

## Making Good Financial Decisions...

When I graduated from high school, I didn't take the shortest path to a college degree. In fact, I didn't even pursue a degree until the summer of my five-year high school class reunion and my oldest child was born. There was a lot of anxiety at the time about whether our young family could afford for me to quit my full-time job and add the expense of tuition, books, and childcare to an already tight budget. We hoped that someday, it would pay off for us in terms of financial stability, job-satisfaction, and increased time. When I signed that first contract for \$19,000 a year, I honestly couldn't believe that I was making that kind of money.

Time moved on, more kids joined the family, and I never remember a time again where I didn't have an immediate place to put every dollar I earned and didn't feel as if I could find a place for a few dollars more. The financial recession has placed almost all of us in a situation of reevaluating our budgets and finding a way to live within new financial realities. School Districts are no different. When I started in this position and set initial goals, one of them was to increase fiscal responsibility and transparency. What I meant by this is that as a district, we would make sure the money we received from the public was well-spent and that the public would be both informed and involved in the decision-making process.

At the 2011-12 Annual Meeting held in August, the district presented and requested approval of the tentative school-year budget and tax levy. This estimated budget and subsequent tax levy is always tentative because there are some "unknowns" at the time. Perhaps the most important unknown variable is how many students will actually attend school that year. The revenue limit, meaning the amount of money the district can collect from local property tax and state aid (state tax money), is based on student enrollment. It is more complicated, but in general, more students mean more money, fewer students mean less money.

Once a district determines the revenue limit, it is a matter of waiting until October to find out how much of the revenue will come from state tax dollars in the form of equalization aid and how much of it will need to be collected from local property tax dollars to make up the difference. Approximately 3% of this year's budgeted money will come from federal tax dollars, 49% from state tax dollars, and 45% from local tax dollars. This means that 97% of our operating budget is paid for by tax dollars. We are very appreciative and committed to using this support in a trustworthy and responsible manner.

The legislation passed at the state level in the last year reduced the amount of money that we could collect from taxes; and therefore, reduced our budget by over a million dollars. Approximately half of the budget deficits were made up by employee concessions in the form of increased payments for health care insurance and increased contributions to retirement pensions plans. The Budget Repair Bill also took away the ability for public employees to collectively bargain pretty much anything with the exception of base salary. Public employers, like the Platteville School District, were required to develop employee handbooks that would take the place of expired master agreements that were previously negotiated with the various unions. This change will affect everything from how benefits are structured, compensation over and above base salary, workplace rules and procedures, expectations related to professional conduct and performance, and many other aspects of the employer-employee relationship.

It is also important that community members understand that the largest portion of our budget, approximately 75%, goes to employee compensation and benefits and will be an important aspect of the financial decision-making related to the employee handbook. We will be holding a listening session for community members to find out more about this process and to give input into the development of these handbooks on October 27<sup>th</sup>, 2011, 7:00 p.m., in the Platteville Middle School Commons. We look forward to hearing from you.