



Kettle Moraine School District 2018-2019 Original Budget

October 30, 2018



Change in Revenue Limit

2017-18	\$37,546,420
2018-19	<u>\$37,018,027</u>
	(\$ 528,393)

- Revenue Limit lowest since 2004-05

Maximum Revenue Per Member (Revenue Limit)

Elmbrook	\$11,646
New Berlin	\$11,305
Menomonee Falls	\$11,077
Pewaukee	\$10,414
Waukesha County Avg.	\$10,411
Hamilton	\$10,377
WI State Average	\$10,172
Oconomowoc	\$10,117
Muskego	\$10,086
Arrowhead UHS (and K-8's)	\$10,030
Kettle Moraine	\$9,948
Waukesha	\$9,828
Mukwonago	\$9,400



How does that (Maximum Revenue per Member) equate to dollars available for KMSD to operate with?

- **Revenue Limit** = Max. Revenue/Member x Membership
- \$11,646/member (**County(high)**) vs. \$9,948 (KMSD)
The (\$1,699) difference x 3,576 (KMSD) members = **\$6.1M Less per year for Operating**
**\$4.9M less per year than 2nd Highest in Waukesha County)*
- \$10,411/member (**County(average)**) vs. \$9,948 (KMSD)
The (\$464) difference x 3,576 (KMSD) members = **\$1.7M Less per year for Operating**

Consider the Cumulative effect...





Reasons for change in Revenue Limit

Declining enrollment (1.5%)

(53) Less FTE for
Revenue Limit calculation

Allowed per member \$0



Change in Tax Levy

2018-19 Tax Levy	\$37,091,306
2017-18 Tax Levy	<u>\$36,127,978</u>
Variance	\$ 963,328



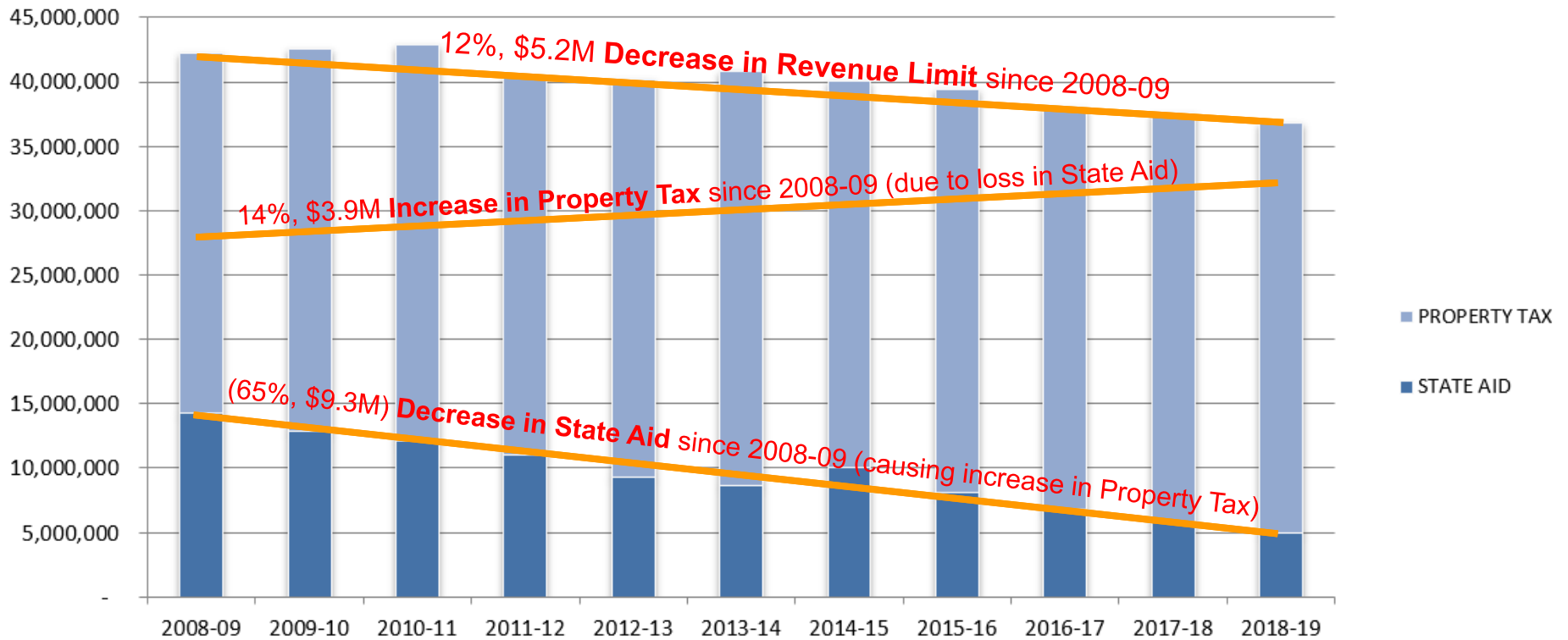
Reasons for Change in Tax Levy

(15.37%) Decrease in State
Aid (\$ 893,569)

Lowest since 1994-95*

(1.41%) Reduction of Revenue
Limit (\$ 528,393)

Relationship between Kettle Moraine State Aid and Property Tax





Change in Levy Rate

2017-18 Tax Levy Rate	\$10.08
2018-19 Tax Levy Rate	<u>\$ 9.97</u>
Variance	(\$ 0.11)



Reasons for Change in Levy Rate

3.75% Increase in Equalized Value

As the district's property value (denominator) increases and the tax levy (numerator) increases (modestly), the levy rate decreases.

$$\left[\frac{\text{Tax Levy}}{\text{Property Value}} \right] \times 1,000 = \text{Levy Rate}$$

Balancing the Budget

- Staffing adjustments (62% of reductions)
 - 14 fte Instructional Staff / 7 fte Support Staff
- Non-staff (operating) adjustments (38% of reductions)
 - School/Department operating budgets
- Balanced Budget



2018-19 Budget Highlights

General Fund

- Retirement related expenditures
 - \$1.7 million **Committed Fund Balance** is sufficient to pay off the district's post employment liability
- Open Enrollment into KMSD is at a **3 to 1** ratio of **Transfers-In** vs. Transfers-Out
- 2018-19 end fund balance will be approximately 27.0% of general fund expenditures



Updates on Remaining Funds

Special Education

- Stabilizing costs (after new high cost students in 2017-18) & Decreasing State funding

Debt Service

- Debt Defeasance (pre-payment) incorporated



Updates on Remaining Funds

Capital Projects Fund

Referendum work complete; remaining balance of funds slated for HVAC efficiency projects

Nutrition (Food) Service Fund

Work done within budget (self-sustaining program)

Community Education Fund

Work done within budget (self-sustaining program)



Cultivating academic excellence, citizenship and personal development



- Learning Without Boundaries -