

MUKWONAGO AREA SCHOOL DISTRICT (MASD)
2015/16 Preliminary Budget Highlights

Budget Factor	Impact Statement
Resident Pupil Enrollment	MASD's resident enrollment, as measured by the third Friday of September count date, is projected to <u>decline by 55 resident ADM (average daily membership)</u> from 4,454 to 4,399 for grades 5K-12. If this projection holds true, it would mark the eighth year in a row that MASD's resident enrollment (5K-12) has declined. To offset this loss of enrollment, the district is implementing a 4K program beginning in 2015/16 which is projected to add 96 ADM to the district pupil count for a net gain of 41 ADM.
Summer School Enrollment	The expansion of summer school class offerings has helped MASD increase its summer school ADM from 16 in 2011 to 33 in 2014. The budget anticipates 33 student ADM equivalents for the summer of 2015.
Open Enrollment (OE)	The 2014/15 school year had 403 students open enrolling in and 193 open enrolling out of MASD for a net positive OE enrollment ratio of 210 <u>students</u> . In 2008/09, MASD had a negative OE ratio of 29 OE students. Since that time, MASD has realized steady improvement in this program. For 2015/16, MASD is budgeting a 10% increase in the district's positive OE ratio.
General Fund Revenue	Total general fund revenues are budgeted to <u>decrease</u> by an estimated \$261,153 (-0.56%) from the prior year budget.
General Fund Expenditures	The 2015/16 Budget is balanced and in full compliance with state imposed revenue limits. Total general fund expenditures are budgeted to <u>decrease</u> by 0.43% or \$204,153 from the prior year budget.
Property Tax Levy	The 2015/16 Budget includes a tax levy <u>increase</u> of 1.03%. MASD will receive its first Equalization Aid estimate from DPI in July and final certification in October. As more information becomes available updated levy scenarios will be reviewed leading up to final approval by the Board in October.
State Equalization Aid	MASD is projected to receive \$16.9 million in state Equalization Aid for the 2015/16 fiscal year. This is a projected <u>decrease</u> of nearly \$1.5 million or 8.0% from the previous year.
Staffing Levels	Budget developed based on <u>317.0</u> Teacher FTE (a decrease of 2.0 FTE from the previous year).

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Employee Compensation	<p>Under Wisconsin Act 10, school boards were granted much greater authority to manage school operations. It is presumed for budgetary purposes that this legislation will remain in effect for the 2015/16 school year.</p> <p>MASD & the Teachers' Union have not yet reached a "base wage" settlement for the 2015/16 school year.</p> <p>Total general fund staff salaries are budgeted to <u>increase</u> by 0.92% from the prior year budget.</p>
Employee Benefits	<p>MASD has budgeted a 5.0% <u>increase</u> in health insurance and a 1.0% <u>decrease</u> in dental insurance premiums for the 2015/16 school year. These changes in premium were realized by implementing plan design changes which offset a medical inflation trend of 8 to 10% and increased fees and taxes associated with Federal Healthcare Reform.</p> <p>MASD's state mandated contribution rate to the Wisconsin Retirement System is projected to <u>increase</u> by 0.25% on January 1, 2016. This increase has been factored into the 2015/16 Budget.</p> <p>MASD has been evaluating the District's employee benefit offerings over the last several years. When comparing MASD's General Fund employee benefit budgeted expenditures from 2010/11 to 2015/16, MASD will be spending nearly <u>\$2.9 million less on employee benefits</u> in the upcoming year.</p>
General Fund Balance (GFB)	<p>MASD's General Fund Balance level is dictated by Board Policy DCBC which calls for maintaining a GFB of 15% to 25% of the prior year's general fund expenditures. Current GFB is 25%.</p>
Bond Rating	<p>MASD's last long-term Bond Rating by Standards & Poor's, dated June 13, 2011, was AA. This is a very favorable rating.</p>
District Long-Term Debt	<p>MASD is scheduled to pay off its referendum-approved debt (Fund 39) by the end of the 2018/19 fiscal year.</p> <p>MASD non-referendum debt (Fund 38) is scheduled to be paid off by the end of the 2022/23 fiscal year, however the district is attempting to set aside funds to payoff this obligation by 2017/18.</p>