

MUKWONAGO AREA SCHOOL DISTRICT  
2016-17 Final Budget Highlights

Budget Factor	Impact Statement
Revenue Limit 3rd Friday Counts	In 2016-17, MASD's third Friday counts, increased from 4,573 to 4,581. The third Friday counts are FTE counts (4k students count as 0.6, 5k-12 counts as 1.0). Since revenue limit calculations use a three-year average of third Friday FTE counts, it's important to note the current 3 year average increased by 17. (see pages 23-24)
Summer School Enrollment	Summer school class offerings has helped MASD increase its FTE from 16 in 2011-12 to 28 in 2016-17. This is slightly down from 32 summer school FTE in 2015-16. (see pages 23-24)
Open Enrollment (OE)	The 2016-17 school year has 465 students open enrolling in and 213 open enrolling out of MASD for a net positive OE enrollment of 252 students. In 2008-09, MASD had a net negative OE enrollment of 29 students. School districts pay each other \$6,748 for regular education and \$12,000 for each special education students that open enroll. Through open enrollment, MASD has increased revenue by \$1,863,308.
General Fund Revenue (Fund 10)	Total general fund revenues are budgeted to <u>increase</u> by \$803,657 (+1.73%) from the prior year actual revenues. This is primarily due to revenue increases from open enrollment (+\$454,428) and state categorical aid (+\$459,250). (see page 5)
General Fund Expenditures (Fund 10)	The 2016-17 budget is in full compliance with state imposed revenue limits. Total general fund expenditures are budgeted to increase by \$811,435 from the prior year actual expenditures. This is primarily due to expenditure increases in salaries (+\$433,709), benefits (+\$159,277), transportation (+129,096) and open enroll out (+\$123,921), and a transfer to Fund 27 (\$181,760). (see pages 6-7)
Property Tax Levy	The 2016-17 Budget includes a tax levy <u>increase</u> of 2.94%. This is the first tax levy increase in six years. This year's tax levy increase is due solely to the referendum debt approved by district votes in April 2016. (see page 4 and pages 20-21)
State Equalization Aid	MASD will receive \$19.0 million in state equalization aid for the 2016-17 fiscal year. This is a projected <u>increase</u> of \$1.2 million from the previous year's actual amount. (see page 25)
Staffing Levels	Budget developed based on <u>313.0</u> Teacher FTE (a decrease of 4.0 FTE from the previous year).
Employee Compensation	MASD & the Teachers' Union have not yet reached a "base wage" settlement for the 2016-17 school year.

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Employee Benefits	<p>MASD has budgeted a 2.0% <u>increase</u> in health insurance and no <u>increase</u> in dental insurance premiums for the 2016-17 school year. MASD will change to it's health insurance carrier to Anthem starting on December 1st.</p> <p>MASD's state mandated contribution rate to the Wisconsin Retirement System is projected to <u>increase</u> from 6.60% to 6.80% on January 1, 2017. This increase has been factored into the 2016-17 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 2016-17, MASD will be spending nearly <u>\$2.3 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 6235 which calls for maintaining a GFB of 15% to 25% of the prior year's general fund expenditures. The general operating budget is expected to use \$175,000 of fund balance. This budget projects a 26.5% fund balance position on 06/30/2017.</p>
Bond Rating	<p>MASD's long-term Bond Rating by Standards &amp; Poor's, dated July 20, 2016, was <b>AA</b>. This is a very favorable rating.</p>
Long-Term Debt	<p>The District finalized the first \$39.5 million long-term debt borrowing in August. Originally, we projected a 4.50% interest rate. Due to a great interest rate environment, our strong AA bond rating, and a better than anticipated state aid position, we were able to finalized our borrowing with a 2.84% interest rate.</p> <p>We were able to reduce the total 20-year financing cost by more than \$20 million from our original projection.</p>
Short-Term Debt	<p>MASD is scheduled to pay off its short-term debt (Fund 38) on April 1, 2020. This is three years ahead of schedule.</p> <p>By paying off the District's short-term debt early, the District will save \$89,810 in future interest costs.</p> <p>This year's levy of \$302,040 will be the District's last levy for short-term debt purposes.</p>