

Webster Groves School District

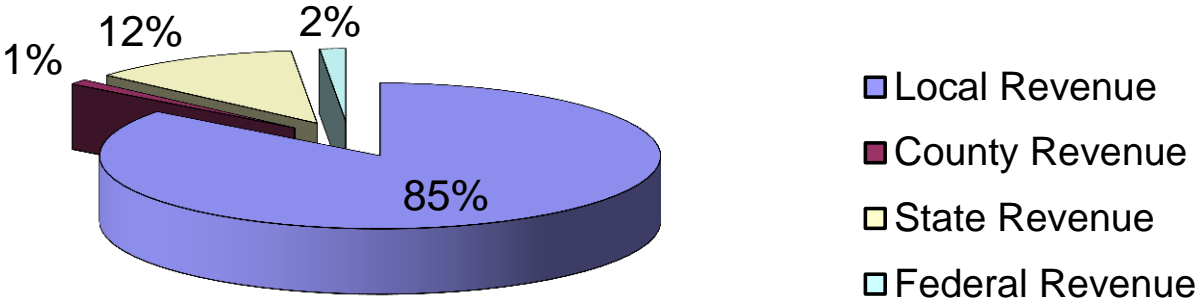
2015-2016

WGSD is a high achieving School District

- Ranked #7 in the state of Missouri by Niche
- Rock Hill one of the top ten places to live partially because of the high quality of education
- Outscored Kirkwood on ACT
- Tied with six other school districts for 3rd place ranking on APR 98.7% points earned
- Tied with Clayton and spend considerably less
- Top ranked athletic and fine arts programs
- Soccer team received one of approximately 150 schools honored nationally for their high GPA as a team
- 95% students have plans to attend a post secondary school
- People come here to learn from us
- Clean audit and praised publicly by the auditor for accuracy and transparency
- Proud to be a Statesman

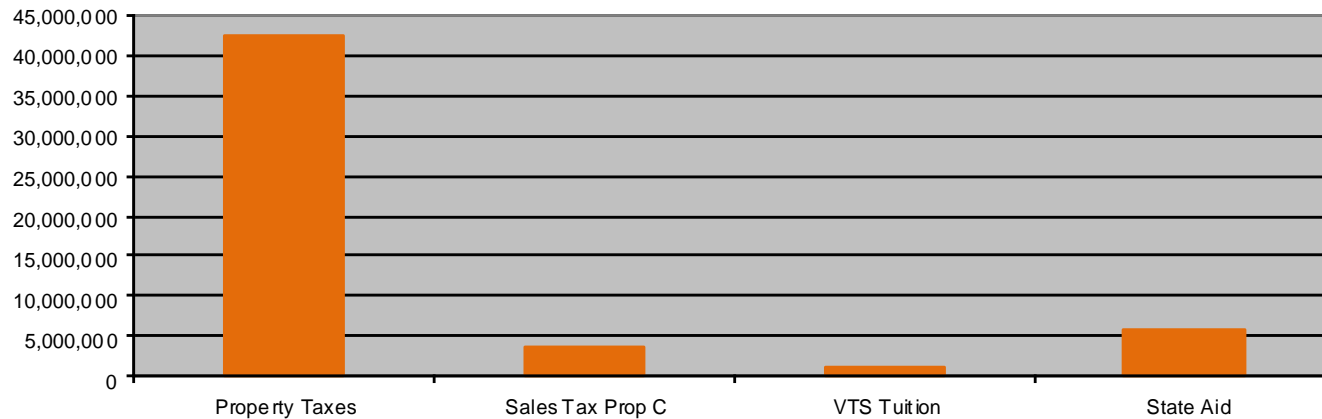
Operating Revenue

2014-2015 Budget



Local Revenue	\$48,670,785
County Revenue	\$ 645,770
State Revenue	\$ 6,856,430
Federal Revenue	\$ 949,039

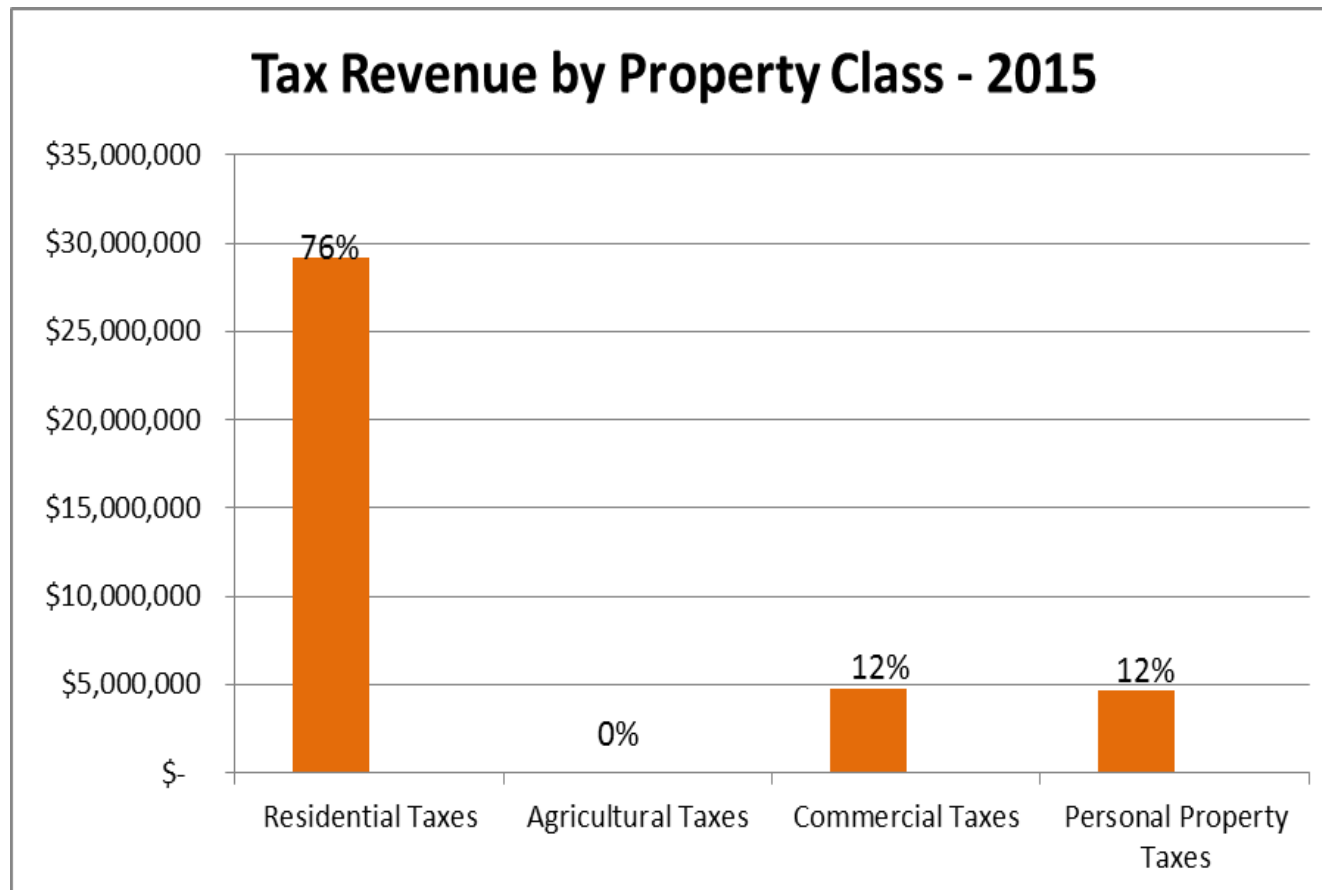
WGSD Main Revenue Sources



Property Taxes	\$42,525,253
Sales Tax Prop C	\$ 3,572,411
VTS Tuition	\$ 1,112,102
State Aid	\$ 5,510,896

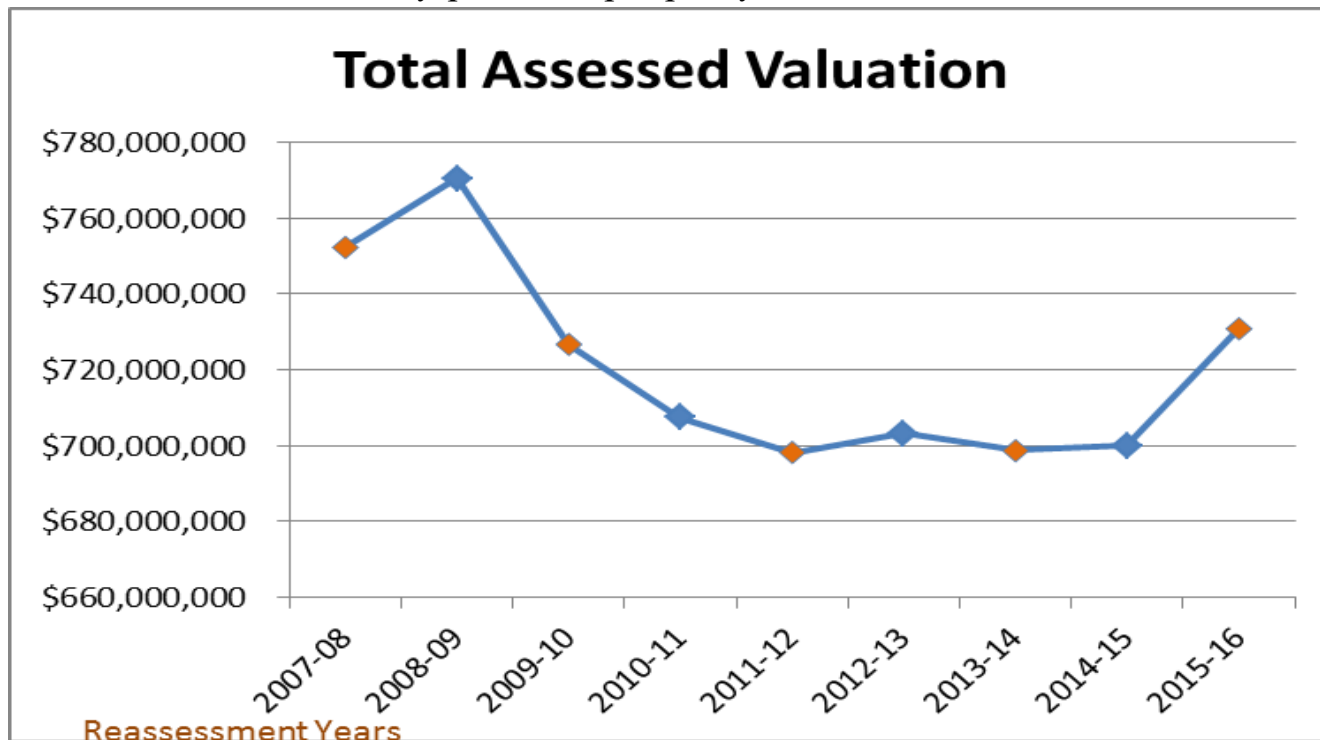
Calculated Separately for each Property Class

- Residential
- Commercial
- Personal Property
- Agricultural
- Plus Debt Service, which is added to each property class



Revenue for Our School District

- We have virtually no control over revenues.
- We can control fees (bus passes, meal prices, athletics, rental rates, etc.), but these are minor.
- The primary source of revenue is property taxes.
 - St. Louis County provides property assessments



Assessed Valuation and Its Impact on WGSD

When assessed valuation increases or decreases what happens to the school district's tax rate?

According to state law, the district's tax rate adjusts up or down to capture an equal amount of revenue as the previous year.

How does the CPI impact property tax rates?

The CPI is used as a cap when assessed valuation increases. The district is allowed to capture the increase in assessed valuation up to the CPI. If the assessed valuation increase is lower than the CPI the district only collects the % increase in assessed valuation. When assessed valuation decreases the district is not allowed to capture any CPI growth. The district rolls the tax rate up to capture the same amount of revenue as the previous year.

What is the property tax impact on homeowners?

If the homeowners assessed valuation went up or down equal to the overall decline or increase in assessed valuation there will be little to no change in their tax bill.

ASSESSED VALUATION GROWTH COMPARED TO THE DISTRICT'S TAX LEVY

Year	Assessed Valuation Growth	CPI	WGSD Tax Rate	Change
2005*	16.2400%	3.50%	\$5.29	\$0.68
2006	(0.2412%)	3.50%	\$5.31	\$0.02
2007	19.0000%	2.60%	\$4.66	(\$0.65)
2008	0.0072%	3.90%	\$4.69	\$0.03
2009**	(6.4013%)	0.10%	\$4.92	\$0.23
2010***	(2.6566%)	2.70%	\$5.65	\$0.73
2011	(1.5230%)	1.50%	\$5.75	\$0.10
2012	0.7100%	3.00%	\$5.75	\$0.00
2013	(1.5179%)	1.70%	\$5.85	\$0.10
2014	(0.2369%)	1.50%	\$5.85	\$0.00

* Voters approved a \$0.68 levy increase in 2005

** Tax rate based upon voluntary \$0.03 rollback

*** Voters approved a \$0.55 levy increase in 2010

Snapshot of Residential Property Taxes

Property 1	A.V.	WGSD Tax Rate	Taxes Paid
2012	54,290	\$5.75	\$3,122
2013	47,630	\$5.85	\$2,786
2014	47,630	\$5.85	\$2,786
2015	44,160	\$5.67	\$2,504

Property 2	A.V.	WGSD Tax Rate	Taxes Paid
2012	17,420	\$5.75	\$1,002
2013	19,680	\$5.85	\$1,151
2014	19,680	\$5.85	\$1,151
2015	18,920	\$5.67	\$1,073

Property 3	A.V.	WGSD Tax Rate	Taxes Paid
2012	102,130	\$5.75	\$5,872
2013	103,460	\$5.85	\$6,052
2014	103,460	\$5.85	\$6,052
2015	118,500	\$5.67	\$6,719

Property 4	A.V.	WGSD Tax Rate	Taxes Paid
2012	78,370	\$5.75	\$4,506
2013	78,380	\$5.85	\$4,585
2014	78,380	\$5.85	\$4,585
2015	85,990	\$5.67	\$4,876

State-wide Proposition C Sales Tax

Year	Dollars Distributed	WADA Payment
2006-07	\$784,900,800	\$857
2007-08	\$772,820,015	\$845
2008-09	\$730,325,406	\$804
2009-10	\$695,120,132	\$764
2010-11	\$711,615,172	\$777
2011-12	\$749,703,272	\$832
2012-13	\$751,559,817	\$835
2013-14	\$793,100,000	\$884
2014-15	\$831,282,000	\$921

*Also capped by the Hancock Amendment. May reach this cap by 2016-17.

WGSD Foundation Formula 2014-2015

WADA	3,874.3429
X State Adequacy Target	6,131.00
X Dollar Value Modifier	1.091
- Local Effort*	20,226,186.68
= State Funding	5,688,986.91
Less state reduction	0.96869553
Actual Funding =	\$5,510,896

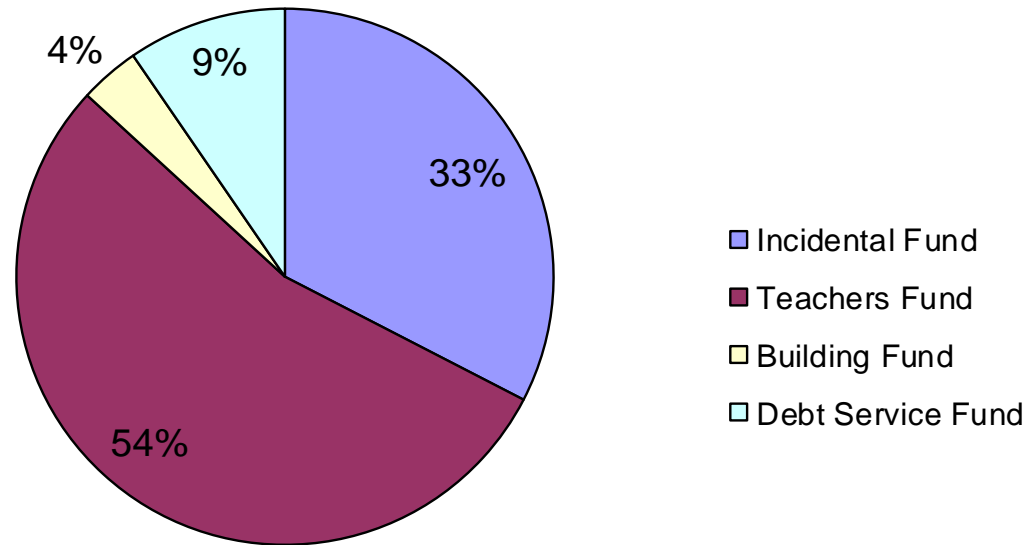
*Based on property taxes from assessed valuation.

Revenue for Our School District

- We have virtually no control over revenues.
- We can control fees (bus passes, meal prices, athletics, rental rates, etc.), but these are minor.
- The primary source of revenue is property taxes.
 - St. Louis County provides property assessments
 - Missouri law restricts revenue increases
- Webster Groves School District receives approximately \$1,355.78 per student. (County average is approximately \$2,200 per student)
- Other State funding has been cut such as transportation and Parents as Teachers.
- School funding formula has never been fully funded or implemented.

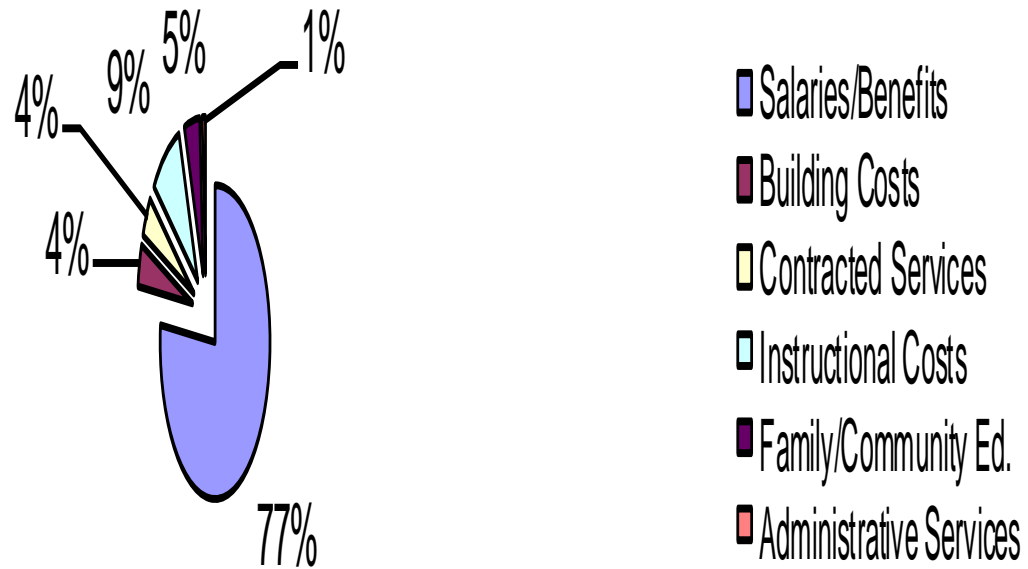
Operating Expenditure By Fund

2014-2015 Budget



Incidental Fund	\$20,799,827
Teachers Fund	\$34,624,582
Building Fund	\$ 2,304,057
Debt Service Fund	\$ 6,103,879

Operating Expenditure Breakdown



Salaries/Benefits	\$43,182,853	Instructional Costs	\$ 5,146,205
Building Costs	\$ 2,435,022	Family/Comm. Ed.	\$ 2,575,000
Contracted Services	\$ 2,385,543	Admin. Services	\$ 555,708

Programs Striving to be Self-Supporting

Revenues & Expenditures

Program	Revenue	Expenditure	Surplus/Deficit
Food Service	\$1,241,017	\$1,123,235	\$ 117,782
Adventure Club	\$1,157,311	\$ 929,313	\$ 227,998
Preschool	\$1,138,436	\$1,169,077	-\$ 30,641
Head Start	\$ 75,198	\$ 75,198	\$ 0

Webster Groves School District G. O. Bond Debt

Debt as of 4-1-16	Legal Debt Margin
\$56,583,280	\$109,633,124

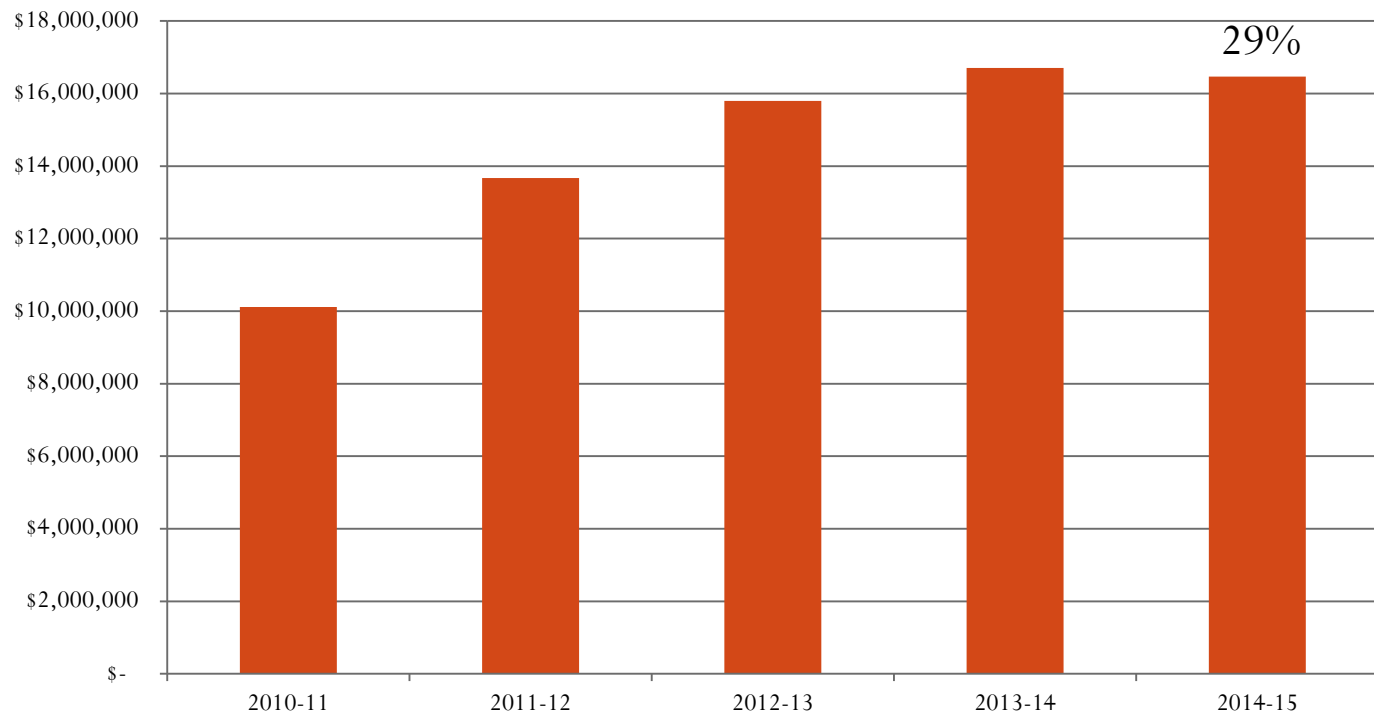
2015-2016

Operating Expenditure Reductions

Description	Savings
Non-Staff Reductions	\$834,471
Non-Certified Staff (3 FTE plus hours and days of employment)	\$432,840
Certified Staff (8.4 FTE)	\$498,463
Total Reductions	\$1,765,774
Reserve funds for 2 teachers based upon enrollment needs.	(\$116,000)
Total Final Reductions	\$1,649,774

WGSD Operating Fund Balance

2010-2011 – 2014-2015



Additional Cost Savings

- Did not fill admin. assist. to supt. for 2.5 years
- Increased insurance cost for employees to provide coverage for aides to implement Affordable Care Act
- Annual 10% withholding of all school and department budgets
- Eliminated development position
- Closely monitored any open positions to determine need to fill
- Reduced printing costs by utilizing online materials
- Implemented sustainable practices to generate cost savings within facilities
- Participate in coop buying for national gas purchases
- Increased food service prices to assure program is self-supporting
- Participate in coop purchasing of instructional materials
- Complete district-wide technology purchases/leases to reduce costs
- Participate in Health Insurance Consortium with multiple districts

Budget Celebrations!

- Assessed valuation increased this year enabling the board to roll back the tax rate
- Bethesda and possibly Lutheran Senior Services will be at least partially taxable properties
- Less than 3% variance annually
- Consistently clean audit
- AA+ rating by Standards and Poors
- Through budget cuts able to maintain fund balance
- District cost per student is approximately the average cost for St. Louis County

Budget Challenges

- Helping the public understand why their tax rate is higher than other communities
- Helping the general public understand the financial needs of the district
- Helping the general public understand how schools are funded and how property is assessed
- Helping the general public understand that average funding could result in simply average schools – however we want top performance and the best for our children
- Maintaining great schools has a positive impact on property value
- Unless there are additional revenue sources the district will need to either reduce expenditures to balance the budget or implement planned deficit spending

Webster Groves School District

QUESTIONS?

Thank You for Supporting the
Webster Groves School District

The Webster Groves School District community is committed to
academic and personal success for every student.

WGSD is a high achieving School District

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Understanding Missouri's Foundation Formula

2015-2016 and beyond

Missouri's current formula

- Took effect in 2006-2007 school year;
- Looked at equity and adequacy;
- Attempted to provide all school districts with at least as much local and state money per student as “high performing” districts have available.

Equity

The quality of a child's education should not be solely determined by the level of resources available at the local level.

The State is responsible to provide "equity".

Adequacy

The total amount of local and state resources available for the education of children should be sufficient to give each child an opportunity to achieve state standards.

Goal of Foundation Formula

Provide all school districts in Missouri with at least as much local and state money per student as high performing districts have provided (previous to 2005).

Basic Formula Factors

Weighted Average Daily Attendance (WADA)

X

State Adequacy Target (SAT)

X

Dollar Value Modifier (DVM)

-

Local Effort

=

State Funding

WADA

Average Daily Attendance regular year +

Average Daily Attendance summer school +

Weighted amounts for “high cost” students

.4100 weight free & reduced lunch students

.1260 weight for special education students

.0210 weight for Limited English Proficient students

(weights only count when above the averages for high performing districts)

State Adequacy Target

Based upon expenditures per WADA in “high performing” districts. Excludes capital, transportation, food service and federal costs.

2014-15 SAT = \$6,131

2015-16 SAT = \$6,131- \$6,133 (?)

Sept. SAT = \$6,010

The SAT is recalculated every two years.

Dollar Value Modifier

Based upon wages in area as determined by the U.S. Census Bureau of Labor Statistics.

Range = 1.00 – 1.104

2014-15 Range = 1.00 – 1.091

2015-16 Range = 1.00 – 1.092

Local Effort

Focuses on 2004-05 assessed valuation

X \$3.43 / 100 assessed valuation.

\$3.43 is the average operating tax rate of “high performing” districts.

Missouri's Formula - Adequacy

Based upon “high performing” districts and recognizes additional “high cost” students. (SAT and WADA thresholds)

Missouri's Formula - Equity

Based upon local resources available to school districts in 2004-2005.

Hold Harmless

- SB 287 protected districts that do not benefit from the formula. If the formula calculation generates less money for a district than 2005-06 funding (as adjusted by the DVM), district would receive modified 2005-06 amount.

Funding Sources for SB 287

Funding was to be obtained through general state revenues and a tax on casino revenues (known as the Classroom Trust Fund).

State Funding Crisis

In 2009-10, 2010-11 and again in 2011-12, Federal budget stabilization dollars were used to replace declining state general revenues and casino tax revenue shortfalls to support the foundation formula.

State Funding Crisis....

No provision was made in SB 287 for underfunding the foundation formula. DESE paid school districts 92% - 96% of the formula calculation (or hold harmless amount) in past years.

DESE estimates 96.869553% of the formula calculation (or hold harmless amount) in 2015-2016 school year. The actual distribution will vary based upon WADA.

Webster Groves School District Foundation Formula

Until March, 2010 WGSD was a hold harmless school district.

We received \$959.90 per student.

WGSD currently receives \$1,355.78 per student on the formula.

Estimated Cost to Fund the Foundation Formula

For 2015-16 the State budgeted \$3,235,076,648 for the formula. This would fund approximately 96.86% of the formula.