

Strategic Plan Information and Advocacy Report



TO: Board of Education

FROM: Scott DeYoung, Assistant Superintendent of Business & Finance

DATE: August 19, 2019

RE: Information and Advocacy Report - Facilities & Finances

OVERVIEW

Board Goal III: Facilities & Finances - We will ensure the long range viability of the District.

Objective B: Preserve and seek methods for ensuring the long-range financial viability of the District

- **Indicator 1:** Advocate for fair funding from the State of Wisconsin
- **Indicator 2:** Enhance the community's understanding of 4K-12 funding and District stewardship of expenditures
- **Indicator 3:** Maintain a stable fund balance

At the January 29, 2018 Board Workshop, we discussed as a group the various goals of the Strategic Plan. Based on the June 2017 Community Survey, the Strategic Goals were finalized at the February 26, 2018 Board Workshop. Lastly, the overall Strategic Plan called "Vision 2023" was adopted by the Board at the July 30, 2018 Board Workshop.

Indicator 1: Advocate for fair funding from the State of Wisconsin

The Board of Education had the insight to create a new committee called the Community & Legislative Engagement Committee. Under the direction of Dr. Salerno and committee members, the agendas were created to engage the community on issues that were significant to public education and specifically to Mount Horeb. Over the past year, the committee addressed a variety of topics/activities that related to school funding. These included conversations with local legislators, advocating for funding through correspondence such as letters and phone calls, meeting with support groups such as the Wisconsin School Administrators Alliance with John Forester, and reporting to the Board of Education on topics of interest. These conversations were of significance especially this past spring during the budget development process at the State level.

The Blue Ribbon Commission on School Funding was created on December 6, 2017 by the State. The responsibility of the commission was to evaluate how tax dollars were distributed to schools and then

make recommendations. A variety of topics were discussed that could influence school district funding, even in Mount Horeb. Some of the topics included were revenue limits and per-pupil funding, the impact of enrollments (especially for districts in the state that are declining), and the distribution of state aids.

Certainly, the Community and Legislative Engagement Committee addressed areas that were not specific to school funding.

Indicator 2: Enhance the community's understanding of 4K-12 funding and District stewardship of expenditures

The Finance committee is a sub-committee to the Board of Education. This committee typically meets once per month to address a variety of topics. Certain topics are addressed annually while other topics are more reactive such as approving donations. Like all sub-committees, the minutes are considered for approval at the following Board of Education meeting.

In addition to the committee minutes, the community is also provided with information at the Annual Meeting. The budget is presented to the public for their consideration. The items included in the Annual Report are budgets for all fund accounting, tax levy and mill rate calculations along with comparison data over the last few decades, debt schedules, and tax receipts. An emphasis is placed on attention to cash flow for operating purposes as compared to budget management.

The annual audit data is not only provided in the Annual Report. It is also provided in the annual audit booklet reviewed by the committee. In advance of the Annual Meeting, the budget book is posted on the landing page of the District's website for ease of access. We are very fortunate to have strong financial audits that are reflective of the financial operations of the District.

Lastly, the Board was very purposeful in communicating the financial status of our ongoing capital projects. In fact, when the District was in the enviable position to supplement our scope, the Board convened two opportunities for members of the Facility Steering Committee to meet. During these visits, the District's leaders outlined the factors which lead to the project's favorable financial results and garnered feedback about a proposed plan to further meet our needs utilizing some of the savings.

Indicator 3: Maintain a stable fund balance

The strength of a District's fund balance is one factor to measure the financial health of the organization. It is important to note that fund balance is not a savings account. Rather, it is an accounting measure that is created/increased when revenues exceed expenditures. Fund balance decreases when expenditures exceed revenues. Maintaining a healthy and stable fund balance permits the District to avoid the added interest expenses associated with cash flow borrowing.

The District's fund balance is outlined in the Annual Report.