



Madison Metropolitan School District

Current Fiscal Situation

July 28, 2008

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Wisconsin Constitution Guarantees:

“Wisconsin students have a fundamental right to an equal opportunity for a sound basic education...one that will equip students for their roles as citizens and enable them to succeed economically and personally.”

**Wisconsin Supreme Court:
Vincent vs. Voight 2000**

Why is there a problem?

- **Every School District in the State of Wisconsin is dealing with the negative impact of revenue controls**
- **Many of the top 10 School Districts in terms of enrollment are either reducing programs for 2008-09 or receiving increased revenue authority**
- **Some examples:**
 - **Waukesha School District \$2.6 Million Program and Service Reductions**
 - **Green Bay School District \$6.5 Million in Program and Service Reductions**
 - **Oshkosh Area School District \$1.4 Million in Program and Service Reductions**
 - **Wausau School District \$1.6 Million in Program and Service Reductions**
 - **Eau Claire Area School District \$8.87 Million in Program and Service Reductions**
 - **Racine Unified School District \$4.3 Million of increased revenue authority**
- **Overall negative impact of imposed legislation since 1993**

Revenue Limits & Qualified Economic Offer (QEO)

Revenue Limits

- **State imposed mechanism since 1993 that controls the amount of money collected through State Aid and Local Property Taxes**
- **Every Wisconsin School District was frozen in 1993 at their current per pupil spending amount**
- **Every year that per pupil amount is increased by an allowable per member increase (\$194.37 in 1994 and \$264.12 in 2008)**
 - **Average Increase of 2.22% per year since 1993**
- **That amount is then multiplied by the district's three year average membership to provide maximum allowable revenue through State Aid and Local Property Taxes**

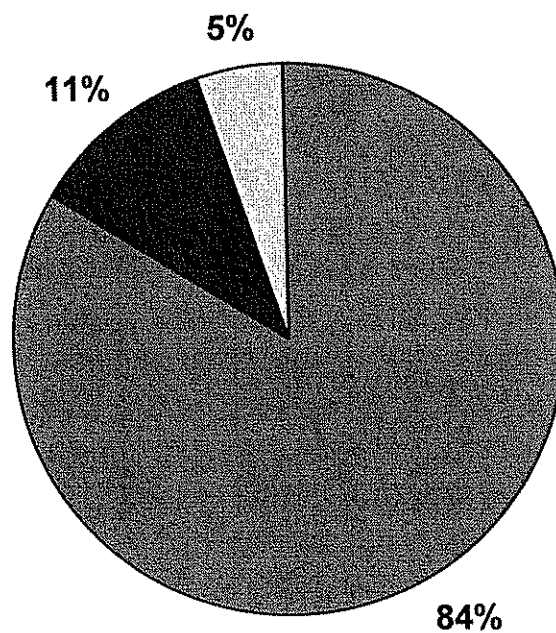
Qualified Economic Offer (QEO)

- **State imposed mechanism since 1993 that sets a minimum 3.80% total package settlement to avoid binding arbitration**
- **Total package is a blend of Salary Increases and Benefit Increases**
- **Since 1993 Madison Metropolitan School District has averaged 4.0% total package settlements**

Budget Breakdown

Budget by Object

■ Salaries & Fringe Benefits ■ Fixed Costs □ Balance of Budget

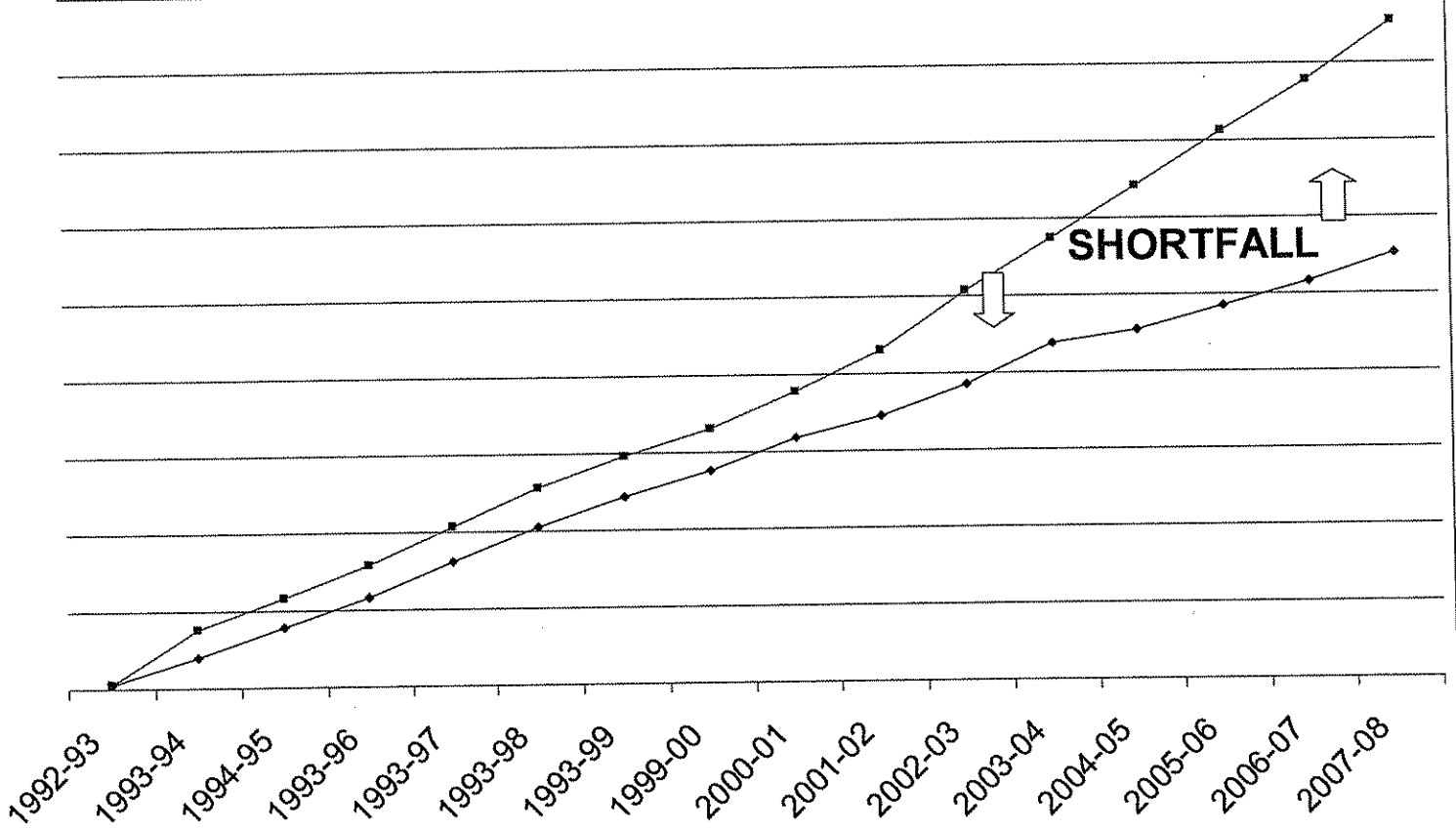


- **Fixed Costs include: Utilities, Student Transportation, Maintenance, Debt Service, District Insurance's, etc.**
- **Balance of Budget includes: Supplies, Materials, Equipment, Professional Development, etc.**

Revenue Cap Gap History

Why Is There A Problem?

◆ Revenue Limit Increase ◆ Expenditure Increase



What has been done?

- **Proactive financial management decisions continue to delay many major program effects**
- **Reduction of over \$60.0 million dollars in programs and services**
 - **1993-98 total reductions of \$10,206,932**
 - **1998-03 total reductions of \$14,219,985**
 - **2003-08 total reductions of \$35,926,466**
- **Referendum authority for Maintenance of facilities 2000-05 totaling \$19,933,000**
- **Referendum authority of \$12.3 million for 2003-04, levied \$3,316,403 in 2003-04**
- **Referendum authority for Maintenance of Facilities 2005-10 totaling \$26,197,000**
- **Efficiencies Created:**
 - **Energy Conservation savings of \$2 million annually**
 - **Lawson Implementation of \$4.5 million**
 - **Transportation savings of over \$600,000 annually**
 - **\$250,000 from private school partnership**
 - **\$350,000 from manipulation of bell times**
- **Use of TIF monies to pay off district debt early**
- **Changed health insurance plans from PPO to HMO plans retaining 15% of total savings**
- **Annually review Fund 80 as part of budget approval process**

The MMSD Picture for 2009-10

- **One year reprieve from budget reductions due to TIF District completion**
- **Reduction amount projected to be \$8.2 million for the 2009-10 School Year**

What is next?

- **Continue proactive financial management, continually creating efficiencies**
- **Continue with annual budget reductions**
- **Generate additional revenue**
 - **Increase Revenue (ie. Student Fees)**
 - **Referendum**
- **Continue to work with major state education groups to reform the school funding system in Wisconsin**