

# Cochrane-Fountain City Community School District

## School Finance 101

September 21, 2024

### Baird Public Finance

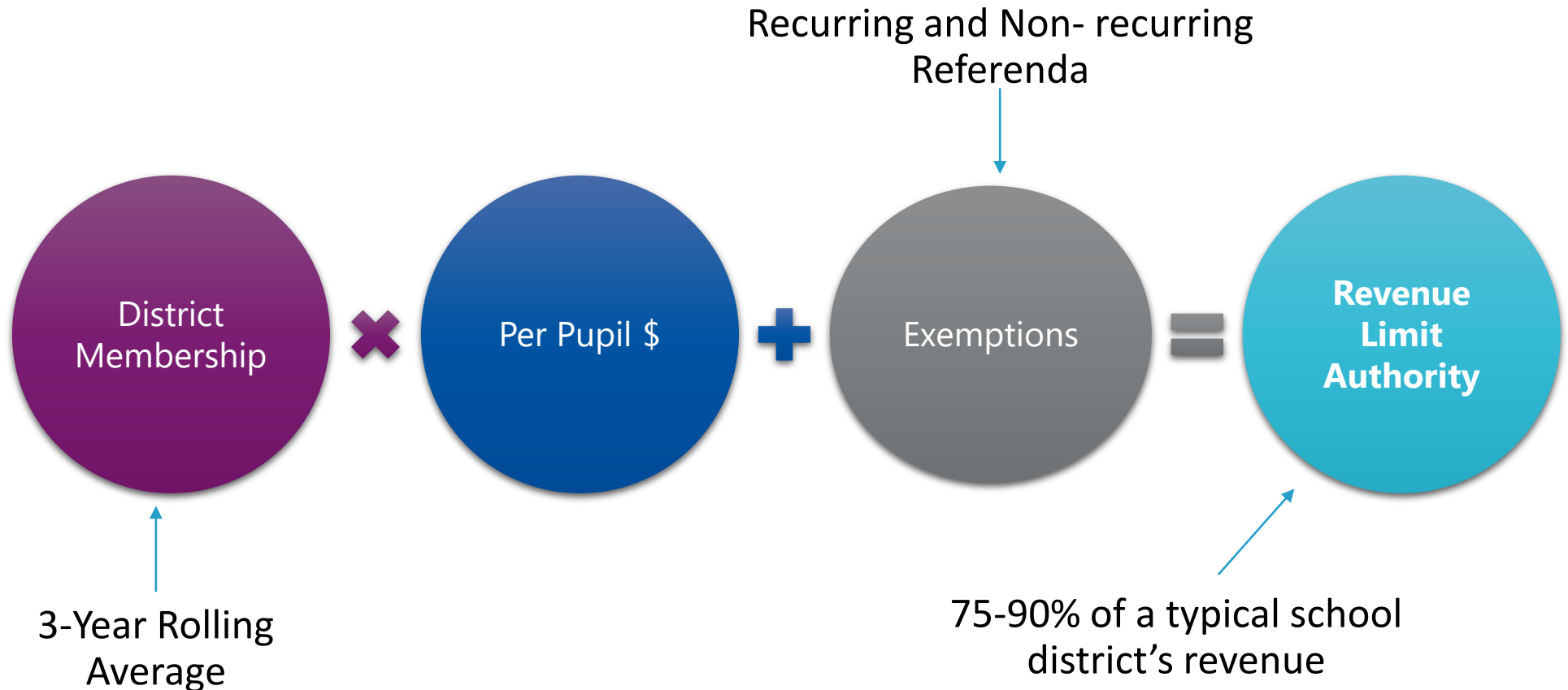
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# School Finance Basics

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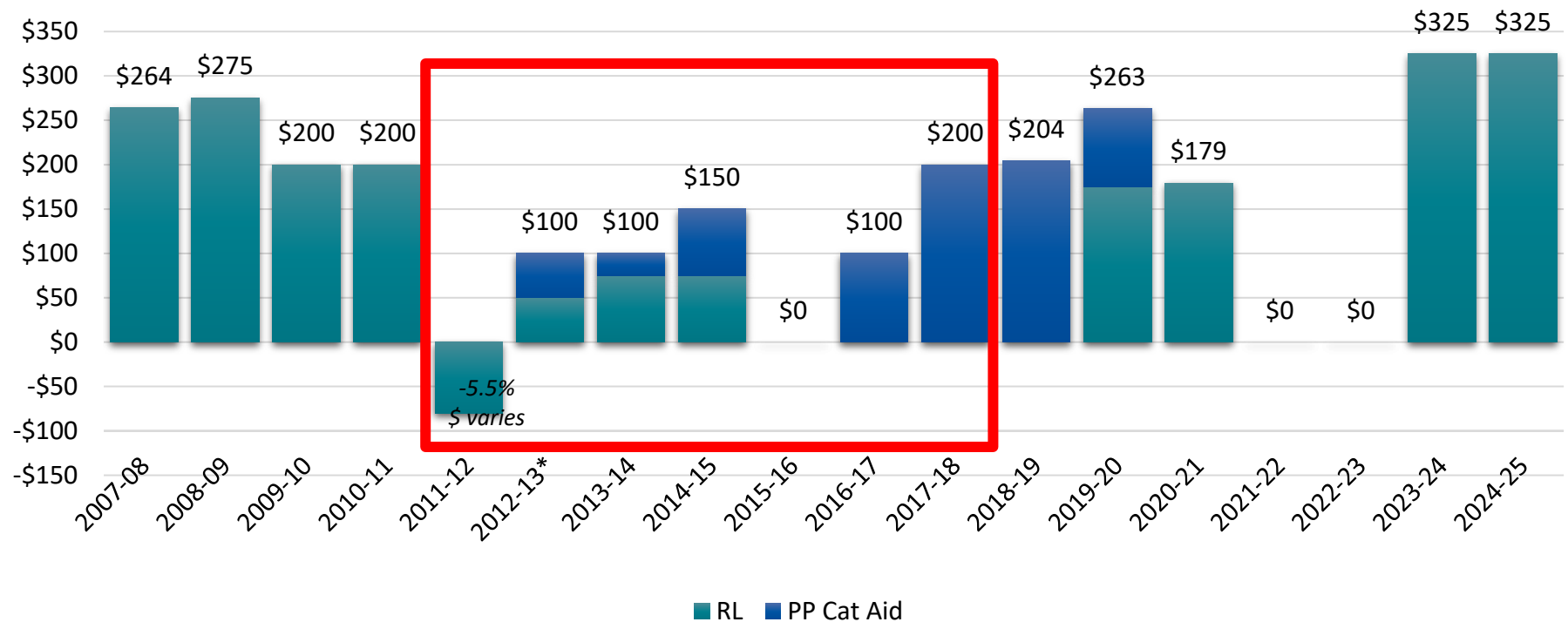
A district's **Revenue Limit Authority** is the maximum amount of revenue that may be raised through **state general aid** and **property tax**.



# Historical Revenue Limit Per Pupil (Biennial Budget)

- Low revenue ceiling from \$10,000 to \$11,000

## Revenue Limit + Per-Pupil Categorical Aid Increases

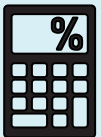
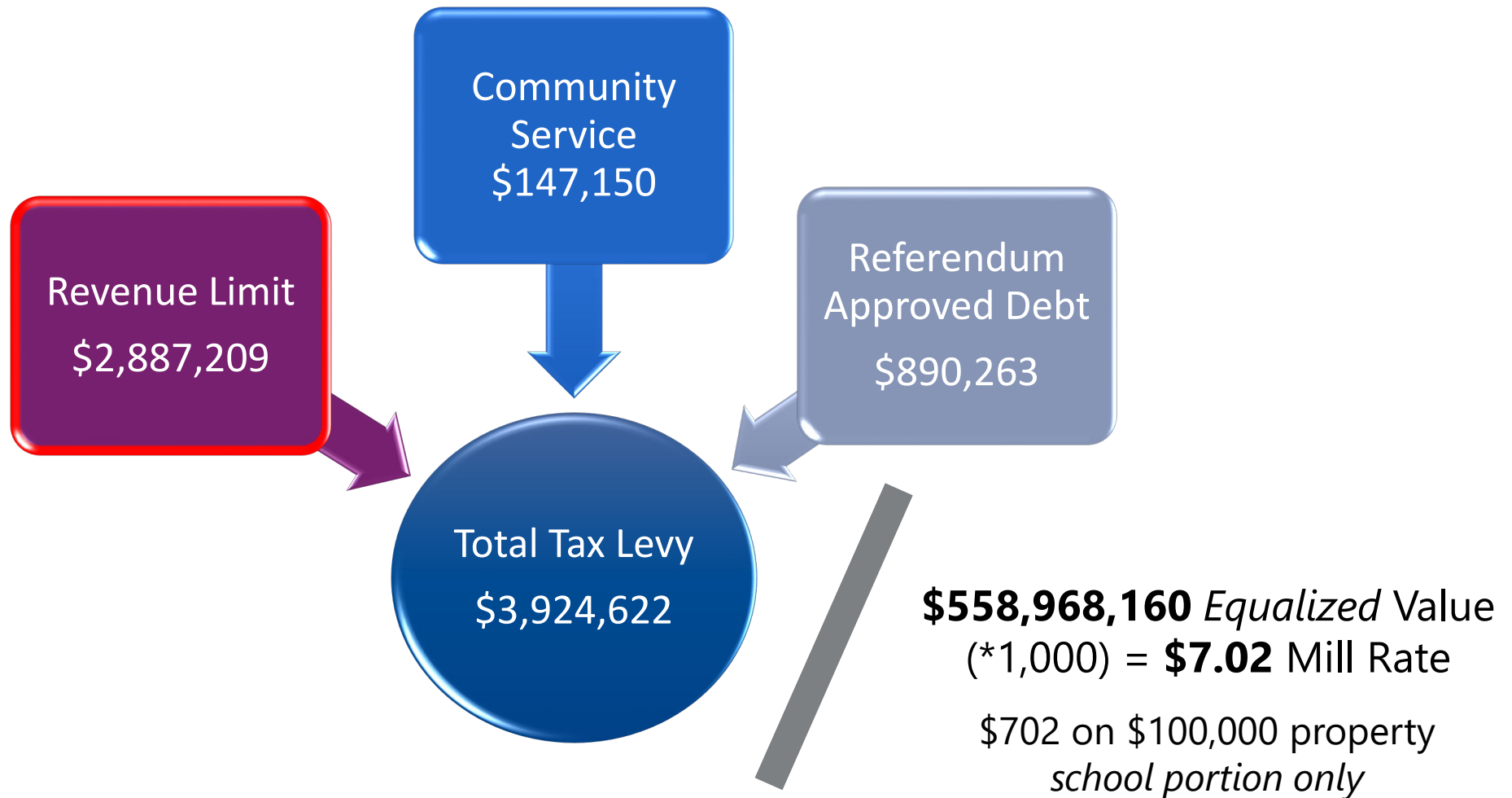


## Why is State General Aid important?

The revenue limit calculates how much the district can raise through state general aid and the local tax levy. **State general aid identifies who pays.**

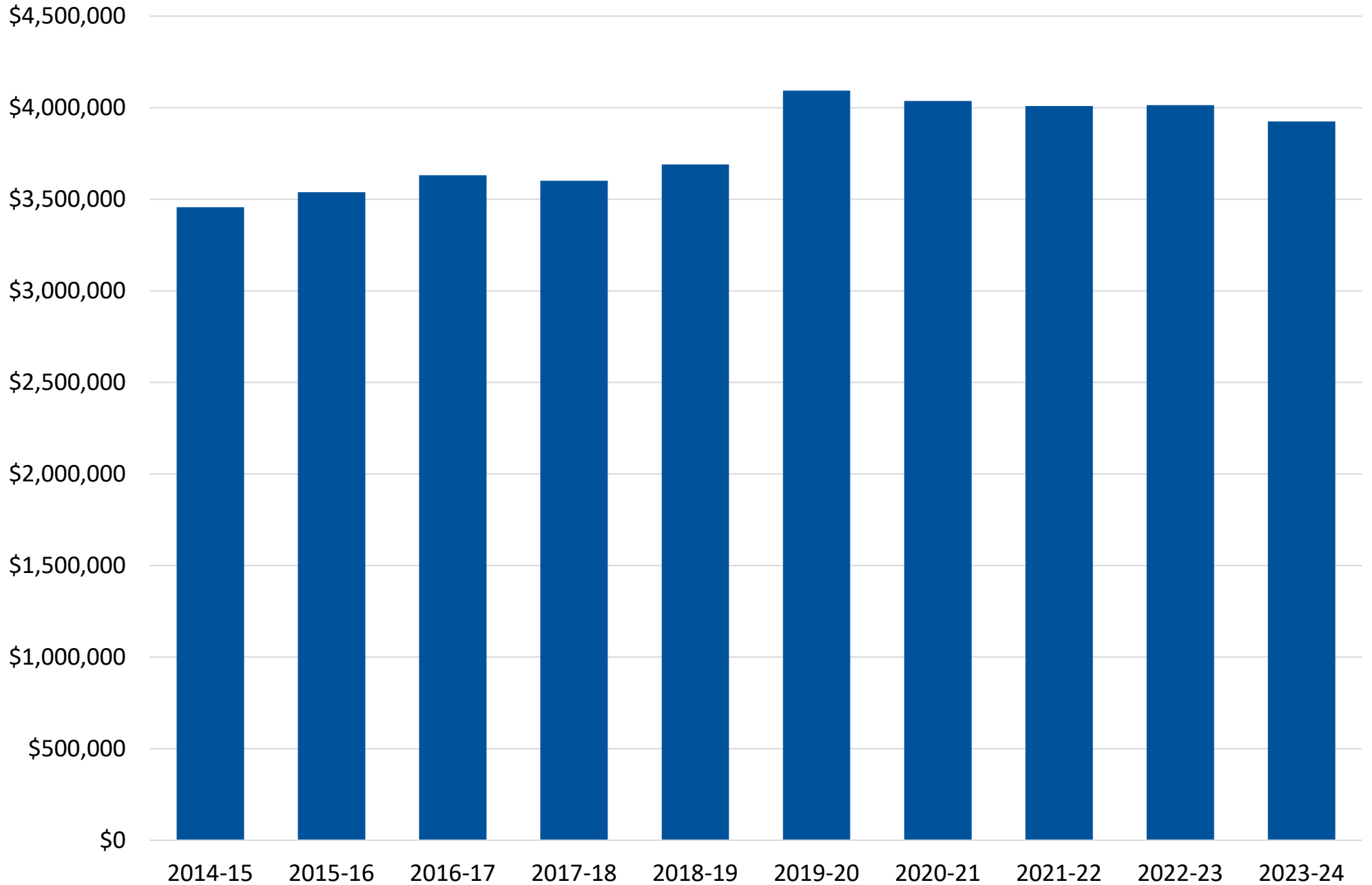


# 2023-24 School Tax Levy and Mill Rate

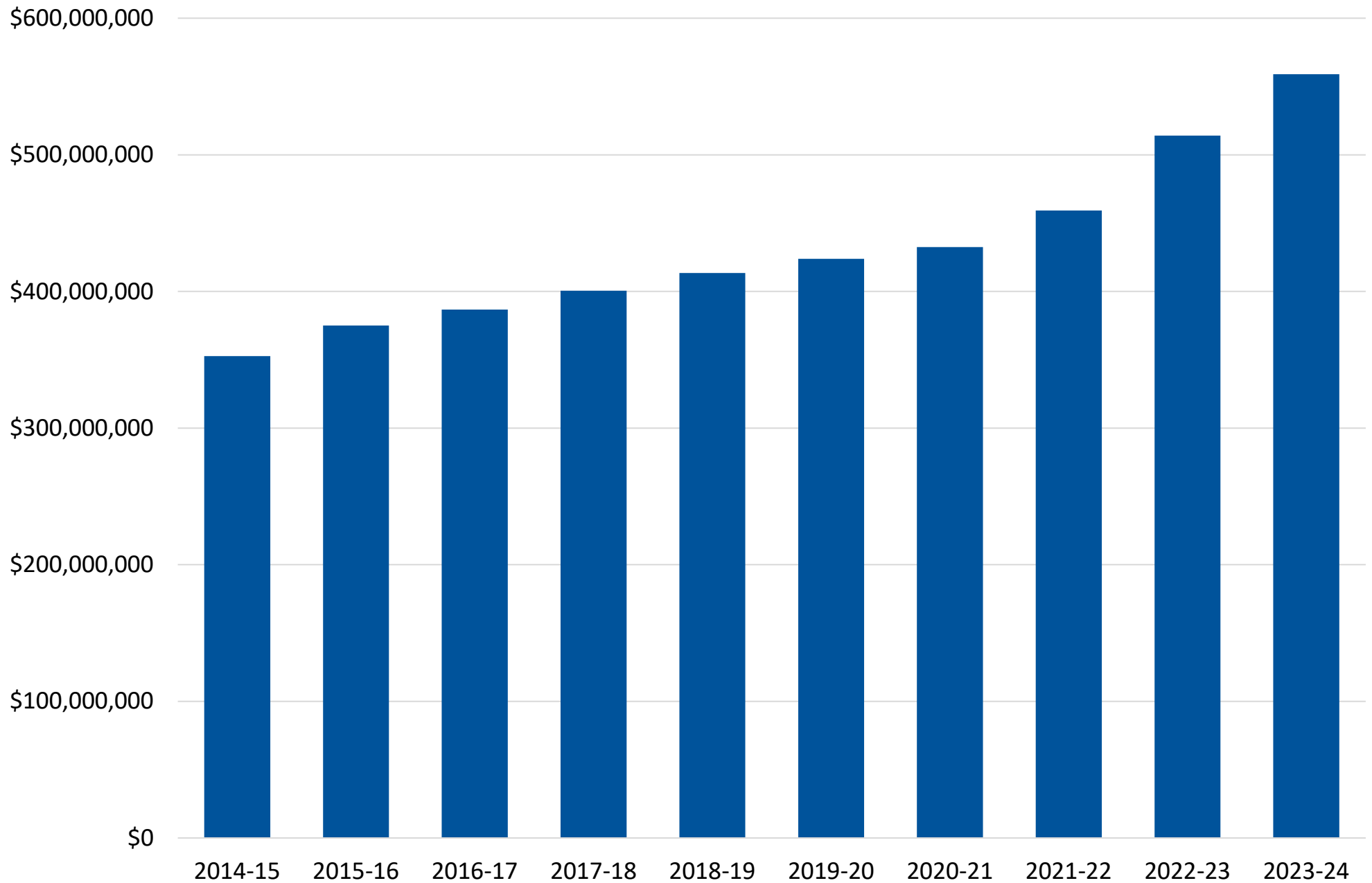


***Mill Rate = Levy per \$1,000 Equalized Value***

# Historical School Tax Levy

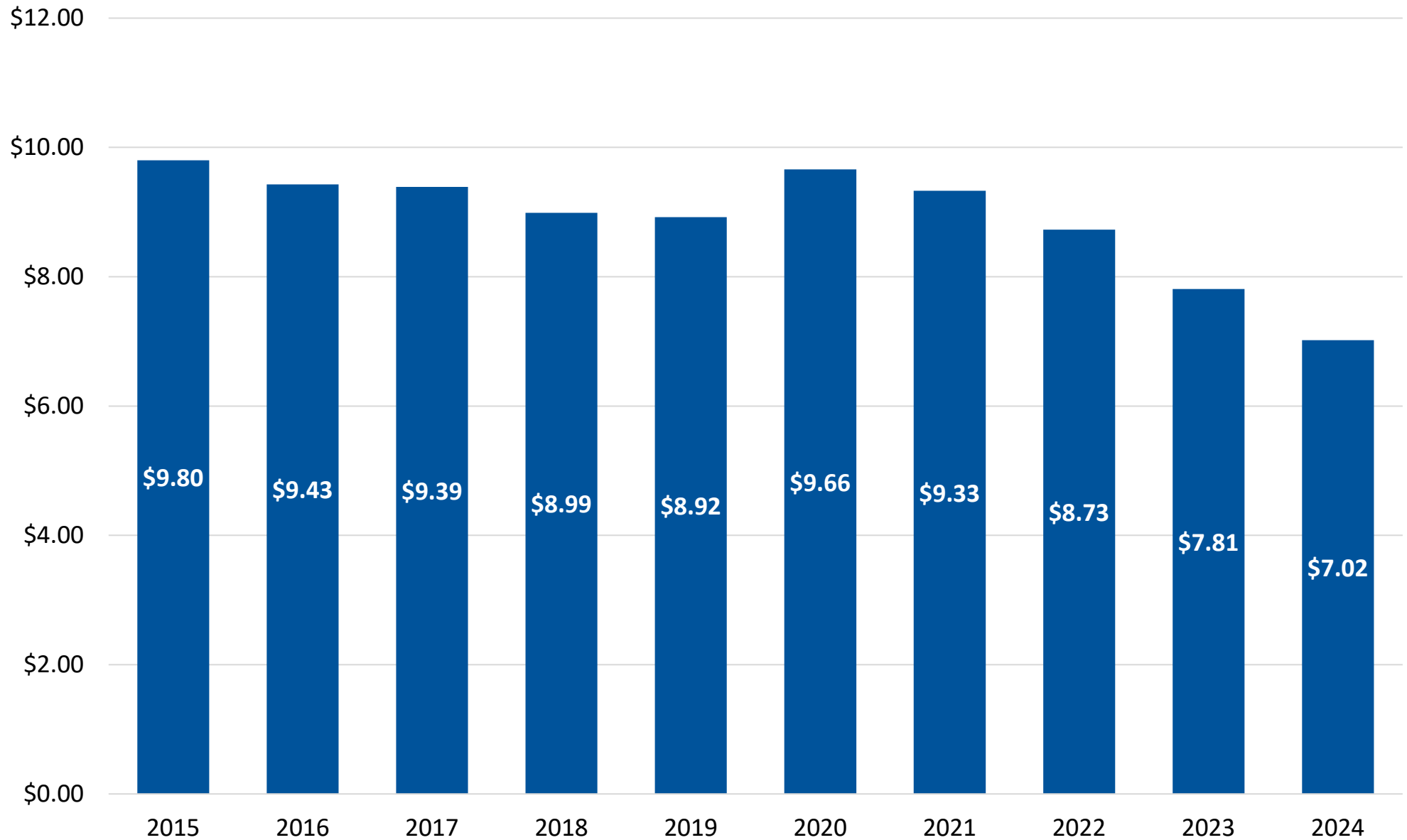


# Historical School Equalized Property Value

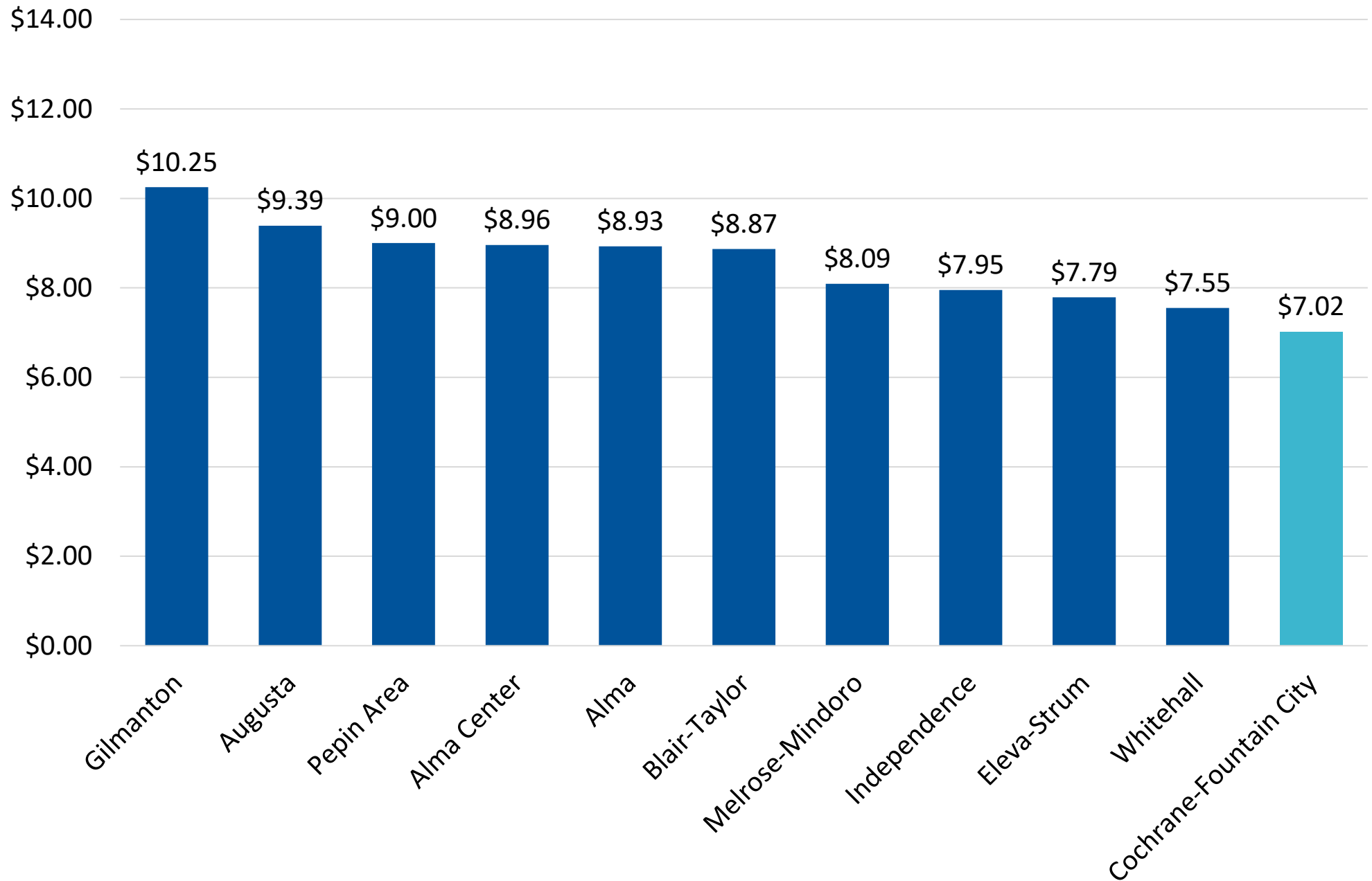


Source: Department of Public Instruction

# Historical School Mill Rate vs. Statewide K-12 Average



# 2023-24 Mill Rate Comparison



# Long-Range Planning

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## **Operating Budget**

- Competes for revenue limit dollars

## **Non-Referendum Debt**

- Competes for revenue limit dollars

## **Referendum – Operational/Debt**

- New source of funds

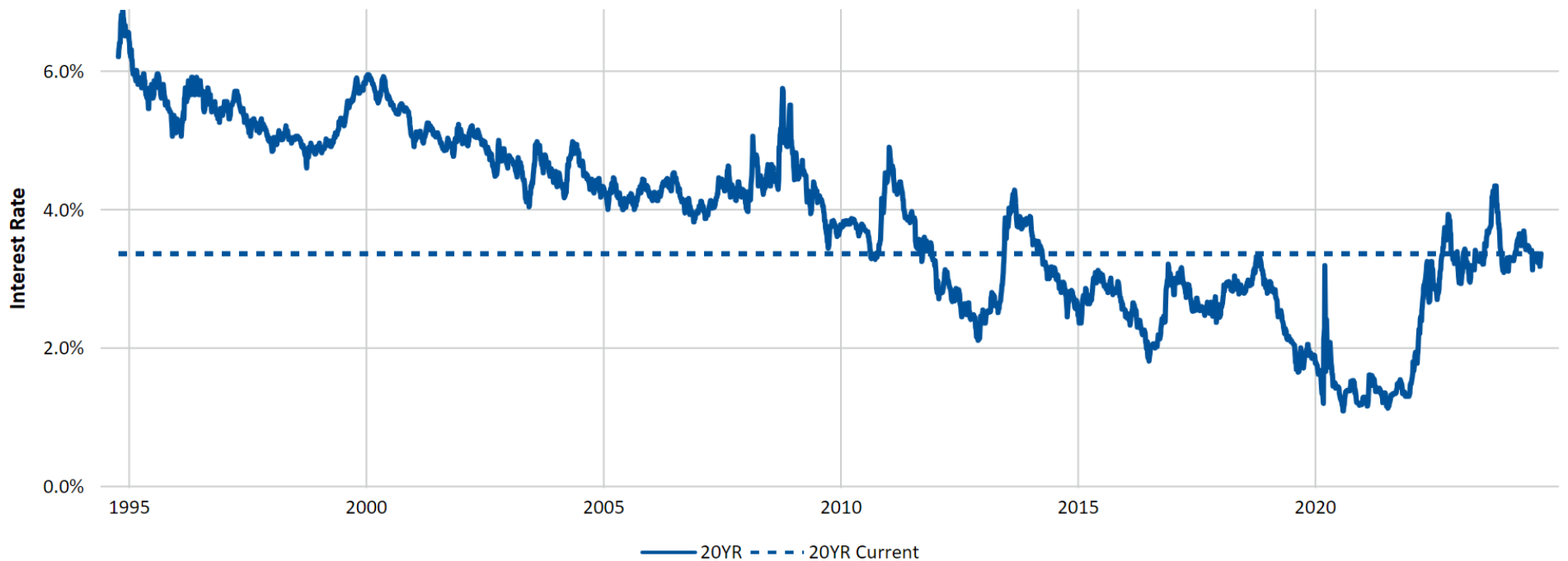
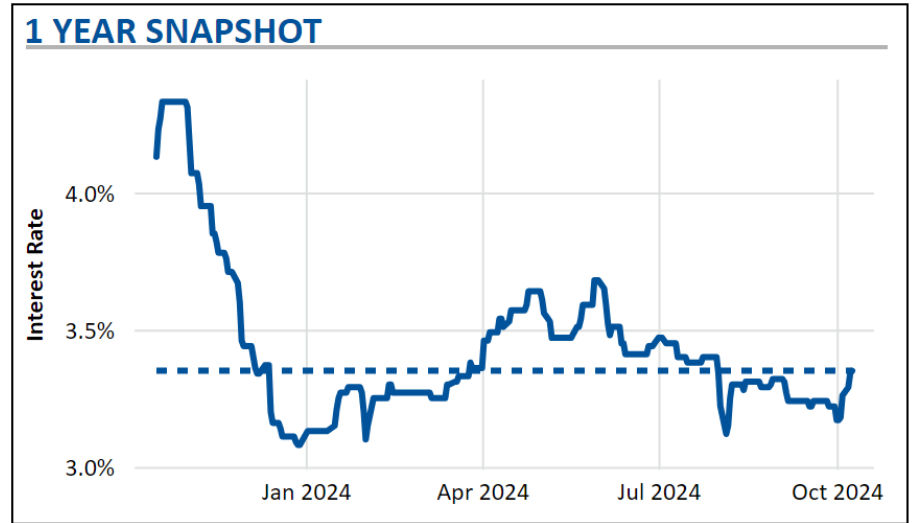
# Cochrane-Fountain City CSD Referenda History

Vote Date	Amount	Referenda Type	Results
11/7/2017	\$7,000,000	Issue Debt	Passed
4/4/2006	<b>\$500,000 – 2007-2011 Total: \$2,500,000</b>	NR – 5 Years	Failed
5/19/1998	\$1,160,000	Issue Debt	Passed
5/19/1998	\$5,860,000	Issue Debt	Passed
10/18/1997	\$8,500,000	Issue Debt	Failed

# Area Referenda History

District	Vote Date ▼	Amount	Type	Result
Arcadia	4/4/2023	\$2,250,000	NR	Failed
Blair-Taylor	4/4/2023	\$4,500,000	NR	Passed
Eleva-Strum	4/4/2023	\$2,100,000	NR	Passed
Whitehall	4/4/2023	\$1,700,000	NR	Passed
Augusta	11/8/2022	\$4,500,000	ID	Passed
Augusta	11/8/2022	\$10,500,000	ID	Passed
Independence	8/9/2022	\$2,700,000	NR	Passed
Independence	4/5/2022	\$900,000	RR	Failed
Alma Center	4/6/2021	\$4,900,000	ID	Passed
Independence	4/6/2021	\$2,100,000	NR	Failed
Blair-Taylor	11/3/2020	\$4,145,000	ID	Passed
Alma	11/3/2020	\$335,000	RR	Passed
Gilmanton	11/3/2020	\$300,000	RR	Passed
Eleva-Strum	4/7/2020	\$1,725,000	NR	Passed
Gale-Ettrick-Trempealeau	4/2/2019	\$9,800,000	ID	Passed
Whitehall	4/2/2019	\$1,750,000	NR	Passed

# Municipal Tax-Exempt AAA MMD Trend (Past 30 Years)



Source: Refinitiv as of October 9, 2024

# Hypothetical Summary of Referendum Tax Impacts

	PRELIMINARY	
REFERENDUM AMOUNT	\$10,000,000	\$18,000,000
<b>MAX MILL RATE IMPACT (OVER PROJECTED 2024-2025)*</b> (Per \$1,000 valuation)	\$0.33	\$0.87
<b>TAX IMPACT ON PROPERTY WITH FAIR MARKET VALUE OF:</b>		
<b>\$100,000 Property</b>		
Maximum Annual Impact	\$33.00	\$87.00
Maximum Monthly Impact	\$2.75	\$7.25
<b>\$200,000 Property</b>		
Maximum Annual Impact	\$66.00	\$174.00
Maximum Monthly Impact	\$5.50	\$14.50
<b>\$300,000 Property</b>		
Maximum Annual Impact	\$99.00	\$261.00
Maximum Monthly Impact	\$8.25	\$21.75



## Assumptions:

Assumes single or multi-phased borrowing amortized over 20 years at a planning interest rate of 5.50%.

Mill rate based on 2023 Equalized Valuation (TID-OUT) of \$558,968,160 with annual growth of 2.00%.

Tertiary Aid Percentage: -3.24% (2024-25 July Aid Estimates)

Impact represents the increase in levy for referendum debt service over the projected 2024-25 levy for existing referendum debt service of \$1.56.

Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates subject to change.

# Hypothetical Summary of Referendum Tax Impacts Projection with Annual Meeting Proposed Levy



	PRELIMINARY	
REFERENDUM AMOUNT	\$10,000,000	\$18,000,000
<b>MAX MILL RATE IMPACT (OVER PROJECTED 2024-2025)*</b> (Per \$1,000 valuation)	\$0.14	\$0.61
<b>TAX IMPACT ON PROPERTY WITH FAIR MARKET VALUE OF:</b>		
<b>\$100,000 Property</b> <i>Maximum Annual Impact</i> <i>Maximum Monthly Impact</i>	\$14.00 \$1.17	\$61.00 \$5.08
<b>\$200,000 Property</b> <i>Maximum Annual Impact</i> <i>Maximum Monthly Impact</i>	\$28.00 \$2.33	\$122.00 \$10.17
<b>\$300,000 Property</b> <i>Maximum Annual Impact</i> <i>Maximum Monthly Impact</i>	\$42.00 \$3.50	\$183.00 \$15.25



**Assumptions:**

Assumes single or multi-phased borrowing amortized up to 21 years at planning interest rates of 5.00%-5.25%.  
 Mill rate based on 2023 & 2024 Equalized Valuations (TID-OUT) of \$558,968,160 & \$617,649,592, respectively, with annual growth of 2.00%.  
 Tertiary Aid Percentage: -3.40% (2024-25 Oct. Aid Cert.)  
 Impact represents the hypothetical change in referendum debt mill rate over the projected 2024-25 mill rate for referendum debt service of \$1.55.  
 Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates subject to change.

# Future Election Dates

	2024	2025	2026	2027
<b>Spring Primary</b>	02/20/2024	02/18/2025	02/17/2026	02/16/2027
Adopt and file resolution(s):	12/12/2023	12/10/2024	12/09/2025	12/08/2026
<b>Spring General</b>	04/02/2024	04/01/2025	04/07/2026	04/06/2027
Adopt and file resolution(s):	01/23/2024	01/21/2025	01/27/2026	01/26/2027
<b>Fall Primary</b>	08/13/2024		08/11/2026	
Adopt and file resolution(s):	06/04/2024		06/02/2026	
<b>Fall General</b>	11/05/2024		11/03/2026	
Adopt and file resolution(s):	08/27/2024		08/25/2026	

\*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.

# Questions?

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## Baird Public Finance

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