



2016 – 2017 Adopted Budget

October 24, 2016

Table of Contents

Page 1District Mission, Strategy, and Scorecard

Page 3Points of Pride – Top 2016 Celebrations

Page 5Budget Process, Goals, and Calendar

Page 8.....Financial Section

Page 21Frequently Asked Questions
(2016-17 Budget FAQ's)

School District of Menomonee Falls

2016-17 School Year Budget

Mission of the School District of Menomonee Falls

In partnership with family and community, the School District of Menomonee Falls provides the best personalized and comprehensive education so our students will be prepared for, and positively contribute to, a profoundly different future.

Our Strategic Performance Targets: 2013-2018

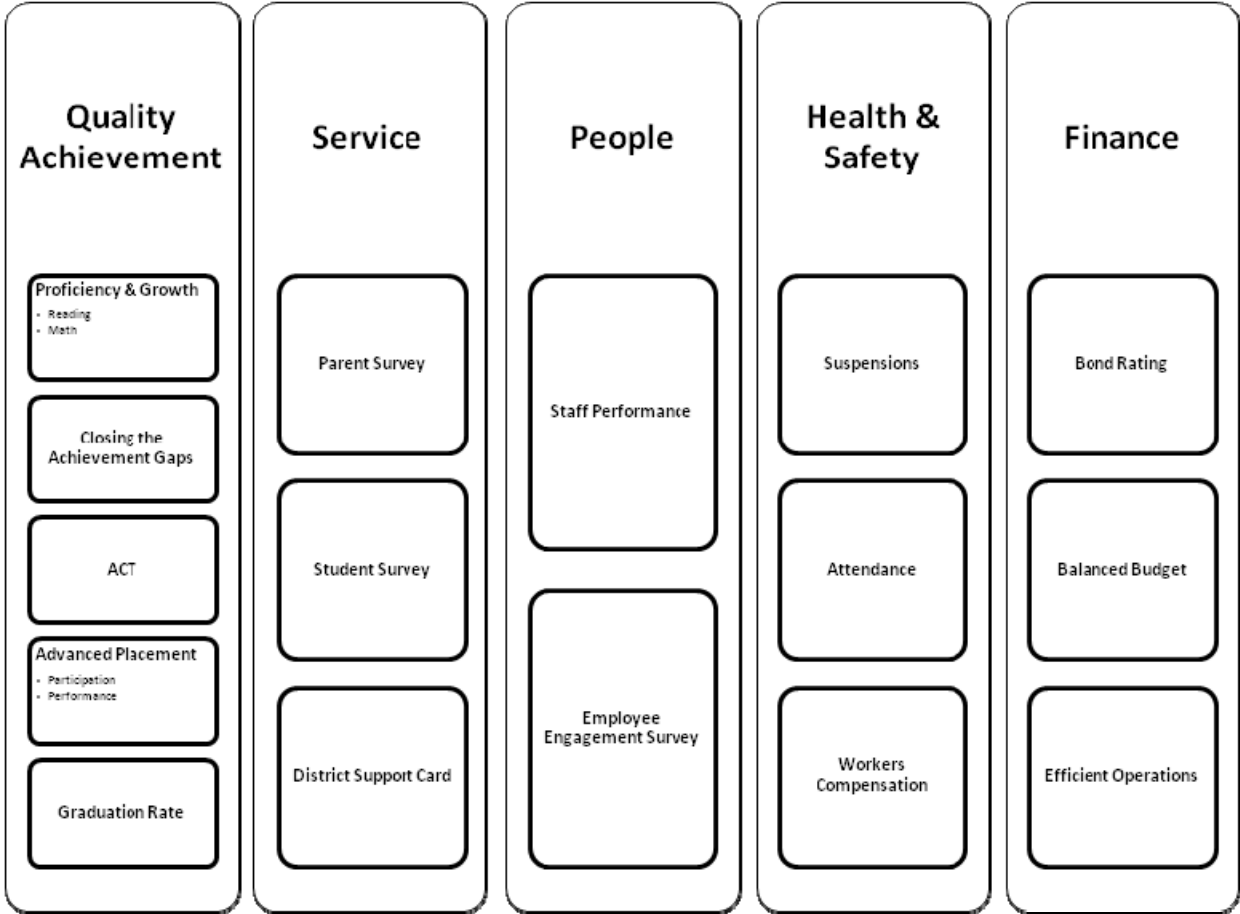
While we examine the progress toward our overall goals every 45 days and annually, we set specific measures to monitor our progress annually and for a 3 year focus for growth.

Strategic Goals

Increase college/career readiness for reading and math.	Improve culture for learning for students.	Increase staff workforce engagement and development.	Demonstrate safe, effective, and efficient operations.
<ul style="list-style-type: none"> • Improve performance for all students • Close the subgroup achievement gap • Increase advanced placement (AP) test participation and performance. • Graduate a high percentage of high school students within four years. 	<ul style="list-style-type: none"> • Increase student attendance • Increase student and parent satisfaction scores • Improve parent perception of organizational communication 	<ul style="list-style-type: none"> • Improve implementation of key processes • Increase employee retention • Improve employee engagement scores 	<ul style="list-style-type: none"> • Reduce the number of student suspensions • Reduce the costs due to work related injuries • Increase operational efficiency • Increase revenue and revenue sources

Annual performance levels are set for meeting each goal. Beginning with the 2014-15 school year, school and division scorecards were used to determine performance results aligned to the goals.

Our System Score Card



All schools, divisions, and central office leaders have score cards that define the quality of performance and targets for growth.

Points of Pride - Top 2015-2016 Celebrations

Quality Achievement (Learning Results)

- District Exceeds Expectations on State Report Card (top 12% of the state)
- International Recognition for continuous improvement & LEAN Six Sigma
- One of the highest graduation rates in the state for schools with 300+ students
- 107 Advanced Placement Scholars and 5 National AP Scholars
- AdvancEd Accreditation for the HS and NMS
- Advanced Technology Use with One to One at Secondary
- 40+ College Level Courses
- Highest Summer Learning Participation
- Career Academies Linked to High Demand Careers
- Nationally Recognized Future Business Leaders of America (FBLA)
- National Merit Finalist & Kohl Scholars
- Over \$2.3M in Scholarships Awarded (\$300K from our community)
- 50+ co-curricular and athletic offerings
- Athletic State Champions Baseball in 2015 and 2016
- Athletic State Qualifiers in Track, Dance, Cheer, Trap Shooting, Boys Track, Girls Track, Wrestling (Team and Individual), Tennis & Bowling
- State Qualifiers Academic Decathlon & Forensics
- State Recognized Art and Music Programs
- 1500+ Registered Volunteers are Committed to our Schools
- Senior Center Accreditation

Points of Pride - Top 2015-2016 Celebrations (continued)

Service

- Overall Parent Satisfaction 4.18 on a 5 Point Scale

People

- District named one of Milwaukee Journal Sentinel's Top Work Places for 2015 and 2016
- Employee Engagement Score 4.19 on a 5 Point Scale

Health & Safety

- 5 Schools of Merit and Distinction for PBIS (positive behavior interventions and supports)
- Reduction of Suspensions
- Reduction in Work Comp Claims

Finance

- Strong Fiscal Management Aa2 Bond Rating
 - Financial Rating Ranks Among the Top 10% in State
- Over \$7 Million Dollars in Energy Cost Avoidance since 2001
- \$2.6 Million Dollar Reduction in Employee Benefit Costs
 - with expanded benefit coverage
- 59% (\$15 Million) Reduction in Retirement Liability
- Nearly \$2.5 Million Dollars saved in Debt Service Costs by refinancing existing debt
- Short Term Borrowing Reduced by 50% (\$5.25 Million) since 2006
- 90% (\$270,000) reduction of out of district tuition costs since 2012-13
 - With increased ability to meet needs of Special Need Students

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

Our Budgeting Strategy

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.

Budget planning is a continuous 18 month process. The overview of the calendar for budget planning includes:

July	Strategic Plan Update & Goals
August	Audit Review (of previous fiscal year)
September	Annual Meeting & Budget Hearing (current fiscal year) Pupil Enrollment Count (current fiscal year)
October	Finalizing the Levy (current fiscal year) Updating the financial forecast (5 year forecast)
November	Certifying the Levy (current fiscal year)
Dec-Feb	Examining the priorities for the next budget (next fiscal year) Refine budget goals Zero Based Budget Planning Budget Scorecard Established Retirement Notification
March	Communicate Budget Planning to Staff, Parents, Community Preliminary Non-renewal (due to budget) Notices
April	Preliminary Staff Plan
May	Final Non-Renewal (due to budget) Notices Staffing for next school year
June	Prepare budget for community approval and Annual Meeting Close of previous fiscal year
July	Strategic Plan Update & Goals
August	Audit Review (of previous fiscal year)
September	Annual Meeting & Budget Hearing (current fiscal year) Pupil Enrollment Count (current fiscal year)
October	Finalizing the Levy (current fiscal year)
November	Certifying the Levy (current fiscal year) Updating the financial forecast (5 year forecast)
	{18 Month Cycle Continues}

Aligning Limited Resources with Strategic Goals and Core Principles

Each member of the leadership team is involved in aligning limited resources to the goals of the system. The core principles of quality improvement are used to focus decision making and recommendations are advanced to the Board of Education. These core principles include the following:

Core Principles of Quality

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

Financial Section

Page 9.....Budget Summary (All Funds)

Page 10.....Section I (Tax Levy and Fund Balance)

Page 11.....Section II (Revenue/Expenditures by Object)

Page 19...Section III (Revenue/Expenditures by Program)

**SCHOOL DISTRICT OF MENOMONEE FALLS
2016-17 ADOPTED BUDGET PUBLICATION**

GENERAL FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	10,761,462	10,789,075	11,162,240
Ending Fund Balance	10,789,075	11,162,240	10,767,007
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	11,514	0	0
Local Sources (Source 200)	35,303,198	36,576,580	36,599,917
Inter-district Payments (Source 300 + 400)	2,444,002	2,248,211	2,290,990
Intermediate Sources (Source 500)	10,780	12,841	0
State Sources (Source 600)	9,381,345	8,101,982	7,364,936
Federal Sources (Source 700)	485,900	352,666	249,639
All Other Sources (Source 800 + 900)	487,410	505,826	171,500
TOTAL REVENUES & OTHER FINANCING SOURCES	48,124,149	47,798,106	46,676,982
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	24,459,319	23,965,600	24,637,525
Support Services (Function 200 000)	18,127,426	18,115,022	16,783,342
Non-Program Transactions (Function 400 000)	5,509,792	5,344,319	5,651,347
TOTAL EXPENDITURES & OTHER FINANCING USES	48,096,536	47,424,941	47,072,214
SPECIAL PROJECTS FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	54,566	114,345	64,111
Ending Fund Balance	114,345	64,111	64,111
REVENUES & OTHER FINANCING SOURCES	7,811,344	7,709,559	7,782,514
EXPENDITURES & OTHER FINANCING USES	7,751,564	7,759,793	7,782,514
DEBT SERVICE FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	1,146,187	1,607,419	2,329,369
Ending Fund Balance	1,607,419	2,329,369	1,195,786
REVENUES & OTHER FINANCING SOURCES	12,944,056	3,315,149	5,510,717
EXPENDITURES & OTHER FINANCING USES	12,482,825	2,593,198	6,644,300
CAPITAL PROJECTS FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	123,521	123,525	10,612
Ending Fund Balance	123,525	10,612	16,451,112
REVENUES & OTHER FINANCING SOURCES	4	112	30,700,000
EXPENDITURES & OTHER FINANCING USES	0	113,026	14,259,500
FOOD SERVICE FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	168,507	216,647	258,408
Ending Fund Balance	216,647	258,408	267,503
REVENUES & OTHER FINANCING SOURCES	1,350,680	1,368,356	1,342,500
EXPENDITURES & OTHER FINANCING USES	1,302,540	1,326,596	1,333,405
COMMUNITY SERVICE FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	527,531	339,354	262,845
Ending Fund Balance	339,354	262,845	196,921
REVENUES & OTHER FINANCING SOURCES	2,035,205	2,206,576	2,214,849
EXPENDITURES & OTHER FINANCING USES	2,223,382	2,283,086	2,280,773
PACKAGE & COOPERATIVE PROGRAM FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
Beginning Fund Balance	0	0	0
Ending Fund Balance	0	0	0
REVENUES & OTHER FINANCING SOURCES	65,913	0	0
EXPENDITURES & OTHER FINANCING USES	65,913	0	0
Total Expenditures and Other Financing Uses			
ALL FUNDS	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
GROSS TOTAL EXPENDITURES -- ALL FUNDS	71,922,760	61,500,640	79,372,706
Interfund Transfers (Source 100) - ALL FUNDS	4,835,349	4,609,778	4,848,622
Capital Leases	371,952	161,160	0
Refinancing Expenditures (FUND 30)	9,050,964	0	0
NET TOTAL EXPENDITURES -- ALL FUNDS	57,664,495	56,729,702	74,524,084
PERCENTAGE INCREASE -- NET TOTAL FUND	3.35%	-1.62%	31.37%
PROPOSED PROPERTY TAX LEVY			
FUND	Audited 2014-15	Audited 2015-16	Adopted Budget 2016-17
General Fund	34,035,915	35,389,932	35,484,937
Debt Service Fund	3,867,692	3,289,139	4,113,858
Capital Project Fund	0	0	0
Community Service Fund	750,000	750,000	750,000
TOTAL SCHOOL LEVY	38,653,607	39,429,071	40,348,795
PERCENTAGE INCREASE --	-1.06%	2.01%	2.33%

Section I - Tax Levy & Tax Rate Schedule

<u>Total Taxes</u>		<u>Audited 2015/16</u>	<u>Annual Meeting 2016/17</u>	<u>Adopted 2016/17</u>	
1	General Fund-Current Operations	\$ 35,386,205	\$ 35,542,376	\$ 35,482,579	1
2	Debt Service Fund	3,289,139	4,113,858	4,113,858	2
3	Community Service Fund	750,000	750,000	750,000	3
4	Uncollected Prior Year Levies	3,727	2,358	2,358	4
5	Total Levy	\$ 39,429,071	\$ 40,408,592	\$ 40,348,795	5
6	Percent Change fr Previous Year	2.01%	2.48%	2.33%	6

Equalized Calculations - Total Tax Base

7	Total Tax Levy	\$ 39,429,071	\$ 40,408,592	\$ 40,348,795	7
8	Equalized Value	\$ 3,397,888,891	\$ 3,482,836,113	\$ 3,454,096,191	8
9	Percent Change fr Previous Year	1.36%	2.50%	1.65%	9
10	Tax Rate Per \$1,000	\$ 11.60	\$ 11.60	\$ 11.68	10
11	Percent Change fr Previous Year	0.63%	-0.02%	0.67%	11

For Example-A Home Valued at \$250,000:

12	Equalized Property Taxes	\$ 2,901.00	\$ 2,900.55	\$ 2,920.36	12
13	Dollar Change fr Previous Year	\$ 18.29	\$ (0.45)	\$ 19.36	13

Section I - Fund Balance Schedule

<u>Fund Description</u>		<u>Audited 2015/16</u>	<u>Annual Meeting 2016/17</u>	<u>Adopted 2016/17</u>	
1	General Fund	11,162,240	11,162,240	10,767,007	1
2	Special Revenue Trust Funds	64,111	64,111	64,111	2
3	Debt Service Fund	2,329,369	1,195,786	1,195,786	3
4	Capital Project Fund	10,612	24,501,112	16,451,112	4
5	Food Service Fund	258,408	267,503	267,503	5
6	Community Service Fund	262,845	196,921	196,921	6
7	Total	\$ 14,087,585	\$ 37,387,673	\$ 28,942,440	7
8	Change in Fund Balance-All Funds	6.80%	165.39%	105.45%	8

Employee Benefit Trust

1	Balance as of July 1		\$ 2,774,649		1
2	Dividend/Interest Income		25,000		2
3	Balance as of June, 30		\$ 2,799,649		3
4	Deposits to trust during the year		785,221		4
5	Less : Disbursements through June 30	15/16 exp X 1.05	831,378		5
6	Ending balance as of June 30, 2016		\$ 2,753,492		6

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
Fund 10 - General Fund				
Revenues				
Property Taxes				
1	35,386,205	35,542,376	35,482,579	1
2	3,727	2,358	2,358	2
3	2,337	2,200	2,200	3
4	<u>35,392,269</u>	<u>35,546,934</u>	<u>35,487,137</u>	4
Local Sources				
5	142,274	111,800	111,800	5
6	69,783	80,000	80,000	6
7	29,903	25,000	29,000	7
8	721,552	655,500	705,000	8
9	100,413	70,980	70,980	9
10	91,305	81,900	91,000	10
11	29,079	25,000	25,000	11
12	<u>1,184,310</u>	<u>1,050,180</u>	<u>1,112,780</u>	12
Interdistrict Payments				
13	1,933,903	1,911,665	2,061,665	13
14	235,646	216,325	216,325	14
15	91,502	13,000	13,000	15
16	<u>2,261,052</u>	<u>2,140,990</u>	<u>2,290,990</u>	16
State Revenues				
17	84,856	79,000	79,000	17
18	166,497	153,000	153,000	18
19	1,362,507	1,145,399	1,145,399	19
20	564,450	905,000	905,000	20
21	5,586,801	4,767,110	4,769,252	21
22	33,343	0	0	22
23	303,528	316,394	313,285	23
24	<u>8,101,982</u>	<u>7,365,903</u>	<u>7,364,936</u>	24
Federal Revenues				
25	104,224	113,925	113,925	25
26	128,084	135,714	135,714	26
27	120,358	0	0	27
28	<u>352,666</u>	<u>249,639</u>	<u>249,639</u>	28
Other Revenues				
29	18,256	26,500	26,500	29
30	161,160	0	0	30
31	86,108	75,000	75,000	31
32	42,186	20,000	20,000	32
33	198,116	50,000	50,000	33
34	<u>505,826</u>	<u>171,500</u>	<u>171,500</u>	34
Other Financial Sources				
35	0	0	0	35
36	<u>0</u>	<u>0</u>	<u>0</u>	36
37	<u>\$ 47,798,106</u>	<u>\$ 46,525,146</u>	<u>\$ 46,676,982</u>	37
38	-0.68%	-2.66%	-2.35%	38

Section II - Revenue & Expenditure Budget By Source & Object

		Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17		
Fund 10 - General Fund						
Expenditures						
Salaries						
39	Administration/Board	1,825,516	1,814,795	1,814,795	39	
40	Professional Technical Non-Certified	968,962	946,743	946,743	40	
41	Clerical	937,857	944,214	944,214	41	
42	Faculty	16,010,842	16,146,046	16,146,046	42	
43	Aides	1,187,394	1,159,469	1,159,469	43	
44	Substitute Faculty	525,874	530,970	530,970	44	
45	Substitute Teachers' Aides	57,106	57,106	57,106	45	
46	Support Faculty	358,381	365,548	365,548	46	
47	Custodians	1,312,606	1,333,551	1,333,551	47	
48	Maintenance	310,602	300,595	300,595	48	
49	Retirees	114,037	96,834	96,834	49	
50	Student Workers	10,816	10,000	10,000	50	
51	Total Salaries	23,619,991	23,705,871	23,705,871	51	
Employee Benefits						
52	Retirement	1,463,679	1,495,880	1,495,880	52	
53	Social Security	1,765,391	1,800,699	1,800,699	53	
54	Life Insurance	57,533	59,575	59,575	54	
55	Medical/Dental Insurance	4,347,983	4,580,422	4,580,422	55	
56	Income Protection/Annuities	218,985	223,365	223,365	56	
57	Other Employee Benefits	392,706	344,730	344,730	57	
58	Contribution To Employee Benefit Trust	630,475	627,804	627,804	58	
59	Total Employee Benefits	8,876,753	9,132,475	9,132,475	59	
Purchased Services						
60	Personal Services	1,192,532	856,519	883,319	60	
61	Property/Equipment Services	1,955,773	1,115,006	1,115,006	61	
62	Utilities	792,636	859,850	859,850	62	
63	Pupil & Employee Travel	1,713,254	1,746,471	1,756,471	63	
64	Communications	208,153	214,490	214,490	64	
65	Payment to Non-Government Agencies	32,661	40,000	40,000	65	
66	Intergovernmental Payments for Services	844,255	845,000	855,000	66	
67	Total Purchased Services	6,739,264	5,677,336	5,724,136	67	
Non-Capital Expenditures						
68	Supplies	774,992	737,123	759,573	68	
69	Apparel	16,736	8,937	8,937	69	
70	Instructional Media	192,854	176,903	190,903	70	
71	Non-Capital Equipment	496,255	276,146	538,964	71	
72	Resale Items	100,565	111,800	111,800	72	
73	Equipment Components	8,176	6,100	6,100	73	
74	Textbooks & Workbooks	339,547	373,502	573,502	74	
75	Non-Instructional Software	273,044	258,792	258,792	75	
76	Other Non-Capital Expenditures	9,509	8,585	8,585	76	
77	Total Non-Capital Expenditures	2,211,677	1,957,888	2,457,156	77	

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
Fund 10 - General Fund				
Expenditures				
Capital Expenditures				
78	32,780	33,000	33,000	78
79	122,150	60,400	60,400	79
80	76,021	39,000	39,000	80
81	25,189	25,435	25,435	81
82	<u>256,140</u>	<u>157,835</u>	<u>157,835</u>	82
Debt Retirement				
83	346,969	262,882	262,882	83
84	20,856	35,453	35,453	84
85	17,050	15,300	15,300	85
86	<u>384,876</u>	<u>313,635</u>	<u>313,635</u>	86
Insurance & Judgements				
87	413,061	415,102	415,102	87
88	10,575	30,000	30,000	88
89	0	0	0	89
90	<u>423,636</u>	<u>445,102</u>	<u>445,102</u>	90
Other Expenditures				
91	224,314	201,382	202,382	91
92	3,261	5,000	5,000	92
93	75,252	80,000	80,000	93
94	<u>302,826</u>	<u>286,382</u>	<u>287,382</u>	94
Other Financial Uses				
95	<u>4,609,778</u>	<u>4,848,622</u>	<u>4,848,622</u>	95
96	<u>\$ 47,424,941</u>	<u>\$ 46,525,146</u>	<u>\$ 47,072,214</u>	96
97	-1.40%	-1.90%	-0.74%	97
Excess (Deficiency) of Revenues				
98	\$ 373,165	\$ 0	\$ (395,232)	98
99	\$ 10,789,075	\$ 11,162,240	\$ 11,162,240	99
100	<u>\$ 11,162,240</u>	<u>\$ 11,162,240</u>	<u>\$ 10,767,007</u>	100
101	23.54%	23.99%	22.87%	101

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
Fund 27-Special Education				
Revenues				
Interdistrict Payments				
1	30,149.25	40,000	40,000	1
2	<u>30,149.25</u>	<u>40,000</u>	<u>40,000</u>	2
State Revenues				
3	1,734,350.00	1,720,000	1,720,000	3
4	<u>1,734,350.00</u>	<u>1,720,000</u>	<u>1,720,000</u>	4
Federal Revenues				
5	951,759.24	1,023,892	1,023,892	5
6	224,127.49	150,000	150,000	6
7	<u>1,175,886.73</u>	<u>1,173,892</u>	<u>1,173,892</u>	7
Other Revenues				
8	5,806.68	0	0	8
Other Financial Sources				
9	<u>4,609,778</u>	<u>4,848,622</u>	<u>4,848,622</u>	9
10	<u>\$ 7,555,970</u>	<u>\$ 7,782,514</u>	<u>\$ 7,782,514</u>	10
11	7.82%	-0.42%	-0.42%	11
Expenditures				
Salaries				
12	116,989	117,861	117,861	12
13	104,569	111,500	111,500	13
14	2,895,293	2,918,174	2,918,174	14
15	1,065,780	1,121,172	1,121,172	15
16	77,773	86,100	86,100	16
17	54,163	30,000	30,000	17
18	599,042	597,479	597,479	18
19	<u>4,913,609</u>	<u>4,982,286</u>	<u>4,982,286</u>	19
Employee Benefits				
20	305,208	328,272	328,272	20
21	368,150	382,430	382,430	21
22	11,361	13,001	13,001	22
23	927,121	972,662	972,662	23
24	8,441	8,069	8,069	24
25	115,620	118,130	118,130	25
26	<u>1,735,902</u>	<u>1,822,564</u>	<u>1,822,564</u>	26
Purchased Services				
27	91,880	115,259	115,259	27
28	1,085	1,000	1,000	28
29	448,667	468,970	468,970	29
30	130	250	250	30
31	65,235	54,000	54,000	31
32	158,826	229,500	229,500	32
33	<u>765,824</u>	<u>868,979</u>	<u>868,979</u>	33

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17		
<u>Fund 27-Special Education</u>					
Non-Capital Expenditures					
34	Supplies	33,259	58,100	58,100	34
35	Instructional Media	4,015	12,200	12,200	35
36	Non-Capital Equipment	22,881	7,685	7,685	36
37	Equipment Components	0	0	0	37
38	Textbooks & Workbooks	9,947	9,000	9,000	38
39	Non-Instructional Software	15,894	18,500	18,500	39
40	Total Non-Capital Expenditures	85,996	105,485	105,485	40
Capital Expenditures					
41	Equipment Addition/Replacement	52,016	0	0	41
42	Total Capital Expenditures	52,016	0	0	42
Insurance & Judgements					
43	District Insurance	0	1,500	1,500	43
44	Total Insurance & Judgments	0	1,500	1,500	44
Other Expenditures					
45	Dues & Fees	2,623	1,700	1,700	45
46	Total Other Expenditures	2,623	1,700	1,700	46
47	Total Special Education Expenditures	\$ 7,555,970	\$ 7,782,514	\$ 7,782,514	47
48	% Change fr Previous Year	0.00%	3.00%	3.00%	48
49	Net Increase (Decrease) In Fund Balance	\$ 0	\$ 0	\$ 0	49

Fund 21: Special Revenue Trust Funds

<u>Revenues</u>					
1	Donation	153,589	0	0	1
2	Total Revenues	\$ 153,589	\$ 0	\$ 0	2
<u>Expenditures</u>					
3	Purchased Service	21,480	0	0	3
4	Non-Capital Object	116,856	0	0	4
5	Capital Object	57,832	0	0	5
6	Other	7,655	0	0	6
7	Total Expenditures	\$ 203,823	\$ 0	\$ 0	7
Excess (Deficiency) of Revenues					
8	Over Expenditures	\$ (50,234)	\$ 0	\$ 0	8
9	Beginning Fund Balance	\$ 114,345	\$ 64,111	\$ 64,111	9
10	Ending Fund Balance	\$ 64,111	\$ 64,111	\$ 64,111	10

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
<u>Fund 30 - Debt Service</u>				
<u>Revenues</u>				
1	3,289,139	4,113,858	4,113,858	1
2	6,150	3,100	3,100	2
3	19,859	1,393,759	1,393,759	3
4	0	0	0	4
5	\$ 3,315,149	\$ 5,510,717	\$ 5,510,717	5
<u>Expenditures</u>				
6	1,880,000	5,305,000	5,305,000	6
7	713,198	1,339,300	1,339,300	7
8	0	0	0	8
9	\$ 2,593,198	\$ 6,644,300	\$ 6,644,300	9
Excess (Deficiency) of Revenues				
10	\$ 721,950	\$ (1,133,583)	\$ (1,133,583)	10
11	\$ 1,607,419	\$ 2,329,369	\$ 2,329,369	11
12	\$ 2,329,369	\$ 1,195,786	\$ 1,195,786	12

Fund 40 - Capital Projects

<u>Revenues</u>				
1	0	30,700,000	30,700,000	1
2	112	0	0	2
3	\$ 112	\$ 30,700,000	\$ 30,700,000	3
<u>Expenditures</u>				
4	0	543,051	1,348,051	4
5	113,026	5,666,449	12,911,449	4
6	\$ 113,026	\$ 6,209,500	\$ 14,259,500	6
Excess (Deficiency) of Revenues				
7	\$ (112,914)	\$ 24,490,500	\$ 16,440,500	7
8	\$ 123,525	\$ 10,612	\$ 10,612	8
9	\$ 10,612	\$ 24,501,112	\$ 16,451,112	9

Section II - Revenue & Expenditure Budget By Source & Object

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
<u>Fund 50-Food Service</u>				
<u>Revenues</u>				
1	865,196	839,100	839,100	1
2	18,399	17,400	17,400	2
3	484,761	486,000	486,000	3
4	\$ 1,368,356	\$ 1,342,500	\$ 1,342,500	4
<u>Expenditures</u>				
5	532,981	542,236	542,236	5
6	152,585	148,019	148,019	6
7	19,193	32,650	32,650	7
8	619,485	591,500	591,500	8
9	0	15,000	15,000	9
10	2,351	4,000	4,000	10
11	\$ 1,326,596	\$ 1,333,405	\$ 1,333,405	11
Excess (Deficiency) of Revenues				
12	\$ 41,761	\$ 9,095	\$ 9,095	12
13	\$ 216,647	\$ 258,408	\$ 258,408	13
14	\$ 258,408	\$ 267,503	\$ 267,503	14

Fund 80-Community Services

<u>Revenues</u>				
1	750,000	750,000	750,000	1
2	1,410,394	1,429,482	1,429,482	2
3	10,626	7,500	7,500	3
4	35,556	27,867	27,867	4
5	\$ 2,206,576	\$ 2,214,849	\$ 2,214,849	5
<u>Expenditures</u>				
6	1,084,250	1,103,765	1,103,765	6
7	256,590	289,288	289,288	7
8	528,557	500,834	500,834	8
9	281,114	222,934	222,934	9
10	1,610	25,500	25,500	10
11	130,965	138,452	138,452	11
12	\$ 2,283,086	\$ 2,280,773	\$ 2,280,773	12
Excess (Deficiency) of Revenues				
13	\$ (76,509)	\$ (65,924)	\$ (65,924)	13
14	\$ 339,354	\$ 262,845	\$ 262,845	14
15	\$ 262,845	\$ 196,921	\$ 196,921	15

Section II - Revenue & Expenditure Budget By Source & Object

	<u>Audited 2015/16</u>	<u>Annual Meeting 2016/17</u>	<u>Adopted 2016/17</u>		
<u>Summary (All Funds)</u>					
1	Gross Total Revenue s-All Funds	\$ 62,397,858	\$ 94,075,726	\$ 94,227,562	1
2	Interfund Transfer (Use 800)-All Funds	4,609,778	4,848,622	4,848,622	2
3	Refinancing Revenue	0	0	0	3
4	Capital Leases	161,160	0	0	4
5	Net Total Revenue - All Funds	<u>\$ 57,626,921</u>	<u>\$ 89,227,104</u>	<u>\$ 89,378,940</u>	5
6	% Change in Revenues-All Funds	-0.77%	54.84%	55.10%	6
7	Gross Total Expenditures-All Funds	\$ 61,500,640	\$ 70,775,638	\$ 79,372,706	7
8	Interfund Transfer (Src 100)-All Funds	4,609,778	4,848,622	4,848,622	8
9	Refinancing Expenditure (Fund 30)	0	0	0	9
10	Capital Leases	161,160	0	0	10
11	Net Total Expenditures-All Funds	<u>\$ 56,729,702</u>	<u>\$ 65,927,016</u>	<u>\$ 74,524,084</u>	11
12	% Change in Expenditures-All Funds	-1.62%	16.21%	31.37%	12

Section III - Expenditure Budget By Program

	<u>Audited 2015/16</u>	<u>Annual Meeting 2016/17</u>	<u>Adopted 2016/17</u>	
<u>Fund 10-General Fund</u>				
Instruction				
1	8,334,778	8,443,539	8,579,677	1
2	11,798,540	11,730,119	12,088,049	2
3	1,343,947	1,369,327	1,369,327	3
4	1,365,704	1,403,723	1,403,723	4
5	668,586	699,363	699,363	5
6	454,044	497,386	497,386	6
7	<u>23,965,600</u>	<u>24,143,457</u>	<u>24,637,525</u>	7
Support Services				
8	1,422,002	1,409,414	1,437,914	8
9	2,201,381	1,919,208	1,939,008	9
10	667,811	619,252	619,252	10
11	2,267,671	2,353,722	2,358,422	11
12	8,462,281	7,449,446	7,449,446	12
13	1,934,274	1,948,066	1,948,066	13
14	482,561	447,602	447,602	14
15	384,876	313,635	313,635	15
16	292,165	269,997	269,997	16
17	<u>18,115,022</u>	<u>16,730,342</u>	<u>16,783,342</u>	17
Non-Program Transactions				
18	4,609,778	4,848,622	4,848,622	18
19	656,029	717,725	717,725	19
20	78,513	85,000	85,000	20
21	<u>5,344,319</u>	<u>5,651,347</u>	<u>5,651,347</u>	21
22	<u>\$ 47,424,941</u>	<u>\$ 46,525,146</u>	<u>\$ 47,072,214</u>	22
<u>Fund 27-Special Education</u>				
Instruction				
1	<u>5,550,626</u>	<u>5,548,249</u>	<u>5,548,249</u>	1
Support Services				
2	974,158	1,009,393	1,009,393	2
3	366,540	497,863	497,863	3
4	450,074	450,259	450,259	4
5	3,348	11,250	11,250	5
6	0	1,500	1,500	6
7	0	0	0	
8	<u>1,794,120</u>	<u>1,970,265</u>	<u>1,970,265</u>	8
Non-Program Transactions				
9	<u>211,223</u>	<u>264,000</u>	<u>264,000</u>	9
10	<u>\$ 7,555,970</u>	<u>\$ 7,782,514</u>	<u>\$ 7,782,514</u>	10

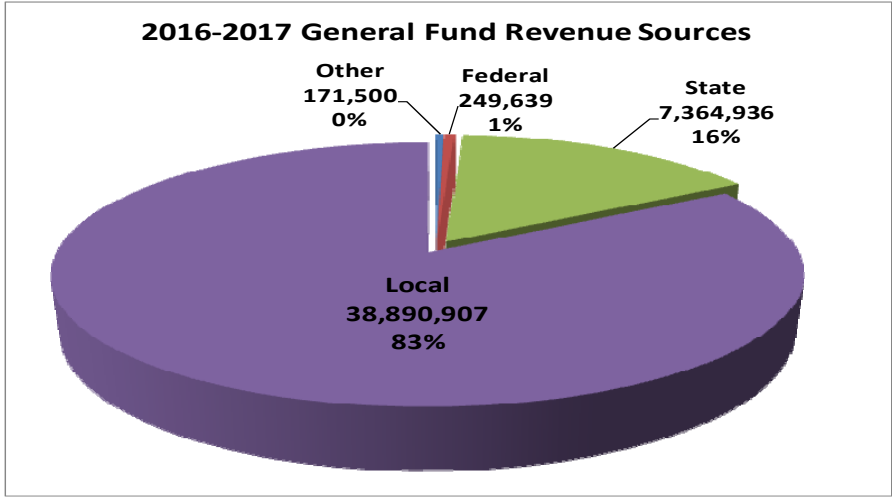
Section III - Expenditure Budget By Program

	Audited 2015/16	Annual Meeting 2016/17	Adopted 2016/17	
<u>Fund 21-Special Revenue Trust Funds</u>				
Instruction				
1 Elementary Curriculum	80,205	0	0	1
2 General Curriculum-Secondary	12,152	0	0	2
3 Vocational Curriculum	8,292	0	0	3
4 Physical Curriculum	2,188			4
5 Co-Curricular/Other	11,339	0	0	5
6 Other Instruction	1,307			6
7 Total Instruction	<u>115,483</u>	<u>0</u>	<u>0</u>	7
Support Services				
8 Pupil Services	4,523	0	0	8
9 Instructional Staff Services	5,357	0	0	9
10 School Administration	4,714	0	0	10
11 Business Administration	73,745	0	0	11
12 Central Services	0	0	0	12
13 Total Support Services	<u>88,339</u>	<u>0</u>	<u>0</u>	13
14 Total Special Funds Expenditures	<u>\$ 203,823</u>	<u>\$ -</u>	<u>\$ -</u>	14
<u>Fund 30-Debt Service</u>				
1 Total Debt Payments	<u>\$ 2,593,198</u>	<u>\$ 6,644,300</u>	<u>\$ 6,644,300</u>	1
<u>Fund 40-Capital Projects</u>				
1 Constructions	113,026	6,209,500	14,259,500	1
2 Total capital Project fund Expenditures	<u>\$ 113,026</u>	<u>\$ 6,209,500</u>	<u>\$ 14,259,500</u>	2
<u>Fund 50-Food Service</u>				
1 Business Services	72,874	70,300	70,300	1
2 Food Services	1,253,722	1,263,105	1,263,105	2
3 Total Food Services Fund Expenditures	<u>\$ 1,326,596</u>	<u>\$ 1,333,405</u>	<u>\$ 1,333,405</u>	3
<u>Fund 80-Community Service</u>				
1 General Administration	608,960	687,070	687,070	1
2 Business Services	551,347	532,539	532,539	2
3 Community Services	1,122,779	1,061,164	1,061,164	3
4 Total Community Services Fund Expenditu	<u>\$ 2,283,086</u>	<u>\$ 2,280,773</u>	<u>\$ 2,280,773</u>	4

2016-17 Budget Frequently Asked Questions

Q: Where do Wisconsin school district revenues come from?

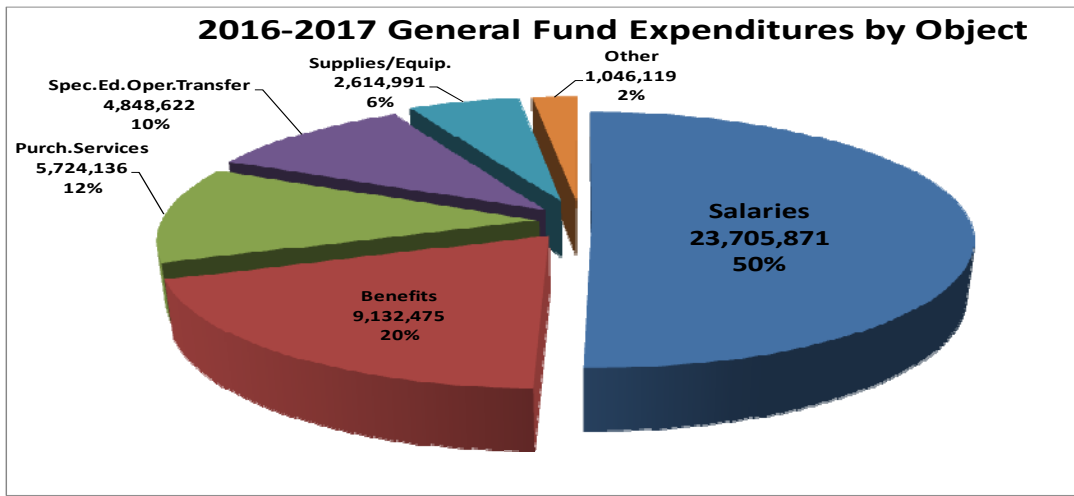
A: Wisconsin school districts have two major revenue sources: local property taxes and state aid. Districts receive minimal federal aid and limited revenue from other sources, but the vast majority of the revenue comes from local taxes and state aid.



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.



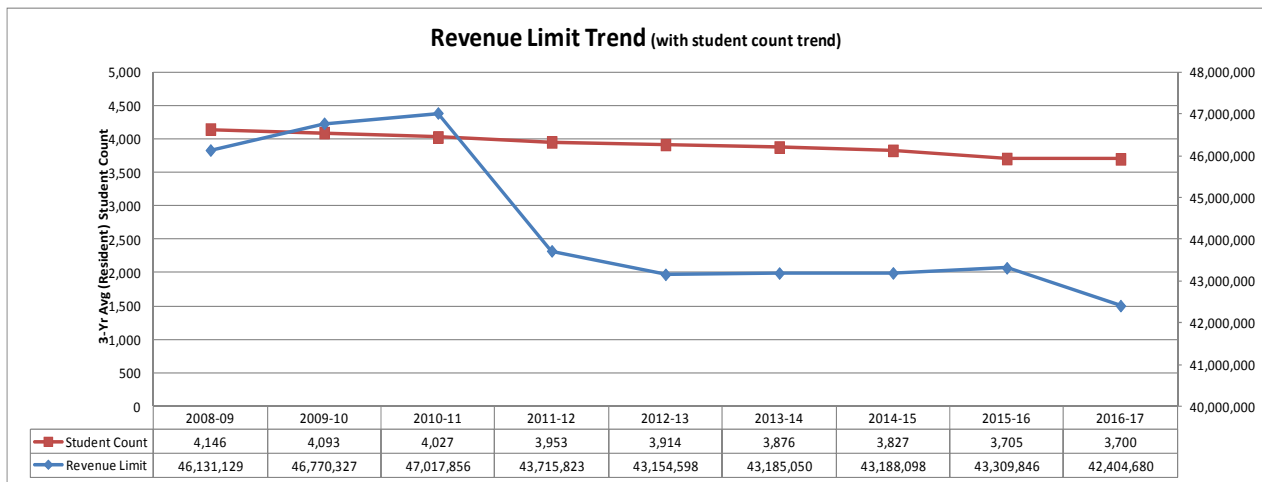
In the School District of Menomonee Falls (SDMF), 70% of its expenditures are on salaries and benefits. Most school districts try to spend less than 80 percent on salaries and benefits (many do not achieve this).

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.

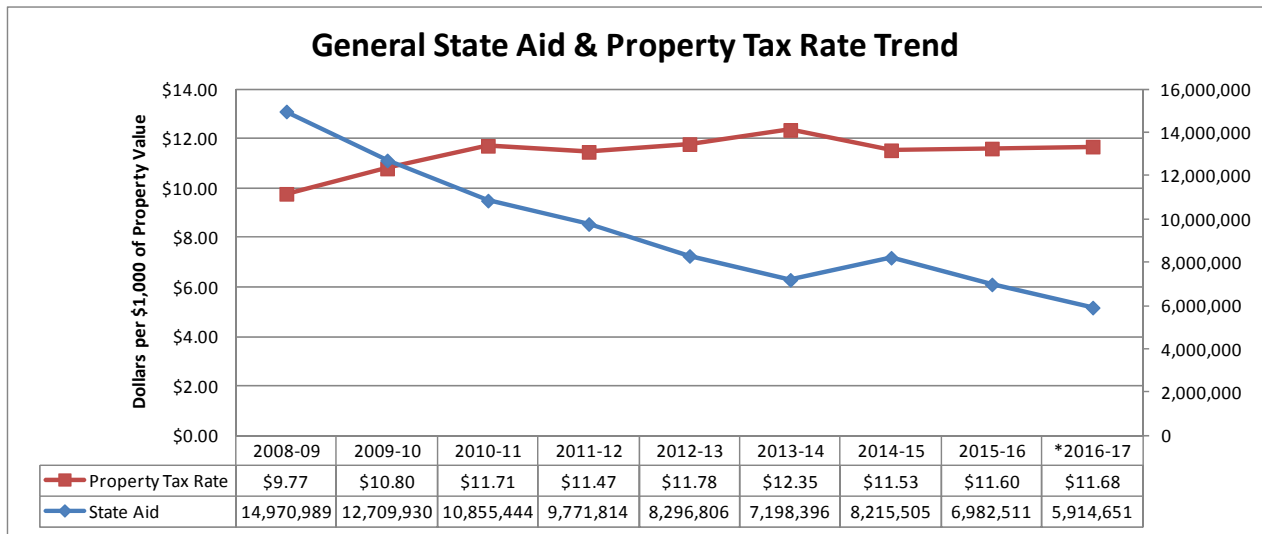


Our revenue limit has decreased by more than \$3.5 million since 2008-09.

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 \$32.7 million (2015-16). 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 offers a ‘non-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. The District does not contribute towards offsetting the deductible and employees pay a flat dollar premium share equivalent to 7.5% of total plan costs. The District will continue to work toward balancing the need to offer a market competitive plan and control plan costs.

The recent health benefit changes save more than 34% or \$3.0 million per year and has reduced 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 (2015-16)
Health Care Benefits	WEA Trust Healthcare Plan	Self-funded Health Plan
Deductibles	In-Network \$100 Individual / \$200 Family	In-Network \$2,000 Individual / \$4,000 Family
Employee contributions	Out-of-Network \$200 Individual / \$400 Family	Out-of-Network \$4,000 Individual / \$8,000 Family
	Employee Contribution – 5%	Employee Contribution – 7.5%
	Fully insured plan	Self-funded plan - 2011-12 savings of \$2.4 million by moving to self-funding
Pension Benefits (WRS)	WRS – 100% district funded	WRS – 50% employee funded (50% District funding required)
District-level Retiree Health Benefits	Defined benefit plan with up to 10 years of health benefits equivalent to active plan	No new retirees on health plan since 2013 Defined contribution plan with TSA funding at retirement with 20 years of service
Total Health Benefit Costs	Medical and dental insurance costs – \$6,025,752	Medical and dental insurance costs – \$4,111,309
Total Staff Counts	Teachers – 253.5 Administrators - 19	Teachers – 218.7 Administrators - 17
Salary/benefits as a portion of Total Budget	76% Total 52% Salaries / 24% Benefits	68% Total 50% Salaries / 18% Benefits
Number of Employee Unions	5	0
Total Expenditures	\$49,200,216	\$47,776,544