

MUKWONAGO AREA SCHOOL DISTRICT (MASD)
2013/14 Final Budget Highlights

| Budget Factor | Impact Statement |
|---------------------------|---|
| Resident Pupil Enrollment | MASD's resident enrollment, as measured by the third Friday of September count date, <u>declined by 80 resident student average daily membership (ADM)</u> from 4,611 to 4,531. This marks the sixth year in a row that MASD's resident enrollment has declined at an average yearly loss of 79 ADM. |
| Summer School Enrollment | The expansion of summer school offerings (particularly the addition of the Speed & Strength program at MHS) has helped MASD increase its summer school ADM from 16 in 2011 to 28 in 2013. |
| Open Enrollment (OE) | The 2013/14 school year has 372 students open enrolling in and 196 open enrolling out of MASD for a positive gain of <u>176 OE students</u> . In 2008/09, MASD had a net loss of 29 OE students. Since that time, MASD has realized a steady improvement in this program. |
| General Fund Expenditures | <p>The 2013/14 Budget is in full compliance with state imposed revenue limits. The general fund expenditures exceed revenue by \$509,000 due to the Board authorizing the use of general fund balance for technology infra-structure improvements.</p> <p>Total general fund expenditures are budgeted to increase by 1.21% (excluding the use of \$509,000 of general fund balance) from the prior year budget.</p> |
| Employee Compensation | <p>Under Wisconsin Act 10, school boards were granted much greater authority to manage school operations. Though there are legal challenges still under review, it is presumed for budgetary purposes that this legislation will remain in effect for the 2013/14 school year.</p> <p>MASD & the Teacher's Union reached a "base wage" settlement for the 2013/14 school year. The settlement, which included a major reduction in the size of the salary scale, is seen as the first step in the process of re-inventing MASD's staff compensation program.</p> <p>Total general fund staff salaries are budgeted to increase by 1.16% from the prior year budget.</p> |
| Employee Benefits | MASD was able to budget no increase in health or dental premiums for the 2013/14 school year by implementing plan design changes to offset medical inflation trends of 10% and increased fees and taxes associated with Federal Healthcare Reform. |

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| Employee Benefits <i>(cont'd)</i> | <p>MASD's state mandated contribution rate to the Wisconsin Retirement System will be increasing by 0.35% on January 1, 2014. This increase has been factored into the 2013/14 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 expenditures from 2011/12 to the 2013/14 budget, MASD will be spending nearly <u>\$1.3 million less on employee benefits</u> in 2013/14.</p> |
| Staffing Levels | Budget developed based on <u>314.64</u> Teacher FTE |
| General Fund Revenue | Total general fund revenues are budgeted to <u>increase by 1.21%</u> from the prior year budget. |
| Property Tax Levy | The 2013/14 Budget includes a <u>tax levy decrease of 0.73%</u> . This will be the third consecutive year that MASD has lowered the property tax levy. |
| State Aid | MASD will receive \$17.9 million in state equalization aid for the 2013/14 fiscal year. This is an increase of over \$300,000 from 2012/13. |
| General Fund Balance (GFB) as of 06/30/13. | <p>MASD 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 23%.</p> <p>The Board of Education has authorized the use of \$509,000 of general fund balance for technology infra-structure improvements.</p> |
| Bond Rating | MASD's last long-term Bond Rating by Standards & Poor's, dated June 13, 2011, was AA . This is a very favorable rating. |
| District Long-Term Debt | MASD is currently scheduled to pay off its referendum approved debt by the end of the 2019/20 fiscal year. |