



2024-25 Budget Proposal Executive Summary

May 8, 2024

*We love our school!
Meadow View
Elementary all
school photo for
2023-24.*



Empowering a community of learners and leaders



The 2024-25 Budget Proposal supports and advances the District's Strategic Plan in each of the five Focus Areas:

Educational
Quality &
Culture

Equity &
Diversity

Personnel
Excellence

Business and
Financial
Performance

Customer
Care / Return
on Investment

Strategic Plan & Initiatives

EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS



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AREA SCHOOL DISTRICT

Budget Overview

State and Local Perspectives

EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS

State Factors Impacting the Budget



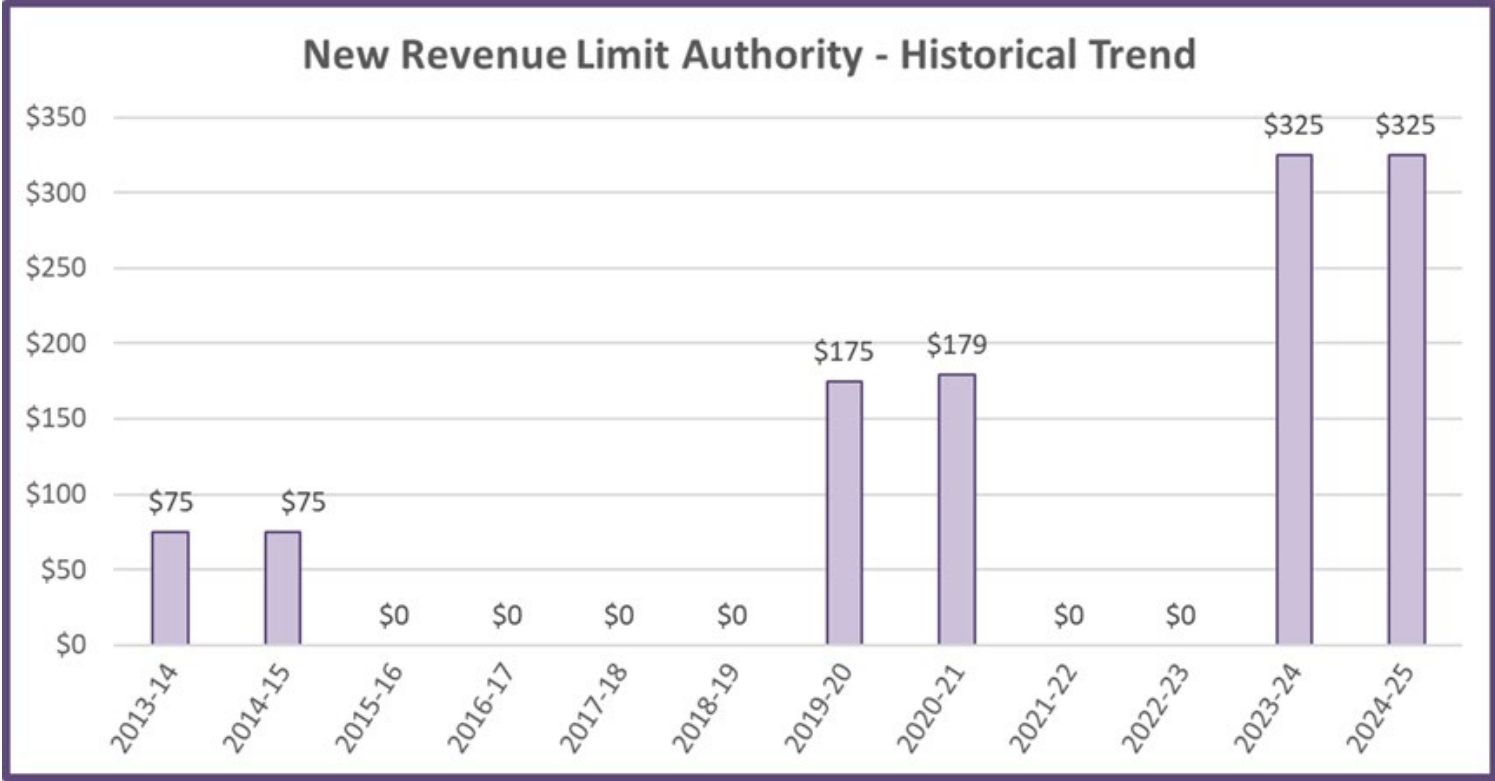
Revenue Limit Formula

Per-Pupil Categorical Aid

State Equalization Aid

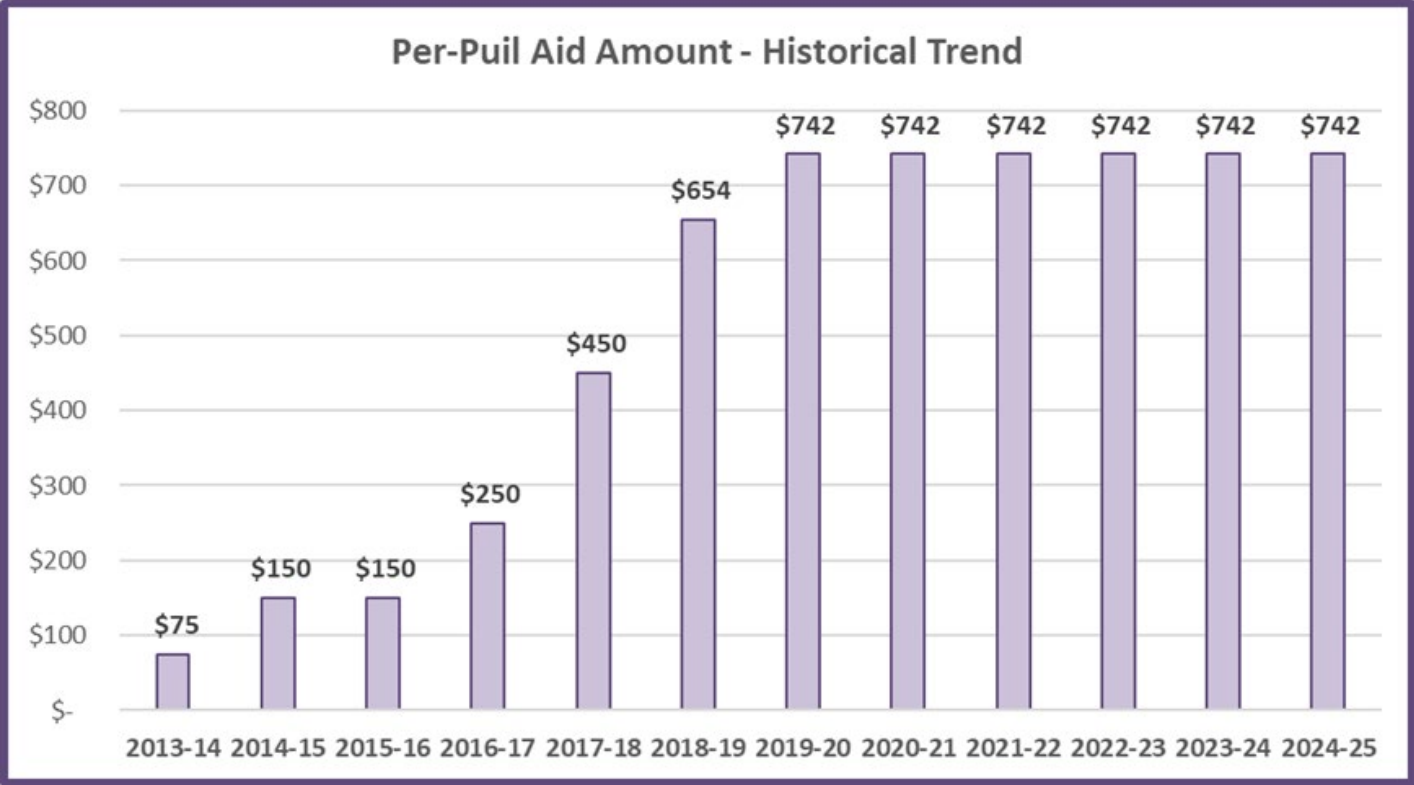
Open Enrollment Rate per Pupil

Revenue Limit Authority



The State’s 2023-2025 budget provides additional funding of \$325 per student in the Revenue Limit Formula.

Per-Pupil Categorical Aid



The State’s 2023-2025 budget maintains Per-Pupil Categorical Aid at a rate of \$742 per student.

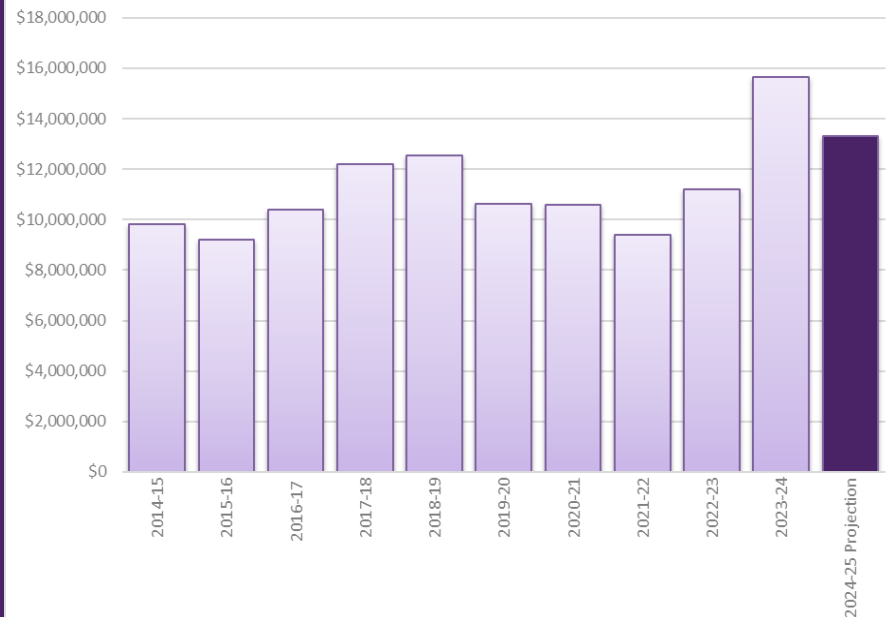
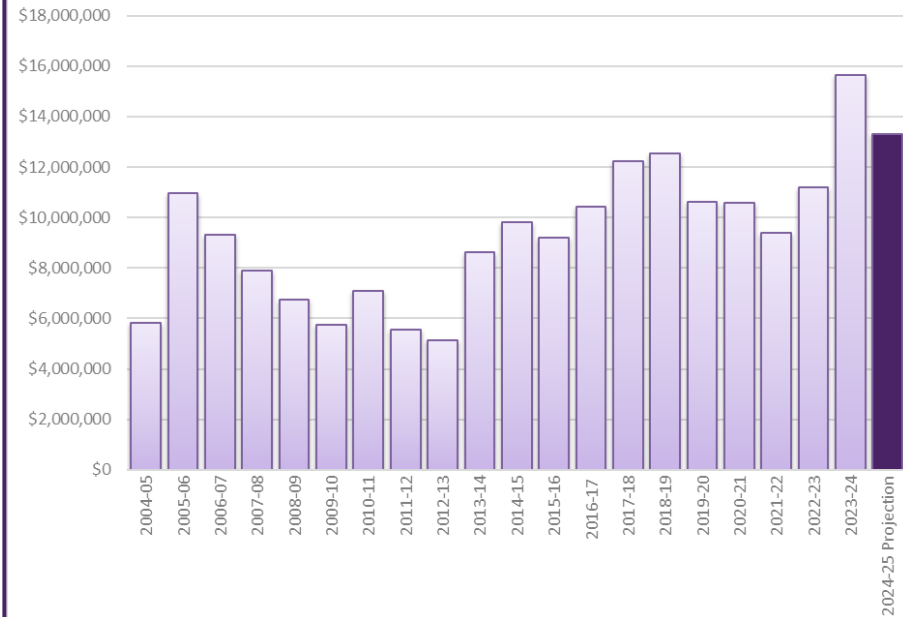
Equalization Aid

Historic view shows the 'roller coaster' ride of Aid funding.

A shorter look-back shows more consistent funding through 2023-24.

State Equalization Aid

State Equalization Aid



Equalization Aid is based on numerous factors: enrollment, OASD and state-wide school district spending, deductible receipts, and equalized property values.

Open Enrollment, Vouchers, and Independent Charter School FTE

Budgeted Open Enrollment includes:

- Open-enrollment in (revenue) and out (expenditure)
- State voucher programs
- Independent Charter School (ICS) FTE

Estimated Open Enrollment transfer rates:

- Regular education: \$8618 to **\$8962**
- Special education: \$13,470 to **\$13,814**
- State voucher programs – Amount within the revenue limit worksheet
 - Estimated increase: \$2,230,000 to **\$2,509,000**
- Independent Charter School FTE – FTE within the revenue limit worksheet
 - Estimated increase: 189.8 FTE to **222.0 FTE**

Local Factors Impacting the Budget



Student Enrollment

Open Enrollment

Equalized Property Values

Available Federal Funds – ESSER III

Expenditures Aligned with the
District's Strategic Plan

Student Enrollment

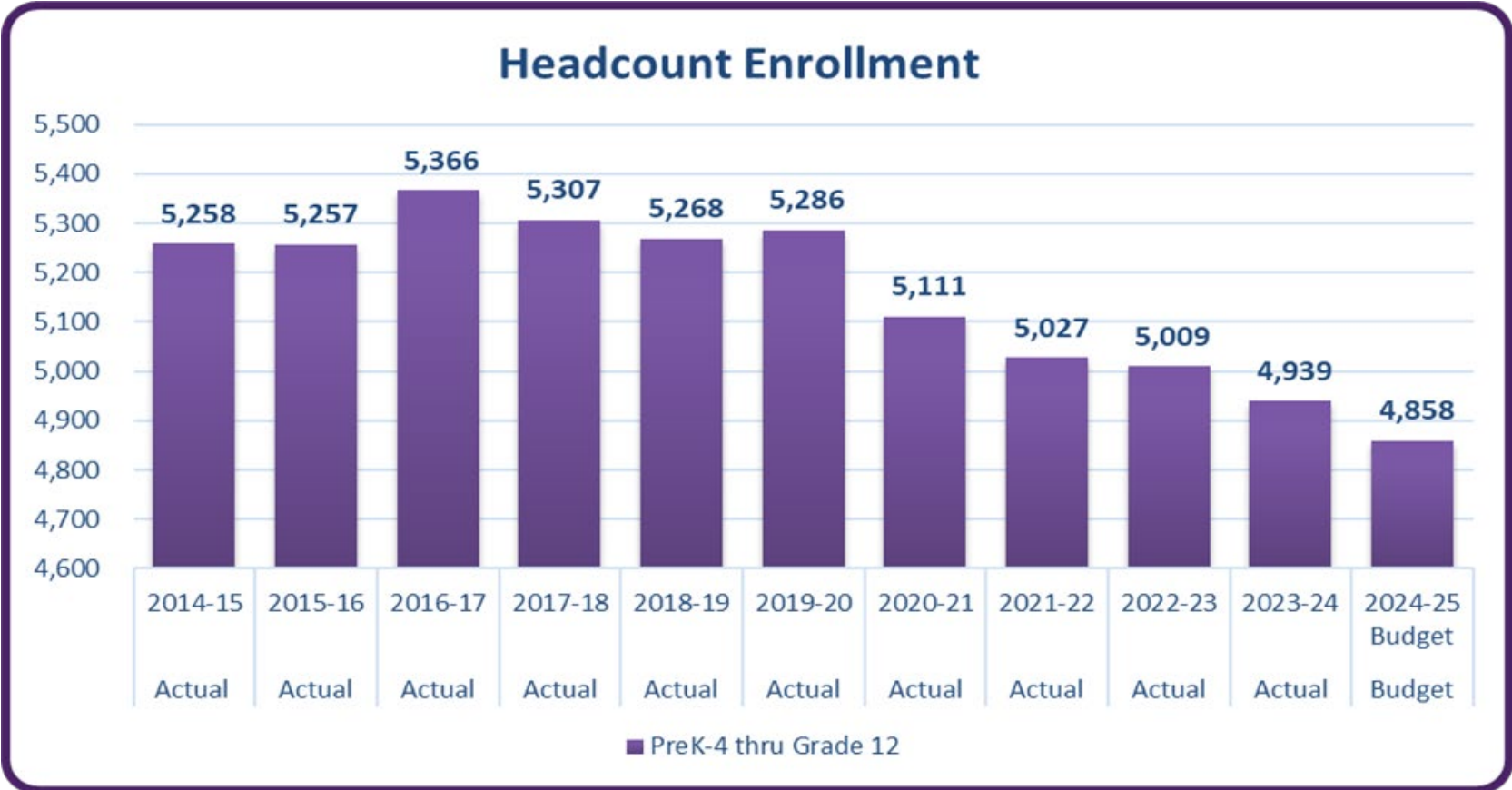
Student Enrollment Assumptions

- September FTE decrease: 101 students
- Increase in Summer School FTE: 4 students
- '3-year-rolling-average' decrease: 44 students

Open Enrollment Assumptions

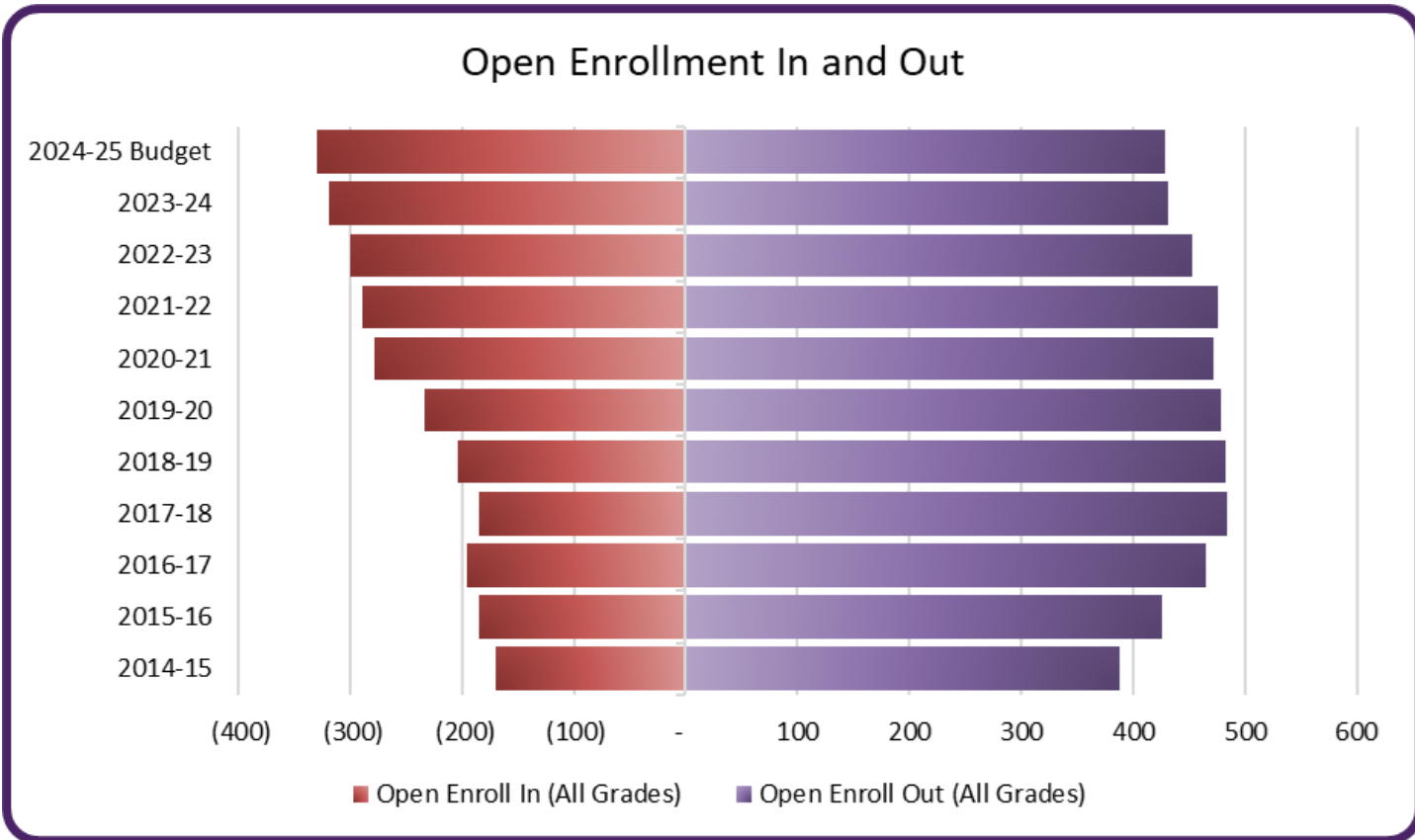
- Open enrollment in: modest increase over 2023-24
- Open enrollment out: consistent with 2023-24
- Rates increase of 3-4%
- Net expenditure impact: \$215,000 decrease to \$910,000

Headcount Enrollment – Students in Seats



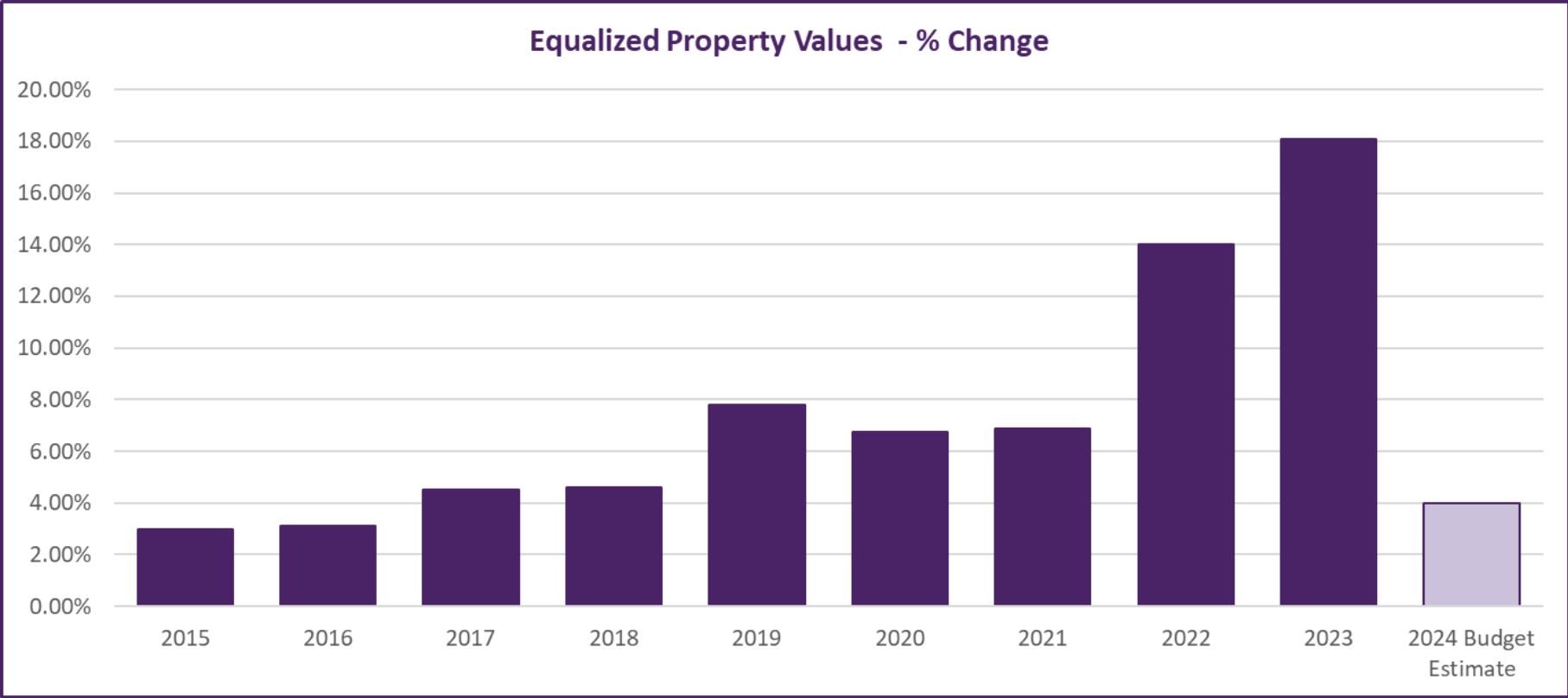
Headcount enrollment is predicted to decline by 81 students based upon registrations and withdrawals to-date and a cohort retention analysis.

Open Enrollment In and Out



- Open enrollment IN: expected to modestly increase
- Open enrollment OUT: expected to remain consistent
- Assumptions are based on a cohort retention analysis – grade to grade year over year, with smaller 4K/5K enrollments than the outgoing 12th grade

Equalized Property Values



- 4% growth is conservative and historically used for the budget proposal.
- The ten-year average trend is 7.45% growth.
- Higher property value growth offsets the tax levy and reduces the mill rate.

Federal Funds – ESSER II and ESSER III

(Elementary and Secondary School Emergency Relief Funds)

- Necessary to balance the 2023-24 and 2024-25 budget
 - ‘New’ revenue limit authority has not kept pace with CPI in recent years
 - No increase in the Per-Pupil Categorical Aid rate
 - Expenditure inflation
 - Prioritized resource allocation aligned with the District’s Strategic Plan

- ESSER III – 2024-25 budget utilization
 - \$600,000 must be used by September 30, 2024
 - One-time funds used for ongoing expenditures
 - Support our summer school program, summer seasonal custodian budget, summer learning academy (professional development) and some technology lease payments.

	Time Period		Allocation	Previous Claims	Year Claimed	2023-24 Estimated Claims	Balance Remaining Must be used by 9/30/2024
CARES ACT	3/13/2020	9/30/2022	\$236,021	\$236,021	2020-21		\$0
ESSER II	3/13/2020	9/30/2023	\$2,084,964	\$1,663,905	2021-22 2022-23	\$421,059	\$0
ESSER III	3/13/2020	9/30/2024	\$3,110,289	\$4,000	2022-23	\$2,506,289	\$600,000



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Financial Summary

General Fund Revenues, Expenditures, and Fund Balance

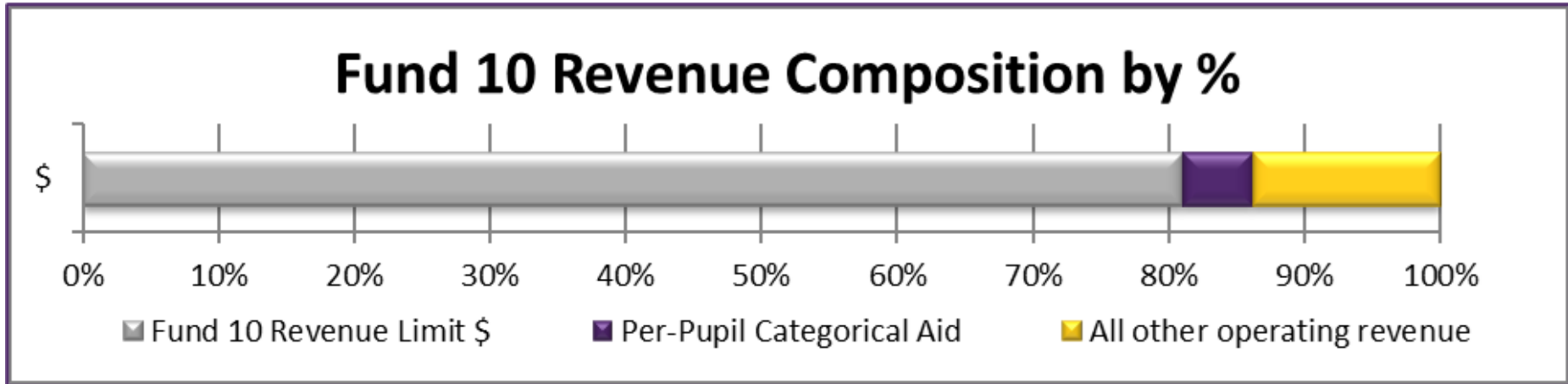
EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS

Balanced Budget

General Fund Summary	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Budget	2024-25 Budget	\$ Change	% Change
Beginning Fund Balance	24,296,382	25,384,725	26,540,136	28,552,666	28,552,666	-	0.00%
Revenues:							
Local	49,851,724	51,158,303	49,877,843	46,177,438	50,792,796	4,615,358	9.25%
State & Interdistrict	17,705,903	16,591,592	18,594,771	23,243,769	21,054,464	(2,189,305)	-11.77%
Federal & Other	1,721,740	5,109,483	5,824,595	4,805,793	3,502,740	(1,303,053)	-22.37%
Land Sales							
Total Revenues	69,279,367	72,859,378	74,297,209	74,227,000	75,350,000	1,123,000	1.51%
Expenditures:							
Instruction	30,965,601	31,274,953	31,977,470	34,696,781	34,735,692	38,911	0.11%
Support Services	22,900,345	25,372,151	24,410,263	24,332,004	24,412,659	80,655	0.33%
Transfers to Other Funds & Other Non-program Transactions	14,325,078	15,056,863	15,896,946	15,198,215	16,201,649	1,003,434	6.60%
Total Expenditures	68,191,024	71,703,967	72,284,679	74,227,000	75,350,000	1,123,000	1.51%
Ending Fund Balance	25,384,725	26,540,136	28,552,666	28,552,666	28,552,666	-	0.00%

- 1.51% increase in revenues and expenditures
- Balanced budget = no change to fund balance
- Revenues reflect a shift in State-Local funding partnership (Property Tax / Equalization Aid) and less Federal funds (ESSER II and III)
- Expenditure plans optimize resources to support the District's Strategic Plan

Operating Revenue – Primary Sources

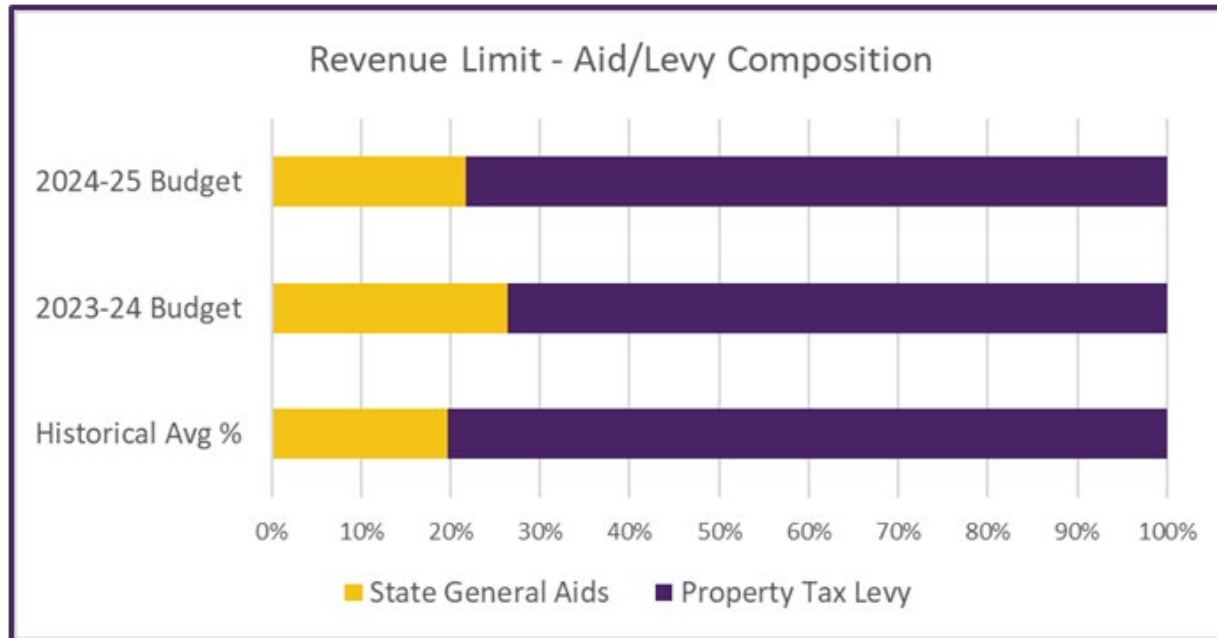


- ❑ Approximately 83% of OASD’s revenues are derived from the two primary components of Revenue Limit Authority (gray segment)
 - Local Property Tax
 - State Equalization Aid
- ❑ Per-Pupil Categorical Aid (purple segment) is a third significant revenue source
- ❑ ESSER funding is included in the yellow segment, which represents a more typical % of overall revenues for 2024-25 compared with the prior two years

Operating Revenue – Revenue Limit Authority



\$62,275,954 is divided into two sources: Local Property Tax and State Equalization Aid



Operating Revenue – Revenue Summary

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Nov Budget 2023-24	May Budget 2024-25	Inc / (Dec) from Nov 2023-24 Budget	% Change
Property Tax Levy (Local)	48,977,260	50,042,775	47,706,227	44,434,346	48,756,770	4,322,424	9.73%
Equalization Aid (State)	10,586,772	9,411,581	11,205,738	15,652,455	13,304,587	(2,347,868)	-15.00%
Computer and Personal Property Exemption Aid (State)	214,475	214,597	214,597	214,597	214,597	-	0.00%
General Fund Revenue Limit Authority	59,778,507	59,668,953	59,126,562	60,301,398	62,275,954	1,974,556	3.27%
Per Pupil Categorical Aid (State)	3,987,508	3,899,210	3,808,686	3,757,686	3,591,280	(166,406)	-4.43%
Open Enrollment (from Other Districts)	2,295,528	2,331,888	2,494,839	2,800,000	3,050,000	250,000	8.93%
Interest Income (Local)	16,926	38,370	964,758	600,000	850,000	250,000	41.67%
Various Student Fees (Local)	857,538	1,077,158	1,206,857	1,143,092	1,186,026	42,934	3.76%
State Grants & Aid (Transportation/Library) (State)	621,620	768,760	916,914	869,031	954,000	84,969	9.78%
Federal Grants (Federal)	1,048,399	1,961,293	2,584,628	3,597,637	1,271,255	(2,326,382)	-64.66%
Other Revenues	673,341	3,113,745	3,193,964	1,158,156	2,171,485	1,013,329	87.50%
Total Revenues	69,279,367	72,859,378	74,297,209	74,227,000	75,350,000	1,123,000	1.51%

Revenue Limit Authority – Shift in State-local funding partnership

- Estimated \$325 per-student increase in **Revenue Limit Authority**
- Anticipated 15% Equalization Aid decrease shifts the funding partnership to more reliance on the local property tax

Open Enrollment IN and Per-Pupil Categorical Aid


- Increase in **Open Enrollment IN**: Consistent student FTE and a modest increase in the transfer rate
- Decrease in **Per-Pupil Categorical Aid**: Declining enrollment with a minimal increase in the Per-Pupil rate (\$747/pupil)

Other Revenues

- Interest income increased to reflect continued positive outlook for Treasury Rates
- Federal grants reflect less available ESSER funding (\$600,000 vs. \$2.9 million)
- Required GASB lease accounting entries are included (offset by corresponding expenditures)

Expenditures Aligned with Strategic Plan

Educational Quality and Culture



Maintaining low class sizes (Grades 4K-4) and appropriate student-to-teacher ratios (Grades 5-12) and **Providing** technology at a 1:1 student-to-device ratio for Grades 5K-12

Maintaining literacy intervention services at the elementary and intermediate schools to improve learning growth and address achievement gaps

Reconfiguring Multi-Level Systems of Support (MLSS) roles at the intermediate level to improve student achievement and continue to build staff capacity

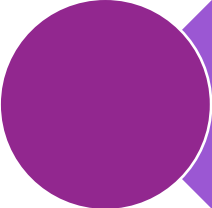
Continuing commitment to the OHS Dual Enrollment and Youth Apprenticeship programs to support the District's College, Career, and Life Readiness mission

Supporting the Athletic Strategic Plan with personnel to coordinate and oversee the athlete portfolios, strength and conditioning program, leadership courses, and intramurals

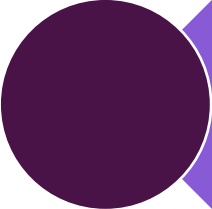
Maintaining student services personnel aligned with a staffing plan metric that provides equitable services to all sites and appropriate caseloads

Expenditures Aligned with Strategic Plan

Equity and Diversity



Continuing to support an alternative education program at OHS to meet student needs



Continuing to update district bathrooms to provide ADA accessibility and enhanced privacy



Utilizing a Family Engagement Facilitator position to provide job-embedded professional development to help reduce the District's disproportionality



Continuing implementation of Life Ready curriculum district-wide with professional development around life-ready competencies

Expenditures Aligned with Strategic Plan

Personnel Excellence

Ensuring competitive compensation and benefit packages

Improving special education paraprofessional retention and recruitment by increasing the hourly pay differential bonus

Supporting the employee experience in understanding and selecting health, dental, vision, and other benefits with a personalized open enrollment process

Offering professional development to support technology implementation, curriculum adoption, and life-ready competencies learning


Expenditures Aligned with Strategic Plan

Business and Financial Performance

Customer Care / Return on Investment

Business and Financial Performance



- Reallocating existing resources to support key initiatives
- Negotiating competitive service contracts and insurance renewals to optimize resources
-  Creating budget flexibility to adapt to our environment

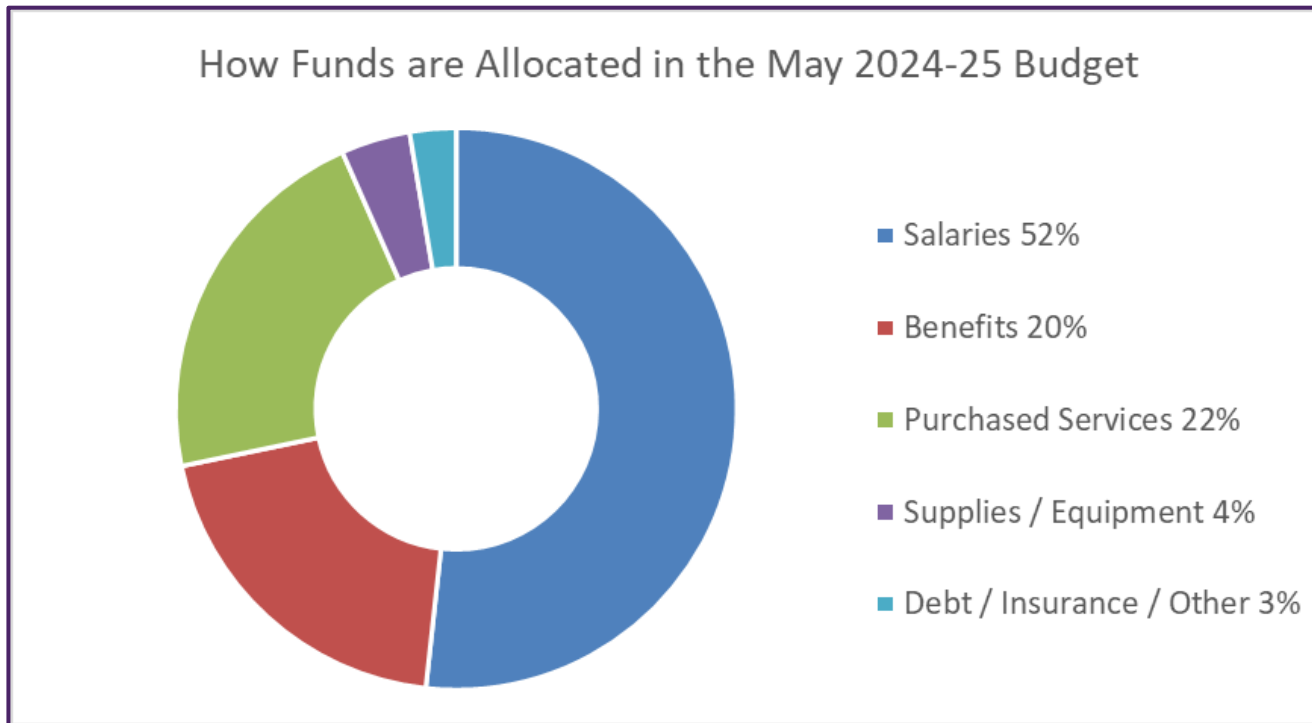
Customer Care / Return of Investment



- Maintaining graphic design contracts to support District communication
- Utilizing various software tools to provide District-to-Student level data analytics, benchmarks, and dashboards
- Leading communication efforts to inform stakeholders of progress on facility referendum projects

Operating Expenditures – Summary

- Approximately 72% of OASD's expenditures are allocated for personnel costs:
 - Staffing plan FTE (full-time equivalent) - # of personnel
 - Salaries / wages
 - Employee benefits

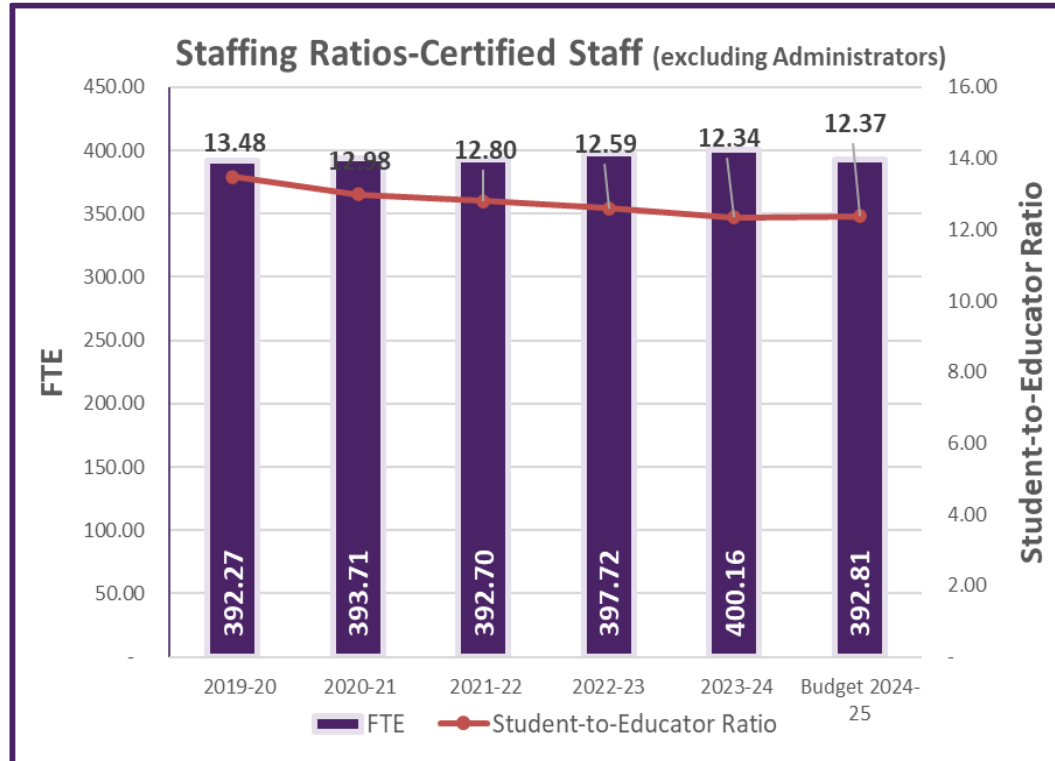


Operating Expenditures – Staffing Table

Staff Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 to 2023-24		
						Budget 2024-25	# Change	% Change
Educators	392.27	393.71	392.70	397.72	400.16	392.81	(7.35)	-1.84%
Administrators	25.00	25.00	26.00	26.00	26.00	27.00	1.00	3.85%
Sub-Total	417.27	418.71	418.70	423.72	426.16	419.81	(6.35)	-1.49%
Managers	5.00	5.00	5.00	5.00	5.00	5.00	-	0.00%
Paraprofessionals	106.15	109.99	112.74	109.42	104.45	104.41	(0.04)	-0.04%
Admin. Assistants	27.03	26.53	26.84	27.56	27.31	27.31	-	0.00%
Custodians/Trades	52.55	51.89	51.89	52.81	49.50	49.50	-	0.00%
Technology Staff	6.00	7.00	7.00	7.00	7.00	7.00	-	0.00%
Other	11.57	12.99	12.87	14.69	14.34	14.06	(0.27)	-1.92%
Support Sub-Total	208.30	213.41	216.35	216.49	207.60	207.28	(0.32)	-0.15%
Grand Total	625.57	632.12	635.05	640.21	633.76	627.10	(6.67)	-1.05%

- Educator FTE reflects:
 - Appropriate class sizes and student course selections at OHS and the intermediate schools
 - Equitable student services staffing for all sites
 - Reduced learning strategist roles and increased speech and language pathologist staffing to meet student needs
- Redesigned and recategorized position from the Educator to Administrator group to support leadership of the Student Services/Special Education Department
- Reduction of paraprofessional positions aligned with fewer 4K class sections
- Reallocation of FTE from the Other to Educator category to support AODA program coordination

Operating Expenditures – Staffing Ratio



- Several watch spots in 5K and 1st Grade
- Monitoring 4K registrations
- Watching intermediate school enrollments
- 2.0 educator contingency FTE held in the budget

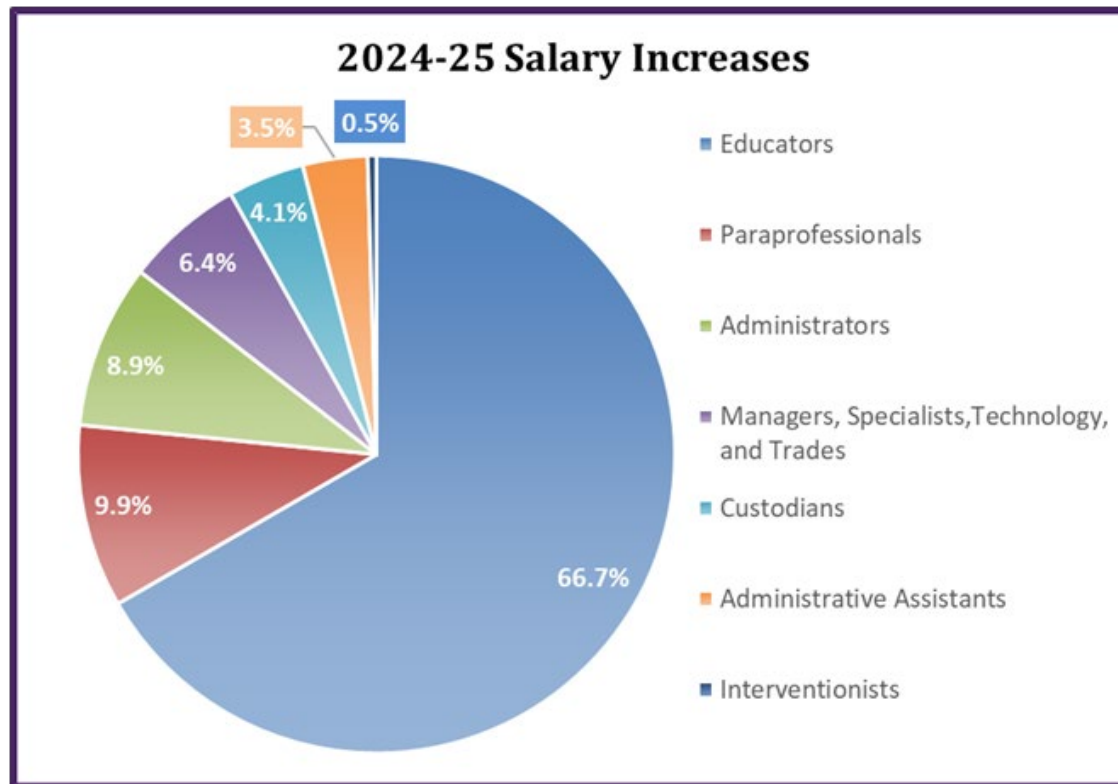
Operating Expenditures – Class Size Comparison

2023-24 Actual Class Size Averages	4k	5k	1	2	3	4	5	6	7	8	Average
Elmbrook	18.40	22.70	22.60	22.90	22.40	24.50	24.70	27.10	26.80	26.60	23.87
Hamilton	18.80	21.80	20.00	23.40	25.40	26.20	26.80	27.90	25.30	27.90	24.35
Kettle Moraine	14.63	21.22	19.10	20.67	21.70	24.33	22.67	21.82	21.82	21.82	20.98
Menomonee Falls	21.30	21.90	21.20	22.50	23.90	22.60	25.40				22.69
Mukwonago	18.5	17.90	18.50	19.10	20.90	23.70	22.80	23.40	23.40	24.80	21.30
Muskego											
New Berlin	n/a	20.50	21.00	21.30	21.80	27.00	24.50	23.00			22.73
Oconomowoc	17.64	18.76	19.76	19.33	21.19	22.29	23.27	23.33	23.33	24.79	21.37
Pewaukee	15.50	19.33	21.90	22.30	23.67	23.67	23.11	23.67	22.30	26.33	22.18
Waukesha											
County Average:	17.82	20.51	20.51	21.44	22.62	24.29	24.16	24.32	23.82	25.37	
Oconomowoc	17.64	18.76	19.76	19.33	21.19	22.29	23.27	23.33	23.33	24.79	

- Scale: Green is low class size to Red is high class size
- OASD trended toward green in 2023-24
- Our class size average is below the County average for every grade level

Operating Expenditures – Salary Increases

- Employee compensation accounts for approximately \$41.7M of planned expenditures.
- Salary increases are provided using up to a 4.2% compensation pool for each employee group.
 - \$1.7M pool of funds for salary and wage increases
- Board direction is to provide salaries/wages between the median and 75th percentile of benchmark districts



Operating Expenditures – Employee Benefits:

Health, dental, vision, and long-term disability

- ❑ Employee benefits account for approximately \$8.8M of planned expenditures.
 - Health insurance is the majority of this budget at \$8.1M.
- ❑ Insurance renewals were favorable for 2024-25 considering plan utilization and claims experience.

Health - Quartz

- .5% renewal (9.9% maximum rate cap in 2025-26)
- Deductible increase of \$500 for single plan and \$1000 for family plan
- Wellness Incentive employer HSA contribution increase of \$500 for single plan and \$1000 for family plan

Dental - Delta

- 0% renewal for administration fees
- No premium change - self-funded plan performing well

Vision - Delta

- 0% renewal
- 2nd of a 4-year agreement

Long-term Disability - The Hartford

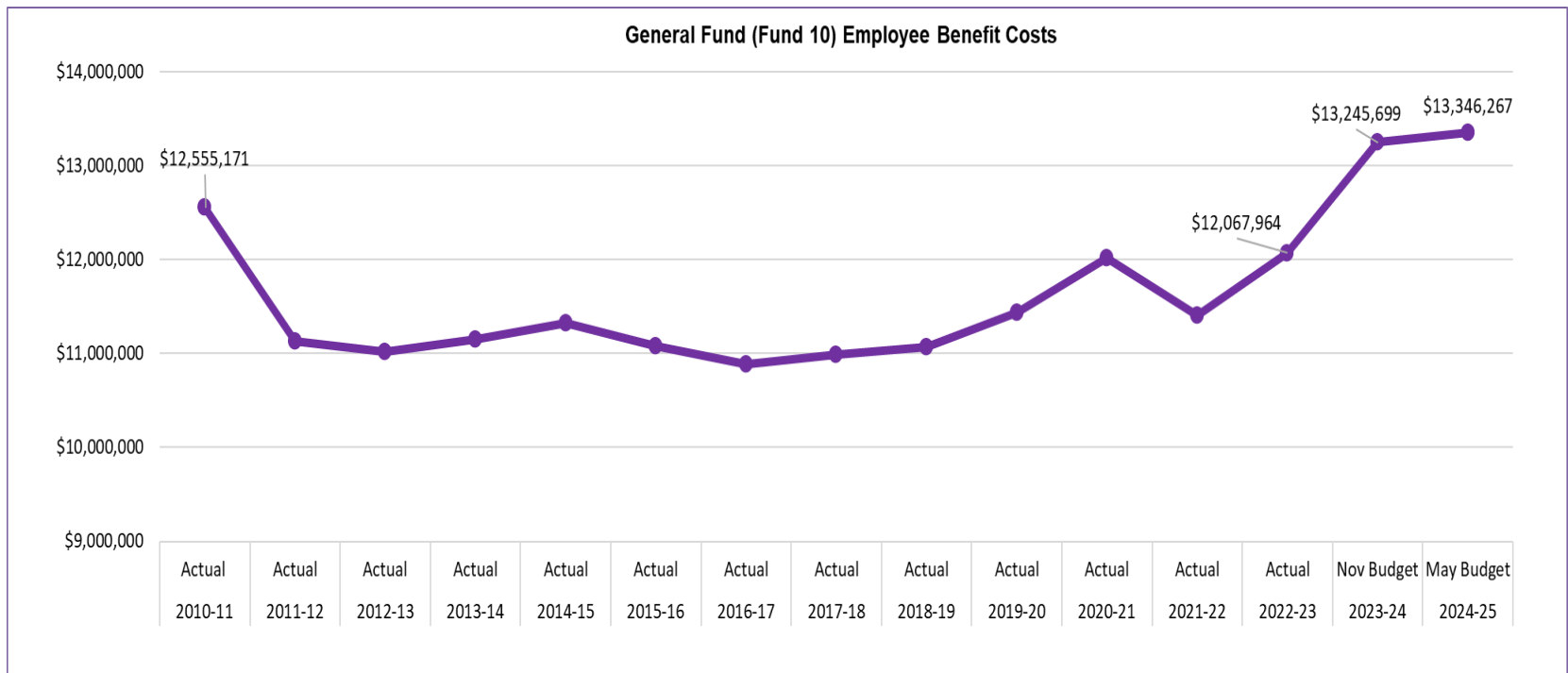
- Negotiated a 0% renewal
- 1st of 2-year agreement (2nd year 0% rate lock)

Voluntary Employee-Paid Insurance offerings

- Accident, critical illness + cancer, and hospital insurances through Aflac
- Permanent whole life insurance through MassMutual
- Short-term disability - provider change from The Hartford to Aflac

Operating Expenditures – Managing Employee Benefits Costs

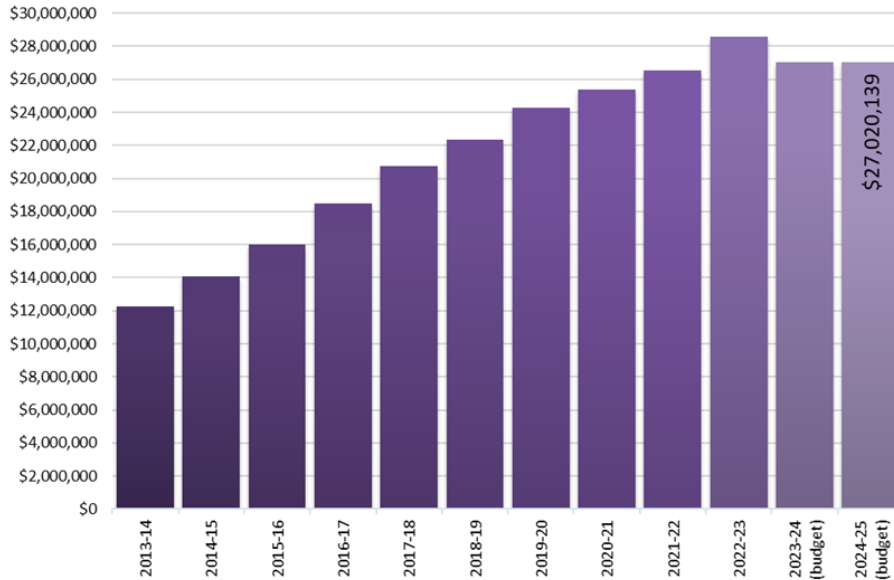
- ❑ Expenditures for employee benefits remain below 2010-11 until the 2023-24 budget proposal.
 - Increased staffing levels
 - Higher wages and health insurance premiums
 - Increased eligibility – starting in 2019 support staff became eligible for the Wisconsin Retirement System (WRS)
- ❑ November 2024-25 budget will reflect actual participation, plan selections, and contribution rates.



Fund Balance

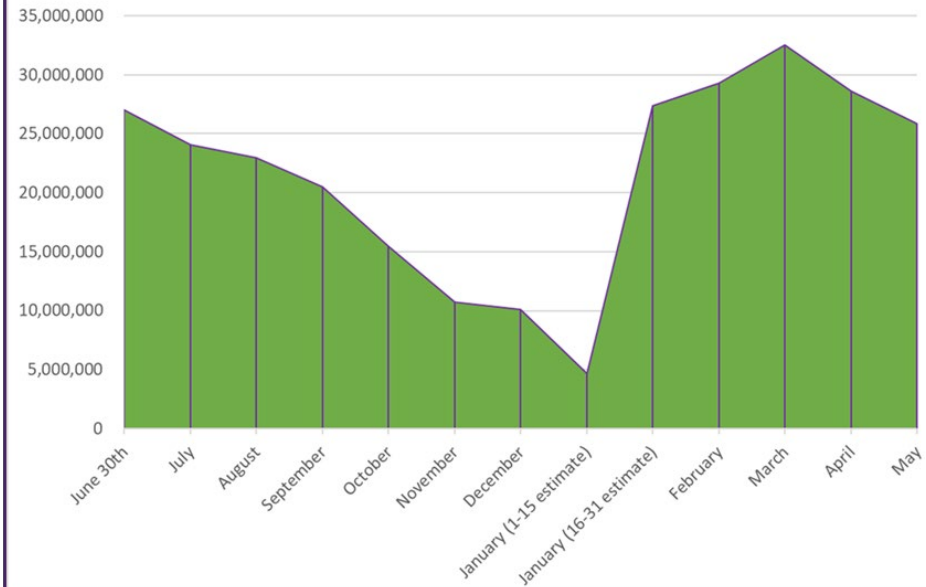
A balanced budget keeps fund balance at \$27M

General Fund - Fund Balance at June 30



The fund balance low point is \$3M-\$5M in January

Estimated Monthly Fund Balance for 2023-24



Board Policy:

- At least 15% of the anticipated General Fund expenditure budget for the subsequent fiscal year
- Goal to reach a level where the short-term borrowing for operations is not necessary—Achieved since 2017-18!
- Also provides for unanticipated expenditures

2023-24 Month-end Fund Balance:

- Shortfall occurs in mid-January
- Solvency of at least 30% is required to avoid short-term borrowing
- Less Equalization Aid impacts the % required due to timing of revenue receipts



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All Other Funds

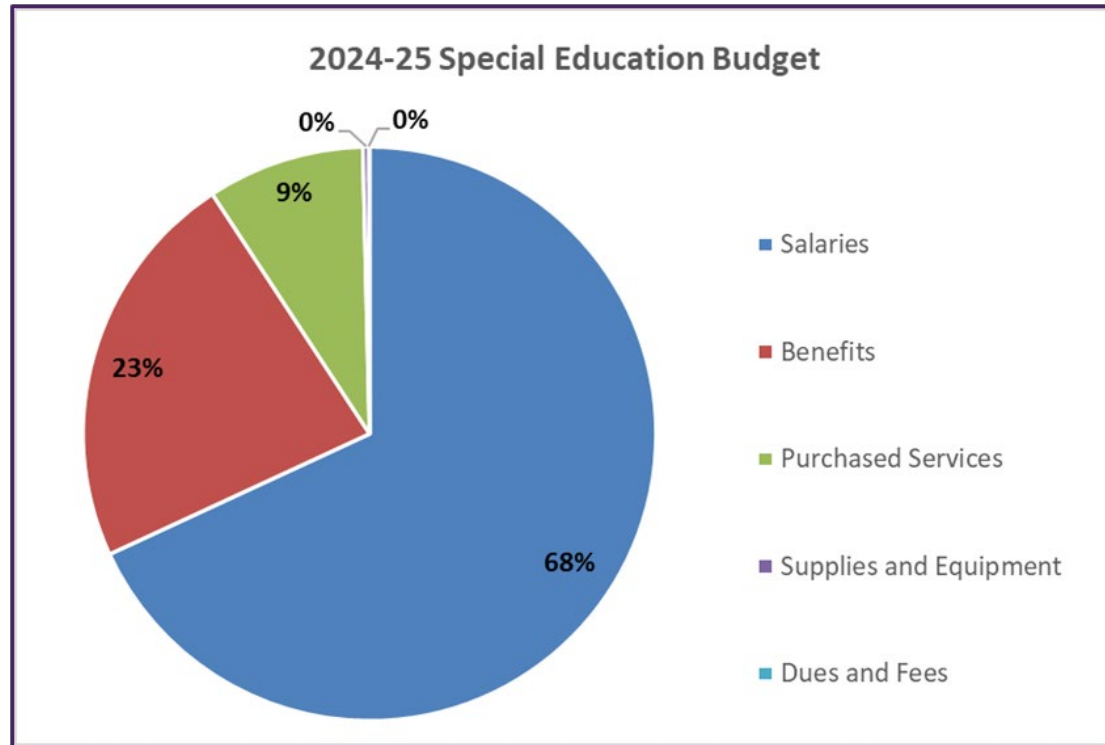
Special Education, Debt Service, Other

EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS



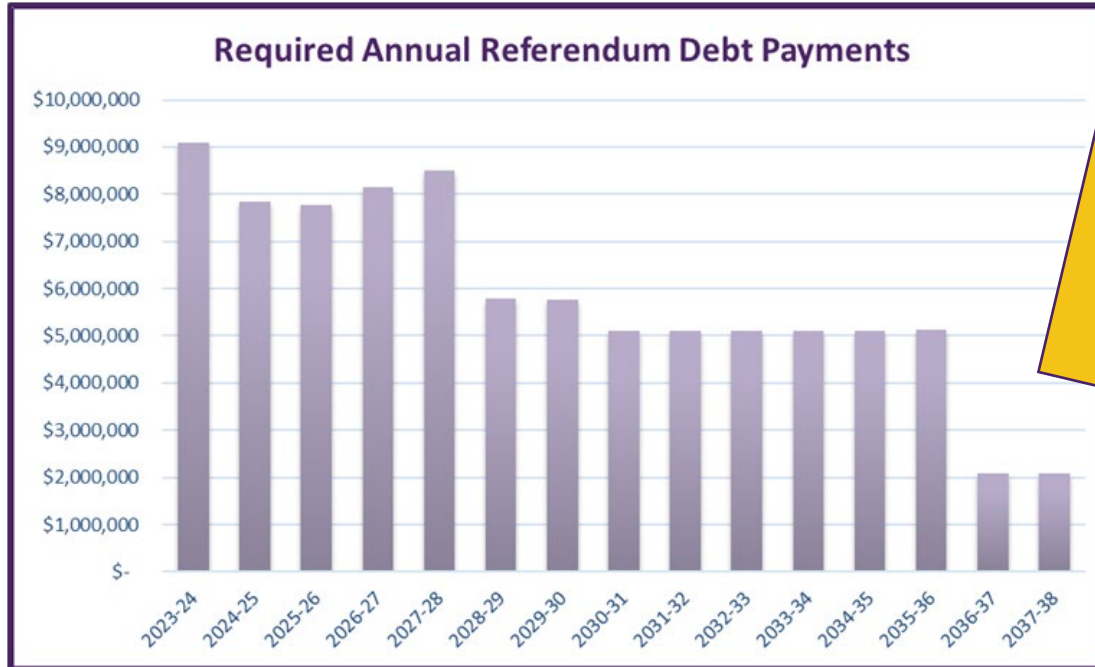
Special Education Fund – Fund 27

- Local funding to support the District’s Special Education program is the 3rd largest expenditure in Fund 10 (behind salaries and benefits) – estimated to be \$7M.
- State and Federal assistance contributes about 41% of Special Education funding.
- With an \$11.9M budget, the ratio of Special Education to Regular Education expenditures is 15.8%, typical for OASD and for Wisconsin school districts.





Referendum Debt Service– Fund 39



The 2nd borrowing phase for the April 2023 referendum will be included in this schedule when funds are borrowed in the fall of 2024.

Outstanding Debt as of June 30, 2024, will be \$63,705,000

- 2007 **\$49.6M** Referendum: Nature Hill and Silver Lake Intermediate Schools, Gale Douglas Fieldhouse, Oconomowoc Arts Center – **Only \$4.5M outstanding after \$8.5M early pay-off**
- 2016 **\$54.9M** Referendum: new Meadow View Elementary, Ixonia Elementary expansion and renovation, infrastructure updates to Greenland and Park Lawn Elementary schools, OHS CTE renovations, Oconomowoc High School East Campus
- 2023 **\$38.65M** Referendum: expand Ixonia Elementary and update OHS HVAC system – **Debt schedule includes the first phase of borrowing (\$15M) to be paid off in 7 years versus the 20 years allowed.**
- Debt payments are a separate tax levy and are structured to ‘step-down’ to provide future flexibility
- Defeasance and refinancing opportunities continue to be explored



All Other Funds – Summary

Refer to Budget Proposal Report for more information

- Fund 46: Long-term Capital Improvement Trust Fund –
 - No budget
 - Flexible tool for year-end savings
 - Current Fund Balance of \$11.3M as of April 2024

- Fund 50: Food Service Fund –
 - \$2.4M operating budget
 - Self-sustaining fund - does not compete with instructional spending in Fund 10

- Fund 73: Employee Benefits HRA Trust Fund –
 - The District has fully funded its retiree HRA obligations through creation of this fund
 - Fund Balance of \$900,862 as of June 30, 2023

- Fund 80: Community Service Fund –
 - Supports community use of OASD facilities when school is not in session
 - 2024-25 budget remains \$929,035
 - Supports utility costs for buildings use outside the school day/week
 - Provides for 2 School Resource Officers to enhance school safety, security, and foster positive relationships to help ensure the well-being of students and staff

Property Tax Forecast

Property Tax Levy and Mill Rate

Factors Impacting the Property Tax Forecast

Decrease in '3-year-rolling-average' student enrollment

\$325 per student increase in Revenue Limit Authority

15% decrease in Equalization Aid

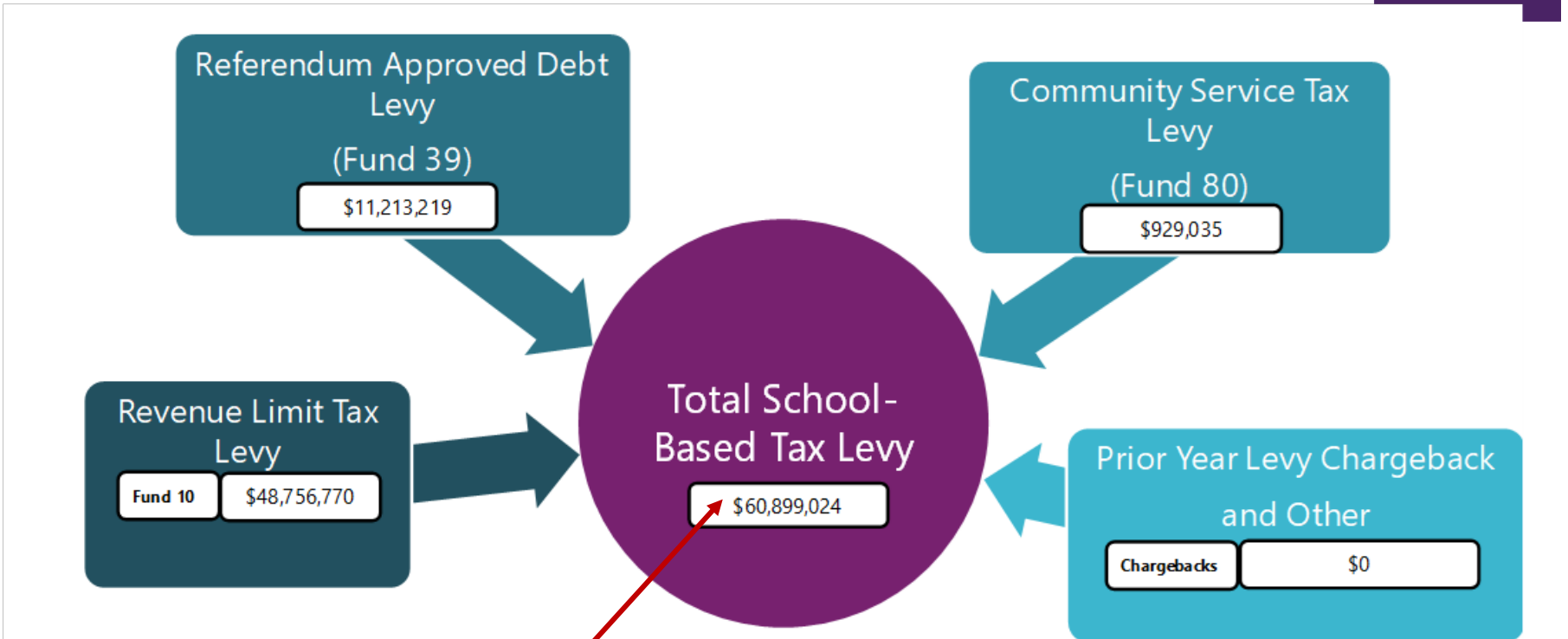
4% growth in equalized property values reflective of community economic development

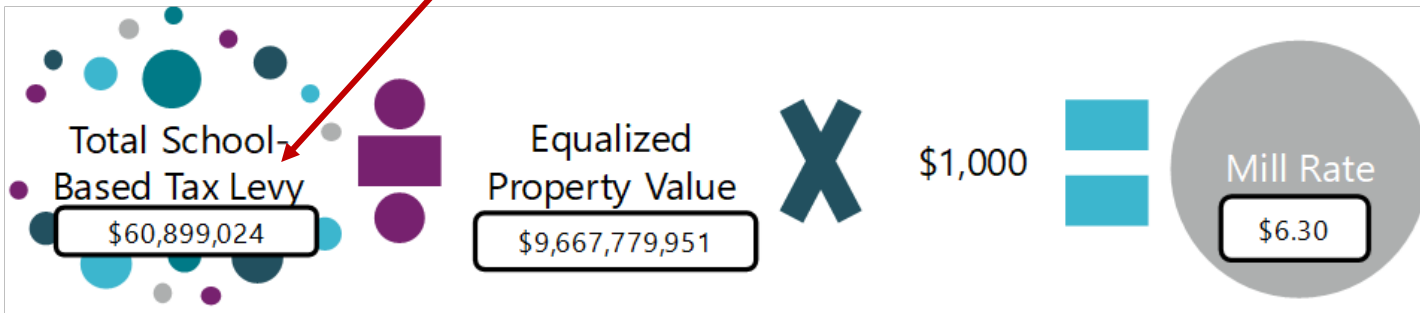
Consistent Community Service Fund Levy of \$929,035 to support utility costs and 2 School Resource Officers

Consistent Debt Service Levy compared with 2023-24

Budget proposal estimates \$2.2M of debt service for the 2nd borrowing phase of the 2023 referendum.

Property Tax Levy and Mill Rate Calculations



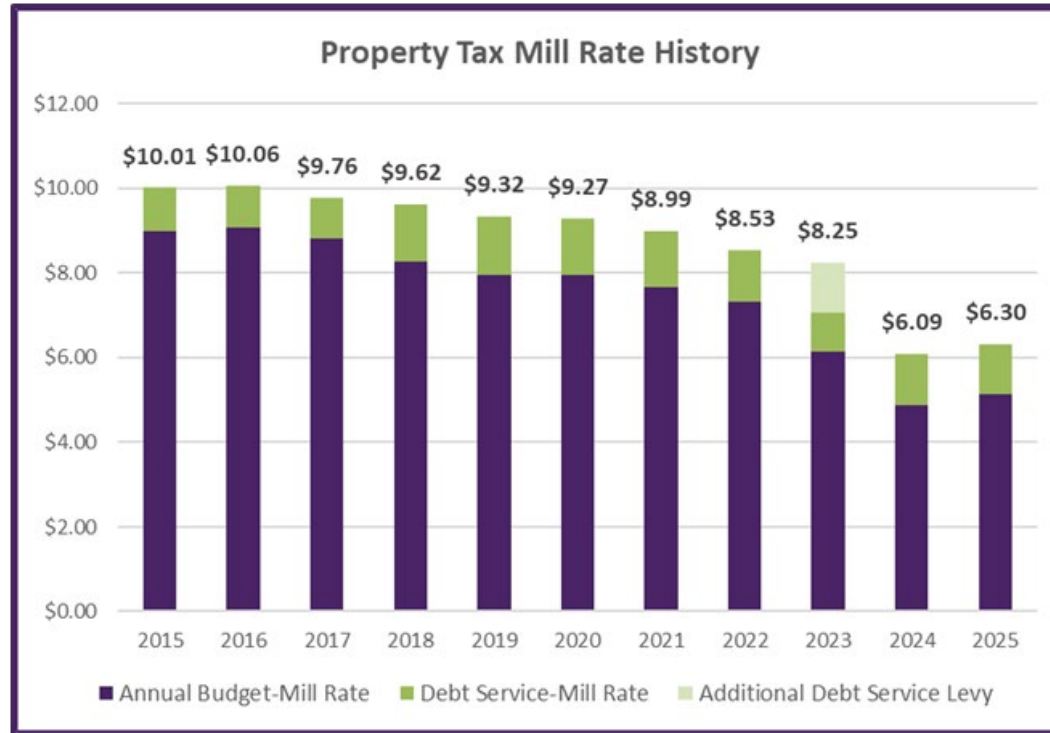


The calculation diagram shows the following steps:

- Total School-Based Tax Levy:** \$60,899,024
- Equalized Property Value:** \$9,667,779,951
- Operation:** \times (multiplication) followed by \div (division) by \$1,000
- Result:** Mill Rate \$6.30

Mill Rate Trend

Projected 2024-25 mill rate **\$6.30** remains below the 2011 rate - over a decade ago



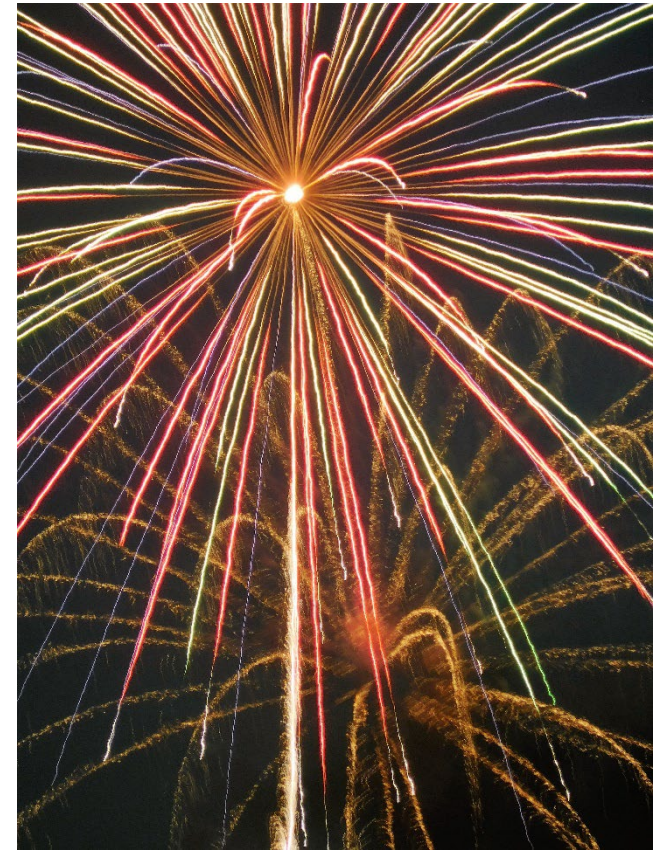
- Tax levy **increases**: 7.64%
- Equalized property values **increase**: 4%
- Mill rate **increases**: 3.5%

Impact on Property Tax Bills

Impact on Property Taxes for various home values:



Home Value	Equalized Tax Rate per \$1000		Change from 2023-24
	Actual 2023-24 \$6.09	Budget 2024-25 \$6.30	
\$250,000	\$ 1,522.50	\$ 1,575.00	\$ 52.50
\$350,000	\$ 2,131.50	\$ 2,205.00	\$ 73.50
\$600,000	\$ 3,654.00	\$ 3,780.00	\$ 126.00
\$1,000,000	\$ 6,090.00	\$ 6,300.00	\$ 210.00



Conclusion And Time for Questions

Conclusion



- ❑ The 2024-25 Budget Proposal supports our initiatives while keeping a focus on our long-term financial strength.
- ❑ The staffing plan was carefully evaluated to support prioritized work.
- ❑ Strategic priorities identified by the Board and Administrative Team are supported.
- ❑ Budgets for transportation, utilities, computer device leases, and other non-personnel expenditures were reviewed and updated to reflect negotiated contracts, historic utilization, and consumption expectations.
- ❑ **Creativity and Flexibility were used to provide a balanced budget:**
 - FTE reductions aligned with declining enrollment resulted \$500,000 of savings
 - Non-personnel budgets were reduced or eliminated generating \$940,000 of savings
 - Capital project and pension plan expenditures were accelerated into 2023-24 freeing up \$500,000
 - Accumulated balance sheet reserves were reversed providing \$560,000 of expenditure offsets
 - ESSER III funds (\$600,000) were held to pay for expenditures through September 30
- ❑ The final 2024-25 budget is approved by the Board in October 2024, incorporating all changes that have occurred.

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EMPOWERING A COMMUNITY OF LEARNERS AND LEADERS

QUESTIONS?