



**School District of Cudahy**  
**Cudahy, Wisconsin**

**Regular Board Meeting:** June 13, 2022

**Agenda Item:** Approval of 2022-23 Preliminary Budget

**Report Preparation:** Brian Dasher

**Background Information:** Attached is the final summary of the Preliminary 2022-23 budget. The only change made to this budget since the May 23, 2022 Regular Board Meeting is an update of the Food Service (Fund 50) budget. I did finalize the budget with Chartwells and was able to get the entered into Skyward. That budget is projecting a \$131,708 surplus. I am going to be working with Chartwells over the summer to look at ways to begin reinvesting some of this surplus back into the program. These could include increasing offerings at some or all of the schools, purchasing higher quality food, marketing, increasing catering offerings and services, and potential equipment replacements.

As we have discussed in prior meetings, two major factors are impacting the 2022-23 budget. First, health insurance claims for the 2021 calendar year came in 111.7% of funding. This necessitated a 12.7% increase in the COBRA rates for 2022 but in my original forecast, I had assumed a 6% increase in COBRA rates. This increased budgeted expenses for 2022-23 by about \$250,000. The second factor was the additional 1.23% increase in teacher salaries that was tentatively agreed upon with the CEA. This added about another \$150,000 in expenses for 2022-23.

This budget reflects the following:

- The addition of a Restorative Practice Coordinator position
- This budget does not reflect salary increases based on the 4.71% CPI cap that is to be used for 2022-23 bargaining purposes. Historically, the district bargains with the CEA at the end of the fiscal year. The recent bargaining agreement that was reached for a 1.23% increase in the Career Ladder steps was based on the 2021-22 CPI.
- 2% salary increase for all non-teaching staff, regular full and part-time staff.
- The reduction of 12 teaching positions.
- The reduction of 3 Paraprofessional positions.
- The reduction of 1 custodial position.
- \$1,649,522 of ESSER III funds have been allocated at this time out of a total allocation of \$4,759,415.
- An additional bus route for the Park View Elementary families has been included in this budget at a rate of \$190.62 or a total of \$32,787.
- An increase in AGR revenue of just over \$102,000 to account for the addition of Park View students to General Mitchell.

- The decrease in Federal Sources is due to the difference between ESSER II and ESSER III. In 2021-22, we have \$2,117,722 of ESSER II funds accounted for in the budget. As mentioned above, we have just under \$600,000 less than that allocated so far for ESSER III. As we progress through the year, we budget more of our ESSER III funds.
- The reduction in State Sources is due primarily to a reduction in State Equalization Aid. Currently, there is an estimated \$801,539 decrease projected for this revenue source. I should note that this is difficult to predict precisely at this point in time. Equalization aid is in large part based on prior year expenditures and since we won't have the number for several months, we have to estimate that based on budgeted expenditures.
- The large drop in Local Sources is due to the TID payout in 2021-22. Otherwise, local sources are increasing by about \$447,000. This is primarily due to an increase in the levy which is associated with the decrease in equalization aid.

#### Miscellaneous

- Fund 72 will no longer be used to record scholarships. There was an accounting rule change regarding that fund from the Governmental Accounting Standards Board. Any scholarship that does not have a formal trust agreement with the party that has donated funds for the scholarship must be recorded in Fund 21 going forward.

#### Tax Levy

- I have recalculated my estimate for the tax levy. I have revised the estimate to a total levy of \$11,857,908. This is an 11.6% increase over last year. There are several reasons for this large increase:
  - We are seeing a large reduction in our equalization aid which is due to a significant increase in our May 2022 equalized value over last year and a significant drop in our shared cost.
  - Our projected shared cost (which is the amount of spending we get aided on) for 2022-23 is currently estimated to be \$29,389,000 while for 2021-22 year, it was \$30,422,853.
  - Another factor contributing to the decrease in aid is the fact that there is no new money being added by the state to the total amount of aid available to districts.
- This estimate will continue to fluctuate over the next few months. Shared cost won't be finalized until the audit is finished and the cost ceilings and guarantees that determine our position in the aid formula will not be finalized until October.

**Strategic Priority:** Safe & Efficient School & District Operations

**Administrative Recommendation:** This is being presented for approval.

**Board Action Requested:** The following motion would be in order: "Move to approve the 2022-23 Preliminary School Budget as presented."

**Fiscal Note:** N/A