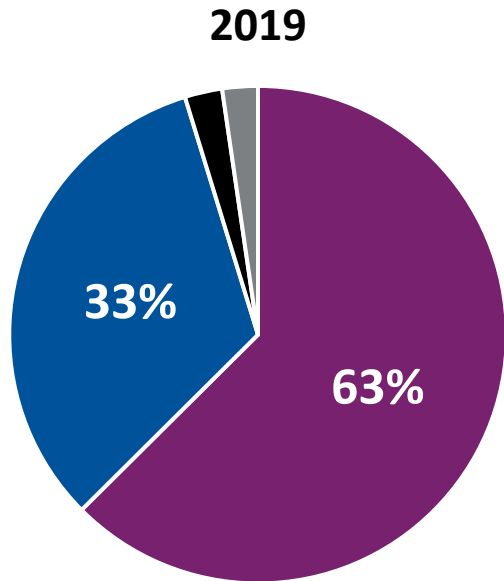
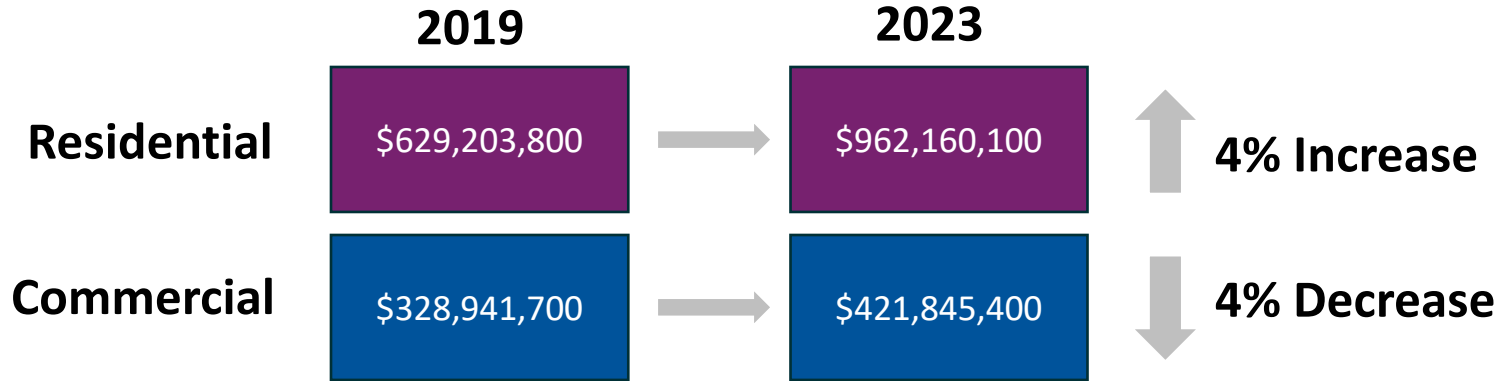
versus

- **New Construction** (example = 2%)
Addition to tax Base (new taxpayers)

Total Real Estate							
Land	2,226,161,000	9,200	0%	239,553,800	11%	5,386,300	0%
Imp	5,117,106,800	592,900	0%	517,132,600	10%	131,718,500	3%
Total	7,343,267,800	602,100	0%	756,686,400	10%	137,104,800	2%

Link to Wisconsin DOR, "Statement of Changes in Equalized Value":
<https://www.revenue.wi.gov/Pages/Report/soc-eqv.aspx>

Shift in Property Value (2019 vs. 2023)



■ Residential ■ Commercial ■ Manufacturing ■ Personal Property ■ Residential ■ Commercial ■ Manufacturing ■ Personal Property

Source: Wisconsin Department of Revenue Statement of Changes in Equalized Values. Hypothetical example for demonstration purposes only.

Assessed Value

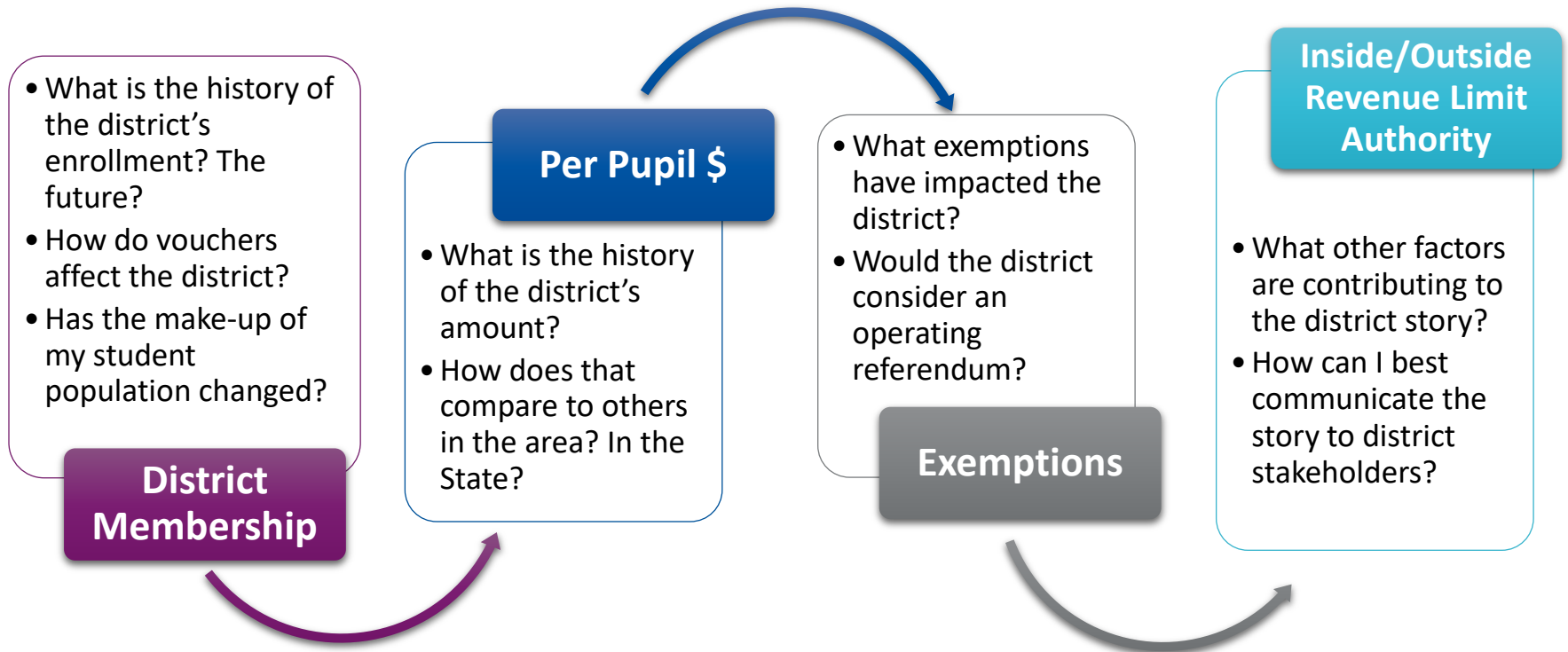
- Calculated by local municipality
- Used for Levy Apportionment Within Municipalities
- Local Assessors
- Determined periodically as required per State Statutes
- Maintains tax equity within municipalities and among taxpayers

Equalized Value (Fair Market Value)

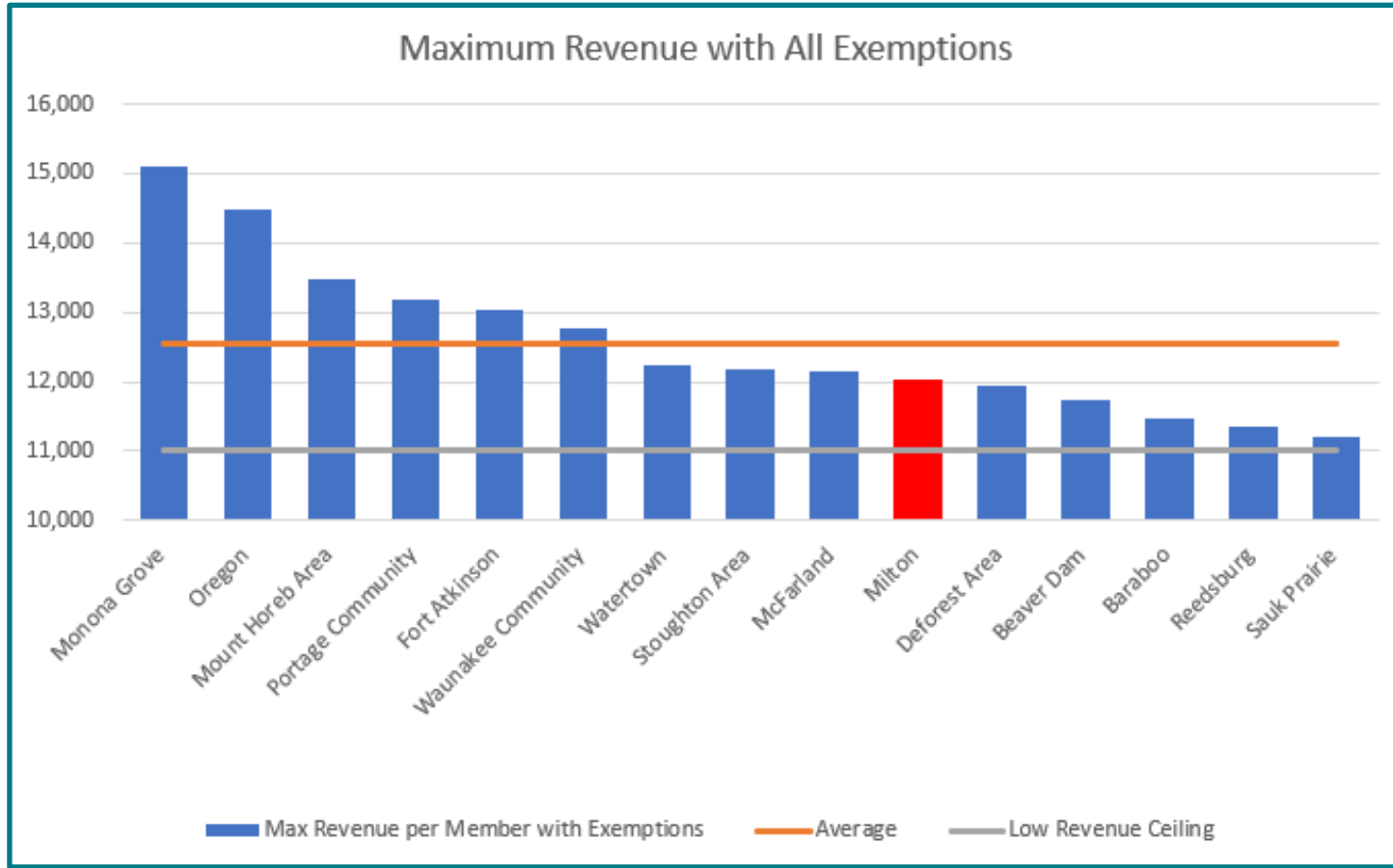
- Calculated by the State / Department of Revenue
- Used for Levy Apportionment Among Municipalities
- Determined annually
- Maintains tax equity among municipalities for use with overlapping taxing jurisdictions such as Counties, School Districts, and Technical Colleges

Accurate property values are required to fairly distribute the property tax burden

What's your Story?

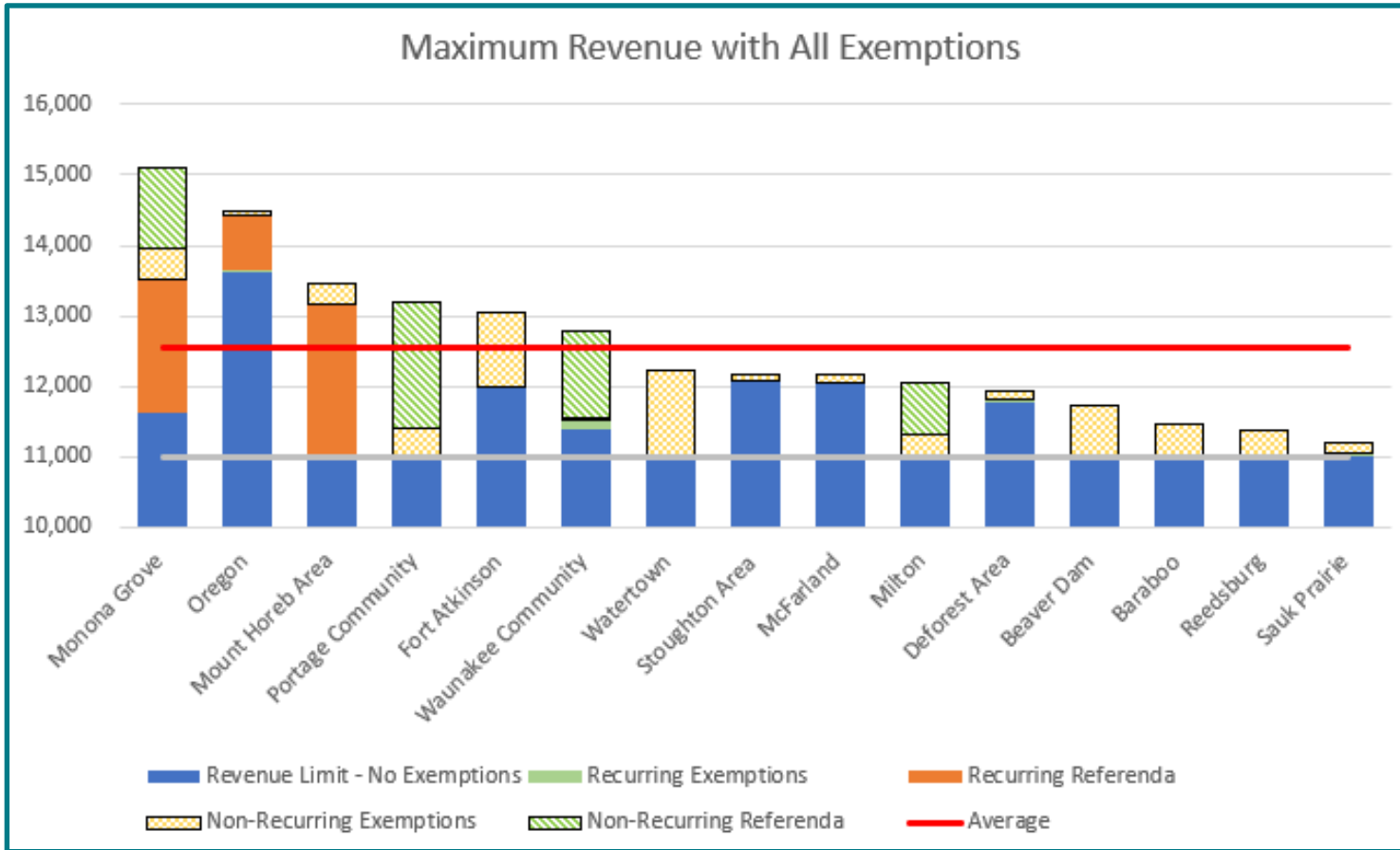


Badger Conference Comparables



← \$12,560

Badger Conference Comparables



← \$12,560

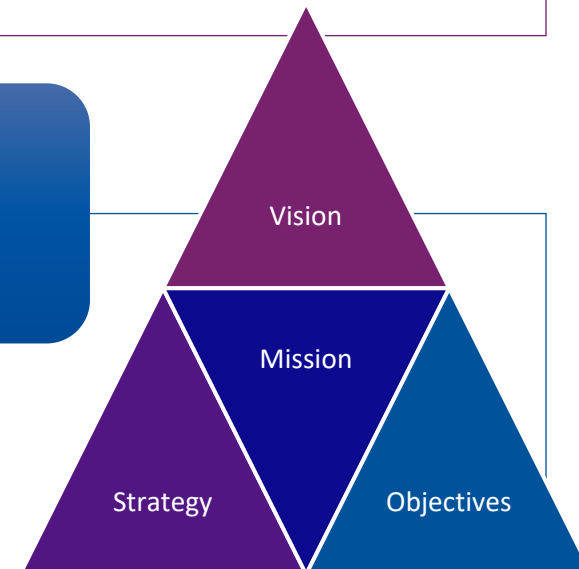
Now What?

Can I reduce staffing costs?

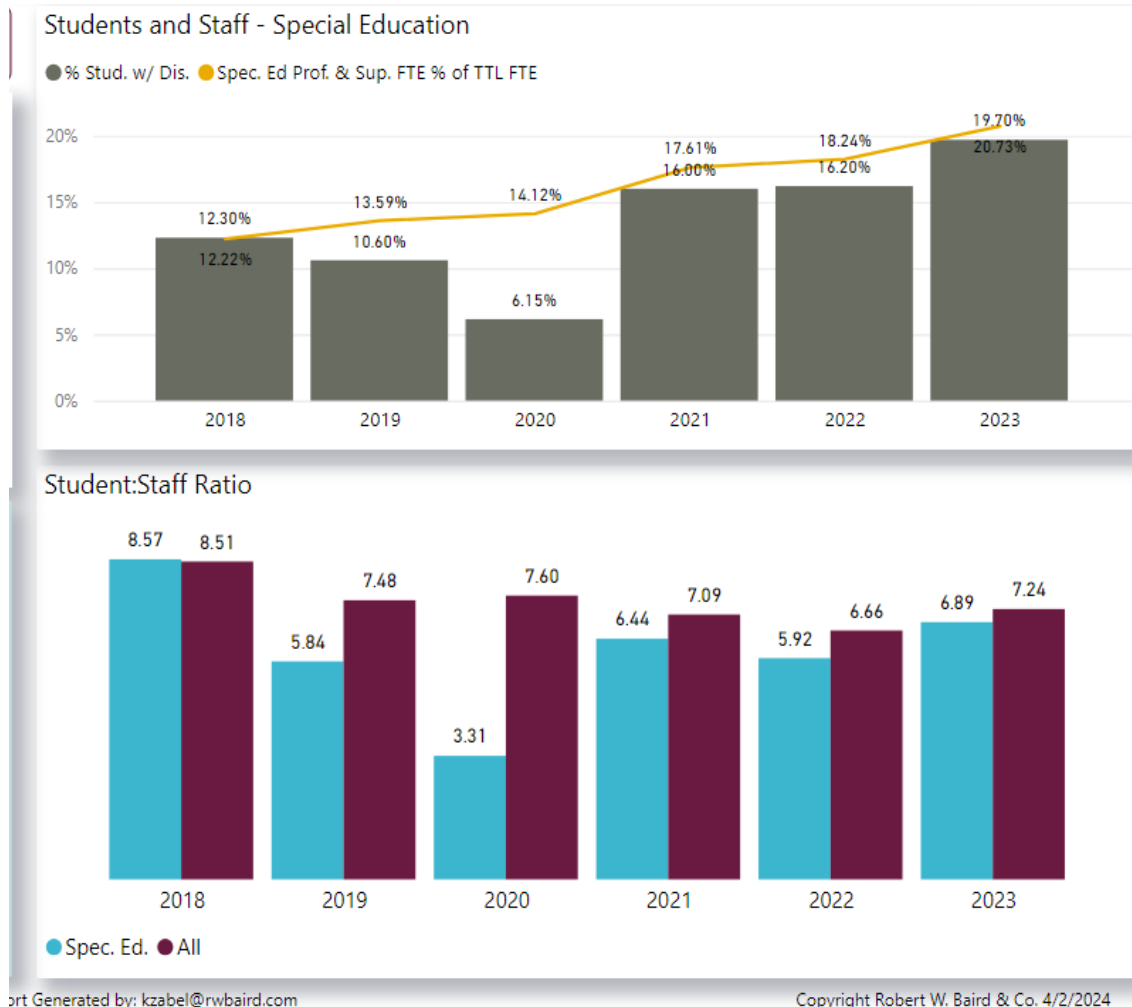
- Zero-based staffing model
- Building/space evaluations and consolidation options
- SPED staffing requirements
- Support staff analysis
- Fixed vs. variable

Are costs aligned to my strategic plan?

- Establish shared goals
- Analyze past performance
- Create a prioritization process

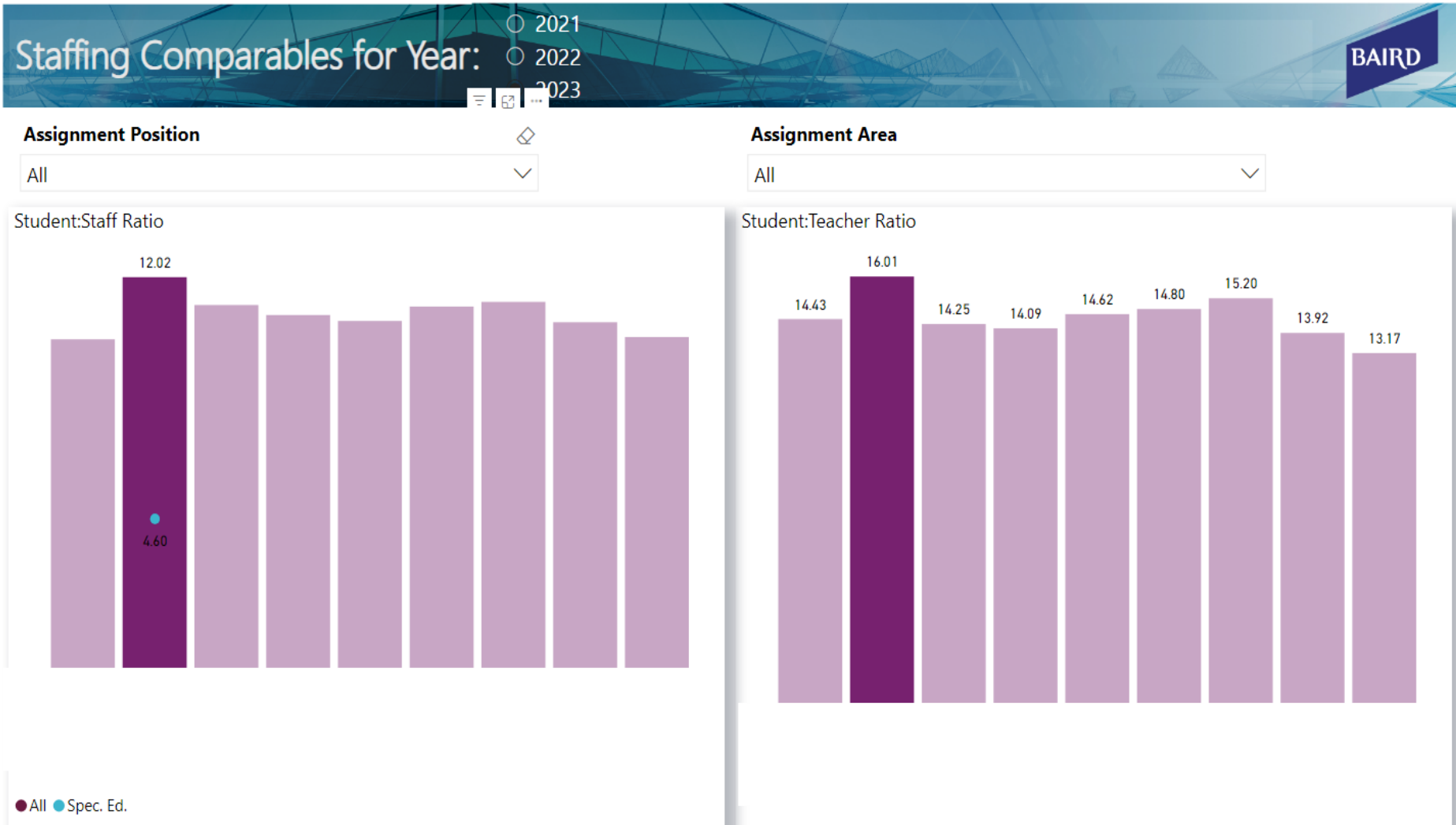


- Student:Teacher ratios compared to pre-pandemic trends



Staffing costs make up 70-80% of school district budgets.

- Student:Teacher ratios compared to peers

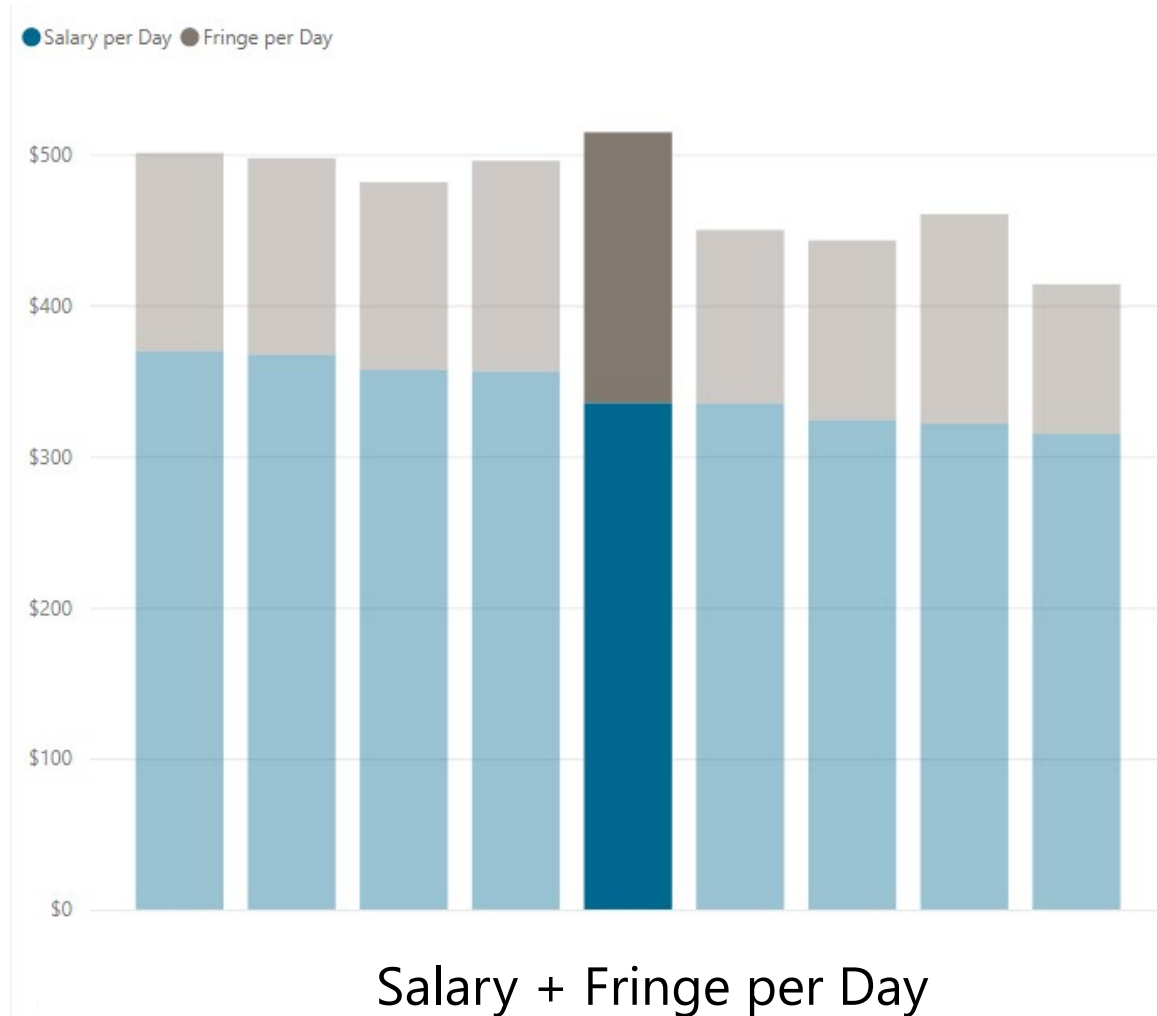


- Fringe Benefit costs/benefit comparison

Average Compensation (FTE=1)



Average Annual Fringe Benefits



Salary + Fringe per Day

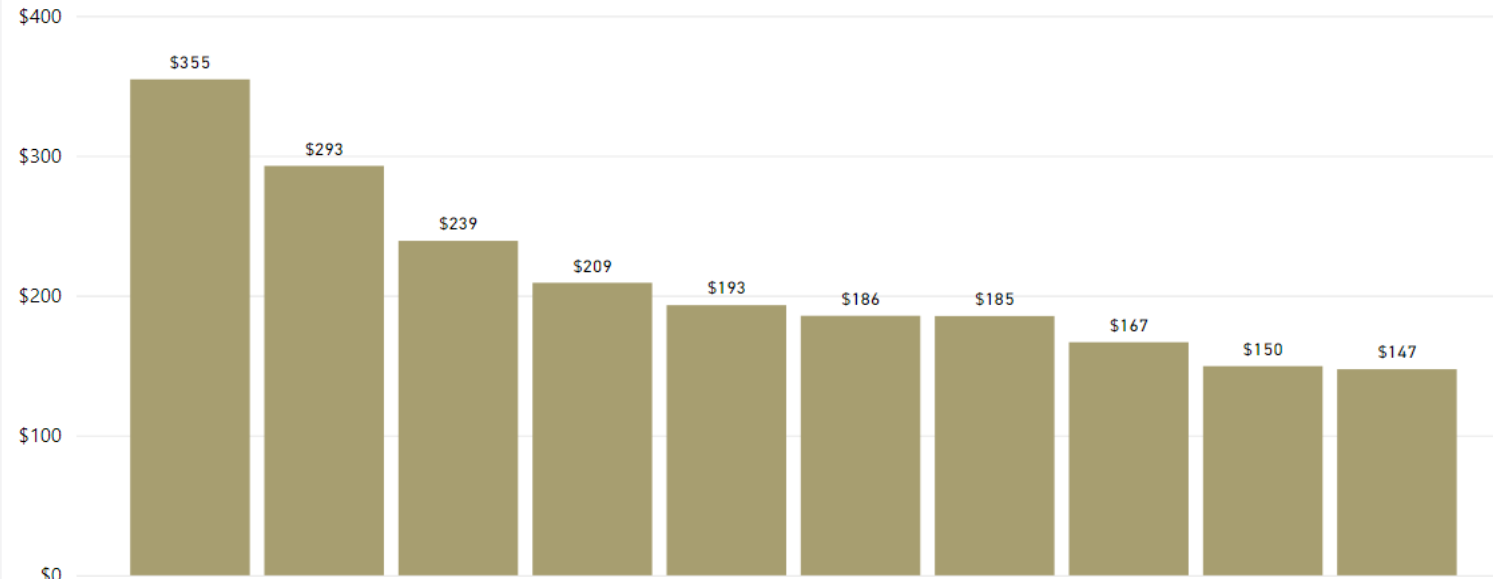
Budget Planning

Can I reduce other costs?

- Departmental budget reductions
- Per pupil costs by function or object compared to peers
- Shared services with other districts
- Transportation Plan, Technology Assessment, Utilities

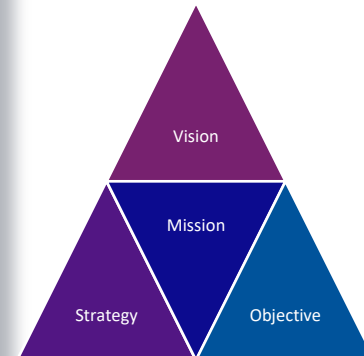
Fund 10 & 27 2-Digit Function Expenditures per Pupil

2-Digit Function ● 160000

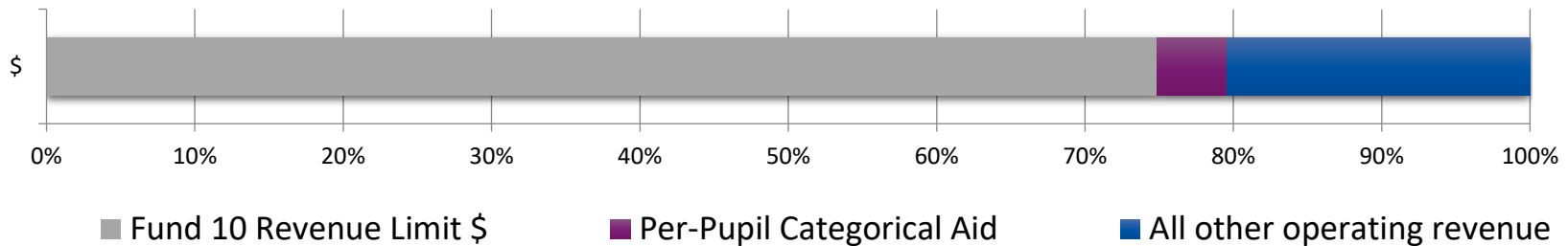


Filter by 2-Digit Function Here:

110000	120000	130000
140000	150000	160000
170000	210000	220000
230000	240000	250000
260000	270000	280000
290000	410000	430000
490000		



F10 Budget Composition



- Can I enhance other revenues?
 - Cash flow management/investments
 - What is your interest rate at your bank?
 - Apply for exceptions and aid when eligible
 - Transfer of Service
 - High-Cost Special Education – 198 school districts received aid last year
 - Medicaid
 - Open Enrollment Seats
 - Fund 80



Questions?

Baird Public Finance

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