



OCONOMOWOC AREA SCHOOL DISTRICT

EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS

2023-24 Budget Proposal School Board Executive Report May 3, 2023



Meadow View Elementary 2nd graders held a 'Caps for a Cure' fundraiser to honor their former classmate, Brayleigh King. Students and staff could donate funds to wear a hat for the day. Their efforts raised over \$5000.

Empowering a community of learners and leaders.

District Profile: Oconomowoc Area School District (OASD) serves approximately 5,000 students in pre-kindergarten through grade twelve. OASD covers 135 square miles in Waukesha, Dodge and Jefferson counties. The District operates five elementary schools, two intermediate schools, and one high school, as well as offering the Oconomowoc Virtual Learning Community (OVLC) for online instruction.

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Introduction

We are pleased to present the 2023-24 Oconomowoc Area School District (OASD) Budget Proposal. The Budget Proposal will be presented to the School Board on Wednesday, May 3, 2023. The budget is developed to support the District's near-term initiatives and goals, while also keeping a focus on the District's long-term financial strength. During the budget development process, every program and staffing position was carefully reviewed to ensure that our financial resources are used wisely and in accordance with the District's mission, initiatives, and financial policies.

The 2023-24 budget proposal was built to support and advance the District's tactical plans in each of the Board's five Strategic Plan Focus Areas:

1. Educational Quality and Culture
2. Equity and Diversity
3. Personnel Excellence
4. Business and Financial Performance
5. Customer Care / Return on Investment

This budget addresses student learning achievement gaps, mental health, and life readiness needs. It also supports the literacy curriculum adoption, provides competitive salaries and benefits, and supports professional development opportunities for staff.

This budget was developed using a collaborative process aided by input from numerous sources with employee engagement throughout. Contributions to budget development came from the following groups:

- School Board
- Benefits Task Force
- Administrative Team, including Principals and Department Administrators
- Various work teams (e.g. curriculum adoption, technology teams)

In addition to being a collaborative effort, the budget development process was also transparent. The Board, administration, and staff were provided with both State and local level budget updates throughout the five-month process. Transparency in the budget process creates greater awareness and accountability. For internal stakeholders, transparency enables central office departments and schools to take greater ownership of their goals, priorities, and continuous improvement plans. For external stakeholders, our community, it results in a more readable and informative budget document.

This proposal is built as a 'working document' plan for the 2023-24 school year. This budget contains assumptions which will require adjustment as we progress through the summer and fall months. The final budget, adopted by the Board in October, will account for adjustments needed to comply with the State budget and new regulations, to support student learning needs, and to promote the safety and well-being of our students, staff, and community.

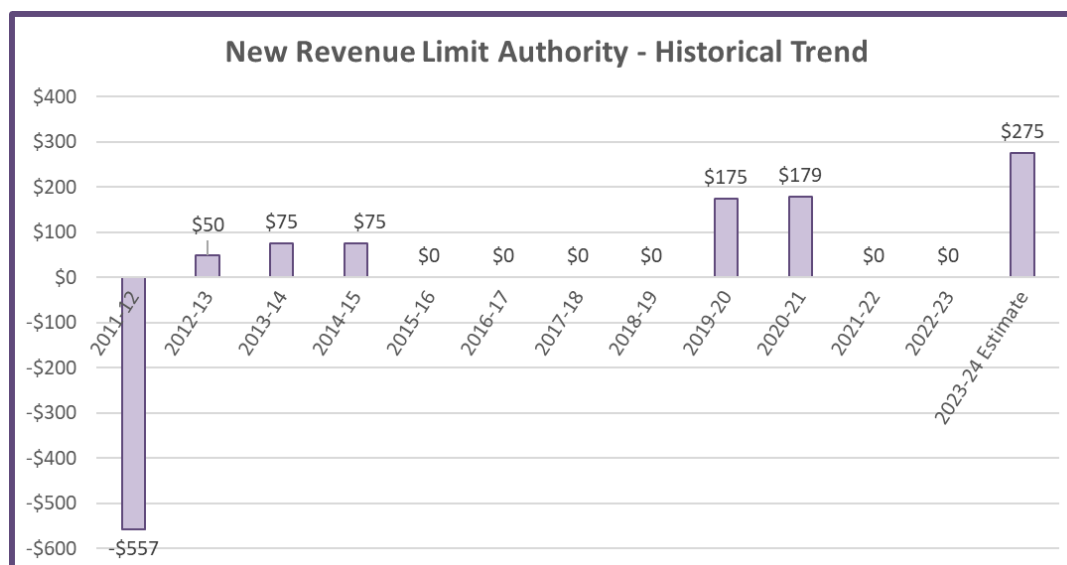
The budget proposal is available on the District's website at www.oasd.org.

Budget Overview for 2023-24

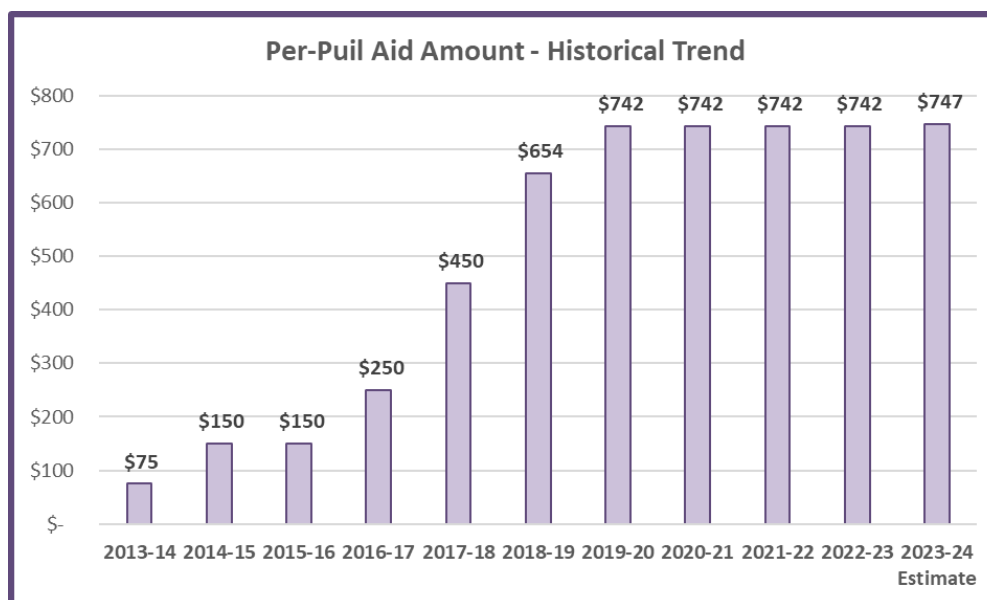
The State Perspective:

The District's budgetary financial framework is determined primarily by the State of Wisconsin's budget. This is the first year of the State's 2023-25 budget and many key variables are uncertain. Most districts in Wisconsin, including Oconomowoc, are facing a financial cliff as federal funding through ESSER programs ends. School districts are hopeful that the State government will recognize this challenging position and support increased funding for education in its biennial budget. Key estimates in this proposal include student enrollment, equalized property values, per-pupil revenue limit authority, Per Pupil Aid, State Equalization Aid, and the special education reimbursement rate. Until a clearer state financial picture emerges, the District is proceeding with conservative projections. OASD's budget is based upon reasonable estimates of likely financial conditions, including the following:

- The "Revenue Limit Formula" by which the State indirectly controls K-12 spending is **budgeted to increase \$275 next year**. Per-student revenue limit authority has varied over the years (see chart below). The State's 2021-23 budget provided no change and directed districts to utilize ESSER funding to support increased operational costs. Additional revenue authority helps a district to balance the inflationary and operational escalation of its expenditures.



- State Equalization Aid, which is OASD's largest funding source other than local property taxes, is expected to decrease by 10.6%. A decrease in State aid shifts the funding burden to the local property tax levy from the state-level. OASD can be viewed as a State-local funding partnership. The actions of one funding partner greatly impacts the other funding partner.
- Per Pupil Categorical Aid was first provided to districts in 2013-14 to supplement and/or replace funding through 'new' revenue limit authority. The State's 2021-23 budget provided Per Pupil Categorical Aid at \$742 per pupil. A modest increase to \$747 per pupil is estimated for next year, generating aid of approximately \$3.8M.



- A 1% increase in the per-pupil open enrollment transfer amount is estimated to \$8308 (was \$8224) and to \$13,172 (was \$13,076) for students with disabilities. Open enrollment revenue is estimated to increase \$72,000 to \$2.5M in 2023-24. While the rate is estimated to increase, the number of students is predicted to decrease slightly. The open enrollment out expenditure is estimated to decrease by 7.6% which reflects a decrease in the number of students and the projected increase in the per-pupil rate. The change in revenue and expenditure net with one another to create a decrease of \$359,000 net expenditure. The open enrollment net expenditure decrease is offset by estimated increases in Independent Charter School FTE and the State's voucher program resulting in a \$393,000 expenditure increase.
- The budget proposal is reliant upon ESSER II and ESSER III federal programs to balance the budget and fund the normal inflation of expenditures. The District was allocated \$2,085,000 in ESSER II funds and \$3,110,000 in ESSER III funds. ESSER II funding was used during the 2021-22 and 2022-23 school years. The remainder of ESSER II funds and all ESSER III funds are earmarked for use in the 2023-24 school year.

The Local Perspective:

The District expects limited General Fund revenue growth next year, increasing 2.82%. OASD's declining enrollment trend impacts revenue limit authority, Equalization Aid, and Per Pupil Aid.

This budget proposal includes a \$275 increase in the revenue limit per pupil (see State Perspective above), which helps to fund expenditure expectations. The primary sources generating additional revenue for OASD are (1) ESSER II and ESSER III funding; (2) required lease accounting entries (offset by corresponding expenditure increases); (3) interest income; and (4) revenue limit authority.

OASD was fortunate for many years to experience a trend of growing enrollment. This trend is a positive revenue factor. Under the State revenue limit formula, districts with

growing enrollment have more financial flexibility than districts with declining enrollment. For the past several years, OASD's enrollment has declined, constraining revenue.

With residential development apparent throughout the District, we are hopeful that enrollment growth will resume. This budget includes a decrease of 83 student FTE, which is offset by an increase in summer school FTE in the "3 year rolling average" membership calculation. The 2020 summer school FTE drops out of the computation replaced by a typical summer school membership FTE. Student headcount is anticipated to decrease by 49 students and membership FTE is anticipated to increase by 4 students.

General Fund expenditures must conform to available revenues to produce a balanced operating budget. The proposed budget is balanced, while incorporating key initiatives, through careful control of costs and strategic allocation of limited resources. This budget supports the instructional mission of OASD as demonstrated by sustaining these key initiatives:

- Pupil-to-teacher ratios which are appropriate for each grade, and which support a positive environment for learning.
- A Response to Intervention (RTI) system that meets the needs of all learners and decreases the need for referral to special education.
- Intervention time to address learning achievement gaps and maintenance of the RTI facilitator roles at the intermediate level to coordinate math and literacy interventions and build staff capacity.
- Consistent annual funding for curriculum materials, instructional technology, and staff development, all which place OASD among the leading school districts in Wisconsin.
- A technology plan that supports a 1:1 student-to-device ratio in grades 5K through 12 and 5 iPads per classroom in 4K. The technology plan also provides reliable student access and use of mobile technology supported by OASD's high-speed fiber network and wireless infrastructure.
- Continued support of a student life-ready competencies screener, Life Ready curriculum, and pertinent staff professional development.
- Student mental health and well-being is supported through community partnerships with GALS Institute and Family Services of Waukesha, and a Student and Family Assistance Program (SFAP).
- Student services staffing aligned with a staffing metric that balances caseloads and provides support for students.
- Continued support for Achievement Via Individual Determination (AVID) at OHS.
- Maintenance of a two Alternative Education position at OHS and a coordinator position to lead the Resilient Schools initiative responding to student needs and providing coaching to build staff capacity.
- Continuance of a Dean of Students role at the intermediate schools to work collaboratively with building leaders to ensure all students have opportunities to achieve at high levels academically, socially, and emotionally. The Dean of Students (1) assists with the daily operation of the school with an emphasis on Restorative














Justice and Positive Behavioral Interventions and Supports (PBIS); (2) provides leadership and is a resource for the Student Services Team in providing a data-driven Multi-Level System of Support (MLSS); and (3) promotes an inclusive learning community that supports social interaction, active engagement in learning and self-motivation.

- Continued support of the Athletic Strategic plan with an athlete development and student leadership position at OHS, along with an additional leadership course for students.
- A commitment to facility preventative maintenance, renovation, infrastructure improvements, and long-term capital project funding.
- A sustainable educators' compensation model that provides competitive compensation and attracts and retains OASD's high-quality certified staff.
- Competitive salaries and benefits for all employee groups.

While financial conditions for K-12 school districts are challenging, there are also opportunities to create new and innovative solutions.

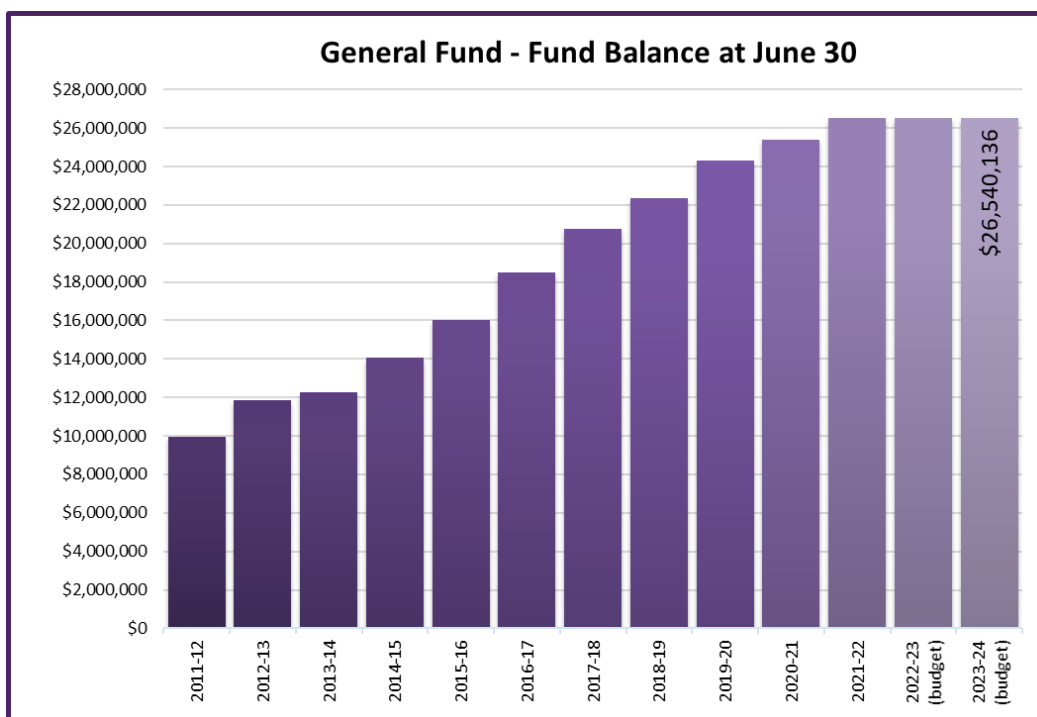
This proposal presents a **balanced** operating budget for 2023-24 which supports and advances OASD's mission. There is little margin for error in this budget. Careful administration of the budget plan is essential to achieving the established financial targets. We look forward to an exciting and successful school year in 2023-24.

2023-24 Budget Proposal Snapshot

Trend	Factor	Budget Impact
	Student Enrollment	Decreasing FTE count 1.6%. This is a <u>conservative</u> enrollment estimate that assumes a decrease of 83 students (5,039 to 4,956). The 'three-year-rolling-average' membership increases by 4 students to 5,231 due to summer school (the summer 2020 count drops from the average calculation). While enrollment has been declining for the past several years, a recent enrollment study predicts future growth.
	Mill Rate	Decreasing 11.97%. An increase of 3% was used to estimate OASD's equalized tax base. OASD's tax base increased 14% last year and has grown each of the past nine years, averaging 6.3% growth. Tax base growth helps to offset increases in the tax levy.
	Open Enrollment	Net expense decrease. The open enrollment estimate assumes a decrease for net open enrollment out of \$360,000. The overall open enrollment net <u>out</u> expense is \$4.9M, a \$360,000 increase due to increasing vouchers and Independent Charter Schools FTE.
	Student Fees	The Board approved increases in certain student fees reflective of increased costs. See detailed scheduled in the Addendum. Course and consumable fees may be adjusted based on actual product costs.
	Bond Rating	Holding at Aa2 as of March 2018. This is a favorable rating.
	Fund Balance	No Change. The budget proposal is balanced with expenditures equal to revenues.
	General Fund Revenues	Increasing 2.82%. Revenues will increase primarily as a result of higher revenue limit authority, interest income expectations, lease accounting requirements, and use of remaining ESSER II and III Federal grant funding.
	State Equalization Aid	Decreasing 10.6%. A 15% loss is the 'worst case' scenario. The change is anticipated due to moderately increasing expenditures with declining enrollment, thereby increasing the District's shared costs. Local property values significantly exceed the State average resulting in negative tertiary aid. Decreasing aid puts greater pressure on the local property tax in the State-Local funding partnership.
	Property Tax Levy	Decreasing 9.33%. Five factors contribute to this change: (1) modest expenditure increases, (2) a \$275 increase in per-pupil revenue limit authority, (3) the State aid assumption, (4) Community Service Fund levy increase, offset by (5) eliminating the significant additional Debt Service Fund Levy approved for 2022-23.
	General Fund Expenditures	Increasing 2.82%. A majority of the District's expenditures increase annually. Compensation, benefits, utilities, insurance, and transportation are driven by changing enrollment and inflation. Resources were reallocated and budget reserves were eliminated to fund OASD's current year operational needs.
	Staffing Level (Overall)	Decreasing 5.86 FTE for all staffing categories. Staffing levels are driven by class size guidelines, enrollment changes, program selection at OHS, and contingency planning. Various staffing shifts and natural attrition are used to match OASD's staffing plan with enrollment needs. Paraprofessional reductions resulted from the conversion to certified staff and decreasing elementary grade sections.
	Wages & Salaries	4.0% compensation pool. A 'pool' of funds equal to 4.0% of base wages for each employee group was created to provide salary increases, including steps, lanes, and stipends for staff. Educator starting salaries were increased to attract high-quality staff. Benchmarking adjustments were made to positions below the comparison median.
	Health, Dental, Vision Insurance	Varied by benefit. OASD's health insurance premium cost increased 7.66%. Renewals continue to be impacted by an unfavorable medical loss ratio and high cost claims. Dental and LTD insurance renewals were each 0%. With a carrier change, the vision insurance renewal decreased 9.39%.

Financial Position

OASD's financial position has improved substantially over the past two decades. The General Fund balance has recovered from a \$ -2.7 million deficit at year-end 2004. As of June 30, 2022, the General Fund Balance improved to a positive \$26.5 million. The 2017-18 fiscal year was the first time that OASD did not require a short-term cash-flow borrowing to fund its operations. As the 2022-23 school year nears its completion, the General Fund budget continues to perform well. It is likely that the current year budget will out-perform expectations and allow for fund balance growth and/or a transfer into Fund 46 to save for long-term maintenance projects; however, the increment isn't anticipated at the level of recent years. The Fund Balance chart below reflects actual results and budget amounts and does not consider this forecast.

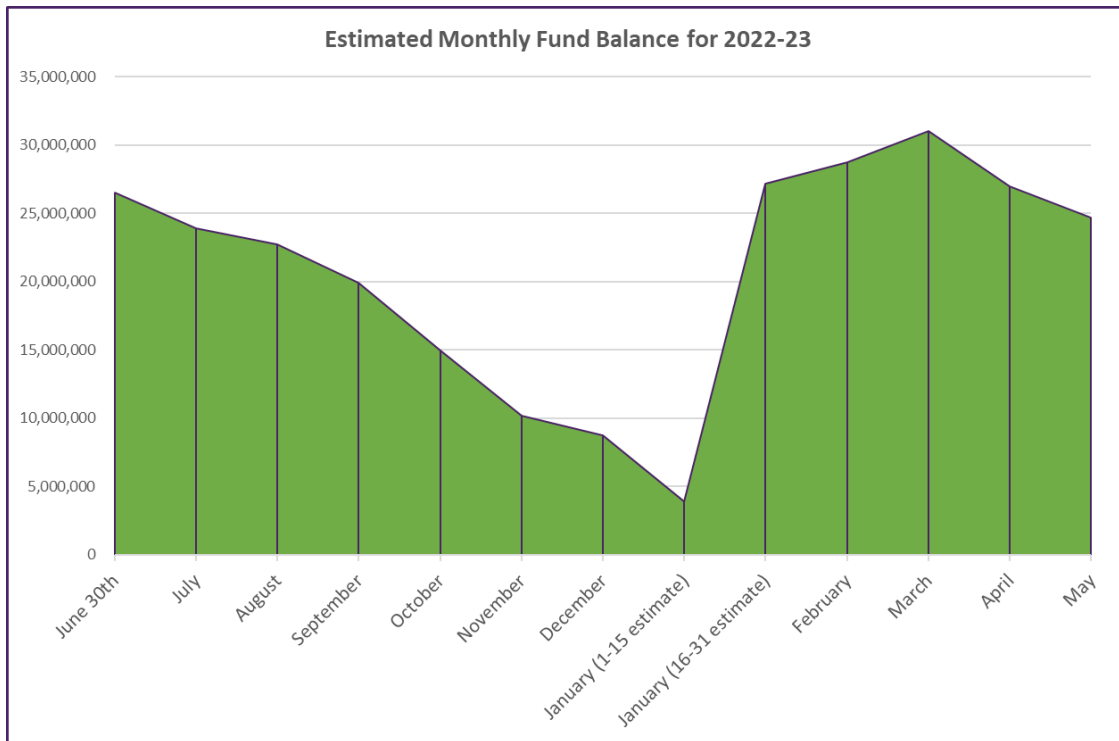


State statutes do not require that a set amount or percent of a district's overall budget be maintained as a fund balance; this is a local decision. OASD's Board policy regarding fund balance states: "The District shall strive to maintain an unassigned year-end fund balance in the General Fund that is equivalent to at least 15% of the anticipated General Fund expenditure budget for the subsequent fiscal year with a goal of reaching a level where the short-term borrowing for operations is not necessary. This fund balance is intended to be used for purposes including cash flow management, reducing or eliminating the need for short-term borrowing, safeguarding against unexpected expenses or unrealized revenues, and maintaining a high credit rating for the District."

Throughout the course of a year, the fund balance has peaks and valleys in correlation with receipt of the district's major funding sources: property taxes and Equalization Aid. If a district does not have an adequate fund balance, it must borrow money on a short-term basis to pay its bills and employees. There are issuance and interest costs associated with borrowing these funds. For OASD, these costs ranged from \$36,000 to \$485,000. The fund balance is intended for a number of purposes, most importantly, reducing the need for short-term borrowing.

OASD's fund balance meets the Board's minimum requirement of 15%. The District's short-term borrowing decreased from 2009 through 2016 from \$12M to \$1.5M. A borrowing has not been needed for the past six years – successfully achieving a long-standing financial goal.

The fund balance is a financial strength *snapshot* at a given moment in time. The following chart illustrates OASD's estimated month-end balances and highlights the importance of fund balance to account for the timing differences between revenues and expenditures.



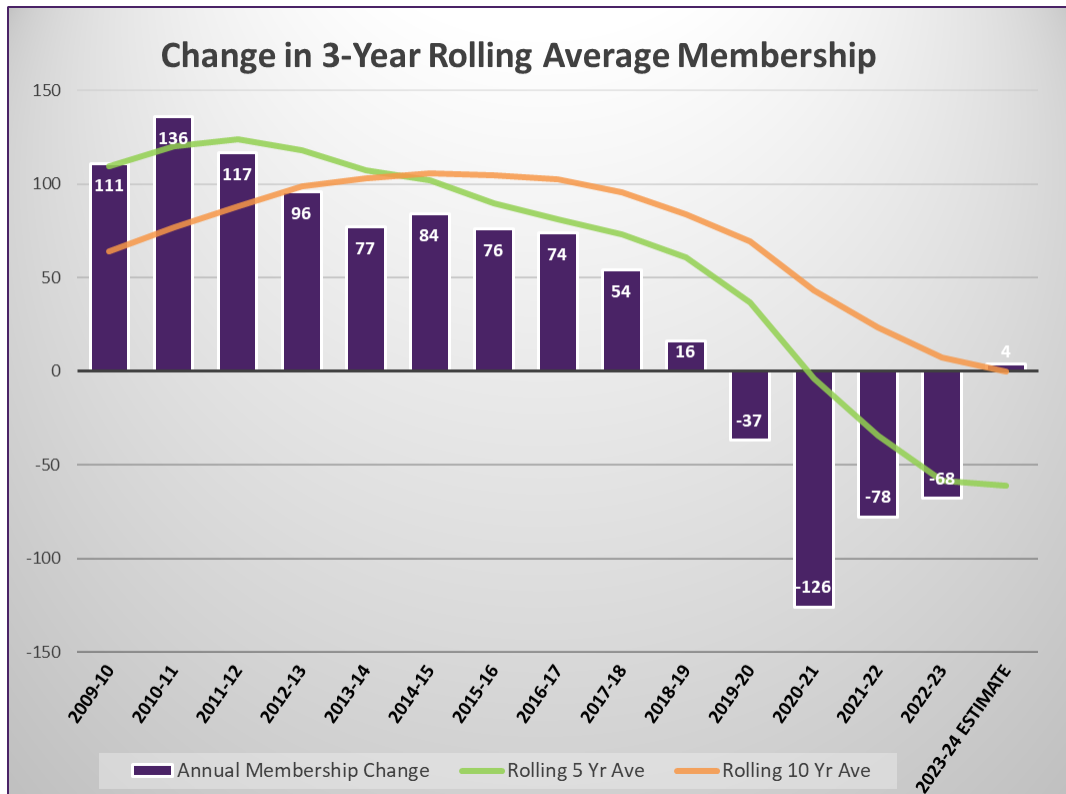
The General Fund Balance ratio (or 'solvency' ratio) is a commonly accepted measure of a school district's financial condition. OASD's solvency ratio calculation over recent years is shown below.

Year	FY18	FY19	FY20	FY21	FY22	FY23-Budget	FY24-Budget
Fund Balance Total	20,777,698	22,358,127	24,296,383	25,384,725	26,540,136	26,540,136	26,540,136
Fund Balance (Unreserved, Undesignated)	20,295,505	22,013,154	22,867,348	25,384,725	26,022,401	26,540,136	26,540,136
General Fund Expenditures	61,315,308	63,793,068	65,768,076	68,191,025	71,703,968	71,819,000	73,844,000
Solvency Ratio	33.1%	34.5%	34.8%	37.2%	36.3%	37.0%	35.9%
<i>Board Policy Required Minimum: 15%</i>							

The District's Moody's bond rating was reaffirmed as '**Aa2**' in March 2018. The Aa2 rating was provided noting OASD's large tax base, favorable location within commuting distance to Milwaukee, and a strong demographic profile with a sizable and affluent tax base. The district's solid financial position with growing fund balances and manageable pension burden were key factors influencing the rating. OASD has not borrowed funds requiring an updated Moody's rating since March 2018, but we will as a result of the successful 2023 referendum. Less than fifteen districts with Moody's ratings have a Aaa rating, which is the only rating better than Aa2.

Enrollment Summary

In 2022-23, over 61% of school districts experienced flat or declining enrollment. For many years, OASD was fortunate to be excluded from this category. Until 2019-20, OASD recorded fifteen consecutive years of enrollment growth as defined by the '3-year rolling average' calculation. This trend reversed in 2019-20 and is projected to continue for at least the next couple years. OASD's projected enrollment for 2022-23 is conservative based upon recent enrollment trends and actual student registrations.



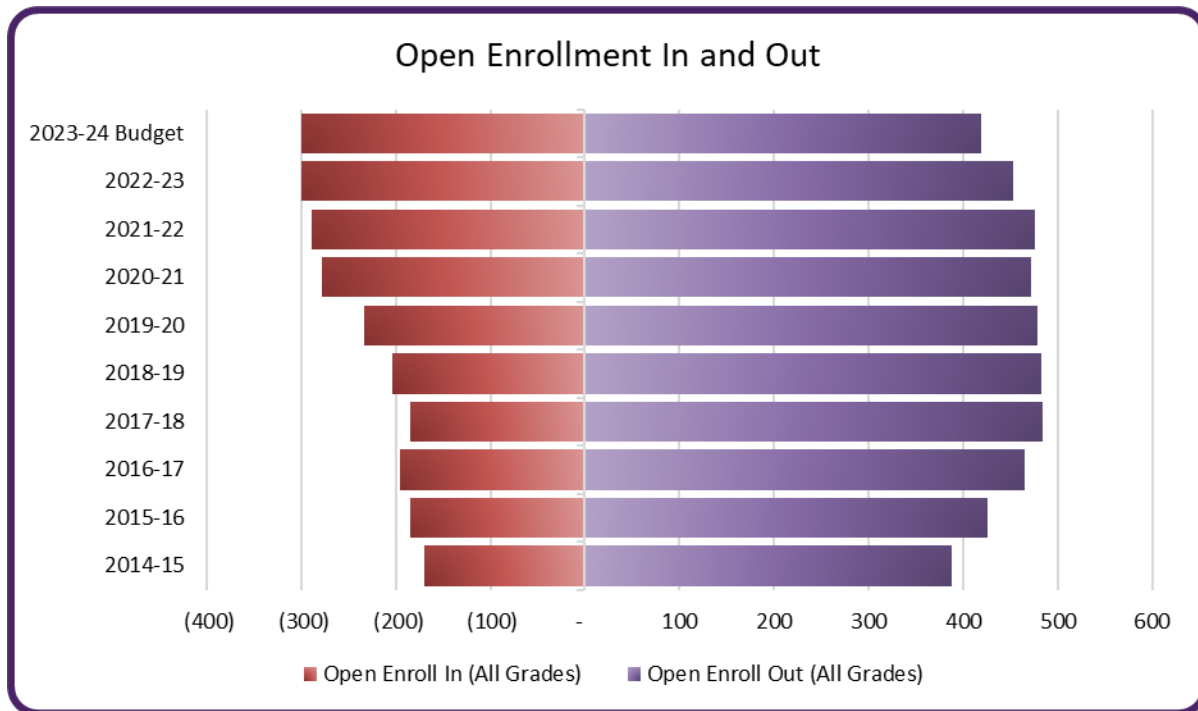
School district revenues are based on a 3-year rolling average of resident enrollment. The table above illustrates the tremendous enrollment growth from 2009-10 forward. Enrollment increased by over eight hundred (800) students. However, OASD's rate of enrollment growth slowed, and then declined in the most recent years. This trend is highlighted as the enrollment change columns fall below the 5 and 10 year rolling average growth lines.

Open Enrollment:

In 2014-15 the District had a net open enrollment loss of 218 students, or **3.98%** of total resident enrollment (218 / 5,476).

For 2023-24, the District is projecting a net open enrollment loss of 119 students, or **2.34%** of total resident enrollment (119 / 5,079). Overall, net open enrollment appears to be trending in a positive direction.

Open enrollment-out has out-paced open enrollment-in for many years as shown in the following chart. This trend appears to be slowing. For budgeting, net open enrollment has been reduced from 152 to 119 students net out reflecting the current trend.



The District recognizes the financial burden open enrollment imparts on the budget, not to mention the impact on the public perception of its schools. The District has taken steps to address this challenge, including improving marketing efforts, expanding high school programming, lowering/maintaining appropriate class sizes, and renovating and/or replacing existing aged facilities. The changing trend in net open enrollment suggests that these efforts are having a positive impact.

Total Enrollment and Open Enrollment:

2014-15 to Present:

OASD Enrollment Summary	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Budget 2023-24
Resident Head Count:										
PreK-4 thru Grade 12	5,258	5,257	5,366	5,307	5,268	5,286	5,111	5,027	5,009	4,960
Open Enroll In (All Grades)	(170)	(185)	(196)	(184)	(204)	(233)	(278)	(289)	(300)	(300)
Open Enroll Out (All Grades)	388	426	465	484	483	478	471	475	452	419
Adjusted Resident Enrollment	5,476	5,498	5,635	5,607	5,547	5,531	5,304	5,213	5,161	5,079
% Change over Prior Yr.	1.26%	0.40%	2.49%	-0.50%	-1.07%	-0.29%	-4.10%	-1.72%	-1.00%	-2.57%
PreK - Grade 12 enrollment is 3rd Friday head count and does not factor in percentages for part-time students (4k).										
Open Enrollment - includes tuition waivers.										
NET	218	241	269	300	279	245	193	186	152	119

Adjusted Resident Enrollment = Basic Head Count *minus* Open Enroll In *plus* Open Enroll Out.

Financial Summary

General Fund Revenues, Expenditures, and Change in Fund Balance

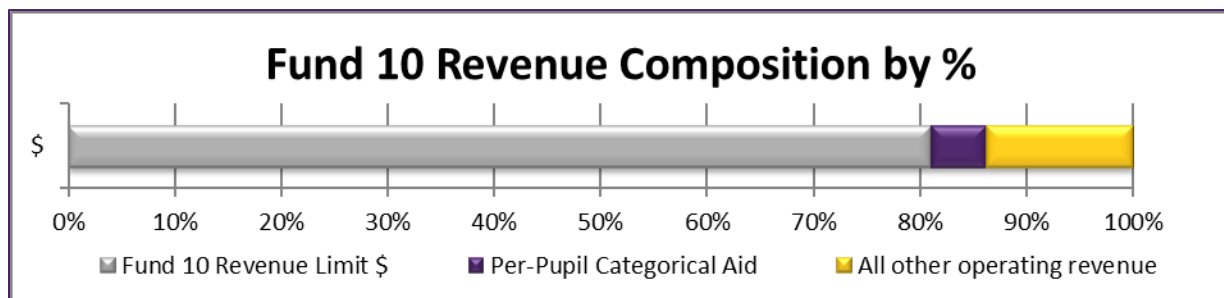
General Fund Summary	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget	\$ Change	% Change
Beginning Fund Balance	22,358,126	24,296,382	25,384,725	26,540,136	26,540,136	-	0.00%
Revenues:							
Local	48,847,097	49,851,724	51,158,303	49,084,039	51,176,707	2,092,668	4.26%
State & Interdistrict	17,344,807	17,705,903	16,591,592	18,288,417	17,167,791	(1,120,626)	-6.13%
Federal & Other	1,514,428	1,721,740	5,109,483	4,446,544	5,499,502	1,052,958	23.68%
Land Sales							
Total Revenues	67,706,332	69,279,367	72,859,378	71,819,000	73,844,000	2,025,000	2.82%
Expenditures:							
Instruction	29,823,465	30,965,601	31,274,953	33,124,627	34,785,244	1,660,617	5.01%
Support Services	21,765,853	22,900,345	25,372,151	24,126,509	24,459,152	332,643	1.38%
Other Non-program Transactions	14,178,758	14,325,078	15,056,863	14,567,864	14,599,604	31,740	0.22%
Total Expenditures	65,768,076	68,191,024	71,703,967	71,819,000	73,844,000	2,025,000	2.82%
Ending Fund Balance	24,296,382	25,384,725	26,540,136	26,540,136	26,540,136	-	0.00%

A detailed Statement of Revenues and Expenditures is provided in the Addendum.

General Fund Revenue – Summary Comments:

Wisconsin school districts operate under financial parameters established at the State level. Since 2011, state lawmakers have imposed restrictive limits on school district revenue growth. The Revenue Limit functions as a control on the combined amount of property taxes and general State Aid available to operate the district. **Estimating Revenue Limit Authority is the critical first step of the budget development process.**

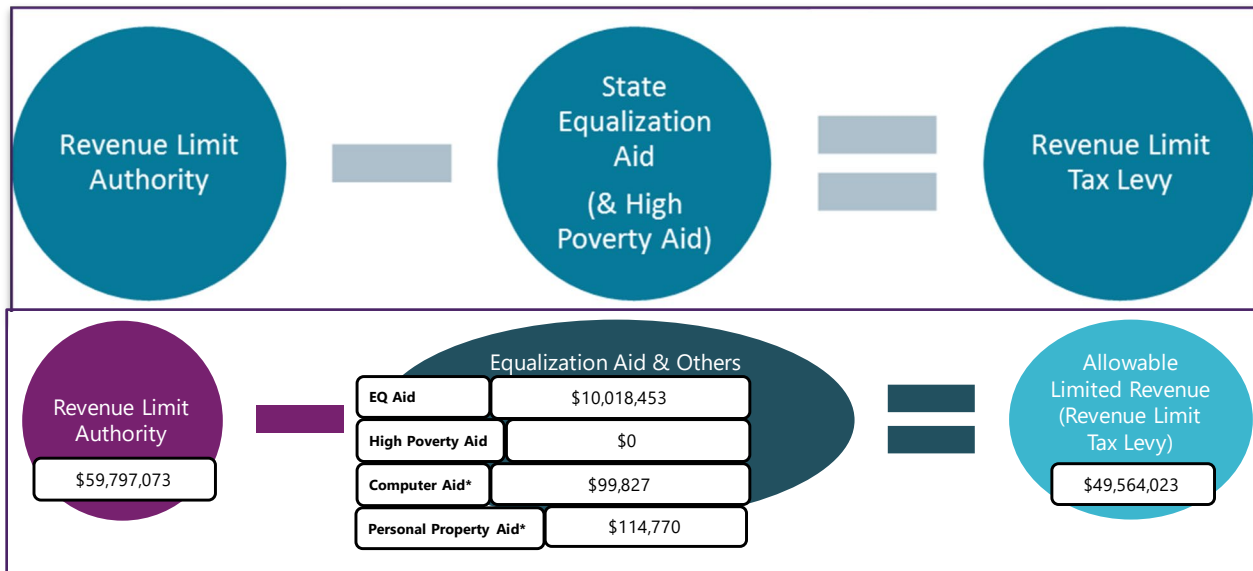
Sometimes referred to as revenue caps, revenue limits are state-imposed controls on the amount of money a district can receive through a combination of state aid and local property taxes: the two largest sources of revenue for OASD. *Approximately 81% of OASD's revenues are derived from these two sources.* Revenue limits were implemented in 1993-94 by state policymakers, as a means of controlling increases in school property tax levies. Per-Pupil Aid has replaced revenue limit funds, comprising a larger percentage of overall revenues since its inception with rate increases from \$75 to \$742 over time.



The Department of Public Instruction (DPI) generates a Revenue Limit worksheet template for districts to compute their revenue limit authority. A summary of the calculation is provided below. OASD's 2023-24 Revenue Limit worksheet is included in the Addendum.



The difference between OASD's revenue limit and its general aid amount determines the maximum amount of tax levy revenue the District is allowed to raise. For example, if additional general aid is provided, then the property tax must be reduced by the corresponding amount. If general state aid is reduced, then the Board has the authority to "backfill" the aid reduction by increasing the property tax levy.



2023-24 Property Tax Levy limit calculation.

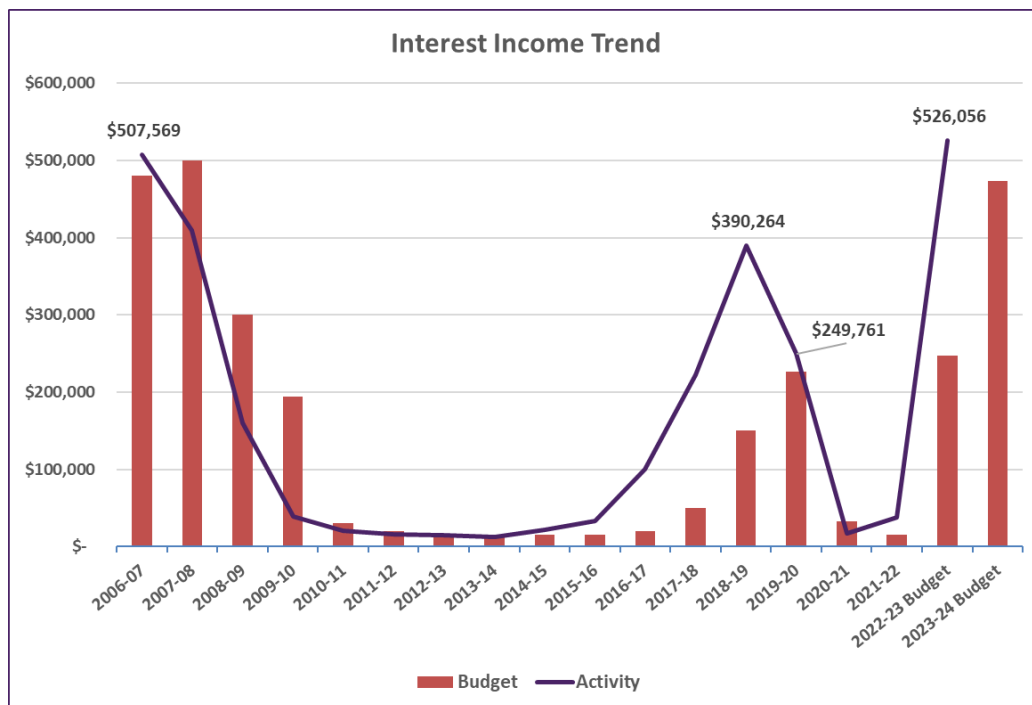
Revenue Strategy:

As noted in the **Financial Summary table** (page 13), 2023-24 General Fund revenues are expected to increase by \$2,025,000 or 2.82% as compared to the 2022-23 budget adopted by the Board in October 2022. This increase is the result of the following factors:

- 1) The State 'revenue limit formula' is predicted to provide \$275 per pupil in additional revenue authority.
- 2) The State's 2023-25 biennial budget is projected to increase Per Pupil Categorical Aid from \$742 to \$747.
- 3) The District will utilize \$190,000 of remaining ESSER II and \$3,106,000 of ESSER III funding to support its strategic work and address learning achievement gaps and the mental health and life readiness needs of students.
- 4) Student headcount and FTE enrollment is expected to decline. A decrease of 83 students in membership FTE enrollment is factored into the revenue limit formula.

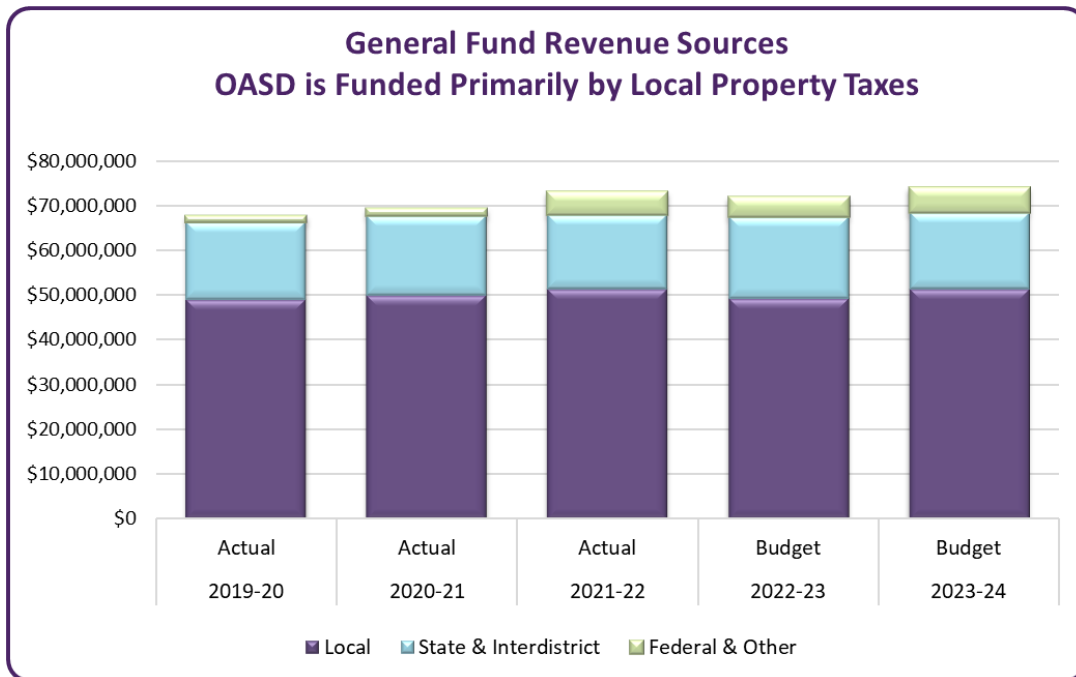
This estimate appears reasonable based on OASD's enrollment changes experienced in recent years and actual student registrations through April 2023. The 'three-year rolling average' membership is predicted to slightly increase, as the 2020 summer school FTE is replaced by a higher expected count for 2023. The predicted increase for the 'three-year rolling average' membership reverses a four-year decline trend.

- 5) According to Board policy, the Board has the authority to assess registration and participation fees at reasonable levels to partially offset (but not fund the majority of) program costs. The Board approved increases to athletic participation, football equipment safety and reconditioning, and parking fees. The annual fee and club participation fee remain at the same rates as 2022-23. Revenues from registration and participation fees are predicted to slightly increase next year. In addition, course and consumables fees are reviewed and updated annually based upon actual cost. A *detailed Student Fee Schedule for 2023-24 is included in the Addendum.*
- 6) Over the course of time, interest income has varied widely as a funding source. The significant change in the interest rate market favorably benefited 2022-23 operations. The 10-year Treasury Rate continues to look positive. For budgeting purposes, the interest income projection has been increased to \$474,000.



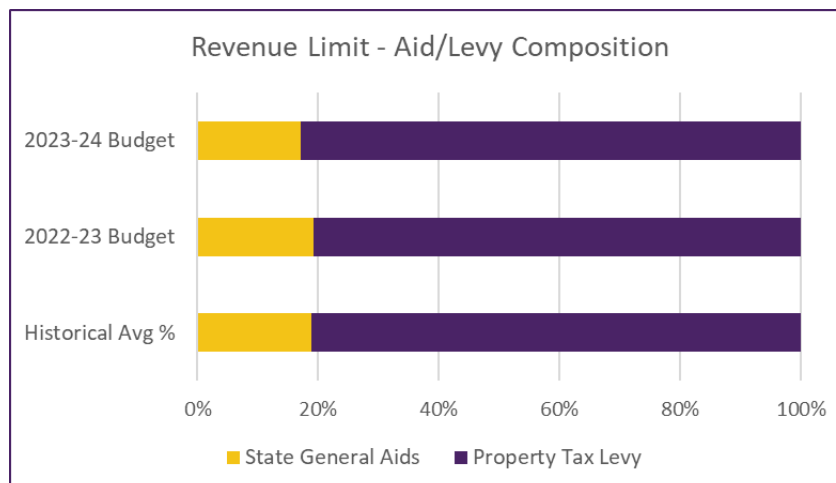
- 7) With the exception of ESSER II and ESSER III, Federal and State grant funding is projected to be relatively consistent with 2022-23 budget levels. In addition, the Back-to-School Supplemental Aid provided in 2022-23 has been eliminated, as this funding is not projected to continue.

The following graph details the composition of General Fund revenue sources and highlights the increased reliance on federal funding over the past several years.

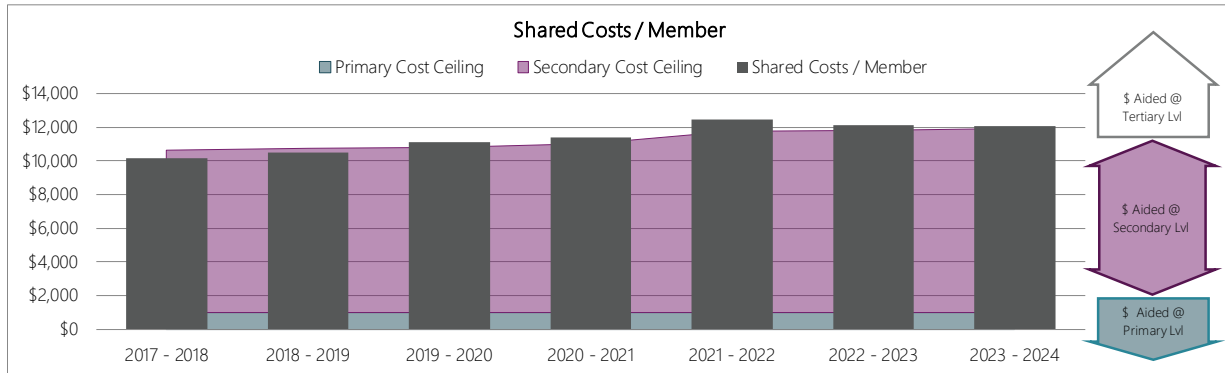


- 8) The state ‘shares’ in funding the annual budget through State Aid. As previously described, the amount of State Aid received by a district is important because the less State Aid that is received, the more funding that must be raised through local property taxes. Wisconsin provides the majority of state aid to school districts based on a formula that attempts to provide each district with a guaranteed tax base per pupil. This aid is referred to as Equalization Aid and is meant to assure that a basic educational opportunity is available to all pupils regardless of the local fiscal capacity (ability to pay) of the district in which they reside.

State Equalization Aid, the largest source of revenue other than local property taxes, is expected to decrease by 10.6%. This is a reasonable estimate given the variables impacting Equalization Aid. This budget estimates an approximate \$1,200,000 loss of State Equalization Aid, from \$11.2 million to \$10 million dollars. The following chart shows how the loss of Aid has shifted a larger portion of the funding partnership to the local property tax. *Note: The historical average represents the most recent 5-year history.*

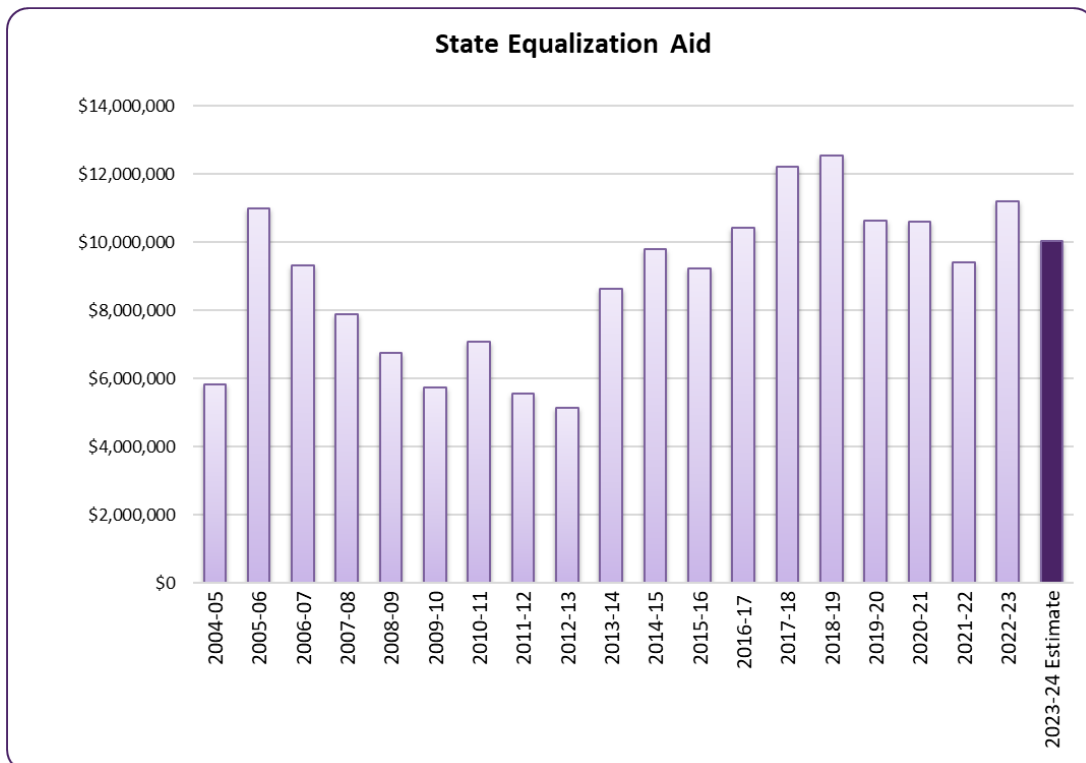


In 2015 to 2019, OASD benefited from the aid formula as enrollment growth out-paced expenditure and equalized property value growth. This trend kept OASD’s valuation per member and shared cost per member near the formula’s ceilings and State averages. OASD was penalized less at the tertiary aid level. As a result of OASD’s declining enrollment and moderately increasing expenditures, OASD is predicted to have reduced State Aid next year.

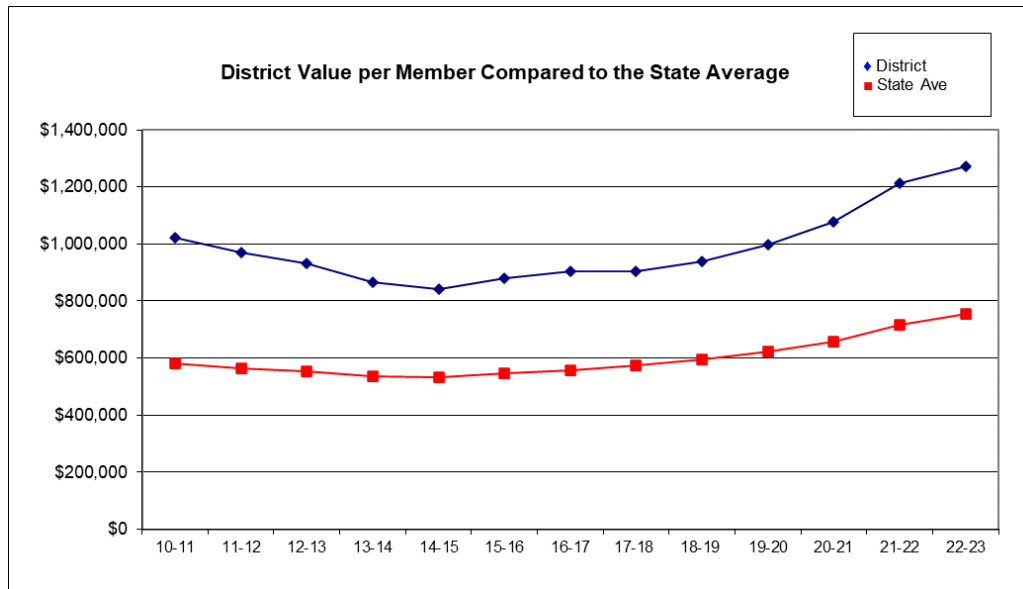


The variables impacting the Equalization Aid funding formula, including enrollment changes, property values, financial performance, ceiling/guarantee adjustments, and State-wide spending changes, will be closely monitored to help predict OASD’s anticipated Aid.

Equalization aid has historically been a ‘roller-coaster’ ride for OASD. However, OASD is predicted to once again face aid loss as a result of debt service for the 2016 referendum, modestly increasing operational costs, and declining enrollment. The debt service and operational spending increase the District’s shared costs, while lower enrollment reduces the number of students to which these costs are attributed.



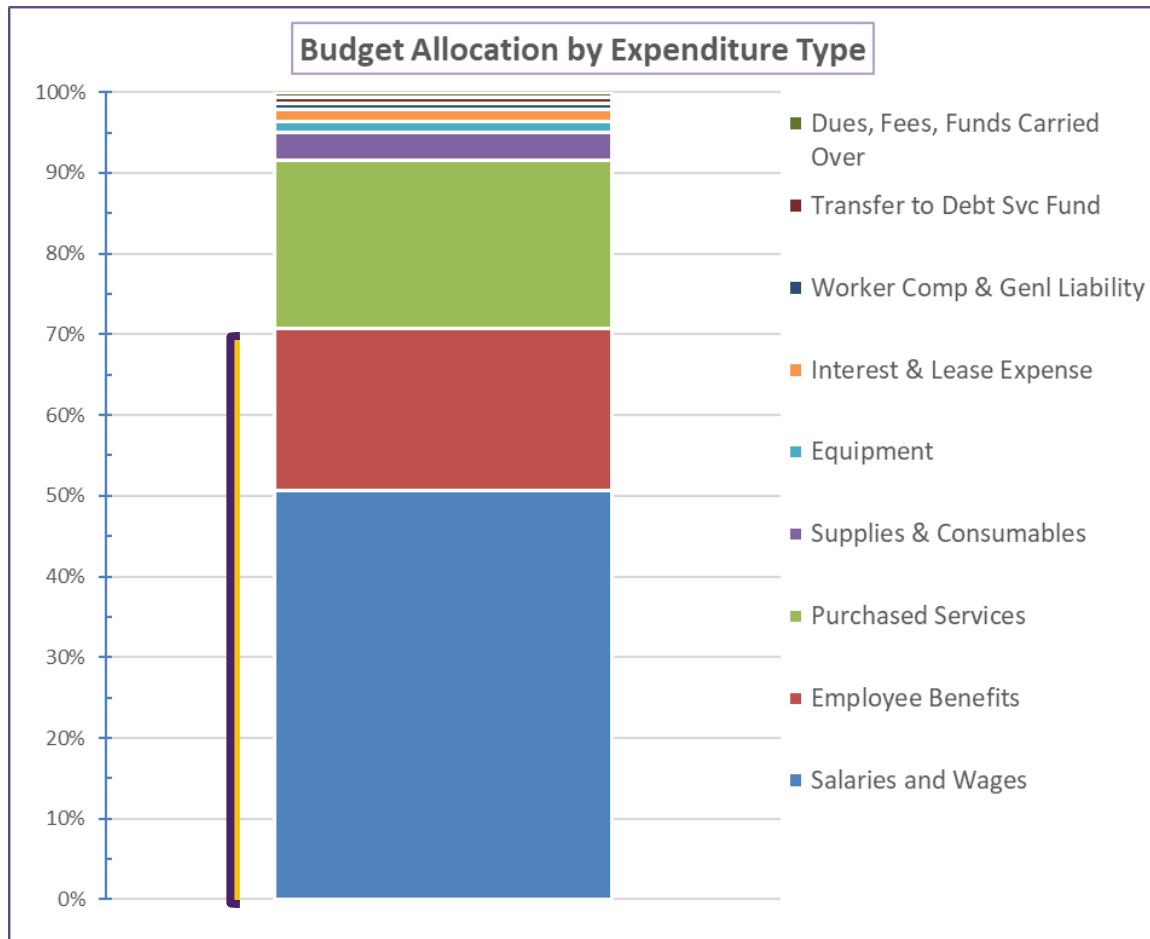
Property values vary widely across the state, and hence, districts differ in their ability to raise property tax revenue to support educational programs. Since OASD's property value per member (\$1,270,380) is well-above the state average (\$754,823), the majority of funding to support operations come from local property taxes.



General Fund Expenditures – Summary Comments:

In a budgetary environment characterized by restricted, and often minimal, revenue growth, OASD must remain focused and exercise careful restraint over expenditures, ensuring that every dollar is allocated to its optimal use. Budgeted 2023-24 General Fund expenditures total \$73.8 million. This is an increase of **2.82%** from current year budgeted expenditures. Staffing levels, compensation, and benefits were aligned to projected enrollment needs, strategic initiatives, and Board directives. Principals and administrators scrutinized non-personnel budgets to identify resource reallocation opportunities.

The following chart shows expenditure categories as a percentage of the overall budget. It highlights the importance of managing compensation and benefits given their overall budget composition: 71% including the General and Special Education Funds. This composition is typical of Wisconsin school districts.



With limited revenue growth, the change in expenditures must be carefully examined to avoid drawing inaccurate conclusions. OASD is committed to continuous improvement and fulfilling its strategic directions despite limited 'new' money available to fund operations. The Board, Cabinet, and Administrative Team collaborated throughout the budget development process to provide input on assumptions, identify strategic initiatives, and complete the staffing plan. The following section summarizes the initiatives prioritized in OASD's budget supported by new resources, along with reallocation of existing budget funds.

Prioritized Budget Investments (Expenditures)

The 2023-24 budget proposal was built to support and advance the District's Strategic Plan in each of the five Focus Areas:

1. Educational Quality and Culture
 - a. Maintaining low class sizes at the primary grade levels and math and language arts at the high school
 - b. Staffing core-content and elective courses at the intermediate and high-school levels at appropriate student-to-teacher ratios
 - c. Supporting Achievement Via Individual Determination (AVID) academic mentor time at OHS
 - d. Maintaining literacy intervention services at the elementary and intermediate schools to address learning achievement gaps

- e. Maintaining math intervention and RTI facilitator positions at the intermediate schools to improve student achievement and build staff capacity
 - f. Continuing commitment to the OHS Dual Enrollment and Youth Apprenticeship programs to support the District's College, Career, and Life Readiness mission
 - g. Supporting the Athletic Strategic Plan with personnel to coordinate and oversee the athlete portfolio, strength and conditioning program, leadership courses, and the intramural program
 - h. Maintaining student services personnel to align with a staffing metric that balances caseloads and provides support for students.
 - i. Maintaining the Dean of Students roles at the intermediate level to promote an inclusive learning community that supports positive social interaction and active engagement in learning
 - j. Providing technology on a 1:1 device-to-student ratio at Grades 5K through 12 and 5 iPads per classroom in 4K
 - k. Funding for capital projects, the technology plan, and the curriculum adoption cycle
2. Equity and Diversity
- a. Maintaining a second alternative education position at OHS
 - b. Supporting a student life-ready competency screener (DESSA)
 - c. Continuing the implementation of Life Ready curriculum district-wide
 - d. Utilizing a coordinator position to lead the Resilient Schools initiative responding to student needs and providing coaching to build staff capacity
 - e. Continuing to support professional development around life-ready competencies
 - f. Funding the Student Family Assistance Program (SFAP) which provides access to mental health services and support for district families
 - g. Updating district bathrooms to provide ADA accessibility and enhanced privacy
3. Personnel Excellence
- a. Ensuring competitive compensation and benefit packages
 - b. Implementing a pay-differential bonus for special education paraprofessional positions to attract and retain high-quality staff for these roles
 - c. Supporting the voluntary reduction of OHS overload assignments
 - d. Offering professional development to support technology implementation, curriculum adoption, diversity, and life-ready competencies
4. Business and Financial Performance
- a. Reallocating existing resources to support district tactical plans
 - b. Negotiating competitive service contracts and insurance renewals to optimize resources
5. Customer Care / Return on Investment
- a. Continuing graphic design contracts to support district communication
 - b. Utilizing various software tools to provide District-to-Student level data analytics, benchmarks, and dashboards

Looking at the General Fund budget, the top 15 expenditures by object type (grouping all salaries and wages together) are as follows:

	2023-24 Budget
Salaries	\$32,953,983
Open Enrollment and Vouchers	\$7,372,903
Transfer to Special Education	\$6,657,670
Health Insurance	\$6,459,572
WI Retirement System/Private Pension	\$2,718,893
Transportation/Fuel	\$2,700,962
FICA/Medicare	\$2,518,722
Technology and Software	\$1,857,388
Supplies/Consumables	\$1,280,150
Lease Principal and Interest	\$1,143,468
Purchased Services	\$1,133,014
Other Employee Benefits	\$956,220
Equipment	\$893,646
Professional Services	\$876,003
Retiree Payments	\$720,000
Grand Total	\$70,242,594
% of \$73,844,000 Budget Proposal	95%

The fifteen largest budget expenditures consume 95% of OASD's resources. Salaries and wages are the largest expenditure for OASD, with several employee benefits also ranking in the top 15.

The sections that follow focus on OASD's major recurring expenditures. **This balanced budget proposal for 2023-24 is based on an efficient staffing plan, realistic wage and salary assumptions, favorable employee benefit rates, inclusion of identified strategic initiatives, and careful attention to other major cost areas.**

2023-24 Staffing Summary

The budget proposal is based upon a detailed staffing plan for the 2023-24 school year. The plan is centered upon student enrollment, appropriate class sizes, course offerings, student course selections and efficient use of resources.

Personnel costs represent approximately 71% of General Fund expenditures. Personnel costs are driven by (1) the staffing plan; (2) wage and salary assumptions; and (3) employee benefit costs. Each of these personnel cost factors is discussed in detail in the sections that follow.

Staff Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 to 2022-23		
						Budget	#	%
						2023-24	Change	Change
Educators	378.40	392.27	393.71	392.70	397.72	399.58	1.85	0.47%
Administrators	25.00	25.00	25.00	26.00	26.00	26.00	-	0.00%
Sub-Total	403.40	417.27	418.71	418.70	423.72	425.58	1.85	0.44%
Managers	5.00	5.00	5.00	5.00	5.00	5.00	-	0.00%
Paraprofessionals	104.17	106.15	109.99	112.74	109.42	104.67	(4.76)	-4.35%
Admin. Assistants	26.38	27.03	26.53	26.84	27.56	27.56	-	0.00%
Custodians/Trades	50.27	52.55	51.89	51.89	52.81	50.28	(2.53)	-4.79%
Technology Staff	6.00	6.00	7.00	7.00	7.00	7.00	-	0.00%
Other	10.51	11.57	12.99	12.87	14.69	14.27	(0.43)	-2.89%
Support Sub-Total	202.33	208.30	213.41	216.35	216.49	208.78	(7.71)	-3.56%
Grand Total	605.73	625.57	632.12	635.05	640.21	634.36	(5.86)	-0.91%

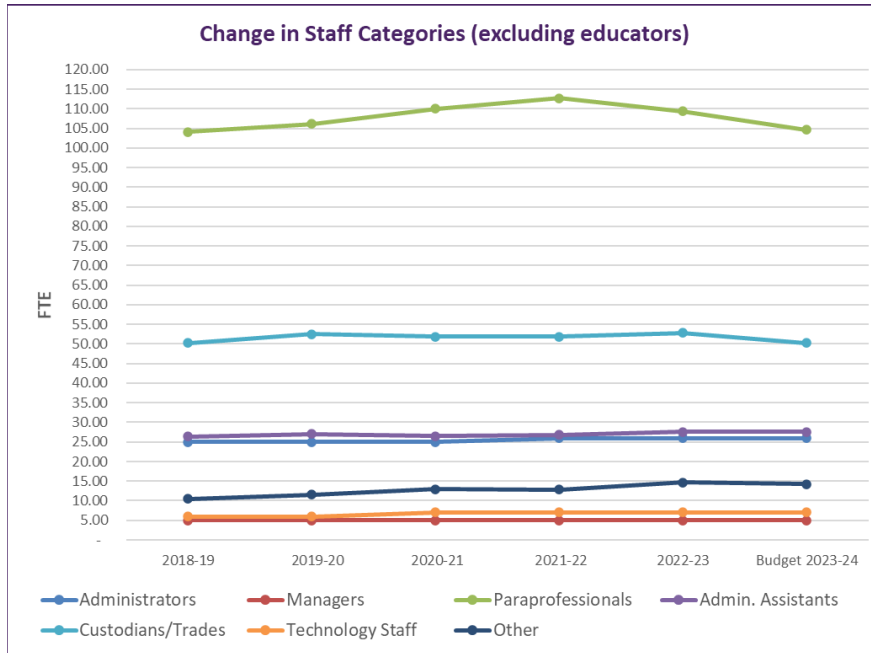
A detailed staffing prioritization plan is included in the Addendum.

The 2023-24 staffing plan includes a **.91% decrease** in total staffing. The staffing plan is the result of an in-depth review of every OASD program and staffing assignment. It continues to transition away from the OHS transformation plan, which began in 2012-13, by reducing high school overload assignments for those staff that elected to do so.

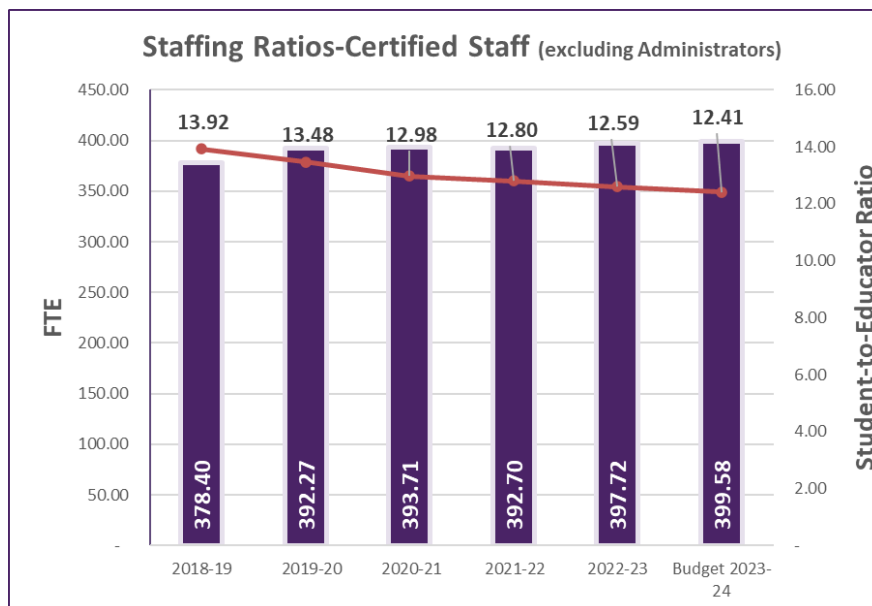
Low class sizes are maintained at the primary grade levels. The plan responds to student course selections and provides staffing for new courses and elective offerings at OHS and the intermediate schools. It maintains student services staffing (school social worker, school counselor, and school psychologist positions), and the Dean of Students roles at the intermediate schools. It also provides teacher positions to support the Athletic Strategic plan at the high school. The plan increases learning strategist roles through a reduction of paraprofessional positions. Paraprofessional FTE was also reduced in alignment with fewer 4K class sections. Several part-time custodian roles were eliminated with the implementation of a new cleaning protocol at the secondary school sites. A part-time custodian float position was expanded to full-time to provide better absence coverage district wide. Lastly, an unfilled part-time physical therapist assistant role was eliminated.

The net full-time equivalent (FTE) changes shown above align with the approved certified and support staffing requests included in the Addendum. Certified staff contingent FTE of 1.83 is included to be used if needed based upon actual enrollment next September. Two paraprofessional contingencies for regular education and special education are also included to adjust for changing enrollment and student needs.

Non-teacher FTE has remained consistent over recent years. Although they've been minor, the paraprofessional category has had the most changes. Paraprofessionals support our students in a number of ways beyond general supervision. The roles are used to assist with literacy instruction at early grade levels, individual 'breakout' learning district-wide, and in various means to assist students with special needs. Paraprofessional staffing is balanced with declining enrollment, low elementary class sizes, student needs, and service delivery methods.

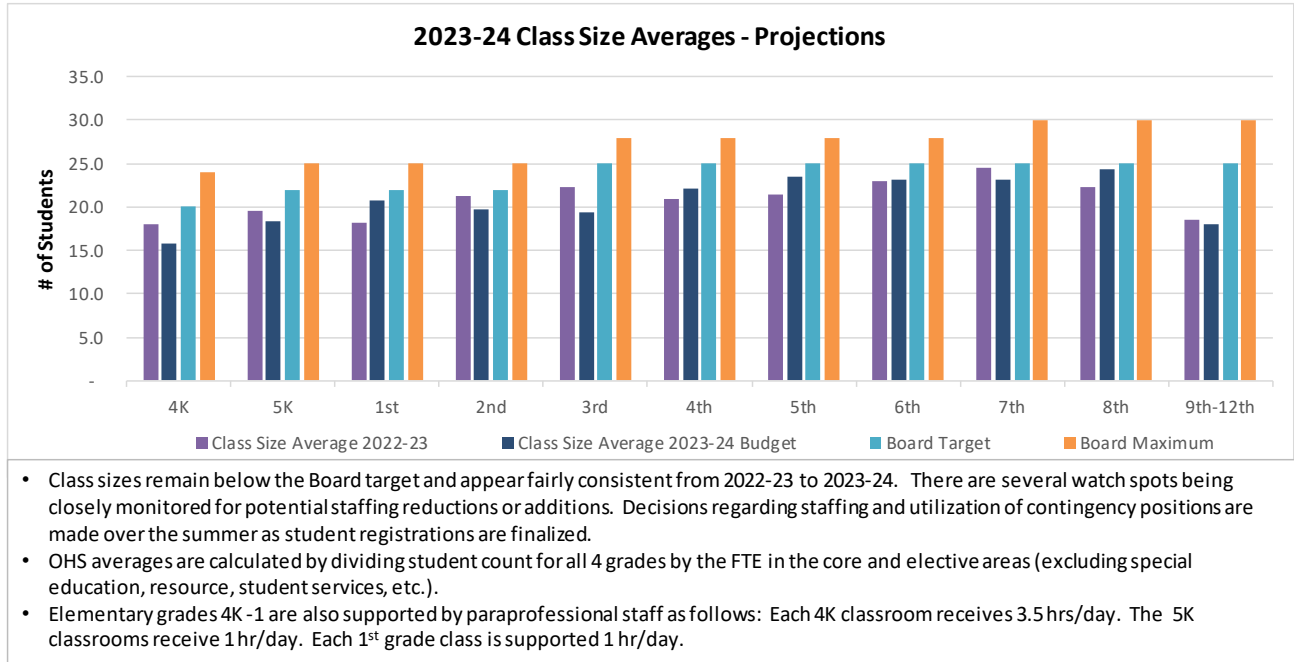


To balance the budget and use resources wisely, it is critically important that educator FTE changes to align with enrollment. Educators are the District's greatest asset, with the most FTE and largest compensation pool. Alignment also helps to achieve appropriate class sizes, which is a key consideration of parents when evaluating a school district. The district has prioritized low class size as part of its strategic initiatives and has successfully reduced this ratio over recent years.



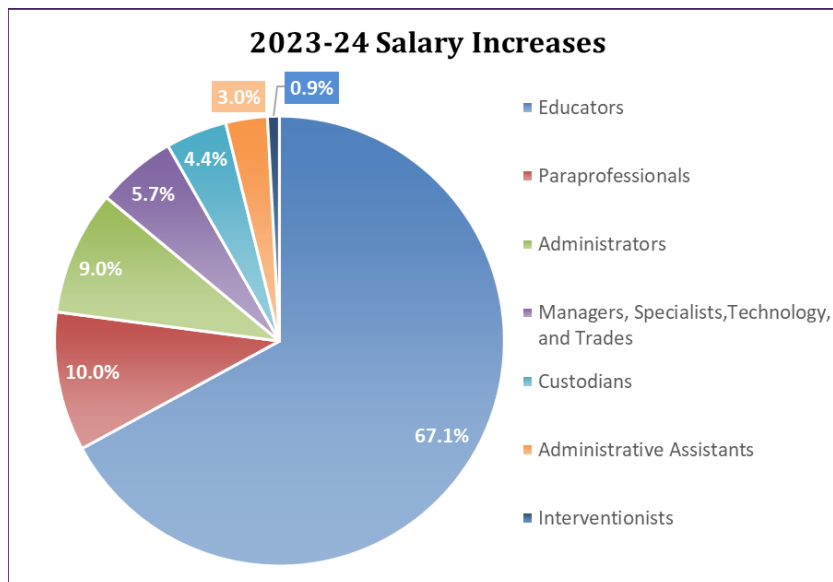
Class Size Averages

A key factor considered in making staffing decisions and developing the staffing plan is adherence to OASD’s class size guidelines. Student enrollment is monitored weekly for changes that impact staffing decisions. Watch spots are identified for areas that are nearing or exceeding class size guidelines. Staffing decisions and watch-spot changes are finalized in August when the school registration window closes. The chart that follows shows the most recent ‘snapshot’ of enrollment projections and the impact on class size averages. *Only classroom teachers are considered in the class-size averages shown below.*



Employee Compensation

Employee compensation accounts for approximately \$40.8M of budgeted expenditures. Salary increases are provided using a 4.0% compensation pool for each employee group. Allocation of the overall compensation increase of \$1.6M is shown below.



Administration benchmarks compensation for all employee groups annually. The comparative data is gathered from the Human Resources Directors' salary survey and Forecast Five analytics. The goal is to position OASD salaries between the median and the 75th percentile. The Business and Human Resources departments continue to seek efficient means to gather comparative data that is consistent, accurate, and timely.

The budget supports the Board approved compensation model for certified staff. The model was first implemented in 2020-21 and represents a collaborative effort of administrators and teachers to capture the Board's vision, along with staff input and feedback. The model is intended to:

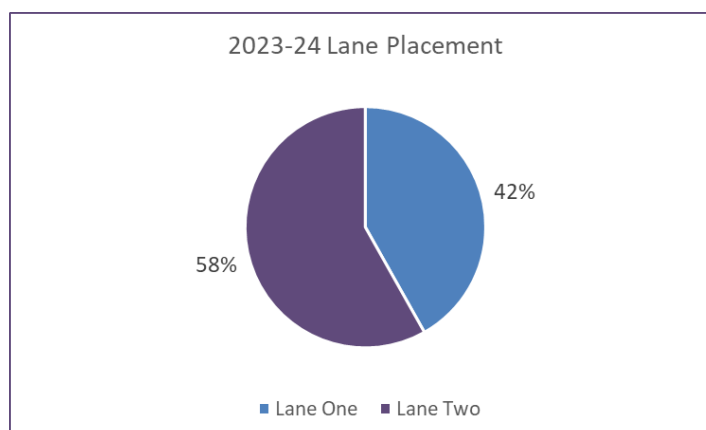
- ☑ attract and retain high-quality staff;
- ☑ provide clear, equal and predictable salary increases;
- ☑ create differentiated pathways for salary change through lane movement and education increases;
- ☑ recognize longevity through commitment increments; and,
- ☑ promote elevation of the teaching profession through a Learners and Leaders Research stipend.

The educator's compensation model provides salary increases through multiple components: an annual lane increase, commitment (longevity) increments, education/certification increases, and a Learners and Leaders Research bonus. In 2022-23, the Board approved increases in the annual Lane 1 and Lane 2 amounts from \$800 and \$1200 to \$1000 and \$1600, respectively. In response to benchmarking data, the Board approved increases to 2023-24 starting salaries as follows:

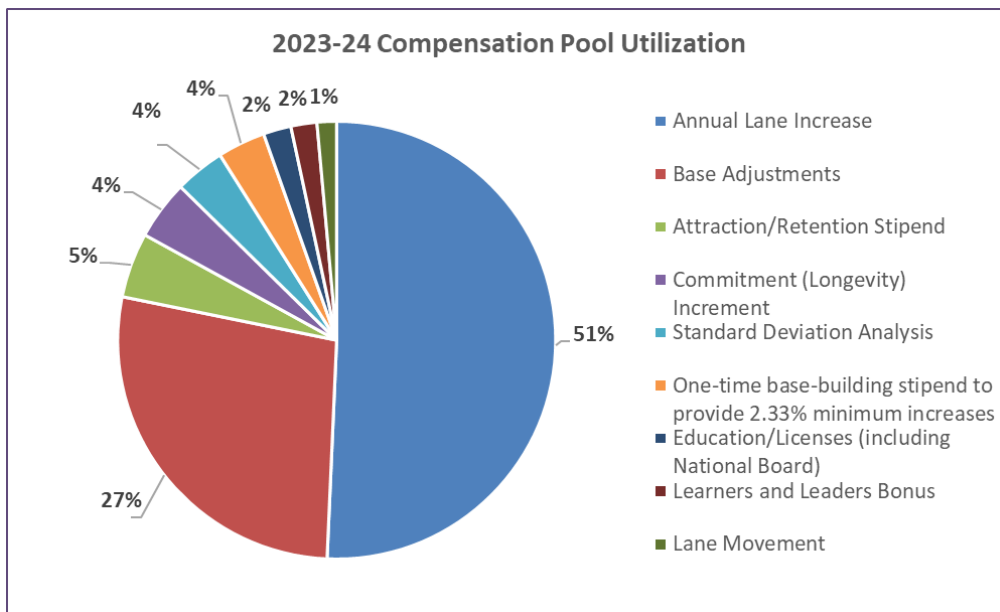
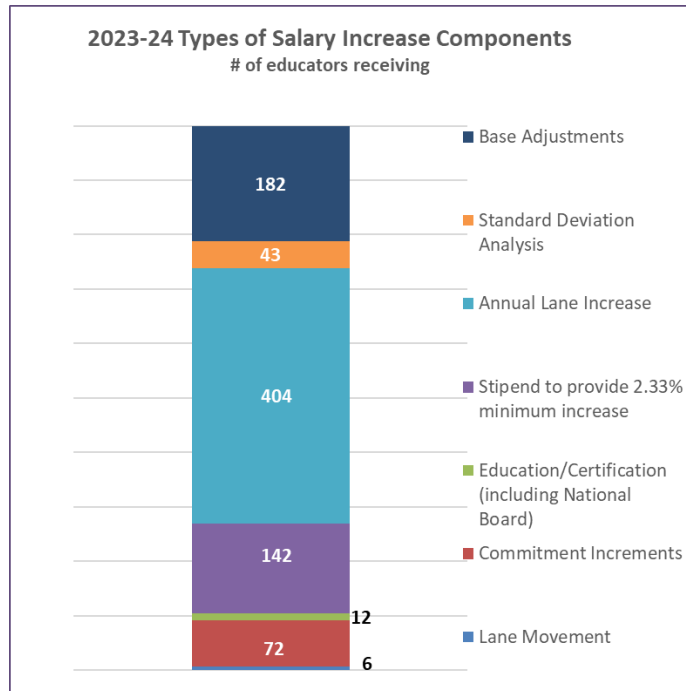
- BA (Lane 1) from \$45,000 to \$48,000
- MA or National Board (Lane 2) from \$48,000 to \$51,000
- Special Student Services (Lane 2) from \$54,500 to \$56,000

In alignment with benchmarking data and staff feedback, the starting salary increases also resulted in salary adjustments for existing staff with 1-9 completed years of service and a salary less than \$10,000 (BA) and \$15,000 (MA) above the new starting salaries. These salaries received a percentage of the increase for their current lane.

There are 404 educators equating to 390.66 FTE (not including overloads). The compensation model includes a lane for educators with a bachelor's degree (Lane 1) and another lane for educators with a master's degree (Lane 2).



All educators receive a \$1000 or \$1600 annual increase (adjusted for FTE). Additional increases can be received through lane movement, commitment increment, education/certification payment, or standard deviation analysis adjustment. The Learners and Leaders Bonus stipend also provides additional compensation.



In addition, the budget proposal supports compensation adjustments for administrators, administrative assistants, technology staff, specialists, custodians, paraprofessionals, and managers to align OASD pay levels with comparable benchmark districts. These changes reflect the Board's commitment to staff aligned with the Strategic Plan Focus Area of Personnel Excellence. Specific compensation actions were recommended to and approved by the Board as part of the budget development process.

Employee Benefits

The 2023-24 budget proposal includes \$8.4M for employee health, dental, and vision insurances. The majority (\$7.8M) of the employee benefits budget is for health insurance. A 1% increase in health insurance equates to approximately \$65,000. For next year, employee benefit renewals for health, dental, vision, and long-term disability were all guaranteed or capped through multi-year agreements with carriers.

Health - Quartz

- 7.66% renewal (8% maximum rate cap)
- 4th year of a 4-year agreement

Dental - Delta

- 3% renewal provided
- Moving to a self-funded plan to achieve 0% renewal change
- 3rd year of a 3-year agreement

Vision - Delta

- 9.39% renewal with a change in carrier
- 1st of a 4-year agreement
- Same network of providers with enhanced benefits

Long-term and Short-term Disability - The Hartford

- 0% renewal (rate locked)
- 3rd year of 3-year agreement

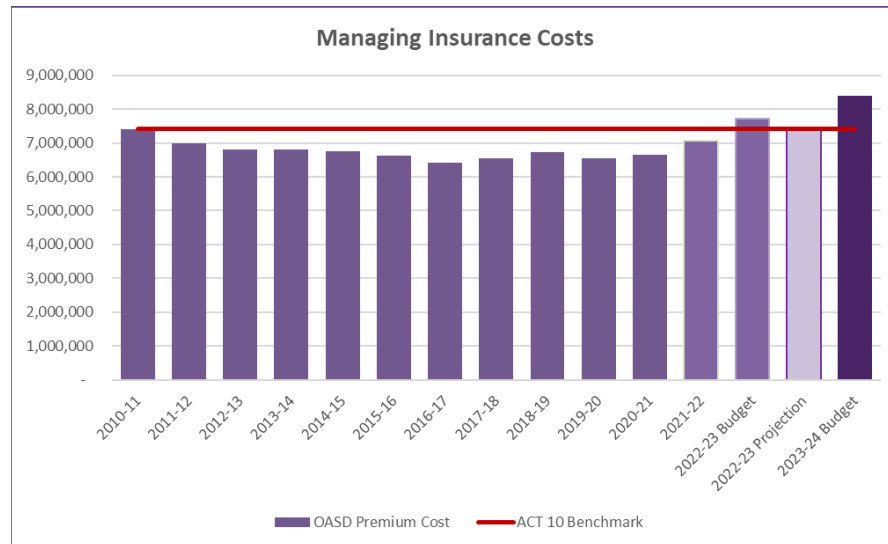
New Voluntary Employee-Paid Insurance offerings

- Accident, critical illness + cancer, and hospital insurances through Aflac
- Permanent whole life insurance through MassMutual

Benchmarking the District's health plan against other districts, OASD continues to compare favorably with low overall premium costs, low employee premium contributions and deductibles, and competitive employer HRA and HSA contributions.

OASD has utilized various means to manage the rising cost of health, dental, and vision insurances. In addition to four carrier changes, OASD has had plans utilizing a narrow network and plans with broad networks. OASD has increased employee premium share; implemented an HRA (health reimbursement arrangement), included wellness requirements and co-insurance; modified the prescription drug and dental plans; created a dual choice health program including a high-deductible health plan with a Health Savings Account (HSA), and provided multiple carrier networks (HMO and Point-of-Service) options.

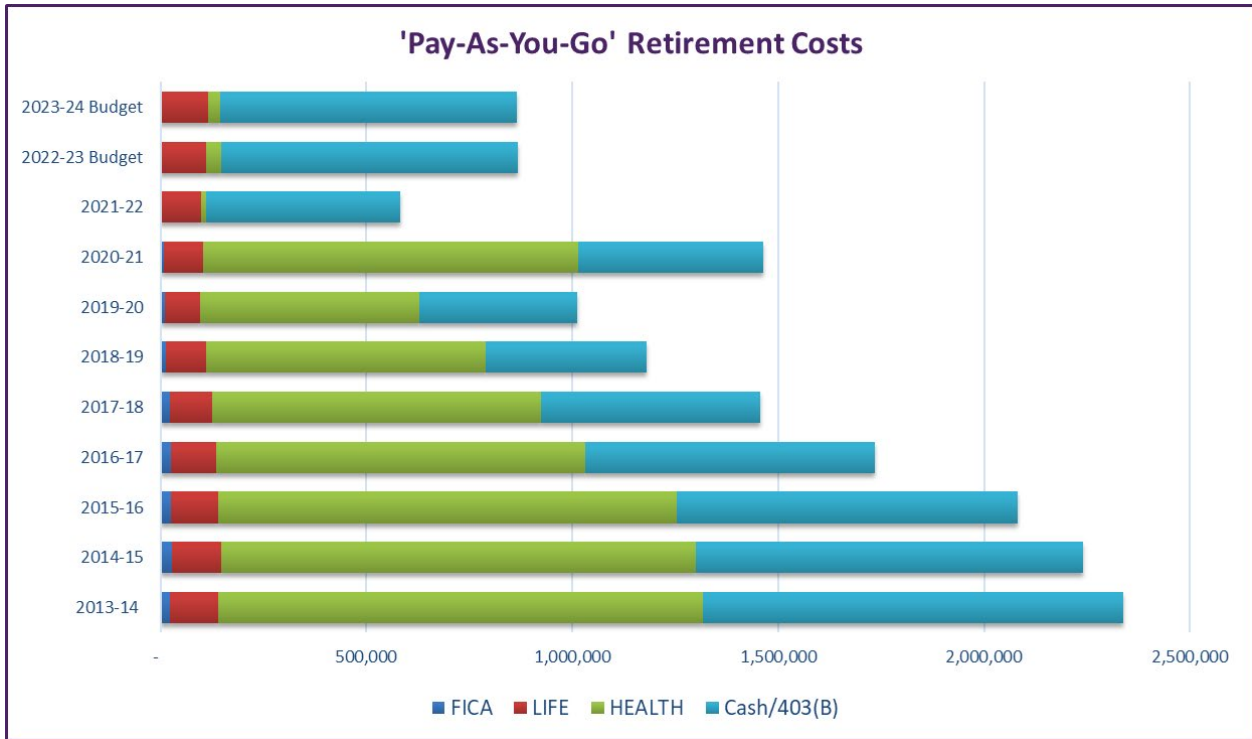
Despite increases in premium costs and the number of participants, OASD has kept actual employee benefit costs below the 2010-11 level, while still providing an attractive, competitive benefits package.



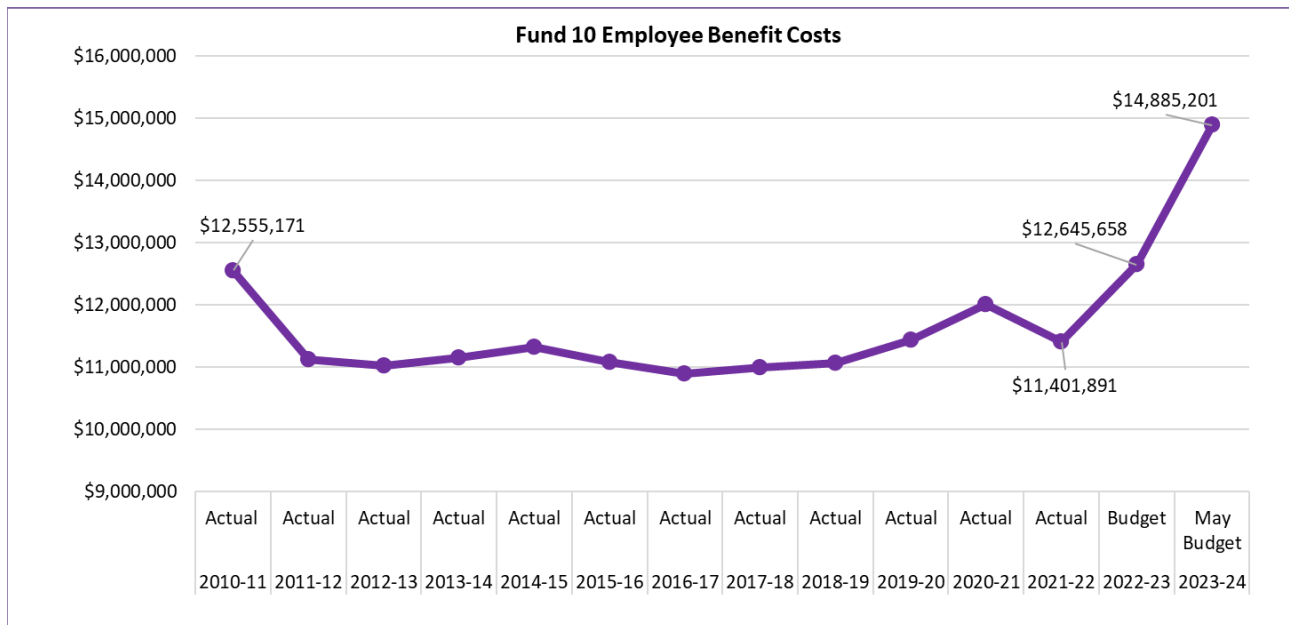
WRS pension contributions are shared evenly by the employer and employee. The employer share increased from 6.5% to 6.8% of wages in January 2023. Rates for 2024 are unknown; however, the budget assumes a 2.2% increase to 6.95%. This change is reasonable given the historical trend of rate changes, current economic conditions, and market performance. The WRS expenditure budget reflects a 7.1% increase, which is the result of additional staff eligibility, higher salaries, and the projected rate increase.

The District also maintains a private pension plan for defined non-certified support staff. This plan was frozen in 2011, meaning that no new participants were allowed from that point forward. However, there are active employees who remain active in the plan, active employees who are inactive in the plan but retain future benefits, former employees who are inactive in the plan but retain future benefits, and retirees drawing on their benefits. The funding cost of this plan varies from year to year depending on investment performance and employee demographics. Contributions in excess of the required annual contribution help to reduce the plan's unfunded actuarial liability. The budget maintains the current funding level of approximately \$555,000. The actuarial valuation and contribution recommendation are not available at this time.

Unfunded post-employment benefits for qualifying retirees were a significant financial liability for OASD and many other local governmental units. A revised benefit program was introduced for retirements initiated after the 2011-12 school year. The OPEB design changes significantly reduced the District's \$36M unfunded liability. Per the most recent actuarial valuation report, the unfunded liability is currently \$3.8M. The design changes continue to reduce annual operating expenditures, as shown in the chart that follows. The significant increase in 2020-21 is the result of advance funding of the retiree HRA trust fund account for future retiree HRA benefits.



The table below shows that OASD employee benefit costs remained below 2010-11 levels up to the 2022-23 budget, despite changes in staffing levels, increased eligibility, and higher wages for benefit eligible employees. The 2022-23 actual costs are predicted to be below budget and therefore, remain lower than in 2010-11. The May 2023-24 budget plan includes many estimates and assumptions. The November 2023-24 budget will reflect actual participation, plan selections, and contribution rates.



Sharing of the WRS cost between employer and employee (per State law), changing post-employment benefits, and significant health and dental savings have led to this result.

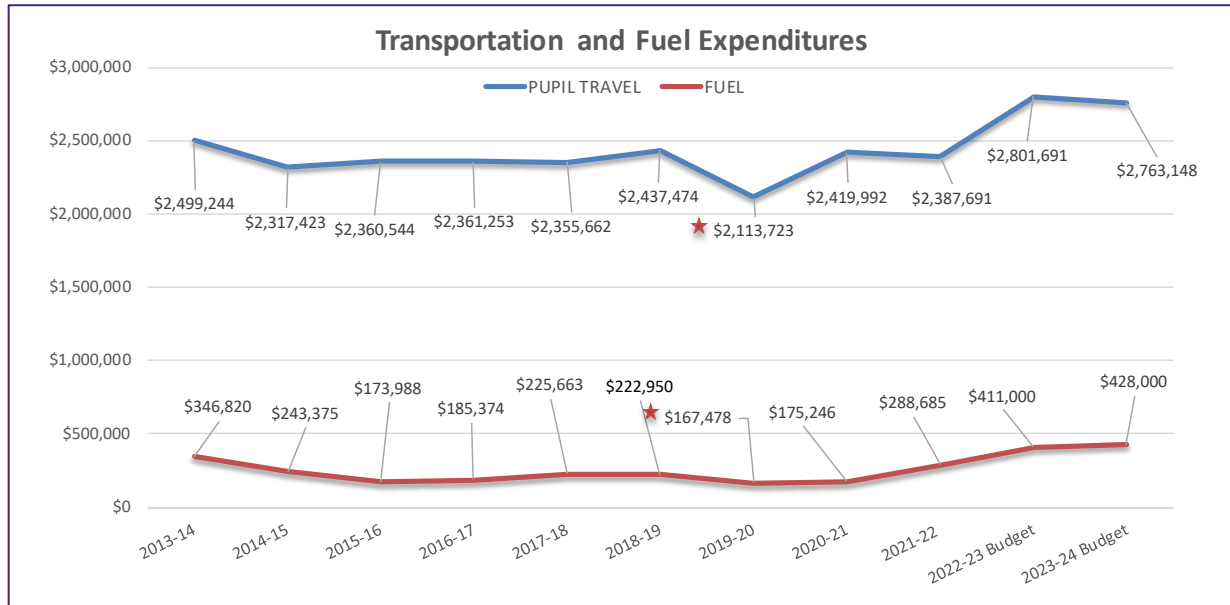
Non-Personnel – Major Expenditure Areas

Student Transportation

The District expects to spend \$2,763,000 for all student transportation next year plus \$428,000 for fuel. While historic budgets benefited from lower than anticipated gas prices, increasing fuel prices have impacted recent years and are again predicted to impact the 2023-24 budget.

OASD negotiated a rate agreement for 2023-24 with its contractor, GoRiteway Transportation Group. The rate negotiated, a 5.5% increase, is below the 8% Consumer Price Index (CPI) rate serving as the basis for negotiations. This renewal is competitive with other regional school district transportation renewals. To mitigate the rate increase, a contingency route included for 2022-23 was eliminated from the budget.

Despite inflation and rising operational costs, OASD's transportation expenditures have remained relatively flat over the past decade.



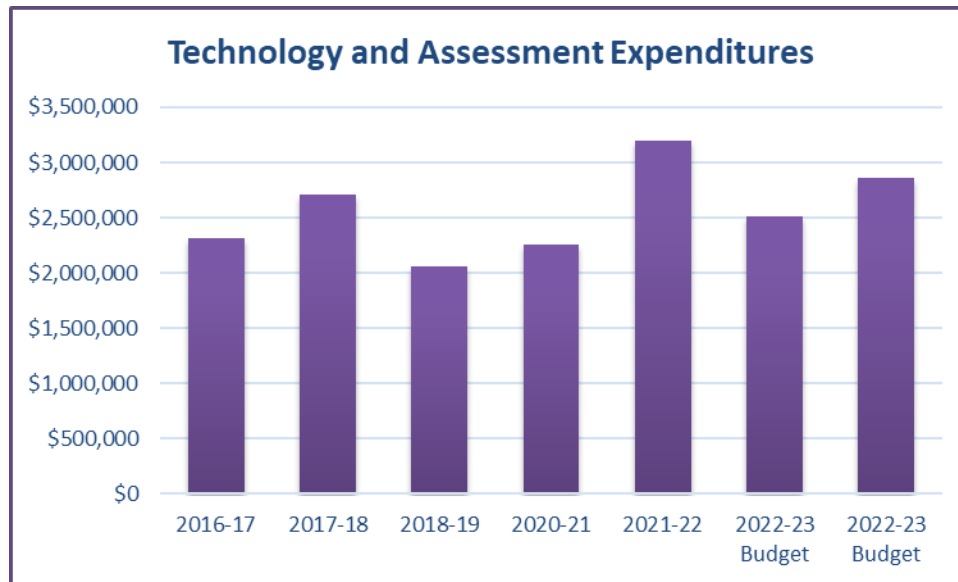
★ School closures resulting from the March 2020 Safer-at-Home Order ceased transportation services, resulting in atypically low annual expenditures for pupil travel and fuel.

GoRiteway has maintained a positive service and safety record. At least every five years, an audit is performed to confirm the accuracy of billings and payments under the contract. An audit was performed in May 2022 and no material errors, inconsistencies, or concerns were found.

Continuous Improvement and Assessment

The District is committed to offering innovative instructional programs, continuously improving academic performance, and providing high quality facilities with 21st century learning environments. A significant investment in assessment and technology is necessary to achieve success with these commitments.

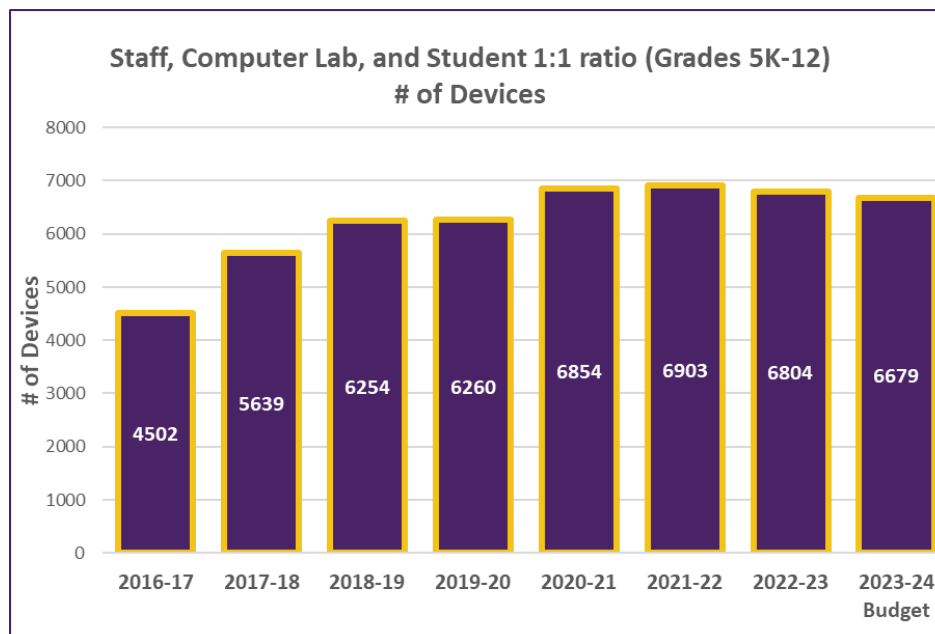
The continuous improvement and assessment budget for 2023-24 supports the administration of various student assessments, including MAPS, ACT, FASTbridge (an early literacy screener), and DESSA (a student life-ready competencies assessment).



Instructional Technology and Innovation

The 2023-24 technology budget (included in the above chart) supports:

- Ongoing maintenance of a robust infrastructure to support usage, reliability, privacy, and safety
 - Replace and upgrade the server and storage environment
 - Isolate Buildings & Grounds systems to a secure network
 - Implement Learn Platform EdTech Effectiveness System
- The 1:1 device-to-student plan for 5K through 12th grade



- A phased classroom technology replacement plan to upgrade and standardize classroom audio visual systems
- Access and equity for students and staff to technology devices (Chromebooks, iPads, laptops, etc.) and learning systems (Classlink, Canvas, etc.)
- Professional learning opportunities for staff on meaningful technology integration

General Business Insurances

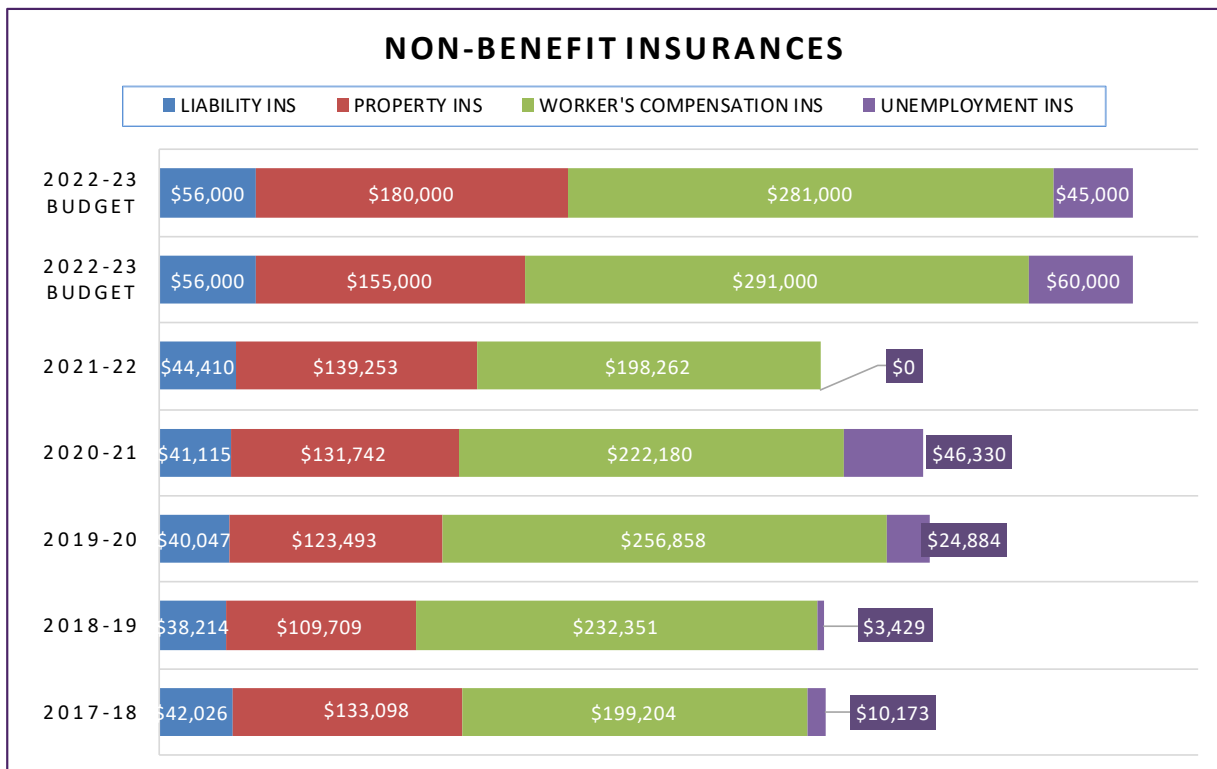
The District maintains various lines of insurance coverage including liability, property, worker's compensation and unemployment. These lines of insurance are bid every few years to ensure the District is receiving competitive rates and comprehensive coverage.

The 2023-24 *property* insurance budget includes modest increases in covered property values and renewal rate changes, along with coverage for new facilities. The increases are necessary so that the insured values of various OASD buildings more closely reflect replacement costs and industry standard requirements.

Worker's compensation insurance is dependent upon industry coverage rates, the number of covered employees, and the experience mod (driven by the number and severity of workplace injuries). OASD's experience mod has decreased for several years and will drop from .69 to .68 in 2023-24 because of a decrease in both the number and severity of workplace injuries. The number of covered lives and wages do increase next year. The net impact is a modest decrease in the worker's compensation insurance expenditure budget. An annual dividend is incorporated into the policy but it is not included for budgeting. If eligible for the dividend, actual results will be better than budget.

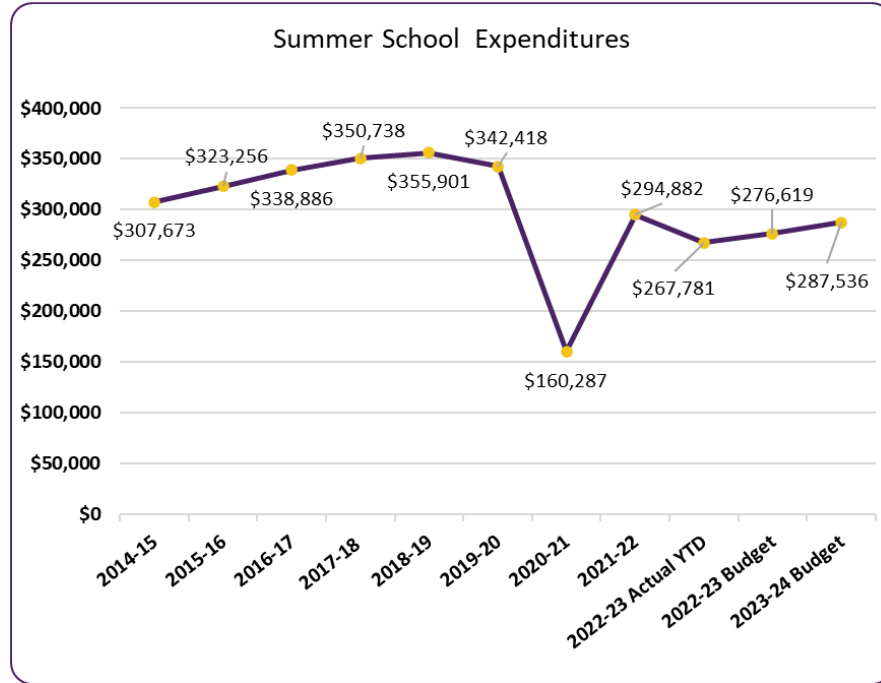
The *general liability* insurance budget, which includes crime and cyber liability, remains consistent with the current year's budget.

Unemployment insurance expenditures are impacted by claims from former OASD employees. Work-force reductions, position eliminations, lay-offs, etc. impact this budget line.

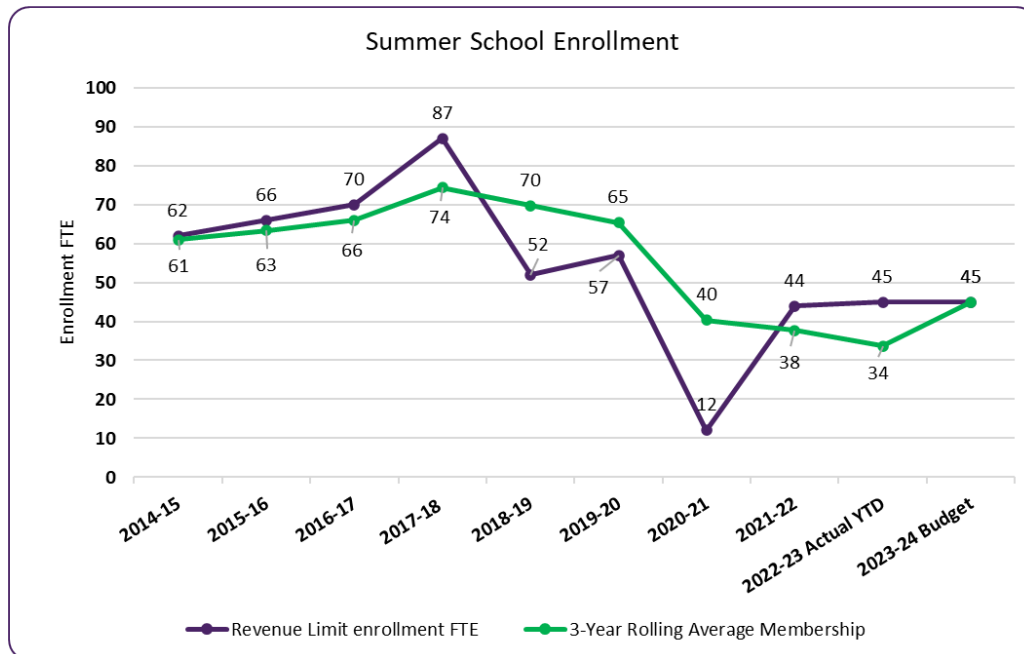


Summer School

The OASD Summer Program typically serves about 1,500 students at three locations. The District's budgets supports \$288,000 for the summer program.



Summer school enrollment generates approximately \$482,000 of revenue opportunity under the 'revenue limit formula' and therefore does not compete with the regular school program for budget resources. The limited summer school program caused by the pandemic significantly impacted summer school enrollment and thereby OASD's revenue limit authority over the past 3 years. The low enrollment count drops out of the 3-year-rolling-average membership in 2023-24 resulting in a more typical membership count.



The Oconomowoc Arts Center

As a valued asset for the District and the community, the Oconomowoc Arts Center (OAC) has been celebrating the arts since 2008. It features a variety of shows for all ages, offering music and dance concerts, theatrical performances, comedy, special events, visual arts, community forums, and more. The OAC features comfortable seating for over 750 patrons, state of the art acoustics, a convenient location, and free parking. The annual operating budget in the General Fund is \$480,000 plus \$262,000 in the Community Service Fund.

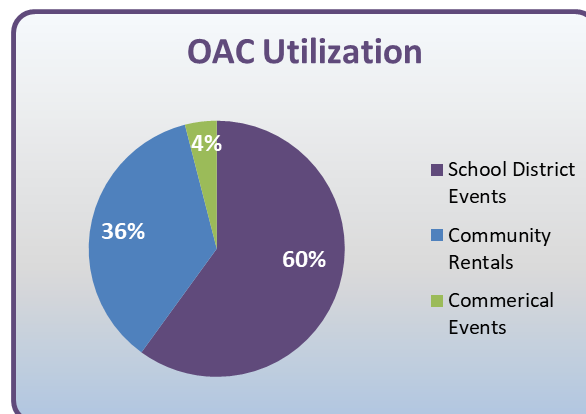
OAC Total Expenditure History:

	2018-19	2019-20	2020-21	2021-22	2022-23 Budget	2023-24 Budget
Salaries & Benefits	\$260,677	\$264,915	\$268,894	\$305,744	\$302,260	\$310,708
Purchased Services	\$119,482	\$144,601	\$66,365	\$147,708	\$288,448	\$383,757
Supplies Total	\$17,644	\$21,666	\$40,152	\$36,363	\$14,228	\$14,225
Equipment Total	\$5,458	\$6,896	\$3,840	\$12,168	\$7,000	\$7,000
Dues & Fees Total	\$29,770	\$26,967	\$11,213	\$26,580	\$26,304	\$26,464
Grand Total	\$433,031	\$465,046	\$390,465	\$528,562	\$638,240	\$742,154

For financial purposes, OAC events are classified as (1) school district use, (2) community rental events, or (3) OAC produced commercial events. The OAC budget is designed with the following budget parameters:

- Most school related events do not earn revenue and all costs are charged to the General Fund.
- OAC produced commercial events are expected to earn revenue sufficient to cover the direct and indirect costs of the event. A successful 2023-24 season will achieve this goal.
- Community rentals are expected to generate revenue per the established rental rates.

Almost two-thirds of the OAC utilization is by the District for school purposes. Non-OASD activity includes community rentals, which are supported by a combination of rental charges and the Community Service Fund. The OAC also hosts a limited number of professional/commercial events. These events are expected to be paid for entirely by ticket income and sponsorships.



The OAC program and budget have been created for 2023-24 based on experience gained during its years of operation. The Finance, Operations, & Advancement Committee of the Board reviews OAC financial results each quarter. *A preliminary 2023-24 budget for the OAC is included in the Addendum.*



Nature Hill Intermediate students performed Newsies Jr. in February 2023 at the OAC. This marked the 30th production directed by Nature Hill teacher, Amy Jappinen.

Buildings and Grounds

The Buildings and Grounds Department includes custodial operations, utilities, and building maintenance. The first responsibility of the department is the health, safety, and welfare of the approximate 5,500 persons attending OASD schools each day. The department has a total budget of \$6.7 million (on target at approximately 9% of General Fund expenditures) which includes building cleaning, utilities, supplies, maintenance, grounds care, capital projects and operational support of the schools.

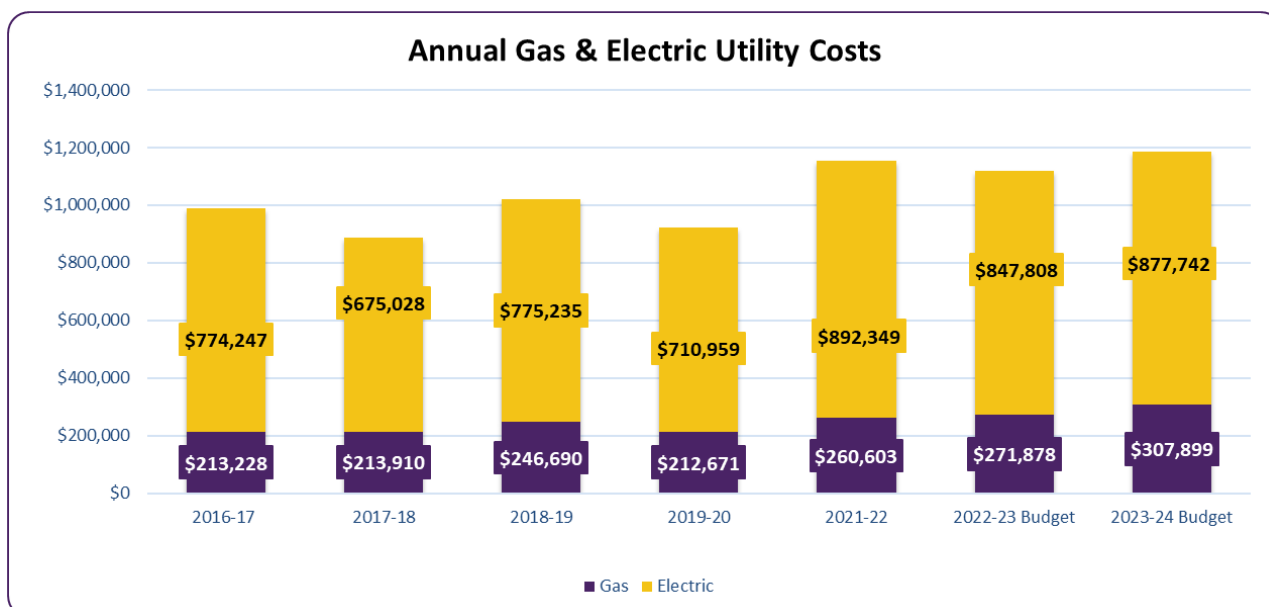
The department manages 432.43 acres of property and over one million square feet of facilities, including eight active school sites, a maintenance facility, a former elementary school (Brown St.) and OHS East Campus. A successful energy management program has improved energy efficiency. Savings generated by the energy management program fund building preventative maintenance and capital projects.

	2018-19	2019-20	2020-21	2021-22	2022-23 Budget	2023-24 Budget
Salaries & Benefits	\$3,001,972	\$3,136,085	\$3,157,511	\$3,765,604	\$3,617,664	\$3,671,250
Purchased Services / Utilities	\$1,252,936	\$2,910,174	\$2,781,696	\$3,723,796	\$2,356,907	\$2,412,662
Supplies	\$557,330	\$520,875	\$650,063	\$488,713	\$421,700	\$429,700
Equipment	\$252,410	\$222,751	\$256,318	\$279,064	\$275,000	\$187,000
Dues and Fees	\$1,395	\$809	\$1,615	\$1,620	\$1,700	\$1,500
Grand Total	\$5,066,043	\$6,790,694	\$6,847,203	\$8,258,796	\$6,672,970	\$6,702,112

Note: Expenditures in 2021-22 include the Board approved Rux Stadium home bleacher replacement project to expand seating capacity and provide ADA accessible seating for patrons.

The benchmark for capital improvements is fifty cents per square foot or approximately \$545,000 per year. Typical examples are roof replacements, asphalt parking lot projects, floor refinishes, bathroom updates, and HVAC upgrades. The current Board approved capital projects plan includes an additional \$25,000 dedicated for safety and security expenditures. *A multi-year Capital Improvement Plan is included in the Addendum.*

The benchmark that OASD has used for utility costs is approximately \$1.00 per square foot. With rising natural gas prices, the District's costs for gas and electric are budgeted at \$1.13 per square foot.



The District has kept gas and electric costs below the benchmark for many years despite increased utility rates, increased building utilization, a larger Ixonia Elementary School, added new facilities (OHS East Campus and new Meadow View Elementary), and maintenance of the former Meadow View school building. However, for 2023-24, the combination of rising utility rates and increasing building utilization require an increased utilities budget.

Long-Term Facilities Planning

In Fall 2014, the Board created a vision statement for the District's facilities:

We will provide flexible, safe, healthy spaces where students, teachers, and technology work together in modern, energy-efficient facilities benefiting the entire community.

The Building Our Future - Facilities Advisory Committee (FAC) advisory committee, a community-based group, focused on long-range facilities planning related to district-wide enrollment growth, capital maintenance and energy efficiency needs, and modernizing learning spaces was created in January 2015. The FAC prioritized the District's facility needs which were tested through a community-wide survey that informed the Board's decisions and actions regarding the District's future facility plans.

The efforts of the FAC and School Board culminated in a successful \$54.9M referendum passed in November 2016. The referendum projects included building a new Meadow View Elementary, an addition and renovation to Ixonia Elementary, security

improvements and renovations at OHS, renovations for instructional spaces and District offices at OHS East Campus, and capital replacements and improvements at Greenland Elementary and Park Lawn Elementary. Design and development work began on these projects in 2016-17. Infrastructure improvements at Greenland and Park Lawn Elementary schools were completed in 2017-18. The Ixonia, OHS East Campus, and OHS Main campus renovation and construction projects were completed in 2018-19. Last, but not least, the new Meadow View Elementary school opened its doors for the 2019-20 school year.

In 2019-20, with various new members, the Board renewed its long-range facilities planning efforts. With completion of the new Meadow View Elementary school, the Board began to evaluate options regarding the utilization or disposition of the former Meadow View Elementary School building and property. The process and efforts were delayed as a result of the COVID-19 pandemic. The former Meadow View property was put up for sale in April 2022. The age of the building and property zoning have made it challenging to sell this property; however, several parties have shown interest.

With nine active schools to maintain, and aging facilities, capital maintenance is an ongoing challenge. Planning for future enrollment, addressing deferred maintenance, and creating modern learning environments remain top district priorities. In addition, the Athletic Strategic Plan has a facilities component that highlights needs of OASD athletes and the athletic programs for training and competing. While long-range facility planning work was paused during the pandemic, efforts resumed in 2022 with a facilities audit and an enrollment study.

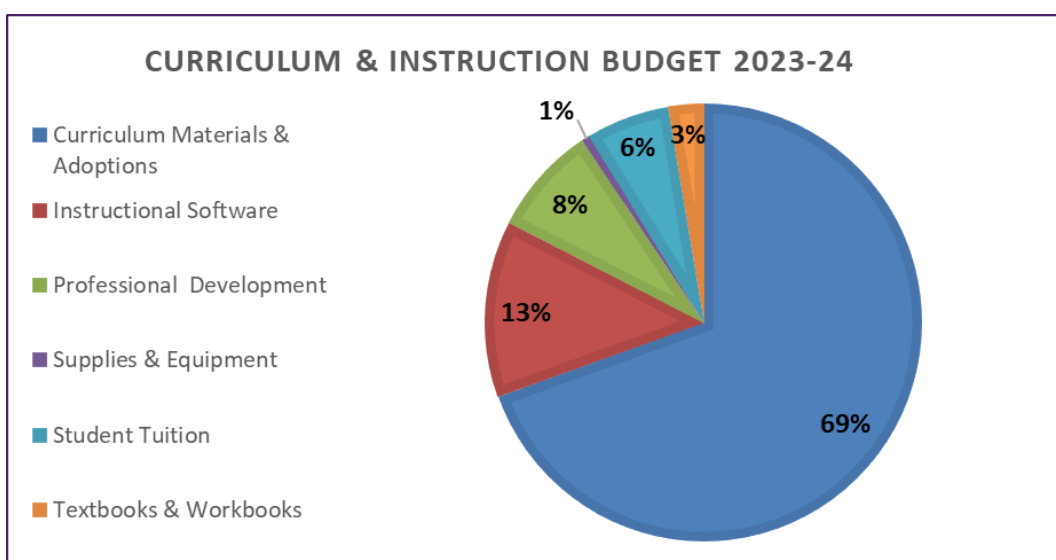
Results of the audit and study were evaluated, and the District prioritized various needs to address aging infrastructure, enrollment capacity, and under-sized cafeterias and outdated learning spaces at OHS. The community strongly supported one of two referendum questions in the spring of 2023. The projects include updating and replacing the boilers and related piping at OHS, a building addition for Ixonia Elementary School, a gym floor replacement at Ixonia Elementary School, and replacement of various roof sections at OHS and Ixonia Elementary School. Design, development, and construction planning work for the approved referendum projects is currently underway.

2023-24 Strategic Initiatives

Annual budget planning is guided by a continuous improvement process, which identifies the strategic direction for the District. The process supports OASD's commitment to (1) provide quality and innovative programming; (2) grow and manage resources; and (3) strengthen, maintain, and promote a healthy organization. The 2023-24 budget supports initiatives consistent with these commitments. These initiatives are described below.

Curriculum and Instruction

The Curriculum and Instruction department's efforts support tactical plans addressing the Educational Quality & Culture and Equity & Diversity focus areas of the District's Strategic Plan. The budget was increased by \$400,000 to \$1.1M for 2023-24 to provide support for the District's literacy curriculum adoption.



Key work supported for 2023-24 includes the following:

- ❑ Continue to support the professional learning of staff, as outlined in the OASD Curriculum Review Cycle. An emphasis will center on a partnership with CESA 6's Early Literacy Academy to support 4K – Grade 5 instructional best practices aligned to the Science of Reading.
- ❑ Support the first-year implementation of CPM's Inspiring Connections core curriculum resource for all 6th – 8th grade math teachers.
- ❑ Provide updated core instructional resources aligned with foundational skills standards, as identified within the WI Academic Standards for 5K – Grade 3.
- ❑ Provide updated core instructional resources to align with both foundational skills, as well as core Reading and English Language Arts standards in 5K – 8th grade.
- ❑ Support the second-year implementation of our health and physical education collaboration at 5th – 8th grade, while also continuing to program and staff the 'Developing the Athlete' strand of the Athletic Strategic Plan for high school students.
- ❑ In conjunction with Student Services, support the second-year implementation of the Life Ready Curriculum resources (4K – 12th grade) in alignment with OASD's Graduate Profile.

Continuous Improvement and Assessment

The Continuous Improvement and Assessment department's efforts support tactical plans addressing the Educational Quality & Culture focus area of the District's Strategic Plan and monitor the District's progress in achieving established goals.

- ❑ Design, deploy, and maintain a strategic assessment system inclusive of Wisconsin State Assessments (Forward, ACT, PreACT Secure, ACCESS, DLM) and OASD assessments including but not limited to MAP, Fastbridge, and DESSA.
- ❑ Deploy and support a continuous improvement process (PDSA) at the district and building levels including intermediate and high school team participation in SAIL Academy, *School Administrators' Institute for Transformational Leadership*.
- ❑ Manage, analyze, and deploy available data and support ongoing collection and use of data across the District thereby promoting data-informed decision-making and continuous improvement.
- ❑ Maintain and manage District, State, and Assessment-specific data warehouses, including but not limited to EduClimber (OASD); WISE and DRC (State); and PANNext, NWEA, and Fast (Assessment) leveraging data and ensuring accuracy in state and federal reporting.
- ❑ Provide guidance and support for OASD's Multi-Level System of Supports (MLSS) to meet the needs of all learners.

Instructional Technology and Innovation

The Instructional Technology and Innovation department's efforts support tactical plans addressing the Educational Quality & Culture and Equity & Diversity focus areas of the District's Strategic Plan.

- ❑ Continue to implement LearnPlatform EdTech Effectiveness System to establish a process of approving and implementing digital resources as well as to gather valuable analytics.
- ❑ Prioritize staff professional learning and instructional technology coaching to support and promote meaningful technology utilization.
- ❑ Implement the second year of a classroom audio-visual technology replacement plan to address 15% of district classrooms annually.
- ❑ Continue to provide and support the 1:1 device program for grades 5K – 12.
- ❑ Isolate Buildings and Grounds systems to a secure network.
- ❑ Implement Two-Factor Authentication for certain identified employee groups as part of a multi-phase plan.
- ❑ Replace and upgrade the server and storage environment.

Student Services

The Student Services department's efforts support tactical plans addressing the Educational Quality & Culture and Equity & Diversity focus areas of the District's Strategic Plan.

- ❑ Continue 5K – Grade 12 Implementation of Life Ready Curriculum that provides explicit instruction around skills and competencies aligned with OASD’s Graduate Profile. Second Step, Character Strong, and Leader In Me provides opportunities for students to develop skills and habits to be leading members of the community who are college and career ready.
- ❑ Continue Positive Behavioral Interventions and Supports (PBIS) that support school-wide behavior goals, layering in behavioral management and instructional strategies that support mental health, culturally responsive practices, and respond to the needs of all learners.
- ❑ Continue commitment to mental health services for the growing needs of students as part of a comprehensive prevention and intervention plan. This plan includes:
 - Equitable student services staffing at all schools.
 - Continued contract with the School Success Counselor to support students returning from mental health or AODA treatment facilities.
 - Continued partnership with Aurora Health Care to provide free and confidential assistance to all District families through a Student and Family Assistance Program (SFAP). This program provides options for behavioral coaching, family and individualized counseling, and other helpful resources to OASD families.
 - Continued implementation of a school-based mental health services program by providing clinic space for Gals Institute, LLC and Family Services of Waukesha.
 - Continued commitment to the Lighthouse Project through NAMI and the use of a resource navigator to help families navigate local and state resources.
- ❑ Continue to utilize inclusive practices and specially designed instruction to close the achievement gap for students with disabilities and English Language Learners (ELL).
- ❑ Maintain manageable caseloads for district learning strategists through the addition of two learning strategist positions.
- ❑ Maintain manageable caseloads for speech and language pathologists through additional staffing FTE.
- ❑ Provide additional professional development for student services teams in best practices for responding to crises with a trauma informed approach (TIG).
- ❑ Increase school security, safety, and positive relationships through the addition of a second School Resource Officer in a continued partnership with the City of Oconomowoc Police Department.
- ❑ Create a Family Engagement Facilitator position to provide job-embedded professional development to help reduce District disproportionality.

Communications and Marketing

The Communications and Marketing department’s efforts support tactical plans addressing the Customer Care/Return on Investment focus area of the District’s Strategic Plan.

- ❑ Implement a comprehensive marketing communications program that supports the objectives of our District departments and schools, promotes features and benefits of the OASD, and celebrates the accomplishments of our staff, students, and the District.
- ❑ Continue school enrollment promotional efforts, focusing on future 4K, 5th grade, and 9th grade families.
- ❑ Lead communications efforts to inform internal and external audiences of the progress on our facility referendum projects.
- ❑ Effectively and proactively seek positive media relations opportunities.
- ❑ Support community engagement by nurturing positive community relationships between the District and local business, organizations, and community members.
- ❑ Professionally manage crisis communication needs, supporting District and school administration with staff, student, and media emergency communications.

Buildings and Grounds

The Buildings and Grounds department's efforts support tactical plans addressing the Educational Quality & Culture and Equity & Diversity focus areas of the District's Strategic Plan, along with the daily operations of keeping District facilities and grounds clean, safe, and well-maintained.

- ❑ Continue to support transforming classrooms into modern learning environments with flexible furniture.
- ❑ Continue to assess school safety and implement safety and security measures in collaboration with local law enforcement.
- ❑ Continue reducing energy usage and operating costs by:
 - Expanding and updating building automation systems;
 - Analyzing operations and maintenance practices for efficiency;
 - Incorporating energy efficient products and materials into renovated and new building designs;
 - Continuing to update lighting and plumbing fixtures; and,
 - Utilizing an effective utility monitoring system.
- ❑ Prioritize and manage the District's capital projects for the upcoming year, including reconditioning the OHS fieldhouse synthetic floor, replacement of flooring and lighting, remodeling bathrooms to provide ADA accessibility and additional privacy, and completing preventative maintenance on roofs, masonry, and asphalt surfaces.
- ❑ Plan and support the successful referendum projects identified in the long-range facilities master plan.

Planning for Facilities & Infrastructure Needs

- ❑ Continue budget commitment for the long-range capital projects plan, prioritizing the District's annual maintenance and capital project needs.
- ❑ Fund as annual operational results permit, the District's Fund 46, Long-term Capital Improvement Trust Fund, to assist with large-scale future maintenance needs and capital projects.

- ❑ Sell the former Meadow View Elementary school building / property.
- ❑ Continue to refine and implement the long-range facilities master plan.

Human Resources

The Human Resources department's efforts support tactical plans addressing the Personnel Excellence focus area of the District's Strategic Plan.

- ❑ Lead strategic staffing additions and modifications to tightly align with the implementation of tactical plans.
- ❑ Recommended a well-researched and analyzed increase in starting salaries for certified staff to ensure highly valued and effective teachers' and specialists' salaries are between the 50th and 75th percentile of comparable district starting salaries. In addition, in response to feedback, designed a way to impact current educator salaries to maintain salary differential for experience in the district.
- ❑ Continue to facilitate the Learners and Leaders bonus program which provides paid action research opportunities for certified staff to serve as leaders in professional learning focused on the goals defined in the District's Strategic Plan.
- ❑ Adjust starting hourly wages for support staff, including administrative assistants, paraprofessionals, custodians, and support staff substitutes to remain competitive in the marketplace while also recognizing years of service in OASD for current employees.
- ❑ Develop engagement strategies to increase workplace satisfaction including activities that promote positive organizational culture and employee voice beyond handbook and safety and to create and implement innovative practices across the organization.
- ❑ Improve special education paraprofessional retention and recruitment by formalizing an hourly pay differential bonus for staff supporting students with disabilities.
- ❑ Maintain professional development for paraprofessionals that allow for both mandatory and self-selected learning opportunities.
- ❑ Continue a bonus structure for substitute teachers to encourage working more hours with the District and implement a revised class coverage pay structure, which in turn reduces unfilled absences, thereby reducing stress on teachers and paraprofessionals.
- ❑ Continue to improve and enhance onboarding and support for new employees providing smoother transitions that support employee effectiveness.
- ❑ Improve employee experience in understanding and selecting health, dental, vision, and other benefits with a personalized open enrollment process.
- ❑ Expand offerings of optional employee-paid insurance coverages to help meet the needs of employees during illnesses and absences.
- ❑ Support employees with a consumer discount program via an easy-to-use mobile app to increase the value of take-home compensation.

Business Services

The Business Services department's efforts support daily business operations (payroll, accounts payable, accounting, etc.), along with budgeting and financial planning for the various tactical plans addressing each Strategic Plan focus area, while also addressing tactical plans specifically for the Business and Financial Performance focus area.

- ❑ Continue to promote and increase usage of the OASD Webstore and Vanco Events (or similar platforms) for athletics, clubs, and school activities.
 - ❑ In partnership with IT, analyze the effectiveness of the Papercut system on decreasing printing and reducing paper waste.
 - ❑ Support the OHS Youth Apprenticeship program and create capacity within the department by training an accounting apprentice to assist with daily tasks.
 - ❑ Continue to enhance employee wellness programs and increase participation to help lower health insurance costs and promote healthy, balanced living.
 - ❑ Identify and implement improvements, unique offerings and marketing within food service to provide quality meals to students and increase breakfast and lunch participation.
 - ❑ Expand implementation of electronic workflow and document storage processes to reduce paper utilization and improve process efficiency.
 - ❑ Investigate and implement enhancements to OASD's employer provided 403(b) program.
 - ❑ Plan, perform data cleanup, and prepare for the implementation of the Skyward Qmlativ platform to improve accuracy and streamline payroll, human resources, and financial system processes.
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2023-24 Summary Budgets for All Other Funds

Special Education Program – Fund 27

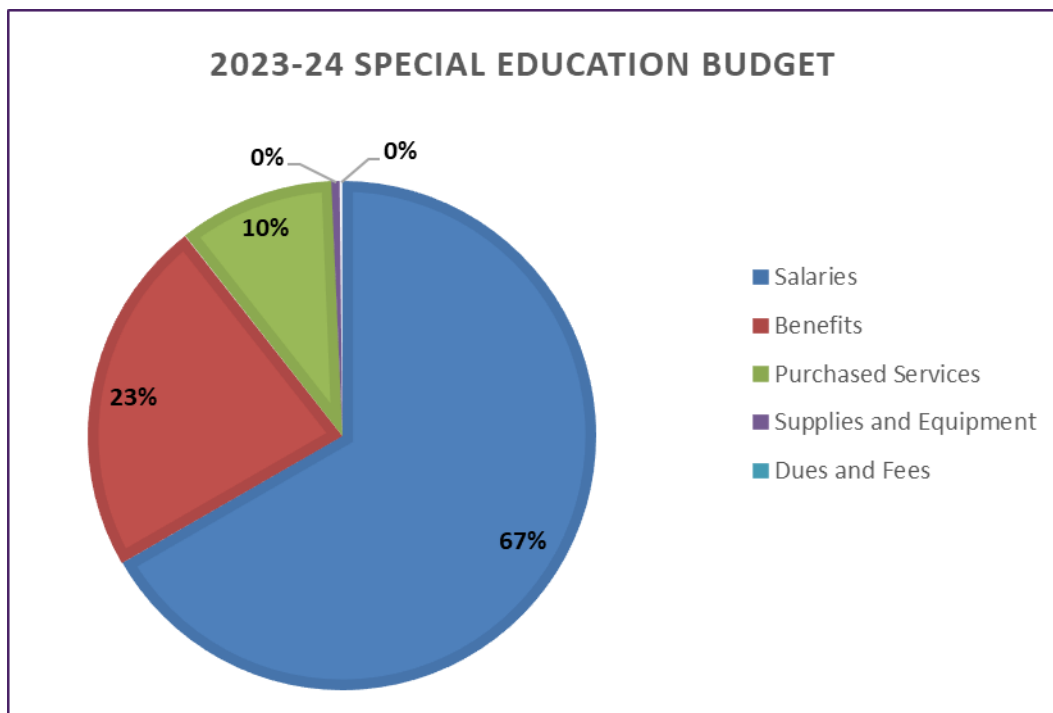
The Special Education department manages various programs to assist students with diverse developmental, social, mental, physical, emotional, and academic needs. Total expenditures for special education programs are expected to be \$11.5 million, up from \$11 million in the 2022-23 budget. An efficient staffing plan and resource reallocation was required to minimize a budget change.

The special education budget provides staffing to meet the needs of students and supports an evolving service delivery approach (including implementation of the Integrated Comprehensive Services model) with a strong emphasis on Response to Intervention and Positive Behavior Intervention Supports programs.

Most financial support for the Special Education program comes from local sources through a transfer from the General Fund. For the 2023-24 budget, State assistance contributes approximately 30% of Special Education funding.

With a budget of \$11.5 million, the ratio of Special Education expenditures to Regular Education expenditures is 15.5%, which is typical for OASD and for Wisconsin school districts.

Special Education expenditures are predominantly for salaries and benefits. The chart below illustrates the various categories of Special Education expenditures.



Debt Service – Fund 38 Non-Referendum Debt

The District refinanced its \$5.8M 'Wisconsin Retirement System Unfunded Prior Service Liability' in 2006. This action prevented the liability from growing larger over the next twenty years. The refinancing 'froze' the liability at \$5.8M and saved the District \$11M in

future debt payments. To take advantage of the low interest rate environment, OASD refinanced this obligation in September 2014. **The present value savings as a result of the refinancing was \$465,000.** The annual payment for 2023-24 is \$502,638. This amount is transferred from the General Fund.

The total outstanding principal balance in Fund 38 for June 30, 2023 and 2024 is \$1,420,000 and \$960,000, respectively. *A detailed debt amortization schedule is presented in the Addendum.*

School Year	Principal	Interest	Total
2023-24	\$ 460,000	\$ 42,638	\$ 502,638
2024-25	\$ 475,000	\$ 29,528	\$ 504,528
2025-26	\$ 485,000	\$ 15,278	\$ 500,278
	\$ 1,420,000	\$ 87,443	\$ 1,507,443

Debt Service – Fund 39 Referendum Approved Debt

This Fund accounts for the annual cost of servicing the District's referendum approved long-term debt obligations. Both principal and interest are paid from this fund. Taking advantage of the interest rate market, OASD refinanced portions of Fund 39 debt in September 2014, April 2015, and May 2017. Callable maturities of \$10 million were refinanced using bank-qualified debt. **The present value of savings realized for OASD taxpayers was \$818,000 over the next twelve years.** Additional callable maturities (\$25.57M) were refinanced in April 2015. **The present value of savings for taxpayers achieved on this refinancing was \$1.8 million, again over the next twelve years.** A smaller amount (\$2.35M) of callable maturities was refinanced in May 2017 generating **present value savings of \$159,000 over the next four years.**

In 2022-23, as a result of significant equalized property value growth, the Board approved an additional debt service levy of approximately \$9M. The District is working with its financial advisor to identify the most advantageous strategy to utilize these funds to maximize interest cost savings for taxpayers.

The community supported the district by approving a \$54.9M referendum in November 2016. Fund 39 debt obligations increased as a result. The debt borrowing to fund construction was planned to occur in 3 or 4 phases depending on the interest rate market. In December 2016, the district issued \$8.885M of bank qualified debt as phase one of the referendum construction funding plan. Phase two added \$26.025M of general obligation debt in May 2017. As a result of the rising interest rate market, the District completed the third and final phase of borrowing in April 2018 of \$19.99M.

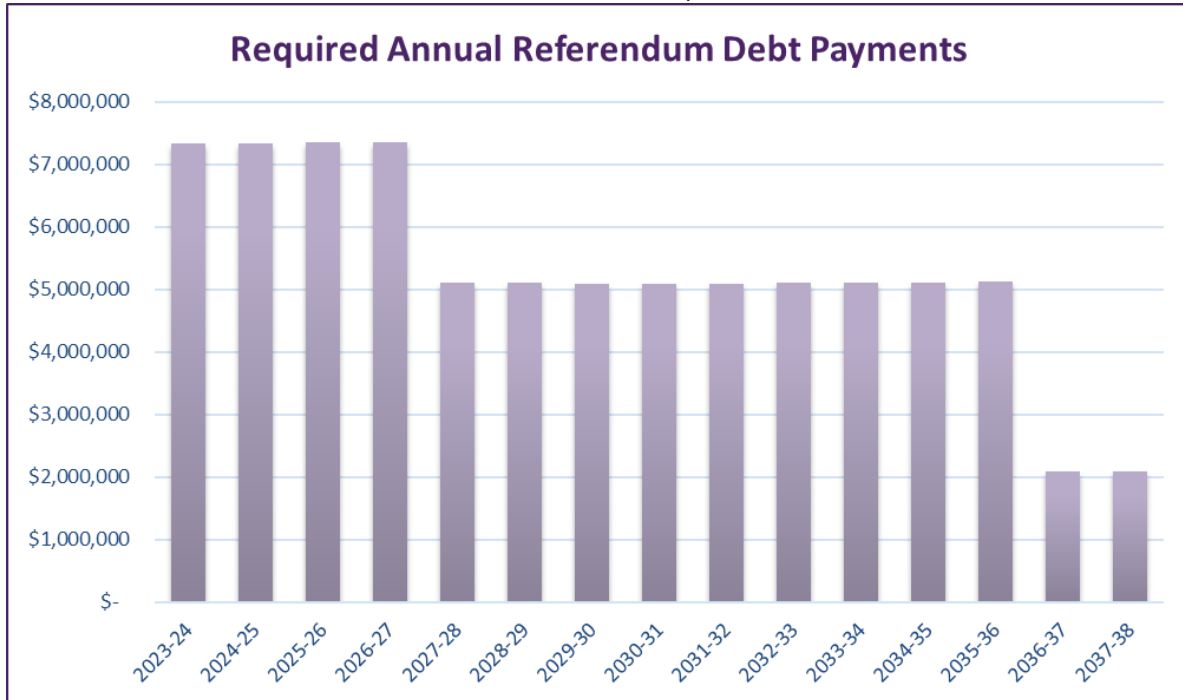
The 2016 referendum debt was structured to create step-downs in future years. This structure provides flexibility when new debt is needed to fund future capital projects. The 'step-downs' allow new debt to be incorporated with minimal, if any, impact on the mill rate for taxpayers.

In April 2023, the community supported one of two referendum questions to address the most crucial infrastructure and capacity needs of the District. Planning for the projects included in the \$38,650,000 referendum has begun; however, a construction timeline and cost schedule are not yet developed. Once these are created, the borrowing plan to

support the projects will be developed with assistance from the District’s financial advisor. The new general obligation debt borrowings will be approved by the Board.

The Fund 39 annual debt payments for both principal and interest is as follows:

A detailed debt amortization schedule is presented in the Addendum.

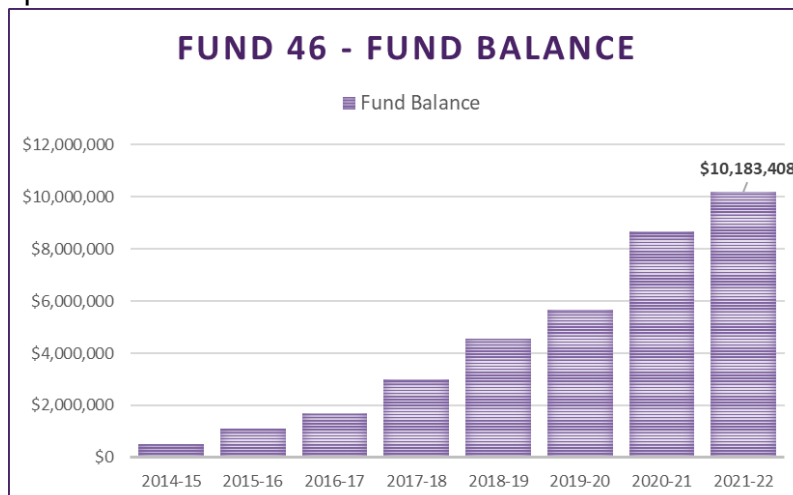


Wisconsin statute restricts school district indebtedness to no more than 10% of its prior year’s equalized value. Equalized property values for 2022-23 were approximately \$7.9 billion. OASD’s current debt level of \$63.8 million is .8% of the prior year’s equalized values, well below State statute.

Long Term Capital Improvement Trust Fund – Fund 46

Fund 46 is a flexible saving tool that allows a school district to transfer money into a segregated account at the end of its fiscal year to provide for future long-term capital projects and deferred maintenance needs.

Operating margins over the past several years have provided increments to the General Fund fund balance, along with contributions to the Long-Term Capital Improvement Trust Fund (Fund 46). Projections for 2022-23 financial results indicate that a transfer into Fund 46 may again be possible.



Food Service - Fund 50

OASD changed food service management companies (FSMC) on July 1, 2020, amidst the pandemic, to Aramark, Inc., headquartered in Philadelphia, Pennsylvania. The 2023-24 school year will mark the fourth year of operations under our five-year contract.

The food service program is self-supporting. It does not draw upon General Fund resources to balance its annual budget. The program is supported by sales revenue, along with state and federal subsidies.

The Food Service program is committed to high participation, timely service, healthy food options, awareness and accommodation of food allergies, solid financial performance, and improved long-range planning.

Aramark serves an average of 3,300 meals per day (or 580,000 per school year) and has an annual operating budget of \$2.2 million dollars.

The elementary and intermediate schools participate in the National School Lunch Program (NSLP). OHS migrated off this program for food service in 2015-16. The change allowed greater flexibility in offering food before and after the school day, larger portion sizes, and expanded food variety. The District explored a similar program for the intermediate schools in 2019-20, but student and family feedback supported continuance on the NSLP.

The Board will discuss and potentially approve the 2022-23 food service budget and guaranteed return for the program at its May 2023 meeting. The budget continues to support competitive wages for food service staff, enhanced food quality, diversified meals, and the addition or replacement of food service equipment. The guaranteed return for the 2023-24 budget is \$40,615.

Supplementing the guarantee, OASD plans to leverage a portion of the food service fund balance as part of a designed strategy to address infrastructure, drive operational efficiency, and increase program participation with the intention of improving program satisfaction and profitability. One of the larger earmarked expenditures for the 2023-24 school year is to replace the 15-year-old dishwashers at both intermediate schools with newer, more energy-efficient machines.

Used in 2016-17 to cover a portion of the costs to renovate the OHS north cafeteria, replace a cooler and freezer at OHS, and update a cooler and freezer unit at Greenland.

Used in 2017-2019 to supplement referendum funding for the cafeteria and kitchen components of the Ixonia and OHS East campus projects.

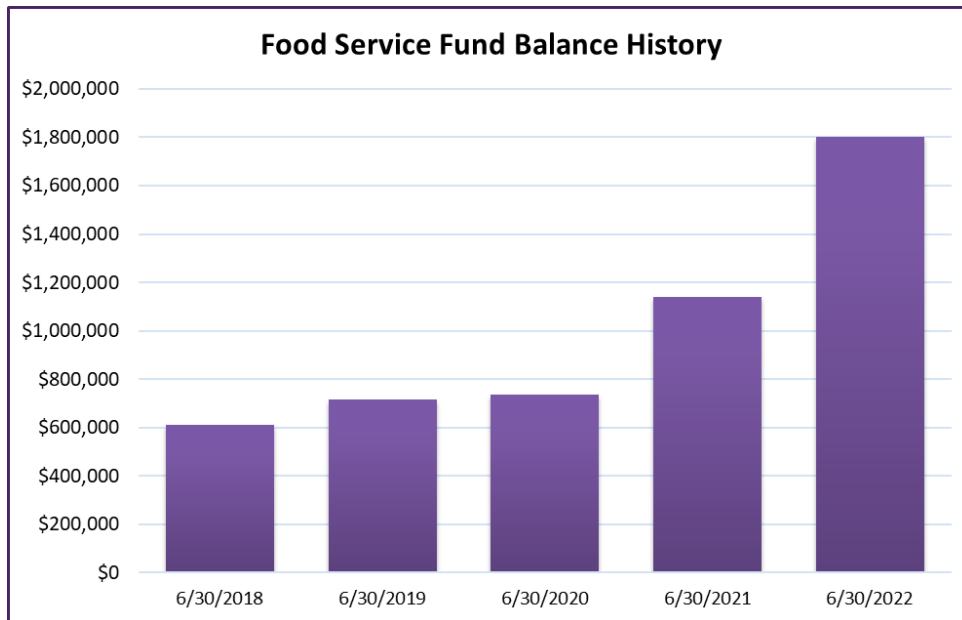
Used in 2019-20 to supplement referendum funding for the new Meadow View cafeteria.

Used in 2021-22 to replace cafeteria tables at Silver Lake and OHS to improve seating and reduce potential lifting/bending workers' compensation claims.

Used in 2022-23 to replace grease traps at OHS and Summit and purchase a dishwasher at Park Lawn, a fryer for OHS, and vending machines at OHS.

Earmarked in 2023-24 to replace dishwashers at Nature Hill and Silver Lake intermediate schools and provide free meals to all students in conjunction with identified events.

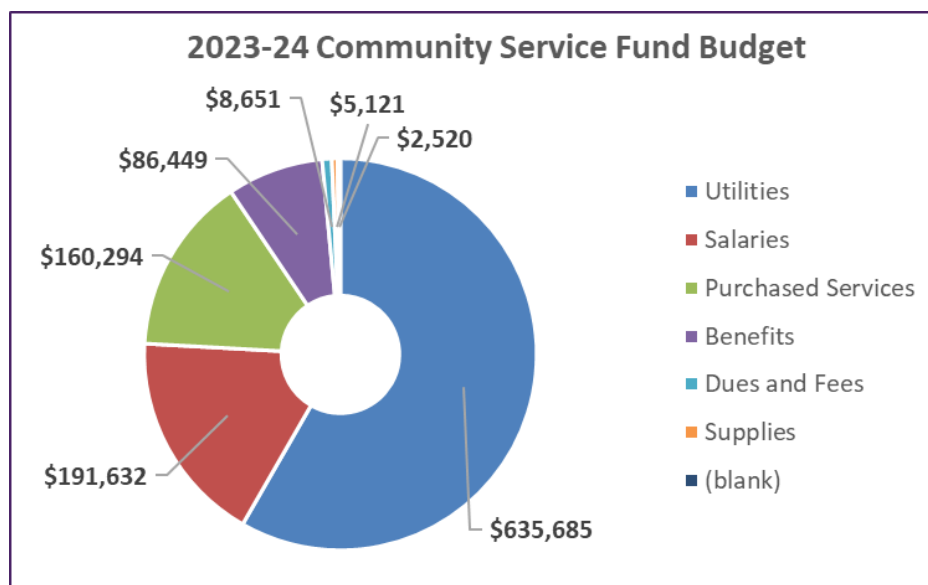
The following chart shows the steady improvement of the Food Service fund balance.



Community Service – Fund 80

This Fund accounts for community use of school facilities. The Community Service fund budget proposal for 2023-24 is \$1,090,352, increased from \$562,000 in 2022-23. The increase results from adding a second School Resource Officer (planned for January 2024) and aligning the utility cost allocation with the community’s use of school buildings. The budget for this fund has not changed since 2012.

School facilities are made available for a wide variety of community functions after school, during evening hours, on weekends, and throughout the summer months. An analysis is completed annual to identify building utilization by the community. Under State law, school boards are permitted to levy for these costs so that they do not compete with instructional programs for limited budget resources.

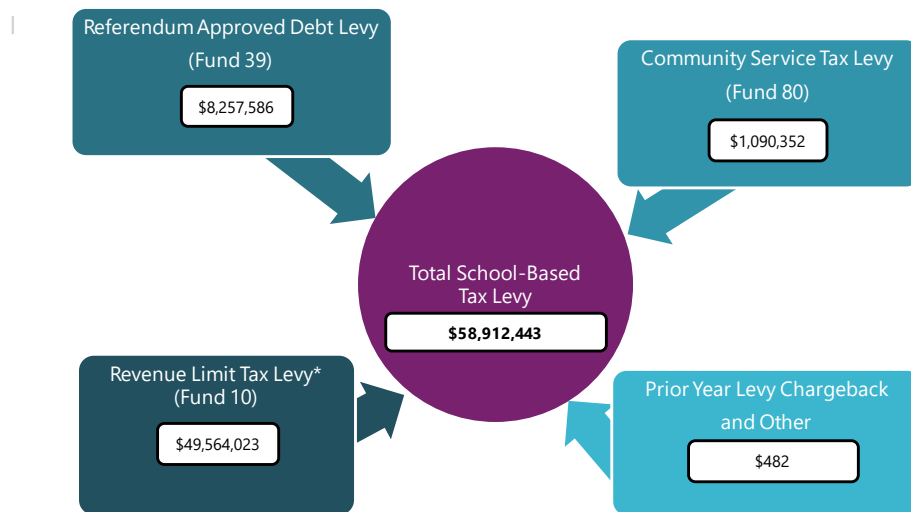


Property Tax Forecast

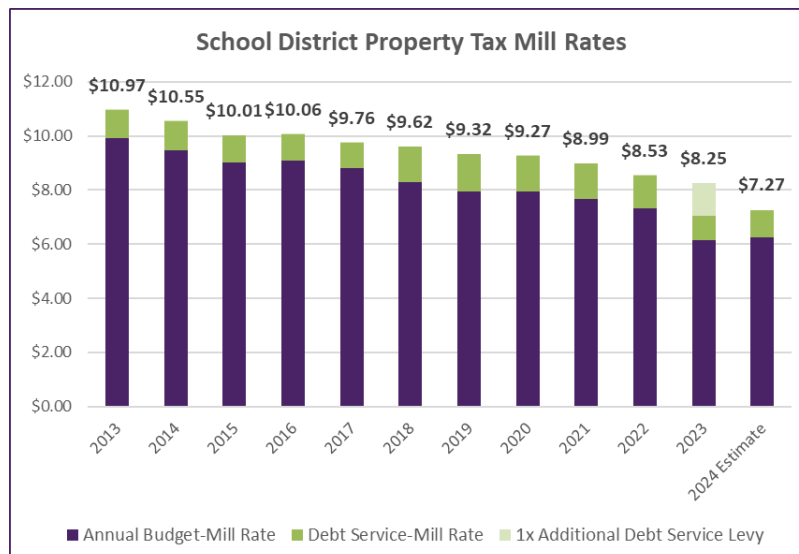
The OASD property tax forecast is impacted by the following factors:

- ☑ a small increase in ‘three-year rolling average’ student enrollment;
- ☑ modestly increasing operating expenditures;
- ☑ a \$275 per student increase in Revenue Limit Authority;
- ☑ an estimated 10.6% loss of State Equalization Aid;
- ☑ Community Service tax levy increase of \$528,000;
- ☑ debt service payments consistent with the prior year and elimination of the additional Debt Service tax levy approved for 2022-23; and
- ☑ a growing tax base (3%) reflective of community economic development.

There are several levy components to the District’s overall property tax levy: (1) revenue limit; (2) referendum approved debt; (3) community service; and (4) prior year chargebacks.



The total property tax levy is expected to decrease by 9.33% due to the factors described above. The tax base is expected to increase modestly, and the tax rate (mill rate) is expected to decrease by 11.97%, from \$8.255 per \$1,000 to \$7.267 per \$1,000. *The mill rate continues to remain below the 2010-11 level (over a decade ago).*




The property tax forecast is an estimate based upon information available as of April 2023. This budget proposal and the resulting tax levy reflect the District's efforts to successfully advance the District's mission and support its strategic directions, while being fiscally responsible to taxpayers. The tax levy is updated in October and the final levy will be certified by November 2023.

The mill rate is the tax rate applied to a homeowner's property value to generate the school district property tax amount. This rate is calculated as shown below:



Impact on Property Tax Bills

The impact of the proposed tax levy on various home values is shown below.

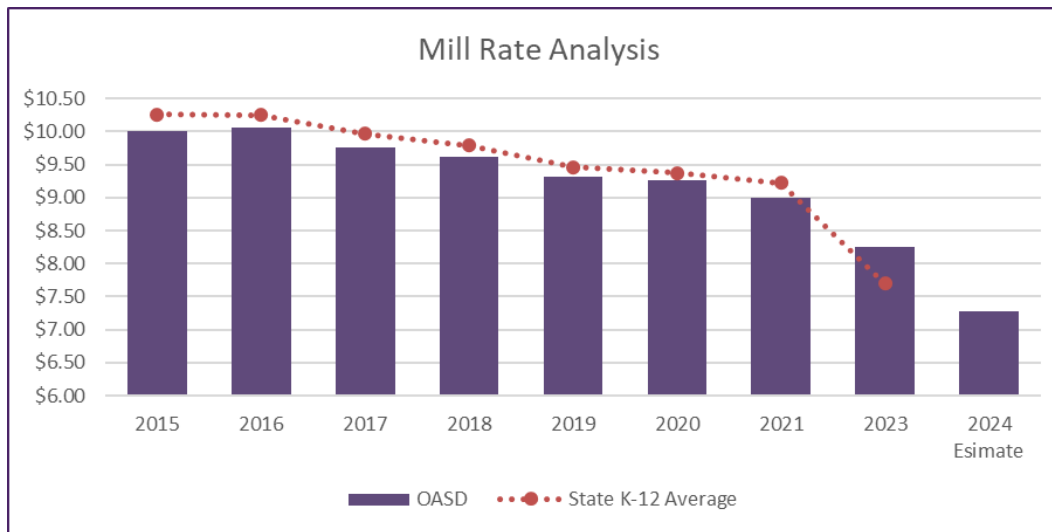
	Home Value	Equalized Tax Rate per \$1000		
		Actual 2022-23 \$8.25	Budget 2023-24 \$7.27	Change from 2022-23
	\$250,000	\$ 2,063.67	\$ 1,817.50	\$ (246.17)
	\$350,000	\$ 2,889.13	\$ 2,544.50	\$ (344.63)
	\$600,000	\$ 4,952.80	\$ 4,362.00	\$ (590.80)
	\$1,000,000	\$ 8,254.67	\$ 7,270.00	\$ (984.67)

Mill Rate Comparison

The demographics of different municipalities coupled with differences in the State/local funding partnership of districts, does not always provide an 'apples-to-apples' comparison of tax rates. However, taxpayers often wish to know how their district tax rate compares with other nearby school districts.

As a result of the additional debt service levy approved for 2022-23, OASD's mill rate did not compare favorably with other southeast Wisconsin districts, as it had in recent years. OASD's tax rate was the highest in the area and above the State average in 2022-23. The predicted 11.97% decrease for 2023-24 will likely bring OASD's mill rate into closer alignment with other regional districts' mill rates.

Until 2022-23, OASD had historically compared favorably with the State K-12 average.



Tax Levy by Community

OASD covers a wide geographic area with municipalities located in three counties. The District's tax levy is assessed to the municipalities based upon their proportionate share of OASD's equalized property values. The chart below details the 2022-23 tax levy apportionment to various municipalities based upon their equalized property values and the estimated apportionment for 2023-24 based upon an overall 3% value increase.

		2022-23			2023-24 May Budget Proposal Estimate			
County	Municipality	Equalized Property Values	% of District	Amount of Tax Levy	Equalized Property Values	% of District	Amount of Tax Levy	Change in Levy \$
Dodge	T Ashippun	263,201,949	3.34%	\$ 2,172,645.17	271,098,007	3.34%	\$ 1,970,021.50	\$ (202,623.67)
Dodge	T Lebanon	5,801,081	0.07%	\$ 47,886.01	5,975,113	0.07%	\$ 43,420.10	\$ (4,465.91)
Jefferson	T Concord	79,446,638	1.01%	\$ 655,805.76	81,830,037	1.01%	\$ 594,644.47	\$ (61,161.29)
Jefferson	T Ixonia	562,652,945	7.15%	\$ 4,644,514.26	579,532,533	7.15%	\$ 4,211,360.90	\$ (433,153.35)
Jefferson	T Sullivan	34,468,981	0.44%	\$ 284,530.06	35,503,050	0.44%	\$ 257,994.41	\$ (26,535.64)
Jefferson	V Lac La Belle	585,800	0.01%	\$ 4,835.59	603,374	0.01%	\$ 4,384.61	\$ (450.97)
Waukesha	C Delafield	62,020,989	0.79%	\$ 511,962.78	63,881,619	0.79%	\$ 464,216.48	\$ (47,746.30)
Waukesha	C Oconomowoc	3,042,509,800	38.66%	\$ 25,114,913.67	3,133,785,094	38.66%	\$ 22,772,664.66	\$ (2,342,249.01)
Waukesha	T Merton	68,713,866	0.87%	\$ 567,210.27	70,775,282	0.87%	\$ 514,311.52	\$ (52,898.76)
Waukesha	T Oconomowoc	2,050,526,300	26.05%	\$ 16,926,417.46	2,112,042,089	26.05%	\$ 15,347,838.09	\$ (1,578,579.37)
Waukesha	T Ottawa	308,973	0.00%	\$ 2,550.47	318,242	0.00%	\$ 2,312.61	\$ (237.86)
Waukesha	V Dousman	656,182	0.01%	\$ 5,416.57	675,867	0.01%	\$ 4,911.41	\$ (505.16)
Waukesha	V Lac La Belle	149,755,200	1.90%	\$ 1,236,179.72	154,247,856	1.90%	\$ 1,120,892.02	\$ (115,287.70)
Waukesha	V Oconomowoc Lake	488,352,900	6.20%	\$ 4,031,191.92	503,003,487	6.20%	\$ 3,655,237.80	\$ (375,954.12)
Waukesha	V Summit	1,061,912,536	13.49%	\$ 8,765,737.31	1,093,769,912	13.49%	\$ 7,948,233.42	\$ (817,503.89)
		7,870,914,140	100%	64,971,797	8,107,041,564	100%	58,912,444	(6,059,353)

Oconomowoc Area School District – Future Trends

Student Enrollment

Student enrollment growth has leveled-off in recent years and OASD is once again predicting declining enrollment for 2023-24. Commercial construction activity and new residential subdivisions indicate that there may be positive momentum for growth throughout the district. Construction activity in fall 2022 and early spring 2023 appear to be an indication that new housing continues to be strong within the community.

This momentum is consistent with the District's most recent demographic study (2022), which shows that enrollment growth is likely in the future. Residential construction and student enrollment will continue to be closely monitored.

Long-range facilities planning

In 2022, in conjunction with an updated demographic study, OASD completed a facilities condition assessment audit. These two studies guided long-range facilities planning by identifying facility maintenance priorities and capital projects, providing cost estimates, and projecting possible site capacity challenges.

In addition, architectural services were used to begin exploring an indoor athletic training facility (identified in the Athletic Strategic Plan), renovations to OHS visual and performing arts classrooms, and various other OHS facility challenges not addressed with the 2016 referendum.

The long-range facility work resulted in a successful referendum in April 2023 to address the most crucial infrastructure and capacity needs of the District. However, a second question addressing a needed cafeteria expansion and renovations to OHS visual and performing arts classrooms was not approved. The District is exploring why these projects were not supported and will develop a plan to continue to engage the community around these identified needs.

Summary Comments

This budget proposal was developed to provide support for the District's key work next year. Staffing levels were carefully evaluated at all grade-levels for core classes, elective courses, and specials (such as art, music, and physical education). Administration and support staff roles were analyzed and designed to meet anticipated operations for next year. Contingency FTE has been retained to adapt to student enrollment and changing support needs. Utilities and other significant non-personnel budgets were reviewed and updated to reflect historic utilization and consumption trends. District enrollment, State-level budget changes, staff hiring, and employee benefits enrollment will be closely monitored as part of the budget update process for October 2023.

We sincerely appreciate the effort extended by the School Board and our community to support the Oconomowoc Area School District. We demonstrate our appreciation each day by working diligently to develop great schools and great students while using resources wisely.

We thank you for your interest in this report. Questions regarding the budget proposal may be directed to Dr. Mike Sereno, Superintendent (560-2111) or Beth Sheridan, Director of Business Services (560-2119).
