

**WAUNAKEE COMMUNITY SCHOOL DISTRICT
BOARD OF EDUCATION BUDGET COMMITTEE MEETING**

Wednesday, October 9, 2024

7:30 AM

Waunakee Community School District
905 Bethel Circle
Waunakee, WI 53597

Members of the public may attend Board of Education meetings in-person, and will be asked to check in with District personnel when you arrive.

Public comments will be limited to 3 minutes. The Board will allow 30 Minutes for public comments.

Public comments may be sent to Rebecca McDonough at district_administrator@waunakee.k12.wi.us up to one hour before the start of the Board meeting. All comments will be reviewed by the Board members. Emailed comments will be reviewed by the board but not read out loud. Emailed comments sent during any part of the board meeting (Board Development, Closed session, Open session) will be forwarded to the board but may or may not be reviewed by the board until after the board adjourns. Comments must include the commentator's name, address, and must identify their connection to the District (if any) and any group they are representing in order to be considered by the Board.

If you would like to address the Board in-person during the public comments section of the meeting, you will be greeted in the lobby of the building, asked to check in with District personnel when you arrive so that you can be recognized and address the Board when your name is called.

A recording of the meeting will be posted on the District webpage within 24 hours of the meeting time.

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENTS

V. 2023-24 BUDGET UPDATE

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The purpose of this agenda item is to update the committee on fund balances after the board's decision in September to allocate maintenance expenses from fund 10 to fund 49. Please see the attached fund balance report.

A. Planning for Future Years

The purpose of this agenda item is to review the financial topics that resulted in a fund 10 fund balance decline in 2023-24.

There were multiple expenditure categories that impacted the fund balance:

- self-insured dental program (\$154,690) (fund balance issue)
- building/dept carryover balances (\$261,000) (fund balance issue)
- health insurance plan changes (\$209,724) (budget issue)
- cash flow borrowing interest (\$123,818) (budget issue)
- maxed out ESSER III funding (\$138,585) (budget issue)
- food service deficit (\$63,839) (budget issue)
- employee termination benefits (\$79,263) (budget issue)

Some of the expenditures identified above will need a long-term solution as the costs will likely increase over the next few fiscal years. An example of that is the employee termination benefits. We will review what options might exist for the 4th draft of the 2024-25 budget as well as the early stages of planning for the 2025-26 budget.

VI. 2024-2025 BUDGET PLANNING

A. Timeline

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The purpose of this agenda item is to discuss the next steps in the 2024-2025 budget process. Attached please find the budget timeline. Please note that the Third Draft of the Budget will be presented at the regular July Board Meeting.

B. Planning for 4th Draft of the 2024-2025 Budget

The purpose of this agenda item is to review the steps necessary to complete the fourth draft of the budget for the 24-25 school year. Administration will review the process.

C. Special Education Funding/Position Request

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The purpose of this agenda item is to provide an update on special education funding. The business office worked with the special education department to complete the 2024-25 Transfer of Service requests. The total claim was \$152,755 after subtracting categorical aid. One of the requests was for two para-educator positions for students who moved into our district. Please see the attached memo from Tiffany Loken that requests the positions to meet the requirements of the IEP.

D. Curriculum Grant/Position Request

The purpose of this agenda item is to request consideration of hiring a teacher on a part time, one-year contract. Amy Johnson has secured a \$30,000 grant and the funds are required to be used in 2024-25. Brian Grabrski has calculated that the funds would cover a .51 FTE position. Administration is recommending approval.

E. State Health Grant/Stipend Request

The purpose of this agenda item is to request approval of a retention payment for health staff. Lisa Jondle has secured the state health grant that provides a stipend for \$1,000 per nurse and \$500 per health assistant. The funds are required to be paid in the 2024-25 school year. The board approved these stipends in 2023-24. Administration is recommending approval.

VII. DISCUSSION/ACTION ON PROPOSALS

VIII. OTHER ITEMS FOR DISCUSSION

A. Natural Gas Purchasing 9

The purpose of this agenda item is to review the process of locking in a percentage of our natural gas volume for the winter months during 24-25. Attached please find a report that shares the market rates that we typically purchase through. Market rates are currently slightly higher than the average cost from last winter. Administration will discuss options for this process.

B. Data Wrangler 15

The purpose of this agenda item is to provide an update on the Data Wrangler implementation. The trial period is ready to begin as the meters and all technical systems have been installed. Attached please find an example of the data that is being collected at Heritage. We will continue to bring this forward as a future agenda item.

C. Inflation Reduction Act - Direct Pay Program Participation 16

The purpose of this agenda item is for administration to update the committee on the work that has taken place for the district to participate in the federal direct pay reimbursement program. As a reminder, the school board approved a legal team and an accounting team to assist district administration with this effort. Attached please find a 2-page high level overview of this program.

The reimbursement for the federal direct pay program would range from 6% up to 30% depending on the program requirements that are met. In order to receive the 30% reimbursement, prevailing wage requirements and apprenticeship requirements must be met. For a \$14 million dollar geothermal system, the reimbursement would range from \$840,000 to \$4.2 million. The cost to meet the 30% threshold is \$1,100,000 while the contingency for the middle is at \$4.3 million. We are seeking committee feedback on this topic.

D. Fund Balance Policy 18

If time permits, Administration would like to begin discussion on the district fund balance policy. Attached please find the current policy. For perspective, the most recent statewide data for fund balance is 26% and 25% in Dane County.

IX. FUTURE AGENDA ITEMS

X. ADJOURN

“Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires assistance with access or materials should contact the Waunakee Community School District Office at 849-2000, 905 Bethel Circle Drive Waunakee, WI 53597, at least

twenty-four hours prior to the commencement of the meeting so that necessary arrangements can be made to accommodate the request.”

WAUNAKEE COMMUNITY SCHOOL DISTRICT

October 9, 2024 Budget Committee

FUND BALANCE ACCOUNTING

<u>FUND</u>	<u>FUND BALANCE DESCRIPTION</u>	<u>July 1, 2023 FUND BALANCE</u>	<u>ACCOUNT NUMBER</u>	<u>July 1, 2024 FUND BALANCE</u>	<u>Difference</u>
10	General Fund - Unassigned fund balance	5,925,989.43	939900	5,644,403.63	-281,585.80
10	General Fund - Restricted fund balance : Self insurance	502,796.90	936110	348,166.06	-154,630.84
10	General Fund - Restricted fund balance : Common School Funds	10,062.50	936130	34,146.30	24,083.80
10	General Fund - Committed Fund Balance*	386,484.68	937900	458,359.68	71,875.00
10	General Fund - Assigned Fund Balance**	1,196,763.46	938900	996,104.90	-200,658.56
	FUND 10 TOTAL	8,022,096.97		7,481,180.57	-540,916.40
21	Special Projects Funds - Restricted fund balance : Other	1,241,189.01	VARIES	1,249,476.80	8,287.79
30	Debt Service Funds - Restricted fund balance : Debt service retirement	8,531,605.54	936320	7,330,161.67	-1,201,443.87
40	Capital Projects Funds - Restricted fund balance : Other***	101,681,312.49	936900	38,303,971.01	-63,377,341.48
50	Food Service Fund - Restricted fund balance: Food service programs	0.00	936500	0.00	0.00
73	Employee Benefit Trust Fund - Restricted fund balance: Other	8,521,126.04	936900	8,935,702.98	414,576.94
80	Community Service Fund - Committed Fund Balance	324,264.89	937900	79,384.13	-244,880.76
	Total	128,321,594.94		63,379,877.16	-64,941,717.78

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*The purpose of the committed fund balance is to allocate funds committed by the School Board for parking lot replacement/repairs, Warrior Stadium turf replacement, Warrior Pitch turf replacement (new), and band uniform replacement.

**The purpose of the assigned fund balance is to allocate funds to allow building/department budgets to carry over unspent funds from one fiscal year to the next.

***The district will be utilizing an additional fund, fund 49, to record the transactions related to the November 2022 referendum.

I. 2024-2025 BUDGET TIMELINE

December 7	Review enrollment projection scenarios with the Budget Committee Review budget planning process with the Budget Committee
December 12	Review budget planning process with the Administrative Cabinet
January 2-5	Review expenditure projection scenarios with the Budget Committee
January 9	Review budget planning process with the Administrative Cabinet
January 10	Open budget planning process to Administrative Cabinet
January 26	Budget planning requests due
February 5-9	Present first draft of the budget planning process to the Budget Committee
March 4-8	Present second draft of the budget planning process to the Budget Committee
March 11	Present budget planning process to the School Board for approval
March 12	Distribute approved budget planning process to the administrative cabinet
March 15 – Apr. 15	Building/department level budget development
April 3-22	Preparation of the first draft of the budget Budget meetings with administrators as necessary
April 22-26	Special School Board/Leadership Team meeting to review 2024-25 budget process
May 6-10	First draft of the budget to the Budget Committee
May 13	First draft of the budget to the School Board School Board approves 2024-25 student fees School Board approves 2024-25 insurance benefits
May 14-31	Staff presentations on the budget process
June 3-7	Second draft of the budget to the Budget Committee
June 10	Second draft of the budget to the School Board
July 1	State equalization aid estimates released by DPI
July 2-5	Third draft of the budget to the Budget Committee
July 8	Third draft of the budget to the School Board Public hearing on the budget during School Board meeting School Board approves budget to allow for summer activity
September 20	Third Friday in September student count
October 15	State equalization aid certification released by DPI
October 14	Presentation of the approved budget at the annual school district Budget Hearing. Request public approval of the tax levy at the Annual Meeting.
October 15-18	Present budget changes and tax levy changes to the Budget Committee
October 21	School Board makes any changes to the budget and sets the tax levy on or before November 1
Before Nov. 10	Certify tax levy by the School Board Clerk

**Budget Request/Reduction/Reallocation Form
2024-2025**

Description: Request for Additional Special Education Paraprofessionals

School/Department: Special Education

Requested by: Tiffany Loken
Director of Special Education

Type of Request: Budget Request

Nature of Request: Positions

Full Time Equivalency: 2.0

Classification: Paraprofessional

Grades Affected: Grades 5-8

Population Served: Students with Disabilities in Grades 5-8

Salary/Benefits Cost: Estimate: \$80,000 (Transfer of Service)

Rationale: I am respectfully requesting the addition of two special education paraprofessionals for two new students that transferred into the District and had 1:1 paraprofessional support written into their IEPs.

The rationale for this request is that we have two buildings (WIS & MS) with very large populations of special education students this year. In order to staff both buildings, we transferred positions from three other buildings to cover our needs in grades 5-8. After these transfers were made, we then added two students with full time paraprofessional support right before school started.

Thank you for your consideration.

Attachment? No

Submitted: 09/30/2024

For Business Office Use

- Approved
- Denied
- Budget/Acct # _____
- Budgeted amount \$ _____
- Notified Requestor
- Notified Dept: _____



Waunakee School District

Monthly Price and Usage History												
Month	2021			2022			2023			2024		
	Therms	Price	Dollars	Therms	Price	Dollars	Therms	Price	Dollars	Therms	Price	Dollars
Jan	48,661	\$0.308	\$14,987	43,377	\$0.588	\$25,505	50,238	\$0.735	\$36,925	55,338	\$0.579	\$32,028
Feb	51,762	\$0.300	\$15,529	66,658	\$0.538	\$35,862	43,798	\$0.530	\$23,213	37,122	\$0.349	\$12,940
Mar	59,419	\$1.896	\$112,659	51,616	\$0.690	\$35,615	41,092	\$0.336	\$13,806	33,894	\$0.281	\$9,541
Apr	33,529	\$0.367	\$12,305	41,777	\$0.504	\$21,055	26,397	\$0.266	\$7,021	26,669	\$0.255	\$6,800
May	23,571	\$0.309	\$7,283	31,007	\$0.620	\$19,212	18,670	\$0.248	\$4,630	21,154	\$0.206	\$4,358
Jun	16,229	\$0.352	\$5,713	19,105	\$0.742	\$14,176	16,160	\$0.257	\$4,153	19,899	\$0.269	\$5,353
July	12,219	\$0.369	\$4,509	15,981	\$0.961	\$15,358	17,913	\$0.292	\$5,230	17,445	\$0.291	\$5,076
Aug	14,153	\$0.408	\$5,774	15,177	\$0.677	\$10,275	20,247	\$0.297	\$6,013	22,206	\$0.216	\$4,796
Sep	17,208	\$0.444	\$7,640	17,185	\$0.896	\$15,398	16,903	\$0.280	\$4,733			\$0
Oct	15,003	\$0.491	\$7,367	18,445	\$0.928	\$17,117	25,046	\$0.288	\$7,213			\$0
Nov	20,694	\$0.628	\$12,996	25,056	\$0.619	\$15,510	33,973	\$0.338	\$11,483			\$0
Dec	35,312	\$0.674	\$23,800	34,593	\$0.612	\$21,171	39,211	\$0.382	\$14,979			\$0
Total	347,759	\$0.663	\$230,562	379,976	\$0.648	\$246,253	349,648	\$0.421	\$139,399	233,726	\$0.346	\$80,892

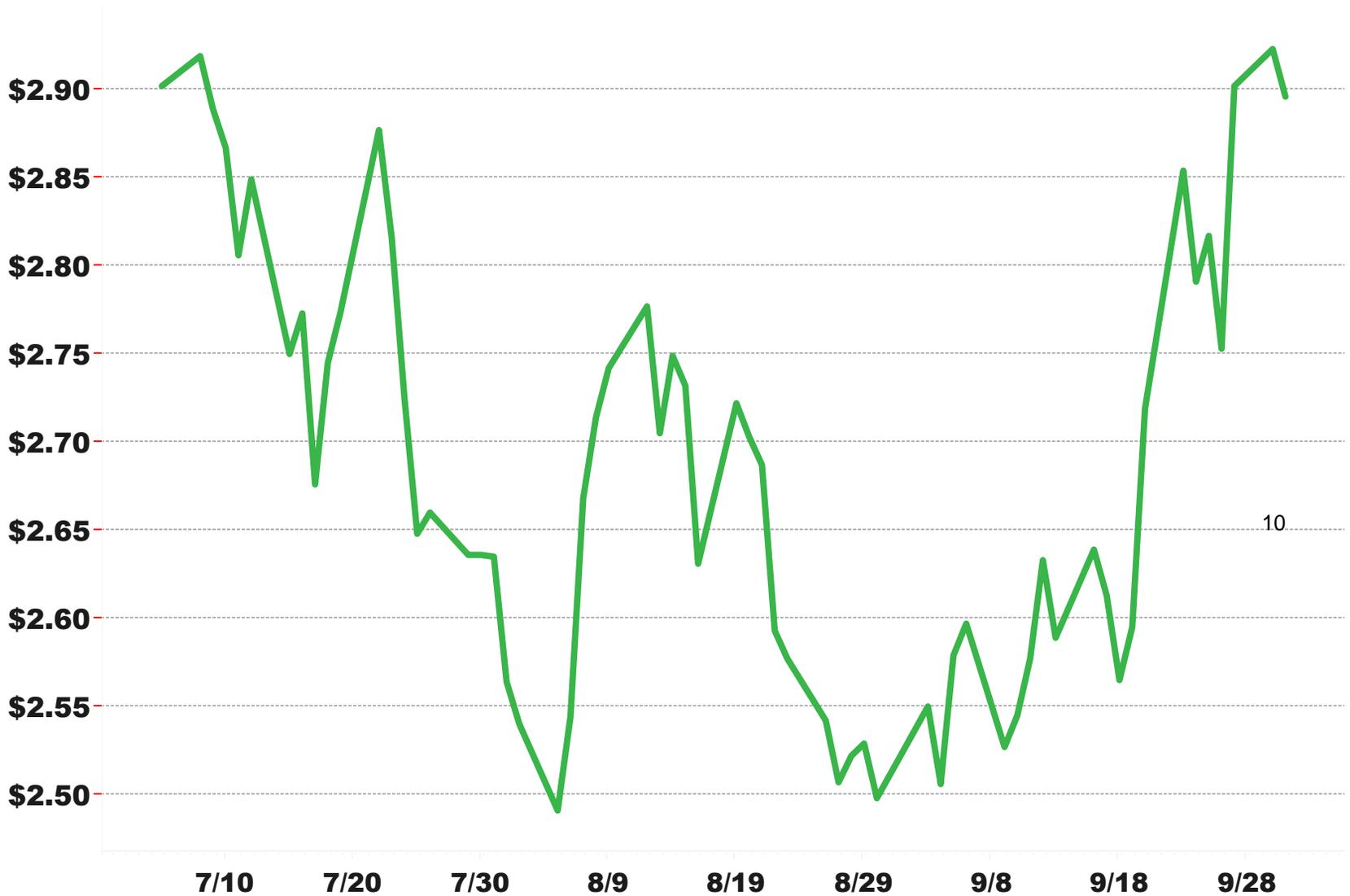
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Winter Price Comparison

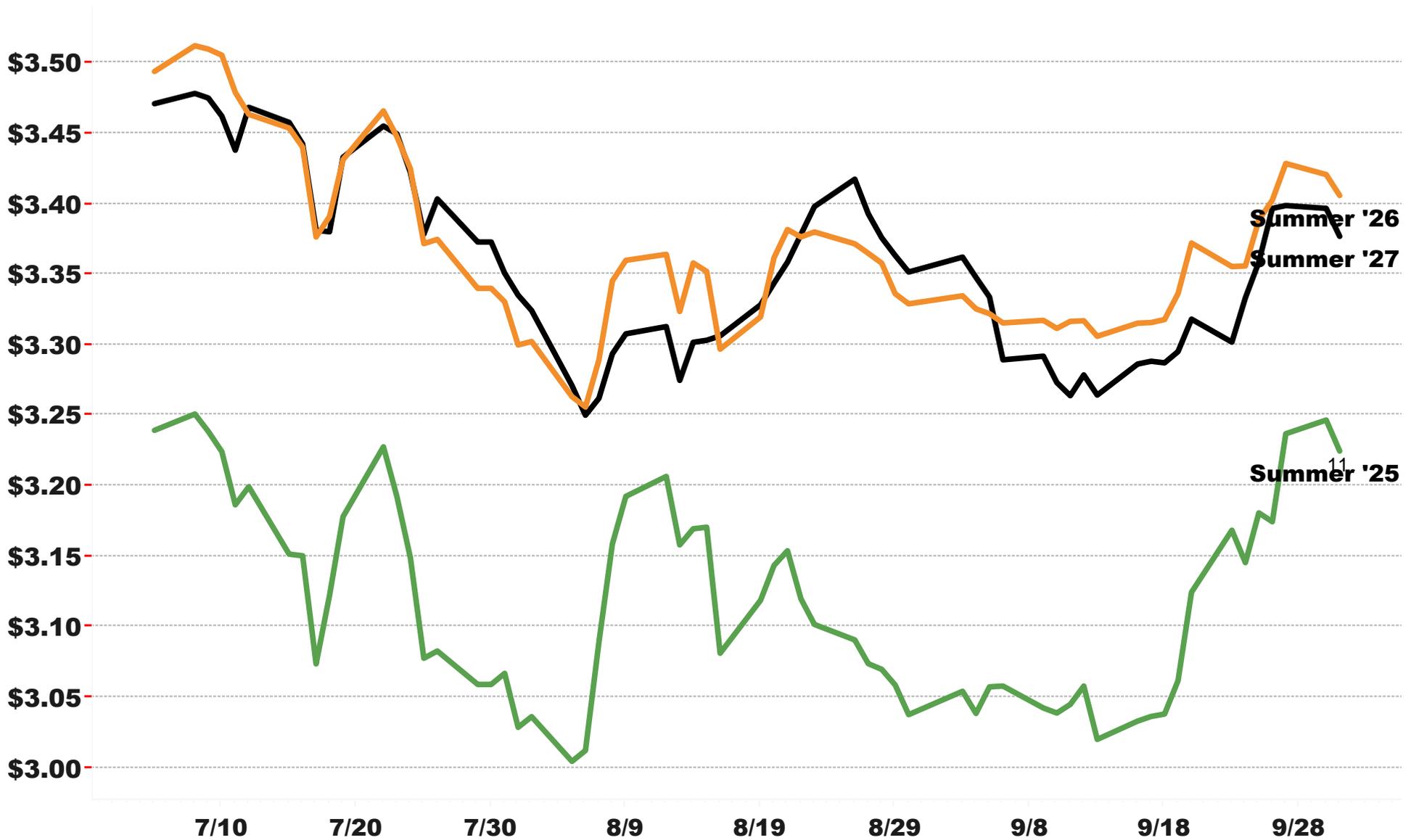
Term	Therms	Price
Nov 21-Apr 22	259,433	\$0.597
Nov 22-Apr 23	221,174	\$0.532
Nov 23-Apr 24	226,207	\$0.388

Term	Future Pricing
Nov 24-Apr 25	\$0.415
Nov 24-Oct 25	\$0.329
Nov 24-Apr 26	\$0.431

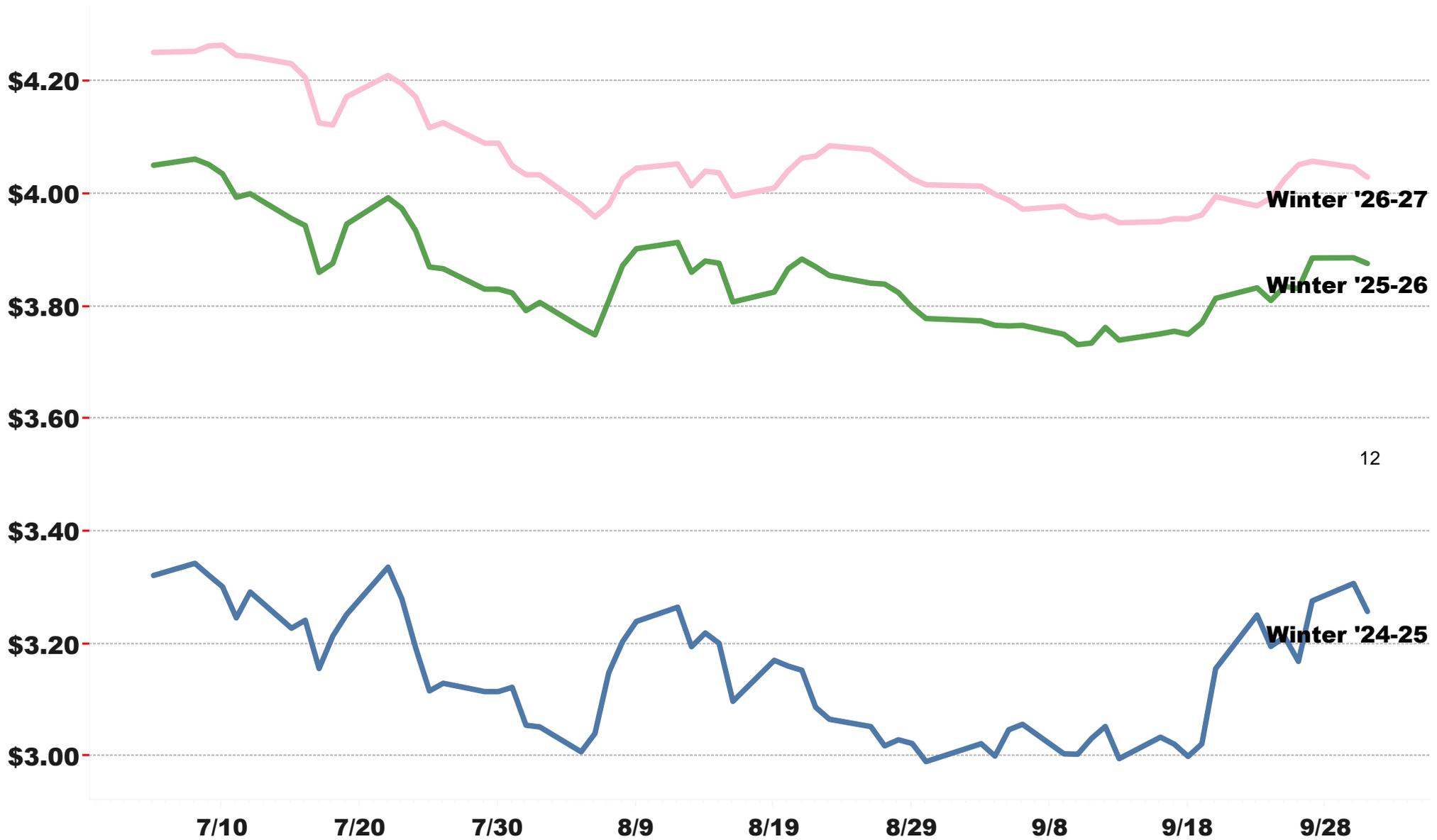
NYMEX Prompt: 11/1/2024



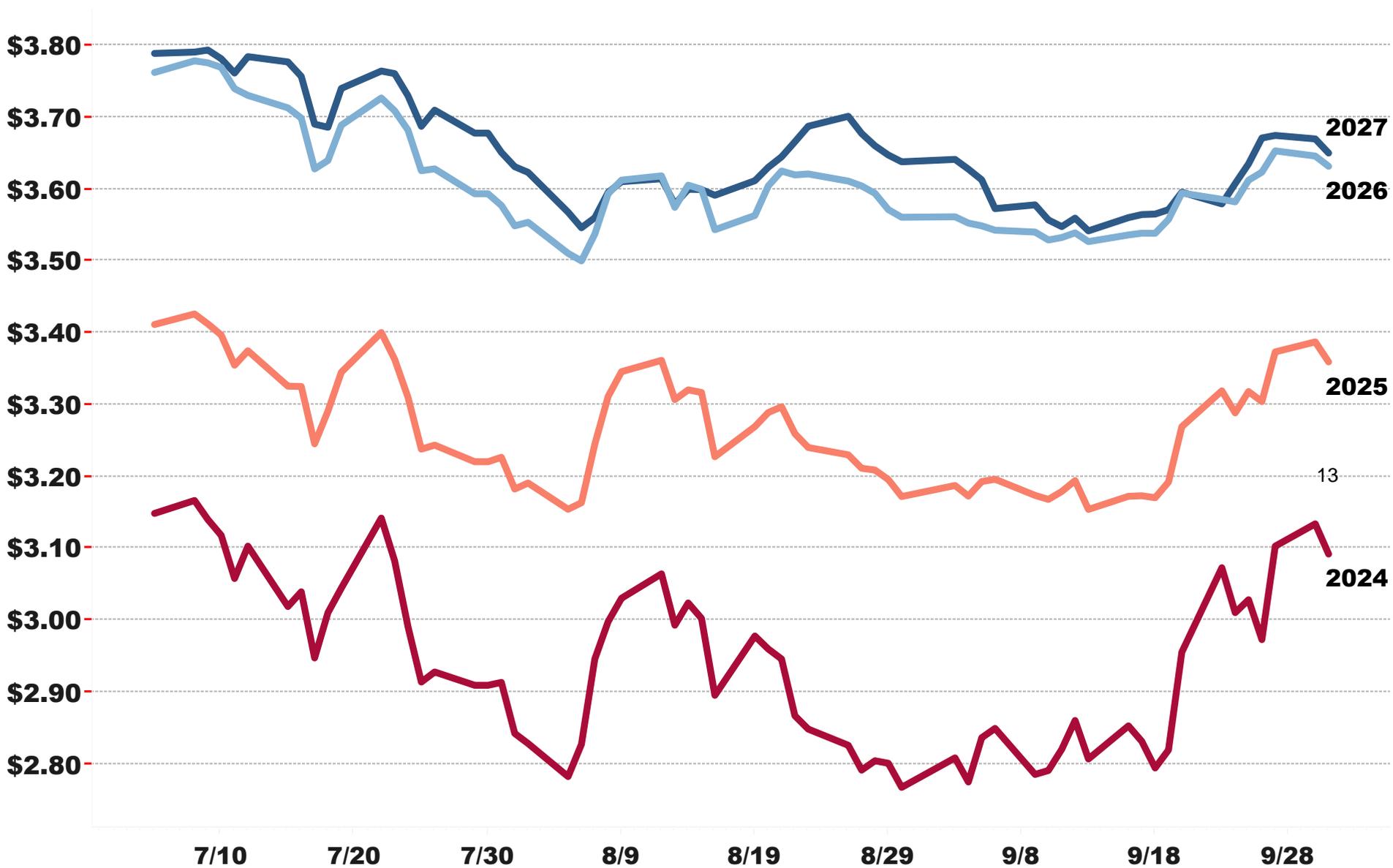
NYMEX Summers



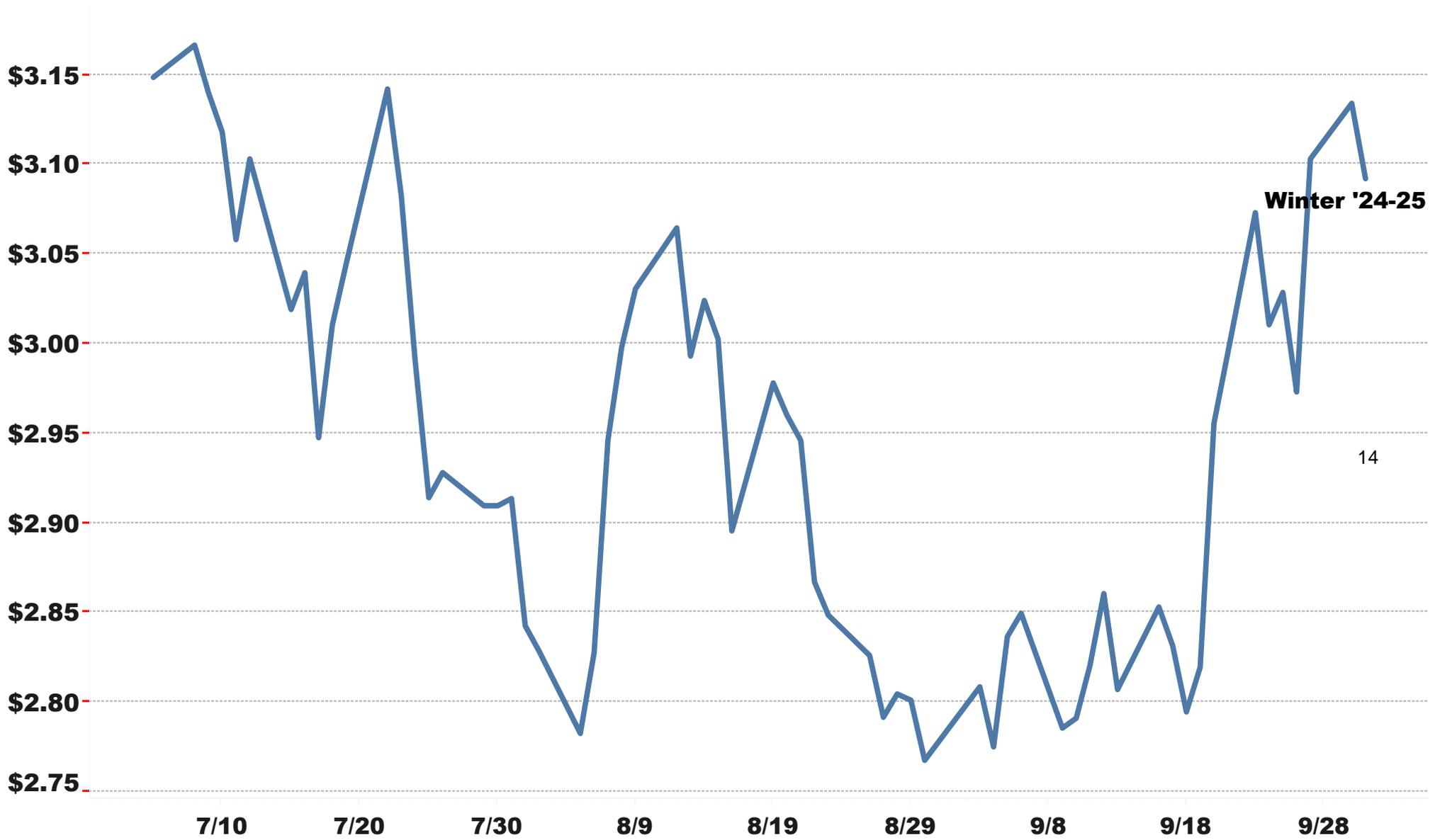
NYMEX Winters

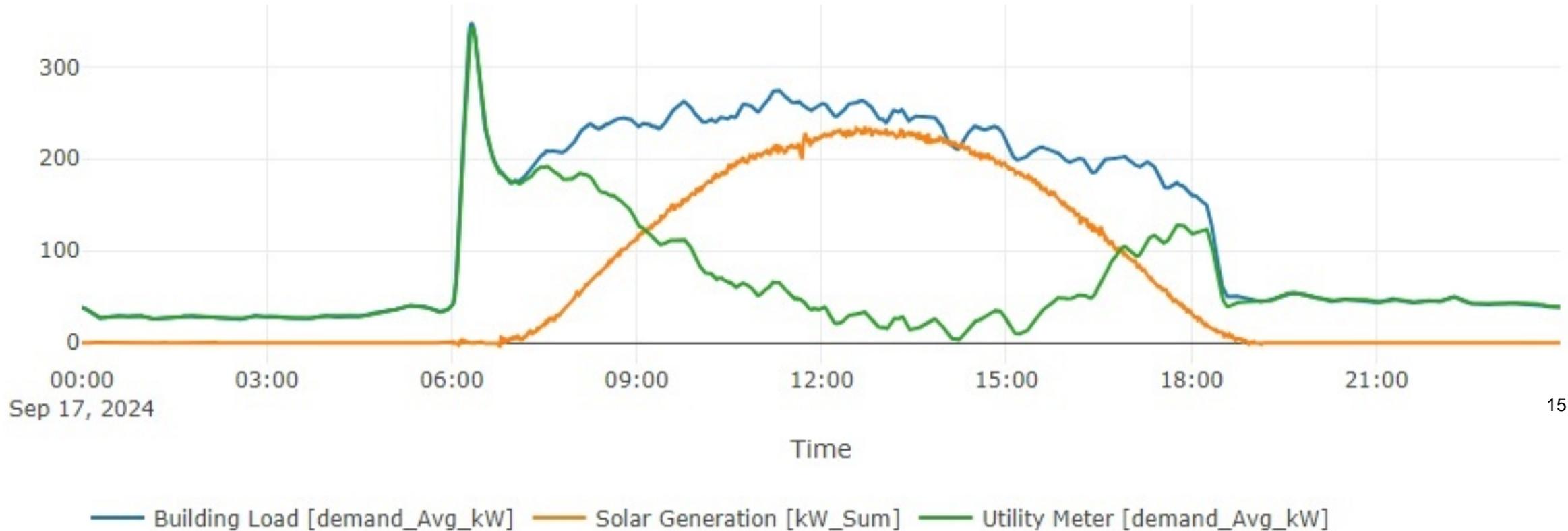


NYMEX Cal Years



Nymex Winter '24-25





The Inflation Reduction Act & Schools

New funding for healthy, sustainable, efficient schools

Overview

New clean energy tax credits help schools defray the cost of clean energy equipment that can promote health, sustainability and efficiency.

The Inflation Reduction Act is poised to be the largest ever federal investment in school infrastructure.

[Visit Schools & the Inflation Reduction Act website for more information](#)



Key Features

- ★ **Non-competitive:** All schools with qualifying projects are eligible to claim clean energy tax credits.
- ★ **Cash reimbursement:** Tax credits will be paid to schools in the form of a cash reimbursement.
- ★ **Available for years to come:** Funding is available by statute until at least 2032.
- ★ **Unlimited funding:** There are no caps on funding. Schools can claim multiple tax credits in a single year and over subsequent years.

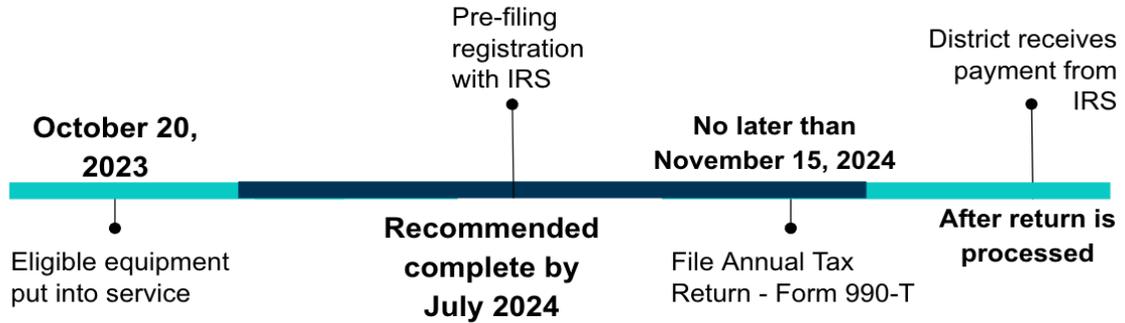
Eligible Technologies

	<p>Solar Energy: Generates on-site, reliable, clean energy at a fixed price. Nationally, one in every 10 schools is already solar-powered.</p>	<p>Sec 48: Investment Tax Credit</p>
	<p>Energy Storage: Provides back-up power. Can also contribute to a reduction of utility costs, generate revenue, and reduce carbon emissions.</p>	
	<p>Ground-Source Heat Pumps: Provides heating and cooling with one set of equipment. Up to six times more efficient than a “high-efficiency” furnace.</p>	
	<p>Electric School Buses: Reduces exposure to harmful air pollutants for students and communities, while saving ~\$100,000 in lifetime fuel and maintenance per bus.</p>	<p>Sec 45W: Commercial Clean Vehicles Tax Credit</p>
	<p>Electric Vehicle Charging Equipment: Facilitates charging of electric school buses and other electric vehicles.</p>	<p>Sec 30C: Alternative Fuel Refueling Property</p>

How does this process work?

- Place eligible clean energy equipment into service
- Complete a pre-filing registration using the IRS' Elective Pay portal to receive a registration number for the eligible equipment
- File Form 990-T using the registration number provided
- Receive payment from the IRS after submission is approved

Sample timeline



Example for equipment placed into service by a school with a fiscal year from July 1, 2023 to June 30, 2024.

Advantages of Investing in Clean Energy Technologies

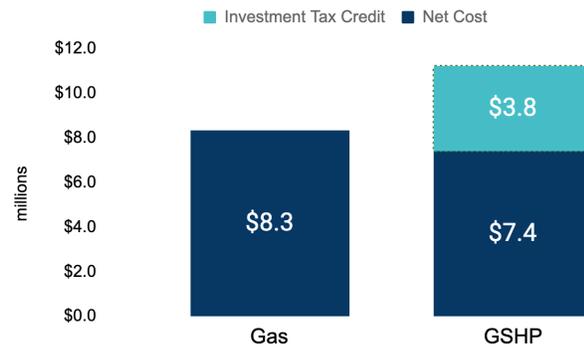
Efficiency & Savings: Clean energy technologies are often more cost-effective to operate. Savings can be reinvested into student learning. In many cases, clean energy tax credits may make the clean choice also the most affordable choice (see figure).

Student Health & Learning: Clean energy can support healthy learning environments by keeping classrooms comfortable. And clean energy projects at schools can provide hands-on learning about climate solutions and green jobs.

Resilient Schools & Communities: Adopting clean energy can enhance the resilience of school facilities allowing buildings, for example, to serve as shelters for students and communities through extreme weather and power disruptions.

Sustainability & Social Responsibility: School buildings, transportation fleets, and land assets will play a critical role in reaching climate goals. Students are looking to adult decisionmakers to ensure that schools are embracing their responsibility to address air pollution and reduce greenhouse gas emissions.

Cost estimates for HVAC system installation w incentives (Gas vs Ground-Source Heat Pump)



The Waunakee Community School District Board of Education recognizes that the management of District funds necessitates the development of an adequate end of year fund balance. The general fund operating reserve:

1. Provides adequate working capital sufficient to meet the district cash-flow requirements, thus minimizing any cash-flow (short term) borrowing during the annual operating cycle.
2. Functions as a safeguard to fund unanticipated expenses that the district might incur or to fund unrealized revenue, which may occur but shall not be considered available to meet recurring operating expenses.
3. Demonstrates fiscal responsibility resulting in high credit rating which will help to reduce the district's borrowing costs.

In recognition of these needs, the Board of Education shall continually strive to develop operating budgets, which will add sufficient funds each year to the General Fund Balance and work towards maintaining a minimum of 15% of the total operating expenses in the fund balance.

Use of the General Fund Balance must be approved by 2/3 majority of the Board.
Committed funds are used first, followed by assigned and then unassigned amounts.

Annually, the Board of Education will review the fund balance to determine the allocation between non-spendable, restricted, committed, assigned, and unassigned fund balance accounts. The Business Manager is delegated authority to assign fund balance as directed by the Board of Education.

Legal Ref.: Section 65.90 Wisconsin Statutes

Cross Ref.: 680, Fiscal Accounting and Reporting

Adoption Date: January 2000

Revised: April 2002
March 2011
June 2024