

2023-2024 District Budget Reconciliation Plan

Education/Operations Committee of the Whole
April 24, 2023



Our Mission ... To advance student learning, achievement, and success.

Challenges during the 2023-24 budget cycle



- Current State biennial budget still must go through the legislative process to ultimately be signed by the Governor.
- The nation-wide labor shortage continues, making it even more critical to attract and retaining a high quality workforce of leaders.
- The current rate of inflation is lower than it was a year ago, however the year-end CPI is higher than it has been in more than a generation.
- One-time ESSER funding is available during the upcoming budget cycle for certain operational expenses. It will continue to be difficult to blend the use of any new revenue for increased expenses along with backfilling the fiscal cliff left behind via the expiration of ESSER funds.
- ESSER funding runs out following the 2023-24 budget and careful planning must include a combination of eliminating expenses funded with ESSER funds and determining alternative funding sources.

Opportunities during the 2023-24 budget cycle



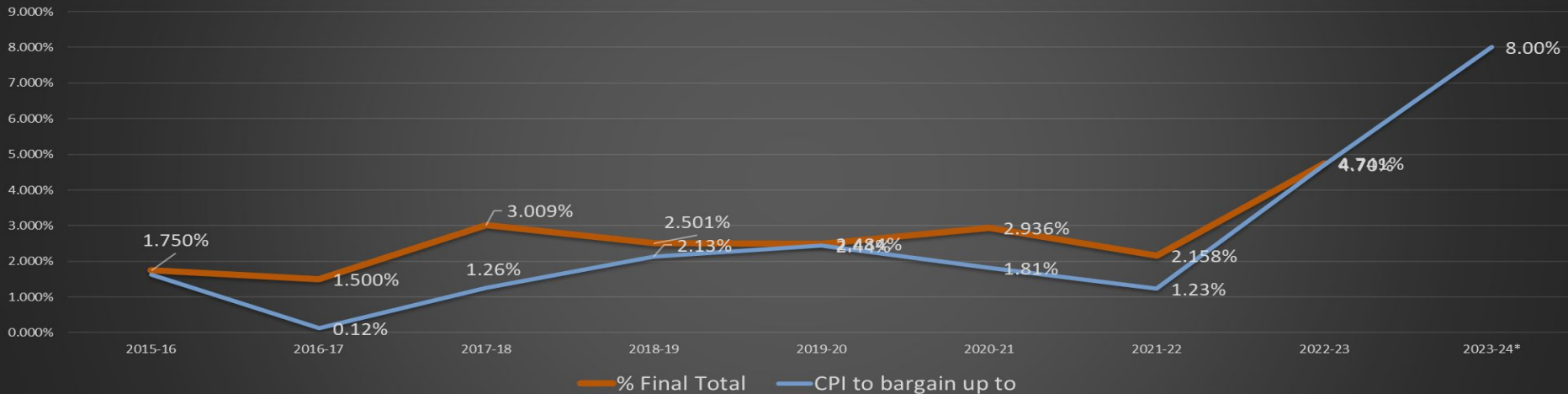
- Significant ESSER funding remains available for the 23-24 budget.
- The success of a pair of referendum questions over the last three years offers some opportunity inside the general fund budget.
 - 2021 question allowing for an additional \$4MM in revenue limit capacity
 - 2022 question allowing for borrowing \$119.8MM for facility improvements
- Health insurance premiums are projected to increase overall by 2%, only the second premium increase over the last 12 years.
- A strong fund balance will help us achieve low interest rates during our remaining debt issue while offering a level of comfort in considering a deficit budget for 2023-24.

Budget Reconciliation Plan-Salary/Wages



- The below chart shows teacher compensation relative to inflation each year
- Non-teacher groups typically track very close to the same salary/wage increases
- Last year there was an intentional effort to offer larger increases to support staff
 - Nutritional Services group increase: 6.23%
 - Administrative Educational Support group increase: 5.78%
 - Maintenance and Custodial group increase: 4.82%
 - Teacher group increase: 4.70%
 - Municipal group increase: 4.57%
 - Administration group increase: 4.50%

Teacher Total Salary Increase Compared to CPI



2023-24 Budget Reconciliation Plan and Recommended Action (option 3.0)



- Accept the assumptions built into the presented projection model, including the following for the 2023-24 District budget cycle:
 - \$200/pupil revenue limit increase
 - 30% special ed cost reimbursement (same as current reimbursement)
 - 3% salary/wage increase for all employee groups
 - \$1,575,000 reduction in ESSER funds applied to personnel
- Accept expenditures exceeding revenues in this reconciliation plan by \$737,000.
- Continue to use the most current State biennial budget data to inform each subsequent version of the District budget.
- **To recommend to the full Board the 2023-2024 budget reconciliation plan 3.0 as presented.**

2023-24 Budget Reconciliation Plan (option 4.0)



- Accept the assumptions built into the presented projection model, with the following exceptions:
 - \$300/pupil revenue limit increase (up from \$200/pupil) **(\$802,800 in additional revenue)**
 - 30% special ed cost reimbursement (same as current)
 - 4% salary/wage increase for all employee groups (up from 3%) **(\$750,000 in additional expenses)**
 - \$1,575,000 reduction in ESSER funds applied to personnel (stays the same)
- Accept expenditures exceeding revenues in this reconciliation plan by \$684,200.

- **Better understand the 2023-2024 budget reconciliation plan 4.0.**

2023-24 Budget Reconciliation Plan (option 5.0)



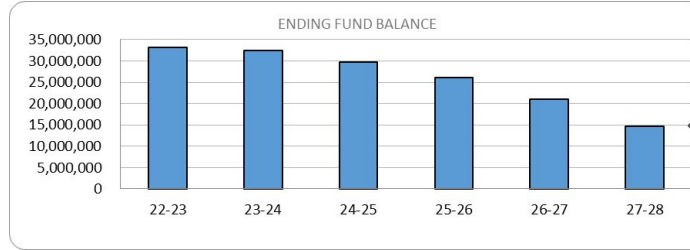
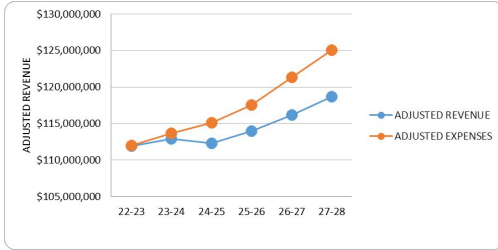
- Accept the assumptions built into the presented projection model, with the following exceptions:
 - \$300/pupil revenue limit increase (up from \$200/pupil) **(\$802,800 in additional revenue)**
 - 35% special ed cost reimbursement (up from 30%) **(\$676,000 in additional revenue)**
 - 5% salary/wage increase for all employee groups (up from 3%) **(\$1,500,000 in additional expenses)**
 - \$1,575,000 reduction in ESSER funds applied to personnel (stays the same)
- Accept expenditures exceeding revenues in this reconciliation plan by \$758,200.

- **Better understand the 2023-2024 budget reconciliation plan 5.0.**

2023-24 Various Wage/Salary Increase Scenarios

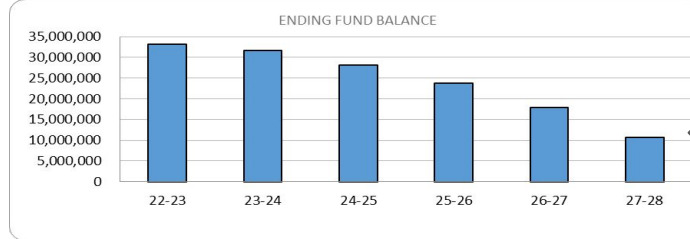
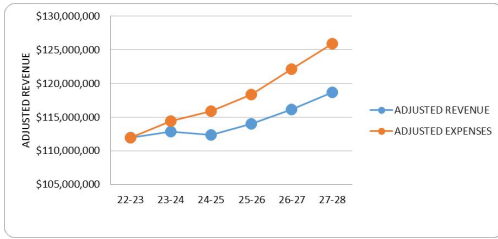


- Representation of the structural deficit with wage/salary increases of **3%**, 3%, 3%, 3%, 3%



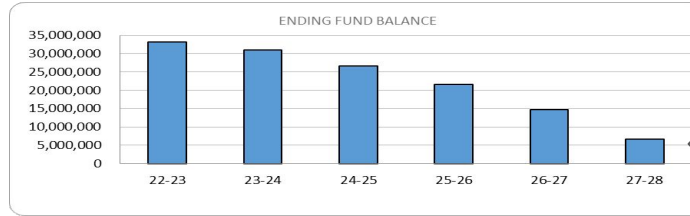
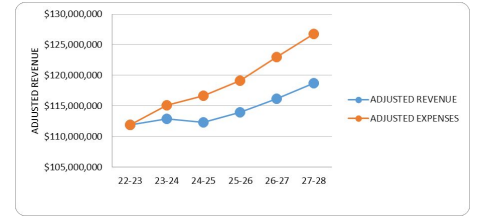
Fund balance \$14.6MM

- Representation of the structural deficit with wage/salary increases of **4%**, 3%, 3%, 3%, 3%



Fund balance \$10.7MM

- Representation of the structural deficit with wage/salary increases of **5%**, 3%, 3%, 3%, 3%



Fund balance \$6.7MM

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