



# Mukwonago Area School District

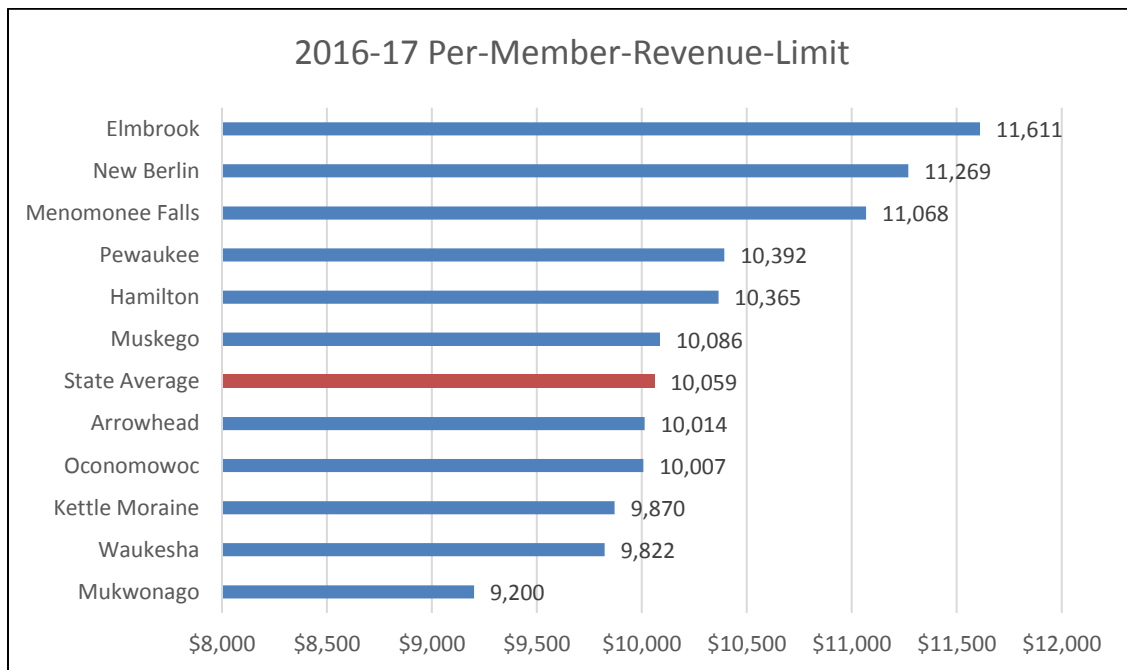
Building Better Schools Together

To: Residents of the Mukwonago Area School District  
From: Thomas Karthausser, Director of Business Services  
Date: January 20, 2017  
Re: Per Member Revenue Limits

MASD Residents,

Below is a graph of Waukesha County school districts' per member (i.e. per student) revenue limit for the 2016-17 school year. The per-member-revenue-limit represent the amount of money a school district can legally raise through state aid and property taxes for each student. Once enrollment numbers are known, each district multiplies their enrollment by their per-member-revenue-limit amount, and thus a school district's budget begins to get built.

Through the graph, you can see MASD received the least amount of money per student in Waukesha County in 2016-17. This has been the case since the 1993-94 school year. While MASD take great pride in achieving high academic standards on a small budget, some might wonder "Why does MASD spend such a low amount on its students?"



### Revenue Limits – A Brief History

As means to curb a school board's tax levying authority, revenue limit laws were first enacted in 1993 under former Wisconsin governor Tommy Thompson. Prior to revenue limit laws, school boards could levy any tax onto their residents without restriction. Throughout the 1980's, property taxes sometimes fluctuated greatly as school tax levies fluctuated from year to year. To keep property taxes under control, revenue limit laws were enacted at the start of the 1993-94 school year.



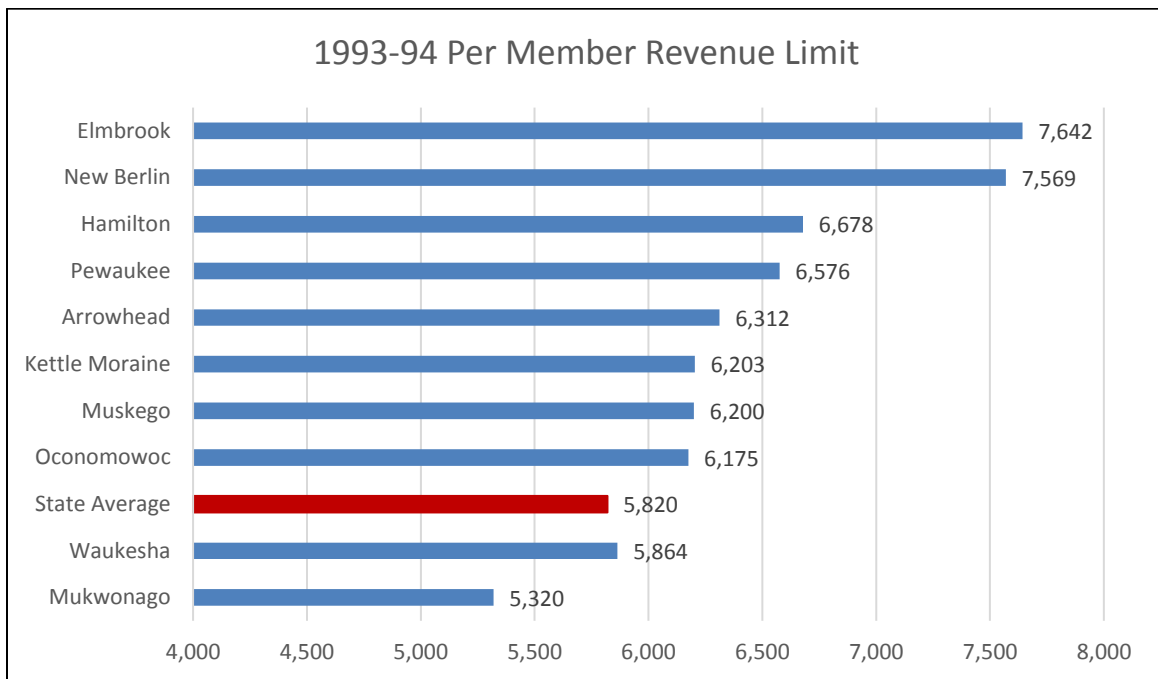
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### Revenue Limits – In the Beginning

Before the 1993-94 school year, school districts were told that the amount of money raised per student in the 1992-93 school year would carry forward. Therefore, school boards that heavily taxed their residents in 1992-93 locked into a large per-member revenue amount. Districts who taxed their residents in a conservative manner locked themselves into a small per-member-revenue amount.

Locally, the MASD school board elected a very conservative per-member-revenue-limit amount. Below, you can see the initial amounts for Waukesha County school districts in 1993-94. MASD has been at the bottom of Waukesha County in per-member-revenue-limit amounts for the last 24 years.



### Revenue Limit Laws – Where We Are Today

Initially, revenue limit laws were only intended to last for five years. However, these laws are still intact today. Currently, only 13 Wisconsin school districts raise less money per member than MASD did in 2016-17.

To illustrate this point, the graph on the last page displays the 2016-17 per-member-revenue-limit for all school districts in Wisconsin. You will note MASD, which is shown yellow, is at \$9,200 per student.

Locally, given the variation in per-member-revenue-limit amounts throughout Waukesha County, some neighboring school districts have more than \$8 million in resources available to them on annually despite having less students than MASD.



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### **Conclusion**

Since revenue limits were enacted, there have been many financial challenges MASD has endured. With one of the lowest historical per-member-revenue-limit amounts in the state, difficult financial decisions have been made by MASD school boards for the past two decades. With inflationary pressure and other local economic factors present within the Waukesha and Milwaukee markets, MASD continues to lead by example in terms of being a fiscally responsible school district that regularly demonstrates outstanding academic achievement.

I hope this letter helped you understand revenue limits. By all means, school finance is not an easy topic to understand. However, if you have any questions regarding the contents of this letter, please contact me. I am more than willing to discuss the fiscal state of the Mukwonago Area School District.

Take care,

A handwritten signature in black ink that reads 'T. Karthausser'.

Thomas Karthausser  
Director of Business Services  
Mukwonago Area School District  
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## 2016-17 Statewide Per-Member-Revenue-Limit

