



Engage | Learn | Improve

2019-2020 Budget Scorecard

Working Document

BOE, October 28, 2019

Additional budget information can be found at fallsschools.org

Table of Contents

Page 1	Mission and strategic performance targets
Page 3	Points of pride and budget process
Page 4	Budget assumptions and projections
Page 6	Budget (balancing) scorecard
Page 7	Enrollment & staffing information
Page 10	Frequently asked (budget) questions (FAQ)
Page 18	Budget reduction history
Page 21	Budget development calendar

2019-20 School Year Budget Planning

Mission of the School District of Menomonee Falls

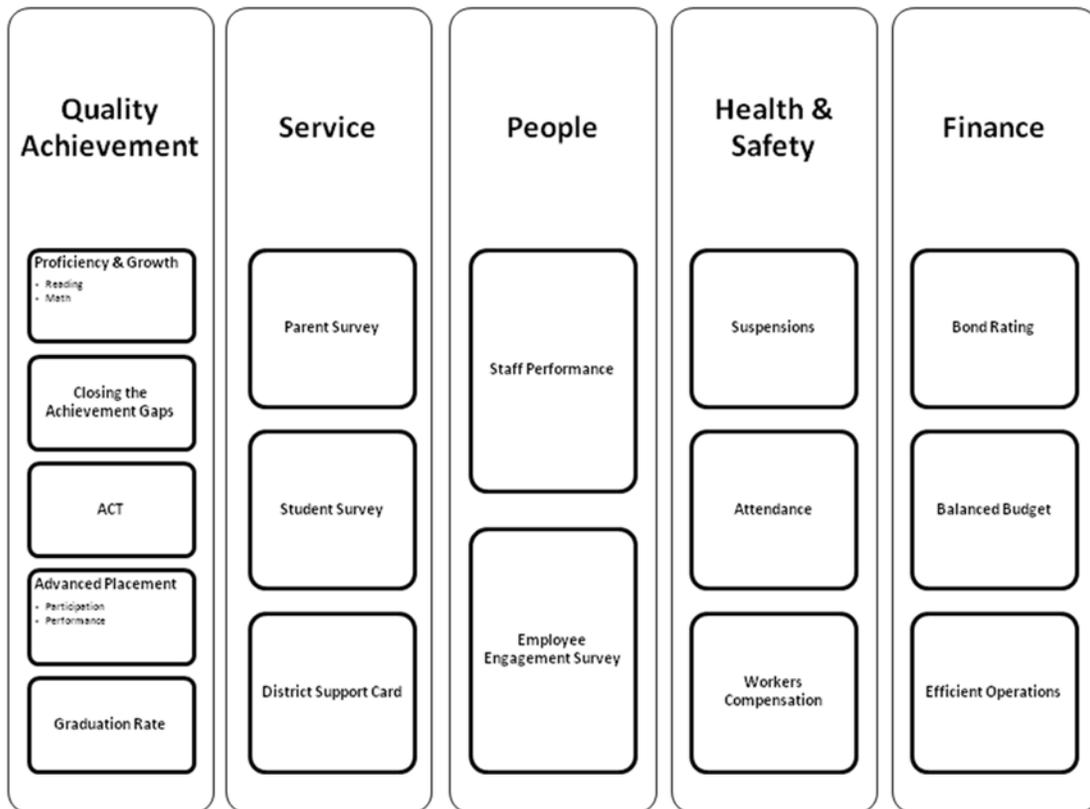
Engage. Learn. Improve.

2018-19 Strategic Goals

1. Increase college and career readiness.
2. Improve the culture of learning and engagement for all students.
3. Improve the development and engagement of all staff.
4. Build and sustain safe, effective and efficient operations.
5. Engage our parents and community in our progress.
6. Build the capacity to adapt to and embrace changing technology.

Our System Scorecard

Annual performance levels are set for meeting each goal. All schools, divisions, and central office leaders have scorecards that define the quality of performance and targets for growth.



Our Budget Process

Aligning Limited Resources with Strategic Goals and Guiding Principles

Each member of the leadership team is involved in aligning limited resources to the goals of the system. The guiding principles for Evidence Based Leadership are used to focus decision making, and recommendations are advanced to the Board of Education. **The Nine Guiding Principles** for Evidence Based Leadership (Studer Group):

1. Commit to Excellence
2. Measure the Important Things
3. Build a Culture Around Service
4. Create and Develop Leaders
5. Focus on Employee Satisfaction
6. Build Individual Accountability
7. Align Behaviors with Goals and Values
8. Communicate at All Levels
9. Recognize and Reward Success

Budget Strategy

In the budget decision analysis process, the leadership team identified the follow “musts” for the budget process.

- Sustain Support for Student Academic Performance and Improvement
- Sustain Resources for Safety for Students and Staff
- Sustain a Balanced Budget
- Prioritize Required Programming and State Mandates

Leadership values all of the following items that are not required by law but add to the educational and learning experience of students and sustain a positive work culture.

As resources are limited, these budget drivers have been prioritized in the following order of priority.

1. Manage appropriate class size
2. Attract and retain strong staff
 - a. Remain market competitive
 - b. Appropriate work load to ensure effective outcomes
3. Provide programming, technology, and equipment to prepare students for their futures
4. Maintain facilities
5. Provide competitive athletic facilities and co-curricular offerings

Financial Points of Pride - Top 2018-19 Celebrations

- High service level feedback score for the Finance & Operations division at 4.87
- Conservative budgeting will help balance future budgets
- Maintaining balanced budgets
- District Safety Team continues to increase workplace safety
- The financial auditor opinion continues as unqualified ('clean audit opinion')
- Enrollments trending ahead of projections
- Annual budget process continues to improve five-year budget forecast
- >95% of the \$32.7 million in facility projects complete (>80 projects completed under budget and ahead of pre-referendum schedule)
- Debt Refinance Savings (more than \$2.5M in direct taxpayer savings since 2006)
- Reduced Cash-flow Borrowing Need (by more than \$5.0M or over 50% since 2006)
- Tax Levy Rate (No Increase since 2015-16)
- Energy Cost Avoidance (\$7.5M since 2001)

Budget Assumptions and Projections

The December 2018 budget projections (projecting years 2019-20 through 2023-24) are based on a number of assumptions for planning purposes. The following assumptions are being used to project the District's future financial position and to quantify the amount of reductions necessary to balance the budget and stay under the Revenue Limit set by the State Legislature (every two years). The Revenue projections were updated following completion of the State biennial budget process (July 2019).

Key Expenditure Assumptions

- Utility rates projected at 3% increase (includes natural gas, electricity, water/sewer)
- Student transportation projected at a 2.5% increase
- District property insurance rates projected at a 0% increase
- District liability insurance rates projected at a 0% increase
- District and building supply budgets projected at 0% increase
- District health insurance limited to a 2.0% budgeted increase (1.0% Jan.-June)
- District dental insurance projected at a 5.0% increase (2.5% Jan.-June)
- District salary adjustments projected at a 2.5% increase
 - Up to 2.0 % Cost of Living Increases for Eligible Employee Groups
 - Up to 0.5% Market Adjustments for Eligible Groups
 - Outside of 2.5%
 - Up to 0.5% Scorecard Performance (FYE Accruals or fund balance with Board Authorization)

Key Revenue Assumptions

- Per student Revenue Limit adjustments of ~~\$200 per pupil~~ for 2019-20 and for future years. Updated following resolution of the State Budget to \$175 per pupil on the revenue limit and \$88 per pupil on the per-pupil categorical aid.
- State Special Education reimbursement rate projected at ~~0.0% increase (sustained at 24.5%)~~. Updated to a 1.5% increase to 26.0% for 2019-20.
- State General Aid projected with decreases up to 10-15.0% due high property value and current statutory language.

Fund 10 - General Fund - Projection Summary

Menomonee Falls School District | Initial Base Scenario krb Gov Partial Veto 7.19

	BUDGET	REVENUE & EXPENDITURE PROJECTIONS									
	FY - 2019	FY - 2020	% Δ	FY - 2021	% Δ	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ
REVENUE											
Local Sources	\$34,770,021	\$36,750,352	5.70%	\$38,661,788	5.20%	\$39,595,327	2.41%	\$40,632,564	2.62%	\$42,276,921	4.05%
State Sources	\$11,321,808	\$10,514,197	-7.13%	\$9,675,345	-7.98%	\$9,970,483	3.05%	\$10,268,067	2.98%	\$10,064,058	-1.99%
Federal Sources	\$192,500	\$192,500	0.00%	\$192,500	0.00%	\$192,500	0.00%	\$192,500	0.00%	\$192,500	0.00%
Other	\$2,421,428	\$2,150,694	-11.18%	\$2,135,520	-0.71%	\$2,040,256	-4.46%	\$1,916,255	-6.08%	\$1,656,490	-13.56%
TOTAL REVENUE	\$48,705,757	\$49,607,743	1.85%	\$50,665,153	2.13%	\$51,798,566	2.24%	\$53,009,386	2.34%	\$54,189,969	2.23%
EXPENDITURES											
Salary and Benefits	\$33,152,386	\$33,934,609	2.36%	\$35,115,606	3.48%	\$36,346,085	3.50%	\$37,628,483	3.53%	\$38,965,365	3.55%
Other Objects	\$15,754,677	\$15,966,103	1.34%	\$15,921,986	-0.28%	\$16,138,302	1.36%	\$16,362,752	1.39%	\$16,595,733	1.42%
TOTAL EXPENDITURES	\$48,907,063	\$49,900,712	2.03%	\$51,037,592	2.28%	\$52,484,387	2.83%	\$53,991,234	2.87%	\$55,561,097	2.91%
SURPLUS / DEFICIT											
	(\$201,306)	(\$292,968)		(\$372,438)		(\$685,821)		(\$981,848)		(\$1,371,128)	
Change over Previous Year		(\$91,662)		(\$79,470)		(\$313,383)		(\$296,027)		(\$389,280)	
BEGINNING FUND BALANCE	\$13,356,488	\$13,155,182		\$12,862,214		\$12,489,776		\$11,803,955		\$10,822,107	
ENDING FUND BALANCE	\$13,155,182	\$12,862,214		\$12,489,776		\$11,803,955		\$10,822,107		\$9,450,979	
FUND BALANCE AS % OF EXPENDITURES	26.90%	25.78%		24.47%		22.49%		20.04%		17.01%	

Budget Reduction and Leverage Scorecard Items

v. 10.15.19

2019/20

Projected Deficit Surplus/(Deficit) -91,662

	<u>Teaching</u> FTE	<u>Other FTE</u>	<u>Adjustment*</u>	<u>Deficit</u>
FTE reduction from Staffing Projections	-1.0		75,000	-16,662
Placeholder Teaching FTE's (secondary)	0.0		0	-16,662
Leverage - Elementary - Keep Staffing Status Quo	1.0		-75,000	-91,662
FICA/Benefits Budget to Actual			192,500	100,838
Health/Dental Budget to Actual			50,000	150,838
General Liability Insurance Savings			30,000	180,838
Increase Student Fee Revenue Budget to Actual			75,000	255,838
Increase Interest Earnings Revenue to Current Rates			150,000	405,838
Reduce General Fund Transfer to Fund 27			150,000	555,838
Leverage - Facility, Market Comp Increases/Utility Savings			0	555,838
Leverage - Enrollment Coordinator/Existing FTE			0	555,838
Summary of Current Leverage Items				
Leverage - Musical Instruments (District-Wide)			-60,000	495,838
Leverage - Elementary, Summer School Admin Stipend			-3,600	492,238
Leverage - NMS, Reduce 6th Grade Class Size	1.0		-75,000	417,238
Leverage - High School, English/RISE	0.67		0	417,238
Leverage - High School, Career Academy Coordinator			-50,000	367,238
Summary of One-Time Revenues and Projects				
TID#4 Revenue			1,100,000	1,467,238
TID#5 Revenue			1,100,000	2,567,238
HS Stadium Project (less annual CIP funding)			-1,701,741	865,497
HS Auditorium Budget (Fund 10 Portion, \$925,000 Fund 41)			-630,000	235,497
TID Revenue Adjustment (to actual 2019-20)			-34,019	201,478
HS Stadium Project Scope/Cost Increase			-114,766	86,712
Misc Adjustments (October 15 DPI Aid/RL Adjustments)			-76,274	10,438
2018-19 Carryovers (Under-spent 2018-19 Budgets)			-227,498	-217,060

Enrollment History/Projections and Staffing History

What are the guidelines we use for determining class size?

Parents of our elementary students value keeping the class sizes appropriate. Parents of our middle and high school students value class size, yet the program offerings for students are also important.

Grade Level	Class Size GUIDELINES (Current)
Pre-Kindergarten (4K)	20-23 Range
Kindergarten to 2 nd Grade	22-25 Range
3 rd Grade to 5 th Grade	25-27 Range
6 th Grade to 12 th Grade	25-30+ Range

When a grade level class size goes above the recommended level at one of the elementary schools, the Board considers whether it is necessary to add additional aide time to the classroom or create another section of the grade level.

At the middle and high school levels, it is often typical that a few individual sections will go above 30 students due to scheduling limitations for the students. The average will typically be below 30. At that point, the decision needs to be made whether to limit student enrollment and identify that the courses are full or add an additional section.

How has our projected enrollment compared to our actual enrollment?

Enrollment data from the Department of Public Instruction website may be based on average resident student enrollment and not the total number of students educated. When we project enrollment for budget and staffing of classrooms, all students educated will be included in the actual count to ensure we have the appropriate number of teachers for the students enrolled.

Elementary Enrollment				
School Year	Projected	Actual	Core Sections/FTE	Average 4K-5 th Grade Class Size
2009-2010	1919	1914	82.5	23
2010-2011	1816	1888	81.4	23
2011-2012	1891	1860	80.7	23
2012-2013	1840	1851	82.4	22
2013-2014	1867	1862	82.0	23
2014-2015	1878	1859	83.0	22
2015-2016	1841	1836	82.0	22
2016-2017	1820	1845	81.0	22
2017-2018	1780	1806	71.5	25
2018-2019	1763	1813	73	25

Elementary Enrollment Chart Summary: We have 73 Full Time Equivalent (FTE) Elementary Classroom Teachers serving our 2018-19 actual enrollment of 1813 students. The Pre-kindergarten through 5th grade elementary class size average is 25 for the 2018-19 school year.

Open Enrollment:

Open enrollment allows non-resident students to apply to attend school in Menomonee Falls. This program is not determined based on minority status or student need. Parents are required to transport their children to school or arrange for transportation at parent expense.

The Board may approve students in Open Enrollment in K-2nd grade class sections where space is available. However, the Board did not approve any open enrollment students for the 2019-20 school year.

Chapter 220:

The Chapter 220 Program was started in the 1980s to allow Milwaukee resident minority students to attend schools outside of the City of Milwaukee, and to allow suburban resident students to attend schools within the City of Milwaukee. Students participating in the program are transported at the expense of Milwaukee Public Schools. This program resolved the lawsuit that was filed during the 1980s regarding the racial segregation of the Metro-Milwaukee region.

The Board has not approved any new student participation in Chapter 220 program since the 2011-12 school year. Based on our elementary enrollment projections, our resident student diversity, and the special needs of our resident students at the elementary level, we will continue to recommend no new Chapter 220 student enrollment for the 2019-20 school year.

Middle School Enrollment				
School Year	Projected	Actual	Core Sections/FTE	Average 6th-8th Grade Ratio
2009-2010	1062	1033	44	24
2010-2011	995	986	40	25
2011-2012	920	911	37	25
2012-2013	929	932	36	26
2013-2014	877	882	36	25
2014-2015	866	868	34	26
2015-2016	858	866	31	28
2016-2017	852	868	30	28
2017-2018	876	893	30	29
2018-2019	865	878	31	28

High School Enrollment				
School Year	Projected	Actual	Core Sections/FTE	Average 9th – 12th Grade Ratio
2009-2010	1494	1538	59	26
2010-2011	1558	1541	59	26
2011-2012	1561	1551	60	26
2012-2013	1474	1514	53	29
2013-2014	1479	1457	52	28
2014-2015	1403	1376	45	31
2015-2016	1312	1336	41	33
2016-2017	1299	1306	41	32
2017-2018	1286	1298	42	31
2018-2019	1299	1324	44	30

Elective and Support Area Teachers K-12

	2011-12 FTE	2012-13 FTE	2013-14 FTE	2014-15 FTE	2015-16 FTE	2016-17 FTE	2017-18 FTE	2018-19 FTE
Art	7.0	6.0	6.2	6.1	5.7	5.64	5.21	5.45
Business Ed	6.60	6.60	5.97	5.83	5.92	6.83	6.58	6.58
Family Consumer Science	5.00	4.90	4.06	4.84	3.88	3.00	3.00	3.00
Guidance College Career	9.80	9.80	10.40	10.4	10.35	10.35	10.10	10.70
Library	6.00	5.80	4.20	4.20	4.20	4.20	3.84	3.84
Music	10.50	10.20	9.80	9.58	9.92	9.66	9.70	10.08
Physical Education	17.70	16.20	14.00	15.00	14.66	14.75	13.75	14.02
Elem. Reading Recovery	10.30	9.50	9.00	9.95	9.75	9.50	9.50	9.50
Literacy Specialist	2.00	2.00	1.50	1.25	1.00	1.00	1.00	1.00
CSS/Gifted	5.40	5.50	3.94	4.43	4.66	4.60	4.60	4.67
Math Specialist	-	-	4.00	5.00	6.00	6.83	5.00	5.66
Special Education	38.65	40.75	38.75	38.00	46.06	46.90	47.19	49.09
Speech Therapy	7.80	8.00	7.70	7.70	7.80	7.80	7.80	7.80
English Language Learners	2.90	2.90	2.90	3.15	3.10	3.10	3.10	3.10
Technical Education	7.00	6.00	5.20	4.50	4.02	3.84	4.00	4.33
World Language	10.00	9.00	7.93	7.50	7.41	7.65	7.42	7.08
Intervention Support	4.70	4.60	8.80	6.07	2.35	2.35	2.35	2.10

Other Employees

	2010- 2011	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
Administrators	19.00	17.50	17.00	17.00	17.00	17.00	17.00	16.00	17.5
Professional Technical	13.25	16.25	17.20	14.00	15.00	16.00	17.44	17.00	19.5
Administrative Assistants	24.95	23.56	23.45	24.94	24.50	24.50	22.00	22.00	20.875
Food Service	21.79	20.88	20.19	17.88	17.90	16.84	16.625	16.69	17.5
Custodial	37.60	35.00	37.75	40.66	40.44	40.87	40.97	38.31	38.66
Educational Assistants	60.65	56.09	62.69	67.88	74.08	78.76	78.76	78.34	78.59
Health Room Assistants	4.56	5.19	5.19	4.44	4.50	4.74	5.25	5.25	5.25

2018-19 Budget Frequently Asked Questions

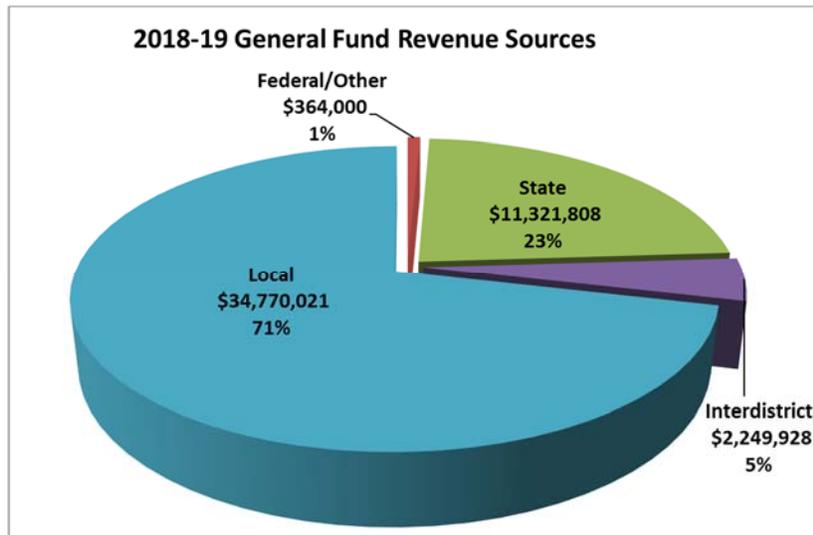
Q: What does it take to budget within the statutory Revenue Limits?

A: Revenue Limits provide an annual inflationary increase to school districts as determined by the State Legislature as part of the State's biennial budgeting process. Unlike in previous years, the 2015-16, 2016-17, and 2017-18 allowance was \$0 per pupil (meaning no inflationary increase to school district revenues). The Governor's initial budget recommendation keeps the increase at \$200/204 for 2019-20 and 2020-21. This per pupil increase to the Revenue Limit is included in the financial projection for all year (2019-2024) at the additional amount of \$200 per year.

There had been additional funding for the 2017-18 and 2018-19 school years in the form of Per-Pupil Categorical Aid (at \$200 additional per-student in 2017-18 and \$204 per student in 2018-19). However, both the Governor's initial recommendation and the Blue Ribbon School Funding Commission have recommended that any per pupil increase be included within the Revenue Limit for the 2019-2021 biennial budget.

Q: Where do Wisconsin school district revenues come from?

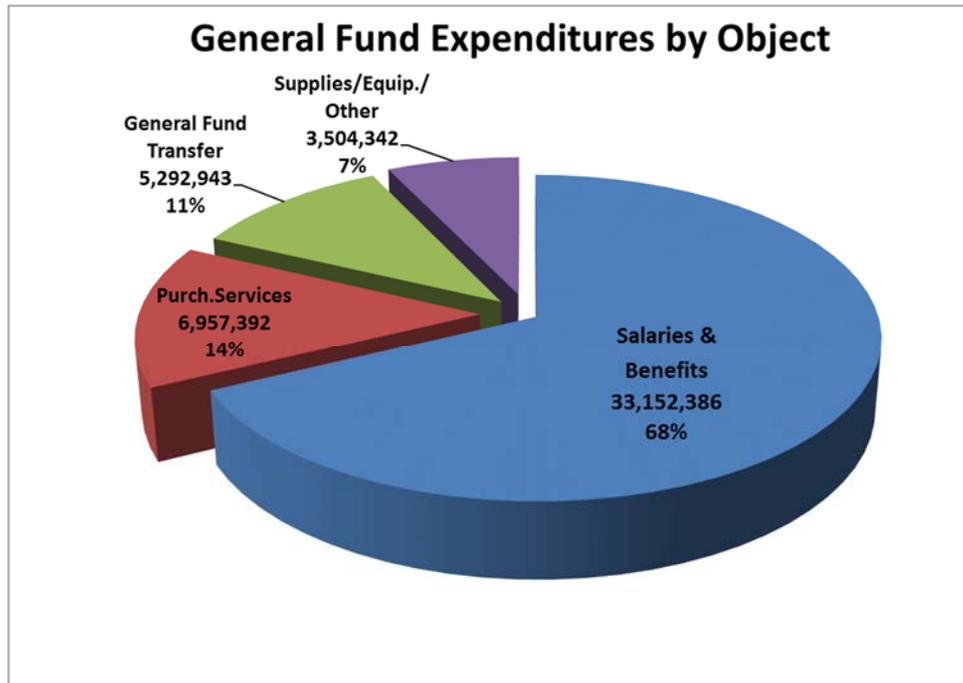
A: Wisconsin school districts have two major revenue sources: local property taxes and state aid. Districts receive minimal federal aid and limited revenue from other sources, but the vast majority of the revenue comes from local taxes and state aid.



Menomonee Falls is primarily funded by local taxes rather than state aid because the district's property value is high (in comparison to other parts of the State). Property values are the major component in determining the amount of state aid a district receives.

Q: Where do school districts' spend their money?

A: Like most organizations and companies, salaries and benefits make up the greatest expenditures of a school district. Most school districts try to spend less than 80 percent of their budgets on salaries and benefits.



In the School District of Menomonee Falls (SDMF), 69% of its expenditures are on salaries and benefits. Most school districts try to spend less than 80 percent on salaries and benefits (many do not achieve this).

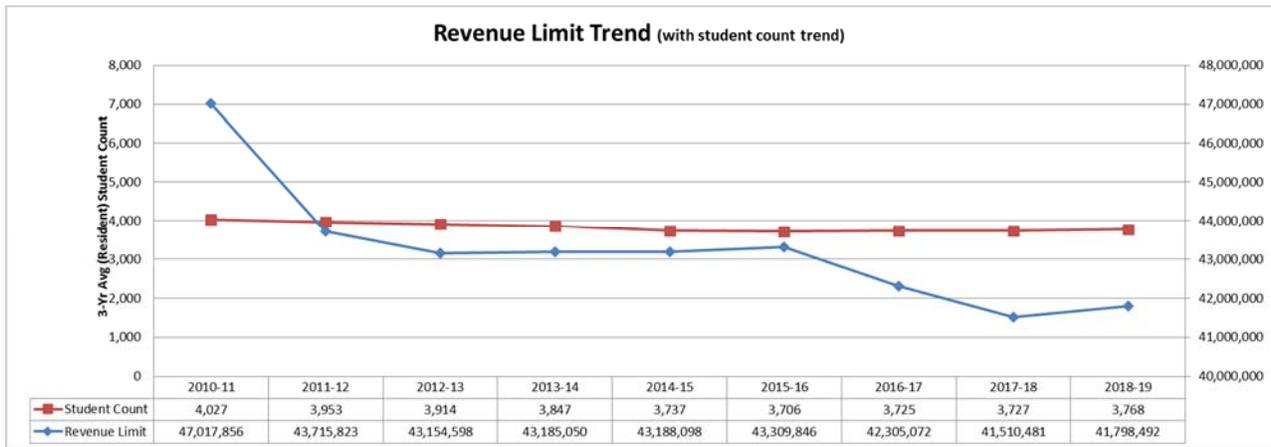
Q: We hear much about revenue limits. Just what is this and how does it work?

A: The State Legislature implemented a system of revenue limits in 1993 in order to keep taxes down. Districts' revenues were capped at their level of spending in 1993, and adjustments are made to the revenue limit in each biennial budget approved by the legislature.

Revenue limits are perhaps best described in terms of per-student allowable spending. This means the amount of money the state allows a school district to spend per student per year while keeping a balanced budget. Since 1993, revenue limits had increased with inflation (the consumer price index, or CPI), but in each year since 2009-10, the State Legislature has set the limit lower than CPI. This results in challenges for school districts in keeping up with naturally rising costs of goods and services like heat, light, gas, fuel, insurance, etc.

While districts have become more efficient with resources, years of revenue limits have taken their toll. Efficiencies are harder to find and difficult decisions about

programming, staffing and class sizes are forced to be made across the state. We have saved more than \$7 million on energy in the last 13 years through our cost avoidance energy reduction program, have saved over \$3 million on insurance benefit changes, and have saved over \$15 million on retiree benefit changes.

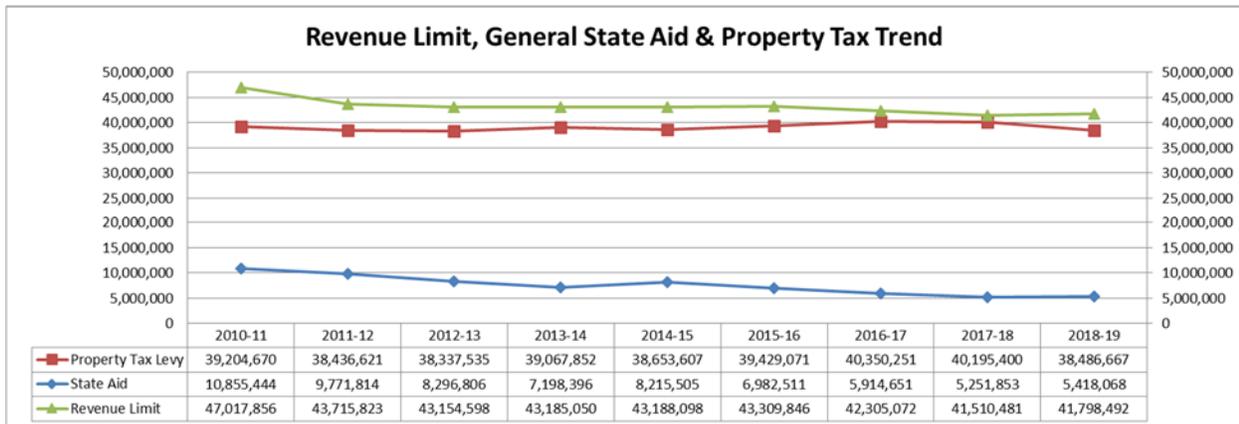


Our revenue limit has decreased by more than \$5 million since 2010-11.

Q: So if state aid increases in a given year, don't districts' revenue limits increase?

A: Oddly, no, and this is a confusing element to the State's education funding formula. The total dollars to educate students does not change unless the revenue limit per-student dollar amount is adjusted.

The State Legislature may vote to increase state aid without raising the revenue limit. Even an increase in the state budget for education (state aid) may not mean an increase in revenue to each district for operating. Since Menomonee Falls is considered "property rich" – it has high property values in comparison to other parts of the State – we receive less state aid to offset our local property taxes than the majority of school districts across the state.



As our state aid decreases, local property taxpayers pay a larger share of the educational costs. Menomonee Falls has lost more than \$9 million (60%) in state aid since 2008-2009.

Q: Do property values play a part in educational funding? How?

A: Yes. Property values impact the amount we receive in state aid through a complex, three-tiered formula. Menomonee Falls is considered a property wealthy community, therefore, we receive limited state aid. A portion of our state aid is reduced (thus increasing our local property taxes) and redistributed to educate children across the state from less affluent communities.

Q: What factors are used to determine the per-student revenue limit dollar amount? And why do they differ among districts?

A: The revenue limit is based on the following three factors: Number of students (3 year average of resident enrollment), Base revenue limit (beginning in 1993), and per-pupil dollar increase (set by the Legislature every two years with the biennial budget). Districts' base revenue in 1993 varied by school district, as did program offerings for students based on what each community valued.

Q: How does a district's student enrollment apply to the revenue limit?

A: The revenue limits are based on student count. Those districts that are growing in student enrollment are better positioned to sustain programs because their revenues pace more closely to expenditure increases. Menomonee Falls has been declining slightly in enrollment, therefore, we are more significantly impacted by the revenue limit. The revenue limit does not keep pace with increasing costs; and with fewer students there is less revenue available to educate all of the children. As a result, we need to reduce expenditures, which typically leads to staff and programming reductions for students.

Q: How has declining enrollment impacted Menomonee Falls? Why does it seem like we're pressured more with revenue limits and budgets than neighboring districts?

A: Currently, our enrollment is declining slightly; and historically, we have served many more students. During the course of the 1970's, our enrollment reached approximately 7,000 students. Our programming was designed during a time when we served many more students. Since the revenue limits were instituted in 1993, resources available to sustain these programs are much more limited. Student performance expectations are higher today, in the core academic areas, than ever before. Therefore, programs traditionally valued need to be adjusted as our resources have become more limited and performance expectations have increased.

School districts that are experiencing growing enrollments may have started with fewer program offerings (in comparison to what we have traditionally offered). With (their) new enrollment growth, it adds to their revenue limit and their ability to grow programming. With (our) slightly declining enrollment, coupled with revenue limits not pacing with inflation, the funding we're allowed to operate with is decreased, which requires us to adjust programming and limits our ability to expand programming.

Q: What will be the determining factors into which programs will be reduced?

A: Our Priorities for the Budget process are as follows:

1. Prioritize the strategies to improve student academic achievement, staff performance, and continuous improvement in all departments and at each school level in order to prepare students well and to exceed the expected performance levels.
2. Personnel decisions will prioritize:
 - a. Sustaining class size ratios at an appropriate level
 - b. Programming to ensure students make successful college and career transitions
3. Sustain efficient and effective operations.
4. Prioritize strategic areas of improvement in the budget process
5. Safeguard the taxpayers' investment in the Menomonee Falls Public Schools by sustaining high performance, strong home values for our Village, and demonstrating a culture of quality.

Q: How will the Leadership Team prioritize reductions and staff layoffs?

A: Seniority is no longer the determining factor for layoff and reduction in force. Some program reductions will be made based on the prioritization stated above. The balance of the decisions will indeed be challenging ones.

Like any other industry that needs to reduce their workforce, we will need to determine in the process which staff members we will retain and who we will need to reduce. Determining factors will include performance, ability to work effectively with students, families and colleagues, certification levels and flexibility, specific training that falls in our priority areas, and overall ability to contribute and make a difference in our organization.

Q: What is the impact of Act 10 on a school district's budget?

A: Act 10 gives the authority to school boards to change insurance carriers and other benefits. Many districts had used the Wisconsin Education Association Trust (WEA) health plan for years. With Act 10 in place, many districts switched health carriers and required their employees to contribute more toward their benefit packages.

Act 10, however, does not have any impact on the state's revenue limit statute. While Act 10 provided some ability of school boards to save on benefit plans, it does not allow districts to raise more revenue to keep up with other continual rising costs. The board weighs the salary and benefit compensation decisions with the district's available revenues, while remaining competitive in the region, in order to sustain a quality workforce.

Q: What was the impact of the last teacher contract on the budget?

A: The last teacher's contract expired June 30, 2013. It implemented provisions of Act 10 while Act 10 was being debated in the legislature and the court system. The board decision to approve the contract was driven by a deadline to switch health carriers prior to the start of the 2011-2012 fiscal year (July 1st). While there was some question of whether or not Act 10 would be approved in the legislature and whether or not it would be overturned by a court, the district implemented the provisions of Act 10 in its contract, which was agreed upon by the School Board and the Menomonee Falls Education Association (the teachers union at the time).

It's important to note that if Act 10 would not have been approved by the legislature or if it had been overturned by a court, the school district would still have implemented its provisions as they were outlined in the mutually agreed upon teachers contract.

Q: What is the status of union membership and collective bargaining?

A: There are currently no collective bargaining groups or unions in the District. Employees decertified the last collective bargaining group back in 2013. The collective bargaining agreements have been replaced with uniform Employee Handbooks which were last approved by the Board in 2013.

Q: What has the District done to manage salary and benefit costs?

A: General Fund salary and benefits costs totaled \$35.6 million in 2010-11 (before Act 10) and were reduced to \$33.2 million in 2011-12 (the year after Act 10). Since

then, salary and benefit costs have continued to decline to \$32.8 million (2016-17). The lower costs have been achieved through a combination of a lower number of employees as well as through benefit plan design changes.

Q: What changes have been made to District-provided retiree health benefits?

A: Prior to Act 10, the retiree benefits for most eligible employees was negotiated as part of the collective bargaining process. The pre-Act 10 benefit was a defined benefit plan providing up to 10 years of health benefits equivalent to the active employee health plan.

The retiree benefit was significantly modified in 2013 (effective 7/1/2013) to a defined contribution plan with TSA funding at retirement to eligible employees with at least 20 years of service. This change reduced the annual budgetary cost of the benefit and eliminated a \$16.9 million unfunded benefit liability.

Those who retired on or before 6/30/13 must continue to receive the benefit until the benefit term expires or they voluntarily leave the plan. Continuing these retiree benefits is a contractual obligation of the District – the District has no legal ability to alter these benefits. With no new retirees coming on our plan, the number of retirees on our plan will continue to decline until 2022 when the term of the benefit expires for last of the retirees.

Q: What does the District offer as a current health plan?

A: The District currently offers a single health plan option to eligible active employees. The district offers a ‘qualified’ high deductible PPO health plan to eligible employees with \$2,000 single and \$4,000 family in-network deductibles (the district moved to a self-insured plan back in 2013). Out-of-network deductibles are \$4,000 single and \$8,000 family. Employees participating in the plan may utilize a Health Savings Account (HSA) to help fund medical needs and to satisfy the deductible. As of March 2019, the District funds 71% of the health plan and employees fund 29%.

The District will continue to work toward balancing the need to offer a market competitive plan and control plan costs. The health benefit changes save more than 34% or \$3.0 million per year and has helped reduce the retirement benefit liability by 67% or more than \$16.9 million.

Q: How Has the District Implemented Act 10?

Area of Interest	Pre-Act 10 (2010-11)	Post-Act 10 (2018-19)
<p>Health Care Benefits</p> <p>Deductibles</p> <p>Employee contributions</p>	<p>WEA Trust Healthcare Plan</p> <p>In-Network \$100 Individual / \$200 Family</p> <p>Out-of-Network \$200 Individual / \$400 Family</p> <p>Employee Cost Share – 5%</p> <p>Fully insured plan</p>	<p>Self-funded Health Plan</p> <p>In-Network \$2,000 Individual / \$4,000 Family</p> <p>Out-of-Network \$4,000 Individual / \$8,000 Family</p> <p>Employee Cost Share – 29%</p> <p>Self-funded plan - 2011-12 savings of \$2.4 million by moving to self-funding</p>
<p>Pension Benefits (WRS)</p>	<p>WRS – 100% district funded</p>	<p>WRS – 50% employee funded (50% District funding required)</p>
<p>District-level Retiree Health Benefits</p>	<p>Defined benefit plan with up to 10 years of health benefits equivalent to active plan</p>	<p>No new retirees on health plan since 2013</p> <p>Defined contribution plan with TSA funding at retirement with 20 years of service</p>
<p>Total Health Benefit Costs</p>	<p>Medical and dental insurance costs – \$6,025,752</p>	<p>Medical and dental insurance costs – \$4,687,159</p>
<p>Salary/benefits as a portion of Total Budget</p>	<p>76% Total</p> <p>52% Salaries / 24% Benefits</p>	<p>68% Total</p> <p>50% Salaries / 18% Benefits</p>
<p>Number of Employee Unions</p>	<p>5</p>	<p>0</p>
<p>Total Expenditures</p>	<p>\$49,200,216</p>	<p>\$48,907,063</p>

Past Budget Reductions

<u>2018-19 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Staffing/Schduling Efficiencies		(21,487)
Subtotal 2018-19 Budget Reductions		(21,487)

<u>2017-18 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Elementary Partner Schools	(10.55)	(889,250)
Reduction of Retiree Health Budget (Funded with Trust)		(740,000)
Reduction Education Assistants	(6.00)	(110,000)
Reduction of Custodial Staff	(3.00)	(150,000)
Reduction of Summer Custodial Support		(30,000)
Energy Savings		(23,500)
Reduction to Technology Leasing Budget		(100,000)
Staffing attrition		(41,500)
Subtotal 2017-18 Budget Reductions		(2,084,250)

<u>2016-17 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Staffing Reductions	(2.35)	(176,250)
Deferred Technology replacements		(67,350)
Reduction of professional development and assessment		(98,000)
Reduction of Transportation costs		(40,000)
Reduction of Division and Supply Budgets		(78,000)
Reduction of Facility maintenance		(240,466)
Reduction of Summer interview pay, Cash-in-lieu for support staff		(83,250)
Energy savings		(50,000)
Staffing attrition		(50,000)
Subtotal 2016-17 Budget Reductions		(883,316)

<u>2015-16 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Staffing Reductions	(5.74)	(430,500)
Retirement/Resignation (wage/benefit) savings		(82,500)
Deferred Technology expansion		(240,000)
Transportation cost reductions		(80,000)
Reduction of professional development and assessment		(4,500)

Energy savings		(50,000)
Staffing attrition		(50,000)
Subtotal 2015-16 Budget Reductions		(937,500)

<u>2014-15 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Reduction of teaching staff	(2.40)	(168,000)
Reduction of Educational Assistants		(57,000)
Reduction of Custodial Maintenance Labor & Equipment Costs		(130,000)
Health insurance savings - renewal (4.4%) less than projected		(300,000)
Reduction of substitute employee hours		(15,000)
Subtotal 2014-15 Budget Reductions		(670,000)

<u>2013-14 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Reduction of teaching staff (HS added 6th assignment)	(4.80)	(336,000)
Pupil transportation contract (Re-Bid) savings		(250,000)
Division budget reduction (supplies, equipment, service contracts)		(250,000)
Retirement/Resignation (wage/benefit) savings		(230,000)
Health insurance savings - plan design (3%)		(200,000)
Reduction of overtime hours		(10,000)
Increase Special Ed categorical aid revenue (via Adaptive Phy.Ed. Staffing)		(25,000)
Increase Open Enrollment revenue		(135,000)
Use of final portion of Federal Education Jobs Dollars (one time revenue)		(400,000)
Subtotal 2013-14 Budget Reductions		(1,836,000)

<u>2012-13 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Reduction of teaching staff	(5.50)	(385,000)
Health insurance savings - plan design (5%)		(300,000)
Health insurance savings - increased employee contribution (from 8% to 11.5%)		(230,000)
Custodial/Maintenance staff restructuring (replaced FT staff with PT staff)		(150,000)
Reduction of (Out of district placements) Special Education Tuition		(85,000)
Reduction of Educational Assistants		(53,000)
Reduction of District Office Administrative Assistant	(0.50)	(25,000)
Discretionary additional retiree contribution to OPEB Trust		(200,000)
Capital Improvement Budget (one year budget reduction)		(325,000)
Subtotal 2012-13 Budget Reductions		(1,753,000)

<u>2011-12 Budget Reductions</u>	<u>Full-Time Equivalent (FTE)</u>	<u>Cost</u>
Reduction in Utilities/Operational Supply Budgets		(200,000)
Reduction of Educational Assistants		(175,000)

Reduction of Building Administrators (NMS (1.00), HS (0.25), BF (0.50))	(1.75)	(170,000)
Elimination of payments to (NMS) teaching staff for Flex/Homeroom		(100,000)
Elimination of payments to teaching staff for supervision duties		(90,000)
Reduction of substitute staff		(70,000)
Reduction of High School Yearbook/Newspaper course (replaced as a Co-curricular)		(30,000)
Reduction in Athletic/Activities Budget		(20,000)
Increased employee contributions to Wisconsin Retirement System (WRS)		(1,500,000)
Health insurance savings - change in carrier		(900,000)
Health insurance savings - increased employee contribution (from 5% to 8%)		(300,000)
Reduction of teaching staff	(15.00)	(1,050,000)
Use a portion of Federal Education Jobs Dollars (one time revenue)		<u>(470,000)</u>
Subtotal 2011-12 Budget Reductions		(5,075,000.00)
Total Budget Reductions (2011-2018)		(13,260,553.00)



School District of Menomonee Falls 2019-20 Budget Development Calendar - Working Draft

X = Public Discussion

<u>General Target Date</u>	<u>Target Date</u>	<u>Description</u>	
<i>Dates in italics are tentative or set by committee and subject to change</i>			
Months of Nov./Dec.		Develop Budget (Base) Forecast Assumptions & Projection	
Months of Dec./Jan.		Frame Budget Scorecard & Strategic Leverage Priorities	
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January		Budget Assumptions & Forecast to BoE, Leadership, Staff, & Community	
FASC	January 7, 2019	FASC Committee Meeting – Budget Assumptions & Forecast Projection	X
1st BoE Mtg. – January	January 14, 2019	BoE Discussion of Open Enrollment Seats/Chapter 220 Seats	
2nd BoE Mtg. – January	January 28, 2019	Budget Scorecard Review/Preliminary Discussion of Leverage Items	X
	January 28, 2019	BoE Approval of Open Enrollment Seats/Chapter 220 Seats	
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February		Middle School/High School Registration & Staffing	
FASC	TBD	Joint FASC/C&L Committee Meeting	X
1st BoE Mtg. – February	February 11, 2019	Preliminary Budget Document, Assumptions, Forecast, & Options	X
	February 15, 2019	Retirement Declaration Due	
	February 15, 2019	Division/Building/Department Budget Documents & Worksheets Issued	
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March –	TBD	Preliminary Staffing Plan Presented to Personnel Committee	X
March 1-17		Preliminary Budget Presented to Staff for Feedback	
1st BoE Mtg. – March	March 11, 2019	Preliminary Budget (Scorecard) & Projected Non-renewal Notices	X
		BoE Mtg. Discussion – Preliminary Staffing Budget	
FASC	TBD	FASC Committee Meeting	X
2nd BoE Mtg. – March	March 25, 2019	Preliminary Budget Presented for Community Feedback	
	March 25, 2019	BoE Approval of Preliminary Staffing Budget	
	March 25, 2019	BoE Approval of Preliminary Non-renewal Notices (closed session)	
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April – May		Staff Recruitment – Hiring for Known Positions	
FASC	TBD	FASC Committee Meeting	X
1st BoE Mtg. – April	April 8, 2019	Preliminary Budget Presented for Community Feedback	X
	April 9-12	Preliminary Non-renewal Notices due to Staff	
2nd BoE Mtg. – April	April 22, 2019	Preliminary Budget Presented for Community Feedback	X
	April 22, 2019	BoE Approval of Final Non-renewal Notices (closed session)	
	April 23-26	Final Non-renewal Notices due to Staff	
	April 30, 2019	Division/Building/Department Budget Input Due (in Skyward)	
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FASC	TBD	FASC Committee Meeting	X
	May 13, 2019	Final Contracts Issued (Due 5/15)	
2nd BoE Mtg. – May	May 28, 2019	Preliminary Budget Presented for Community Feedback	
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FASC	TBD	FASC Committee Meeting	X
	June 15, 2019	Teacher Contracts due back to Human Resources Office	
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July/August		Prepare for Budget Hearing & Annual Meeting	
FASC	July 10, 2019	FASC Committee Meeting	X
BoE Mtg. - July	July 21, 2019	BoE Discussion of Preliminary Budget	X
1st BoE Mtg. - August	August 12, 2019	BoE Approval of Preliminary Budget	X
FASC	August 14, 2019	FASC Committee Meeting	X
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1st BoE Mtg. - September	September 9, 2019	Budget Hearing & Annual Meeting	X
	September 20, 2019	Third (3rd) Friday Student Count	
2nd BoE Mtg. - September	September 23, 2019	Budget Update to the BoE & Community	X
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FASC	TBD	FASC Committee Meeting	X
1st BoE Mtg. - October	October 14, 2019	Third (3rd) Friday Student Count Results (Revenue Limit Membership)	X
	October 14, 2019	Budget Update to the BoE & Community	
	October 15, 2019	General State Aid Certification	
	October 15, 2019	Equalized Property Values Certification	
2nd BoE Mtg. - October	October 28, 2019	Set the Levy and Adopt Original Budget	X
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	November 1, 2019	Last Date to Set the Levy and Adopt Original Budget	
	November 10, 2019	Last Date to Certify Tax Levy to Municipalities	