Hustisford School District

The Fundamentals of School Finance

September 15, 2025

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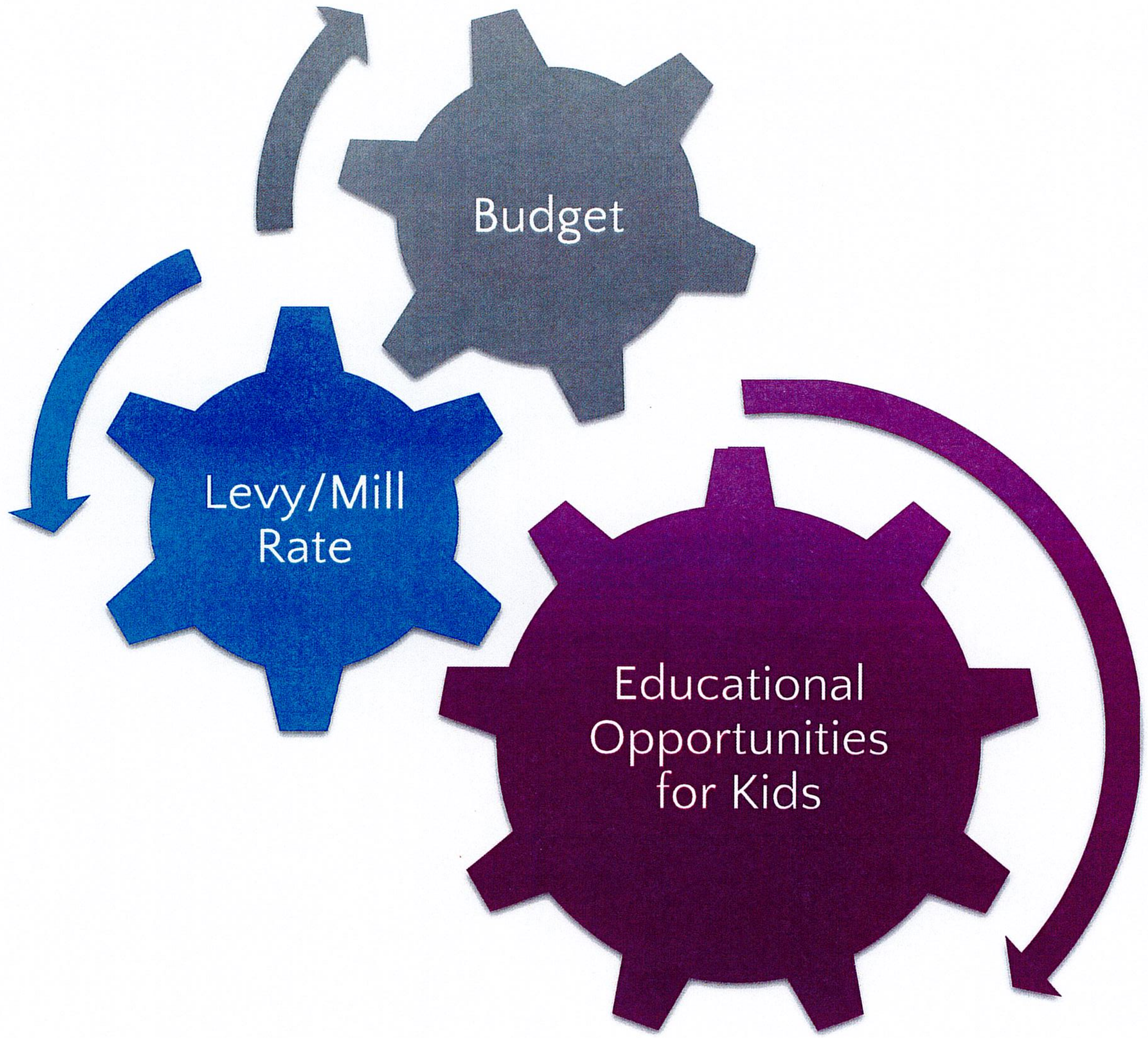
Discover the Baird Difference

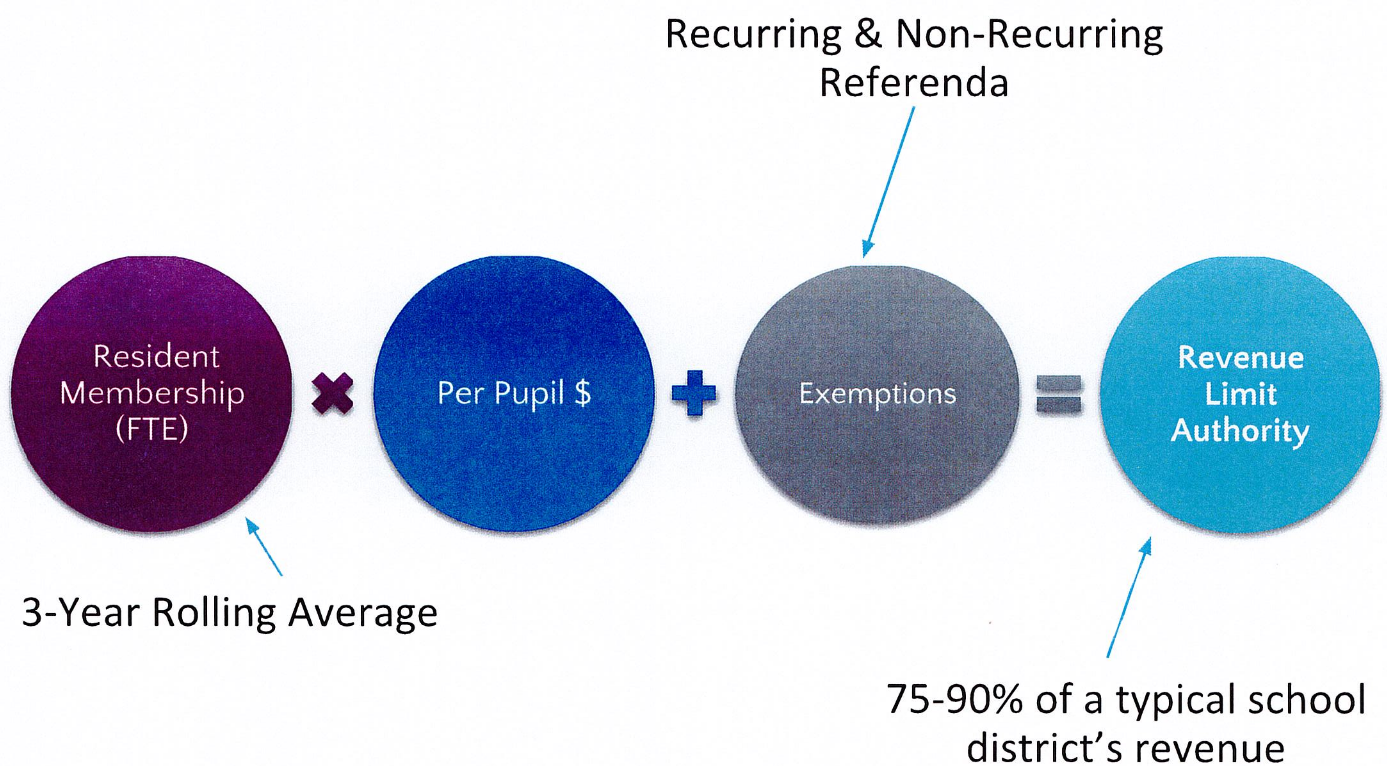
School Finance Decision Making



How is the Revenue Limit Calculated?

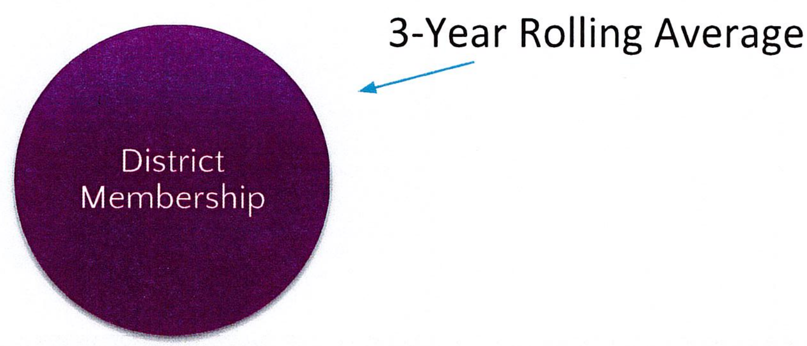
- ✔ **Revenue Limit**
- ✔ Equalization Aid
- ✔ Tax Levy & Mill Rate
- ✔ Debt
- ✔ Fund Balance

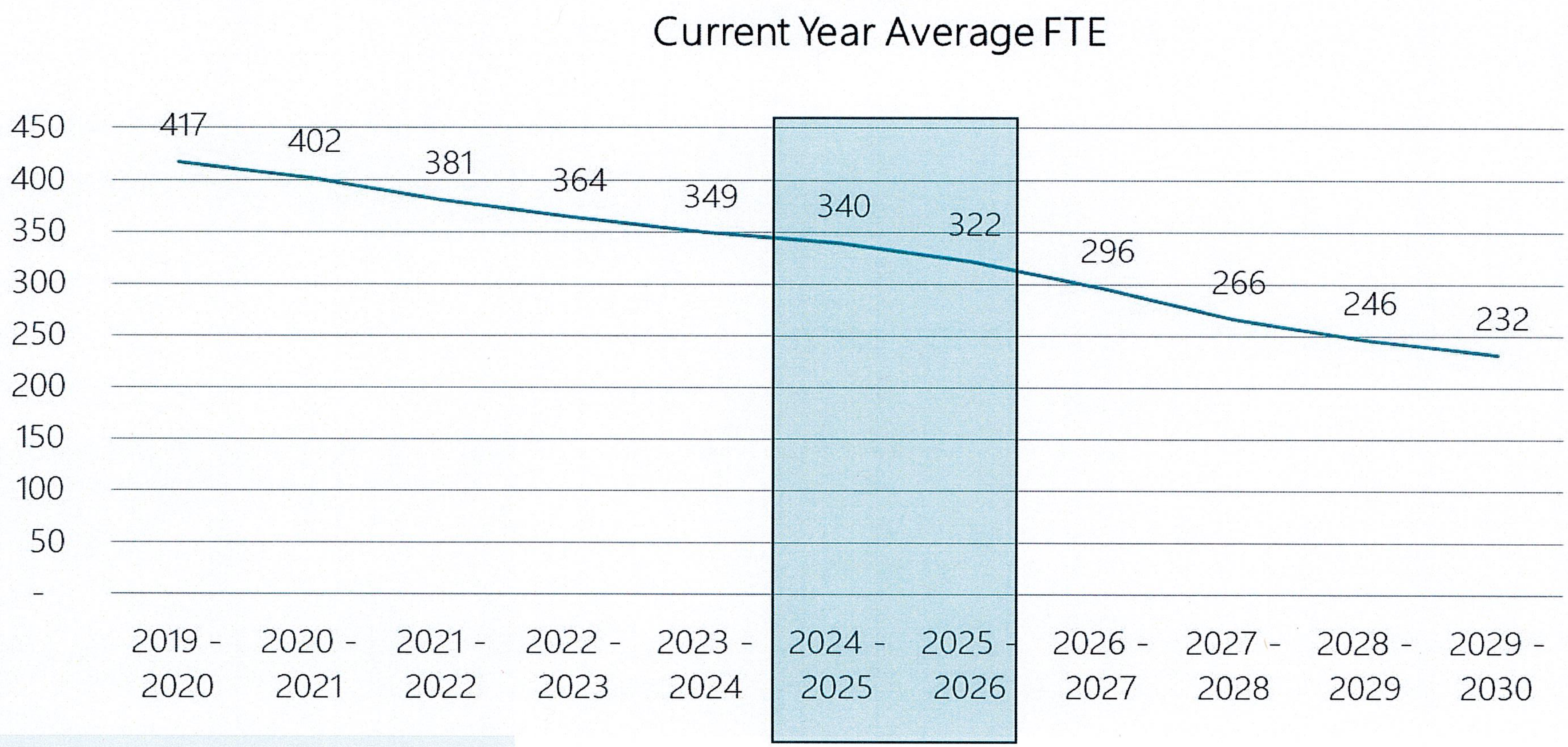
A district's **Revenue Limit Authority** is the maximum amount of revenue that may be raised through **state general aid** and **property tax.**



How is the Revenue Limit Calculated?

✔ **Revenue Limit**





Source: Department of Public Instruction and district projections.

How is the Revenue Limit Calculated?

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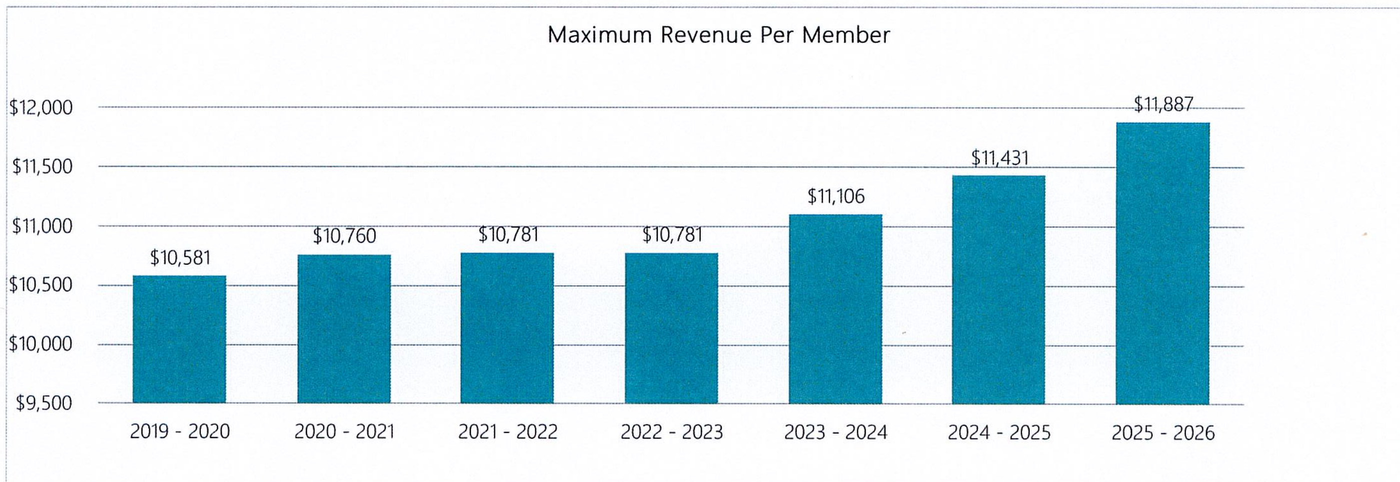
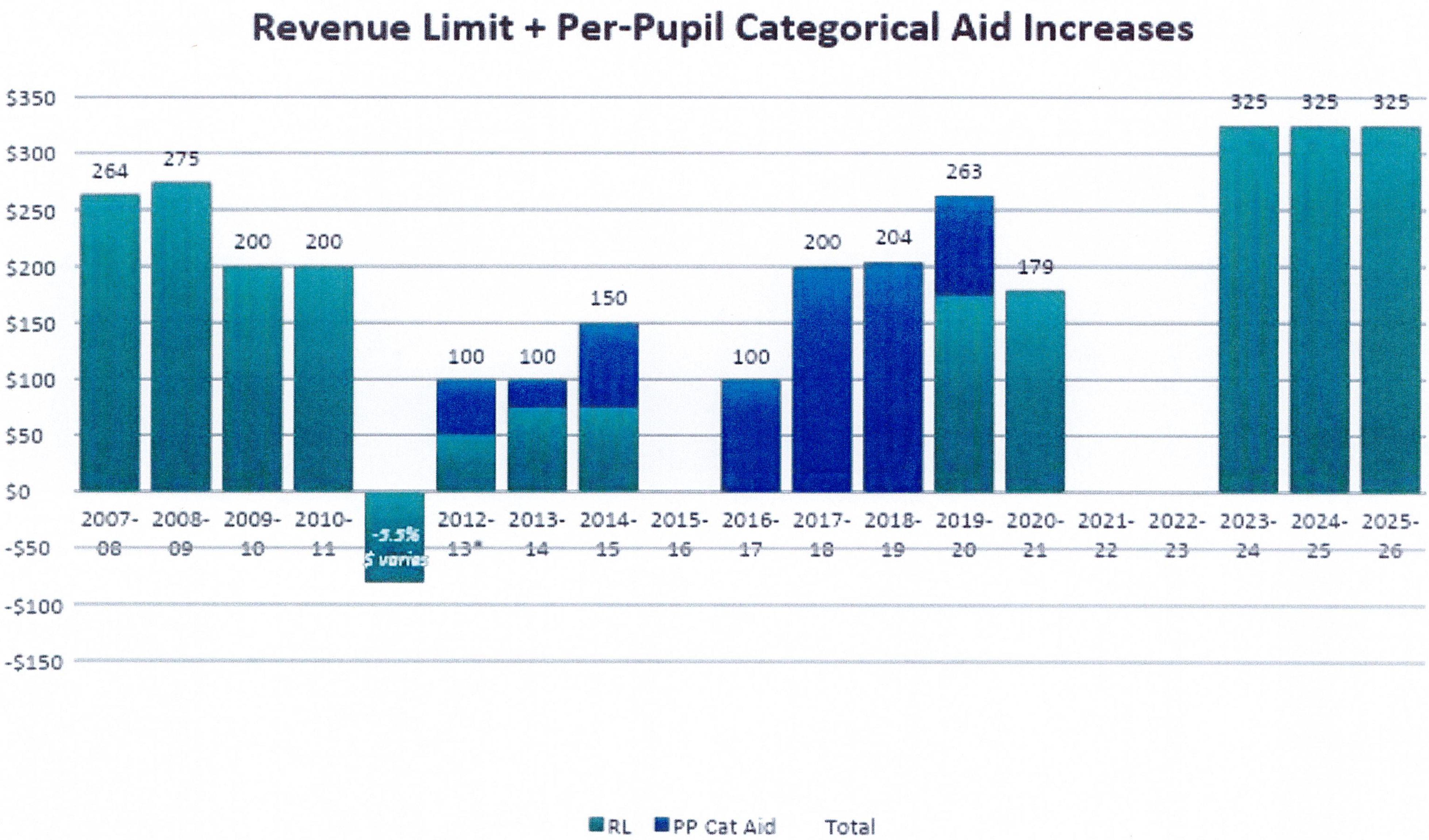
Per Pupil $



Source: Department of Public Instruction

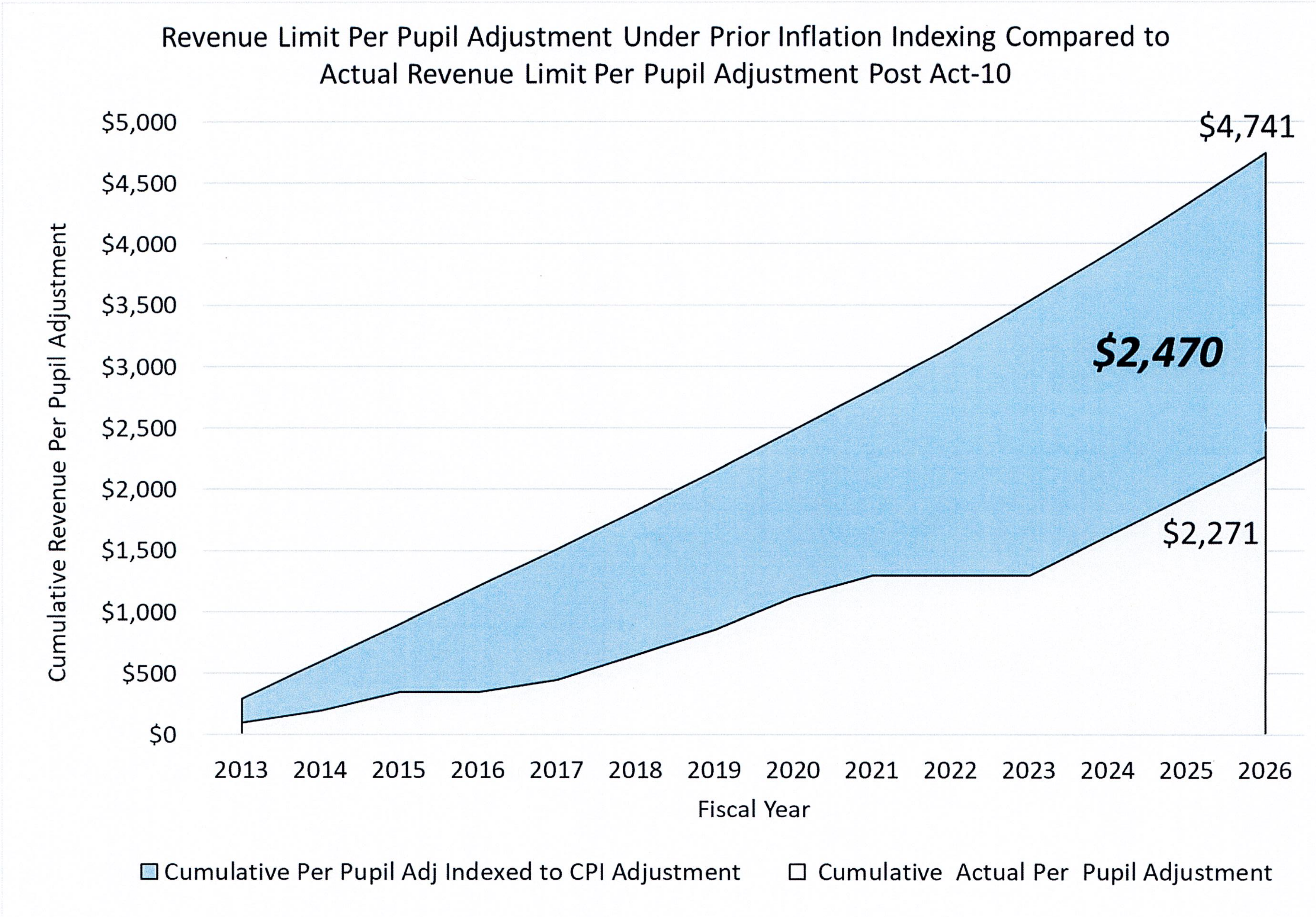
State Budget Historical Increases



*Categorical Aid Per-Pupil $ prorated based on district's available levied revenue limit authority

Source: Department of Public Instruction

Per Pupil Adjustments Compared to Inflation



Source: Legislative Fiscal Bureau Memo 7/24/2025

How Can the Revenue Limit Be Increased?

- ✔ **Revenue Limit**
- ✔ Equalization Aid
- ✔ Tax Levy & Mill Rate
- ✔ Debt
- ✔ Fund Balance

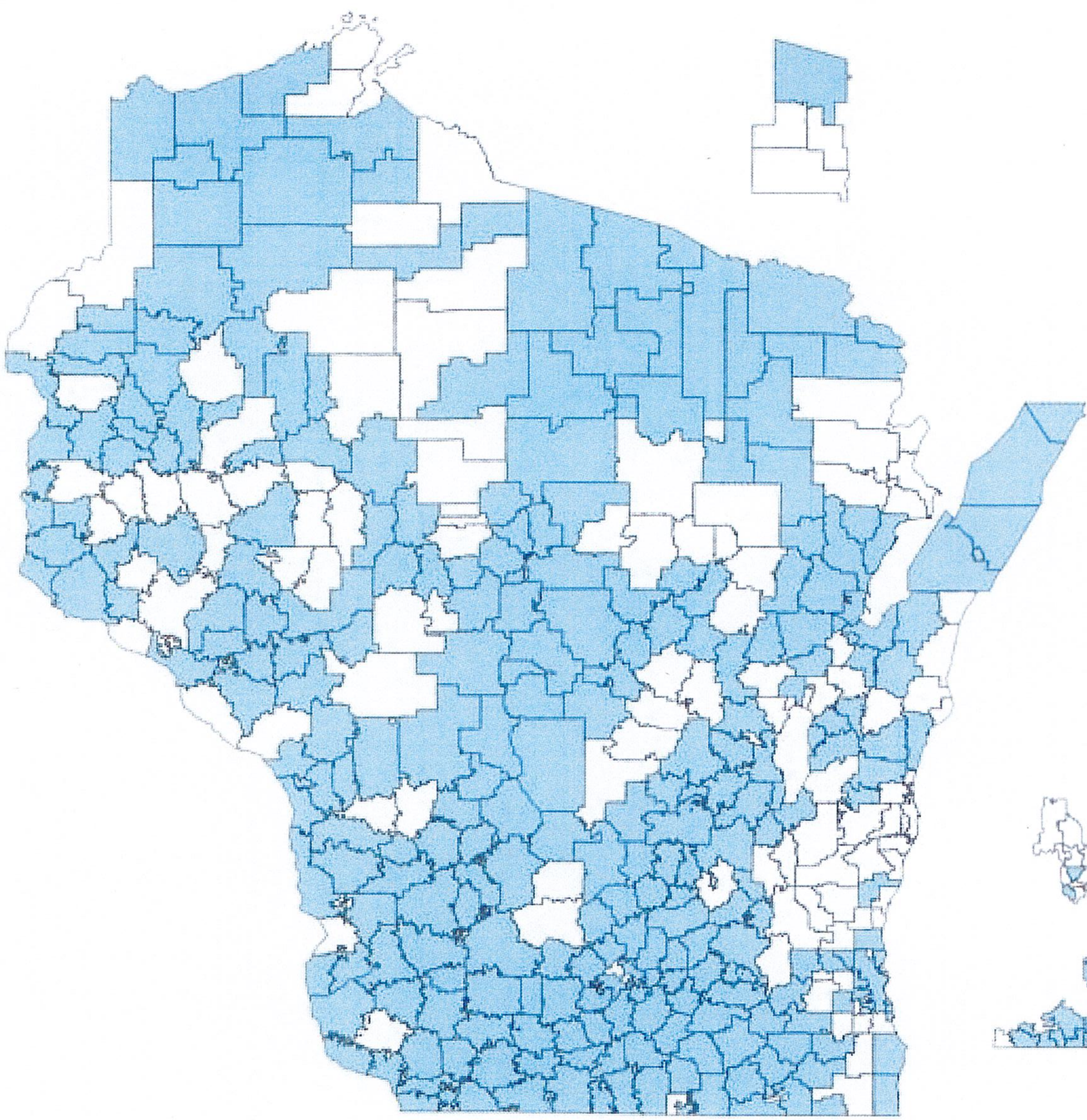
Exemptions

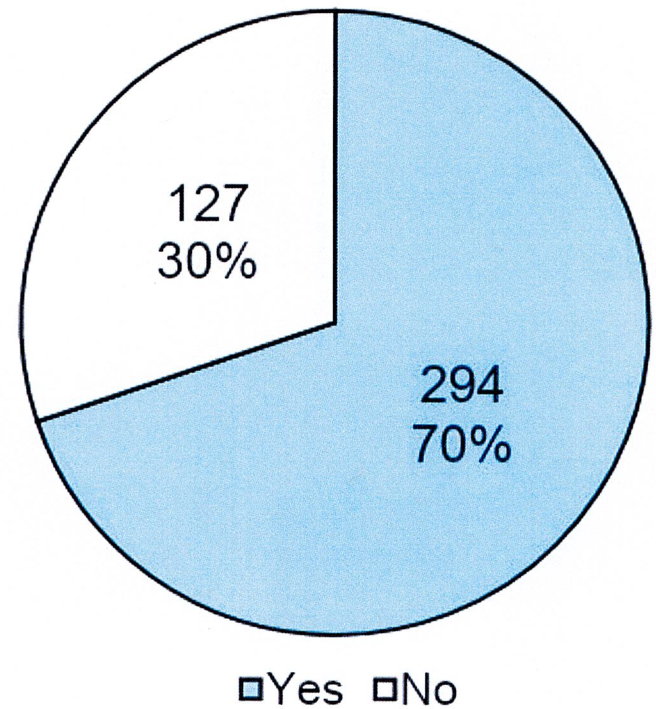
Recurring or Non-Recurring

Non-Recurring

- Tax levy has a sunset
- District must receive referendum approval if additional years are needed
- Most districts will continue to ask for subsequent operational referendum dollars
- More often used by School Districts

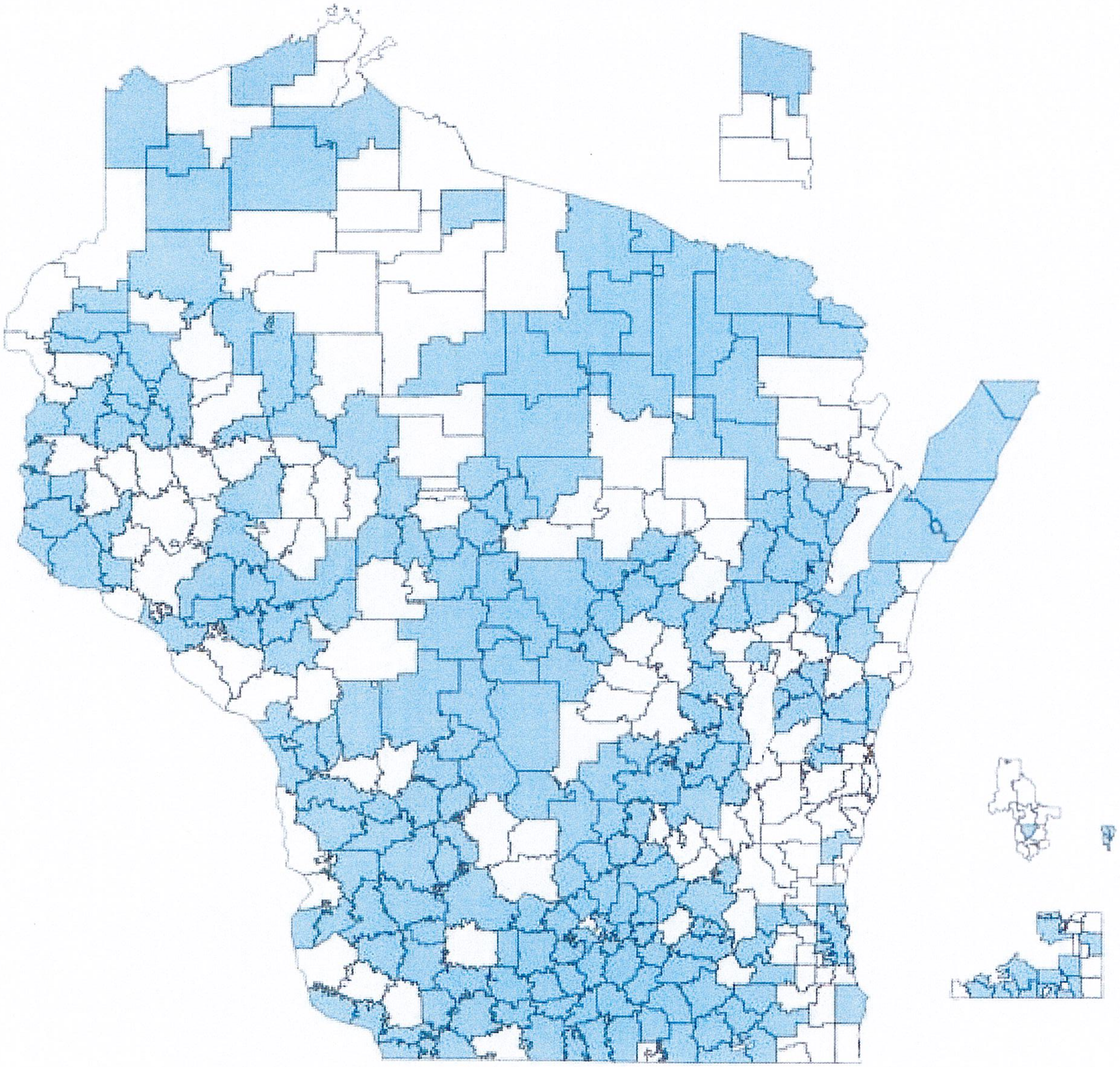
Districts who have asked an Operational Referendum Question (since 2015)

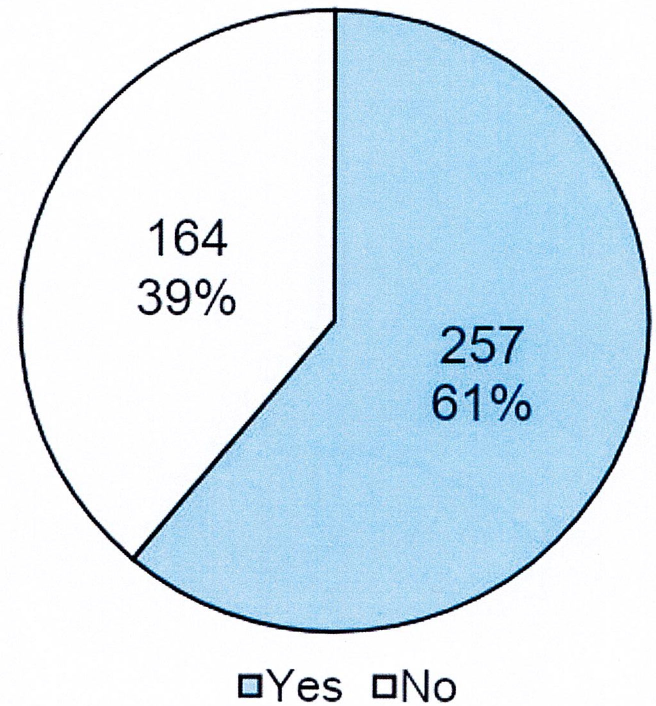




Source: Department of Public Instruction, dated through April 2025

Districts who have passed an Operational Referendum Question (since 2015)



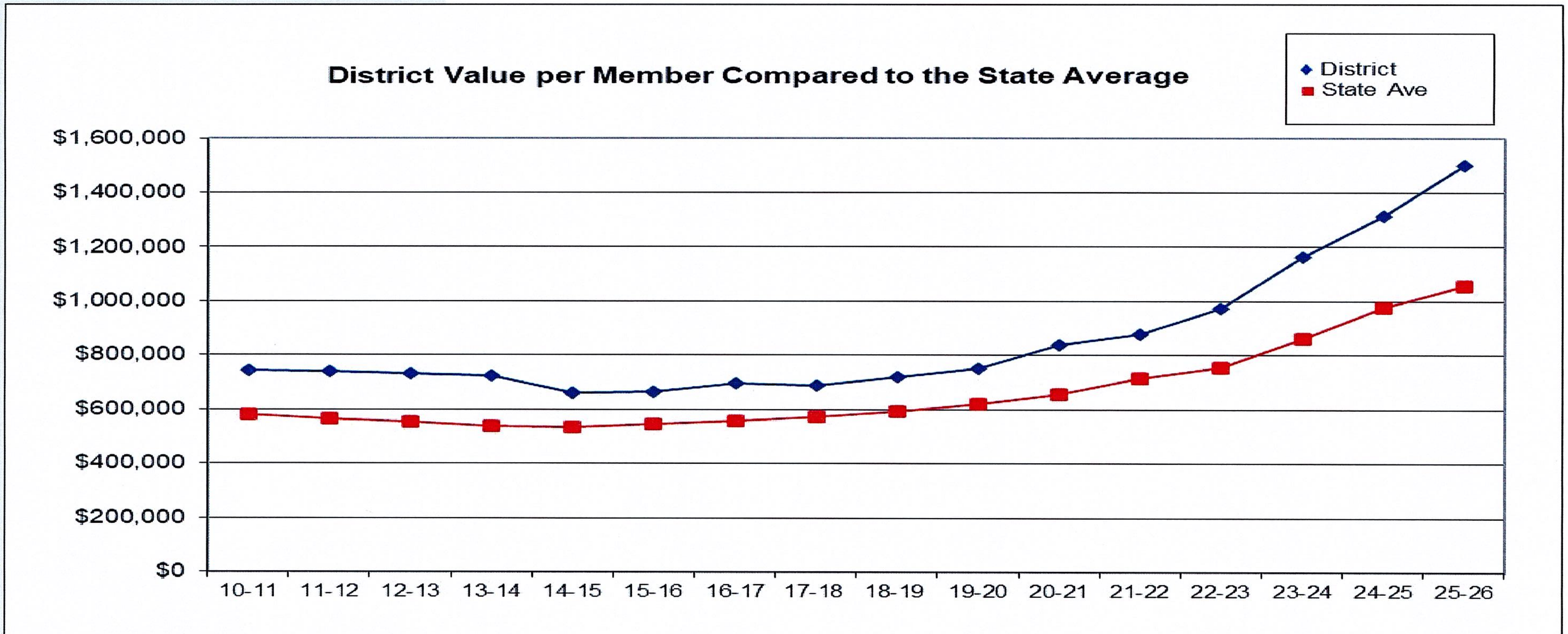


Source: Department of Public Instruction, dated through April 2025

Revenue Limit & Equalization Aid

- ✔ **Revenue Limit**
- ✔ **Equalization Aid**

Revenue Limit Authority − State Equalization Aid = Revenue Limit Levy



*Increases in equalization aid does **not** equate to additional revenue to the District.*

Source: Department of Public Instruction

Equalization Aid

- ✔ Revenue Limit
- ✔ **Equalization Aid**
- ✔ Tax Levy & Mill Rate
- ✔ Debt
- ✔ Fund Balance

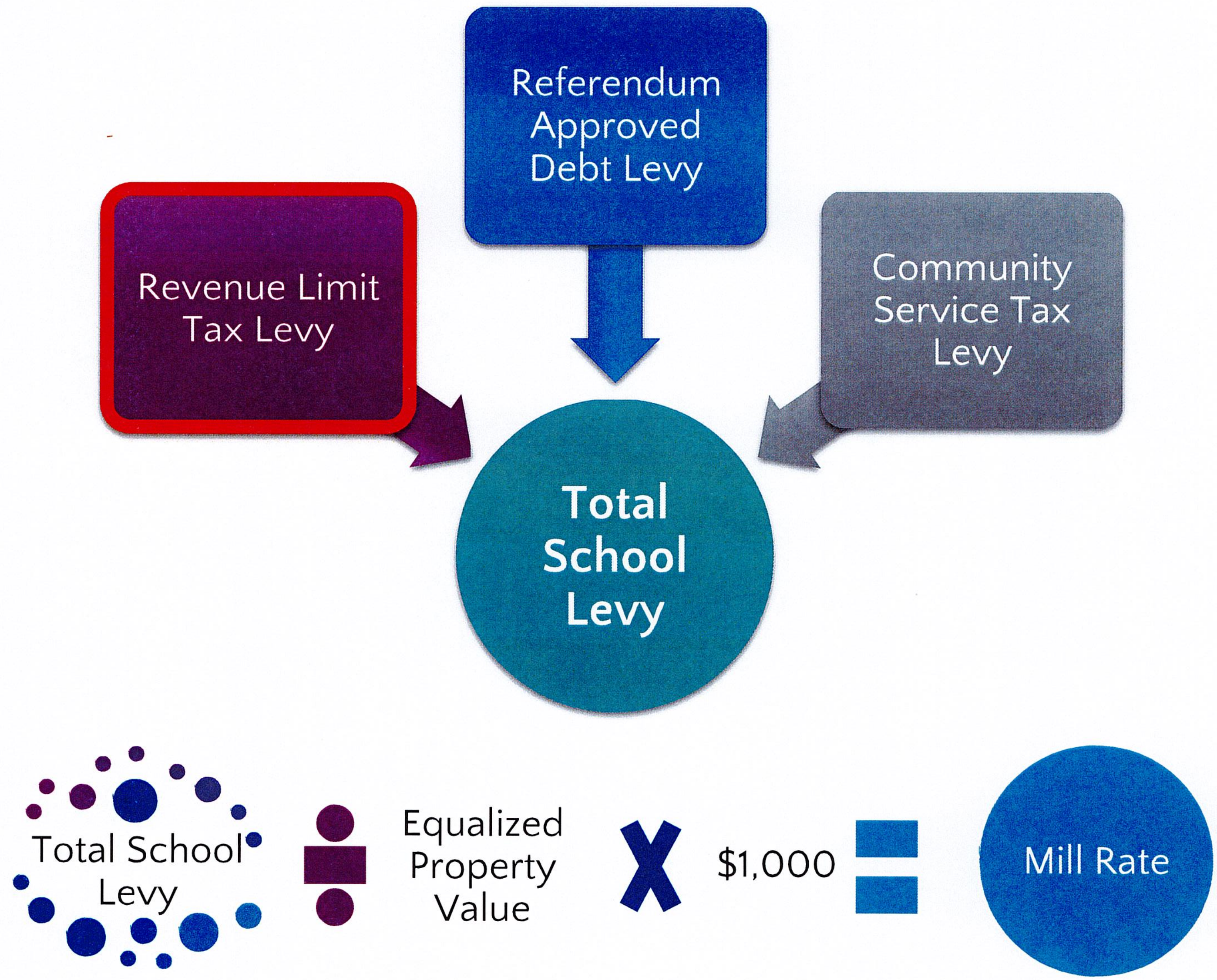
State Equalization Aid

What's **most** important?

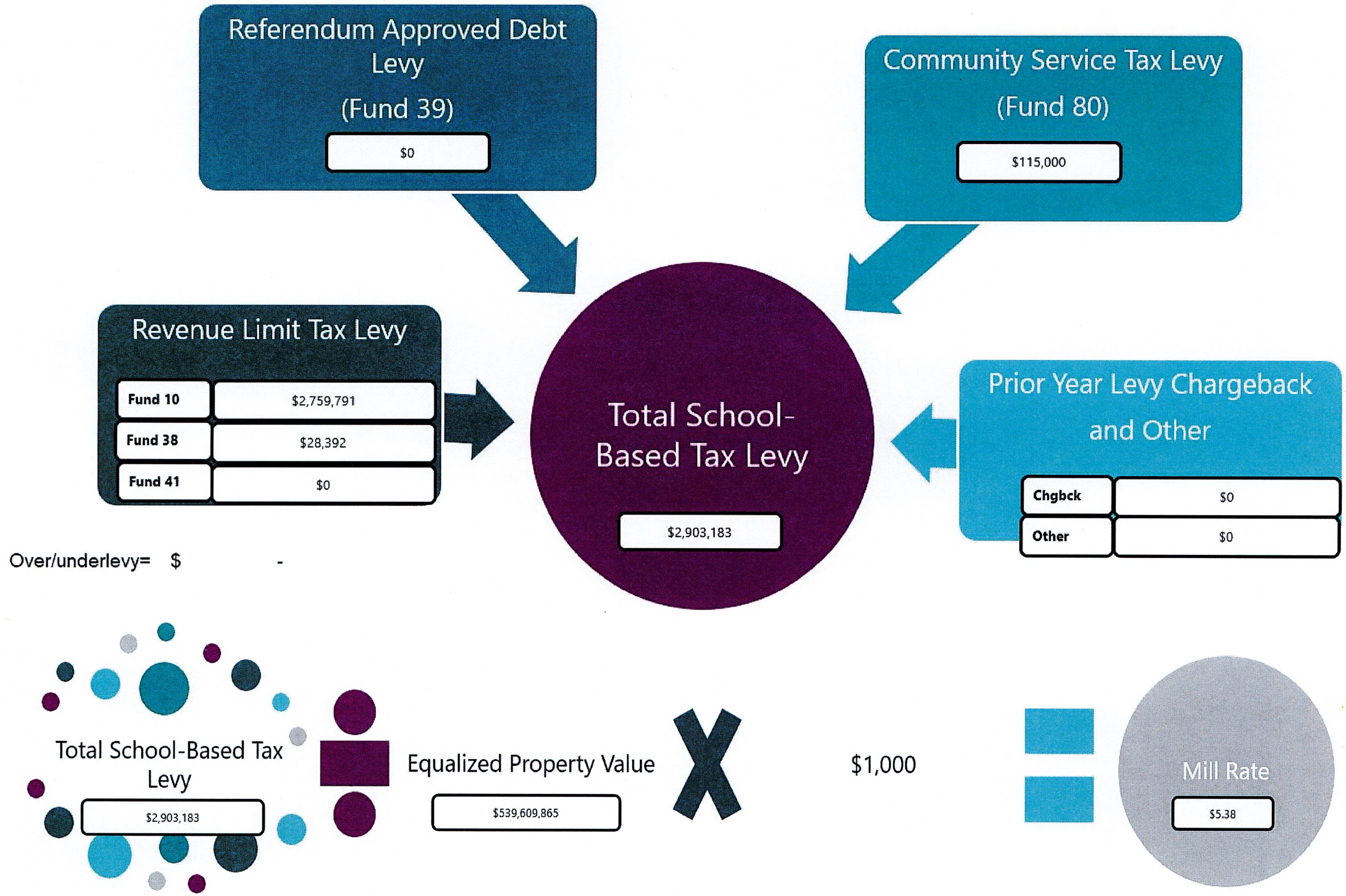
- Increases in equalization aid do not allow you to spend more in your budget
- State Formula
  - Driven primarily by property wealth/member (resident FTE)
    - "Property rich" = <u>less</u> aid
    - "Property poor" = <u>more</u> aid
  - Biennial budget determines annual $ allocation
- Impacts the tax levy: the portion of the revenue limit not covered by state equalization aid = local levy (a.k.a. Allowable Limited Revenue)

Calculating Tax Levy & Mill Rate

- ✔ Revenue Limit
- ✔ Equalization Aid
- ✔ **Tax Levy & Mill Rate**
- ✔ Debt
- ✔ Fund Balance

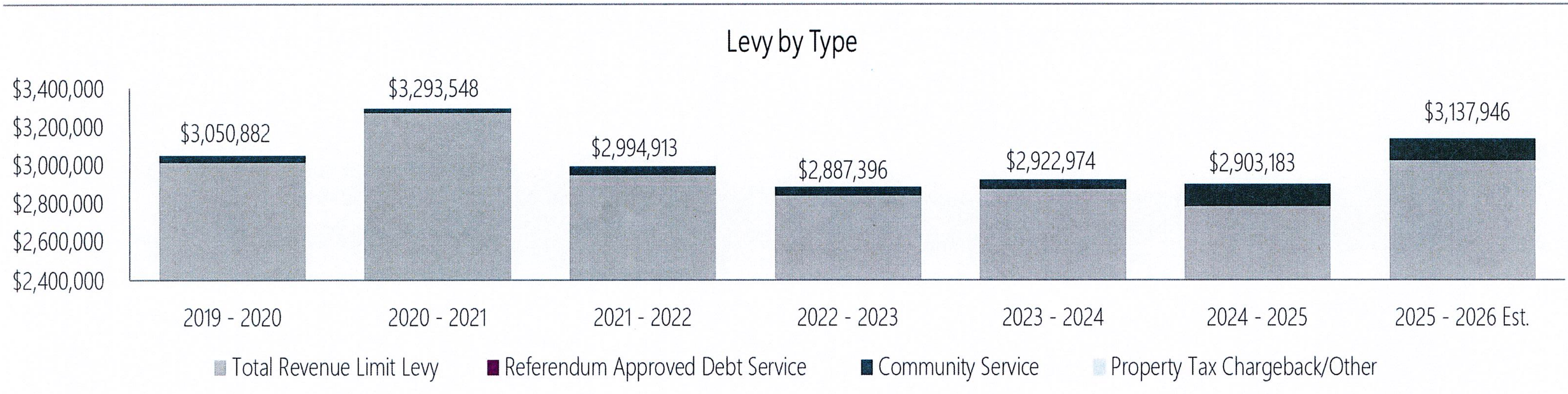


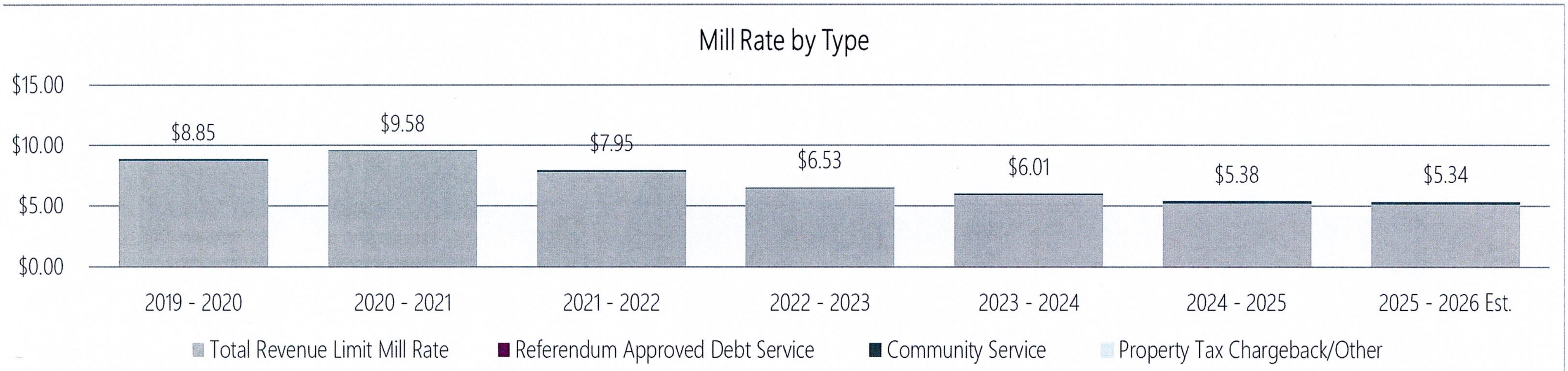
Calculating Tax Levy & Mill Rate - 2025



Source: Department of Public Instruction

Tax Levy & Mill Rate





Source: Department of Public Instruction and district projections

Understanding Your Debt Profile

- ✔ Revenue Limit
- ✔ Equalization Aid
- ✔ Tax Levy & Mill Rate
- ✔ **Debt**
- ✔ Fund Balance

Debt Payments are always levied on a calendar year basis.

Fund 38
(Under Revenue Limit)

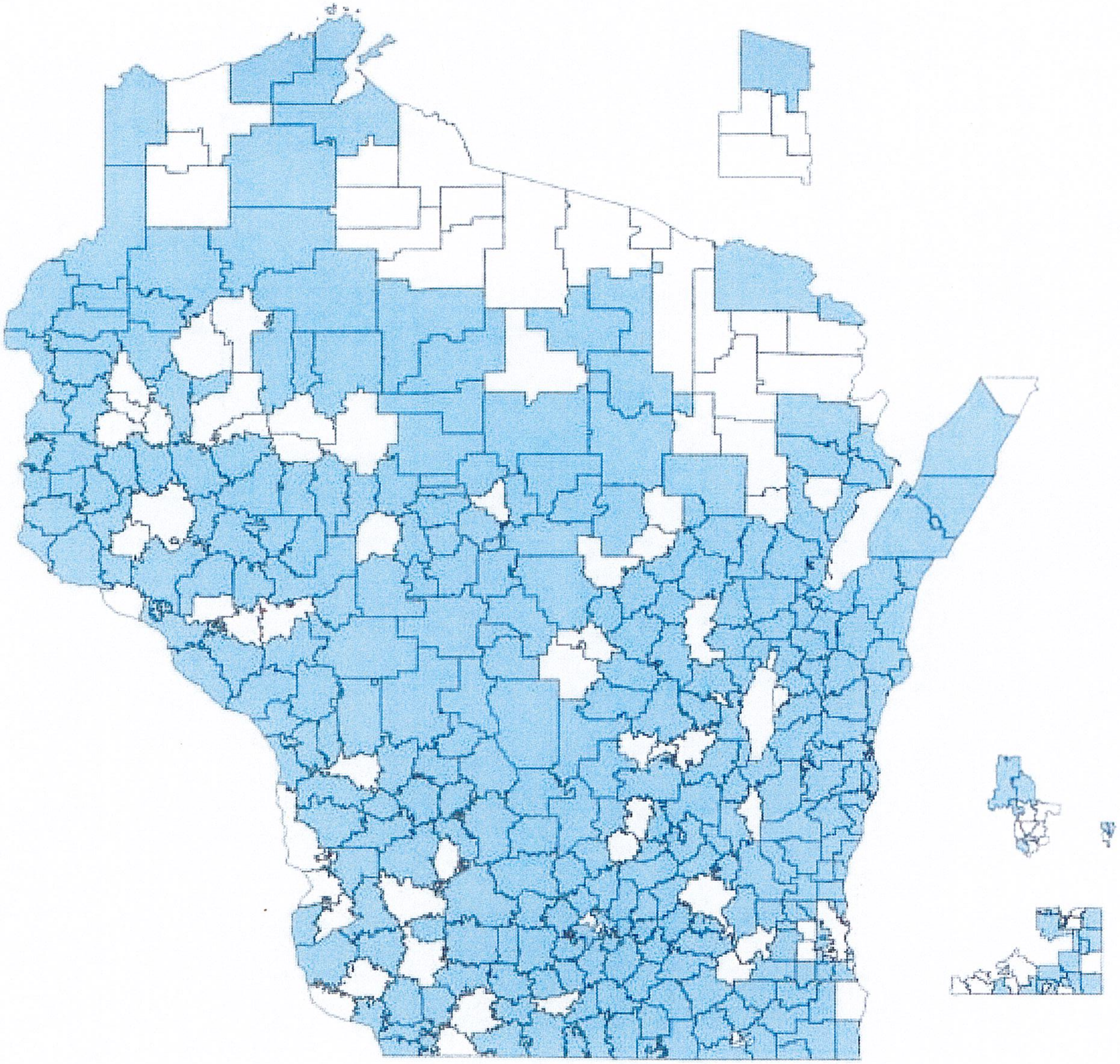
- Paid with Budget Dollars
- $1 Million Exemption but Can Be Higher

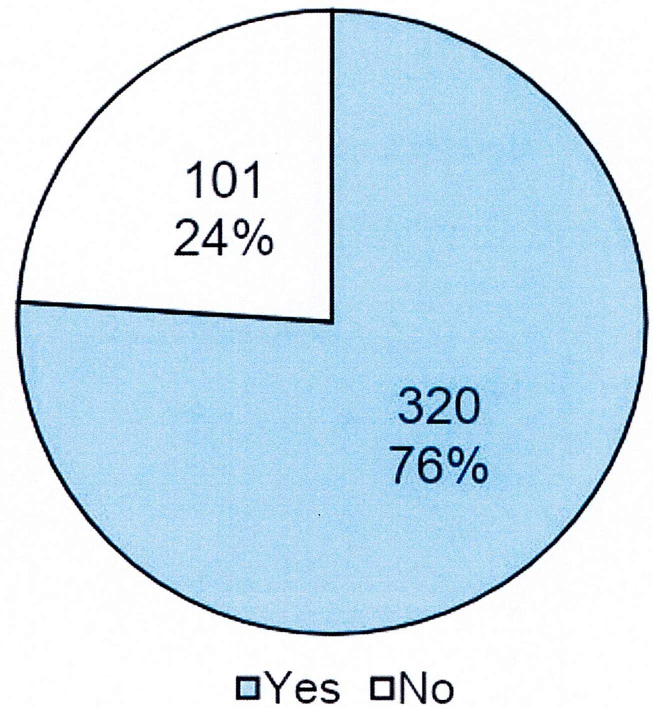
Fund 39
(Voter Approved)

- Larger Facility Needs
- Levy a Separate Tax

Review and know your debt structure, debt <u>prepayment dates</u> and final debt payment year.

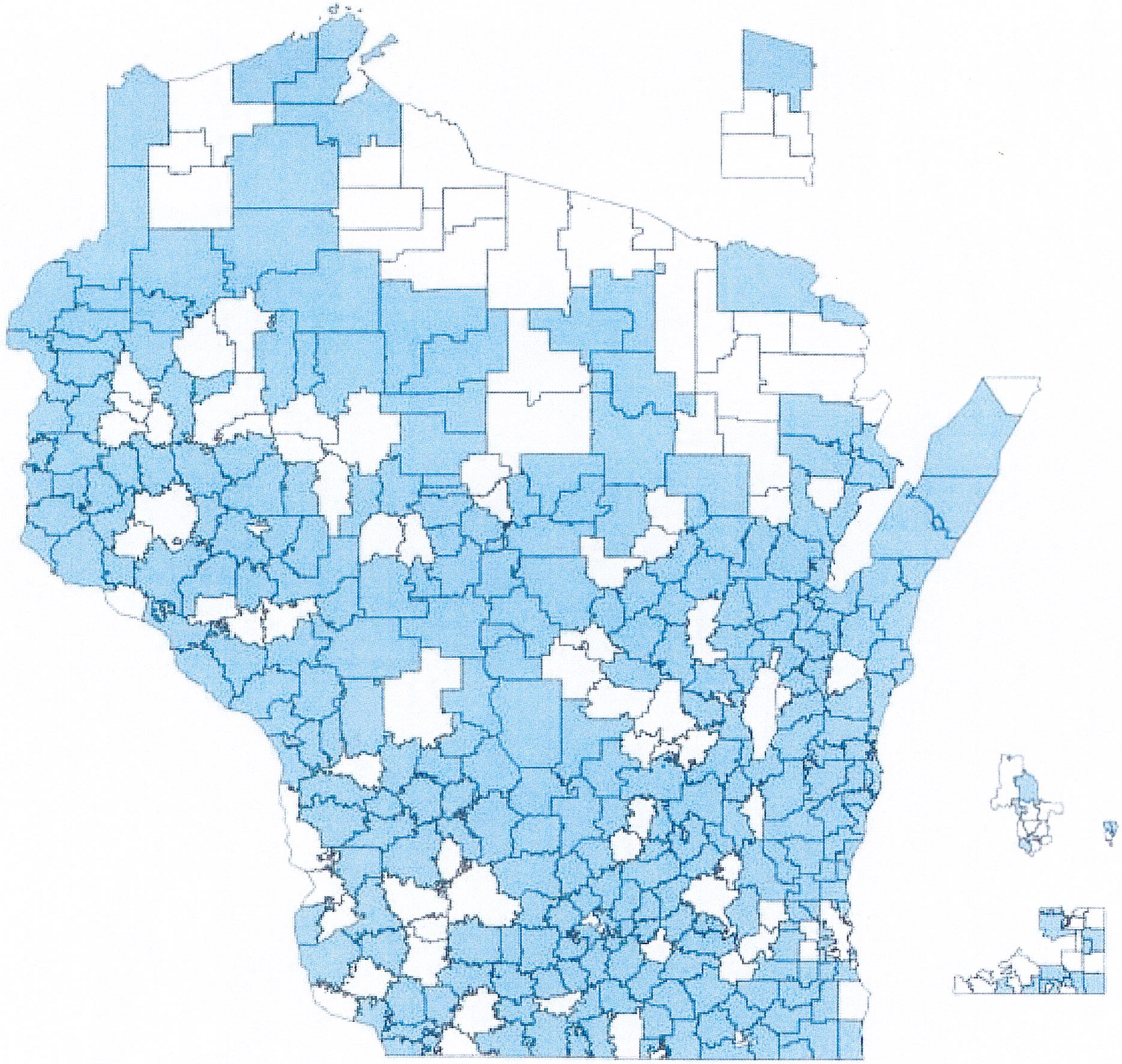
Districts who have asked a Debt Referendum Question (since 2015)

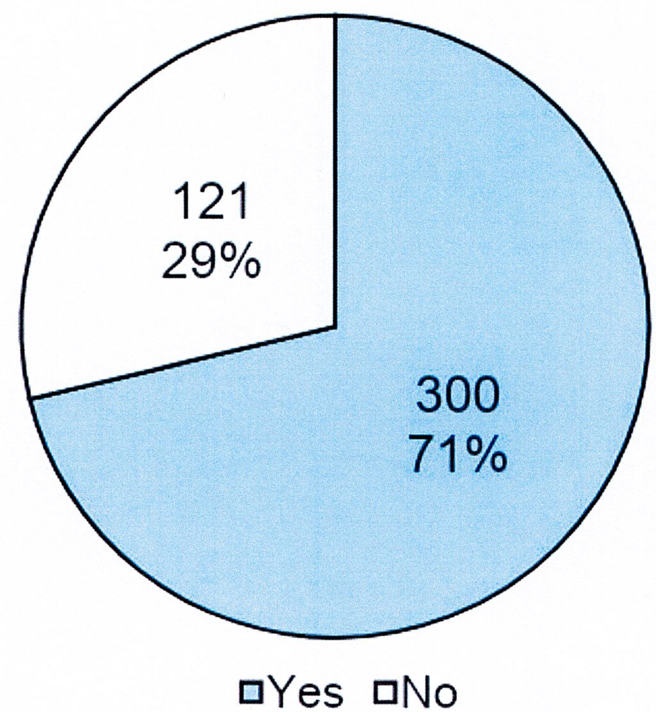




Source: Department of Public Instruction, dated through April 2025

Districts who have passed a Debt Referendum Question (since 2015)





Source: Department of Public Instruction, dated through April 2025

Fund Balance

- ✔ Revenue Limit
- ✔ Equalization Aid
- ✔ Tax Levy & Mill Rate
- ✔ Debt
- ✔ **Fund Balance**

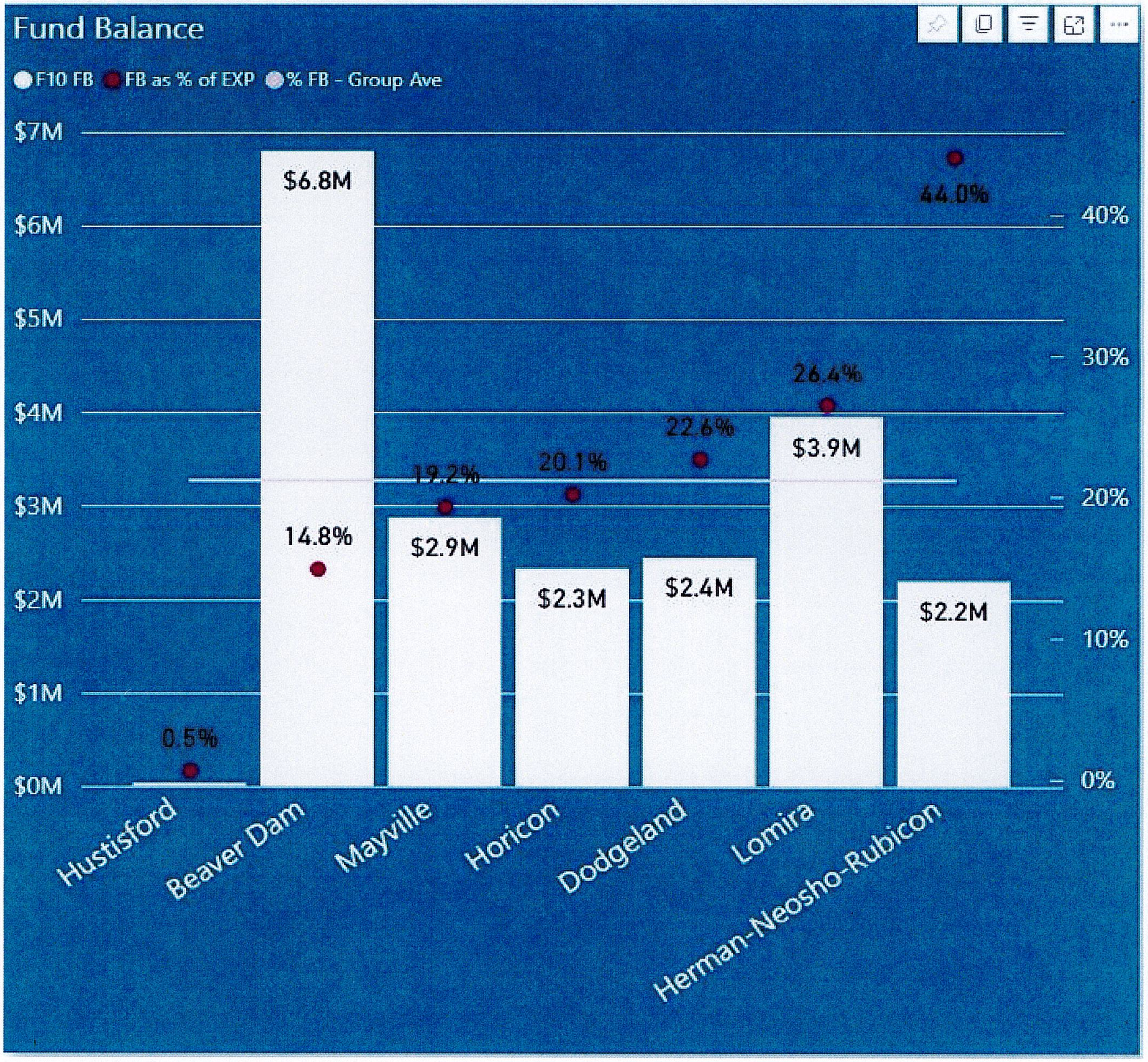
Know:

- Approximate Budget Size
- Fund Balance %
- Recent Surplus/Deficit Trends
- Compensation Models

Prior Year Ending / Beginning Fund Balance + Surplus / Deficit = Current Year Ending Fund Balance

Fund Balance Comparison as of June 30, 2024

- ✔ Revenue Limit
- ✔ Equalization Aid
- ✔ Tax Levy & Mill Rate
- ✔ Debt
- ✔ **Fund Balance**



Source: Department of Public Instruction

Fund Balance

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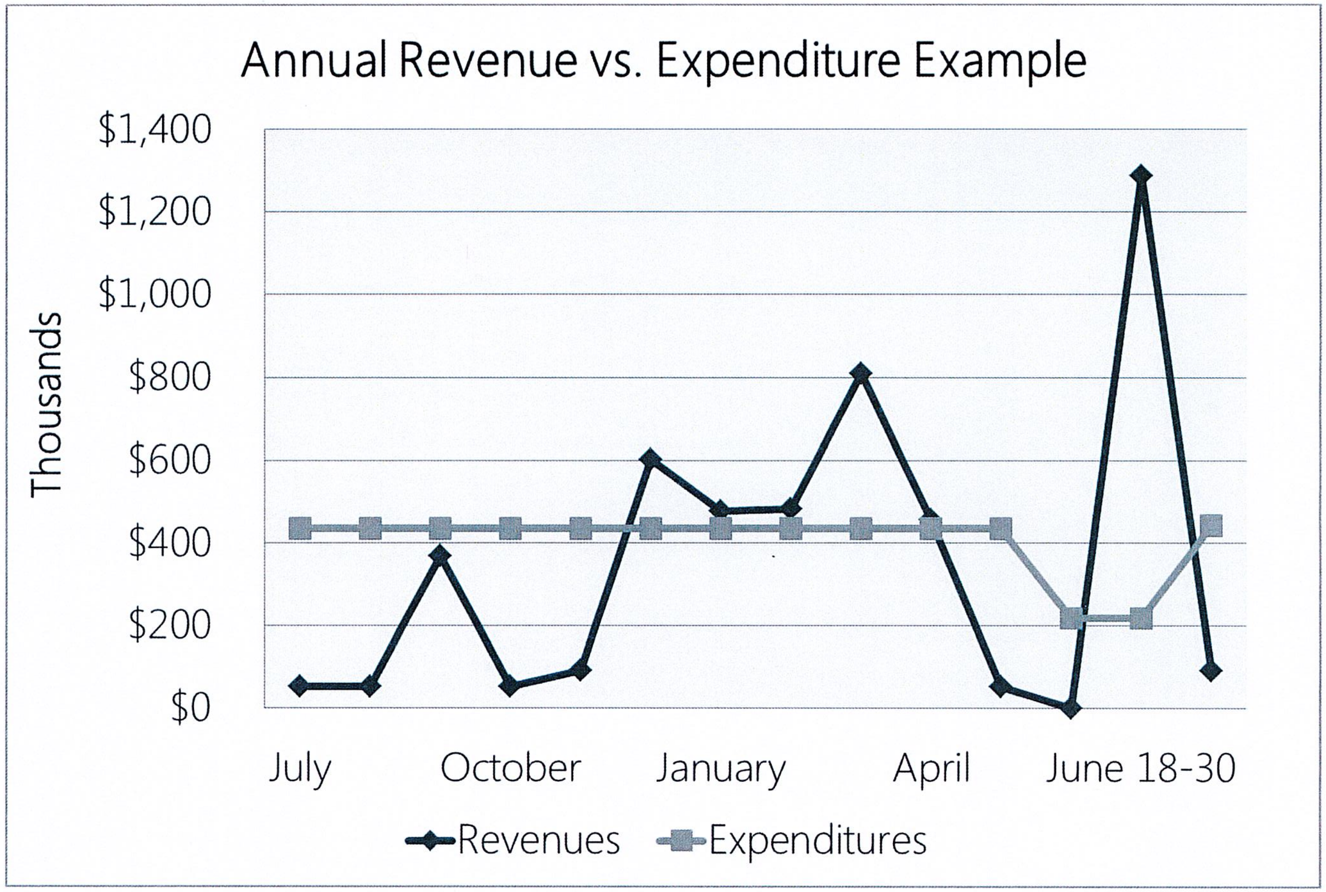

- Receipt of revenue is inconsistent month-to-month
- Districts with balanced or surplus budgets may find periods of time where cash may fall below $0
- Consider when making large or one-time purchases
- If the district cash flow borrows, minimize cost

Future Election Dates

	2026	2027	2028	2029
Spring Primary	02/17/2026	02/16/2027	02/15/2028	02/20/2029
Adopt and file resolution(s):	12/09/2025	12/08/2026	12/07/2027	12/12/2028
Spring General	04/07/2026	04/06/2027	04/04/2028	04/03/2029
Adopt and file resolution(s):	01/27/2026	01/26/2027	01/25/2028	01/23/2029
Fall Primary	08/11/2026		08/08/2028	
Adopt and file resolution(s):	06/02/2026		06/06/2028	
Fall General	11/03/2026		11/07/2028	
Adopt and file resolution(s):	08/25/2026		08/29/2028	

*The governing board is required to file adopted referendum ballot resolutions with their municipal clerks **at least 70 days prior** to the election indicating the amount and purpose.

*No more than two board resolutions per year

Source: Department of Public Instruction

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Questions?

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