



Kettle Moraine School District

Sustainability Study

Meeting 1 - June 25

Agenda

- Welcome & Meeting Overview
- Context Setting: Background and Purpose of Study Group
- Group Introductions

- Background Information
 - Historical Impact of Budget Cuts - Pat Deklotz, Superintendent
 - School Financing 101: John Stellmacher, Chief Financial Officer
 - Enrollment Trends & Projections: Ryan Wilson, Data & Assessment Coordinator
 - Building Capacity & Space Utilization: Pat Deklotz, Superintendent

- Reflective Discussion
- Options & Scenario Brainstorming
- Meeting Reflections and Next Steps



Purpose of Study Group

Identify innovative, feasible and sustainable options for consolidations and/or cost-savings in the KM School District that also preserve the tradition of excellence expected from a KM education.

Develop scenarios that include pros and cons, to be presented to the Board of Education.



Group Introduction

What values do we want to hold as we work together to develop scenarios for Kettle Moraine School District sustainability and educational excellence?



Background Information

- Historical Impact of Budget Cuts
- School Finance: 101
- Enrollment Trends & Projections
- Building Capacities & Space Utilization





Historical Impact of Budget Cuts

Thirteen Years of Budget Reductions

- Align Resources to Enrollment
- Centralize services and reduce district level support
- Evaluate impact on student achievement
- Evaluate non-mandated opportunities
- Identify other funding sources for programming that is beneficial to students



Thirteen Years of Budget Reductions

- Eliminated KM Post-Employment Benefit (\$32.5M unfunded liability -> Eliminated by 2021)
- Increased class sizes
- Added 4 yr old Kindergarten
- Accepted Open-Enrollment IN when possible
- Eliminated staff - Used attrition when possible
- Implemented multi-age learning
- Parent Technology Partnership to stretch tech \$\$
- Competitive bidding of health insurance
- Redefine benefit and increased cost of insurance
- Discontinued valued programming



Expenditure Alignment/Reductions for 2019-20

➤ Align Resources to Enrollment

→ 5.0 FTE / \$467,000

➤ Reduced Services and Support

→ 8.7 FTE / \$802,500

- ◆ Administrative positions - restructuring
- ◆ Administrative assistant positions - restructuring
- ◆ Redefined nursing services
- ◆ MS World Language exploratory and reduce languages offered
- ◆ Reductions in music: elementary band, orchestra, MS music reduction



Expenditure Reductions and Revenue Generation

- Reduced Services and Support (continued)
 - \$342,500 Other Services (Technology, Transportation, Department/Building Budgets)
- Additional Revenues
 - Technology Parent Partnership \$17,880
 - MS/HS Athletics & Activities
 - Increase participation fees for extracurriculars \$80,000
 - Shift opportunities to Community Ed \$23,000



Questions?





School Finance 101

“This is a Revenue Problem, Not an Expense Problem”

Revenue Limit Maximum Revenue per Member

District	2018-19
Elmbrook	\$11,646
New Berlin	\$11,305
Menomonee Falls	\$11,077
Pewaukee	\$10,414
Waukesha County Avg.	\$10,411
Hamilton	\$10,377
Oconomowoc	\$10,117
Muskego	\$10,086
Arrowhead UHS (and K-8's)	\$10,030
Kettle Moraine	\$9,948
Waukesha	\$9,828
Mukwonago	\$9,400



Maximum Revenue per Member to... Dollars allowed for operations

Revenue Limit = Revenue/Member x Membership

Kettle Moraine

\$9,948/member x 3,627 students

\$36.1 Million Base Revenue Limit



Greater Capacity at Waukesha County Districts

\$11,646/member x 3,627 students

\$42.2 Million Base Revenue Limit



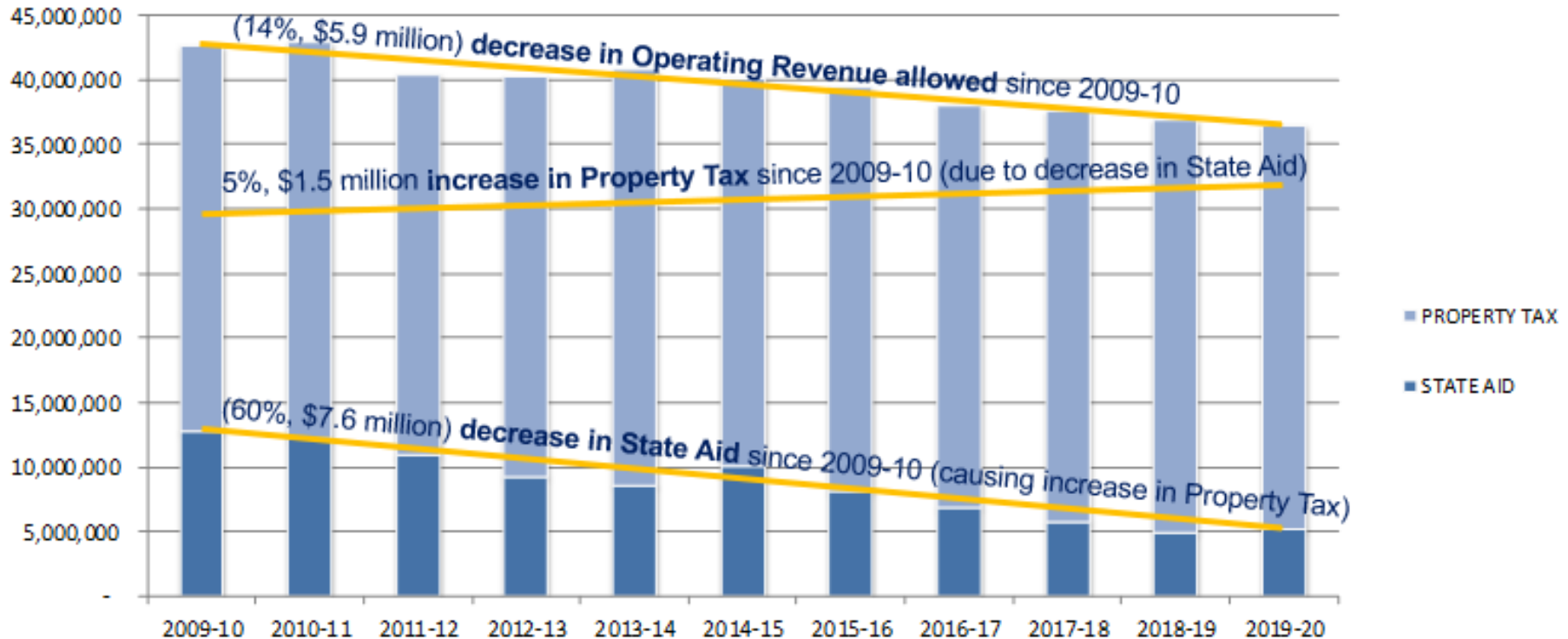
School Funding Simplified

	Spend	State Pays	You Pay
	Revenue Limit	State Aid	Property Tax
	\$10,555	\$5,442	\$5,113
	\$ 9,948	\$1,347	\$8,601

2018-19



Revenue Limit, State Aid & Property Tax



Staffing Plan

Staff Summary	Projected					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Teachers	282.1	282.1	275.2	279.1	264.2	255.1
Administrators	15.8	15.8	16.0	16.0	15.5	14.3
Paraeducators	61.6	61.0	66.0	64.4	58.5	57.5
Admin.Assts./Gen. Support	47.1	47.6	47.8	47.9	45.0	37.9
Custodians	25.7	26.2	25.5	24.7	24.3	24.3
Total	432.3	432.7	430.5	432.1	407.5	389.1
Percent Change	1.81%	0.09%	-0.51%	0.37%	-5.69%	-4.52%



Post Employment Benefits

July 1, 2006

Other Post Employment Benefit (OPEB) &
Pension Liability \$32,517,782

July 1, 2019 (Estimated) (99% Reduction)

Other Post Employment Benefit (OPEB) &
Pension Liability *\$ 750,000

**Total liability will be paid off by 2020-21*



KMSD General Fund

Revenue/Expense Summary Projection

Fund 10 - General Fund - Projection Summary											
Kettle Moraine School District 5-year Budget Forecast 190205 BoE Mtg. Base Forecast											
	BUDGET	REVENUE & EXPENDITURE PROJECTIONS									
	FY - 2019	FY - 2020	% Δ	FY - 2021	% Δ	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ
REVENUE											
Local Sources	\$32,560,083	\$32,911,775	1.08%	\$32,644,667	-0.81%	\$32,562,934	-0.25%	\$32,361,269	-0.62%	\$32,371,081	0.03%
State Sources	\$8,402,784	\$7,534,123	-10.34%	\$6,872,732	-8.78%	\$6,309,248	-8.20%	\$5,835,857	-7.50%	\$5,433,000	-8.90%
Federal Sources	\$261,668	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%
Other	\$4,085,363	\$4,208,920	3.02%	\$4,291,120	1.95%	\$4,373,320	1.92%	\$4,455,520	1.88%	\$4,537,720	1.84%
TOTAL REVENUE	\$45,309,898	\$44,916,486	-0.87%	\$44,070,187	-1.88%	\$43,507,170	-1.28%	\$42,914,304	-1.36%	\$42,603,469	-0.72%
EXPENDITURES											
Salary and Benefits	\$28,498,413	\$29,760,254	4.43%	\$31,425,539	5.60%	\$33,447,128	6.43%	\$34,898,288	4.34%	\$36,449,131	4.44%
Other Objects	\$16,811,485	\$17,092,124	1.67%	\$17,664,607	3.35%	\$18,295,700	3.57%	\$18,722,543	2.33%	\$19,224,630	2.68%
TOTAL EXPENDITURES	\$45,309,898	\$46,852,379	3.40%	\$49,090,146	4.78%	\$51,742,828	5.40%	\$53,620,831	3.63%	\$55,673,761	3.83%
SURPLUS / DEFICIT	\$0	(\$1,935,893)		(\$5,019,959)		(\$8,235,658)		(\$10,706,527)		(\$13,070,292)	
Change over Previous Year		(\$1,935,893)		(\$3,084,067)		(\$3,215,699)		(\$2,470,869)		(\$2,363,765)	
BEGINNING FUND BALANCE	\$12,076,415	\$12,076,415		\$10,140,523		\$5,120,563		(\$3,115,095)		(\$13,821,622)	
ENDING FUND BALANCE	\$12,076,415	\$10,140,523		\$5,120,563		(\$3,115,095)		(\$13,821,622)		(\$26,891,913)	
FUND BALANCE AS % OF EXPENDITURES	26.65%	21.64%		10.43%		-6.02%		-25.78%		-48.30%	

Note: The chart above shows the budget forecast projection that is based on the assumptions discussed in this budget supplement document. In December 2018, the School Board utilized a slightly modified budget projection (with minor differences in assumptions) to determine the need to place an operating referendum question on the April 2, 2019 election ballot. The chart showing the December 2018 budget projection and explaining the differing assumptions is shown on the next slide.



KMSD General Fund

Revenue/Expense Summary Projection

Fund 10 - General Fund - Projection Summary

	BUDGET	REVENUE & EXPENDITURE PROJECTIONS									
	FY - 2019	FY - 2020	% Δ	FY - 2021	% Δ	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ
REVENUE											
Local Sources	\$32,560,083	\$31,994,877	-1.74%	\$32,547,486	1.73%	\$33,151,383	1.86%	\$33,035,768	-0.35%	\$33,125,148	0.27%
State Sources	\$8,402,784	\$8,715,443	3.72%	\$7,986,031	-8.37%	\$7,290,115	-8.71%	\$6,704,784	-8.03%	\$6,206,697	-7.43%
Federal Sources	\$261,668	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%	\$261,668	0.00%
Other	\$4,085,363	\$4,380,405	7.22%	\$4,512,512	3.02%	\$4,512,512	0.00%	\$4,512,512	0.00%	\$4,512,512	0.00%
TOTAL REVENUE	\$45,309,898	\$45,352,393	0.09%	\$45,307,697	-0.10%	\$45,215,678	-0.20%	\$44,514,732	-1.55%	\$44,106,025	-0.92%
EXPENDITURES											
Salary and Benefits	\$28,498,413	\$28,580,254	0.29%	\$30,119,365	5.39%	\$31,986,110	6.20%	\$33,347,077	4.25%	\$34,800,414	4.36%
Other Objects	\$16,811,485	\$16,772,139	-0.23%	\$17,122,527	2.09%	\$17,681,384	3.26%	\$18,027,917	1.96%	\$18,459,262	2.39%
TOTAL EXPENDITURES	\$45,309,898	\$45,352,394	0.09%	\$47,241,892	4.17%	\$49,667,494	5.13%	\$51,374,994	3.44%	\$53,259,675	3.67%
SURPLUS / DEFICIT	\$0	\$0		(\$1,934,195)		(\$4,451,816)		(\$6,860,262)		(\$9,153,650)	
Change over Previous Year		\$0		(\$1,934,195)		(\$2,517,621)		(\$2,408,446)		(\$2,293,388)	
BEGINNING FUND BALANCE	\$12,076,415	\$12,076,415		\$12,076,415		\$10,142,220		\$5,690,404		(\$1,169,858)	
ENDING FUND BALANCE	\$12,076,415	\$12,076,415		\$10,142,220		\$5,690,404		(\$1,169,858)		(\$10,323,508)	
FUND BALANCE AS % OF EXPENDITURES	26.65%	26.63%		21.47%		11.46%		-2.28%		-19.38%	



Questions?

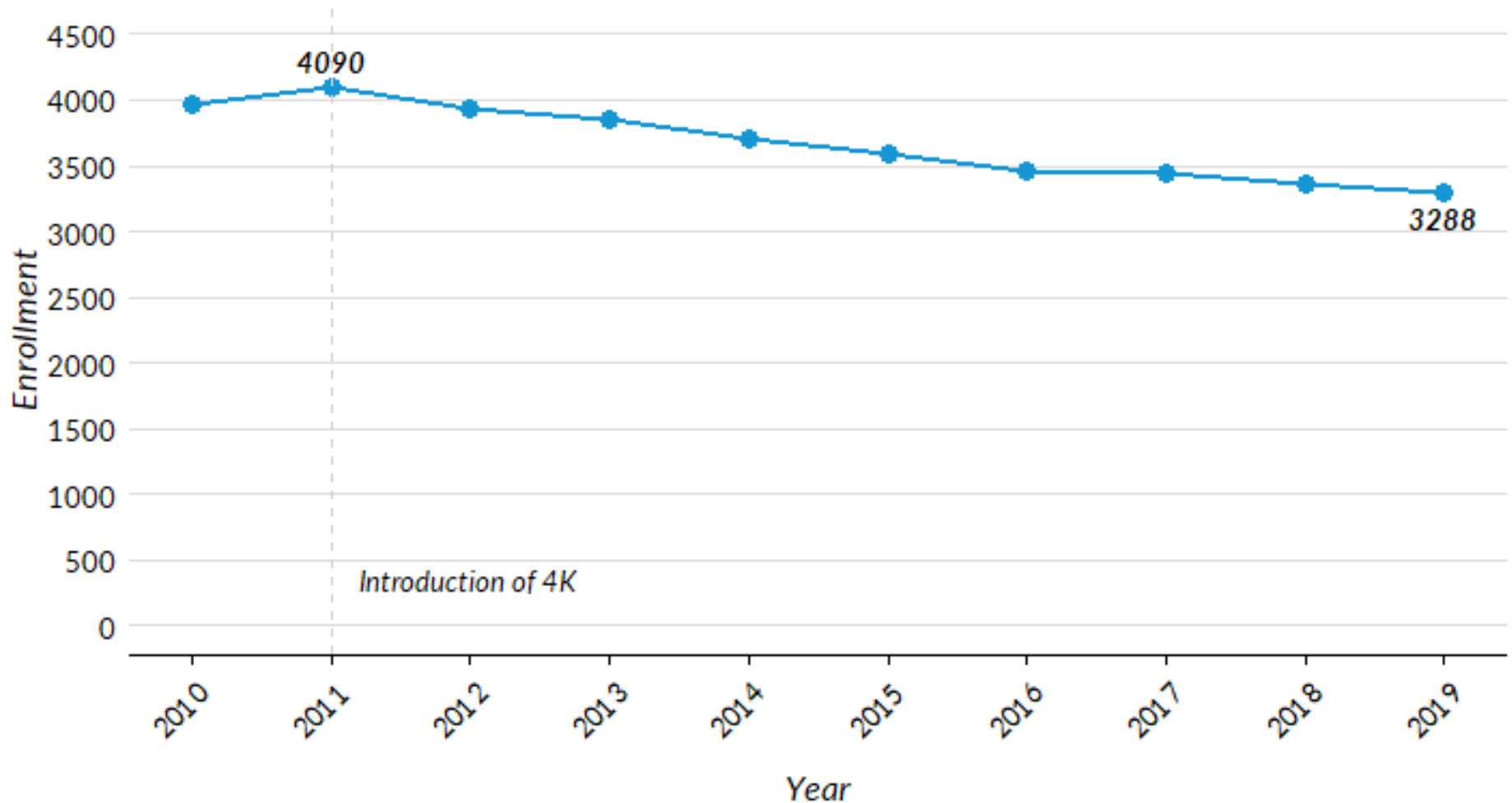




Enrollment Trends and Projections

Kettle Moraine School District

Student Enrollment

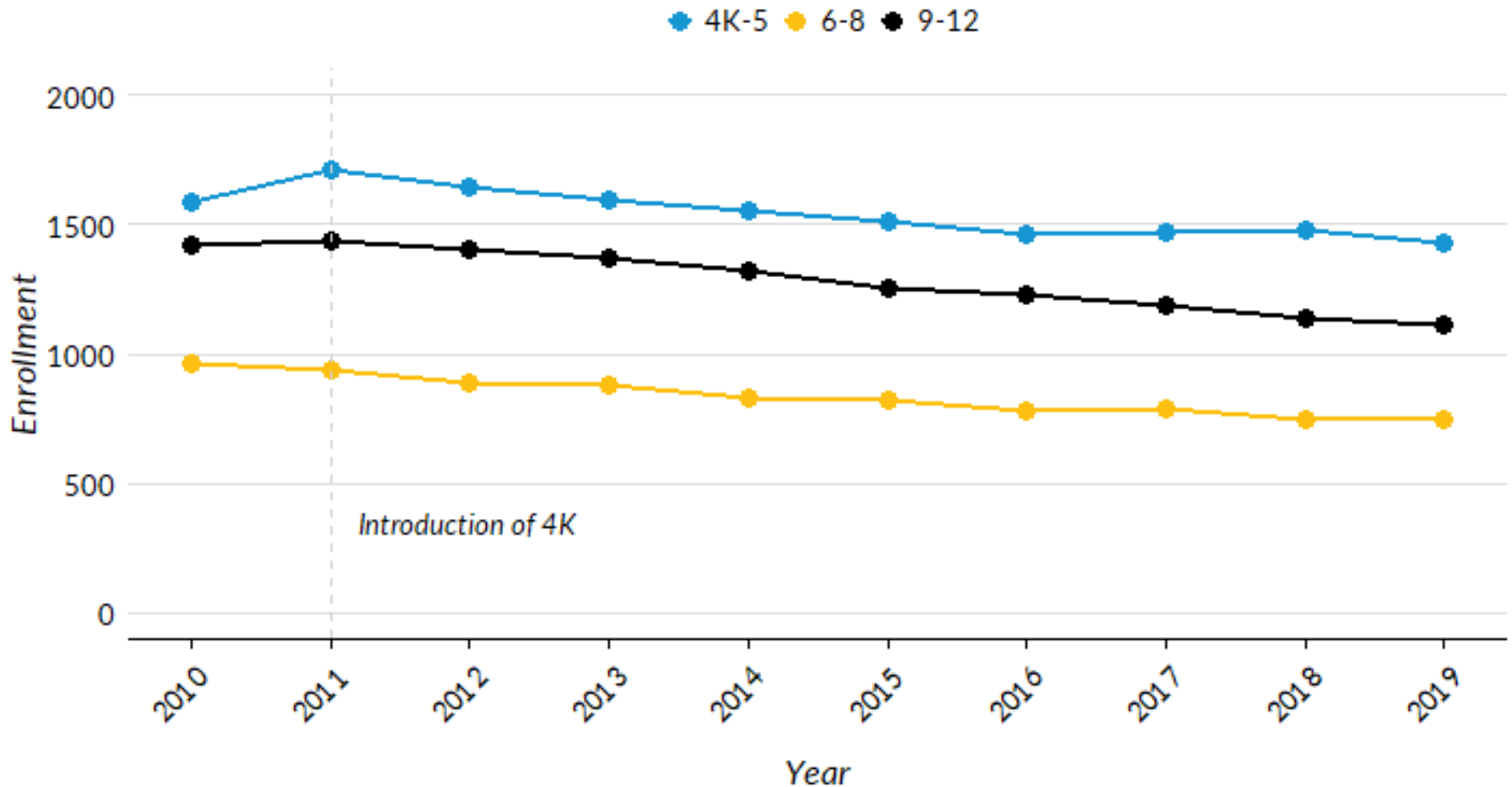


Source: Planning for the Schools of Tomorrow, Fig. 1-A - page 1



Kettle Moraine School District

Student Enrollment by Grade Grouping

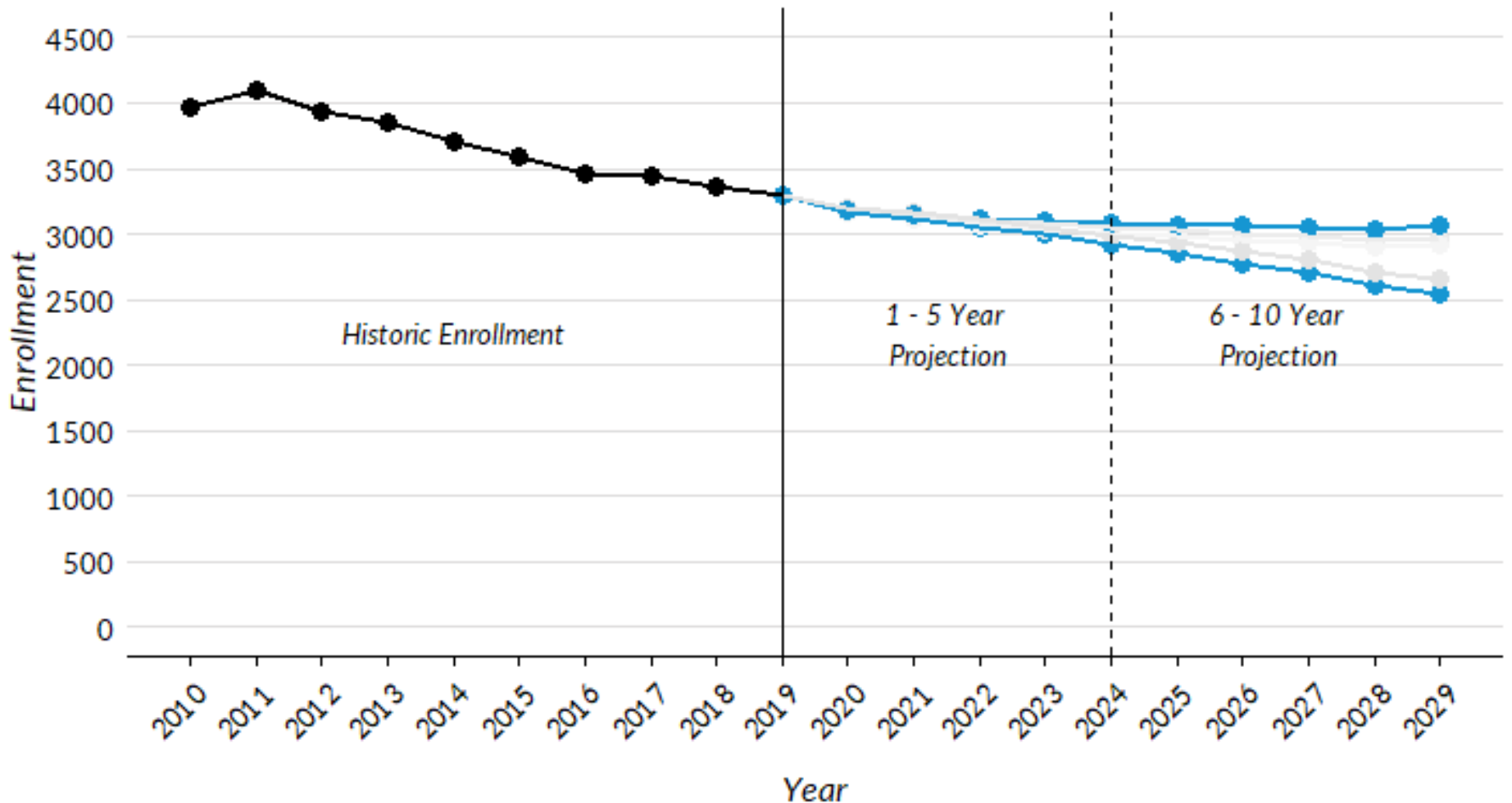


Source: Planning for the Schools of Tomorrow, Fig. 1-B - page 3



Kettle Moraine School District

4K - 12 Enrollment History and Projections

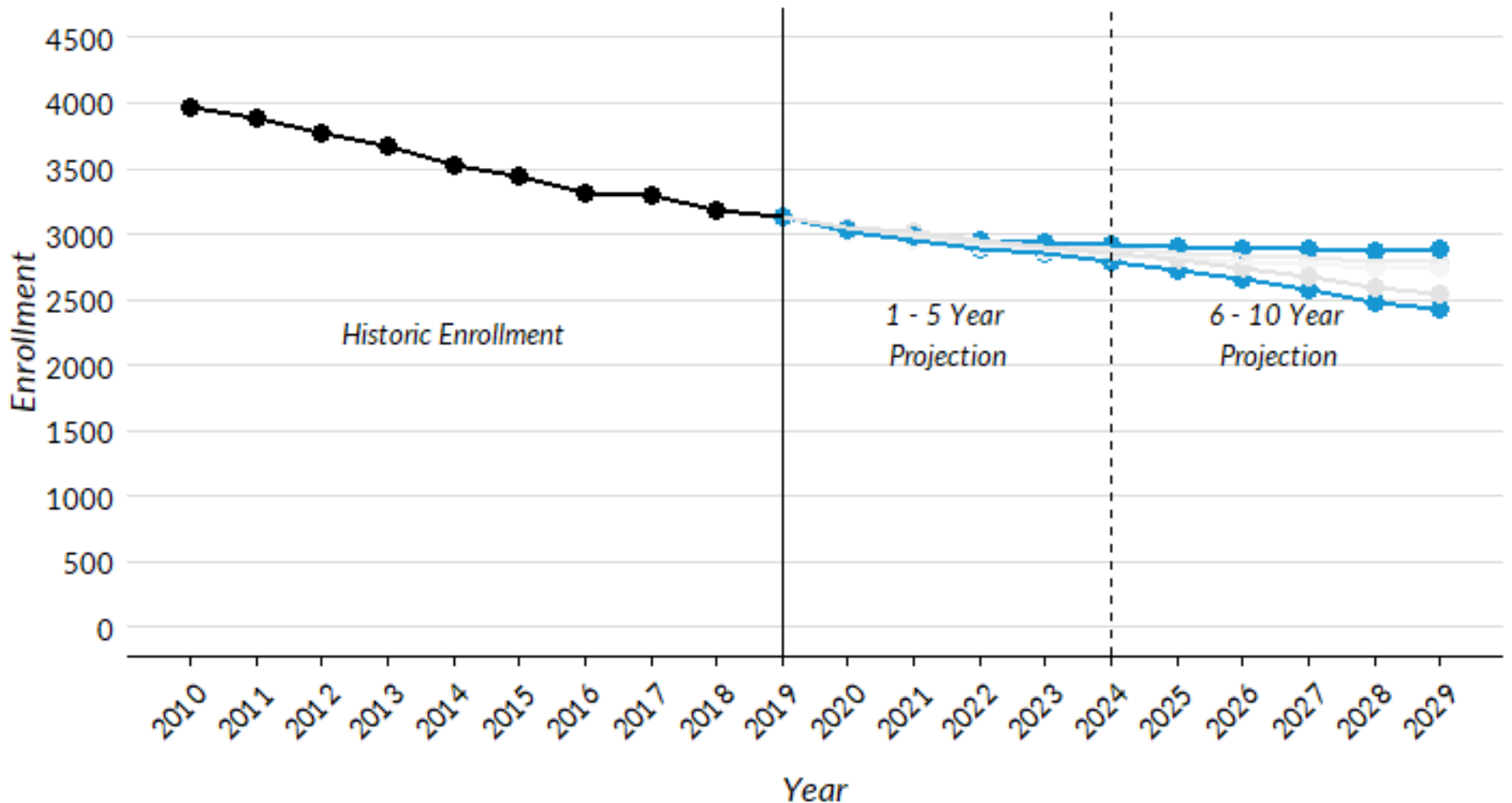


Source: Planning for the Schools of Tomorrow, Fig. 7 - page 22



Kettle Moraine School District

K - 12 Enrollment History and Projections

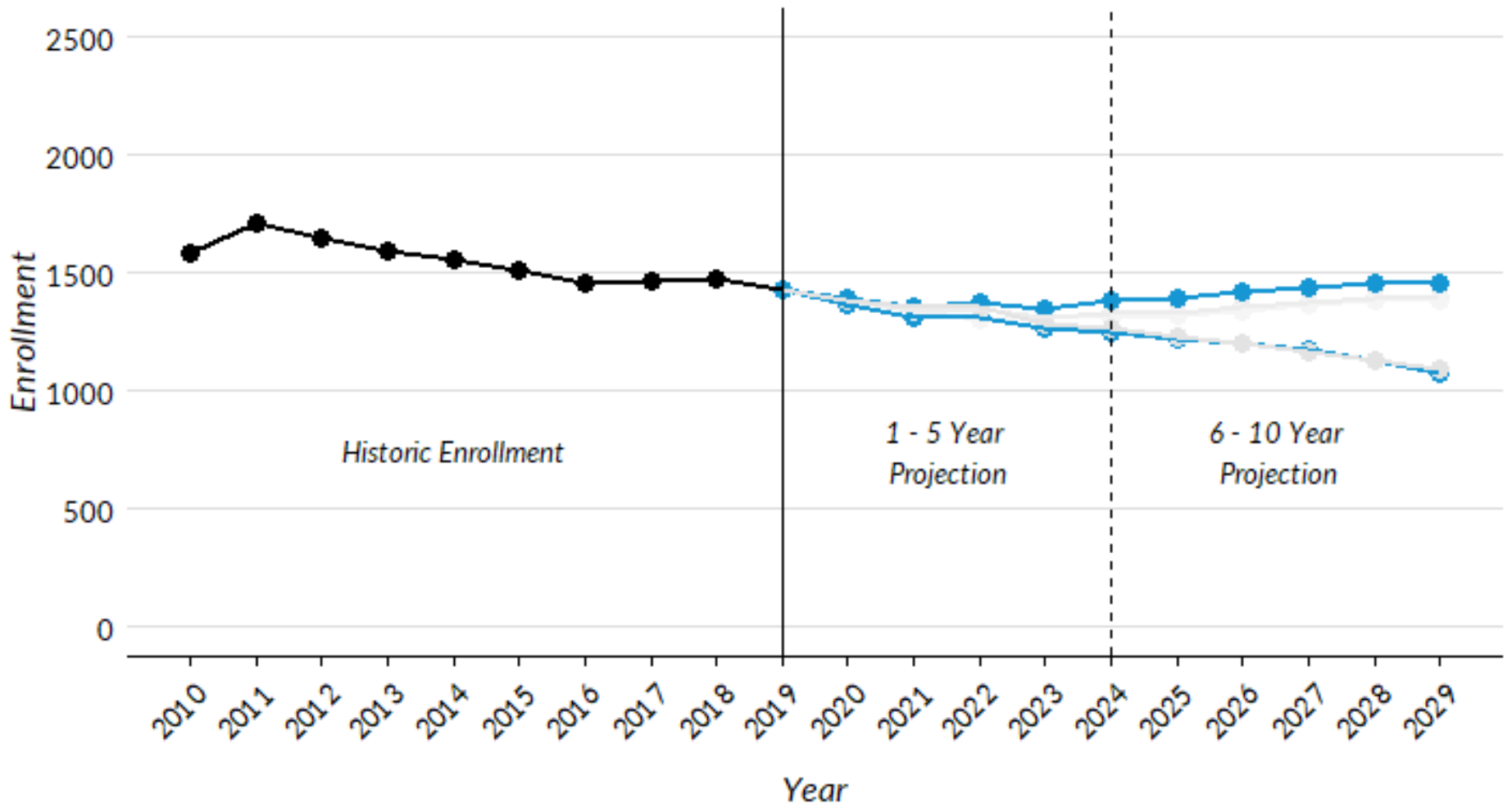


Source: Planning for the Schools of Tomorrow, Fig. 8 - page 23



Kettle Moraine School District

4K - 5 Enrollment History and Projections

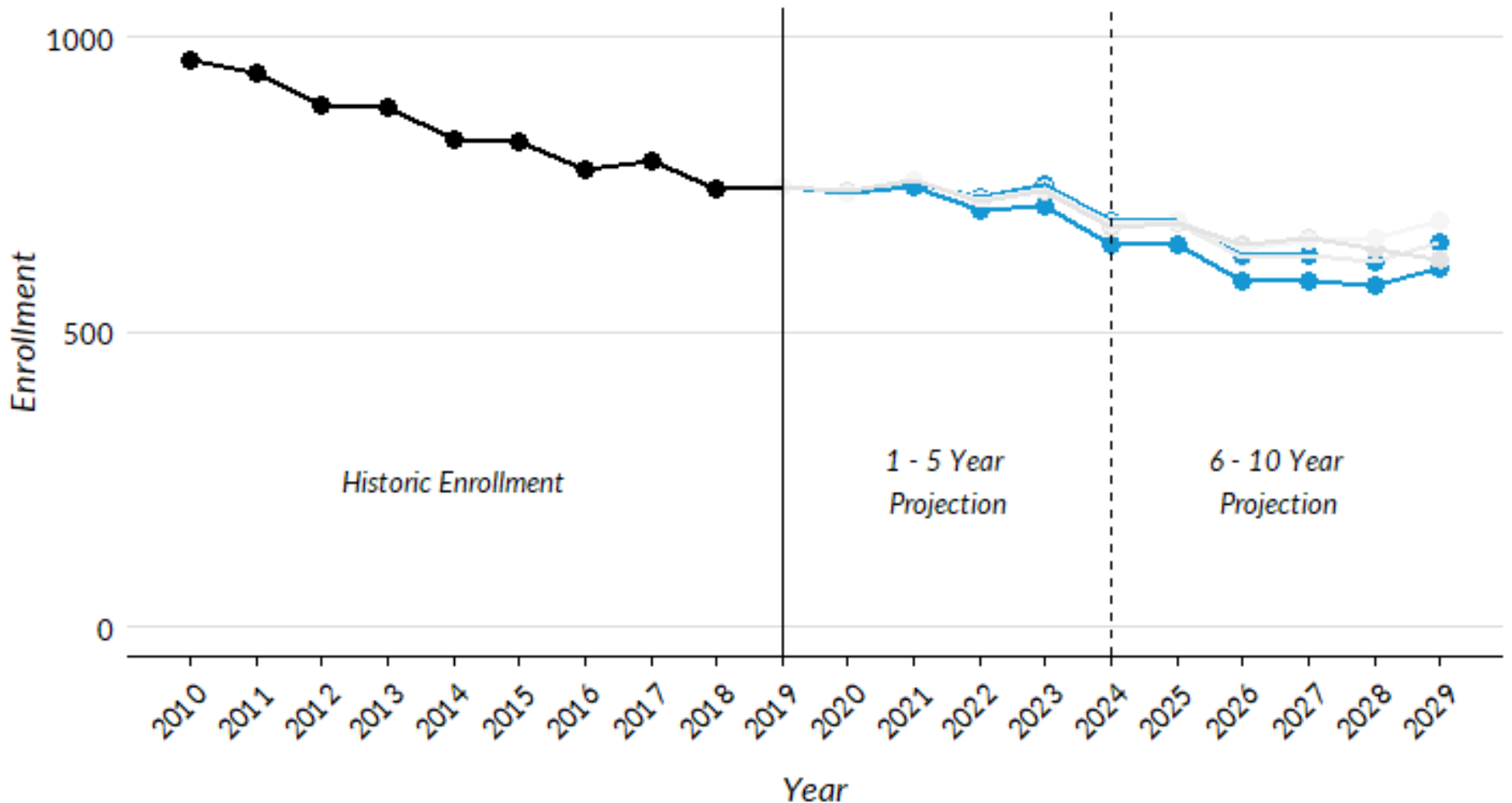


Source: Planning for the Schools of Tomorrow, Fig. 9 - page 24



Kettle Moraine School District

6 - 8 Enrollment History and Projections

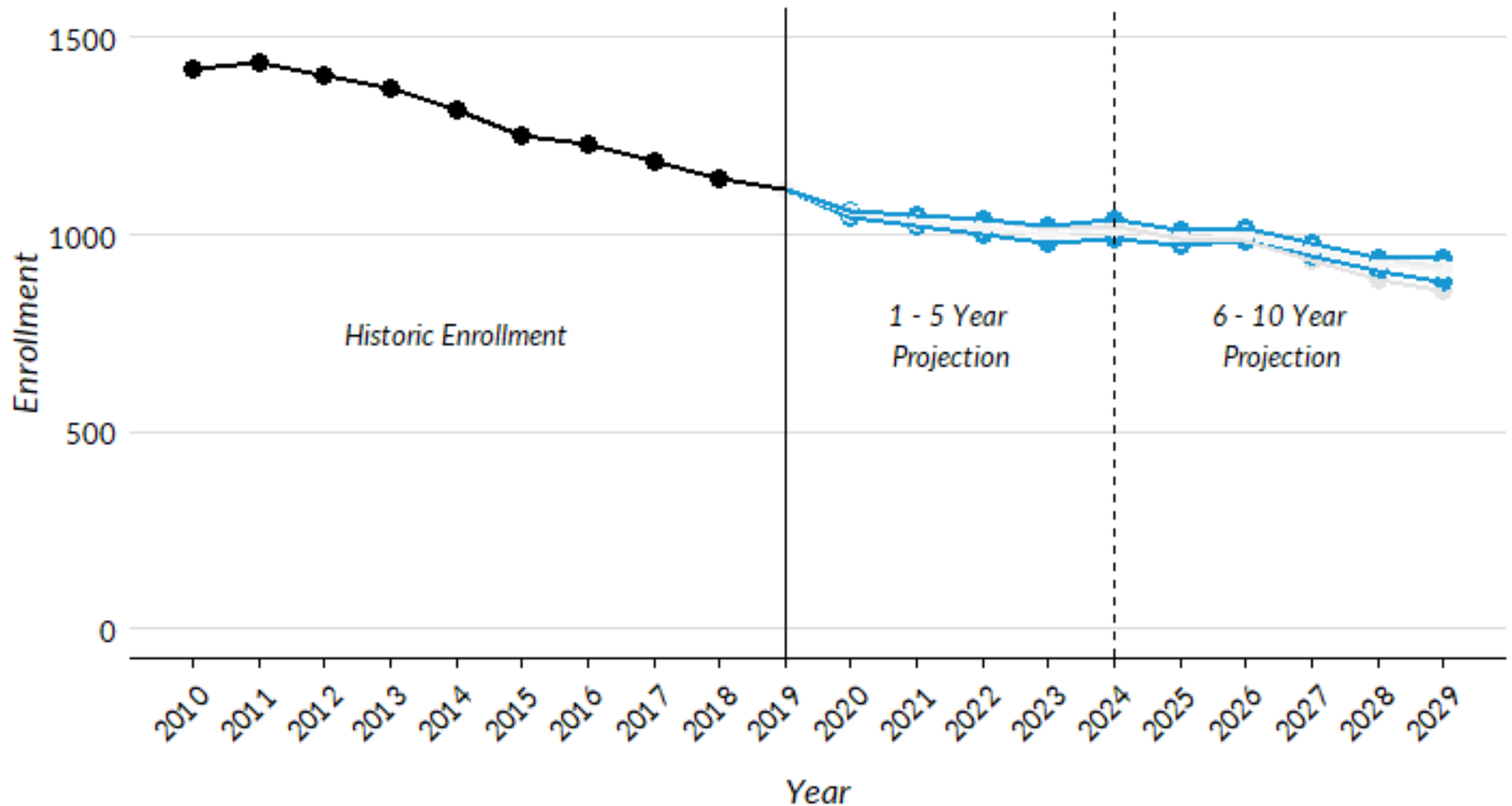


Source: Planning for the Schools of Tomorrow, Fig. 10 - page 25



Kettle Moraine School District

9 - 12 Enrollment History and Projections



Source: Planning for the Schools of Tomorrow, Fig. 11 - page 26

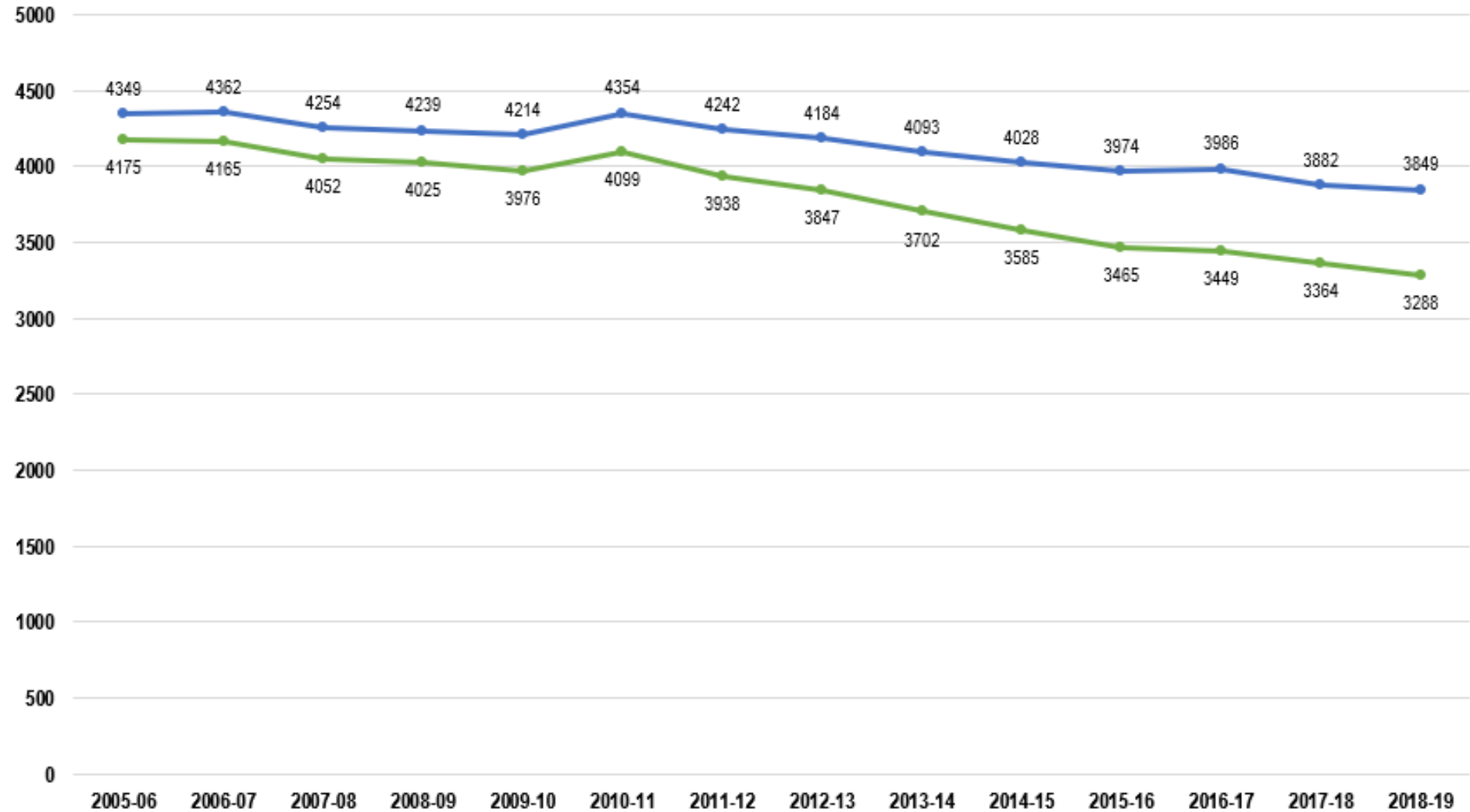


Questions?



History of KMSD Open Enrollment—IN 4K – 12th Grade

Residents Total Attending



- Learning Without Boundaries -

Questions?





Space Utilization and Building Capacities

Site Analysis

School	^a Existing site size	Current Enrollment 2 nd Friday Jan. 2019 report	^b Recommended site size based on current student pop.	Existing building size
Cushing Elem. School	10 acres	432	14.3 acres	64,199 sq. ft.
Dousman Elem. School	^c 82 acres (shared with MS)	420	14.2 acres	70,114 sq. ft.
Magee Elem. School	18 acres	239	12.3 acres	45,561 sq. ft.
Wales Elem. School	21 acres	480	14.8 acres	70,114 sq. ft.
Kettle Moraine Middle School	^c 82 acres (shared with Dousman)	833	28.3 acres	139,032 sq. ft.
Kettle Moraine High School	53 acres	1372	43.7 acres	359,071 sq. ft.

- a. *Site area based on GIS mapping data and includes building, parking and outdoor activity areas.*
- b. *Recommended site size is buildable property. This does not include wetlands or areas not suitable for construction.*
- c. *The acreage for Dousman Elementary and Kettle Moraine Middle School is shared on a single property.*



Assumptions

	Room Usage	Sq Feet / Student	Class Size
Elementary	90%	150	20-24 K - 2nd 24-28 3rd - 5th
Middle School	90%	180	25-30 avg
High School	75%	230	18 min. 25-30 avg



Capacity Analysis

School	Current Enrollment 2 nd Friday Jan. 2019 report	^{a,f} Functional Design Capacity	Capacity based on total Building Area	^e Capacity based on School Board Guideline
Cushing Elementary	432	<i>b</i> 455	498	456 - 540
Dousman Elementary	420	<i>b</i> 459	467	500 - 592
Magee Elementary	239	<i>b</i> 285	303	264 - 312
Wales Elementary (including KM Explore)	480	<i>b</i> 445	467	500 - 592
Kettle Moraine Middle School	833	<i>c</i> 931	772	1195-1410
Kettle Moraine High School (including KM Perform, KM Global and High School of Health Sciences)	1372	<i>d</i> 1884	1561	1512-2520
District Total	3776	4801	4068	5015 - 5966



Questions?



Thank you!
Next meeting: July 9

