

# 2020-21 Preliminary Budget

Fiscal Year Ending June 30, 2021

## INDEPENDENT SCHOOL DISTRICT 196

Rosemount-Apple Valley-Eagan Public Schools  
Dakota County • Rosemount, Minnesota 55068

[www.district196.org](http://www.district196.org)



*Educating  
our students  
to reach their  
full potential*



**DISTRICT196**  
One District. Infinite Possibilities.

Rosemount  
Apple Valley  
Eagan  
Public Schools

# Table of Contents

	<u>Page</u>
Table of Contents	3
Letter of Transmittal	6
District Map	9
Meritorious Budget Award	10
 <b>EXECUTIVE SUMMARY</b>	
The District	13
District Students	14
The School Board and Administration	15
District Staff	16
District Strategies and Goals	17
The Budget	
The Budget Process and Timelines	18
District Budget – Summary of All Funds	19
All Funds - Revenue Summary	20
All Funds - Expenditure Summary	21
General Fund - Revenues by Source	22
General Fund - Expenditures by Object	23
General Fund - Expenditures by Program	24
Property Taxes	25
Achievement and Initiatives	26
Frequently Asked Questions (FAQs) and Contact Information	27
 <b>ORGANIZATIONAL SECTION</b>	
Note 1 - District Overview	31
Note 2 – Governance	33
Note 3 - District Mission and Strategic Plan	36
Note 4 - Significant Budget and Financial Items	37
Note 5 - School Funding	43
Note 6 - Budget Development Process	56
Note 7 - Budget Allocations	60
Appendix A – Budget Policies, Administrative Regulations and Procedures	69
 <b>FINANCIAL SECTION</b>	
<b>Level One - Summary of All Funds</b>	81
<b>Level Two - Summary of All Operating Funds</b>	
General Fund – All Sub Accounts	82
Special Revenue Funds	
Special Revenue Funds - All Sub-Accounts Combined	85
Special Revenue Funds - Food Service Fund	86
Special Revenue Funds - Community Service Fund	88
<b>Level Three - Summary of Individual Funds</b>	
Capital Projects - Building Construction Fund	90
Debt Service Funds	
Debt Service Funds - All Sub-Accounts Combined	91
Debt Service Funds - Regular Debt Service	92
Debt Service Funds – Other Post-Employment Benefits (OPEB) Debt Service	93
Proprietary Funds	
Proprietary Funds - Internal Service Funds	94

## Table of Contents (continued)

	<u>Page</u>
Fiduciary Funds	
Fiduciary Funds - Agency Fund	96
Fiduciary Funds - Trust Fund	97
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b>Level Four - Summary by Schools</b>	
Cedar Park Elementary Science, Technology, Engineering and Math (STEM) School	100
Deerwood Elementary School	101
Diamond Path Elementary School of International Studies	102
East Lake Elementary School	103
Echo Park Elementary School of Leadership, Engineering and Technology	104
Glacier Hills Elementary School of Arts and Science	105
Greenleaf Elementary School	106
Highland Elementary School	107
Northview Elementary School	108
Oak Ridge Elementary School of Leadership, Environmental and Health Studies	109
Parkview Elementary School	110
Pinewood Elementary School	111
Red Pine Elementary School	112
Rosemount Elementary School	113
Shannon Park Elementary School	114
Southview Elementary School	115
Thomas Lake Elementary School	116
Westview Elementary School	117
Woodland Elementary School	118
Black Hawk Middle School	119
Dakota Hills Middle School	120
Falcon Ridge Middle School	121
Rosemount Middle School	122
Scott Highlands Middle School	123
Valley Middle School of STEM	124
Apple Valley High School	125
Eagan High School	126
Eastview High School	127
Rosemount High School	128
School of Environmental Studies	129
Area Learning Center	130



## Table of Contents (continued)

	<u>Page</u>
<b>INFORMATIONAL SECTION</b>	
Student	
Enrollment by Grade by Year	133
Enrollment by School by Year	134
Enrollment by School by Grade	135
Average Daily Membership (ADM)	136
Department and Operating Indicators	
Assessment and Student Achievement	137
Food and Nutrition Services Data	138
Employees by Full-Time Equivalent (FTE)	139
School Facilities	140
Demographic and Economic Data	141
Property Taxes	
Taxable Market Value of Properties	142
Property Tax Capacity and Estimated Market Value of Property	143
Property Tax Information/Valuation Data	144
Tax Revenues	145
Tax Rates	146
Outstanding Debt	
Long-Term Debt – Minimum Future Payments Summary	147
Long-Term Debt Obligations	148
Legal Debt Margin Information	149
Long-Term Debt - Minimum Future Payments – General Obligation Bonds	150
Long-Term Debt - Minimum Future Payments – Capital Leases	152
Long-Term Debt - Minimum Future Payments – Certificates of Participation	154
Financial Statistics	
Funds Balances of Governmental Funds	155
Changes in Fund Balances of Governmental Funds, Actual	156
Glossary of Terms and Acronyms	157

June 22, 2020

To the School Board, Citizens, and Employees of Independent School District 196

## INTRODUCTION

Pursuant to the Minnesota Statute 123B.77, the finance department is pleased to submit the district's 2019-20 Preliminary Budget for review and approval.

This budget has been developed with considerable input from the School Board, the district's Budget Advisory Council, members of the superintendent's cabinet and the district's administrative leaders. It was prepared in accordance with the budget planning guidelines reviewed by the district's Budget Advisory Council and School Board in January and February 2020. It was also reviewed by the School Board at its regular meeting on June 8, 2020. This budget seeks to continue to support the district's mission of "*Educating our students to reach their full potential*," and limit expenditures and taxpayer burden to a minimum.

This budget book has been designed to give readers a better understanding of the financial structure and budgeting process of the district. The book has been organized using a pyramid approach so readers may progress from an overview to greater levels of detail. The pyramid approach begins with a summary of all fund categories and then presents individual funds. Readers are able to work their way down the pyramid and budget details become more specific as readers move from the beginning to the end of the document.

## REPORT FORMAT

This budget book format is based on the requirements of the Association of School Business Officials International's (ASBO'S) Meritorious Budget Award (MBA) program. The MBA program sets minimum standards for the presentation and issuance of school budgets in the United States and Canada. It is also used for selection of the best budget documents to receive the MBA. The district received the ASBO Meritorious Budget Award for the last five fiscal years' budget book presentations.

This budget document is presented in four sections:

The **Executive Summary** section is an executive summary of the remaining three sections described below.

The **Organizational** section provides an explanation of the district's legal autonomy, governance structure, mission and goals. In addition, the organizational section discusses the policies, assumptions and procedures used in developing the budget.

The **Financial** section is organized into four levels, using a pyramid approach to provide further detail in each level. The four levels are as follows:

- Level One – Summary of All Funds
- Level Two – Summary of General Fund
- Level Three – Summary of Individual Funds
- Level Four – Summary of Individual Schools/Sites

The **Informational** section provides selected financial, demographic and economic data on a multi-year comparative basis as well as a glossary to assist the reader with school finance terms and acronyms used in this document



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Serving all or part of Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights, Lakeville, and Empire and Vermillion Townships

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## REPORTING ENTITY AND ITS SERVICES

The school district was incorporated in 1950 and serves nine suburban communities within Dakota County, located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The district provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12.

## FINANCIAL AND BUDGETARY CONTROL

The district's administration is responsible for establishing and maintaining internal controls designed to ensure its assets are protected from misuse or loss.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by management.

The district's budget process is based on development of a budget projection model that attempts to project available resources and expenditures over a multi-year period. The budget projection is used by the School Board and the administration to determine budget parameters, including staffing guidelines. This budget has been prepared in accordance with the budget parameters and personnel staffing guidelines approved by the School Board on February 10, 2020.

Legal budgetary control is at the fund level; however, directors, principals, coordinators and other budget managers are responsible for monitoring their budget centers within each of the funds. All appropriations lapse at year-end.

## DISTRICT MISSION AND STRATEGIC PLAN

**Mission:** *Educating our students to reach their full potential*

### Belief Statements:

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful and inclusive environment
- A well-rounded education includes opportunities in academics, the arts and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college or career ready
- An informed and engaged community guides effective decision-making

### Strategies and Goals:

- **Strategy One – Teaching and Learning**
  - Deliver a high-quality instructional program that anticipates and meets the needs of all learners.
- **Strategy Two – Early Learning**
  - Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to grade 3) services to meet the needs of all students.
- **Strategy Three – Educational Equity**
  - Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs.
- **Strategy Four – Partnerships**
  - Develop and implement sustainable strategies to increase collaboration between the district and community partners.

## FISCAL SUMMARY

The following is a summary listing of the budget for each of the fund groups contained in the 2020-21 Preliminary Budget:

	Projected Fund Balance 7/1/2020	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance 6/30/2021
General Fund	52,640,353	410,075,728	407,731,814	(87,145)	54,897,122
Special Revenue Funds	6,827,115	22,063,711	22,126,858	87,145	6,851,113
Building Construction Fund	10,627,686	8,920,000	6,000,000	-	13,547,686
Debt Service Funds	2,378,208	17,846,867	17,064,920	-	3,160,155
Internal Service Funds	4,922,820	55,542,000	59,739,999	-	724,821
Fiduciary Funds	54,851,573	4,454,000	6,150,000	-	53,155,573
	132,247,755	518,902,306	518,813,591	-	132,336,470

## FINANCIAL PROSPECTS FOR FUTURE YEARS

With the exception of the voter-approved excess operating levy and building bond referendum, the district is dependent on the state of Minnesota for the majority of its general operating revenue. Funding for operations from the state come in the form of the general education funding formula, special education and other categorical funds.

State general education aid is distributed on a per pupil unit basis, with the formula allowance of \$6,567 for the 2020-21 school year, established at the beginning of the 2019-21 biennium. Increases to the basic general education formula allowance have been at 2 percent per year over the past seven years. This is marked improvement from the previous five years, which averaged 0.70 percent growth, much below the rate of inflation.

Like other school districts across the state, District 196 continues to grapple with the effects of inadequate funding for special education services. The district anticipates a variance near \$25 million between special education revenues and expenditures for the upcoming fiscal year. This annual imbalance puts strains on the district's resources as it provides government-mandated services to meet needs, growing both in volume and complexity, without a corresponding increase in revenues. The financial strain created by the negative economic impact of the Covid-19 pandemic, while unclear, continue to be assessed.

The district is committed to engaging staff and community members in budget discussions and in consideration of other options for increasing revenues and containing expenditure growth.

## ACKNOWLEDGEMENTS

This budget document requires many hours of preparation, deliberation and review on the part of the School Board, Budget Advisory Council members, superintendent, budget managers and members of the Finance Department. Many thanks go to all involved for their efforts in preparing this important budget document.

Respectfully,



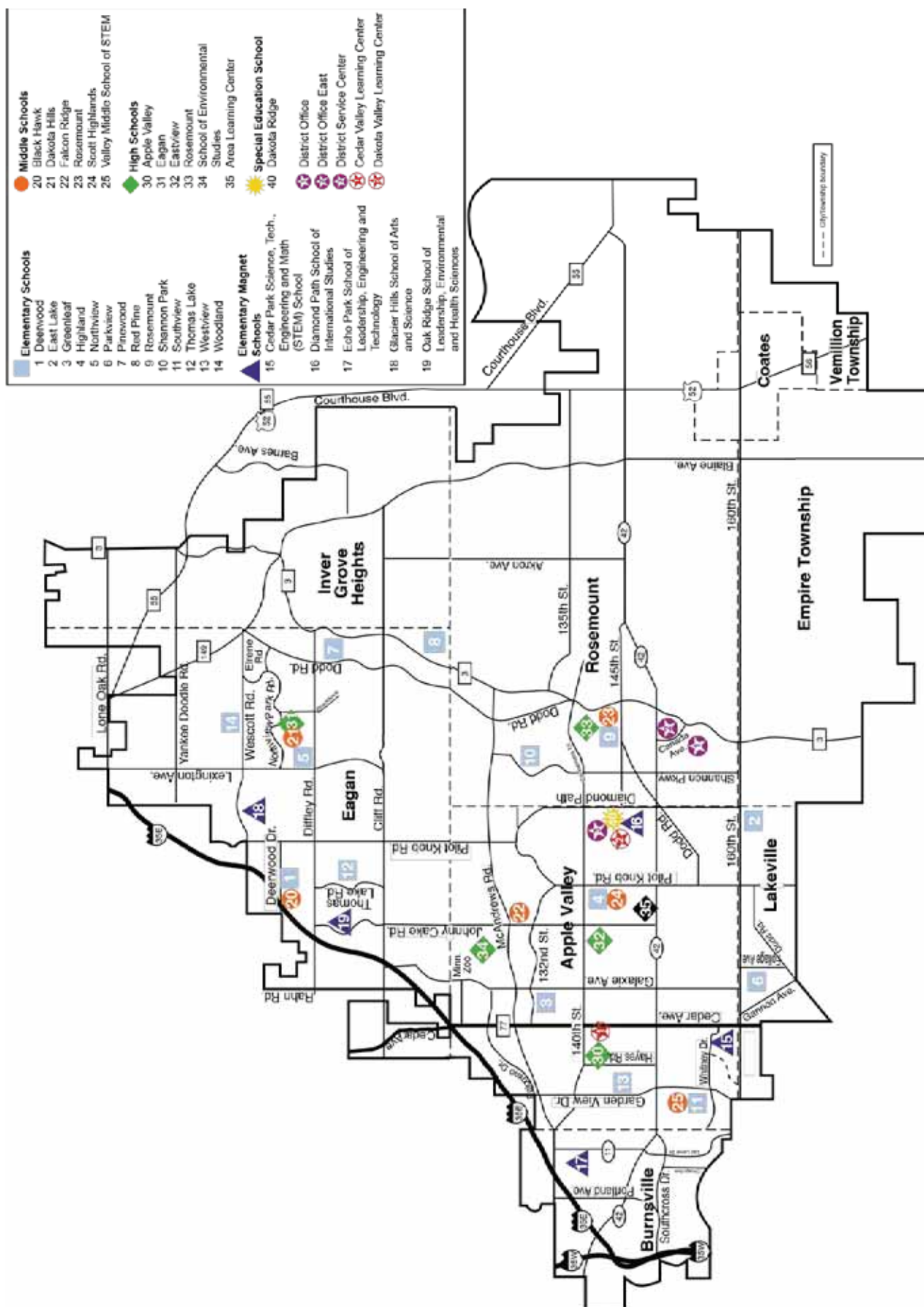
**Mark D. Stotts**  
Director of Finance and Operations



**Christopher Onyango-Robshaw**  
Coordinator of Finance



**Danny DuChene**  
Manager of Financial Systems,  
Reporting & Compliance





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to

# INDEPENDENT SCHOOL DISTRICT 196 - ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2019–2020.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



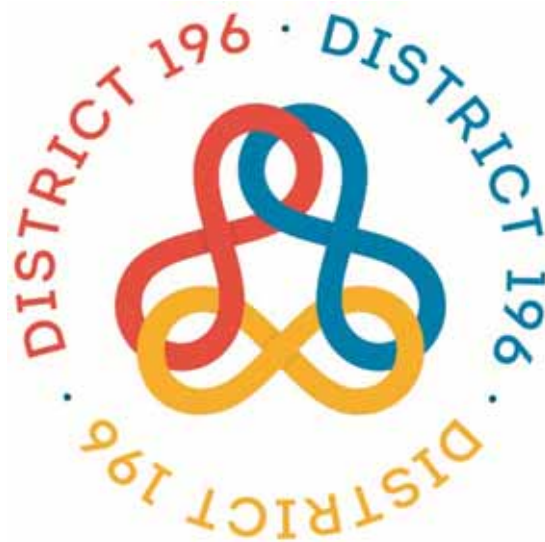
A handwritten signature in black ink, reading 'T E Wohlleber'.

Thomas E. Wohlleber, CSRM  
President

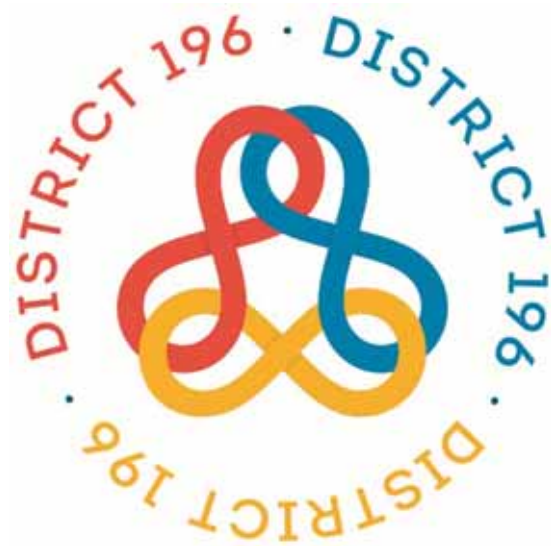
A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

# Executive Summary







District 196 is a public school district in Dakota County, Minnesota serving approximately 29,226 students in early childhood programs through grade 12 and a Transitions Plus program serving young adults with disabilities ages 18-21. The mostly suburban district covers 110 square miles in Dakota County and serves all or parts of the cities of Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights and Lakeville, and Empire and Vermillion townships. Total district population is approximately 157,000.



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**District Map (2020-21)**

**Elementary Schools**

- Deerwood
- East Lake
- Greenleaf
- Highland
- Northview
- Parview
- Pinewood
- Red Pine
- Rosemount
- Shannon Park
- Southview
- Thomas Lake
- Westview
- Woodland

**Elementary Magnet Schools**

- Cedar Park Science, Tech., Engineering and Math (STEM) School
- Diamond Path School of International Studies
- Echo Park School of Leadership, Engineering and Technology
- Glacier Hills School of Arts and Science
- Oak Ridge School of Leadership, Environmental and Health Sciences

**Middle Schools**

- Black Hawk
- Dakota Hills
- Falcon Ridge
- Rosemount
- Scott Highlands
- Valley Middle School of STEM

**High Schools**

- Apple Valley
- Eagan
- Eastview
- Rosemount
- School of Environmental Studies
- Area Learning Center

**Special Education School**

- Dakota Ridge

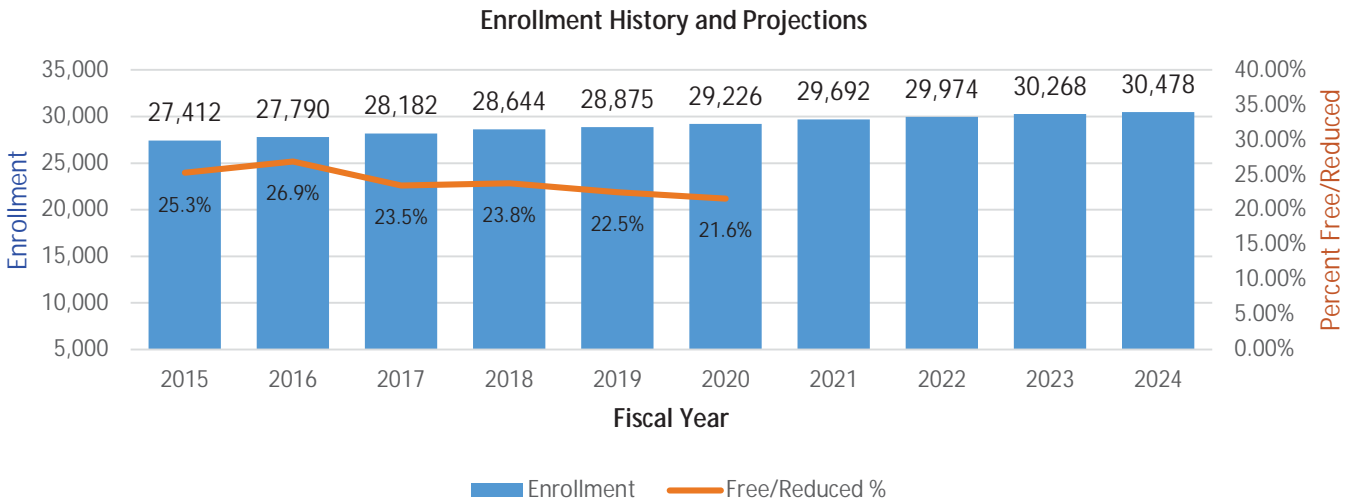
**Other Locations**

- District Office
- District Office East
- District Service Center
- Cedar Valley Learning Center
- Dakota Valley Learning Center

**Map Labels:** Burnsville, Apple Valley, Eagan, Inver Grove Heights, Rosemount, Lakeville, Coates, Vermillion, Empire Township, Burnsville, Apple Valley, Eagan, Inver Grove Heights, Rosemount, Lakeville, Coates, Vermillion, Empire Township.

District Students

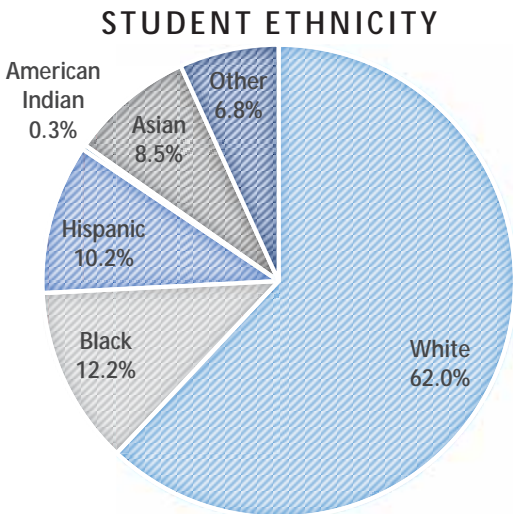
With an enrollment of 29,226 students in 2020, District 196 is the fourth largest public school district in the state of Minnesota. The district’s enrollment has steadily increased over the last five years, with changes of less than 1 percent year to year. The district projects modest enrollment increases near 1.0 percent annually. The graph below shows the district’s actual October 1 enrollment for the years ended June 30, 2015 through 2020, as well as projected October 1 enrollment for the years ended June 30, 2021 through 2024. Free/reduced lunch percentages shown below are also based on October 1 enrollment information of the respective school year.



The table to the right and the pie chart below show the ethnicity of District 196 students as of October 1, 2019. White students (62.0 percent) comprise the majority of the students. The percentages of Black, Hispanic, and Asian students have remained relatively consistent over the last few years. The decrease in American Indian students is attributed to the changes in reporting outlined below the table. Over 6.8 percent of students identified with multiple ethnic backgrounds.

Percent of Students by Ethnicity (1)							
Year	White	Black	Hispanic	American			Total %
				Indian	Asian	Multi	
2013	74.0%	10.0%	6.0%	1.0%	9.0%	N/A	100.0%
2014	72.0%	11.0%	7.0%	1.0%	9.0%	N/A	100.0%
2015	70.0%	12.0%	8.0%	1.0%	9.0%	N/A	100.0%
2016	68.0%	13.0%	8.0%	1.0%	10.0%	N/A	100.0%
2017	71.0%	11.0%	9.0%	1.0%	8.0%	N/A	100.0%
2018	70.0%	11.0%	9.0%	1.0%	9.0%	N/A	100.0%
2019	63.0%	12.0%	9.8%	0.3%	8.4%	6.5%	100.0%
2020	62.0%	12.2%	10.2%	0.3%	8.5%	6.8%	100.0%

(1) Beginning in the 2018-19 school year, the Minnesota Department of Education altered the way in which students identify ethnicity, adding in the “multi” and “pacific islander” categories to align with federal demographic reporting standards. As a result, the data in the table above and pie chart below is presented to reflect these changes.



The district’s growing student population has a variety of educational needs, including English Learner (EL) and special education services. With over 100 languages represented throughout the district, EL programs ensure students new to the English language have equal access to a high-quality education. Many of these students come from households where English is not the primary language. In 2013, 1,122 (4.2 percent) of the district’s students qualified for EL programming. In 2019-20, the number eligible for EL services has almost doubled to approximately 1,890 (6.4 percent). Providing high quality and effective special education services remains a focal point for the district. In 2019-20, approximately 5,600 students qualified to receive special education services as part of an individualized education plan (IEP), compared to 4,168 who qualified for special education services in 2013.

## The School Board

The School Board is the governing body of the district, responsible for developing policy to ensure the proper care, management and control of district affairs, and supporting the mission of *educating our students to reach their full potential*. The board approves staff hiring, sets the annual local school levy, approves expenditures and educational programs (curriculum), and otherwise ensures the availability of proper facilities and equipment to support delivering the district's services.

The seven School Board members are elected at large in odd-numbered years and serve four-year terms. The board typically holds regular meetings on the second and fourth Monday of each month, as well as special meetings and public hearings, as needed. The public is invited to attend board meetings and may address the board during the open forum and special communication portions of the meeting, as well as items on the agenda.

The superintendent is appointed by and is responsible to the School Board, and is the sole official representative of the district.



**Jackie Magnuson**  
Chairperson



**Joel Albright**  
Vice Chairperson



**Sachin Isaacs**  
Clerk



**Art Coulson**  
Treasurer



**Craig Angrimson**  
Director



**Cory Johnson**  
Director



**Mike Roseen**  
Director



**Mary Kreger**  
Superintendent

## District Administration

The superintendent's administrative cabinet provides leadership to facilitate the successful operations of district programs, activities and services within the parameters of School Board policy.



**Michael Bolsoni**  
Director of Secondary Education



**Khia Brown**  
Director of Community Education



**Jill Coyle**  
School District Attorney



**Janet Fimmen**  
Director of Special Education



**Tom Pederstuen**  
Director of Human Resources



**Sally Soliday**  
Director of Elementary Education



**Mark Stotts**  
Director of Finance and Operations



**Tony Taschner**  
Director of Communications

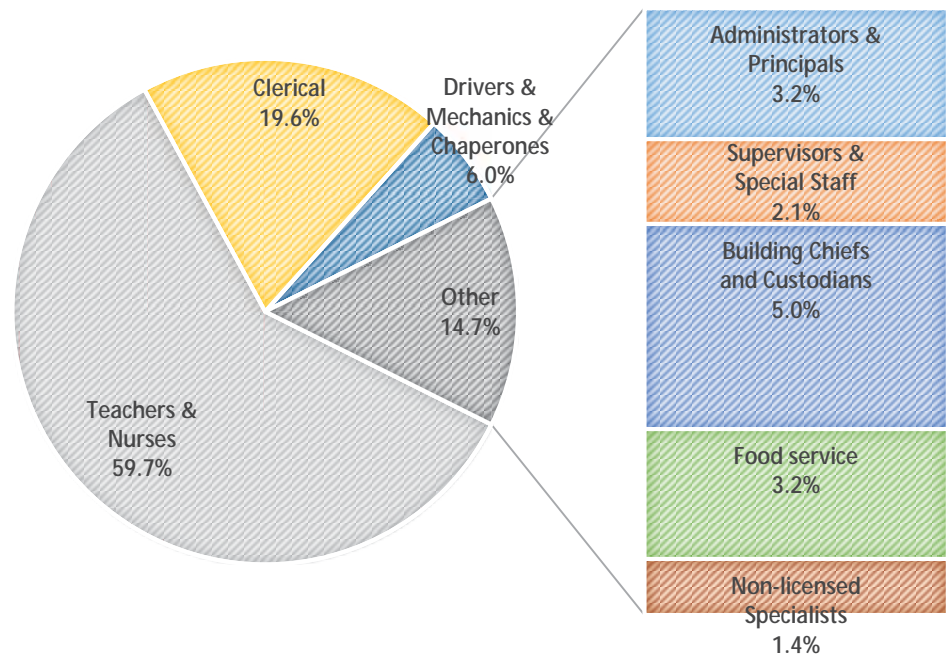


**Steve Troen**  
Director of Teaching and Learning

## District Staff

The district employs approximately 4,000 staff filling over 3,700 full-time equivalent (FTE) positions. The majority are teachers and classified staff who provide instructional support in the classroom. The pie chart to the right shows the percentage of FTE staff employed by the district, by category. Almost all district employees are organized under one of the nine collective bargaining agreements (CBAs) in effect between the groups and the district. The nine CBAs currently in effect are: teachers, principals, secretarial and clerical, building chiefs, custodial, cultural family advocates, food service, bus drivers and vehicle technicians. The remaining employees, primarily district office directors, coordinators and administrators, work under a special staff contract which is not collectively bargained.

FULL-TIME EQUIVALENT EMPLOYEES BY GROUP



The table below shows the history of FTEs by employee group. Over the past 5 years, staffing has increased along with the increase in student enrollment over the last several years. The total number of staffing FTEs projected for the 2020-21 school year is based on projected October 1, 2020 student enrollment and School Board approved staffing guidelines and ratios, which include additions based on the operating levy passed by voters in November 2019. The table below does not include coaching assignments and other ancillary assignments with staffing costs reflected in the financial tables.

Employee Group	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget
District Administrators	39.00	39.35	38.20	41.87	44.50	41.88
Principals/Assistant Principals	44.84	44.34	45.34	45.36	45.86	48.00
Special Staff	59.37	65.92	69.53	73.92	75.25	76.80
Other Non-Licensed Staff	47.11	48.39	51.45	54.04	50.71	50.72
Assistant Administrators	21.20	22.99	23.93	25.36	24.77	25.48
Deans	3.39	2.00	2.00	2.00	3.00	3.51
Teachers	1,985.35	2,031.47	2,062.07	2,066.75	2,070.69	2,197.71
Nurses	30.51	30.51	32.91	31.45	33.39	31.47
Secretarial/Clerical	641.79	647.18	682.98	673.68	709.11	730.38
Building Chiefs	32.00	32.00	33.00	33.00	35.00	33.00
Custodians	148.50	149.50	149.50	152.50	153.83	153.10
Food Service	101.06	100.86	112.26	114.28	103.07	117.86
Bus Drivers and Chaperones	184.75	175.75	183.00	200.50	223.57	215.00
Vehicle Technicians	8.00	8.00	9.00	8.00	9.00	9.00
	<b>3,346.87</b>	<b>3,398.26</b>	<b>3,495.17</b>	<b>3,522.72</b>	<b>3,581.75</b>	<b>3,733.90</b>

The final staffing FTEs for the 2020-21 school year will be recalculated this fall, using actual October 1, 2020 student enrollment. School staffing information and parameters can be found on page 60 in Note 7 – Budget Allocations within the Organizational Section.



## District Strategies and Goals

The district's beliefs and strategies were developed by a 60-member task force of parents, staff, School Board members and leaders from the local business, civic and faith communities. Task force members first attended informational meetings to establish a shared base of knowledge about the district, then facilitator-led planning meetings to develop the belief statements and strategies and goals that were approved by the School Board.

### BELIEF STATEMENTS

#### We believe...

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful and inclusive environment
- A well-rounded education includes opportunities in academics, the arts and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college or career ready
- An informed and engaged community guides effective decision-making

### Strategy #1: TEACHING & LEARNING

#### Deliver a high-quality instructional program that anticipates and meets the needs of all learners

- Identify and implement essential learning in all content areas for early childhood through grade 12 (E-12) which will be clearly aligned, viable, relevant, rigorous, and understood by staff, students, and parents
- Identify and implement effective and engaging instructional strategies that are connected to a rigorous curriculum to maximize learning for all students
- Support learning for all students and guide instruction by designing and implementing a balanced assessment program which is both summative and formative
- Develop a systematic process of intervention and enrichment in all schools within a District 196 Response to Intervention framework, ensuring every student receives the time and support needed to master or exceed essential learning
- Continue to ensure high-quality teachers through differentiated professional development, effective evaluation and support that promotes collaboration, continuous learning, research-based instructional practices and growth in student achievement

### Strategy #2: EARLY LEARNING

#### Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to grade 3) services to meet the needs of all students

- Coordinate and align educational experiences between early childhood services (birth to kindergarten) and elementary schools (kindergarten to grade 3)
- Offer a continuum of high-quality, culturally responsive, early learning services to meet all students' needs
- Investigate and develop strategies for outreach, community engagement and collaboration

### Strategy #3: EDUCATIONAL EQUITY

#### Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs

- Increase cultural proficiency across the district
- Increase access and participation for all students in co-curricular activities and learning opportunities
- Ensure access and increase participation in programs that prepare students for college
- Develop a systemic process to recruit and retain diverse and culturally proficient staff to reflect the diversity of the student population
- Distribute resources for schools based on multiple factors including student needs (E-12)

### Strategy #4: PARTNERSHIPS

#### Develop and implement sustainable strategies to increase collaboration between the district and community partners

- Establish a structure that will support new and existing partnerships
- Increase partnerships by enhancing relationships among schools and between schools and the community
- Distribute resources for schools based on multiple factors including student needs (E-12)

## The Budget Process and Timeline

The district's budget cycle is a continuous five-step process, beginning with the property tax levy, and ending with the annual year-end financial audit and report. Each of these steps requires school board approval and is open for public inspection and comments. Below are general descriptions of each step the process.

- 1. Property Tax Levy** – The process begins with submission of estimated property tax levy information to the Minnesota Department of Education (MDE) by mid-July. MDE calculates the maximum levy amount for each school district based on current legislation, voter-approved amounts, and formulas. This property tax levy information is reviewed, updated and certified by the School Board prior to the end of the calendar year. The collection of the property tax levy occurs during the calendar year and is intended to be used during the upcoming school year. For example, a tax levy for a coming year that is certified in December is collected in May and October of the following year and would be used for that coming school year.
- 2. Preliminary Budget** – Following the levy certification process, the district initiates the second step in the process and begins development of the preliminary budget for the next school year. This process includes the completion of long-range enrollment projections, updating the five-year budget forecast, development of staffing guidelines and determination of revenue and expenditure assumptions to be included in the budget. The process also includes development of the capital expenditure budget for the next school year. Per state law, the School Board must approve a budget by the beginning of the fiscal year (July 1) in which it will be used. This provides the district with spending authority as the initial estimates are revised and actual enrollment is determined.
- 3. Final Budget** – The third step in the budgeting process happens each fall. The Finance Department updates the preliminary budget estimates and staffing allocations, and develops the final budget. The revisions are based on any changes in laws affecting education finance and are based on actual enrollment on October 1 of the current school year.
- 4. Budget Adjustments** – The fourth step in the process is the spring budget adjustments based on revised information. Spring adjustments are primarily focused on federal and grant programs. Because of federal program requirements, the district makes these adjustments to ensure the revised budget is closely aligned with anticipated revenues and expenditures for the year. This adjustment allows for accurate funding for programs and provides the most accurate basis for developing the preliminary budget for the next fiscal year.
- 5. Annual Financial Audit and Comprehensive Annual Financial Report** – The fifth and last step in the process is closing the books and preparing the financial reports. This occurs during late summer each year. During this period, the district undergoes an independent audit as required by state law. The independent auditors render an opinion on the district's financial reports and accounting practices. The School Board typically reviews the audited comprehensive annual financial report in late October.

An example for a complete school year (July 1 – June 30) can be found on page 56 in Note 6 – Budget Development Process within the Organization Section of this budget document.



## The District Budget – Summary of All Funds

The following table shows the budgeted revenues, expenditures, other financing sources (uses) by fund, and the projected fund balances at the end of fiscal year 2019-20 for each of the district's funds.

	Projected Fund Balance 7/1/2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance 6/30/2021
General Fund	52,640,353	410,075,728	407,731,814	(87,145)	54,897,122
Special Revenue Funds					
Food Service	4,078,373	12,738,557	13,183,430	-	3,633,500
Community Service	2,748,742	9,325,154	8,943,428	87,145	3,217,613
Total Special Revenue Funds	6,827,115	22,063,711	22,126,858	87,145	6,851,113
Building Construction Fund					
Series 2020A Turf Fields	6,600,000	8,900,000	6,000,000	-	9,500,000
Series 2016A Bonds	4,027,686	20,000	-	-	4,047,686
Total Debt Service Funds	10,627,686	8,920,000	6,000,000	-	13,547,686
Debt Service Funds					
Regular	84,095	17,846,867	17,064,920	-	866,042
OPEB Bonds	2,294,113	-	-	-	2,294,113
Total Debt Service Funds	2,378,208	17,846,867	17,064,920	-	3,160,155
Internal Service Funds					
GASB #16	(6,527,934)	870,000	3,199,999	-	(8,857,933)
Self-Insured Dental	236,938	472,000	440,000	-	268,938
Self-Insured Health	11,213,816	54,200,000	56,100,000	-	9,313,816
Total Internal Service Funds	4,922,820	55,542,000	59,739,999	-	724,821
Fiduciary Funds					
Trust	633,394	-	-	-	633,394
OPEB Irrevocable Trust	54,185,170	2,800,000	4,500,000	-	52,485,170
Agency	33,009	1,654,000	1,650,000	-	37,009
Total Fiduciary Funds	54,851,573	4,454,000	6,150,000	-	53,155,573
Total All Funds	132,247,755	518,902,306	518,813,591	-	132,336,470

## All Funds – Revenue Summary

Revenues: Below is a summary of district revenues by fund:

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
General Fund	322,404,949	336,687,861	347,590,944	365,858,164	377,239,349	384,896,688	410,075,728
Food Service Fund	11,370,177	12,002,114	12,566,999	12,268,714	13,367,996	12,738,797	12,738,557
Community Service Fund	7,735,009	7,936,098	8,914,636	8,984,036	9,205,709	9,225,981	9,412,299
Building Construction Fund	6,248,392	139,492,614	1,147,192	545,909	532,140	-	8,920,000
Regular Debt Service Fund	16,721,220	7,067,082	7,474,670	6,955,437	7,184,149	17,749,889	17,846,867
OPEB Debt Service Fund	2,548,471	10,029,898	10,133,972	10,079,572	9,741,333	40,000	-
Internal Service Fund	46,023,650	47,672,538	54,515,451	52,919,189	53,210,457	54,373,000	55,542,000
OPEB Irrevocable Trust	-	-	-	58,362,417	5,311,337	4,400,000	2,800,000
Agency Fund	7,343	2,978	-	9,366	31,059	-	-
Trust Fund	1,547,985	1,351,522	1,601,685	1,706,907	1,673,854	1,654,000	1,654,000
<b>Total</b>	<b>414,607,196</b>	<b>562,242,705</b>	<b>443,945,548</b>	<b>517,689,711</b>	<b>477,497,384</b>	<b>485,078,355</b>	<b>518,989,451</b>

Note: Revenue figures above include other financing sources of revenue in the Community Services Fund of \$87,145

The general fund is the main operating budget. It includes revenues and expenditures related to instructional programs, daily operations of schools and general functions of the district. The 2020-21 general fund revenue budget, including other financing sources, is \$410.08 million. This is approximately \$25 million higher than the estimate for the 2019-20 final budget.

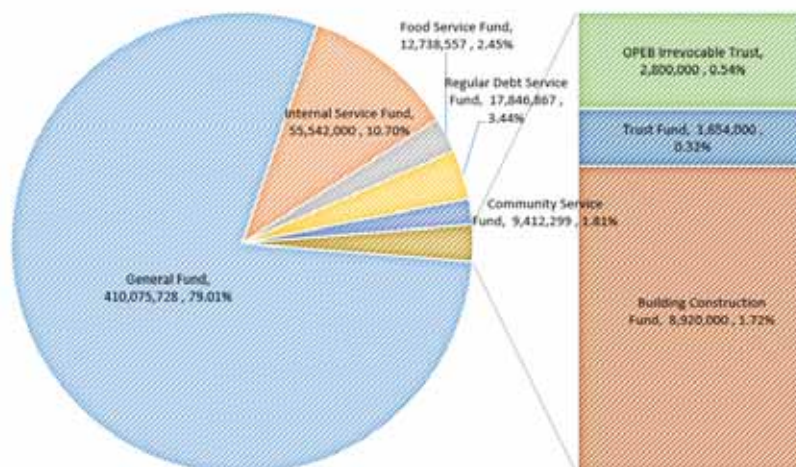
The main reasons for this increase are:

- 1) A projected net increase of approximately \$21 million in property taxes, primarily due to the voters passing a new operating levy in November 2019.
- 2) A projected \$10.6 million increase in general education aid. This increase is due to a \$129 per pupil unit formula allowance increase and an increase in K-12 enrollment compared to 2019-20.
- 3) A projected reduction of \$5.1 million in other revenue sources due to the economic impact of Covid-19

The 2020-21 regular debt service fund revenue budget is \$17.85 million. This is \$0.1 million more than the budget for fiscal year 2019-20. As a result of the maturity of the OPEB bonds, the district's debt servicing is now focused on regular debt. Revenues for the regular debt service fund are directly tied to the district's bond principal and interest payments. For the 2020-21 school year, almost 100 percent of the debt service revenue budget comes from property taxes and a very small percentage from state aid in the form of market value homestead and agricultural credits.

More in-depth analysis and information for the remaining funds can be found in the Financial section of this document, beginning on page 80.

### DISTRICT REVENUES BY FUND



## All Funds – Expenditure Summary

Expenditures: Below is a summary of district expenditures by fund:

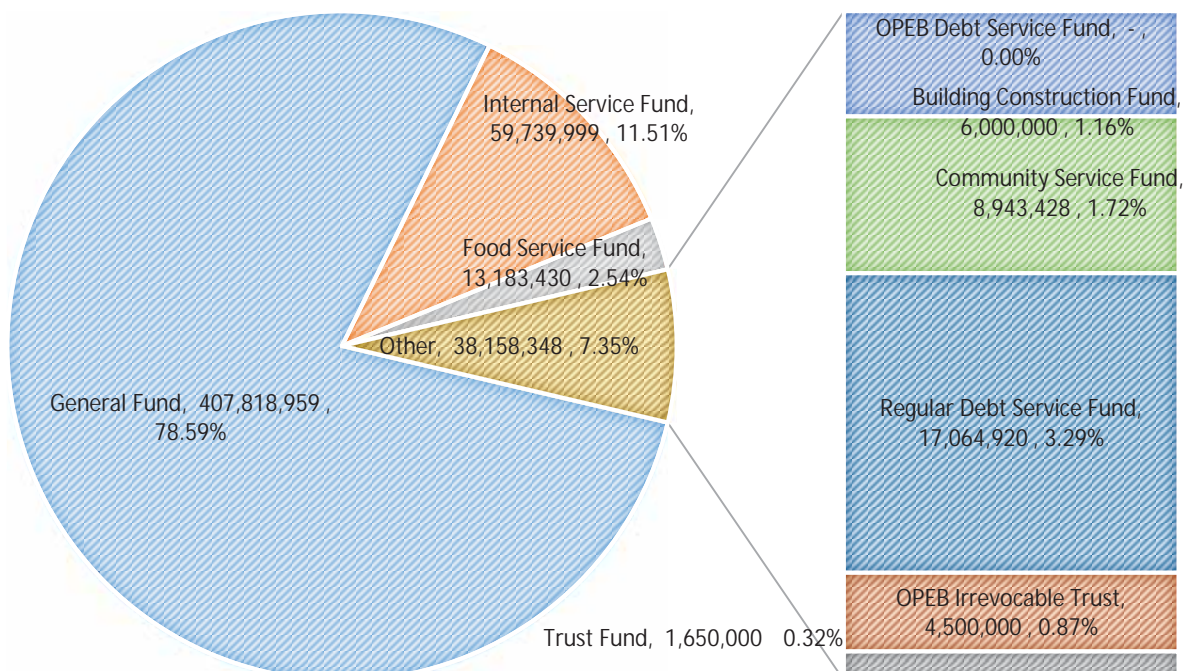
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
General Fund	321,652,480	337,501,517	342,061,682	358,025,464	370,696,672	383,183,348	407,818,959
Food Service Fund	11,788,021	12,252,385	12,205,178	11,358,744	12,462,887	12,776,262	13,183,430
Community Service Fund	7,721,580	7,820,647	8,574,200	8,513,040	8,739,559	9,271,329	8,943,428
Building Construction Fund	14,404,915	11,532,316	33,294,959	59,653,497	31,205,634	2,000,000	6,000,000
Regular Debt Service Fund	19,219,161	16,582,713	10,037,982	9,226,169	9,236,469	17,111,170	17,064,920
OPEB Debt Service Fund	2,496,438	9,537,038	9,594,800	9,554,950	9,581,725	500	-
Internal Service Fund	48,473,686	50,655,241	52,388,414	49,564,670	52,430,743	57,719,999	59,739,999
OPEB Irrevocable Trust	-	-	-	4,405,513	4,783,071	4,700,000	4,500,000
Agency Fund	6,983	6,257	-	6,999	28,790	-	-
Trust Fund	1,500,210	1,370,253	1,554,268	1,678,088	1,589,502	1,650,000	1,650,000
<b>Total</b>	<b>427,263,475</b>	<b>447,258,365</b>	<b>469,711,483</b>	<b>511,987,133</b>	<b>500,755,051</b>	<b>488,412,608</b>	<b>518,900,736</b>

Note: The 2015-16 actual expenditures include transfers out of \$8,554,099. 2020-21 expenditures include budgeted transfers out of the general fund for \$87,145

The 2020-21 general fund expenditures, including other financing uses, are \$407.818 million. This is \$24.5 million greater than the estimate for the final budget for 2019-20. The primary reasons for this change are:

- 1) District 196 voters passed a new operating levy in November 2019, effective for the 2020-21 school year and beyond. The new operating levy will provide revenue to offset \$7 million in budget cuts enacted during the 2019-20 school year and additional revenue for programming improvements. Many of the planned improvements include increased staffing for schools and programs.
- 2) An increase of approximately \$26.5 million in the budgets for salary and employee benefits based on School Board approved contracts and budget planning guidelines reviewed by the School Board in February 2020.
- 3) Reductions of \$1.5 million in other discretionary budget areas for non-staffing expenditures.

### DISTRICT EXPENDITURES BY FUND



## General Fund – Revenue by Source

The general fund is the main operating fund of the district and the majority of the district's financial activity flows through this fund. Below is a summary of the sources of revenues the district receives to support its educational activities.

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Revenues						
State sources	254,809,742	260,157,330	271,769,390	281,583,680	286,413,605	297,048,264
Property taxes	62,523,327	66,590,727	71,208,374	72,874,150	75,545,518	96,348,803
Federal sources	8,655,141	9,427,560	10,801,070	10,805,731	11,372,472	10,206,291
Other	10,699,651	11,415,328	12,079,330	11,975,790	11,565,093	6,472,370
<b>Total revenue</b>	<b>336,687,861</b>	<b>347,590,944</b>	<b>365,858,164</b>	<b>377,239,349</b>	<b>384,896,688</b>	<b>410,075,728</b>

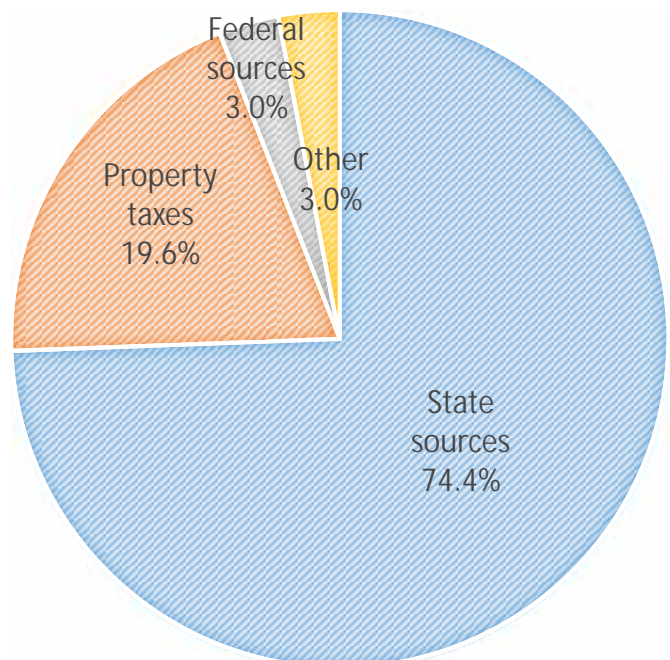
**State Sources:** The majority of the district's general fund revenue comes from state sources. These include the per pupil basic general education formula aid; special education regular and excess cost aid; basic skills aid, including compensatory education aid, English Learner aid and literacy incentive aid; operating capital state aid for equipment and facilities maintenance, and aid for gifted and talented education. The Minnesota Legislature determines the level of funding provided by the state. For the 2020-21 school year, state aids account for 74.4 percent of the district's general fund revenues.

**Local Property Taxes:** These are local taxes the district collects from property owners. The Minnesota Legislature determines the maximum amount the district can levy each year. The district also has authority to seek additional property tax revenues (up to a maximum amount per pupil established by the Legislature) to support special programs or basic operations through a voter-approved operating levy referendum. In November 2019, district voters approved a single ballot question to revoke the district's levy for \$940 per pupil and replace it with a new 10-year levy for \$1,567 per pupil, an increase of \$627 per pupil, beginning with 2020-21 school year. In addition, district voters also approved a 10-year, \$5.0 million per year capital project levy in November 2015.

**Federal Sources:** These include federal grants for programs such as Title I, special education and Adult Basic Education. These programs focus on improving the achievement of educationally disadvantaged students, including special education services for students with special needs.

**Other Sources:** These revenues include miscellaneous School Board approved fees for co-curricular activities, student parking and admission to athletic and fine arts performances. It also includes interest income from the district's short-term investments, gifts to the district and permanent transfers from other funds. The district tends to budget conservatively in this area for the preliminary budget and revise the estimates in fall to align with actual performance.

**GENERAL FUND REVENUE BY SOURCE**

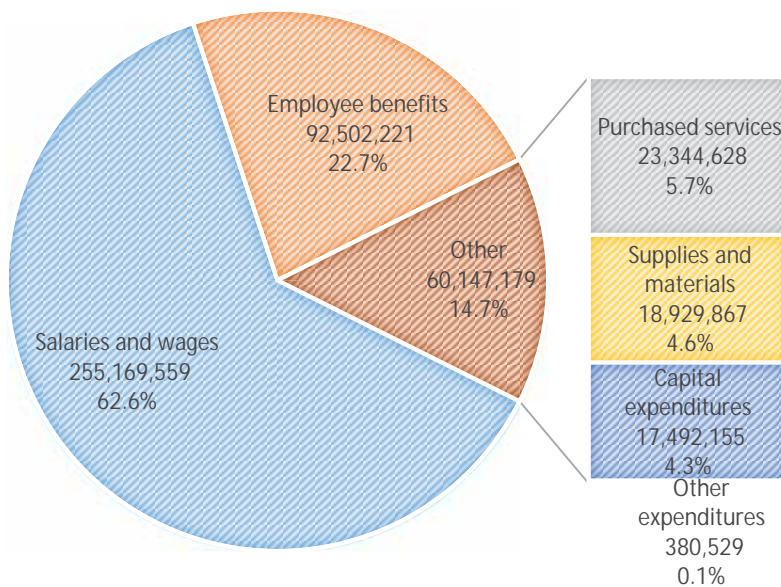


## General Fund – Expenditures by Object

The general fund expenditure budget includes seven categories of expenditures. These include salaries, employee benefits, purchased services, supplies and materials, capital, other and debt service expenditures. Salaries, wages and benefits account for 85.2 percent of the general fund expenditures, as shown in the pie chart below.

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures						
Salaries and wages	208,897,809	215,617,882	225,046,923	233,042,558	238,172,920	255,169,559
Employee benefits	79,330,889	76,360,634	80,575,022	82,224,121	83,396,345	92,502,221
Purchased services	19,978,956	21,656,947	24,736,036	26,295,318	23,421,649	23,344,628
Supplies and materials	10,298,052	15,097,993	16,056,802	15,661,343	18,183,083	18,929,867
Capital expenditures	8,402,065	9,801,227	10,089,593	9,954,095	17,942,978	17,492,155
Other expenditures	650,865	2,118,268	1,521,088	1,983,548	2,066,373	380,529
Debt service	1,407,644	1,408,731	-	1,400,181	-	-
Total expenditures	328,966,279	342,061,682	358,025,464	370,561,163	383,183,348	407,818,959

### GENERAL FUND EXPENDITURES BY OBJECT



**Salaries:** Includes salaries for district administrators, principals, teachers, secretarial and clerical employees, building chiefs, custodians, transportation, and other staff.

**Employee Benefits:** Includes the district's contributions for employee retirement (Social Security, Medicare and state pension plans TRA and PERA); health, dental and life insurance premiums; tax-shelter annuities for eligible employees, and workers' compensation.

**Purchased Services:** Includes utilities, legal services, contracted services, leases and other services provided by outside sources.

**Supplies and Materials:** Includes general supplies such as non-capital devices, instructional supplies for classrooms, textbooks and workbooks, standardized tests, media resources and non-instructional supplies.

**Capital Expenditures:** Includes building and site repairs and other improvements, replacement of technology equipment such as printers and copiers, and school buses.

**Other Expenditures:** Includes miscellaneous expenditures that are not categorized elsewhere, such as membership dues for professional organizations, taxes and special assessments.

**Debt Service:** Includes the principal, interest and other fiscal charges associated with outstanding debt.



## General Fund – Expenditures by Program

The bar chart at left shows that more than 80 percent of the district's general fund resources are used for student instruction and student support services. The district has added several new programs, such as integration programs, elementary magnet schools, striving readers, Advancement via Individual Determination (AVID) and response to intervention in the past few years to help close the achievement gap. Actual expenditures for district support services and administration for the past four fiscal years remained relatively stable. This is consistent with the district's goal to focus resources on classroom instruction.

**District Support Services:** Includes expenses for services provided centrally by the district, such as human resources, business services, communications, purchasing, mail processing, technology support and legal services. These expenses are reported in UFARS program dimension series 100-199 (District Support Services).

**Administration:** Includes the costs for general district administration, which includes the School Board, superintendent, instructional administration and school administration. These expenses are reported in UFARS program dimension series 010-099 (Administration).

**Sites and Buildings:** Includes the costs of acquisition, operation, maintenance and repair of all district facilities and grounds. It also includes salaries and benefits of building chiefs, custodial staff, groundskeepers and maintenance specialists, and utilities costs. These expenses are reported in UFARS program dimension series 800-899 (Sites and Buildings).

**Student Support Services:** Includes student transportation, school office, assessment, guidance, counseling, nursing services and instructional administration, which includes the directors of elementary and secondary education, teaching and learning, and the costs of support staff for these departments. These expenses are reported in UFARS program dimension series 700-799 (Pupil Support Services).

**Student Instruction:** Includes all costs associated with the teaching of students, the interaction between teachers and students in the classroom, and co-curricular activities at the elementary and secondary levels. It also includes services for alternative education, special education, bilingual and other compensatory instructional programs. These expenses are reported in UFARS program dimension series 200-599 (Elementary and Secondary Regular Instruction, Vocational Education Instruction, Special Education Instruction and Community Education and Services).



GENERAL FUND EXPENDITURES BY PROGRAM

## Property Taxes

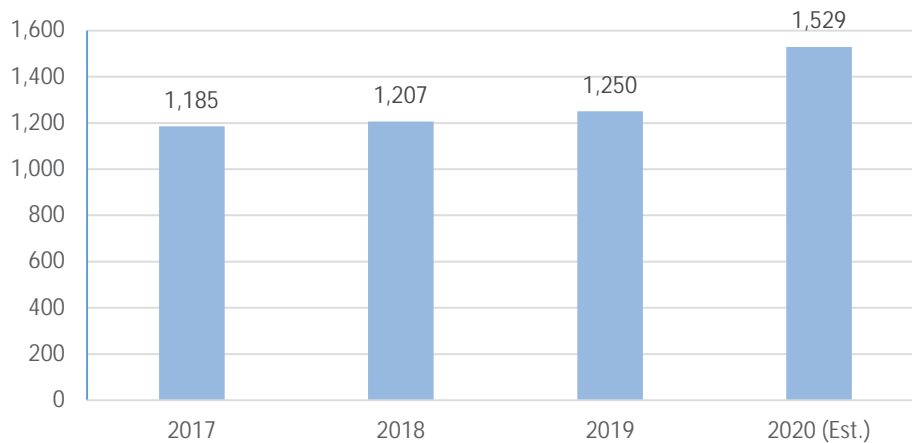
School district property tax levies are limited by state law. The Minnesota Department of Education (MDE) computes the levy limitation for each school district based on current legislation and formulas. The school district then certifies the levy to the county auditor, the county sends out tax statements to individual property owners, collects the taxes and makes payments to the school district.

Property taxes are determined by the taxable market value of the property (determined by the county assessor), class rate percentages set in law for each category of property (such as residential homestead, residential non-homestead, apartments, etc.) and state-paid property tax aids and credits. These state-paid property tax aids and credits reduce the actual amount of taxes paid by property owners. The two types of property tax levies are:

1. Voter-approved levies – These include building bond and operating levy referendum elections.
2. Levies resulting from School Board decisions – Levy limitations are calculated by the MDE based on current legislation and formulas.

The graph below shows changes in school property taxes from 2017-2020 using an average district home value of \$286,500. Home values and the corresponding tax levy have remained consistent over the last 5 years, with the average tax rate paid for the average value home at approximately 0.50 percent.

**Estimated Changes In School Property Tax  
(Avg. Home Value \$286,500)**



The table below shows the property tax revenues collected by the district over the last five years. While the graph above shows stability in taxes levied upon the citizens of the district, the revenues collected by year show a different story. While not shown in the table below, it is important to know that tax revenues in fiscal year 2014 differed drastically from the other years due to a legislative “tax shift” enacted by the Minnesota Legislature. The tax shift impacted the amount of tax revenue recognized in fiscal year 2014 and these changes were offset by an adjustment to state aid payments of an equal amount. The tax shift significantly affected the cash flow of the district, which resulted in the district issuing short-term Aid Anticipation Certificates in order to meet its operational obligations.

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Capital Projects – Facility Improvement	Debt Service	
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2017	66,731,765	1,671,770	–	17,426,213	85,829,748
2018	71,069,187	1,670,006	–	16,767,998	89,507,191
2019	72,968,496	1,675,955	–	212,253,653	286,898,104
2020 (Estimated)	96,430,887	1,720,819	–	17,925,595	116,077,301



## Achievement and Initiatives

### Achievement

District 196 students have a tradition of outstanding achievement both in and out of the classroom. District students win a large number of state and national awards in a variety of curricular and co-curricular competitions, and earn scholarships to colleges and universities throughout the country, as well as appointments to United States military academies. In addition, district students consistently score well above average on state and national assessments.

**Table 1: Four-Year Graduation Rates (%)**

Fiscal Year	District 196	State of MN
2019	91	84
2018	91	83
2017	90	83
2016	92	82
2015	90	82

As shown in Table 1, District 196 students graduated at a higher rate than the state average in 2018-19. To comply with U.S. Department of Education reporting requirements, calculations for high school graduation rates have changed. The district rates shown for fiscal year 2015 and later are percentages of students graduating from high school within four years after they enrolled in grade nine. Students who took an additional year to meet graduation requirements are not included in this calculation and are reported separately.

District 196 students in the class of 2019 scored well above state and national composite scores on the American College Test (ACT) entrance exam, as shown in Table 2. The ACT average composite score for the district was 23.0, 1.6 points higher than the Minnesota average of 21.4 and 2.3 points higher than the national average. Further data and information related to achievement can be found in the Informational Section of this report, on page 133.

**Table 2: American College Test (ACT) Scores**

Fiscal Year	District 196	State	National
2019	23.0	21.4	20.7
2018	23.1	21.3	20.8
2017	23.1	21.5	21.0
2016	23.0	22.1	20.8
2015	24.4	22.7	21.0

### Ongoing Initiatives

The district has substantially completed the implementation of the facilities improvement plan funded by \$130 million in bonding authority approved by district voters in 2015. The additions focused on three key areas: safety and security, enhanced spaces for learning, and technology upgrades. The bond referendum also included construction of East Lake Elementary school, which opened in fall of 2017 with over 400 students in grades K-5.

District 196 implemented over \$7 million in budget cuts for the 2019-20 school year. In November 2019, District 196 voters approved a \$19 million per year operating levy that will avoid further budget cuts and enhance the district's educational offerings for families and the community. Revenue generated by the approved operating levy will be available for district use beginning with the 2020-21 fiscal year. The use of levy funds will be directed to the following key areas:

- Avoid additional budget cuts of up to \$18 million over the next two years;
- Restore staffing cuts that are part of \$7 million in budget adjustments implemented for the 2019-20 school year;
- Restore classroom staffing eliminated during budget cuts from 2009 to 2012;
- Provide increased mental health support staffing at all schools in the district, and
- Restore after-school activity bus transportation at all district middle schools and high schools.

Additionally, as part of District 196's commitment to improving facilities for learning, the district will begin construction on turf athletic fields at all four high schools. Construction of the new fields includes two stages, with fields at Rosemount High School and Eagan High School completed during Summer 2020 and fields at Eastview High School and Apple Valley High School completed in Summer 2021.

## Frequently Asked Questions (FAQs) and Contact Information

### 1) What is the district's average spending per student for instruction and how is it calculated?

While there is no universally agreed upon definition of what should be included in "instructional" spending, a reasonable approach is to divide the total general fund (operating) budget by the average daily membership in the district, which is close to but not the same as the total number of students in the district.

General Fund Budget	\$	407,818,959
Projected ADM	/	29,397
Spending per Student	\$	13,872

### 2) What is an ending fund balance?

An ending fund balance is money remaining at the end of the school year. There are three main factors that impact the ending fund balance positively and negatively:

**a. Schools and departments underspend their budgets:**

According to district practice, budgeted funds that are underspent by a school are carried over to that school's budget for next year, while budgeted funds that are underspent by a department are not carried over.

**b. Aid payments from the state may be less than anticipated based on economic conditions:**

The majority of district revenues come from the state. If the state experiences a revenue shortfall during the year, funding to school districts may be prorated, which results in a loss of revenues to the district.

**c. Budget assumptions may have changed:**

Two of the biggest assumptions used to build the school district's budget are the amount of state funding the district will receive and total student enrollment, as districts are funded based on the number of students enrolled. The district's preliminary budget must be developed by the administration and approved by the School Board before July 1 each year. Official enrollment for the year is not determined until October 1 each year and in funding years (every other year) the state does not determine funding levels until the legislative session concludes in the spring.

### 3) Why does the district need a fund balance reserve and what is it used for?

The fund balance is similar to a savings account, a rainy day reserve that can be used to cover unforeseen costs that could not be planned for when the budget was developed. School Board policy requires the district to maintain a minimum fund balance equivalent to at least 5 percent of general fund expenditures for the year.

### 4) Does the district consider budget suggestions?

Yes. The district invites residents and employees to submit suggestions on ways to reduce costs and increase revenues in the district's budget. Budget reduction suggestion forms are available at all district schools and offices, at regularly scheduled School Board meetings and at [www.district196.org/District/Departments/Finance](http://www.district196.org/District/Departments/Finance).

Suggestions should be addressed to:

Director of Finance and Operations  
District Office  
3455 153rd Street West  
Rosemount, MN 55068

All submitted suggestions are reviewed by members of the district's citizen-led Budget Advisory Council.

## More Information

For questions about the school district budget, contact:

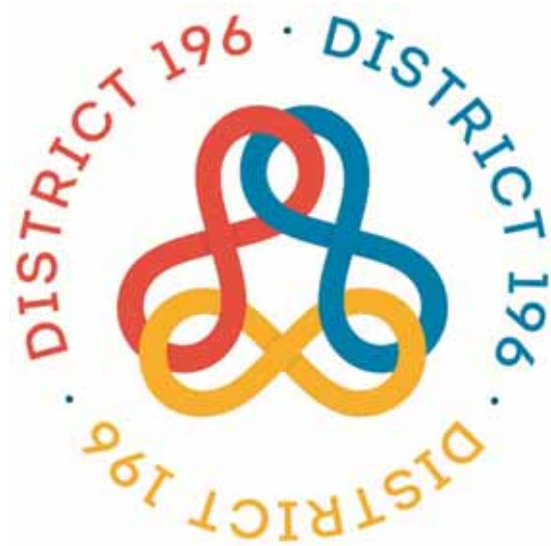
**Mark Stotts** – Director of Finance and Operations  
[Mark.Stotts@district196.org](mailto:Mark.Stotts@district196.org) or 651-423-7713

**Christopher Onyango-Robshaw** – Coordinator of Finance  
[Christopher.Onyango-Robshaw@district196.org](mailto:Christopher.Onyango-Robshaw@district196.org) or 651-423-7748

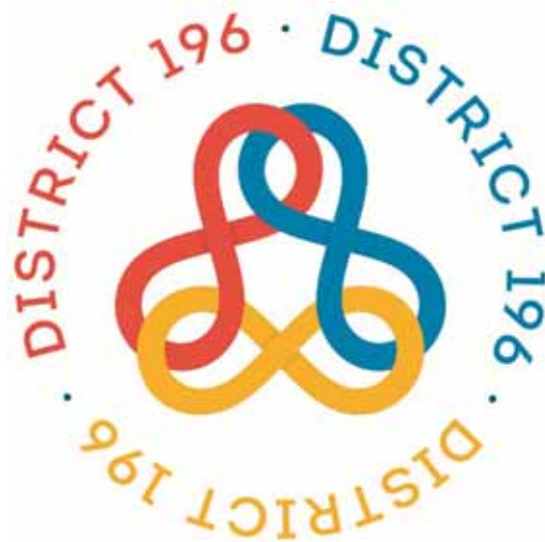
**Danny DuChene** – Manager of Financial Systems  
[Daniel.DuChene@district196.org](mailto:Daniel.DuChene@district196.org) or 651-423-7780

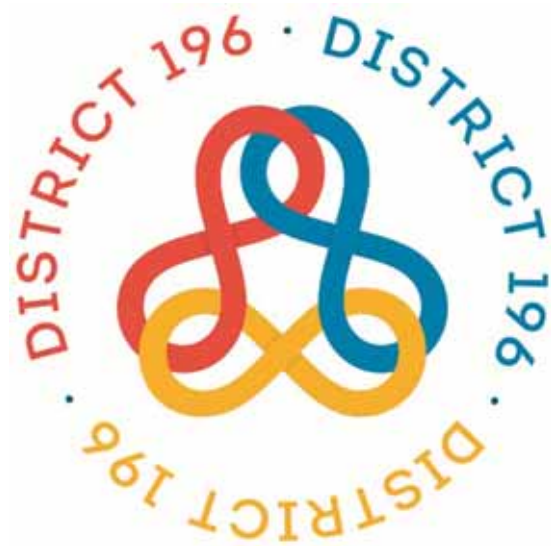
Historical budget and finance information can be found at [www.district196.org/district/departments/finance](http://www.district196.org/district/departments/finance).

The website includes information on the entire budget process and timelines, an introduction to school finance, and printable budgets for the last nine years.



# Organizational Section





## NOTE 1 – DISTRICT OVERVIEW

### A. Legal Autonomy

Under the provisions of the Constitution of the State of Minnesota, Article XIII, Section 1 states the "...legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state." As such, the state provides financial assistance to school districts under statutes enacted by the Legislature, with the primary purpose to provide a basic educational opportunity available to all students regardless of local fiscal capacity of the district in which they live.

Independent School District 196 was formed and operates pursuant to applicable Minnesota laws and statutes. The district was incorporated in 1950 and serves all or parts of nine communities within Dakota County, Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights and Lakeville, located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The district encompasses all or part of the cities of Empire and Vermillion townships. The district is governed by a seven-member School Board elected by voters of the district to serve four-year terms.

The district is a fiscally independent entity and has the exclusive responsibility and accountability for the decisions it makes. It has statutory authority to adopt its own budget, levy taxes and issue bonded debt without the approval of another government. It has the right to buy, sell, lease or mortgage property in its own name. As such, the district is considered a primary government and there are no other governments or agencies whose budgets should be combined and presented in this budget.

Cocurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, the School Board has elected not to control or be otherwise financially accountable with respect to the underlying cocurricular activities. Accordingly, the cocurricular student activity accounts are not included as part of these budget documents.

### B. Programs and Services

The district provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12, as well as young adults ages 18-21 with special needs. These include regular and enriched academic education, special education and career/vocational education. Food service and transportation are provided as supporting programs. The district's community education program includes early childhood family education and adult basic education programs, and a variety of classes for lifelong learning experiences for children through senior adults.

### C. Student Enrollment and Demographics

District 196 is the state's fourth largest school district, serving approximately 29,226 in 2019 students from a population of more than 157,000 residents in a 110 square mile area.

The district has an increasingly diverse population of students with a variety of needs. For the 2019-20 school year, 62 percent of students were White, 12 percent Black, 10 percent Hispanic, .3 percent American Indian, 8.5 percent Asian, and 6.8 percent identified with multiple ethnicities.

In the 2019-20 school year, 21.6 percent of district students qualified for free or reduced-price school meals, 19.16 percent of students qualified to receive special education services, and 6.4 percent of students qualified for English Learner services.

## NOTE 1 – DISTRICT OVERVIEW (CONTINUED)

### D. District Schools and Facilities

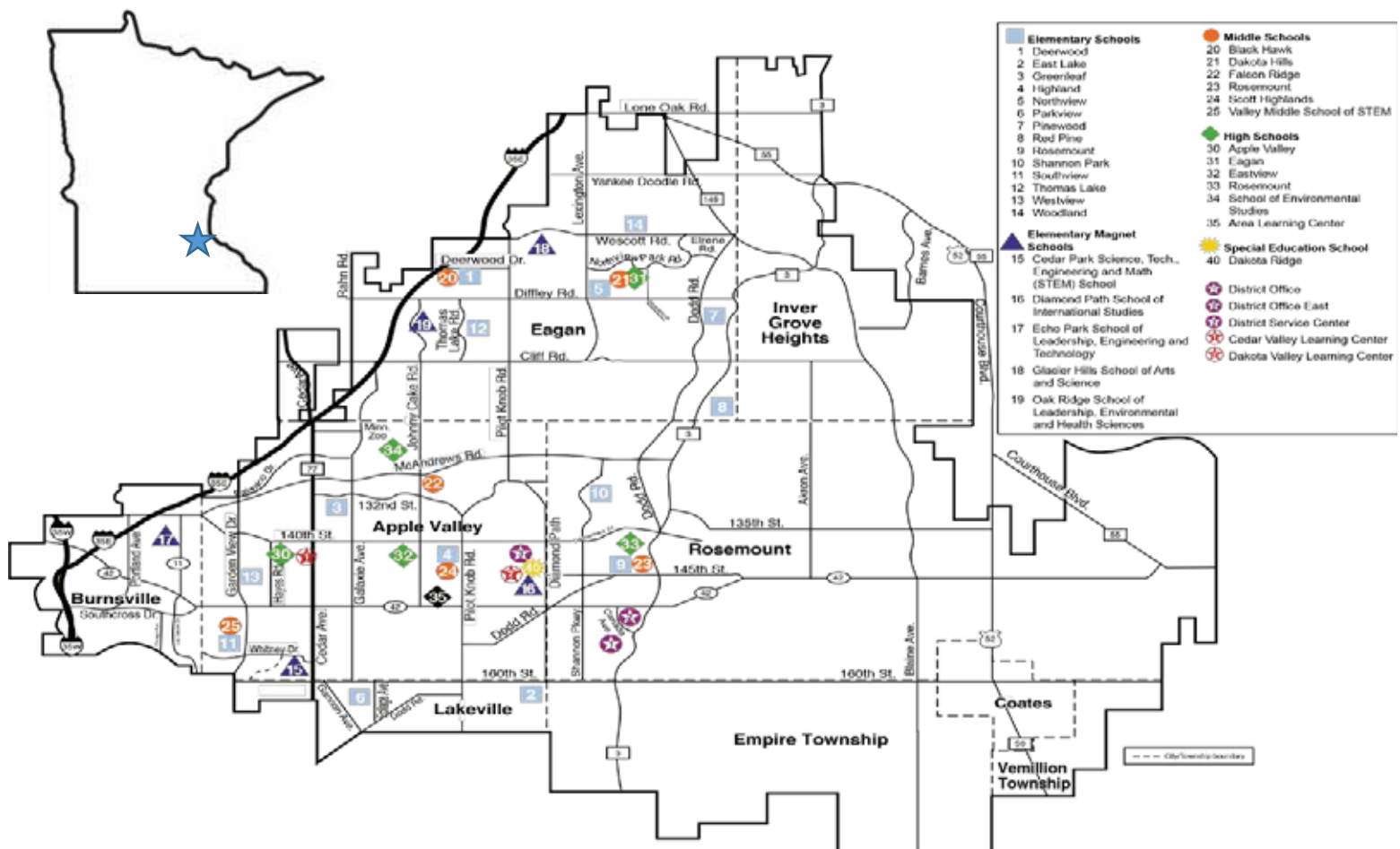
District 196 operates its programs in 37 facilities, including 19 elementary schools (grades kindergarten through 5), six middle schools (grades 6-8), four comprehensive high schools (grades 9-12), an optional high school for grades 11-12, an alternative high school, a school for students with special needs and two learning centers. The district also has three facilities for support staff.

The average age of the district's facilities is approximately 36 years old. The district utilizes funding through the state of Minnesota's Long Term Facilities Maintenance Program (LTFM) to keep up with routine repairs, maintenance and other facilities improvements.

### E. District Map



District Map  
(2020-21)





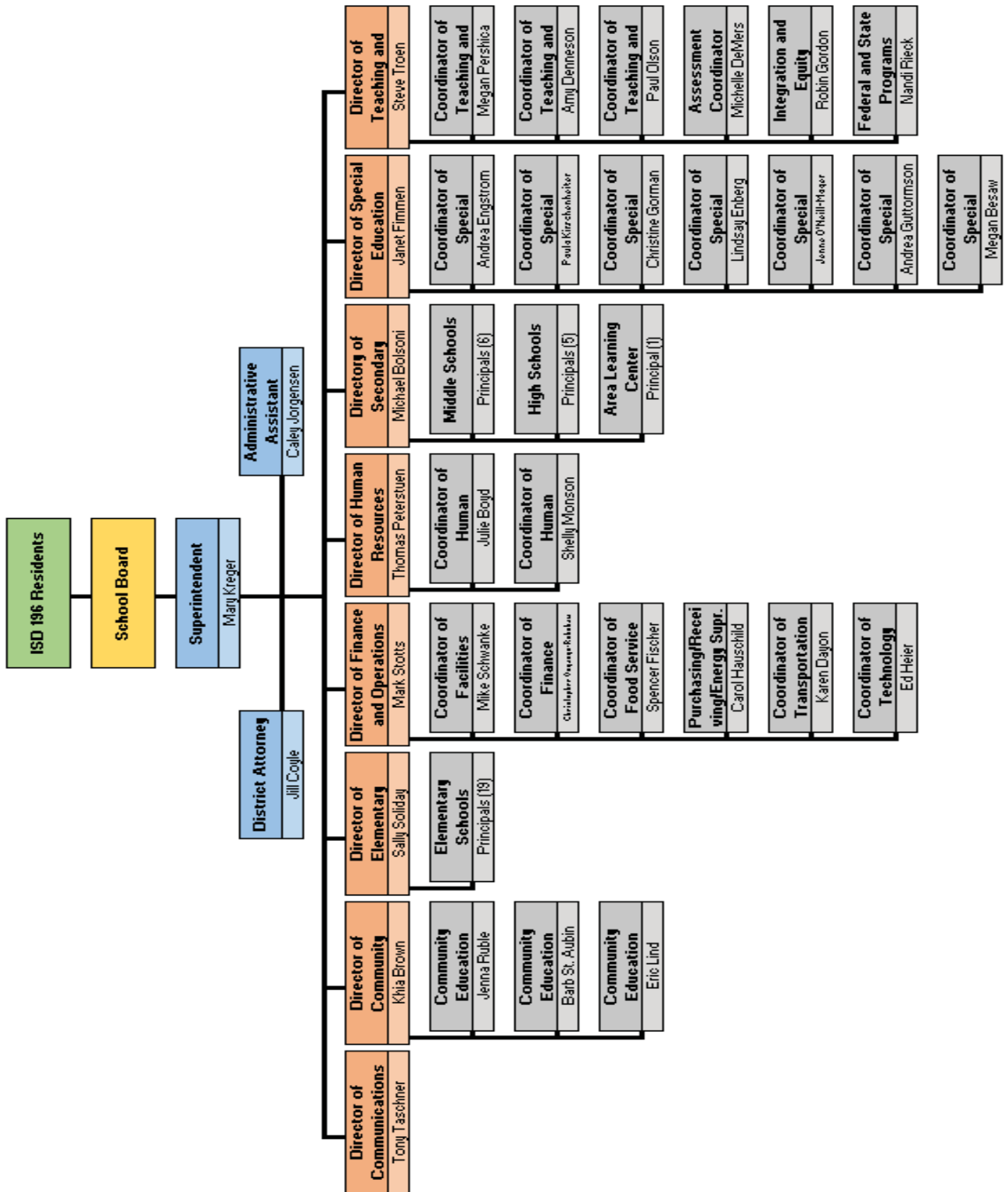
**NOTE 2 - GOVERNANCE****A. School Board and Superintendent's Cabinet****School Board**

Jackie Magnuson	Chairperson
Joel Albright	Vice Chairperson
Art Coulson	Treasurer
Sachin Isaacs	Clerk
Craig Angrimson	Director
Cory Johnson	Director
Mike Roseen	Director

**Superintendent's Cabinet**

Mary Kreger	Superintendent
Michael Bolsoni	Director of Secondary Education
Khia Brown	Director of Community Education
Jill Coyle	School District Attorney
Janet Fimmen	Director of Special Education
Tom Pederstuen	Director of Human Resources
Sally Soliday	Director of Elementary Education
Mark Stotts	Director of Finance and Operations
Tony Taschner	Director of Communications
Steve Troen	Director of Teaching and Learning

NOTE 2 – GOVERNANCE (CONTINUED)



**NOTE 2 – GOVERNANCE (CONTINUED)****A. Schools and Principals****Elementary Schools**

<b>School</b>	<b>Abbreviation</b>	<b>Principal</b>
Cedar Park Elementary STEM School	CP	John Garcia
Deerwood Elementary School	DW	Jeremy Sorenson
Diamond Path Elementary School of International Studies	DP	Leah Hack
East Lake Elementary School	EL	Miles Haugen
Echo Park Elementary School of Leadership	EP	Logan Schultz
Glacier Hills Elementary School of Arts and Science	GH	Adriana Henderson
Greenleaf Elementary School	GL	Michelle deKam Palmieri
Highland Elementary School	HL	Chad Ryburn
Northview Elementary School	NV	Kerri Town
Oak Ridge Elementary School of Leadership	OR	Cathy Kindem
Parkview Elementary School	PV	Nicole Garcia
Pinewood Elementary School	PW	Crisfor Town
Red Pine Elementary School	RP	Drew Goeldner
Rosemount Elementary School	RE	Thomas Idstrom
Shannon Park Elementary School	SP	Michael Guthrie
Southview Elementary School	SV	Christine Evans
Thomas Lake Elementary School	TL	Rachel Hughes
Westview Elementary School	WV	Tami Staloch-Schultz
Woodland Elementary School	WL	Lisa Carlson

**Middle Schools**

<b>School</b>	<b>Abbreviation</b>	<b>Principal</b>
Black Hawk Middle School	BHMS	Anne Kusch
Dakota Hills Middle School	DHMS	Trevor Johnson
Falcon Ridge Middle School	FRMS	Becky Melville
Rosemount Middle School	RMS	Eric Hansen
Scott Highlands Middle School	SHMS	Dan Wilharber
Valley Middle School of STEM	VMS	Dave McKeag

**High Schools**

<b>School</b>	<b>Abbreviation</b>	<b>Principal</b>
Area Learning Center	ALC	Dave Schmitz
Apple Valley High School	AVHS	Drew Mons
Eagan High School	EHS	Paulette Reikowski
Eastview High School	EVHS	Bruce Miller
Rosemount High School	RHS	Pete Roback
School of Environmental Studies	SES	Lauren Trainer

## NOTE 3 – DISTRICT MISSION AND STRATEGIC PLAN

The district's beliefs and strategies were developed by a 60-member task force of parents, staff, School Board members and leaders from the local business, civic and faith communities. Task force members first attended informational meetings to establish a shared base of knowledge about the district, then facilitator-led planning meetings to develop the belief statements and strategies and goals that were approved by the School Board.

**Mission Statement:** *Educating our students to reach their full potential*

**Belief Statements:**

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful, and inclusive environment
- A well-rounded education includes opportunities in academics, the arts and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college and/or career ready
- An informed and engaged community guides effective decision-making

**Strategies and Goals:**

- **Strategy One – Teaching and Learning**
  - Deliver a high-quality instructional program that anticipates and meets the needs of all learners
- **Strategy Two – Early Learning**
  - Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to grade 3) services to meet the needs of all students
- **Strategy Three – Educational Equity**
  - Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs
- **Strategy Four – Partnerships**
  - Develop and implement sustainable strategies to increase collaboration between the district and community partners

## NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS

### A. Budget Policies

The School Board has adopted several policies, administrative regulations (AR) and procedures (P) related to the budget process. Below is a summary of these policies. See appendix, on page 69 through 76, for the full text of each policy, administrative regulation and procedure.

- **Policy 702 – Budget**
  - The district shall adopt annual budgets for each fund (general [including all accounts within the general fund], food service, community education, debt service, building construction, trust and agency, and internal service), in accordance with state law;
  - The district budget, once approved by the board, is the district's plan showing expected revenue and expenditures for the coming fiscal year and is the district's legal authorization for spending funds, and
  - The budget reflects and supports state and federal requirements, district initiatives and board policies.
- **Administrative Regulation 702.2AR – Budget Planning and Development**
  - This regulation mandates the due dates for preliminary and final budgets to be presented to the School Board and the requirement for board approval of budget assumptions to be used to develop the budgets.
- **Administrative Regulation 702.2.3AR – Budget Advisory Council (BAC)**
  - The Budget Advisory Council ensures active community participation in and enhances community understanding of the district's budget planning process, and
  - Provides input to the board and administration on budget plans that support district goals, policies and initiatives.
- **District Procedure 702.2.3P – Application to Serve on Budget Advisory Council (BAC)**
  - Applicants must complete this form to be considered for membership on the committee.
- **Administrative Regulation 702.4AR – Capital Expenditure Budget**
  - This regulation establishes the requirements for the district's capital expenditure budget, including the process of developing a list of current needs and proposal of final selections to be presented to the board for approval.
- **Policy 712 – Fund Balance**
  - Policy 712 requires the maintenance of reasonable fund balances to mitigate financial risk from unforeseen circumstances and provide adequate cash flow.

## NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS (CONTINUED)

### B. Financial Presentation

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

**Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the district generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific fiscal years) and accounting principles generally accepted in the United States. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, compensated absences, severance and other post-employment benefits (OPEB), which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the general fund, capital outlay expenditures are included within the applicable functional areas.

Proprietary and fiduciary funds use the accrual basis of accounting and are reported using the economic resources measurement focus.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the district’s internal service funds are charges to other district funds for services. Operating expenses for the internal service fund include the cost of providing the services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### C. Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

#### Governmental Funds

- **General Fund** – Used to account for all financial resources except those required to be accounted for in another fund. The district maintains five sub-accounts within the General Fund:
  - Operating Account
  - Transportation Account
  - Capital Expenditure Account
  - Quality Compensation (Q Comp) Account
  - Special Education Account

*Note: As a result of GASB #84 and at the direction of the Minnesota Department of Education, Student Activity Accounts (SAA) will be reported as part of the General Fund beginning with the 2019-20 fiscal year.*
- **Capital Projects / Building Construction Fund** – Used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or capital project levies.
- **Debt Service Fund** – Used to account for the accumulation of resources for, and payment of, general obligation long-term debt principal, interest and related costs. The district maintains a separate Other Post-Employment Benefits (OPEB) account within the debt service fund to account for OPEB-related debt activity. All other debt service is recorded in the general debt service account.
- **Food Service Special Revenue Fund** – The food service special revenue fund is primarily used to account for the district’s child nutrition program.



## NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS (CONTINUED)

- **Community Service Special Revenue Fund** – The community service special revenue fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

### Proprietary Funds

- **Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The district has established three internal service funds:
  - Severance Benefits
  - Self-Insured Dental Benefits
  - Self-Insured Health Benefits

### Fiduciary Funds

- **Employee Benefit Trust Fund** – The district maintains an employee benefit trust fund used to administer resources received and held by the district as the trustee for employees participating in the district's flexible benefit plan (Internal Revenue Code § 125 Cafeteria Plan).
- **OPEB Irrevocable Trust (Other Post-Employment Benefits)**
- **Scholarship Private-Purpose Trust Fund** – The scholarship private-purpose trust fund is used to account for resources held in trust to be used by various other third parties to award scholarships to students.
- **Agency Funds** – Agency funds are established to account for cash and other assets held by the district as the agent for others. The district maintains two agency funds used to account for a Graduate Credit Program (a continuing education program organized for the benefit of district certified staff) and Minnesota Reading Recovery Conference. Per guidance from the Minnesota Department of Education, this category is under review for compliance.

### D. Classification of Revenues and Expenditures

Uniform Financial Accounting and Reporting Standards (UFARS) as developed by the Minnesota Department of Education (MDE), mandates that each financial transaction be identified with a specific accounting code for administrative and reporting purposes. As defined by Minnesota Statute 123B.77, each school district must adopt the uniform financial and reporting standards as provided by MDE.

UFARS requires the revenue and expenditure account code structure to be multi-dimensional. Each dimension identifies one aspect of a revenue or expenditure account. No single dimension could provide enough information for local and state reporting of financial information, however, once combined, the account code contains a lot of information about a particular transaction. Below is a list of the six dimensions of a UFARS account code in sequential order:

FUND	ORG/SITE	PROGRAM	FINANCE	OBJECT/SOURCE	COURSE
XX	XXX	XXX	XXX	XXX	XXX

The same dimensions are used in both revenue and expenditure accounts with the exception of the object dimension, which is used for expenditures, while the source dimension is used with revenues.

### Description of Dimensions

- **Fund Dimension (FD)** – A fund is a fiscal entity with a set of accounts that record financial resources, liabilities and equities. Each fund is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.
- **Organization / Site Dimension (ORG)** – Allows for the identification of expenditures and revenues by a site or building.

**NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS (CONTINUED)**

- **Program Dimension (PRG)** – Used to separate sets of instructional and support service activities associated with public schools. The codes in this dimension are divided into 10 categories: administration, district support services, elementary and secondary regular instruction, vocational instruction, special education instruction, community education and services, instructional support services, pupil support services, sites and buildings, fiscal and other fixed costs programs, and other.
- **Finance Dimension (FIN)** – Establishes the revenue and expenditure relationship for financial accounting and reporting to a specific purpose, grant, or other source. The series in this dimension are district-wide, state, federal, child nutrition, transportation, special education, state placement, levy supported programs and secondary vocational.
- **Object Dimension (OBJ)** – Identifies the generic service or commodity obtained as the result of the expenditure, this is the most detailed level of expenditure reporting. The codes in this dimension are divided into eight series: salaries, benefits, purchased services, supplies and materials, capital expenditures, debt service, other expenditures and other financing uses.
- **Source Dimension (SRC)** – Identifies the origin of revenues. The codes in this dimension are divided into five series: local sources, state sources, federal sources, sales and other conversions, and other financing sources.
- **Course Dimension (CRS)** – For state reporting purposes, used to report revenues and expenditures for projects that overlap school district fiscal years.
- **UFARS Codes are separated into categories/series based on their number. Below are the category/series description for each dimension of a UFARS code.**

**Fund**

Series Name	Series Range
General Fund	01
Food Service	02
Community Service	04
Building Construction	06
Debt Service	07
Post Employment Benefits Debt Service	47
Trust	08
Post Employment Benefits Irrevocable Trust	45
Internal Service	20
Post Employment Benefits Revocable Trust	25
General Fixed Assets Group	98
General Long Term Debt Group	99

**Program**

Series Name	Series Range
Administration	000-099
District Support Services	100-199
Elementary and Secondary Regular Instruction	200-299
Vocational Education Instruction	300-399
Special Education Instruction	400-499
Community Education Instruction	500-599
Instructional Support Services	600-699
Pupil Support Service	700-799
Sites and Buildings	800-899
Fiscal and Other Fixed-Cost Programs	900-999

**NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS (CONTINUED)****Object**

Series Name	Series Range
Salaries and Wages	100-199
Employee Benefits	200-299
Purchased Services	300-399
Supplies and Materials	400-499
Capital Expenditures	500-599
Debt Service	700-799
Other Expenditures	800-899
Other Financing Uses	900-999

**Source**

Series Name	Series Range
Local Revenues	001-099
States Revenues	200-399
Federal Revenues received pass through the State	400-499
Federal Revenues received direct from Federal Government	500-599
Local Sales, Insurance Recovery and Judgments	601-629
Sales of Bonds and Loans	631-640
Incoming Transfers from Other Funds	649-699

The UFARS reporting structure does not control or constrain local operations or account codes. For example, the district has several internal codes that crosswalk to the appropriate UFARS code when transmitting reporting data to the MDE. Below is an example of a district code and the applicable UFARS code.

	TYPE	FUND	ORG/SITE	PROGRAM	FINANCE	OBJ/SRC	COURSE
	Internal Code	01	225	051	201	115	000
	UFARS Code	01	025	050	000	110	000

The table below shows how crosswalks allow the district to break out revenues and expenses in much further detail than is required by UFARS for reporting. See the appendix for a list of district dimensions and the applicable UFARS crosswalk.

Dimension	District Description	UFARS Description
FD	General Fund	General Fund
ORG	Dakota Hills Middle School	Dakota Hill Middle School
PRG	School Administration - Middle School	School Administration
FIN	Staffing Allocation	District-Wide
OBJ	Assistant Administrator / Principal	Administrator / Supervisor
CRS	Non-Federal Projects Ending in the Current Year	Non-Federal Project Endings in the Current Year

## NOTE 4 – SIGNIFICANT BUDGET AND FINANCIAL ITEMS (CONTINUED)

### F. Financial Philosophy, Practices and Fund Balance Management

**Financial Philosophy** – The basic principles that drive the development of the district’s financial policies and regulations are:

- Maintain a clear definition of accountability and spending authority.
- Maintain a long-term financial approach for responding to both current and future issues. An example of this approach is multi-year outlooks for budget planning.
- Maintain appropriate level of fund balances for:
  - time-limited projects or services
  - enhance funding for School Board approved initiatives
  - unplanned events or unforeseen expenditures

**Financial Practices** – The district operates under a decentralized or site-based environment. The budget planning process is more collaborative and school principals and budget administrators have flexibilities in determining how to manage their allocations from the district to comply with district policies and regulations.

Each year, school principals are given three major allocations to operate their schools. The three major allocations are capital expenditure, instructional/operating and staffing. All three allocations are determined by the schools’ enrollment, School Board approved funding guidelines, and federal and state mandates. Detailed information regarding these three allocations can be found in Note 7 – Budget Allocation. In general, with the exception of federal and state funds, school principals have the ability to determine how to budget for these allocations to meet their students’ needs. School principals are allowed to “carryover” their unspent instructional allocations to the following school year. Financial performance of the school is based on the bottom-line; this eliminates the need for line item budget transfers or budget adjustments within the school’s budget.

To comply with federal and state financial reporting requirements, the district adjusts the budgets for federal and state categorical grants each spring. The purpose of these adjustments is to account for grant dollars the district may have received during the year and align actual spending with the appropriate expenditure categories. These adjustments also allow for accurate funding for programs and provide the most accurate basis for developing the preliminary budget for the next fiscal year.

**Fund Balances** – Prudent fiscal management requires the maintenance of reasonable fund balances to mitigate financial risk from unforeseen circumstances and expenditures, and provides cash flow liquidity for general operations. The School Board formally adopted a fund balance policy requiring a minimum general fund balance of 5 percent of the annual projected operating expenditures. District administration monitors and maintains fund balance levels through the use of multi-year financial planning tools. When financial projections indicate future fund balance levels below minimum established levels, budget adjustments are implemented to programs and departments to ensure that established fund balance targets are maintained.

Governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors or contributors, or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the district for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the district’s superintendent or other designee is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the general fund that includes all spendable amounts not contained in other fund balance classification. It also reflects negative residual amounts in other funds.

## NOTE 5 – SCHOOL FUNDING

### A. Introduction

The Minnesota school finance system is the method by which funds are provided to operate public elementary and secondary schools. The bulk of state support for elementary and secondary education is distributed to school districts through the general education revenue program, which provides money for the current operating expenditures of the districts. The remaining portion of the state's appropriation to local districts is provided through special purpose or categorical aids, such as special education aid and local property tax relief aids. Historical, legal and descriptive information in the following pages provide the context for understanding the school finance system.

### B. Historical and Legal Background

Public education in the United States is the legal responsibility of state government. In Minnesota, as in most states, the state constitution charges the legislature with responsibility for public schools:

"The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state." (Constitution of the State of Minnesota, Article XIII, Section 1)

"Minnesota delegates responsibility for the actual operation of schools to local school districts whose powers and duties are prescribed by state statute. Historically, the property taxes levied by the school boards governing these school districts have been the primary source of revenue for running schools. Sometime after 1900, property taxes were supplemented by limited amounts of state appropriations for aid to school districts. By 1970-71, the Minnesota state foundation aid program provided all districts a flat grant per pupil unit (a pupil unit is a weighted enrollment measure) and provided some districts an additional "equalized" amount which varied inversely with a district's property valuation. Under this system, state aid funded about 43 percent of the cost of running schools, and school expenditures per pupil varied widely from district to district. Local property taxes rose rapidly in all districts in the late 1960s and the tax rate for schools also varied widely among districts."

The 1971 Legislature addressed these disparities by substantially increasing the amount of equalized state foundation aid per pupil unit and imposing a uniform statewide limit on the property tax rate for schools. The 1973 Legislature eliminated flat grants and established a system whereby the amount of foundation aid program revenue available per pupil unit to low-spending districts would be increased to the state average over a six-year period. From 1973 to 1983, the Legislature adjusted the foundation aid formula several times, making it more responsive to differences among districts and altering the relationship between local tax effort and state aid, without changing the formula's basic structure.

The 1983 Legislature enacted a new foundation aid program that became effective in the 1984-85 school year. The new program replaced several components of the previous foundation aid formula (i.e., discretionary, replacement, grandfather, and low-fund balance aids and levies) with five tiers of optional aids and levies. The main characteristics of the new five-tier program were equal access to revenues, recognition of some specific cost differences and more discretion on the part of school boards in choosing the necessary level of revenue." (Minnesota School Finance, A Guide for Legislator House Research Department)

### C. Current Program Design

The 1987 Legislature replaced the foundation aid program with a modified funding formula called the general education revenue program effective for the 1988-89 school year. General education formula components have remained relatively stable since 1989. In general, each component reflects school district funding needs in different areas and is based on pupil counts and the extent of need for each school district. General education revenue is the primary source of general operating funds for Minnesota's public schools.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

### D. General Education Revenue

Schools receive the bulk of their general operating funds from the state through the general education revenue program. For FY 2005 and later, basic general education revenue is provided entirely through state aid payments, but there are equalized levies for operating capital, equity revenue and transition revenue. Components of general education revenue are as follows:

1. **Basic Formula Allowance** – Basic education revenue for each district equals the product of the formula allowance multiplied by the adjusted marginal cost pupil units for the school year. Adjusted marginal cost pupil units are a statutorily defined count of pupils in daily attendance. The basic formula allowance for the 2020-21 school year is \$6,567 per adjusted pupil unit (APU).

School Year	Formula Allowance	
	Amount	Percent Change
2015-16	5,948	2.0
2016-17	6,067	2.0
2017-18	6,188	2.0
2018-19	6,312	2.0
2019-20	6,438	2.0
2020-21	6,567	2.0

2. **Extended Time Revenue** – Beginning in FY 2004, school districts were prohibited from counting a student as more than 1.0 in average daily membership (ADM). Prior to this, a student could be counted in excess of 1.0 if the student was participating in a learning year program. A learning year program may include extended day, extended week, summer school programming, or an independent study program. The 1987 Legislature eliminated funding for summer school when it replaced the foundation aid program with the general education revenue program. During the 1990s, many school districts started using the learning year program as a method to fund summer school programs. As a result, the growth in learning year pupils was quite significant. The 2003 Legislature adopted a provision that limits a student's annual average daily membership to 1.0.

The extended time revenue program allows a school district to count a student who participates in extended programming for up to an additional 0.2 students in ADM for the time the student spends in extended day, extended week, summer school or other additional programming authorized by the learning year program. This additional ADM counts only for purposes of generating extended time revenue.

3. **Basic Skills Revenue** – Basic skills revenue consists of compensatory revenue and English Learner (EL) revenue.

Compensatory Revenue - The vast majority of basic skills revenue is generated by the compensatory revenue formula. Compensatory revenue is site-based revenue that is calculated on the characteristics of each school site, and the revenue must be distributed to, and spent on, qualifying programs at each site. Compensatory revenue must be used to meet the educational needs of pupils whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age.

Compensatory revenue must be reserved in a separate account and each district must produce an annual report describing how compensatory revenue has been spent at each site within the district.

The formula that generates compensatory revenue is a concentration formula based on each school's count of students that are eligible for free or reduced-price school meals.



## NOTE 5 – SCHOOL FUNDING (CONTINUED)

The compensatory revenue increases as the number of compensatory pupil units goes up, which is driven by the number of students qualifying for free or reduced-price school meals, as well as the percentage of such students at the school. A higher percentage concentration of qualifying students leads to a higher count of compensatory pupil units.

Districts receive EL revenue to provide instruction to students with limited English skills. Programs may include bilingual programs or English-as-a-second-language (ESL) programs. Bilingual education programs provide curriculum instruction to students in their native language. Students in ESL programs are taught to read, write, listen, and speak in English. The state has provided funding for EL programs since 1980. In 1997, the EL formula was significantly expanded by adding a pupil concentration formula to the cost-based formula. Districts may receive state aid for eligible EL students for up to seven years.

There are two parts to the EL portion of basic skills revenue: the first part or basic formula is a set amount per eligible EL pupil unit and the second part of the EL formula is a concentration formula. A school district with at least one student eligible for EL services has a statutorily assigned minimum EL pupil count of 20.

4. **Gifted and Talented Revenue** – Beginning in FY 2006, each school district received \$4 per pupil unit for gifted and talented programming. This amount was increased to \$9 per pupil unit for FY 2007 and further increased to \$12 per pupil unit for FY 2008 through FY 2014. For FY 2015 and later, the formula allowance is \$13 per pupil unit to reflect the new, lower adjusted pupil unit count. The revenue must be used to identify gifted and talented student, to provide programming for gifted and talented students, or to provide staff development to prepare teachers to teach gifted and talented students.
5. **Sparsity Revenue** – Secondary sparsity revenue provides additional revenue to geographically large districts that have relatively few secondary pupils. The formula measures sparsity and isolation of the district and provides additional revenue to the district using an assumption about how many pupil units are necessary to run an acceptable secondary program. The formula assumes that a district with 400 secondary pupils in average daily attendance can provide an acceptable secondary program. Therefore, a district with one high school, no matter how few pupils per square mile it has, will not receive any sparsity aid if the district has a secondary average daily membership (SADM) in excess of 400. In addition, the requirement of large geographic size ensures funding for districts that have few pupils due to geographic isolation and not due to a school board's reluctance to provide cooperative programming with a neighboring school district.

**Elementary Sparsity Revenue** – A school district qualifies for elementary sparsity revenue if it has an elementary school that is located 19 or more miles from the next nearest elementary school and has fewer than 20 pupils per elementary grade. As with secondary sparsity revenue, the more elementary pupils in average daily membership (EADM) attending the school, the lower the elementary sparsity revenue per pupil.

6. **Operating Capital Revenue** – Operating capital revenue replaced two former capital formulas known as equipment revenue and facilities revenue and moved the revenue stream to each district's general fund. Operating capital revenue must be reserved and used for equipment and facility needs. A school board may spend other general fund money for operating capital expenses, but general fund money provided by the operating capital revenue component must be reserved and spent only for eligible equipment and facility needs.

Operating capital revenue is computed by adding a fixed dollar amount for all districts to a variable amount per pupil unit times the age of the district's school facilities. The age index is called the maintenance cost index (MCI). Operating revenue is an equalized formula. The equalizing factor fell to a low of \$10,700 in fiscal year 2012, and was increased to \$15,740 for fiscal year 2017, \$20,548 for fiscal year 2018, \$24,241 for fiscal year 2019, \$23,902 for fiscal year 2020, \$23,885 for fiscal year 2021

For FY 2020, the district's operating capital revenue is estimated to be \$224.61 per adjusted pupil unit times the district's maintenance cost index. Districts with older buildings receive more revenue because of the maintenance cost index. Districts with newer buildings receive less revenue.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

7. **Equity Revenue** – The equity revenue formula consists of three parts: basic equity revenue, low referendum revenue and a supplemental formula that was added in FY 2007. Equity revenue was added as a component to the general education revenue formula beginning with FY 2000. The state is divided into a seven-county metro region and a greater Minnesota region, and equity revenue is calculated separately for districts within each region. School districts located in cities of the first class (Minneapolis, St. Paul and Duluth) are excluded from receiving basic equity revenue. For FY 2002 and later, a school district's equity revenue is based only on the sum of its basic formula allowance and referendum revenue per pupil unit.

The first step in calculating equity revenue is to determine the 5th and 95th percentiles of the portion of general education revenue equal to the basic formula allowances and referendum revenue for the metro and greater Minnesota regions.

The second step in calculating equity revenue is to divide districts into two classes, those with a referendum and those without.

Equity revenue for a district with a referendum equals \$14 plus the product of \$80 and the district's equity index, all times the district's adjusted pupil units (APU). For districts in the seven county metropolitan area, the revenue amount resulting from both the regular and low-referendum equity calculations is multiplied by 1.25. Equity revenue for a district without a referendum equals \$14 times the district's APU.

Supplemental Equity Revenue – All school districts receive supplemental equity revenue equal to an additional \$50 per pupil unit.

Low Referendum Revenue – School districts with referendum amounts below 10 percent of the state average referendum amount are eligible for the supplemental low-referendum equity portion of equity revenue. Qualifying districts receive an amount per pupil equal to the difference between their referendum amount and 10 percent of the statewide average referendum revenue, with a \$100,000 limit.

Equity Aid and Levy – A district's equity revenue is equalized on referendum market value using an equalizing factor of \$510,000.

8. **Small Schools Revenue** – Small schools revenue is allocated to school districts (excluding charter schools) based on their enrollment. Districts with more than 960 adjusted pupil units do not qualify for the revenue. The formula for the revenue is \$544 times the district's adjusted pupil units, multiplied by a factor that allocates more revenue per pupil to smaller school districts on a sliding scale. The definition of a district for small schools revenue purposes includes a high school that is eligible for sparsity aid in a district with at least two high schools.

Beginning in FY 2013, a school district (but not a charter school) that serves fewer than 1,000 pupil units is eligible for small schools revenue. For FY 2013 and 2014, small schools revenue equals \$5,224 times 0.1, times the district's adjusted marginal cost pupil units, times the ratio of the 1,000 less the district's AMCPUs to 1,000. For FY 2015 and later, the maximum threshold changes to 960 pupil units to conform to the new lower pupil units, and small schools revenue equals \$544 times the district's adjusted pupil units, times the ratio of 960 less the district's adjusted pupil units to 960.

9. **Transition Revenue** – Transition revenue guarantees school districts that changes to various funding formula will not result in the districts receiving less revenue in the current fiscal year than it received in the prior fiscal year. It is a 'hold harmless' provision. Transition revenue was originally a revenue guarantee for 2003-04 revenue, fixed at the 2004-05 amount per pupil. Since then it has been expanded to include additional components. Beginning in FY 2015 the following components have been added:
- Achievement and integration revenue transition;
  - Pension adjustment transition;
  - Special education transition, and
  - Special education excess cost aid transition.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

Transition revenue is a fixed amount that is undesignated and may be used for any general fund purpose. Transition revenue is a mix of aid and levy, levied against referendum market value, using \$510,000 as the equalizing factor.

**10. Pension Adjustment Revenue** – Some of the changes in the school district employer-paid retirement contributions have been linked to other changes in school funding. For years prior to FY 2015, a school district's general education revenue is reduced by two decreases in employer contribution rate and increased by two increases in the employer contribution rate. The calculation for the reduction is as follows:

- *General Education Retirement Reduction =*
- *1984 PERA Adjustment (1) +*
- *FY 1997 TRA Adjustment (2) -*
- *FY 1999 PERA Adjustment (3) -*
- *FY 2007 TRA Adjustment (4)*

- (1) The 1984 PERA (Public Employees Retirement Association) adjustment equaled the amount of the 1984 PERA rate reduction times the school district's 1984 PERA payroll.
- (2) The fiscal year 1997 TRA (Teachers Retirement Association) reduction equaled 2.34 percent times the district's 1997 TRA payroll. (Prior to 1997, the reduction was .84 percent of TRA payroll. This reduction was added to the 2 percent reduction made in 1997, then reduced to the net amount of 2.34 percent after compensating for the PERA revenue increase under (3)).
- (3) The fiscal year 1999 PERA increase equaled .70 percent times the district's 1999 PERA payroll.
- (4) The fiscal year 2007 increase equaled .50 percent times each district's 2007 TRA payroll.

The reduction is a fixed total dollar amount (not a per pupil amount) and does not change each year unless the district's teacher payroll is significantly lower than in the previous fiscal year, in which case the Commissioner of Education recalculates a lower reduction based on the new payroll data. The adjustment will be statutorily eliminated as of June 30, 2020. For FY 2015 and later, a district's pension adjustment revenue equals the difference between its per pupil pension adjustment for FY 2014 and the statewide average adjustment for that year.

**11. Options Adjustment** – A school district's general education revenue is adjusted by the options adjustment based on enrollment changes made under student movement programs. A district's general education revenue is reduced for referendum aid attributable to resident pupils who are open enrolled, certain aid payments for resident pupils who attend the Minnesota Academies for the Deaf or Blind and certain charter school transportation payments. A district's general education revenue is increased by an amount equal to the referendum aid attributable to nonresident students served by the school district, plus an aid amount equal to the transportation portion of each charter school pupil whom the district transports.

**12. Local Optional Revenue** – The 2013 Legislature created a new component of general education revenue called location equity revenue. Effective FY 2016 and later, this revenue source has been renamed as local optional revenue and is equal to \$424 per pupil for every school district. Local optional revenue is offset from each district's approved amount of referendum revenue, so for most qualifying districts, local optional revenue provides no direct additional revenue. Instead, local optional revenue provides space under the referendum allowance cap and provides enhanced equalization revenue for some districts.

Beginning in fiscal year 2021, the first tier of referendum authority (\$300 per pupil unit—which may be approved by board action) is added to local optional revenue and reduced from the district's total referendum authority. The local optional revenue will then consist of two tiers, the first tier of \$300 per pupil, is equalized at \$880,000 per pupil (the same equalizing factor that existed when this tier was included in operating referendum revenue). The second tier, \$424 per pupil, remains equalized at \$510,000 per pupil. For fiscal year 2021 and later, there will no longer be any connection between local optional revenue and referendum revenue.

**13. Declining Enrollment** – Districts that experience declining enrollment from year to year are eligible for declining enrollment revenue. Previously, declining enrollment revenue was captured as part of "marginal cost pupil unit" calculations in many funding formulas. Due to pupil weighting simplification effective for FY 2015, a separate declining enrollment category is established.

Declining enrollment revenue acknowledges that lost per pupil funding due to fewer students does not always align neatly with the district's ability to cut its personnel and other operating costs. The declining enrollment formula is 28 percent of the current year formula allowance times the difference between the adjusted pupil units for the current year and the adjusted pupil units for the previous year.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

**E. Alternative Teacher Compensation Revenue** – Alternative teacher compensation, also called Q Comp revenue, was created to encourage districts to adopt alternative pay structures for teachers. Q Comp revenue of \$260 per prior year unweighted pupils is available to school districts, intermediate school districts and charter schools that develop and implement an alternative teacher pay system by October 1 of that school year. In order to qualify for the revenue, the district must, one full school year prior to the year of implementation, notify the Commission of Education of the district's intent to implement an alternative pay system.

The \$260 per pupil of revenue is a mix of aid and levy, with 65 percent, or \$169, of the per pupil amount coming in the form of state aid and the remaining \$91 per pupil in the form of equalized levy revenue. The levy revenue is equalized using an equalizing factor of \$6,100 of adjusted net tax capacity per pupil.

**F. Aid and Levy Calculations** – School districts receive general education revenue from both state aid payments and local property taxes while charter schools receive their general education revenue entirely in state aid. The mix of aid and levy is designed to equalize local tax burdens. A school finance program that provides the same amount of total revenue per pupil unit to each district and requires the same tax rate of local effort is said to be fully equalized. Under an equalized system, the higher a district's property wealth per pupil unit, the lower the amount of general education aid the district receives from the state and the higher the amount of revenue provided through the local district's property tax.

1. **Student Achievement Levy** – Beginning in FY 2015, a general education levy called the student achievement levy is reinstated. It is intended to raise \$20 million. This levy is based on adjusted net tax capacity and is set at a rate of 0.30 percent for FY2017. Districts may choose to levy all or part of this levy. If a district chooses to levy less than the maximum in this category, its share of total general education revenue not subject to an aid/levy split is reduced proportionately. This aid ended in fiscal year 2018.
2. **Operating Capital Levy and Aid** – Beginning in FY 2005 (taxes payable in 2004), a district's operating capital is provided through an equalized aid and levy. The revenue is computed based on the sum of \$79 per pupil unit and the product of \$109 and the district's average building age index.
3. **Equity Levy and Aid** – A district's equity revenue was equalized on referendum market value using an equalizing factor of \$510,000 (the same equalizing factor used for calculating the first tier of referendum revenue). This revenue is calculated and spread on referendum market value, so the levy is not spread on agricultural lands or seasonal recreational property. Prior to FY 2005, a district's equity revenue was provided entirely in state aid. Prior to fiscal year 2005, a district's equity revenue was provided entirely in state aid.
4. **Transition Levy and Aid** – Prior to FY 2005, a district's equity revenue was provided entirely in state aid. Beginning with FY 2005, a district's transition revenue was equalized on referendum market value using an equalizing factor of \$476,000. For FY 2015 and later, the equalizing factor is changed to \$510,000 to adjust for the lower pupil weights.
5. **Referendum Revenue** – The referendum revenue program, often referred to as the excess operating levy, is a mechanism that allows a school district to obtain voter approval to increase its revenue beyond the limits set in statute. Because of the exceptional growth in the referendum levy in the late 1980s and early 1990s, the legislature has made several changes to the program, including equalizing a portion of the revenue, capping the total amount of per pupil revenue a district may have, limiting the length of time that new referendums may run and requiring referendums approved after November 1, 1992 to be spread on referendum market value instead of tax capacity.

The 2001 Legislature greatly reduced the referendum levy beginning in FY 2003. Each district's referendum revenue was reduced by \$415 per pupil unit. (A district with less than \$415 per pupil in referendum authority lost the full amount of its authority.) At the same time the referendum was reduced, the basic formula allowance for all districts was increased by \$415 per pupil unit. As a result, referendum revenue was reduced by approximately \$200 million. Since that time, referendum revenue has increased substantially as a result of subsequent elections. The 2013 Legislature made a number of significant changes to referendum revenue beginning in FY 2015. These changes include:

**NOTE 5 – SCHOOL FUNDING (CONTINUED)**

- a. Changing the allowance from an amount per resident marginal cost pupil unit to an amount per adjusted pupil unit (the FY 2015 conversion will keep the total dollar amount of authority the same);
- b. Allowing a district to implement the first \$300 per pupil of referendum authority by board action;
- c. Creating a new category of revenue called location equity revenue and allowing a board to choose to convert referendum authority to location equity revenue;
- d. Dividing the equalization aid into three tiers and increasing the equalization of the first tier, and
- e. Modifying the referendum revenue cap and eliminating the grandfather cap.

Referendum Revenue Cap – A school district eligible for sparsity revenue is not subject to a cap on referendum revenue. For other districts, for years prior to FY 2015, a district's maximum total referendum allowance is limited to 26 percent of the formula allowance adjusted for inflation (\$1,597 for FY 2014). For those districts with authority from 1994 that were above the cap, their capped authority increased by 26 percent of the formula allowance or 17.7 percent less \$215 (instead of the \$415 subtraction that applies to other school districts, whichever is greater). For FY 2015 and later, the referendum revenue cap is \$1,845 adjusted for inflation.

Referendum Revenue Equalization – A portion of each district's referendum revenue is subject to equalization. The first tier of equalization aid is \$300 per adjusted pupil unit with an equalizing factor of \$880,000 per pupil. The equalizing factor for the second is \$510,000 and \$290,000 for the third tier.

Referendum Tax Base Replacement Aid – Referendum tax base replacement aid was implemented by the 2001 Legislature as a mechanism designed to compensate school districts for the loss of agricultural land and cabin tax base. Tax base replacement aid is a frozen dollar amount based on FY 2003 characteristics. Any referendum equalization aid earned by the school district is first offset by referendum tax base replacement aid. The remaining equalization aid, if any, is the amount used when computing the referendum aid accompanying charter schools and open enrollment pupils. Referendum tax base replacement aid was eliminated for FY 2015 and later.

Election Requirements – A district's general levy can be increased with the approval of the voters at a referendum called by the school board on its own initiative or on petition of 15 percent of the school district residents. The election must be held during the November General Election only, unless the election is held by mail ballot or upon approval of the Commissioner of Education if the district is in statutory operating debt. If the election is conducted by mail ballot, it must be in accordance with state election law and each taxpayer must receive notice by first-class mail of the election and of the proposed tax increase at least 20 days before the referendum. A similar election may also be held to reduce or revoke the increase.

Beginning in FY 2015, the first \$300 per pupil of authority may be approved by board action and does not need to be voter approved.

Referendum Market Value – Unlike most other school district levies, referendum levies are spread on referendum market value instead of net tax capacity. Referendum market value is the market value of all property within the school district with two exceptions. First, all seasonal recreational property (cabins) and farmland are excluded from referendum market value. Second, any property with a class rate of less than 1 percent is taxed at its market value times its class rate.

**G. Permanent School Fund Income** – The Permanent School Fund (PSF) of Minnesota consists of the proceeds of the lands granted to the state by the federal government for the use of schools, proceeds from swamp lands granted to the state, and cash and investments credited to the fund. While much of the initial land granted to the state has been sold, the state Department of Natural Resources is responsible for managing about 2.5 million acres of school trust land. The net proceeds from the land management activities (timber sales, minerals activities, lease revenue, etc.) annually are added to the principal of the fund.

The state holds the land and accumulated revenues from the land in trust for the benefit of public schools in Minnesota. The State Board of Investment is responsible for investing the principal of the fund, subject to direction from the Constitution and the legislature. The interest and dividends arising from the fund are required by the Constitution to be distributed to the state's school districts according to the method described in statute.



## NOTE 5 – SCHOOL FUNDING (CONTINUED)

Prior to FY 2010, the earnings from the PSF were simply offset against each district's general education aid. Beginning in 2010, the offset was eliminated and school districts began receiving income from the PSF as additional state aid. The aid payments are distributed to schools through a formula that provides two semiannual payments of aid to schools based on each school's count of pupils. For FY 2010 and FY 2011 and for the September payment in FY 2012, the payments were based on resident pupils.

Beginning with the March 2012 payment, the PSF payments to schools are based on pupils served, and payments go to both traditional school districts and charter schools.

**H. Capital Finance** – School districts must finance both ongoing capital needs, such as equipment purchases, repairs and maintenance, as well as major building construction projects. Major building projects are usually financed at the local level, often with the assistance of state-paid debt service equalization aid. Districts borrow money through the sale of bonds and levy an annual tax to repay the money over a period of years. Smaller remodeling projects, equipment purchases and other ongoing capital needs are normally financed by capital revenue programs.

Beginning with the 1996-97 school year, two of the largest capital funding formulas – the equipment formula and the facilities formula – were moved from the capital fund to a reserved account in the general fund. The purpose of this change was to allow districts greater discretion in the use of operating money for capital needs. The new formulas, named operating capital revenue, are a component of the general education revenue program. School districts may now use general fund operating revenue for capital programs, but operating capital revenue must be used for specified capital purposes and may not be used for general operating purposes.

The financing methods available to districts to obtain funds for ongoing capital needs and major construction projects are explained below.

Review and Comment on Construction Projects – When a new school building is constructed or when an existing facility is substantially remodeled, a district incurs a substantial financial obligation that must be met immediately. School districts issue bonds to obtain the funds necessary to pay the contractors. The district then pays back the bonds over a period of years with money raised from the debt service levy and any debt service aid received from the state.

Because of the importance and cost of major construction projects, the Minnesota Department of Education provides a review and comment on each major project.

Any project that requires an expenditure of more than \$2,000,000, except for certain deferred maintenance projects, must be submitted by the district to the commissioner for review and comment, unless the school district has an outstanding capital loan, in which case the project must be submitted for review and comment for any expenditure in excess of \$500,000.

The commissioner may give the project a positive, unfavorable or negative review and comment. If the project receives a positive review and comment, the district may hold a referendum to authorize the sale of bonds and upon approval of a simple majority of the voters, the project may proceed. If the commissioner submits an unfavorable review and comment, the local school board must reconsider the project. If the local school board decides to continue with the project, the referendum to authorize the sale of bonds must receive the approval of at least 60 percent of the voters. If the commissioner submits a negative review and comment, the school board cannot proceed with the project.

**I. Debt Service Revenue** – Minnesota's local school districts have generally financed the construction of new school buildings through the sale of bonds. The bonds are repaid with revenue raised from the local district's property tax receipts. The total amount of building bonds issued by the district determines the yearly debt service that the district must pay and the amount of bonds issued is, directly related to the district's building needs. The tax rate that the district levies in order to make its debt service payments depends both on the amount of debt and the size of the district's property tax base. The larger the debt, and the smaller the property tax base, the greater the district's tax rate for debt service needs.

**J. Debt Service Equalization Aid** – The debt service equalization aid program provides state aid to local school districts to help repay the bonds issued to finance construction. The amount of a school district's debt service that the state will pay depends on two factors, the district's total amount of annual debt service and the district's taxable property tax base (net tax capacity) per pupil.



## NOTE 5 – SCHOOL FUNDING (CONTINUED)

Debt service equalization aid is available for a school district's qualifying debt service. Debt service amounts that qualify for debt equalization are general debt service amounts for land acquisition, construction costs and capital energy loans. Net debt is the sum of these amounts reduced by any excess balance that the district has in its debt redemption account. All debt incurred prior to July 1, 1992, will be included in the district's net debt.

However, debt incurred after July 1, 1992, must be for facilities that:

- Receive a positive review and comment from the Commissioner of Education;
- Are comparable in size and quality to facilities in other districts, and
- Have been reviewed by all neighboring school districts.

The debt service revenue is divided into tiers. For FY 2013 and later, the first tier applies to the portion of a school district's debt that is less than 15.74 percent of the district's adjusted net tax capacity. The first tier must be provided entirely through the local levy. The second tier applies to the portion of debt revenue between 15.74 percent and 26.24 percent of adjusted net tax capacity. This tier is equalized at a relatively low level. For FY 2017, a district qualifies for state aid only if its per pupil tax base is less than \$4,400. The remaining debt revenue makes up the third tier, which is equalized at a high rate of \$8,000 per pupil.

**K. Capital Project Referendum** – A school district may conduct an election to approve funds for certain capital projects. (This program was formerly called the Down Payment Levy.) When approved by a voter referendum, school districts may levy for no more than 10 years the amount authorized for a down payment on future construction costs or for specific capital projects. Proceeds of the levy must be placed in a special account and used only for the approved purposes.

**L. Maximum Effort School Aid Law** – Some districts find it difficult or impossible to finance construction projects through conventional bond sales because the district property tax base is too small. These districts can qualify for state assistance under the Maximum Effort School Aid Law. Under this program, the state borrows money via bond sales and lends it to qualifying school districts on favorable terms.

Two types of loans are available, capital loans (for new construction projects) and debt service loans (to reduce the amount which districts must levy for debt service on completed projects). Qualifying districts can obtain either or both types of loans. A district is eligible for a capital loan only if its net debt tax rate, after any state-paid debt service equalization aid, is more than 32 percent of adjusted net tax capacity.

Capital loans and debt service loans are initially funded by the sale of state bonds. In addition to the bond proceeds, supplemental appropriations by the legislature are necessary to make principal and interest payments because repayments of loans by districts are occurring at a slower rate than that required to meet the state's obligations.

**M. Cooperative Facilities Grant Program** – The cooperative facilities grant program provides state grants to groups of local school districts that desire to build or remodel a facility. Prior to July 1, 2007, the program focused only on secondary facilities. A district must meet the same criteria as required by the consolidation program in order to qualify for a grant; for nonconsolidated districts, a minimum of two school districts must agree to apply for the grant. Grant amounts are currently limited to the lesser of 75 percent of the project cost, \$20 million for a new facility or \$10 million for a remodeling project.

A consolidated school district or a group of districts that wants a cooperative facility grant must apply to the Minnesota Department of Education for project approval. If the state makes state general obligation bond proceeds available, the district or districts must hold a referendum to approve the sale of bonds for the local portion of the project costs within 180 days of receiving a state grant. The referendum must be approved by a majority of those voting on the bond issue. In some years, the legislature has awarded a \$100,000 planning grant to potential grant recipients and has also named specific grantees in law when the bond proceeds are made available.

**N. Bonds for Certain Capital Facilities** – A district may issue general obligation bonds without voter approval for certain capital projects. The bonds must be repaid within fifteen years of issuance with the district's annual operating capital revenue.

**O. Long-Term Facilities Maintenance Revenue (LTFMR)** – The 2015 Legislature created a new program to support facilities maintenance needs for school districts, charter schools, and cooperatives, including intermediate school districts. Beginning with the 2016-17 school year, Long-Term Facilities Maintenance Revenue, a per pupil, formula-driven revenue source, will replace health and safety revenue, alternative facilities revenue, and deferred maintenance revenue.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

LTFMR is provided through a per pupil allowance. The per pupil allowance for school district is \$380 for FY 2019 and later. To determine the initial revenue, the school district allowance is multiplied by the lesser of one, or the ratio of the average building age to 35, and the pupil units for that year.

A school district may add to its per pupil amount the costs for health and safety for indoor air quality projects, asbestos abatement projects, or fire alarm and suppression where the cost of any of these projects at any site exceeds \$100,000. If this amount is less than the amount the district would have received under the former alternative facilities and health and safety formulas, the district is grandfathered in at the high level of revenue. Districts may add to their revenue amount the proportional share of any qualifying costs allocated from any grandfathered cooperatives to which the district belongs.

**P. Health and Safety Revenue** – For FY 2016 and earlier, a district with a building problem related to health or safety concerns may submit an application to the Commissioner of Education for authorization to receive health and safety revenue.

Health and safety revenue may be used for the following purposes:

- Remove or encapsulate asbestos;
- Dispose of polychlorinated biphenyls (PCBs);
- Remove and dispose of fuel oils;
- Eliminate a fire hazard;
- Remove a life safety hazard, and
- Correct certain air quality problems

The 2003 Legislature narrowed the scope of projects that qualify for health and safety revenue (particularly indoor air quality projects). The Legislature also required any project in excess of \$500,000 to be handled through the Alternative Facilities Program. Beginning in FY 2017, health and safety revenue is replaced by long-term facilities maintenance revenue.

**Q. Alternative Facilities Program** – For FY 2016 and earlier, certain school districts may choose to participate in the Alternative Facilities Program instead of the health and safety revenue program. A district qualifies to participate in the Alternative Facilities Program if the district has:

1. More than 66 students per grade;
2. Either:
  - a. More than 1,850,000 square feet of space and an average age of building space that is 15 years or older, or
  - b. More than 1,500,000 square feet of space and an average age of building space that is 35 years or older;
3. Insufficient funds from projected health and safety revenue and capital facilities revenue to meet the district's need for deferred maintenance repairs, to make accessibility improvements, or to make fire, safety or health repairs, and
4. A 10-year facility plan approved by the commissioner.

Four districts have been granted program eligibility through special laws that have been enacted.

In addition to the eligibility factors listed above, the 2003 Legislature required any health and safety project with a cost exceeding \$500,000 to be funded through alternative facilities bonds.

An eligible school district may issue general obligation bonds without voter approval to finance the approved facilities plans. The district may then levy to repay the bonds. This levy qualifies for debt service equalization aid. Alternatively, an eligible district may make an annual levy for the costs incurred under the 10-year facility plan. The 1997 and 1998 Legislatures provided ongoing state aid payments to reduce these levy amounts for districts that qualified at that time.

For FY 2017 and later, alternative facilities revenue is incorporated in the long-term facilities maintenance program.

**R. Deferred Maintenance Revenue** – Beginning in FY 2008, a school district that is not eligible for alternative facilities revenue under Minnesota Statutes, section 123B.59, subdivision 1, paragraph (a), is eligible for deferred maintenance revenue. Deferred maintenance revenue must be maintained in a reserve account and used only for deferred maintenance purposes. For FY 2017 and later, deferred maintenance revenue is replaced by long-term facilities maintenance revenue.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

**S. Disabled Access and Fire Safety Levy** – A district that has insufficient money in its capital expenditure fund to either remove architectural access barriers from a building or to make fire safety modifications required by the fire inspector, may submit an application to the commissioner for approval of levy authority of up to \$300,000 spread over an eight-year period. For disabled access projects, the commissioner shall develop criteria to determine the cost effectiveness of removing barriers in consultation with the Minnesota State Council on Disabilities. The commissioner shall approve or deny an application within 60 days of receiving it. The state has also provided state bond proceeds to help small school districts remove barriers: \$1 million was approved in 1993, \$4 million was approved in 1994, \$2 million was approved in 1996 and \$1 million was approved in 1998.

**T. Building Lease Levy** – The leased facilities levy authority allows districts to levy to pay rent on leased facilities. The levy authority has been modified many times in the last two decades. The allowable purposes of the levy were narrowed and then expanded. Currently, upon the commissioner's approval, districts may levy for leased facilities when the leased facility would be economically advantageous. The lease levy must not exceed the lesser of the lease costs or \$212 per pupil unit, except that a school district that is a member of an intermediate school district may levy an additional \$65 per pupil unit for space in intermediate facilities. The facilities must be used for instructional purposes.

**U. Telecommunications/Internet Access Aid** – School districts, charter schools and nonpublic schools are eligible for state aid to pay for a portion of their telecommunications and internet access costs. Beginning in FY 2006, the telecommunications/internet access aid program grants school districts and charter schools aid equal to 90 percent of the schools' unreimbursed telecommunications costs exceeding \$15 per pupil unit, unless the district is a member of a telecommunications cluster, in which case the aid equals 90 percent of the unreimbursed cost.

School districts are required to provide telecommunications and internet access to nonpublic schools (excluding a homeschool) located within the district's boundaries through a reimbursement equal to 90 percent of the nonpublic school's unreimbursed costs exceeding \$10 per pupil unit. The school district receives additional telecommunications/internet access aid from the state for this purpose.

In order to qualify for the aid, school districts and charter schools must submit their actual telecommunications and Internet access costs to the Commissioner of Education and file applications for federal Internet funds (commonly referred to as e-rate funds).

**V. Literacy Incentive Aid** – Schools are eligible for additional aid based on how well students in the third grade read (proficiency aid), and how much progress is being made between the third and fourth grades in reading skills (growth aid). Proficiency aid is calculated by multiplying \$530 times the average percentage of students in a school that meet or exceed proficiency over the current year and previous two years on the third-grade reading portion of the Minnesota Comprehensive Assessment (MCAs), multiplied by the number of students enrolled in the third grade at the school in the previous year. Similarly, growth aid is calculated by multiplying \$530 times the percentage of students that make medium or high growth on the fourth-grade reading MCAs multiplied by the previous year's further grade student count.

**W. Special Education Mandate** – Local school districts are required by state law to provide appropriate and necessary special education to children with disabilities from birth to 21 years of age. Children with disabilities are defined in statute to include children who have a hearing impairment, visual disability, speech or language impairment, physical disability, mental disability, emotional/behavior disorder, specific learning disability, deaf/blind disability, or other health impairment. The definition of a child with disability also includes every child under age five who needs special instruction and services, as determined by state standards, because the child has a substantial delay or an identifiable and known physical or mental condition. The mandate for services does not include pupils with short-term or temporary physical or emotional disabilities.

Special Education Funding Formulas – School districts receive state aid and some federal aid to pay for special education services. If these funds are insufficient to pay for the costs of the programs, districts must use other general fund revenue to make up the difference.

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

**Special Education Revenue for FY 2021 and later:** Minnesota's special education formula is a multistep hybrid formula. The formula combines a cost reimbursement formula with a modified "census style" of funding, provides a floor of funding based on fiscal year 2016 funding amounts, and authorizes serving school districts and charter schools to bill a portion of their unfunded special education costs attributable to nonresident students back to the student's resident school district. The partial costs are based on the salaries paid to special education teachers and other essential personnel. The census amounts are set in statute and provide differing levels of reimbursement based on the district's characteristics and the students' category of disability.

For fiscal year 2021 and later, a district's initial special education revenue is the sum of its special education-related pupil transportation services, and the least of:

1. 50 percent of the district's nonfederal expenditures for the previous year, including fringe benefits;
  2. 62 percent of the district's special education expenditures under the old special education formulas, which excluded fringe benefits; or
  3. 56 percent of the sum of:
    - a) the district's average daily membership times the sum of:
      - i. \$460;
      - ii. \$405 times the district's percent eligible for free and reduced-price meals; and
      - iii. .008 times the district's average daily membership;
    - b) \$13,300 times the count of students with autism spectrum disorder, developmental delay, or severely multiply impaired;
    - c) \$19,100 times the count of students who are deaf/hard of hearing or have an emotional behavioral disorder; and
    - d) \$25,200 times the count of students who are developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.
1. **Excess Cost Aid** – For FY 2016 and later, a district's special education excess cost aid equals the greater of:
    - a. 56 percent of the difference between the district's unreimbursed special education expenditures and 7 percent of the district's general revenue, or
    - b. 62 percent of the difference between the district's unreimbursed special education revenue under the former formula and 2.6 percent of the general revenue.
  2. **Tuition Adjustments**—State and federal special education revenue amounts are insufficient to cover School district special education costs. Under Minnesota's special education formulas, charter schools and school districts charge back to the student's resident school district a portion of the unreimbursed special education costs. This amount is called the "tuition adjustment." For fiscal year 2020, 85 percent of the unreimbursed costs are billed back to the resident school district. For fiscal year 2021 and later, 80 percent of the unreimbursed special education costs are billed back to the resident district. For charter schools only, for fiscal year 2020, the state will pay 5 percent of the unreimbursed costs, and for fiscal years 2021 and later, the state will pay 10 percent of the charter school's unreimbursed costs.
  3. **Cross Subsidy Aid.** A school district's special education cross subsidy is the difference between the amount the district spends on qualifying special education services and the sum of the state and federal special education revenue and the general education revenue generated by special education students served primarily outside of the regular classroom for that year. For fiscal year 2020, a school district's special education cross subsidy aid equals 2.6 percent of its cross subsidy for the previous year. This amount increases to 6.43 of its cross subsidy for fiscal year 2021 and later.

Source: "Minnesota School Finance, A Guide for Legislators" House Research Department.

Further detail and information can be found at: <http://www.house.leg.state.mn.us/hrd/pubs/mnschfin.pdf>

## NOTE 5 – SCHOOL FUNDING (CONTINUED)

4. **Special Education Aid.** A district's special education aid is the sum of its initial aid, excess cost aid, and tuition adjustments all constrained by the special education limits. This amount is then increased by the amount of the district's cross subsidy aid.
5. **Special Education Aid Limits.** A district's initial special education aid, excess cost aid, and tuition adjustments are subject to several caps and floors. First, for fiscal year 2020, the special education aid cannot exceed the greater of: (1) 56 percent of the district's nonfederal special education expenditures plus 100 percent of its special education transportation costs plus its current year tuition adjustment; or (2) the sum of its 2016 special education revenue adjusted for changes in enrollment and adjusted by 4.6 percent per year since 2016, plus \$220 times its average daily membership. Further, the district's special education aid cannot be less than the lesser of: (1) 90 percent of its nonfederal special education expenditures, plus 100 percent of its special education transportation costs, plus its current year tuition adjustment; or (2) its 2016 special education revenue adjusted for changes in enrollment and adjusted by 4.6 percent per year since 2016. In subsequent fiscal years, the maximum and minimum caps are narrowed. This has the effect of pulling school districts more consistently toward 56 percent of each district's nonfederal special education expenditures (plus the special education transportation costs).
6. **Home-based Travel Aid** – The state pays 50 percent of the expenditures on necessary travel of essential personnel to provide home-based services to children with a disability who are under 5 years old.
7. **Aid for Children with Disabilities (Special Pupil Aid)** – Some disabled children don't have a resident district because their parents' rights have been terminated, or their custodial parent or guardian lives outside Minnesota or is an inmate or resident of a state correctional facility. In these cases, the state pays to the serving school district 100 percent of the costs of instruction and services, less the general education basic revenue allowance and any other aid earned on their behalf.
8. **Court-placed Special Education Revenue** – When a school district serves a child from another state who was placed by a court in Minnesota and when the school district responsible for providing services for that student is unable to collect tuition from the resident state or school district, the school district may request reimbursement from the state of Minnesota for the unreimbursed special education costs.
9. **Out-of-State Tuition for Special Education Students** – When a court places a Minnesota child in a care and treatment facility in another state and when the resident school district receives a bill for services from the out-of-state provider, the Minnesota district may seek reimbursement for the unfunded services.

Source: "Minnesota School Finance, A Guide for Legislators" House Research Department.  
 Further detail and information can be found at: <http://www.house.leg.state.mn.us/hrd/pubs/mnschfin.pdf>

## NOTE 6 – BUDGET DEVELOPMENT PROCESS

### A. Budget Timeline

The school district budget cycle is a continuous five-step process that is mandated by state law. Each step outlined below requires School Board approval and is open for public inspection and comment. Since the process spans multiple school and calendar years, the district can be in multiple phases of the process at any given time.

- Property Tax Levy** – The budget process begins with submission of estimated property tax levy information to the Minnesota Department of Education (MDE) by mid-July. The MDE sets the maximum amount each district may levy based on current legislation. The School Board certifies the levy before the end of the calendar year.
- Preliminary Budget** – State Statute requires the school boards to approve a preliminary budget before the start of the school year on July 1. This process includes completion of enrollment projections and five-year budget forecast, development of staffing guidelines and determination of revenue and expenditure assumptions.
- Final Budget** – Each fall, the Finance Department prepares a final budget that includes actual October 1 enrollment and any changes in law that affect education finance. The School Board approves the final budget in December or January.
- Budget Adjustments** – Each spring, the School Board approves budget adjustments to account primarily for grant dollars the district may have received during the year. These adjustments allow for accurate funding for programs and provide the most accurate basis for developing the preliminary budget for the next fiscal year.
- Annual Financial Report and Audit** – The final step in the budgeting process is closing the books and preparing financial statements for the year. During this step the district undergoes an independent audit as required by state law. The School Board typically reviews the audited financial report in October or November.

Item / Activity	Fiscal Year												Calendar Year											
	2019-20						2020-21						2021-22						2022-23					
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Data uploaded to MDE to update tax levy certification reports																								
School Board sets preliminary levy limits																								
Proposed Tax Statements emailed to residents by county																								
Truth in taxation meeting held by the School Board																								
School Board finalizes the levy certification																								
Establish preliminary enrollments by school																								
Preparation of preliminary five-year budget forecast																								
Completion of long-range enrollment projections																								
Budget Advisory Council discusses five-year budget forecasts and assumptions																								
School Board -																								
Discusses preliminary five-year budget forecast and assumptions																								
Discusses capital expenditure budget																								
Identifies "most likely" scenario for preliminary budget																								
Reviews staffing guidelines and allocations																								
Capital budget allocations and plans submitted by principals and directors																								
Staffing and building allocations distributed to principals and administrators																								
Principals and district-level administrators complete and submit budgets																								
Directors review, approve and submit budgets to Finance Department																								
Director of finance and operations and superintendent review preliminary budgets																								
Prepare draft copy of preliminary budget document																								
Cabinet reviews proposed preliminary budget																								
School Board Audit/Finance Committee reviews proposed preliminary budget																								
First reading of proposed preliminary budget with School Board																								
Second reading and approval of preliminary budget with School Board																								
Budget in place and being expended and monitored																								
Schools notified of budget carryovers/deficits and final budget timelines																								
Schools' October 1 enrollments verified and allocations finalized																								
Principals and administrators complete and submit revised budgets																								
Directors and superintendent review, approve and submit budgets to finance																								
Director of finance and operations reviews final analysis with superintendent																								
Prepare draft copy of final budget document																								
School Board Audit/Finance committee reviews proposed final budget																								
First reading of proposed final budget with School Board																								
Second reading and approval of final budget with School Board																								

A detailed budget planning calendar for the 2020-21 school year can be found on page 59 in this section.



## NOTE 6 – BUDGET DEVELOPMENT PROCESS (CONTINUED)

### B. Budget Assumptions and Projections

This budget and future projections are developed based on assumptions and parameters which were discussed with the district's Budget Advisory Council and ultimately approved by the School Board. Below is a summary of the assumptions and parameters.

Enrollment: The district uses several methods to project student enrollments. These projection methods are reviewed by the district enrollment committee and a combination of the projection methods described below is agreed upon and presented to the School Board for approval.

1. **Cohort Survival (grade progression)**: Based on the ratio between the number of students at one grade level versus the number in the previous grade level the prior year.
2. **Live births-to-actual**: Live births information obtained from the Minnesota Department of Health is used to project the number of eligible kindergarten students who will reside in the district at age five.
3. **Eligible-to-actual enrolled**: The actual number of eligible kindergarten students is determined by the number of preschoolers within the kindergarten age group in each elementary school attendance area.
4. **Census based**: The district is divided into 130 census/sub areas. Student Information staff work with various utilities companies within the district boundary to track the number of household units, school-aged children and actual number of students per household enrolled in the district's schools, other private or public schools, or being educated at home. To project student enrollment, students who are enrolled in the district as of October 1 of each school year are advanced to the next grade. In addition, the district also maintains child per housing unit (CPU) by dwelling types and uses this data to project the number of additional school-aged children who might attend from new housing developments within each attendance area. CPU ratios are calculated based on actual October 1 information per dwelling types (i.e. single family homes, townhomes and apartments). The number of new students to be added to the preliminary enrollment projection totals is determined by applying the appropriate CPU ratios to the respective new housing units. These numbers are then added to the preliminary enrollment projection totals.

Below is a summary of enrollment projections approved by the enrollment committee in November 2019:

	2020-21	2021-22	2022-23	2023-24	2024-25
Projected Enrollment	29,692	29,974	30,268	30,478	30,614

### Expenditures:

The following key expenditure assumptions and parameters are used in the preparation of the five-year financial forecast:

- Fund balance reserve goal is not less than 5 percent of total projected expenditures
- Staffing contracts/increases as approved by the board included in the plan
- Medical Costs increased to actuals for settled contracts, 5 percent increase for contracts settled in Summer 2019
- General inflation increases of 2 percent for all future years and the following other independent increases:
  - Contracted services increased by 5 percent
  - Snow removal increased by 3 percent
  - Electricity and natural gas increased by 5 percent
  - Property and liability insurance increased by 3 percent
  - Contracted transportation increased by 3 percent
  - Transportation fuel costs increased by 4 percent
  - District contribution to TRA and PERA remain at current level as stated in state statutes

## NOTE 6 – BUDGET DEVELOPMENT PROCESS (CONTINUED)

The district maintains a five-year financial forecast system. This system is used for financial planning and is updated several times throughout the year to reflect legislative changes, student enrollment, staffing adjustments, new programs, inflationary adjustments and salary and employee benefits per approved contracts.

Listed below are some of the key revenue and expenditure assumptions used in the district's most recent five-year financial forecast.

### Revenues:

- Basic general education funding formula increases of 2.0 percent per year (not currently legislated)
- Other categorical revenues held at current legislative authority levels
- Referendum authority at level authorized in the 2013 levy referendum election

### Expenditures:

- Maintain a minimum fund balance of no less than 5 percent of total expenditures
- Instructional staffing ratios adjusted according to 2020-21 staffing parameters approved by the School Board
- General inflationary adjustment at 2 percent, unless otherwise noted for a specific budget year
- Salary and employee benefits based on budget planning parameter or contracts approved by the School Board
- Electricity, property and liability insurance, health insurance and workers' compensation premiums are based on industry trends and/or district experience

### Five-Year Forecast Summary:

The following table is a summary of the district's most recent five-year financial forecast. It was developed using enrollment projections developed in November 2019 and the revenue and expenditure assumptions listed above.

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Revenues	410,075,728	426,229,571	436,611,388	445,846,465	445,846,465
Expenditures	407,818,959	420,572,412	435,167,675	450,205,536	450,205,536
Revenues over expenditures	<u>2,256,769</u>	<u>5,657,159</u>	<u>1,443,712</u>	<u>(4,359,071)</u>	<u>(4,359,071)</u>

**NOTE 6 – BUDGET DEVELOPMENT PROCESS (CONTINUED)**Budget Calendar

Below is a detailed budget calendar for the 2020-21 Preliminary Budget;

Activity	Person Responsible	Delivery Date
Completion of long range enrollment projections and 2020-21 enrollment projections by school	Director of Finance & Operations Coordinator of Finance Student Information Supervisor School Board	November 11, 2019
Preparation of preliminary five-year general fund budget forecast	Director of Finance & Operations Coordinator of Finance Manager of Financial Systems	November 2019 through January 2020
Budget Advisory Council meet to provide assumptions for preliminary five-year general fund budget forecast	Director of Finance & Operations Budget Advisory Council	January 8, 2020
School Board meet to discuss assumptions and review a range of five-year general fund forecast scenarios. School Board identify "most likely" scenario for 2020-21 preliminary budget planning, including budget assumptions	Superintendent Director of Finance & Operations School Board	January 13, 2020
School Board review 2020-21 staffing guidelines (Other Action Item)	Superintendent Director of Human Resources School Board	January 13, 2020
School Board meet to review 2020-21 capital expenditure account budget	School Board Superintendent Director of Finance & Operations Coordinator of Finance	February 10, 2020
Preliminary 2020-21 staffing allocations to Director of Elementary Education and Director of Secondary Education	Coordinator of Finance Manager of Financial Systems	February 24, 2020
2020-21 staffing allocations, building allocations and budget instructions sent to principals and district-level administrators	Coordinator of Finance Manager of Financial Systems	March 11, 2020
MyBudgetFile® budget centers open for 2020-21 budget preparation	Coordinator of Finance Manager of Financial Systems	March 16, 2020
Principals and district-level administrators complete and submit budgets for directors' review and submission	Elementary Principals District-level Administrators Middle School Principals High School Principals	April 8, 2020
Directors review budgets with superintendent, then submit budgets to finance when ready for processing	Superintendent Directors	April 17, 2020
Director of Finance & Operations review 2020-21 preliminary budgets analysis with Superintendent	Superintendent Director of Finance & Operations	April 25, 2020
Prepare draft copy of 2020-21 preliminary budget	Director of Finance & Operations Coordinator of Finance Manager of Financial Systems, Reporting & Compliance	May 22, 2020
Cabinet review proposed 2020-21 preliminary budget	Cabinet	June 1, 2020
School Board Audit/Finance committee meet to review proposed 2020-21 preliminary budget	School Board Audit and Finance Committee	June 8, 2020
First reading of proposed 2020-21 preliminary budget (new business)	School Board	June 8, 2020
Second reading and approval of 2020-21 preliminary budget (old business)	School Board	June 22, 2020
2020-21 preliminary budget in place and being expended and monitored	Coordinator of Finance, Principals District-Level Administrators	July 1, 2020

## NOTE 7 – BUDGET ALLOCATIONS

The district operates in a decentralized or site-based environment. Annually, schools receive three different allocations from the district to support their operations: staffing, instructional and capital expenditure. Other programs, such as curriculum materials, major maintenance projects, special education program and facilities and grounds maintenance are centrally managed. A majority of the allocations to the schools are driven by student enrollment and per student allocations reviewed by the School Board.

### A. Staffing Allocation

- Staffing allocations to the schools are based on the staffing guidelines and ratios developed by the administration and reviewed by the School Board. The 2020-21 staffing allocations to the schools are based on the guidelines and ratios approved by the School Board on February 12, 2020, and enrollment projections completed in November 2019. School principals and department managers are responsible for staffing their building or department according to their allocations.
  - Staffing for learning and development program – School districts are required to reserve a portion of the general education formula revenue to reduce and maintain class size in elementary grades, with first priority on kindergarten, first-, second- and third-grade class sizes. The allocations to each elementary school are based on enrollment projections presented to the School Board in November 2019.
- Staffing allocations for districtwide departments such as facilities and grounds, business services and human resources are based on guidelines and ratios reviewed by the School Board on February 12, 2020. Administrators are responsible for staffing their departments according to these allocations.
- Salary budgets are initially calculated by the Finance Department using the contract salaries for all employee groups that have an approved contract and verified by school principals and other administrators. These employee groups include bus drivers, custodians, secretarial and clerical employees and teachers. For building chiefs, food service workers, nonunion employees, and vehicle technicians, salaries and related expenditures are estimated based on budget guidelines as determined by the School Board on February 12, 2020.
- Employee benefits are estimated using a variety of techniques. Retirement benefits, social security and workers' compensation premium budgets are calculated as specified percentages of salaries. Budgets for health, dental, life insurance and the tax sheltered annuity match are estimated based on the projected number of employees reported by school principals and other budget administrators, premium information provided by the insurance carriers and current employee contracts. For groups that have no contract but for which there is a limit on the district contribution, increase in the maximum district contribution is based on budget guidelines as determined by the School Board on February 12, 2020.

**B. Instruction Allocations for Schools** – The district maintains eight different allocations to the schools for instructional purposes. All of the district schools receive allocations for instruction, staff development, professional growth plan, team leaders, co-curricular staffing, compensatory education, and basic skills. In addition, middle schools and high schools also receive co-curricular supplies allocations.

- **Instructional allocations** – Are done consistent with the School Board-approved budget-planning parameters, adopted at the February 12, 2020 School Board meeting.
- **Staff development** – This per pupil allocation is earmarked for staff development activities.
- **Professional Growth Plan (PGP)** – This allocation is used to supplement the per pupil staff development activities at the building. Funding authority for this allocation is based on a letter of understanding between the School Board and Dakota County United Educators (teacher's union).
- **Co-curricular staffing and supplies** – Middle schools and high schools receive co-curricular staffing and supplies allocations to support their co-curricular programs. Co-curricular staffing and supplies allocations for 2020-21 are based on board approved guidelines.
- **Co-curricular Substitute Teachers** – This allocation is given to the high schools to pay for substitute teachers who are hired to fill in for the teachers involved in state tournaments. Co-curricular substitute teacher allocations are specifically for high schools.

## NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)

The following is a table showing the per pupil instructional allocations to the schools:

	2020-21 Per-pupil Allocations			
	Instructional Supplies	Staff Development	Co-curricular Supplies	Co-curricular Staffing
Alternative Learning Center	\$369.70	\$8.00	-	-
High schools	\$180.30	\$8.00	\$150.90	\$79.90
Co-curricular Fixed Costs				\$851,723.00
Middle schools	\$115.10	\$8.00	\$32.10	\$21.20
Co-curricular Fixed Costs				\$129,540.00
Elementary Schools - Title I schools	\$125.30	\$8.00		1,257 /Stipend
Elementary Schools - Non-Title I schools	\$129.40	\$8.00		1,257 /Stipend
Special Education				
Early Childhood Special Ed.	\$35.90	\$8.00		
Other Elementary Schools	\$55.40	\$8.00		
Other middle & High Schools	\$60.20	\$8.00		

In addition to information listed above, the School of Environmental Studies receives co-curricular staffing allocations to support stipend payments for yearbook, Students Against Drunk Driving and Student Council.

- **Team Leaders** – This allocation provides stipends to department coordinators/team leaders in schools. The table below shows the formula used to calculate team leader allocations to the schools:

	Fixed Allocation per building	Amount per Licensed Staff
Alternative Learning Center	-	100.00
School of Environmental Studies	2,000.00	220.00
High schools	5,500.00	225.00
Middle schools	4,000.00	175.00
Elementary Schools	10,524.00	109.00

- **Compensatory Education Allocations** – Compensatory education revenues for the 2020-21 school year are based on estimates prepared by the Minnesota Department of Education in February 2020. These estimates are based on the district's actual enrollment and actual free and reduced-price school meal counts on October 1, 2019. Five percent of the revenue has been set aside for districtwide initiatives.
- **Basic Skills** – Per pupil unit allocations for grades K-8 remain at \$40.50 per pupil for non-Title I elementary and middle schools and \$20.25 for Title I elementary schools.

### C. District Office Non-salary Budget Allocations

Non-salary budgets are determined by each administrator based on parameters established by the School Board, then reviewed and approved by the superintendent or the director of finance and operations. For 2020-21, the inflationary adjustment is 2 percent except for budget items, such as heating fuel and electricity, which are based on recent trends and industry directions. Additionally, supplies allocations for the 2020-21 school year were returned to levels previous to the budget reduction measures implemented during the 2019-20 year.

### D. Operating Capital Allocations for Schools

Annually, the district sets aside an amount to be allocated to the schools for capital expenditure needs that have been determined as the school's responsibility. Other capital expenditure needs that have been determined as responsibilities of the district are funded centrally.

Operating capital allocations to the schools are determined by the following factors:

- **Regular and special education student enrollment counts** are based on the district enrollment projections reviewed by the School Board in November 2019 and weighted as follows:  
Kindergarten and grades 1-3 at 1.0  
Grades 4-6 at 1.1  
Grades 7-12 at 1.5
- **Building facilities' age and square footage** information compiled by the Minnesota Department of Education, and
- **Amount approved by the School Board for distribution to the schools with a guaranteed minimum of \$6,500 per school.**

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

Staffing allocations for the district's 19 elementary schools are shown below

School	Enrollment (Students)				Teachers (Licensed Staff FTEs)				
	SpEd	K-2	3-5	Total	Grades K-2	Grades 3-5	Specialists	Band	Enrichment
Cedar Park	20	374	320	714	17.600	12.190	5.064	0.550	0.830
Deerwood	28	299	320	647	14.071	12.190	4.589	0.470	0.300
Diamond Path	12	371	382	765	17.459	14.552	5.426	0.490	0.830
East Lake	27	376	354	757	17.694	13.486	5.369	0.480	0.550
Echo Park	29	384	351	764	18.071	13.371	5.418	0.470	0.830
Glacier Hills	6	328	368	702	15.435	14.019	4.979	0.590	0.830
Greenleaf	20	381	416	817	17.929	15.848	5.794	0.600	0.550
Highland	40	352	365	757	16.565	13.905	5.369	0.540	0.550
Northview	32	223	242	497	10.494	9.219	3.600	0.300	0.300
Oak Ridge	29	291	245	565	13.694	9.333	4.007	0.340	0.580
Parkview	24	384	419	827	18.071	15.962	5.865	0.510	0.800
Pinewood	20	298	310	628	14.024	11.810	4.454	0.380	0.300
Red Pine	20	345	368	733	16.235	14.019	5.199	0.430	0.550
Rosemount	19	340	395	754	16.000	15.048	5.348	0.550	0.550
Shannon Park	29	269	301	599	12.659	11.467	4.248	0.610	0.300
Southview	41	314	314	669	14.776	11.962	4.745	0.390	0.550
Thomas Lake	30	317	239	586	14.918	9.105	4.156	0.310	0.300
Westview	38	243	192	473	11.435	7.314	3.600	0.270	0.300
Woodland	29	349	340	718	16.424	12.952	5.092	0.410	0.550
<b>Totals</b>	<b>493</b>	<b>6,238</b>	<b>6,241</b>	<b>12,972</b>	<b>293.554</b>	<b>237.752</b>	<b>92.321</b>	<b>8.690</b>	<b>10.350</b>

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 12, 2020. The following shows some of the key staffing ratios:

- **Classroom teachers:** grades K-2, 1.0 FTE to 21.25 students, by building; grades 3-5, 1 to 26.25 students, by building
- **Specialists:** grades K-5, enrollment plus students in center-based special education program (CBSE) divided by 141, a guaranteed minimum of 3.6 FTEs per building and actual participation is known
- **Instrumental music specialists:** 1.000 FTE per 177 Student (actual participation), current FTE is from FY2019-20, with final FTE allocation updated once actual fall 2020 enrollment is available
- **Enrichment:** allocations are based on actual number of students identified for the gifted and talented program, no proration factor. This allocated also includes .28 FTE for additional support for the five magnet elementary schools
- **Nurses:** 0.938 FTE per building, no proration factor of enrollment
- **Principal:** 1.0 FTE per building, no proration factor of enrollment
- **Assistant administrator:** 1.000 FTE / 1,227 K-5 students (K-2 and 3-5 enrollments) and 1.000 FTE / 123 Special Education students
- **12-month secretary:** 1.0 FTE per building, no proration factor of enrollment
- **10-month secretary:** 1.0 FTE per 740 students (Total enrollment), with a minimum of 0.900 FTE per school
- **10-month clerk:** 1.000 FTE per 166 K-5 students (K-2 and 3-5 enrollments), with a minimum of 3.450 FTE per school



**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

School	Nurse	Principal	Assistant Administrator	Secretaries		Clerks	Total
				12-Month	10-Month	10-Month	
CP	0.938	1.000	0.729	1.000	0.964	4.169	45.033
DW	0.938	1.000	0.733	1.000	0.900	3.719	39.909
DP	0.938	1.000	0.711	1.000	1.033	4.524	47.962
EP	0.938	1.000	0.815	1.000	1.022	4.386	46.739
EP	0.938	1.000	0.835	1.000	1.032	4.416	47.381
GH	0.938	1.000	0.616	1.000	0.948	4.182	44.536
GL	0.938	1.000	0.813	1.000	1.103	4.788	50.363
HL	0.938	1.000	0.910	1.000	1.022	4.308	46.106
NV	0.938	1.000	0.640	1.000	0.900	3.450	31.841
OR	0.938	1.000	0.673	1.000	0.900	3.450	35.915
PV	0.938	1.000	0.850	1.000	1.117	4.824	50.937
PW	0.938	1.000	0.659	1.000	0.900	3.653	39.117
RP	0.938	1.000	0.744	1.000	0.990	4.284	45.388
RE	0.938	1.000	0.754	1.000	1.018	4.416	46.621
SP	0.938	1.000	0.701	1.000	0.900	3.450	37.273
SV	0.938	1.000	0.846	1.000	0.904	3.773	40.883
TL	0.938	1.000	0.698	1.000	0.900	3.450	36.775
WV	0.938	1.000	0.664	1.000	0.900	3.450	30.871
WL	0.938	1.000	0.798	1.000	0.970	4.139	44.273
Totals	17.813	19.000	14.189	19.000	18.423	76.831	807.922

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

Staffing allocations for the district's six (6) middle schools are shown below:

SCHOOL	BHMS	DHMS	FRMS	RMS	SHMS	VMS	Total
Enrollment	779	1,241	1,033	1,283	1,243	1,098	6,677
<b>FTE Allocations</b>							
Classroom Teacher Allocations	30.760	49.003	40.790	50.661	49.082	44.356	264.652
Counselor/Mental Health Support	3.000	3.082	3.000	3.166	3.086	3.000	18.334
Secondary Technology Assistant	0.450	0.450	0.450	0.450	0.450	0.450	2.700
<b>Specialist Allocations</b>							
Library/Media	0.900	0.900	0.900	0.900	0.900	0.900	5.400
Gifted & Talented	0.900	0.900	0.900	0.900	0.900	0.900	5.400
Band (165:1 approximately)	1.440	3.170	2.340	3.100	3.400	1.890	15.340
Total - Specialists	3.240	4.970	4.140	4.900	5.200	3.690	26.140
<b>Administrative Allocations</b>							
Principal	1.000	1.000	1.000	1.000	1.000	1.000	6.000
Assistant Principal	1.000	1.000	1.000	1.000	1.000	1.000	6.000
Assistant Administrator (Note 4)	0.061	0.098	0.081	0.101	0.098	0.086	0.525
<b>Secretarial Allocations</b>							
12-month Secretaries	2.000	2.000	2.000	2.000	2.000	2.000	12.000
10-month Secretaries	0.650	0.776	0.650	0.802	0.777	0.686	4.341
10-month Clerks	2.978	4.745	3.949	4.905	4.752	4.198	25.527
Nurse	1.000	1.000	1.000	1.000	1.000	1.000	6.000
<b>Total FTEs</b>	<b>49.379</b>	<b>73.094</b>	<b>62.200</b>	<b>74.885</b>	<b>73.645</b>	<b>65.156</b>	<b>398.359</b>

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 11, 2019. The following shows some of the key staffing ratios:

- **Classroom teachers:** 1.0 FTE per 23.325 students (total enrollment)
- **Librarians/media specialists:** 0.9 FTE per school, no proration factor of enrollment
- **Counselors:** Minimum 2.0 FTE per site and 1.0 FTE per 500 students for enrollment in excess of 1,200 + 1.0 FTE for mental health support
- **Technology assistant:** 0.45 FTE per school, no proration factor of enrollment
- **Gifted and talented teachers:** 0.9 FTE per school, no proration factor of enrollment
- **Band teachers:** 1.0 FTE per 165 students (actual participation), current FTE is from FY2018-19 Final Budget, updated to actual once school begins and actual participation is known
- **Principal:** 1.0 FTE per school, no proration factor of enrollment
- **Assistant principal:** 1.0 FTE per school, no proration factor of enrollment
- **Assistant administrator:** .00007875 FTE/per student
- **12-month secretary:** 2.0 FTE per school, no proration factor of enrollment
- **10-month secretary:** 1.000 FTE per 1,600 students (total enrollment), with a minimum of 0.650 FTE per school
- **10-month clerk:** 1.000 FTE per 262 students (total enrollment)
- **Nurse:** .0938 FTE per school, no proration factor of enrollment

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

Staffing allocations for the district's six (6) high schools are shown below:

School	AVHS	EHS	EVHS	RHS	SES	ALC	Total
Projected Enrollment	1,678	2,023	2,269	2,452	354	127	8,903
<b>FTE Allocations</b>							
Counselors/Deans/Mental Health	5.271	6.046	6.599	7.010	1.296	0.500	26.721
Classroom Teacher Allocations	68.490	82.571	92.612	100.082	14.449	5.773	363.977
Secondary Technology Assistant	0.450	0.450	0.450	0.450	0.225	0.000	2.025
WED Teacher	2.000	2.000	2.000	2.000	0.000	0.000	8.000
<b>Specialist Allocations</b>							
Developmental Psychology	0.798	0.798	0.798	0.798	0.000	0.000	3.192
Library/Media	1.800	1.800	1.800	1.800	0.450	0.000	7.650
6th & 7th period requests	1.678	2.023	2.269	2.452	0.354	0.000	8.776
Adjustment to 6th & 7th period - SES	0.085	0.100	0.087	0.082	(0.354)	0.000	0.000
<b>Administrative Allocations</b>							
Principal	1.000	1.000	1.000	1.000	1.000	0.000	5.000
Assistant Principal	3.000	3.000	3.000	3.000	0.000	0.000	12.000
Assistant Administrator	0.095	0.111	0.285	0.414	0.000	0.000	0.905
ALC Coordinator	0.000	0.000	0.000	0.000	0.000	0.500	0.500
<b>Secretarial/Clerical Allocations</b>							
12-month Secretaries	4.000	4.000	4.000	4.000	1.000	1.000	18.000
10-month Secretaries	2.182	2.630	2.950	3.188	1.350	0.900	13.201
10-month Clerks	4.014	4.840	5.428	5.866	0.000	0.675	20.822
Building Security Clerk	2.000	2.000	2.000	2.000	1.000	1.000	10.000
Nurse	1.000	1.000	1.000	1.000	0.813	0.250	5.063
<b>Total FTE</b>	<b>97.863</b>	<b>114.369</b>	<b>126.278</b>	<b>135.142</b>	<b>21.583</b>	<b>10.598</b>	<b>505.832</b>

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 11, 2019. The following shows some of the key staffing ratios:

- **Classroom teachers:** 1.0 FTE per 24.50 (22.00 for ALC) students (total enrollment)
- **Developmental psychology teachers:** 0.798 FTE (0.000 FTE for SES and ALC) per school, no proration factor of enrollment
- **Librarians/media specialists:** 1.800 FTE (0.450 FTE for SES, 0.000 FTE for ALC) per school, no proration factor of enrollment
- **Counselors/deans:** 1.0 FTE per 445 students (total enrollment) + 1.0 FTE for mental health support (.50 FTE for ALC, SES)
- **Technology assistant:** 0.450 FTE (0.250 FTE for SES, 0.000 FTE for ALC) per school, no proration factor of enrollment
- **Teacher allowance for 6<sup>th</sup> and 7<sup>th</sup> student class requests:** 1.000 FTE (0.000 FTE for ALC) per 1000 students (total enrollment), Adjustment to account for SES enrollments, always nets to zero
- **Work experience disadvantaged:** 2.000 FTE (0.000 FTE for SES and ALC) per school, no proration factor of enrollment
- **Principal:** 1.000 FTE (0.500 FTE for ALC) per school, no proration factor of enrollment
- **Assistant principal:** 3.000 FTE (0.000 FTE for SES and ALC) per school, no proration factor of enrollment
- **Assistant administrator:** .095 FTE per HS (excluding ALC, SES) + .50 FTE per 708 students over 2,000 enrollment
- **12-month secretary:** 4.000 FTE (1.000 FTE for SES and ALC) per school, no proration factor of enrollment
- **10-month secretary:** 1.000 FTE per 769 students (total enrollment), except SES (1.350 FTE) and ALC (0.900 FTE) which are fixed, not prorated
- **10-month clerk:** 1.000 FTE per 418 students (total enrollment), except SES (0.000 FTE) and ALC (0.675 FTE) which are fixed, not prorated
- **Building security specialists:** 2.000 FTE (1.000 FTE for SES, 1.000 FTE for ALC) per school, no proration factor of enrollment
- **Nurse:** 1.000 FTE (0.813 FTE for SES, 0.250 FTE for ALC) per school, no proration factor of enrollment

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

The building allocations for all schools are shown below:

		Enrollment Information				Budget Allocation (\$)			
		Total Reg. Educ.	ECSE 3&4 YR.	CBSE	Total Enrollment	Instructional	Staff Develop	PGP	Team Leaders
High Schools	AVHS	1,678	-	50	1,728	305,620	13,424	5,233	29,303
	EHS	2,023	-	34	2,057	366,874	16,184	6,309	32,059
	EVHS	2,269	-	51	2,320	412,260	18,152	7,076	34,657
	RHS	2,452	-	59	2,511	445,744	19,616	7,646	37,032
	SES	354	-	-	354	63,840	2,832	1,104	6,443
	ALC	127	-	-	127	46,953	1,016	396	748
Middle Schools	BHMS	779	-	33	812	91,641	6,232	2,429	13,692
	DHMS	1,241	-	29	1,270	144,572	9,928	3,870	17,183
	FRMS	1,033	-	23	1,056	120,272	8,264	3,221	15,834
	RMS	1,283	-	24	1,307	149,105	10,264	4,001	17,666
	SHMS	1,243	-	39	1,282	145,404	9,944	3,876	16,929
	VMS	1,098	-	20	1,118	127,572	8,784	3,424	16,046
Elementary Schools	CP	694	-	20	714	88,081	5,552	2,164	17,148
	DW	619	-	28	647	81,657	4,952	1,930	16,984
	DP	753	-	12	765	98,111	6,024	2,348	17,387
	EL	730	16	27	773	96,540	5,840	2,276	17,351
	EP	735	24	29	788	94,579	5,880	2,292	17,812
	GH	696	-	6	702	90,402	5,568	2,170	17,109
	GL	797	16	20	833	101,563	6,376	2,485	18,333
	HL	717	16	40	773	95,578	5,736	2,236	17,838
	NV	465	16	32	513	62,524	3,720	1,450	16,036
	OR	536	24	29	589	69,640	4,288	1,671	16,226
	PV	803	16	24	843	102,536	6,424	2,504	18,098
	PW	608	40	20	668	81,225	4,864	1,896	16,322
	RP	713	44	20	777	94,956	5,704	2,223	17,162
	RE	735	-	19	754	96,170	5,880	2,292	17,614
	SP	570	54	29	653	77,308	4,560	1,778	16,617
	SV	628	16	41	685	81,548	5,024	1,958	17,222
	TL	556	42	30	628	75,122	4,448	1,734	16,260
	WV	435	38	38	511	57,984	3,480	1,357	15,776
	WL	689	-	29	718	90,771	5,512	2,149	16,942
	DR	-	-	108	108	6,417	864	-	-
	Sp. Ed.	-	-	-		-	-	12,500	-
Totals		28,059	362	963	29,384	4,062,569	225,336	99,998	561,829

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

School		Budget Allocation (\$)						
		Co-curricular				Comp. Ed. Allocation	Basic Skills	Total Allocations
		Staffing	Supplies	Transportation	Sub Tchr			
High Schools	AVHS	992,586	266,090	38,352	3,097	669,546	-	2,323,250
	EHS	1,021,350	320,424	41,511	3,097	108,431	-	1,916,239
	EVHS	1,039,967	355,591	42,833	3,097	181,463	-	2,095,096
	RHS	1,054,189	382,457	43,598	3,097	132,374	-	2,125,753
	SES	9,433	N/A	1,145	N/A	19,704	-	104,501
	ALC	N/A	-	-	-	66,731	-	115,844
Middle Schools	BHMS	146,055	25,014	12,172	-	249,741	39,040	586,015
	DHMS	155,849	39,849	14,596	-	87,467	36,524	509,837
	FRMS	151,439	33,170	13,040	-	297,512	42,116	684,868
	RMS	156,739	41,197	15,930	-	58,998	39,040	492,940
	SHMS	155,891	39,913	13,873	-	134,493	43,540	563,863
	VMS	152,817	35,257	12,949	-	541,983	67,120	965,953
Elementary Schools	CP	2,515	-	-	-	311,145	14,054	440,658
	DW	2,515	-	-	-	81,280	25,070	214,387
	DP	3,772	-	-	-	58,712	30,497	216,850
	EL	2,515	-	-	-	24,401	29,565	178,488
	EP	2,515	-	-	-	585,287	14,884	723,247
	GH	2,515	-	-	-	89,070	28,188	235,022
	GL	2,515	-	-	-	338,468	16,139	485,878
	HL	3,772	-	-	-	35,628	29,039	189,826
	NV	2,515	-	-	-	43,877	18,833	148,954
	OR	5,030	-	-	-	423,929	10,854	531,637
	PV	2,515	-	-	-	158,207	16,261	306,545
	PW	2,515	-	-	-	56,020	24,624	187,465
	RP	2,515	-	-	-	30,072	28,877	181,509
	RE	2,515	-	-	-	110,550	29,768	264,788
	SP	2,515	-	-	-	8,993	23,085	134,855
	SV	5,030	-	-	-	231,182	12,717	354,679
	TL	2,515	-	-	-	46,454	22,518	169,050
	WV	2,515	-	-	-	180,088	8,809	270,007
	WL	3,772	-	-	-	24,688	27,905	171,738
	DR	3,755				121,548	-	132,585
Sp. Ed.	-	-	-	-	-	-	12,500	
Totals		5,096,656	1,538,962	249,999	12,388	5,508,042	679,067	18,034,827

**NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)**

The operating capital allocations for all schools are shown below:

School	Enrollment					WADM (1)	Allocation	Age Factor Addition	Total Allocation
	K	1-3	4-6	7-12	Total				
CP	127	356	211	-	694	735.3	21,131	5,962	27,093
DP	120	367	266	-	753	791.9	22,757	6,421	29,178
DW	94	312	213	-	619	669.2	19,231	-	19,231
EL	124	387	219	-	730	779.0	22,386	-	22,386
EP	116	392	227	-	735	787.3	22,625	-	22,625
GH	102	342	252	-	696	727.5	20,906	-	20,906
GL	124	387	286	-	797	845.7	24,303	6,857	31,160
HL	119	360	238	-	717	782.0	22,472	6,341	28,813
NV	79	228	158	-	465	513.7	14,763	4,165	18,928
OR	96	284	156	-	536	581.8	16,719	-	16,719
PV	131	397	275	-	803	854.9	24,567	6,932	31,499
PW	102	295	211	-	608	649.6	18,667	-	18,667
RE	103	369	263	-	735	781.2	22,450	6,334	28,784
RP	113	356	244	-	713	757.8	21,777	-	21,777
SP	84	281	205	-	570	620.3	17,825	-	17,825
SV	100	320	208	-	628	691.1	19,860	5,604	25,464
TL	99	289	168	-	556	603.8	17,351	4,896	22,247
WL	115	348	226	-	689	741.5	21,308	-	21,308
WV	78	249	108	-	435	485.4	13,949	3,936	17,885
AVHS	-	-	-	1,678	1,678	2,592.0	74,486	21,018	95,504
EHS	-	-	-	2,023	2,023	3,085.5	88,668	-	88,668
EVHS	-	-	-	2,269	2,269	3,480.0	100,004	-	100,004
RHS	-	-	-	2,452	2,452	3,766.5	108,238	30,541	138,779
SES	-	-	-	354	354	531.0	15,259	-	15,259
BHMS	-	-	261	518	779	1,108.0	31,840	-	31,840
DHMS	-	-	406	835	1,241	1,738.2	49,950	-	49,950
FRMS	-	-	350	683	1,033	1,440.4	41,393	-	41,393
RMS	-	-	436	847	1,283	1,780.9	51,177	14,441	65,618
SHMS	-	-	421	822	1,243	1,749.0	54,261	14,182	68,443
VMS	-	-	367	731	1,098	1,525.4	43,835	12,369	56,204
ALC	-	-	-	127	127	190.5	6,500	-	6,500
DR	-	-	-	-	-	152.0	6,500.0	-	6,500
<b>Totals</b>	<b>1,973</b>	<b>6,088</b>	<b>6,209</b>	<b>12,581</b>	<b>28,059</b>	<b>36,538.40</b>	<b>1,057,158</b>	<b>150,000</b>	<b>1,207,134</b>



## APPENDIX A – Budget Policies, Administrative Regulations and Procedures

The following is a summary of the budget policies, administrative regulations (AR) and procedures (P) related to the budget process. Full text of these policies, administrative regulations and procedures can be found on the pages immediately following this page.

### Policy 702 – Budget

- The district shall adopt annual budgets for each fund (general [including all accounts within the general fund], food service, community education, debt service, building construction, trust and agency, and internal service), in accordance with state law;
- The district budget, once approved by the board, is the district's plan showing expected revenue and expenditures for the coming fiscal year and is the district's legal authorization for spending funds, and
- The budget reflects and supports state and federal requirements, district initiatives and board policies.

### Administrative Regulation 702.2AR – Budget Planning and Development

- This regulation mandates the due dates for preliminary and final budgets to be presented to the School Board and the requirement of board approval of budget assumptions to be used to develop the budgets.

### Administrative Regulation 702.2.3AR – Budget Advisory Council (BAC)

- The Budget Advisory Council ensures active community participation in and enhances community understanding of the district's budget planning process, and
- Provides input to the board and administration on budget plans that support district goals, policies and initiatives.

### District Procedure 702.2.3P – Application to Serve on Budget Advisory Council (BAC)

- Applicants must complete this form to be considered for membership on the committee.

### Administrative Regulation 702.4AR – Capital Expenditure Budget

- This regulation establishes the requirements for the district's capital expenditure budget, including the process of developing a list of current needs and proposal of final selections to be presented to the board for approval.

### Policy 712 – Fund Balance

- Policy 712 requires the maintenance of reasonable fund balances to mitigate financial risk from unforeseen circumstances and provide cash flow.

Full text of each policy, administrative regulations and procedure can be found on the district's website:

<http://www.district196.org/District/SchoolBoard/policies/DistrictPRP.cfm>

## Policy 702, Budget

Adopted: June 1993

Last Revised: May 2012

### 1. Purpose

- 1.1 The district shall adopt annual budgets for each fund (general [including all accounts within the general fund], food services, community education, debt service, building construction, trust and agency, and internal service), in accordance with state law.
- 1.2 The district budget, once approved by the board, is the district's plan showing expected revenue and expenditures for the coming fiscal year and is the district's legal authorization for spending funds.
- 1.3 The budget reflects and supports state and federal requirements, district initiatives and board policies.

### 2. Planning the Budget

- 2.1 The superintendent has the overall responsibility for preparation of the annual budget.
- 2.2 The superintendent shall develop budget regulations and procedures which support the district's shared decision-making process.
- 2.3 Budget planning will relate to the goals and objectives of the district. It should include an assessment of existing programs and services, an examination of alternatives and input from a board-appointed Budget Advisory Council.
- 2.4 The budget provides resources adequate to support the learning programs provided to all district students -- preschool, k-12 and adult.
- 2.5 Any amendments to the final budget must be approved by the School Board.

### 3. Requirements of the Budget Document - The budget document must include:

- 3.1 Itemized statements of estimated revenues by fund and by source.
- 3.2 Itemized statements of estimated expenditures by fund and by object.
- 3.3 A summary of the board-approved assumptions used to build the budget.
- 3.4 A review of major new initiatives or changes in district policies or programs which affect the budget.
- 3.5 Comparative information with the budget from the previous year.
- 3.6 *A Budget Guide For Our Community* will be included in the final budget.

### 4. Capital Expenditure Account Budget

- 4.1 The capital expenditure account budget details the district's expenditure plans for facilities, equipment, major maintenance, special assessments, lease and rental costs, energy projects and other revenue and expenses authorized by the state as capital expenditures.
- 4.2 The budget development process includes forecasting revenues, seeking expenditure requests from schools and departments, developing spending guidelines (which are reviewed and approved by the School Board) and creation of a detailed budget based on the guidelines. The budget is approved by the School Board, and is incorporated into the district's preliminary and final budget.

5. **Building Construction Fund Budgets** - Budgets for building construction funds are developed by project, not annually as are other district budgets.

### References:

Financial Accounting Instruction (FAI) 10.3, Budget Adoption

Minnesota Rules 3545.0900, Funds Defined

UFARS Manual

Minnesota Statute 123B.77, Accounting, budgeting, and reporting requirement

## Administrative Regulation 702.2AR, Budget Planning and Development

**Adopted:** June 1993

**Last Revised:** May 2012

1. Budget planning and development shall be carried out by the superintendent and designees in the following manner:
  - 1.1. Budget planning begins with a review of budget parameters, and development of a preliminary budget forecast based on projected enrollment and revenue and expenditure assumptions for the coming year.
  - 1.2. The preliminary budget forecast is reviewed with the School Board then used as the basis for the development of budget guidelines (assumptions about staffing, program changes, allocations to schools and departments, etc.). The guidelines are reviewed and approved by the School Board in February or March.
  - 1.3. The administration prepares a detailed preliminary budget based on the approved guidelines and brings that to the School Board for approval no later than the last board meeting in June.
  - 1.4. The administration prepares the final budget and presents it to the School Board for approval no later than January 31 in the year for which the budget is effective.
2. The process and deadlines noted above may be adjusted as needed after consultation between the superintendent and the School Board.

### References:

- Minnesota Statute 123B.77, Requirement for Accounting, Budgeting and Reporting Requirement
- Financial Accounting Instructions (FAI) 10.3, Budget Adoption

## Administrative Regulation 702.2.3AR, Budget Advisory Council (BAC)

Adopted: December 2000

Last Revised: March 2019

1. Purpose – The purpose of the Budget Advisory Council (BAC) shall be to:
  - 1.1. Ensure active community participation in and enhance community understanding of the district's budget planning process, and
  - 1.2. Provide input to the board and administration on budget plans that support district goals, policies and initiatives.
2. Role
  - 2.1. The BAC shall promote the district's budget reduction suggestion program, review submitted suggestions and, as appropriate, provide input regarding budget changes to the school board.
  - 2.2. The BAC shall provide the board and administration with input on:
    - 2.2.1. spending priorities and effective utilization of the district's limited financial resources;
    - 2.2.2. cost effectiveness of programs and services;
    - 2.2.3. ways to decrease expenditures and increase revenue, and
    - 2.2.4. short-term and long-term financial planning.
  - 2.3. The BAC shall review long-range financial projections.
  - 2.4. The BAC shall study and provide input on specific financial issues or areas of the budget, as identified by the BAC, the School Board or the administration.
3. Membership
  - 3.1. The BAC will be composed of 12 people who are stakeholders in the school district (a district resident, the parent or guardian of a district student, or a district employee).
    - 3.1.1. At least seven members must be parents/guardians or other community residents.
    - 3.1.2. A district employee who is a district resident may not also count as a parent/guardian or community resident.
    - 3.1.3. One member must represent district principals.
    - 3.1.4. One member must represent district licensed staff.
    - 3.1.5. One member must represent district non-licensed staff.
    - 3.1.6. At least one member must have a school-aged child or children.
    - 3.1.7. All members should generally have, but are not required to have, some expertise, understanding and/or background in financial matters and budgeting (e.g., accounting, banking, economics, etc.).
  - 3.2. The district's Director of Finance and Operations and the three members of the Board Audit and Finance Committee shall serve as ex-officio members of the BAC.
  - 3.3. Terms of office shall begin on July 1 and end on June 30. Terms of office shall last for three years, and shall be staggered with one-third of the positions up each year.
  - 3.4. Selection of Members
    - 3.4.1. Openings on the BAC will be advertised in district publications and area newspapers. Applications will be accepted until April 30 for terms beginning the following July 1. Applicant recruitment may take place after April 30 until as late as June 1 for openings for which there are no applicants meeting the guidelines in section 3.1 above.
    - 3.4.2. After April 30, the Board Audit and Finance Committee, and the district's Director of Finance and Operations, will receive and review all BAC applications, meet to review and prioritize candidates based on the membership criteria described above, and make recommendations for BAC membership to the School Board.
    - 3.4.3. The School Board will be asked to approve new members.
  - 3.5. Filling Unexpired Terms
    - 3.5.1. If less than one year of the term remains, the position will remain open until the next regular membership selection period (see section 3.3 above).
    - 3.5.2. If more than one year of the term remains, the Board Audit and Finance Committee and the Director of Finance and Operations will review the most recent round of applications and make a recommendation for membership to the School Board for final approval. If no applicant is available to complete that term among the applications, the Board Audit and Finance Committee and the Director of Finance and Operations will request applications from people representing the appropriate group(s) and then proceed as described above.

**Administrative Regulation 702.2.3AR, Budget Advisory Council (BAC) (Continued)**

- 3.6. Officers – At its first meeting each year, the BAC will elect officers, including a chairperson and a vice-chairperson, or co-chairpersons from the committee.
  - 3.6.1. The chairperson or co-chairperson shall preside at all meetings.
  - 3.6.2. The vice chairperson, if the BAC chooses to elect one, shall perform the duties of the chairperson in the absence of the chairperson.
  - 3.6.3. The Director of Finance and Operations shall ensure that minutes are taken at each meeting and maintain a copy in district records.
- 3.7. Expectations and Roles of Members
  - 3.7.1. Members must attend at least 75 percent of BAC meetings each year.
  - 3.7.2. A member who has not shown suitable commitment (as defined in sections 3.7.1 above) or who isn't able to fulfill their commitment may resign or may be asked to resign by the BAC. A member with three consecutive absences who has not contacted the district or the BAC chairperson or co-chairperson about the absences will be considered to have resigned from the BAC and will be so notified by the BAC chairperson or co-chairperson. The vacant position will then be filled in accordance with section 3.5 above.
4. Meetings
  - 4.1. The BAC will hold at least four meetings each year, as determined by the council.
  - 4.2. BAC meetings will be publicized in district publications and area newspapers.
  - 4.3. BAC meetings will be open to the public. The BAC chairperson or co-chairperson may, at his or her discretion, permit members of the public to address the council.

**References:**

- None

## Administrative Regulation 702.4AR, Capital Expenditure Account Budget

**Adopted:** June 1993

**Last Revised:** May 2012

1. Budget Report – The capital expenditure account budget report includes a summary of the estimated revenues and expenditures in the account for the next year, and a list and description of purchases the district plans to make using the resources of the account.
2. Budget Development Process
  - 2.1. The administration will develop parameters which assign budgetary responsibility to school or districtwide budgets for various categories of capital expenditures.
  - 2.2. In the fall, the administration will develop a list of needs and requests for capital expenditures for the following fiscal year, with input from administrators in all schools and administrative departments.
  - 2.3. By January 1, the administration will prepare a forecast of capital expenditure revenue for the following fiscal year.
  - 2.4. Budget Guidelines
    - 2.4.1. The administration will develop proposed capital expenditure budget guidelines for the following fiscal year, which will be reviewed by the School Board no later than March 1.
    - 2.4.2. The budget guidelines will include estimated revenues, allocations to schools, and estimated expenditures in broad categories of the budget (e.g., major maintenance, leasing costs, energy projects, curriculum revision).
  - 2.5. After the School Board approves the budget guidelines, the administration will inform each school and administrative department of its allocation. Each school and administrative department will then prepare a detailed capital spending plan for the funds allocated.
  - 2.6. The administration will compile the spending plans from each school and administrative department and prepare a detailed budget document to be approved by the School Board no later than May 1.
  - 2.7. The approved budget will be used as the basis for purchasing, and will be incorporated into the district's preliminary budget for the following fiscal year.
3. Revisions – Revisions to the capital expenditure budget may be made as part of the process of developing the district's preliminary budget in the spring or the final budget in the fall.

**References:**

- None



## Policy 712, Fund Balance

Adopted: June 2011

Last Revised: June 2011

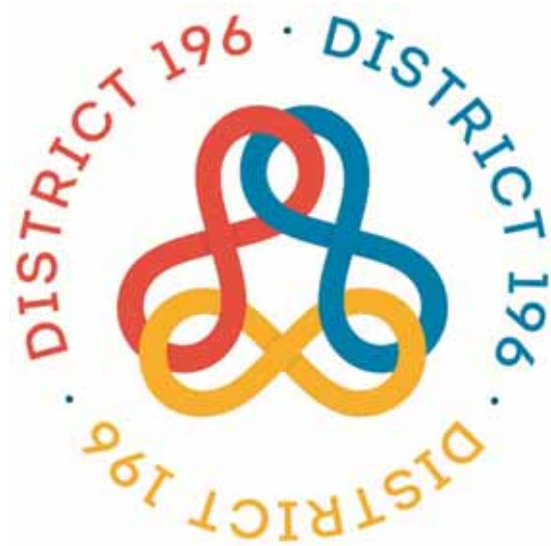
1. Purpose – Prudent fiscal management requires the maintenance of reasonable fund balances to mitigate financial risk from unforeseen circumstances and provide cash flow liquidity for general operations. Fund balance classifications described in this policy allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).
2. General Statement of Policy – The intent of this policy is to comply with GASB Statement No. 54. Should a conflict occur between this policy and the provisions of GASB Statement No. 54, the GASB statement shall prevail.
3. Classification of Fund Balances – The school district shall classify fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned and unassigned.
4. Definitions – In accordance with GASB Statement No. 54, definitions are as follows.
  - 4.1. “Fund balance” means the arithmetic difference between the assets and liabilities reported in a school district fund.
  - 4.2. “Nonspendable” fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, nonfinancial assets held for resale, or the permanent principal of endowment funds.
  - 4.3. “Restricted” fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
  - 4.4. “Unrestricted” fund balance is the amount of fund balance remaining after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned and unassigned fund balances.
  - 4.5. “Committed” fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the School Board and that remain binding unless removed by the board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
  - 4.6. “Assigned” fund balance amounts are comprised of unrestricted funds constrained by the school district’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district’s intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
  - 4.7. “Unassigned” fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.
  - 4.8. “Enabling legislation” means legislation authorizing a school district to assess, levy, charge or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
5. Minimum Fund Balance – District 196 will plan annual revenue and expenditure budgets that provide an operating funds balance of no less than five percent of annual operating fund expenditures.
6. Order of Resource Use – If resources from more than one fund balance classification could be spent, the district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned and unassigned.

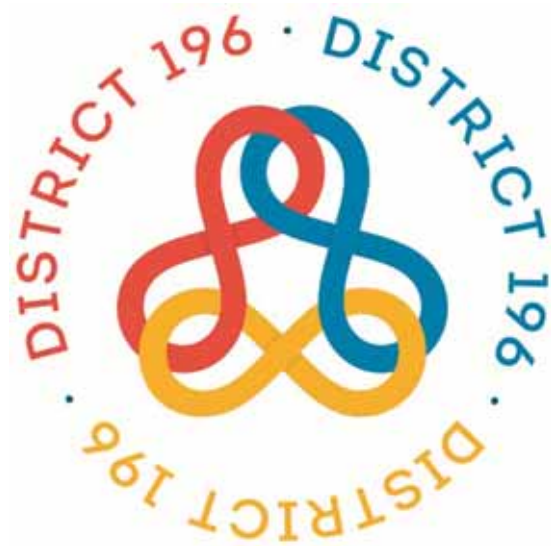
## Policy 712, Fund Balance (Continued)

7. Committing Fund Balance – A majority vote of the School Board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.
8. Assigning Fund Balance
  - 8.1. The School Board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The School Board also delegates the power to assign fund balances to the superintendent or designee. Assignments so made shall be reported to the board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the School Board.
  - 8.2. An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.
9. Stabilization Arrangements – When the superintendent becomes aware of conditions that may cause the operating funds balance to fall below 5 percent of annual operating expenditures within a given year, he or she will alert the School Board to the situation and recommend appropriate short-term actions to maintain the desired balance.
10. Review – The School Board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

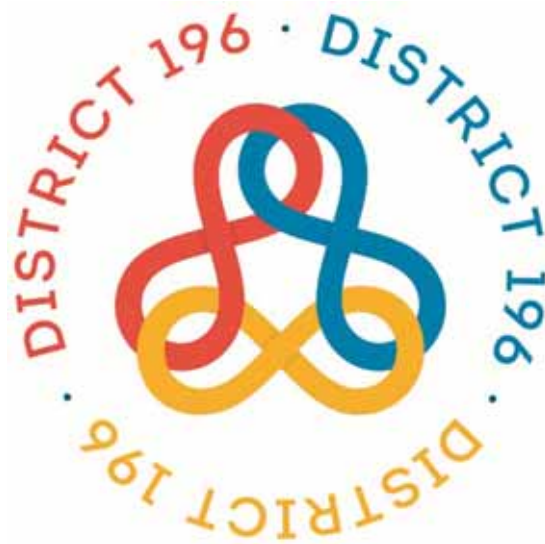
### References:

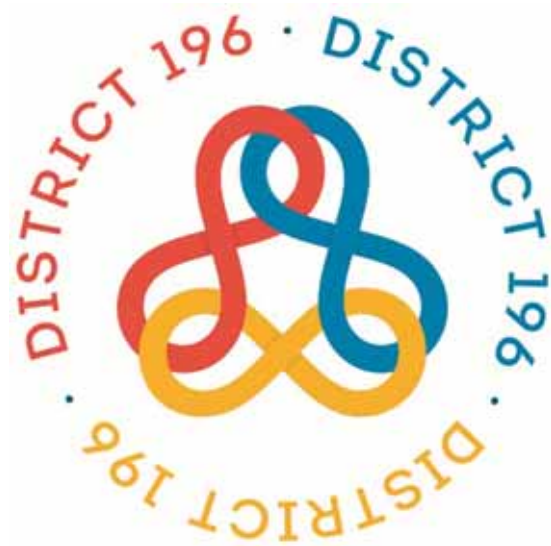
- Statement No. 54 of the Governmental Accounting Standards Board





# Financial Section







## Summary of Funds – All Funds

**Funds Overview** – Below is a summary of all the governmental funds, internal service funds and fiduciary funds of the district. The governmental funds included are the general fund, special revenue funds which include food service and community service, building construction fund, and the debt service funds which include regular and other post-employment benefits (OPEB) bonds.

This summary provides an overview of the financial information for all of the district funds. Detailed analysis of the individual funds follows this page.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Revenue</b>					
State sources	264,144,986	275,878,205	285,746,484	290,517,387	301,285,577
Property taxes	85,651,484	89,682,487	91,158,990	94,921,687	115,997,314
Federal sources	14,628,580	15,834,368	16,232,099	16,732,732	15,566,311
Other sources	74,461,744	133,013,855	84,502,827	82,841,779	86,053,104
Total revenue	438,886,793	514,408,915	477,640,400	485,013,585	518,902,306
<b>Expenditures</b>					
Salaries & wages	225,333,860	234,492,207	243,623,393	251,535,621	268,681,358
Employee benefits	131,523,421	132,836,035	136,726,931	141,158,074	152,276,971
Purchased services	23,232,346	34,679,828	30,932,599	25,185,755	24,116,429
Supplies & materials	21,350,055	23,537,852	22,849,691	24,766,114	26,297,239
Capital expenditures	42,083,668	58,155,919	37,869,756	20,167,278	23,806,705
Other expenditures	6,360,064	7,651,698	9,333,815	8,433,826	6,533,719
Debt service	19,632,782	21,675,242	20,216,000	17,101,170	17,101,170
Total expenditures	469,516,196	513,028,780	501,552,184	488,347,838	518,813,591
Revenue over expenditures	(30,629,403)	1,380,135	(23,911,784)	(3,334,253)	88,715
<b>Other financing sources (uses)</b>					
Capital lease	-	1,043,209	-	-	-
Bond refunding payments	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-
Other	4,837,131	3,750,511	306,747	6,600,000	-
Sale of capital assets	80,287	23,971	-	-	-
Transfer in	20,122	-	135,509	64,770	87,145
Transfer out	(20,122)	(30,559,634)	(135,509)	(64,770)	(87,145)
Total other financing sources (uses)	4,917,418	(25,741,943)	306,747	6,600,000	-
Net change in fund balances	(25,711,985)	(24,361,808)	(23,605,037)	3,265,747	88,715
<b>Fund balances (deficits)</b>					
Beginning of year	202,660,838	176,948,853	152,587,045	128,982,008	132,247,755
End of year	176,948,853	152,587,045	128,982,008	132,247,755	132,336,470

## General Fund – All Sub-Accounts

**Fund Overview** – The general fund is the primary operating fund of the district and accounts for the revenues and expenditures associated with providing a public education to children. Below is a summary of the actual, budgeted, and projected general fund activity with revenues for the 2016-17 through the 2023-24 school years reported by the source and expenditures reported by object.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
<b>Revenues</b>								
State Sources	260,157,330	271,769,390	281,583,680	286,413,605	297,048,264	308,749,691	316,270,011	322,959,662
Property Taxes	66,590,727	71,208,374	72,874,150	75,545,518	96,348,803	100,144,208	102,583,454	104,753,270
Federal Sources	9,427,560	10,801,070	10,805,731	11,372,472	10,206,291	10,608,341	10,866,732	11,096,582
Other Sources	11,140,748	11,744,145	11,818,719	11,565,093	6,472,370	6,727,332	6,891,192	7,036,952
Total revenue	347,316,364	365,522,979	377,082,279	384,896,688	410,075,728	426,229,571	436,611,388	445,846,465
<b>Expenditures</b>								
Salaries and wages	215,583,987	225,046,923	233,042,558	238,172,920	255,169,559	263,149,308	272,281,466	281,690,553
Employee benefits	76,351,679	80,575,022	82,224,121	83,396,345	92,502,221	95,394,982	98,705,505	102,116,420
Purchased services	21,525,024	24,736,036	26,295,318	23,421,649	23,344,628	24,074,669	24,910,140	25,770,947
Supplies and materials	15,097,600	16,056,802	15,661,343	18,183,083	18,929,867	19,521,848	20,199,321	20,897,339
Capital expenditures	8,537,136	11,132,802	9,954,095	17,942,978	17,492,155	18,039,176	18,665,195	19,310,198
Other expenditures	2,098,149	1,520,500	1,986,906	2,001,603	293,384	392,429	406,048	420,079
Debt service	2,672,822	-	1,400,181	-	-	-	-	-
Total expenditures	341,866,397	359,068,085	370,564,521	383,118,578	407,731,814	420,572,412	435,167,675	450,205,536
Revenue over expenditures	5,449,968	6,454,894	6,517,758	1,778,110	2,343,914	5,657,159	1,443,712	(4,359,071)
<b>Other financing sources (uses)</b>								
Capital lease	-	1,043,209	-	-	-	-	-	-
Certificates of participation	-	-	-	-	-	-	-	-
Other	153,366	335,185	76,055	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	(20,122)	-	(135,509)	(64,770)	(87,145)	-	-	-
Total other financing sources(uses)	133,244	1,378,392	(59,454)	(64,770)	(87,145)	-	-	-
Net change in fund balances	5,583,212	7,833,286	6,458,304	1,713,340	2,256,769	5,657,159	1,443,712	(4,359,071)
<b>Fund balances</b>								
Beginning of year	31,052,211	36,635,423	44,468,709	50,927,013	52,640,353	54,897,122	60,554,281	61,997,993
End of year	36,635,423	44,468,709	50,927,013	52,640,353	54,897,122	60,554,281	61,997,993	57,638,922

As stated on page 37 in Note 4 of the Organizational Section– Financial Philosophy, Practices and Fund Balance Management, the School Board adopted a fund balance policy requiring a minimum general fund balance of 5 percent of the annual projected operating expenditures. The resources represented by this fund balance are critical to the district's ability to maintain adequate cash flow throughout the year, to retain its programs and to cushion against the impact of unexpected costs for funding shortfalls.

Historical and projected performance for the current school year illustrates the district's commitment to maintaining an adequate fund balance. These results are due to schools' careful management of their allocations and conservative budgeting practices. Based on the latest general fund budget to actual performance analyses, the district expects that it will close the 2020-21 school year with a \$54.89 million fund balance, or 13.46 percent of projected operating expenditures.

The projection for the 2021-22 through the 2023-24 school years are very preliminary, the district continues to monitor its budget to actual performance and update the projections on a regular basis. Necessary adjustments will be made to ensure that the fund balance requirements are met.

## General Fund – All Sub-Accounts (continued)

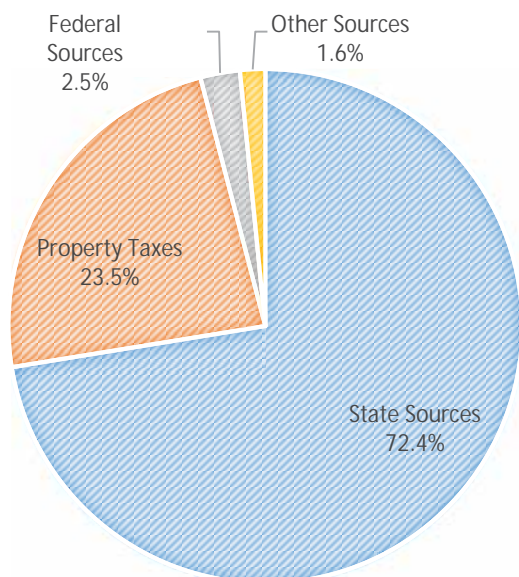
Revenues – Below is a summary of the general fund revenues by source:

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
Revenues								
State Sources	260,157,330	271,769,390	281,583,680	286,413,605	297,048,264	308,749,691	316,270,011	322,959,662
Property Taxes	66,590,727	71,208,374	72,874,150	75,545,518	96,348,803	100,144,208	102,583,454	104,753,270
Federal Sources	9,427,560	10,801,070	10,805,731	11,372,472	10,206,291	10,608,341	10,866,732	11,096,582
Other Sources	11,140,748	11,744,145	11,818,719	11,565,093	6,472,370	6,727,332	6,891,192	7,036,952
Total revenue	347,316,364	365,522,979	377,082,279	384,896,688	410,075,728	426,229,571	436,611,388	445,846,465

The 2020-21 general fund revenue budget totaled \$410.075 million. This is \$25.2 million more than the final budget for the current fiscal year. The primary reasons for this increase are:

- 1) A projected net increase of approximately \$20.8 million in property tax revenue due to the November 2019 operating levy.
- 2) A projected \$10.6 million increase in state aid. The general education aid increase is due to an estimated \$129 per pupil unit formula allowance increase and an increase in projected enrollment.
- 3) The district is projecting a reduction of \$.90 million in federal aid due to the sunset of two grants and classification changes for title schools, and reductions of \$5.1 million in other revenue sources due to revised estimates from budget managers.

### GENERAL FUND REVENUES BY SOURCE



The pie chart shows the 2020-21 projected general fund revenues. State sources account for the largest share of general fund revenues, at approximately 72.4 percent. State sources include per pupil basic general education aid, special education regular and excess cost aid, basic skills aid, compensatory education aid, English Learners aid and literacy incentive aid, operating capital state aid for equipment and facilities maintenance, and aid for gifted and talented education. State sources are set by the Minnesota Legislature, with most aids determined by per pupil allowances and actual allocations based on district pupil counts. Property taxes, at 23.5 percent, make up the second largest share of the revenue budget. As with state sources, tax levy limits are established by the Minnesota Legislature.

The district also has the ability, through a levy referendum election, to seek additional property taxes (up to a per pupil maximum amount established by the legislature) to support special programs and initiatives. Federal sources and other sources, at 2.5 and 1.6 percent, respectively, make up the remaining share of general fund revenues. Other sources include gifts, donations and miscellaneous income that do not fit into one of the other three revenue sources. Federal sources include revenues for Title programs and special education. Most of the federal revenues received by the district are passed through the state of Minnesota and not received directly from the federal government.

## General Fund – All Sub-Accounts (continued)

Expenditures – Below is a summary of the general fund expenditures by object:

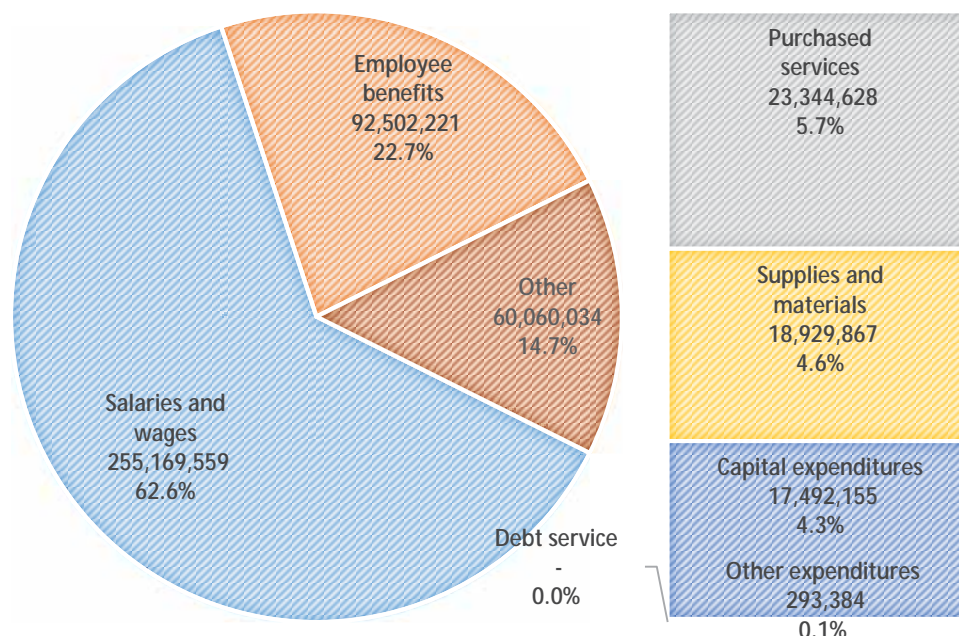
	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
Expenditures								
Salaries and wages	215,583,987	225,046,923	233,042,558	238,172,920	255,169,559	263,149,308	272,281,466	281,690,553
Employee benefits	76,351,679	80,575,022	82,224,121	83,396,345	92,502,221	95,394,982	98,705,505	102,116,420
Purchased services	21,525,024	24,736,036	26,295,318	23,421,649	23,344,628	24,074,669	24,910,140	25,770,947
Supplies and materials	15,097,600	16,056,802	15,661,343	18,183,083	18,929,867	19,521,848	20,199,321	20,897,339
Capital expenditures	8,537,136	11,132,802	9,954,095	17,942,978	17,492,155	18,039,176	18,665,195	19,310,198
Other expenditures	2,098,149	1,520,500	1,986,906	2,001,603	380,529	392,429	406,048	420,079
Debt service	2,672,822	-	1,400,181	-	-	-	-	-
Total expenditures	341,866,397	359,068,085	370,564,521	383,118,578	407,818,959	420,572,412	435,167,675	450,205,536

The 2020-21 general fund expenditure budget totaled \$376.84 million. This is \$1.95 million or 0.52 percent more than the estimate for the final budget of the current fiscal year. The two main reasons for this increase are:

- 1) An increase of \$26.1 million in the budgets for salary and employee benefits based on School Board approved contracts or budget planning guidelines reviewed by the School Board on February 12, 2020. These guidelines included changes to staffing ratios and allocations to schools and departments
- 2) A decrease of \$1.5 million in the budgets for other expenditure categories. These other areas include discretionary expenditures by buildings on purchased services, supplies and capital expenditures.

Expenditures – Object categories of general fund expenditures are salaries and wages, employee benefits, purchased services, supplies and materials, capital, other expenditures and debt service. Salaries and benefits account for the largest portion of general fund expenditures. For the 2020-21 school year, 85.3 percent of the expenditure budget is budgeted for staff salaries and benefits. Purchased services include utilities, specialized consulting and other contracted work provided by outside sources which account for approximately 5.7 percent of the budget. Supplies and materials account for 4.6 percent of the budget. Capital expenditures, such as technology equipment, furniture and fixtures, site and building improvements including Long Term Facilities Maintenance (LTFM) projects total \$17.94 million, or 4.3 percent of the total budget.

### GENERAL FUND EXPENDITURES BY OBJECT



## Special Revenue Funds – All Sub-Accounts Combined

Fund Overview – The special revenue funds consists of two separate funds. They are: 1) food service special revenue fund, and 2) the community service fund. Detailed financial information for these two special revenue funds can be found in the pages immediately following this summary page.

The following schedule shows the combined actual, budgeted and projected activities of the food service and community service special revenue funds for 2016-17 through 2023-24 school years, with revenues reported by the source and expenditures reported by object.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
<b>Revenues</b>								
State sources	3,884,146	3,990,021	4,021,155	4,103,182	4,236,713	4,352,308	4,480,838	4,595,784
Property taxes	1,668,406	1,673,277	1,673,788	1,676,880	1,949,222	1,815,817	1,885,391	1,853,427
Federal sources	5,201,022	5,033,299	5,426,369	5,360,260	5,360,020	5,460,432	5,470,141	5,507,712
Other Sources	10,707,939	10,556,154	11,316,885	10,759,686	10,517,756	11,051,980	10,967,405	11,179,810
Total revenue	21,461,513	21,252,750	22,438,196	21,900,008	22,063,711	22,680,537	22,803,775	23,136,732
<b>Expenditures</b>								
Salaries and wages	9,749,874	9,445,919	9,800,880	10,162,702	10,311,800	10,548,617	10,755,187	10,985,173
Employee benefits	2,783,330	2,696,325	2,838,648	3,285,729	3,334,750	3,432,252	3,508,760	3,598,835
Purchased services	1,707,715	1,582,849	1,654,541	1,764,106	771,801	1,296,262	1,056,113	1,201,961
Supplies and materials	6,252,062	5,977,004	6,506,795	6,583,031	7,367,372	7,092,106	7,352,698	7,345,308
Capital expenditures	251,574	128,727	358,904	224,300	314,550	106,455	82,720	37,902
Other expenditures	34,824	40,961	42,678	27,723	26,585	24,908	25,253	25,930
Total expenditures	20,779,378	19,871,784	21,202,447	22,047,591	22,126,858	22,500,599	22,780,730	23,195,109
Revenue over expenditures	682,135	1,380,966	1,235,749	(147,583)	(63,147)	179,938	23,044	(58,377)
<b>Other financing sources (uses)</b>								
Other	-	-	230,692	-	-	-	-	-
Transfers in	20,122	-	135,509	64,770	87,145	-	-	-
Total other financing sources (uses)	20,122	-	366,201	64,770	87,145	-	-	-
Net change in fund balances	702,257	1,380,966	1,601,950	(82,813)	23,998	179,938	23,044	(58,377)
<b>Fund balances</b>								
Beginning of year	3,224,753	3,927,010	5,307,976	6,909,926	6,827,113	6,851,111	7,031,049	7,054,094
End of year	3,927,010	5,307,976	6,909,926	6,827,113	6,851,111	7,031,049	7,054,094	6,995,717

The district's two special revenue funds (food service and community service) are used to report revenues and expenditures specifically specified in Minnesota Statutes. Both funds have a long history of self-sustaining.

The combined fund balance for the food service and community service fund had been declining, the district projects a more stable level in the future years. The actual and projected fund balance decreases were attributable to the food service special revenue fund. The main reasons for the decrease were 1) increases in food and milk costs, and 2) the Healthy Hunger-Free Kids Act of 2010 requirement for more fresh fruit and vegetables, whole grain items and low-fat dairy be served on all menus, which are relatively more costly. This United States Department of Agriculture (USDA) puts additional pressure on the food service special revenue fund's ability to maintain a healthy fund balance. The district will continue to monitor the budget to actual performance of this fund, look for ways to streamline the operation to achieve higher level of efficiency.

Similar to the food service special revenue fund, the community service special revenue fund is also self-sustaining. The fund balance for the community service special revenue fund has been stable through recent years. This is likely due to the partnerships with local business to enhance and broaden our adult and youth enrichment program offerings which allows the program to be self-sustaining without use of fund balance.

## Special Revenue Funds – Food Service Fund

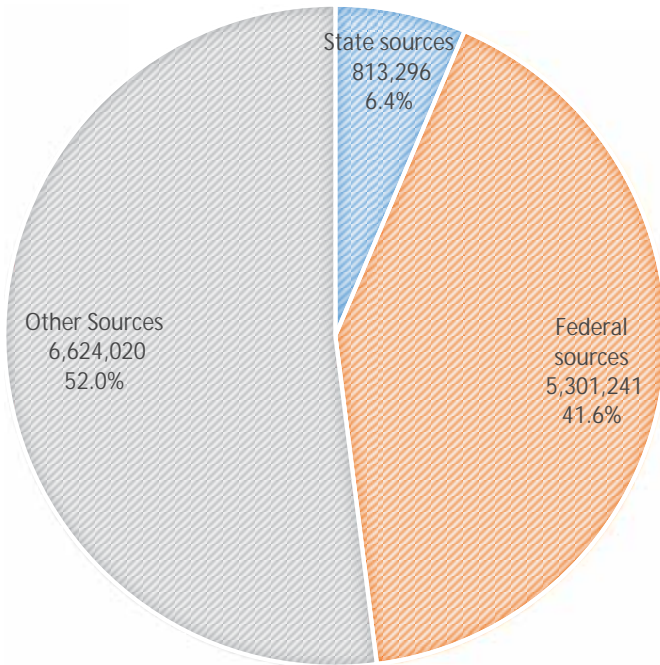
Fund Overview – The food service special revenue fund is used to account for the district's child nutrition program, which strives to provide high-quality, nutritious breakfasts and lunches for students. The food service special revenue fund is self-sustaining. All costs of the food and nutrition programs are covered by receipts from sales to students and adults, and reimbursements from federal and state governments. Below is a summary of the food service special revenue fund activity, with revenues reported by the source and expenditures reported by object dimension.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
Revenues								
State sources	733,998	719,748	793,658	813,296	813,296	862,072	886,441	912,494
Federal sources	5,148,289	4,978,288	5,373,772	5,301,481	5,301,241	5,400,033	5,408,909	5,445,219
Other Sources	6,684,711	6,570,677	7,200,566	6,624,020	6,624,020	6,858,692	6,744,023	6,784,274
Total revenue	12,566,999	12,268,714	13,367,996	12,738,797	12,738,557	13,120,797	13,039,373	13,141,988
Expenditures								
Salaries and wages	4,364,594	4,019,413	4,126,381	4,310,409	3,930,369	4,131,592	4,041,941	4,097,878
Employee benefits	1,217,139	1,133,035	1,198,056	1,468,972	1,334,493	1,443,341	1,430,146	1,479,392
Purchased services	554,504	511,367	589,638	569,760	549,806	569,229	568,960	578,698
Supplies and materials	5,843,605	5,581,191	6,184,593	6,205,096	7,046,205	6,754,692	7,034,843	7,029,051
Capital expenditures	212,995	100,351	349,022	200,000	300,000	95,132	75,179	32,404
Other expenditures	12,342	13,388	15,197	22,025	22,557	23,714	24,612	25,705
Total expenditures	12,205,178	11,358,744	12,462,887	12,776,262	13,183,430	13,017,701	13,175,680	13,243,128
Revenue over expenditures	361,820	909,969	905,109	(37,465)	(444,873)	103,096	(136,307)	(101,140)
Other financing sources (uses)								
Other	-	-	230,692	-	-	-	-	-
Net change in fund balances	361,820	909,969	1,135,801	(37,465)	(444,873)	103,096	(136,307)	(101,140)
Fund balances								
Beginning of year	1,708,248	2,070,068	2,980,037	4,115,838	4,078,373	3,633,500	3,736,596	3,600,289
End of year	<u>2,070,068</u>	<u>2,980,037</u>	<u>4,115,838</u>	<u>4,078,373</u>	<u>3,633,500</u>	<u>3,736,596</u>	<u>3,600,289</u>	<u>3,499,149</u>



## Special Revenue Funds – Food Service Fund (continued)

### FOOD SERVICE FUND REVENUES BY SOURCE

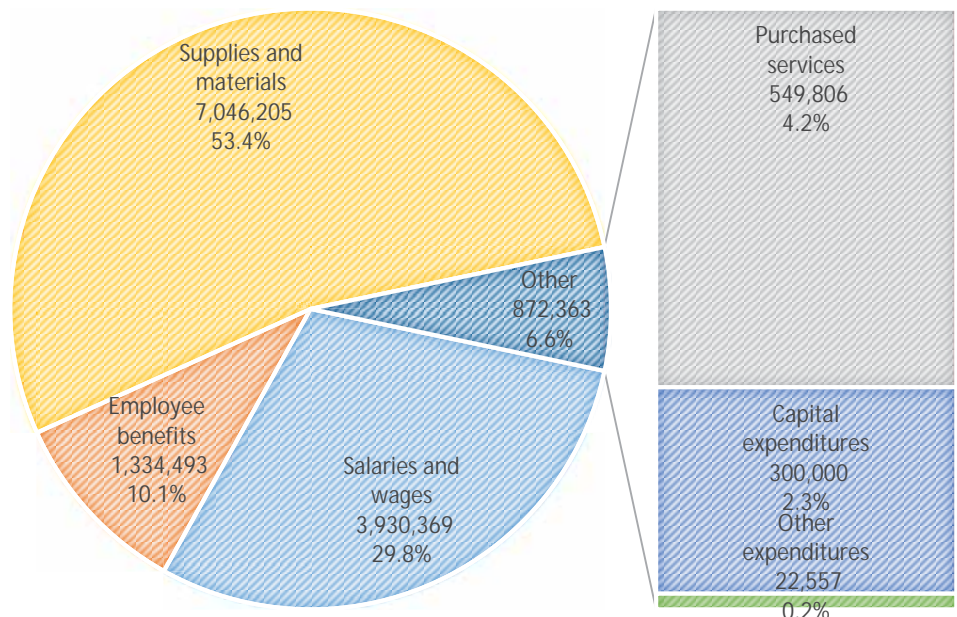


Revenues – At 52.0 percent of the budget, other revenues represent the largest share of revenues in the food service special revenue fund. Federal sources, at 41.6 percent, represent the second largest share of revenue budget. The district receives reimbursement from the federal government for meals served to students who qualify for meal assistance. At 6.4 percent, state sources make up the remaining food service revenues. Similar to the federal reimbursements, the state of Minnesota also reimburses the district for each meal served to students who qualify for meal assistance. The prices for breakfast, lunch and milk will remain unchanged from the current school year for student meals. Adult lunch prices will increase to \$3.85 in the 2020-21 school year. The table below shows district prices for lunch and breakfast for the 2020-21 school year. The 2020-21 food service fund revenue budget is \$12.74 million which is a relatively flat change from the 2019-20 final budget. The projected flat change is due to conservative budgeting practices regarding the projected number of meals purchased

2020-21 Paid Meal Prices		
	Breakfast	Lunch
Elementary Schools	1.55	2.50
Middle Schools	1.60	2.55
High Schools	1.60	2.65
Adults	2.05	3.85
Milk (all)	0.40	0.40

### FOOD SERVICE FUND EXPENDITURES BY OBJECT

Expenditures – At approximately 53.4 percent, supplies and materials represent the largest single share of food service expenditures; of which food and milk are the largest costs drivers. The Healthy Hunger-Free Kids Act of 2010 requires more fresh fruit and vegetables, whole grain items and low-fat dairy be served on all menus. This requirement, established by the United States Department of Agriculture (USDA), puts additional pressure on the food service special revenue fund's ability to maintain a healthy fund balance and remain a self-supporting fund. Salaries and benefits combined account for approximately 39.9 percent of the food service fund expenditures. The 2020-21 food service expenditure budget is \$13.18 million, an increase of over \$300,000 from the 2019-20 final budget.





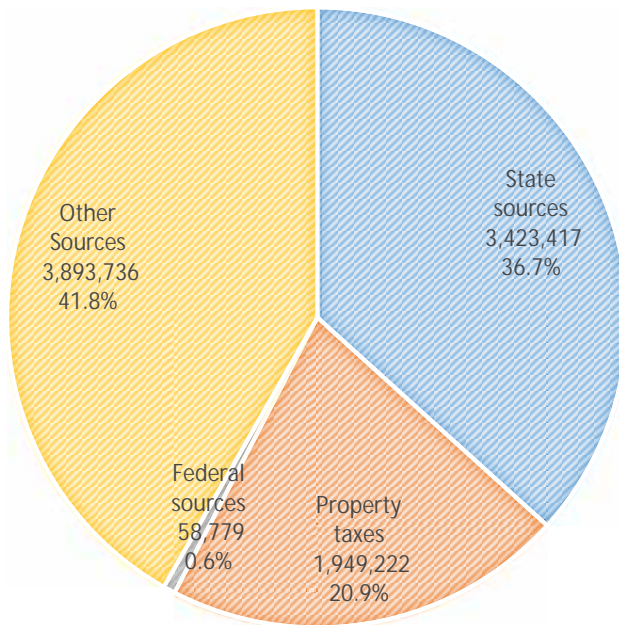
## Special Revenue Funds – Community Service Fund

Fund Overview – The community service special revenue fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult and early childhood programs, or other similar services. The community service special revenue fund is required to be self-sustaining, in which all fees, aid and tax receipts and other reimbursements are expected to cover the operating costs associated with this fund. Below is a summary of the community service special revenue fund activity, with revenues reported by the source and expenditures reported by object.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
Revenues								
State sources	3,150,148	3,270,273	3,227,497	3,289,886	3,423,417	3,490,236	3,594,397	3,683,290
Property taxes	1,668,406	1,673,277	1,673,788	1,676,880	1,949,222	1,815,817	1,885,391	1,853,427
Federal sources	52,733	55,010	52,596	58,779	58,779	60,399	61,232	62,492
Other Sources	4,023,227	3,985,477	4,116,319	4,135,666	3,893,736	4,193,289	4,223,381	4,395,536
Total revenue	8,894,514	8,984,036	9,070,200	9,161,211	9,325,154	9,559,740	9,764,402	9,994,745
Expenditures								
Salaries and wages	5,385,279	5,426,506	5,674,499	5,852,293	6,381,431	6,417,024	6,713,246	6,887,295
Employee benefits	1,566,191	1,563,291	1,640,592	1,816,757	2,000,257	1,988,911	2,078,614	2,119,443
Purchased services	1,153,211	1,071,482	1,064,903	1,194,346	221,995	727,033	487,153	623,263
Supplies and materials	408,457	395,813	322,202	377,935	321,167	337,413	317,856	316,258
Capital expenditures	38,579	28,376	9,882	24,300	14,550	11,323	7,540	5,497
Other expenditures	22,482	27,573	27,481	5,698	4,028	1,194	641	225
Total expenditures	8,574,200	8,513,040	8,739,559	9,271,329	8,943,428	9,482,898	9,605,050	9,951,982
Revenue over expenditures	320,315	470,996	330,640	(110,118)	381,726	76,842	159,351	42,763
Other financing sources (uses)								
Transfers in	20,122	-	135,509	64,770	87,145	-	-	-
Net change in fund balances	340,437	470,996	466,149	(45,348)	468,871	76,842	159,351	42,763
Fund balances								
Beginning of year	1,516,506	1,856,942	2,327,939	2,794,088	2,748,740	3,217,611	3,294,453	3,453,804
End of year	1,856,942	2,327,939	2,794,088	2,748,740	3,217,611	3,294,453	3,453,804	3,496,568

## Special Revenue Funds – Community Service Fund (continued)

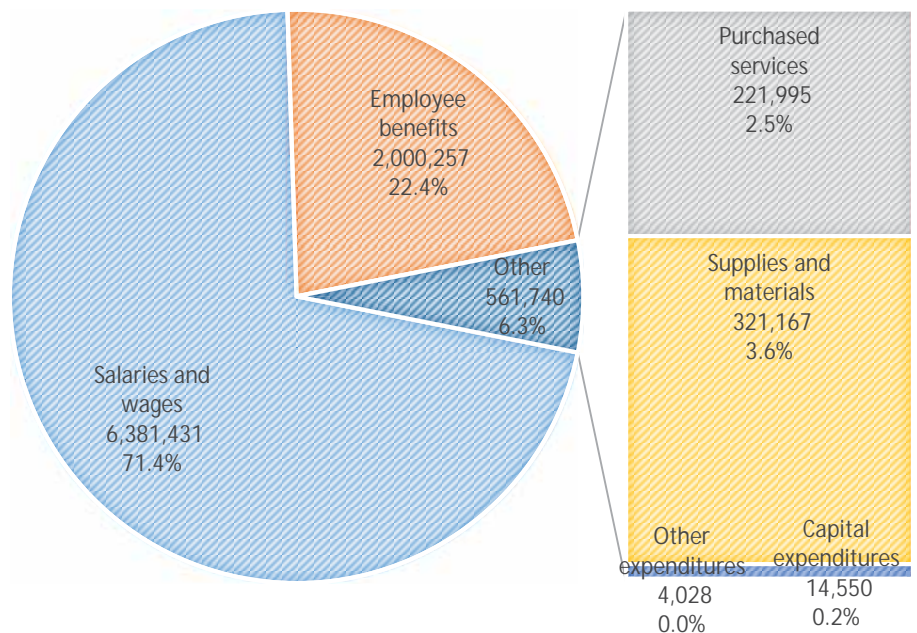
### COMMUNITY SERVICE FUND REVENUES BY SOURCE



Revenues – The 2020-21 community service fund revenue budget is \$9.04 million; a decrease of 120,000, or 1.3 percent compared to the current year's final budget. The three major sources of funding of the community service fund are state aids, property tax levy revenue and federal aids. Similar to the food service special revenue fund, other revenues, at 41.8 percent, represent the largest share of revenues in the community service special revenue fund. Most of these revenues come from program registration fees, facilities rental payments and fees charged to participants in community education enrichment programs such as swimming lessons, summer band program and special interest classes. At 36.7 percent, state sources represent the second largest share of revenues. Some examples of state aids reported in this special revenue fund are early childhood family education aid, school readiness state aid, adult basic education aid and pre-school screening state aid. For the 2020-21 school year, property tax revenue is projected to be \$1.95 million, or 20.9 percent of the revenue budget. The 2020-21 projections for state aids and property tax levy revenue show a net decrease of \$.40 million when compared to the current school year.

Expenditures – The 2020-21 community service fund expenditure budget totaled \$8.94 million, a net decrease over \$300,000, from the 2019-20 final budget. Salaries and benefits represent 83.8 percent of the expenses, the largest portion of the budget. Purchased services, including utilities, legal services and other contracted work provided by outside sources, account for approximately 2.5 percent of the budget. The budgets for supplies and materials account for 3.6 percent of the budget. Capital and other expenditures, such as technology equipment, furniture and fixture, site and building improvements, memberships and license fees totaled 0.2 percent of the total budget. Non-salary related expenditures are projected to decrease by over \$1 million from current year budget, due to the economic impact of Covid-19.

### COMMUNITY SERVICE FUND EXPENDITURES BY OBJECT



## Capital Projects – Building Construction Fund

Fund Overview – Up through 2015-16 school year, the capital projects building construction fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue and state-approved alternative facility projects supported by property tax levy. Since July 1, 2016, alternative facility projects have been supported by the long-term facilities maintenance (LTFM) program, which is now reported in the general fund since the projects thus far have been below the legislated threshold for inclusion into the Building Construction Fund. LTFM projects revenues and expenditures can be reported in the capital projects building construction fund if they are funded by bond proceeds. 2019-20 LTFM projects did not meet the criteria to be reported in the building construction fund.

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Revenues						
Other Sources	894,573	1,147,192	545,909	532,140	-	8,920,000
Expenditures						
Salaries and wages	84,655	-	-	-	-	-
Employee benefits	39,856	-	-	-	-	-
Purchased services	2,975,687	6,863,359	8,361,173	2,968,875	-	-
Supplies and materials	1,696	202,480	1,503,980	680,002	-	-
Capital expenditures	8,004,366	26,229,120	49,788,321	27,556,757	2,000,000	6,000,000
Other expenditures	125	-	-	-	-	-
Debt Service	425,930	-	-	-	-	-
Total expenditures	11,532,315	33,294,959	59,653,474	31,205,634	2,000,000	6,000,000
Revenue over expenditures	(10,637,742)	(32,147,767)	(59,107,565)	(30,673,494)	(2,000,000)	2,920,000
Other financing sources (uses)						
Debt issuances	130,062,804	-	-	-	-	-
Capital lease	-	-	-	-	-	-
Certificates of participation	-	-	-	-	-	-
Other	-	-	-	-	6,600,000	-
Transfers in	8,535,237	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	138,598,041	-	-	-	6,600,000	-
Net change in fund balances	127,960,299	(32,147,767)	(59,107,565)	(30,673,494)	4,600,000	2,920,000
Fund balances						
Beginning of year	(3,787)	127,956,512	95,808,745	36,701,180	6,027,686	10,627,686
End of year	127,956,512	95,808,745	36,701,180	6,027,686	10,627,686	13,547,686

Note: Turf Field project was approved after completion of the final budget for 2019-20. The other sourcing including in this column reflects the projected ending fund balance for this project

On November 3, 2015, district residents approved a referendum question for \$180 million in capital improvements and technology funding. The approved referendum provided the district with \$130 million in bonding authority to make safety and security improvements at all schools, provide a new elementary school, and upgrades to technology infrastructure districtwide. The 2019-20 school year marked the fourth year of the projects funded by this question. The level of expenditures reported in this fund point to the depletion of the bond funds available, as the construction projects in the third phase are finalized and completed.

To comply with state reporting requirements, proceeds from the February 2016 \$130 million bond sales were budgeted and reported as FY 2015-16 revenue in this capital projects building construction fund. The 2019-20 revenue budget includes the district estimate for investment earnings from the bond proceeds.

The 2020-21 building construction fund expenditure budget includes revenues and expenditures for the completion of new turf fields at Eagan High School and Rosemount High School. These projects will be primarily completed during the summer of 2020.

## Debt Service Funds – All Sub-Accounts Combined

Fund Overview – The district maintains two separate debt service funds. They are: 1) regular debt service, and 2) other post-employment (OPEB) debt service fund. In spring 2008, the Minnesota Legislature enacted Minnesota Statutes Section 471.6175 which authorized a Minnesota political subdivision that has created an actuarial liability to pay other post-employment benefits (OPEB) to employees to establish a trust to pay those benefits and to finance those other post-employment benefits in advance. The district's OPEB debt service fund was established in January 2009 to account for other post-employment benefits debt service payments.

School districts are required to certify their debt service needs to the Minnesota Department of Education (MDE) annually in September, and are allowed to request an additional five percent of the total request to cover potential tax delinquencies. This is the main reason for school districts to have a fund balance in their debt service funds. The MDE reviews school districts' debt service fund balances annually and, as need, make adjustments to reduce the districts' fund balances. This allows the debt service fund balances to remain relatively stable.

The following schedule shows the actual, budgeted and projected activities of the regular debt service and OPEB debt service funds for the 2016-17 through 2023-24 school years, with revenues reported by the source and expenditures reported by object.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
<b>Revenues</b>								
State Sources	103,508	118,794	141,649	600	600	-	-	-
Property Taxes	17,392,351	16,800,837	16,611,052	17,699,289	17,699,289	18,201,764	18,565,800	18,937,116
Other	112,782	115,379	172,781	90,000	90,000	2,040	2,081	2,122
Total revenue	17,608,642	17,035,009	16,925,482	17,789,889	17,789,889	18,203,804	18,567,880	18,939,238
<b>Expenditures</b>								
Principal	12,460,000	11,885,000	12,470,000	11,330,000	11,330,000	12,036,000	12,276,720	12,522,254
Interest	7,166,352	6,893,869	6,345,819	5,771,170	5,771,170	5,360,018	5,467,219	5,576,563
Fiscal charges and other	6,430	2,250	2,375	10,500	10,500	10,200	10,404	10,612
Total expenditures	19,632,782	18,781,119	18,818,194	17,111,670	17,111,670	17,406,218	17,754,343	18,109,430
Revenue over expenditures	(2,024,140)	(1,746,110)	(1,892,711)	678,219	678,219	797,586	813,538	829,808
<b>Other financing sources (uses)</b>								
Debt issuances	-	-	-	-	-	-	-	-
Debt refunding payments	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(2,024,140)	(1,746,110)	(1,892,711)	678,219	678,219	797,586	813,538	829,808
<b>Fund balances</b>								
Beginning of year	7,362,951	5,338,811	3,592,701	1,699,990	2,378,209	3,056,428	3,854,014	4,667,551
End of year	5,338,811	3,592,701	1,699,990	2,378,209	3,056,428	3,854,014	4,667,551	5,497,360

Funding for debt service is aligned with each outstanding debt issue's financing schedule. The resources of the debt service funds are dedicated to the payment of outstanding debt obligations of the district. Revenues and expenditures for the district's debt service funds are directly tied to the district's bond principal and interest payments. Almost all debt service revenue comes from property tax levy.

For 2020-21, nearly all of the expenditures in the debt service fund comes from regular debt service activities. The OPEB bonds were retired in during fiscal year 2018-19.

## Debt Service Funds – Regular Debt Service Fund

Fund Overview – The regular debt service fund is used to account for the accumulation of resources for, and payment of, general obligation long-term debt principal, interest and related costs.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
<b>Revenues</b>								
State Sources	101,154	116,264	140,039	600	-	-	-	-
Property Taxes	7,309,963	6,792,415	6,989,566	17,699,289	17,844,867	18,201,764	18,565,800	18,937,116
Other Sources	63,554	46,758	54,545	50,000	2,000	2,040	2,081	2,122
Total revenue	7,474,670	6,955,437	7,184,149	17,749,889	17,846,867	18,203,804	18,567,880	18,939,238
<b>Expenditures</b>								
Principal	4,130,000	3,220,000	3,345,000	11,330,000	11,800,000	12,036,000	12,276,720	12,522,254
Interest	5,902,002	6,004,369	5,889,569	5,771,170	5,254,920	5,360,018	5,467,219	5,576,563
Fiscal charges and other	5,980	1,800	1,900	10,000	10,000	10,200	10,404	10,612
Total expenditures	10,037,982	9,226,169	9,236,469	17,111,170	17,064,920	17,406,218	17,754,343	18,109,430
Revenue over expenditures	(2,563,312)	(2,270,732)	(2,052,319)	638,719	781,947	797,586	813,538	829,808
<b>Other financing sources (uses)</b>								
Debt issuances	-	-	-	-	-	-	-	-
Debt refunding payments	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(2,563,312)	(2,270,732)	(2,052,319)	638,719	781,947	797,586	813,538	829,808
<b>Fund balances</b>								
Beginning of year	6,331,739	3,768,427	1,497,695	(554,624)	84,095	866,042	1,663,628	2,477,165
End of year	3,768,427	1,497,695	(554,624)	84,095	866,042	1,663,628	2,477,165	3,306,974

Revenues for the regular debt service fund are directly tied to the district's bond principal and interest payment needs. The projected revenue for the 2020-21 school year is \$17.85 million. Close to 100 percent of the projected revenue come from property tax levy; only a very small percentage comes from the state in the form of homestead and agricultural market value credits.

Regular debt service fund expenditure projection for the 2020-21 school year is \$17.06 million for the use in satisfying the year's bond principal and interest payments. The district's current debt limits are 4.82% of the calculated legal debt limit. The table below shows a list of the district's current outstanding debt; additional information regarding debt issues and future minimum payments can be found in the Informational Section of this document, beginning on page 147. As shown, the current debt obligations mature more than five years from the current budget cycle.

Issue	Type	Issue Date	Interest Rate (%)	Issue Amount	Final Maturity	Principal Outstanding	Due in One Year
2012C Refunding	Bond	06/07/12	3.00-4.50	24,210,000	02/01/25	14,455,000	1,885,000
2013A Refunding	Bond	06/15/13	2.00-3.00	12,100,000	02/01/25	8,110,000	1,170,000
2014A Refunding	Bond	06/04/14	3.00	2,230,000	02/01/20	400,000	400,000
2016A School Building Bonds	Bond	02/16/16	1.00-5.00	112,150,000	02/01/30	111,150,000	7,875,000

## Debt Service Funds – Other Post-Employment Benefits (OPEB) Debt Service

Fund Overview – The OPEB debt service fund is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest and other costs for OPEB-related debt activity.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
<b>Revenues</b>								
State Sources	2,354	2,530	1,611	-	-	-	-	-
Property Taxes	10,082,389	10,008,422	9,621,487	-	-	-	-	-
Other Sources	49,229	68,620	118,236	40,000	-	-	-	-
Total revenue	10,133,972	10,079,572	9,741,333	40,000	-	-	-	-
<b>Expenditures</b>								
Principal	8,330,000	8,665,000	9,125,000	-	-	-	-	-
Interest	1,264,350	889,500	456,250	-	-	-	-	-
Fiscal charges and other	450	450	475	500	-	-	-	-
Total expenditures	9,594,800	9,554,950	9,581,725	500	-	-	-	-
Net change in fund balances	539,172	524,622	159,608	39,500	-	-	-	-
<b>Fund balances</b>								
Beginning of year	1,031,212	1,570,383	2,095,006	2,254,614	2,294,114	2,294,114	2,294,114	2,294,114
End of year	1,570,383	2,095,006	2,254,614	2,294,114	2,294,114	2,294,114	2,294,114	2,294,114

The 2018-19 school year was the last year of payments for the OPEB bond obligations. The district has a practice of organizing its debt service schedules to avoid significant fluctuations in its debt service levy, which in turn minimizes the change in property tax levies on district residents.

Issue	Type	Issue Date	Interest Rate (%)	Issue Amount	Final Maturity	Principal Outstanding	Due in One Year
2009A Taxable OPEB	Bond	02/12/09	3.00-5.00	37,440,000	02/01/19	-	-

## Proprietary Funds – Internal Service Funds

Fund Overview – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
Revenues								
Other								
GASB #16	1,673,418	802,640	1,521,703	900,000	870,000	-	-	-
OPEB Trust	7,093,326	3,169,011	-	-	-	-	-	-
Self-Insured Dental Plan	419,323	432,743	461,449	473,000	472,000	-	-	-
Self-Insured Health Plan	45,329,383	48,514,796	51,227,305	53,000,000	54,200,000	-	-	-
Total revenue	54,515,451	52,919,189	53,210,457	54,373,000	55,542,000	-	-	-
Expenditures								
Salaries and wages								
GASB #16	1,117,924	2,516,393	768,318	3,199,999	3,199,999	-	-	-
Employee Benefits								
OPEB Trust	5,817,254	30,559,635	-	-	-	-	-	-
Self-Insured Dental Plan	390,514	400,949	410,243	420,000	440,000	-	-	-
Self-Insured Health Plan	45,062,723	46,647,328	51,252,183	54,056,000	56,000,000	-	-	-
Total expenditures	52,388,414	80,124,304	52,430,743	57,675,999	59,639,999	-	-	-
Net change in fund balances	2,127,036	(27,205,115)	779,714	(3,302,999)	(4,097,999)	-	-	-
Fund balances								
Beginning of year	32,568,184	34,695,220	7,490,105	8,269,819	4,966,820	868,821	868,821	868,821
End of year	34,695,220	7,490,105	8,269,819	4,966,820	868,821	868,821	868,821	868,821

The district maintains three internal service funds to report activities related to severance, and self-insured health and dental plans. Below is the projected ending fund balance for each of the four internal service funds; explanation and analysis of each fund can be found on the following page.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget	2021-22 Projection	2022-23 Projection	2023-24 Projection
Fund balance								
GASB #16	(3,267,568)	(4,981,321)	(4,227,935)	(6,527,934)	(8,857,933)	(8,857,933)	(8,857,933)	(8,857,933)
OPEB Revocable Trust	27,390,624	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Self-Insured Dental Plan	100,937	132,732	183,938	236,938	268,938	268,938	268,938	268,938
Self-Insured Health Plan	10,471,226	12,338,693	12,313,816	11,257,816	9,457,816	9,457,816	9,457,816	9,457,816
Total Fund Balance	34,695,219	7,490,104	8,269,818	4,966,819	868,820	868,820	868,820	868,820



## Proprietary Funds – Internal Service Funds (continued)

**GASB #16 (Severance/Retirement Benefits)** – The district uses this internal service fund to pre-fund severance or retirement pay for eligible retirees. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave, by computing a benefit based solely on years of service, or a combination of both. No retiree can receive severance benefits that exceed one year's salary.

The 2020-21 revenue estimate includes projected interest income of \$870,000 from short-term investments and \$3.19 million in estimated severance payments (unused sick leave and vacation days) to be paid from the general account of the general fund. The district is required to report severance payments paid from the general account of the general fund as revenue and expenditure in this internal service account.

**OPEB Revocable Trust** – In winter 2009, the School Board awarded the sale of general obligation taxable OPEB bonds in the amount of \$37.44 million and approved the establishment of a revocable trust for reporting activities related to all eligible other post-employment benefits. For eligible employees that meet certain age and/or length of service requirements, the district is required to pay health insurance premiums upon retirement until the employee reaches the age of eligibility for Medicare. The maximum monthly district contribution per retiree for post-employment health insurance premiums is set forth in the contracts for each eligible bargaining group.

After the 2017-18 fiscal year, the OPEB Revocable Trust was eliminated and transitioned to an irrevocable trust, which is reported in the fiduciary funds. The transfer of funds is reflected in the actual expenditures for 2017-18.

**Self-Insured Dental Plan** - The district uses this internal service fund to record all activities related to its self-insured dental plan. The plan was established in September 2011 (the start of the district's dental plan year) and the district uses a third-party administrator to handle claims and benefits. This self-insured dental plan provides coverage for the superintendent, cabinet-level directors, principals, non-union administrators, special staff, non-licensed specialists, assistant administrators and vehicle technicians. The 2020-21 projected revenue is \$472,000 and the projected expenditure is \$440,000.

**Self-Insured Health Plan** - The district moved from a fully insured health plan with an outside party to a self-insured health plan in summer 2012. The district uses a third party to handle claims and benefits of the plan. The district assumes all costs up to 115 percent of expected claims as established by a third-party administrator. In addition, the district has stop-loss coverage of \$300,000; any claims from a single individual exceeding this amount are covered by the third-party administrator.

Projected revenues for the 2020-21 school year total \$54.2 million. This represents the district's contributions, employees' share of the premium costs, COBRA payments, payments from eligible retirees and employees who are on leave but have elected to stay on the district's health plan.

Projected expenditures for the 2020-21 school year are estimated to be \$56.0 million, which is based on prior claims, plan membership, inflation and other cost increases.

## Fiduciary Funds – Agency Funds

Fund Overview – Agency funds are established to account for cash and other assets held by the district as the agent for others. The district maintains two agency funds used to account for the activities related to: 1) a continuing education program (District Graduate Credit), organized for the benefit of district certified staff, and 2) the Minnesota literacy conference, responsibility for which begins in July 2018.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2019-20 Prelim Budget
Revenues					
Other Sources	-	9,366	31,059	-	-
Expenditures					
Salaries and wages	-	5,918	11,637	-	-
Employee benefits	-	907	1,736	-	-
Purchased services	-	175	13,865	-	-
Supplies and materials	-	-	1,551	-	-
Capital expenditures	-	-	-	-	-
Other expenditures	-	(952)	-	-	-
Total expenditures	-	6,047	28,790	-	-
Net change in fund balances	-	3,319	2,269	-	-
Fund balances					
Beginning of year	27,420	27,420	30,740	33,009	33,009
End of year	27,420	30,740	33,009	33,009	33,009

The district does not budget for either agency fund. While the District Graduate Credit Program has been in existence in the past it has not had financial activity in the past two fiscal years. As stated above, the district agreed to act as the fiscal host for the Minnesota literacy conference beginning in July 2018.

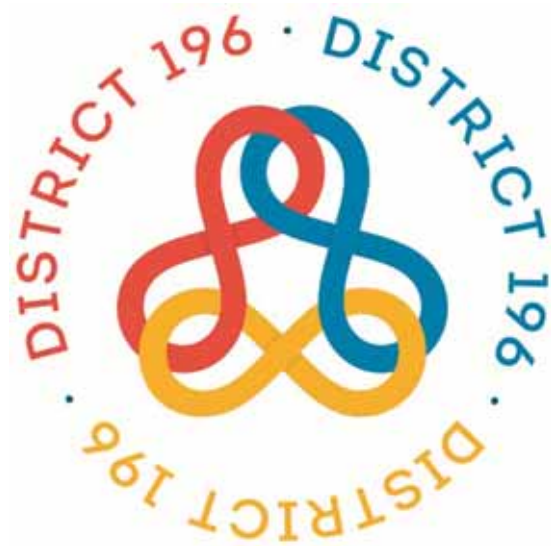
## Fiduciary Funds – Trust Funds

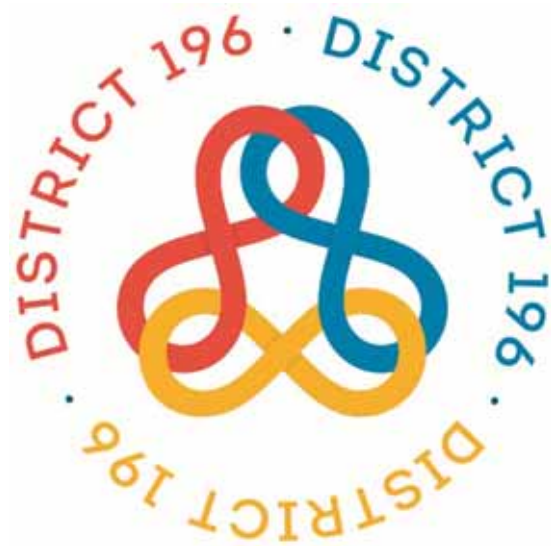
**Fund Overview** – Trust funds are used to account for assets held in trust by the district for the benefit of individuals or other entities. The district maintains an employee benefit trust fund used to report resources received and held by the district as the trustee for employees participating in the district's flexible benefit plan. The scholarship trust fund was terminated at the end of the 2016-17 school year.

In winter 2009, the School Board awarded the sale of general obligation taxable OPEB bonds in the amount of \$37.44 million and approved the establishment of a revocable trust for reporting activities related to all eligible other post-employment benefits. For eligible employees that meet certain age and/or length of service requirements, the district is required to pay health insurance premiums upon retirement until the employee reaches the age of eligibility for Medicare. The maximum monthly district contribution per retiree for post-employment health insurance premiums is set forth in the contracts for each eligible bargaining group. The 2018-19 school year marked the transition from an OPEB Revocable Trust (Internal Service Fund) to a Irrevocable Trust (Fiduciary Fund). The transfer of funds is included in the financial table below.

	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Final Budget	Prelim Budget
Revenues					
OPEB Irrevocable Trust	-	58,362,417	5,311,337	4,400,000	2,800,000
Flex Trust	1,601,685	1,706,907	1,673,854	1,654,000	1,654,000
Total revenues	1,601,685	60,069,324	6,985,190	6,054,000	4,454,000
Expenditures					
OPEB Irrevocable Trust	-	4,405,513	4,783,071	4,700,000	4,500,000
Flex Trust	1,554,268	1,678,088	1,589,502	1,650,000	1,650,000
Total expenditures	1,554,268	6,083,601	6,372,572	6,350,000	6,150,000
Net change in fund balances	47,416	53,985,723	612,618	(296,000)	(1,696,000)
Fund balances					
Beginning of year	468,807	516,223	54,501,946	55,114,564	54,818,564
End of year	516,223	54,501,946	55,114,564	54,818,564	53,122,564

The employee benefit trust fund is used to report activities related to the district's employee flexible benefit plan. This flexible benefit plan is an Internal Revenue Code § 125 Cafeteria Plan and is self-supporting. The district does not prepare a budget for this fund.





Cedar Park Elementary Science, Technology, Engineering and Math (STEM) School  
7500 Whitney Drive, Apple Valley, MN 55124

Principal: John Garcia  
Phone: 952-431-8360

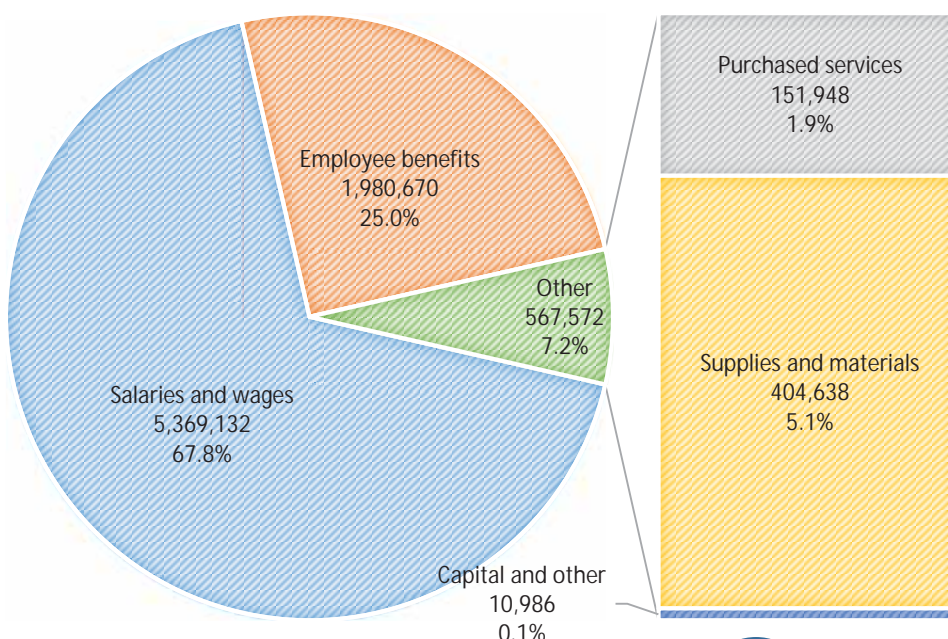
Cedar Park's enrollment slightly declined, from 707 students on October 1, 2017 to 682 students on October 1, 2019. Projection for the 2020-21 school year is 698 students. As the school's enrollment has slightly declined, the percentage of students eligible for free or reduced-price school meals has also declined over the same time period. The table at the right shows the history of the school's enrollment by year, grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	107	113	129	127	127	127
1	114	118	112	134	132	132
2	110	106	107	113	135	133
3	132	108	101	113	115	137
4	117	123	108	102	110	116
5	127	115	125	109	103	111
Total	707	683	682	698	722	756
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	45.2%	33.9%	32.2%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,820,341	5,038,963	5,187,472	5,037,180	5,369,132
Employee benefits	1,675,210	1,795,995	1,858,216	1,850,778	1,980,670
Purchased services	234,769	788,425	313,451	148,815	151,948
Supplies and materials	151,184	259,319	270,984	294,237	404,638
Capital expenditures	10,044	2,797,506	1,263,642	115,445	10,986
Other expenditures	-	8,100	1,342	1,415	-
Total expenditures	6,891,549	10,688,307	8,895,108	7,447,870	7,917,374
<b>Total students</b>	731	707	683	682	698
<b>Spending per student</b>	9,428	15,118	13,024	10,921	11,343

#### 2020-21 EXPENSES BY OBJECT (%) – CEDAR PARK ELEMENTARY SCHOOL



The pie chart to the left left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 92.8 percent of the total expenditure budget at the school. The budget for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources, and office supplies makes up the third largest share at 5.1 percent of the total budget. Purchased services, at 1.9 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Deerwood Elementary School  
1480 Deerwood Drive, Eagan, MN 55122

Principal: Jeremy Sorenson  
Phone: 651-683-6801

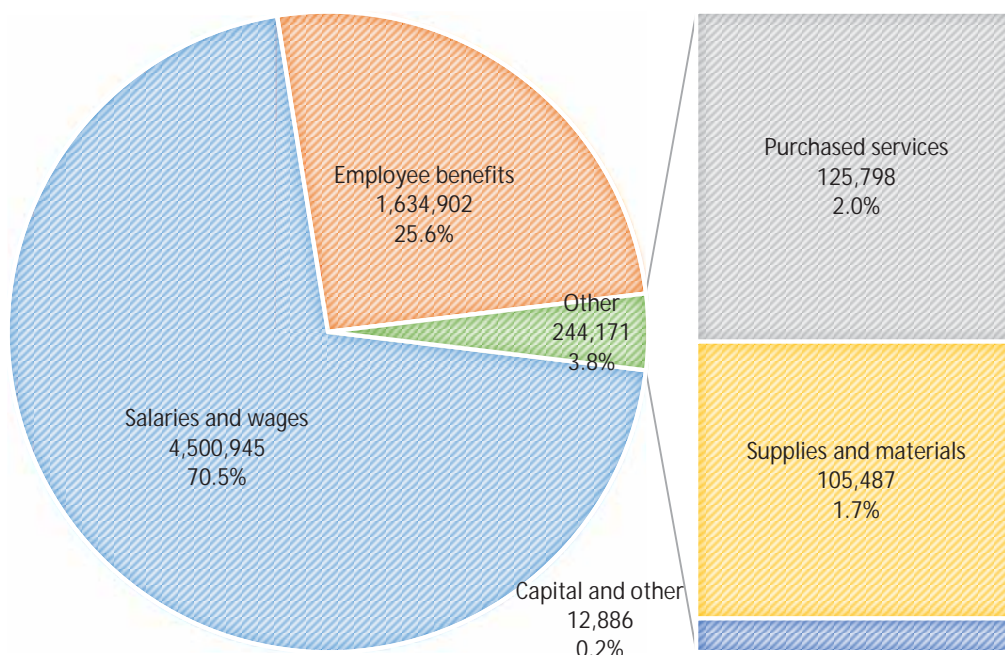
Deerwood's enrollment decreased from 660 students on October 1, 2017, to 625 students on October 1, 2019. The projected student count for the 2020-21 school year is 618. As the school's enrollment declined, the percentage of students eligible for free or reduced-price school meals has also slightly declined over the same time period. The table at the right shows the history of the school's enrollment by year, grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	114	105	95	94	94	94
1	101	112	105	99	97	97
2	122	98	105	106	99	98
3	112	115	98	106	108	101
4	97	110	114	99	108	109
5	114	95	108	114	100	109
Total	660	635	625	618	606	608
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	23.1%	18.9%	17.1%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,572,927	4,638,276	4,641,264	4,406,762	4,500,945
Employee benefits	1,633,059	1,746,262	1,780,491	1,601,626	1,634,902
Purchased services	136,012	231,021	153,092	134,798	125,798
Supplies and materials	97,166	109,566	90,059	66,004	105,487
Capital expenditures	66,691	1,007,129	11,375	32,698	12,886
Other expenditures	-	2,179	1,364	1,675	-
<b>Total expenditures</b>	<b>6,505,856</b>	<b>7,734,434</b>	<b>6,677,645</b>	<b>6,243,563</b>	<b>6,380,018</b>
<b>Total students</b>	<b>625</b>	<b>660</b>	<b>635</b>	<b>625</b>	<b>618</b>
<b>Spending per student</b>	<b>10,409</b>	<b>11,719</b>	<b>10,516</b>	<b>9,990</b>	<b>10,324</b>

#### 2020-21 EXPENSES BY OBJECT (%) – DEERWOOD ELEMENTARY SCHOOL



The pie chart to the left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 96.1 percent of the total expenditures at the school. Purchased services, at 2.0 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. The budgets for supplies and materials represent 1.7 percent of the budget. These expenses include classroom and instructional supplies, textbooks and workbooks, media resources and office supplies. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



**Diamond Path Elementary School of International Studies**  
**14455 Diamond Path West, Apple Valley, MN 55124**

**Principal: Leah Hack**  
**Phone: 952-423-7695**

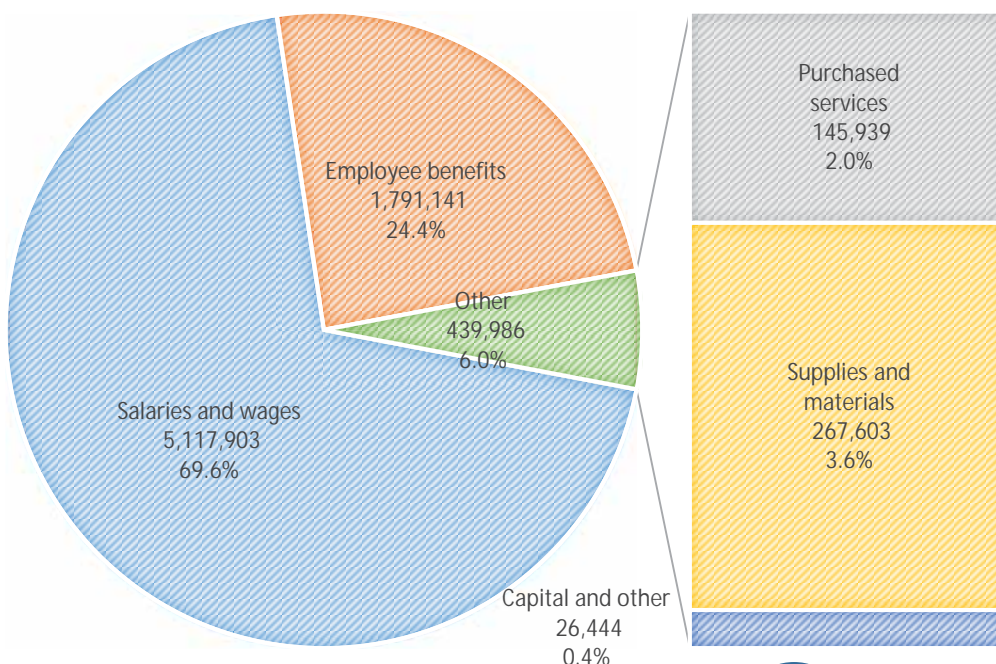
Diamond Path's enrollment decreased from 757 students on October 1, 2017, to 743 students on October 1, 2019. The projected student count for the 2020-21 school year is 761 students. As the school's enrollment fluctuates, the percentage of students eligible for free or reduced-price school meals has also fluctuated from 23.1 percent in 2017-18 to 13.5 percent in 2019-20. The table at the right shows the history of the school's enrollment by year, grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	110	123	122	120	120	120
1	133	111	123	127	125	125
2	131	128	114	124	128	126
3	119	133	132	124	126	130
4	123	116	132	133	117	127
5	141	128	120	133	134	118
<b>Total</b>	<b>757</b>	<b>739</b>	<b>743</b>	<b>761</b>	<b>750</b>	<b>746</b>
	Actual	Actual	Actual	Proj	Proj	Proj
<b>F/R</b>	<b>23.1%</b>	<b>15.8%</b>	<b>13.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,802,826	4,712,917	4,852,402	4,807,026	5,117,903
Employee benefits	1,616,297	1,605,085	1,705,649	1,717,084	1,791,141
Purchased services	158,741	854,535	544,127	150,676	145,939
Supplies and materials	126,923	254,786	305,606	260,172	267,603
Capital expenditures	390,001	2,771,615	2,012,170	56,490	26,444
Other expenditures	-	400	1,117	1,700	-
<b>Total expenditures</b>	<b>7,094,787</b>	<b>10,199,339</b>	<b>9,421,071</b>	<b>6,993,148</b>	<b>7,349,030</b>
<b>Total students</b>	<b>832</b>	<b>757</b>	<b>739</b>	<b>743</b>	<b>761</b>
<b>Spending per student</b>	<b>8,527</b>	<b>13,473</b>	<b>12,748</b>	<b>9,412</b>	<b>9,657</b>

#### 2020-21 EXPENSES BY OBJECT (%) – DIAMOND PATH ELEMENTARY SCHOOL



The pie chart at the left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits continue to be the largest cost drivers, accounting for 94.0 percent of the total expenditures budget at the school. Supplies and materials, at 3.6 percent, make up the third largest share of the budget. These expenses include classroom and instructional supplies, textbooks and workbooks, media resources and office supplies. Purchased services, consisting of professional fees, utilities, postage, communication, etc., make up 2.0 percent. The remaining expenditure budget of 0.4 percent is planned for capital and other expenditures, such as equipment, dues, memberships and license fees.

East Lake Elementary School  
4715 162<sup>nd</sup> Street West, Lakeville, MN 55044

Principal: Miles Haugen  
Phone: 952-423-7896

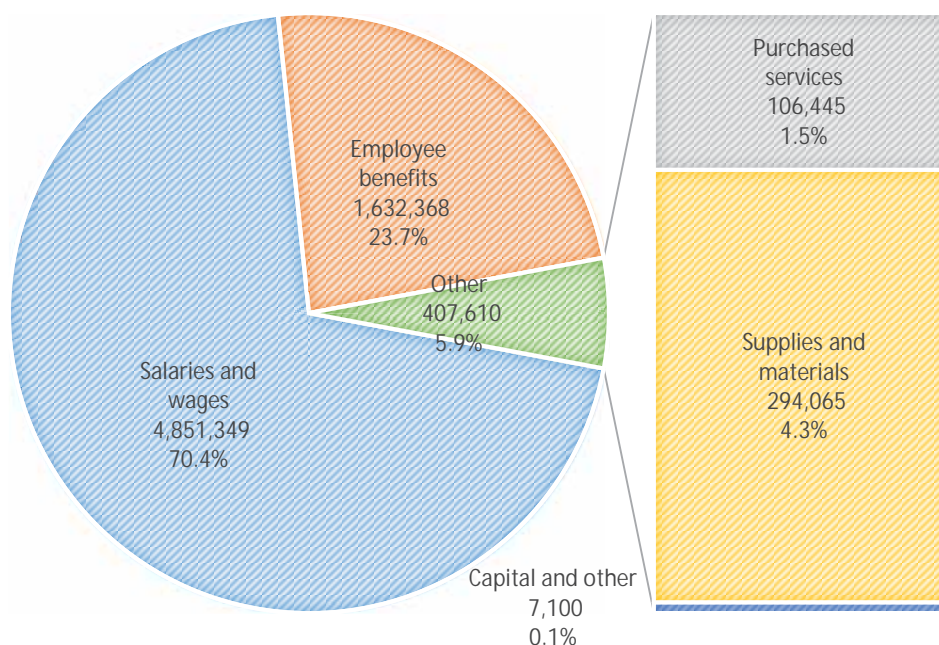
East Lake Elementary school is the latest addition to the district's elementary school offering. It serves the residents of portions of the cities of Lakeville and Rosemount. The building's construction was part of the first phase of the three phase use of the 2015 voter approved building referendum question. East Lake's enrollment is projected to increase from 631 students on October 1, 2018 to 717 students for the 2020-21 school year. While the school's enrollment has increased, the percentage of students eligible for free or reduced-price school meals has slightly decreased. The table at the right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	120	106	126	124	124	124
1	100	132	121	130	129	129
2	90	111	132	122	132	130
3	96	103	118	122	124	134
4	73	104	99	119	136	125
5	63	75	110	100	120	137
Total	542	631	706	717	765	779
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	11.7%	10.6%	8.8%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	2,187	3,244,651	3,887,850	4,376,779	4,851,349
Employee benefits	346	1,176,896	1,341,840	1,492,233	1,632,368
Purchased services	219	803,257	136,024	100,221	106,445
Supplies and materials	-	845,285	193,949	260,185	294,065
Capital expenditures	-	3,584,421	40,748	27,034	7,100
Other expenditures	-	10,437	-	50	-
Total expenditures	2,751	9,664,948	5,600,411	6,256,502	6,891,327
Total students	-	542	631	706	717
Spending per student	N/A	17,832.01	8,875.45	8,861.90	9,611.33

2020-21 EXPENSES BY OBJECT (%) – EAST LAKE ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.1 percent of the total expenditure budget at the school. Supplies and materials, consisting of classroom and instructional supplies, textbooks and workbooks, media resources and office supplies, make up the 4.3 percent of the budget. An additional 1.5 percent of the budget is earmarked for purchased services. These expenses include professional fees, utilities, postage, communication, fieldtrip admission fees, etc. The remaining 0.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Echo Park Elementary School of Leadership, Engineering & Technology  
14100 County Road 11, Burnsville, MN 55337

Principal: Logan Schultz  
Phone: 952-431-8390

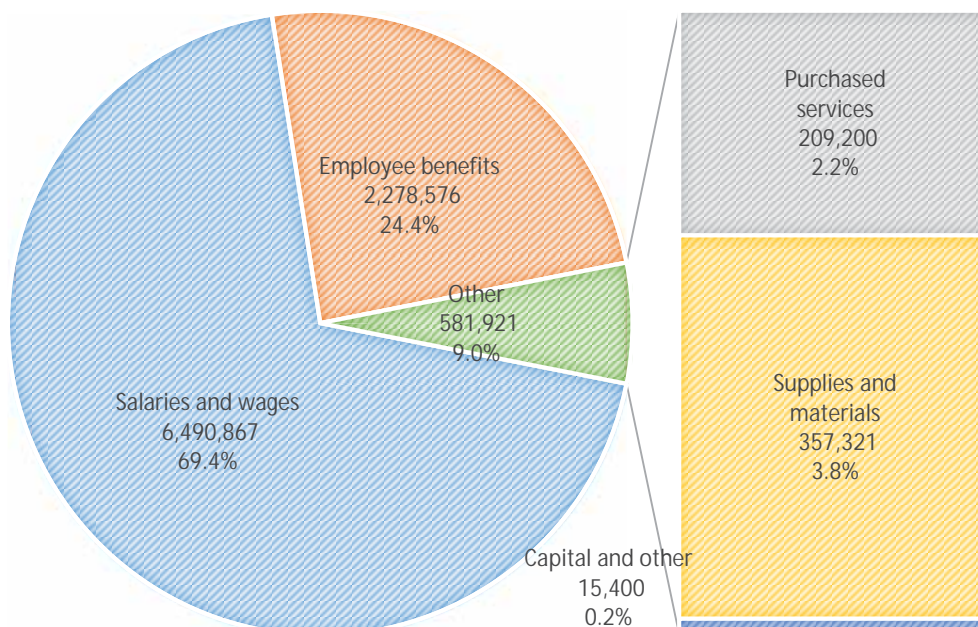
Echo Park's enrollment increased from 713 students on October 1, 2018 to 733 on October 1, 2019. The projected enrollment for the 2020-21 school year is 756 students. The percentage of students eligible for free or reduced-price school meals has slightly decreased from 2017-18 to 2019-20. The table at the right shows the history of the school's enrollment by year, grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	122	137	118	116	116	116
1	104	131	144	123	121	121
2	110	106	122	145	123	122
3	110	111	105	145	148	126
4	104	120	120	106	126	149
5	119	108	124	121	107	126
Total	669	713	733	756	741	760
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	55.0%	44.1%	40.9%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	5,210,400	5,703,491	5,877,780	6,058,831	6,490,867
Employee benefits	1,752,727	2,049,655	2,092,919	2,206,447	2,278,576
Purchased services	207,706	421,425	293,616	208,228	209,200
Supplies and materials	193,994	437,974	463,922	727,720	357,321
Capital expenditures	56,198	1,382,306	197,783	81,709	15,400
Other expenditures	-	11,336	9,258	9,375	-
Total expenditures	7,421,025	10,006,187	8,935,277	9,292,310	9,351,364
<b>Total students</b>	641	669	713	733	756
<b>Spending per student</b>	11,577	14,957	12,532	12,677	12,370

#### 2020-21 EXPENSES BY OBJECT (%) – ECHO PARK ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 93.8 percent of the total expenditure budget at the school. Supplies and materials, at 3.8 percent, make up the next largest share of the budget. These expenses include classroom supplies, textbooks, media resources, office supplies, etc. Over 2.2 percent of the budget is earmarked for purchased services, consisting of professional fees, utilities, postage, communication, fieldtrip admission fees, etc. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Glacier Hills Elementary School of Arts and Science  
3825 Glacier Drive, Eagan, MN 55123

Principal: Adriana Henderson  
Phone: 651-683-8570

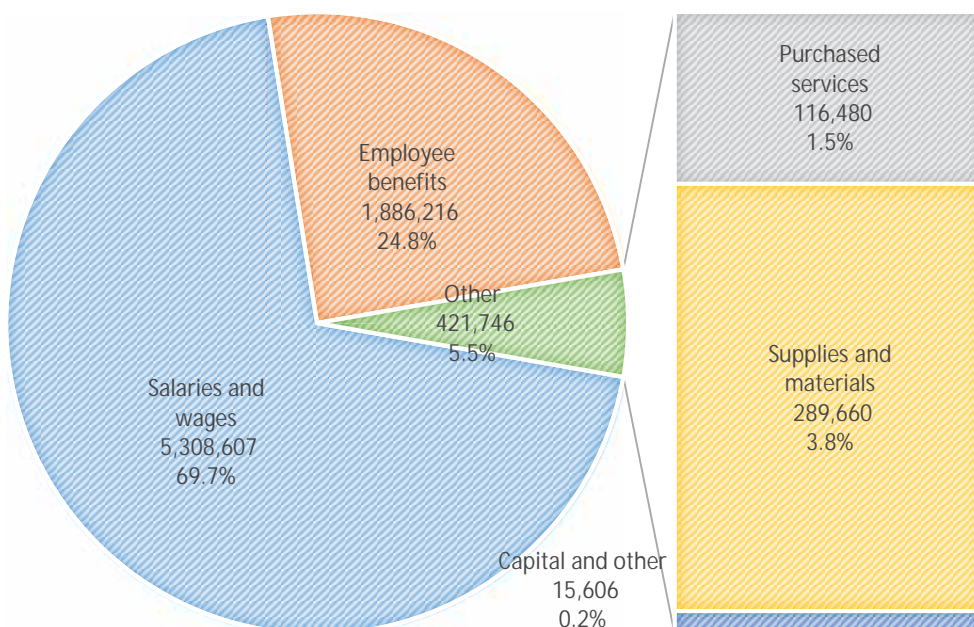
Glacier Hills' enrollment decreased from 758 students on October 1, 2018 to 729 students on October 1, 2019. The projection for the 2020-21 school year is 699 students. The decrease in enrollment over the last couple of years has led to a decrease in the percentage of students eligible for free or reduced-price school meals. The table at the right shows the history of the school's enrollment by year, grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	105	113	103	102	102	102
1	107	114	118	107	105	105
2	117	117	114	119	108	106
3	145	130	127	119	121	110
4	138	143	123	128	117	122
5	137	141	144	124	129	118
Total	749	758	729	699	682	663
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	24.1%	18.6%	16.8%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,969,167	5,360,099	5,342,485	5,029,061	5,308,607
Employee benefits	1,643,657	1,877,529	1,843,261	1,710,726	1,886,216
Purchased services	157,998	426,095	539,228	120,531	116,480
Supplies and materials	116,220	249,509	263,660	236,409	289,660
Capital expenditures	(128,982)	280,882	2,060,504	44,088	15,606
Other expenditures	-	1,704	1,360	1,240	-
Total expenditures	6,758,060	8,195,818	10,050,498	7,142,055	7,616,569
<b>Total students</b>	759	749	758	729	699
<b>Spending per student</b>	8,904	10,942	13,259	9,797	10,896

#### 2020-21 EXPENSES BY OBJECT (%) – GLACIER HILLS ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for slightly more than 94.5 percent of the total expenditure budget at the school. Over 3.8 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources, and office supplies. Purchased services make up 1.5 percent of the budget. These expenses include professional fees, utilities, postage, communication, etc. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Greenleaf Elementary School  
13333 Galaxie Avenue, Apple Valley, MN 55124

Principal: Michelle deKam Palmieri  
Phone: 952-431-8270

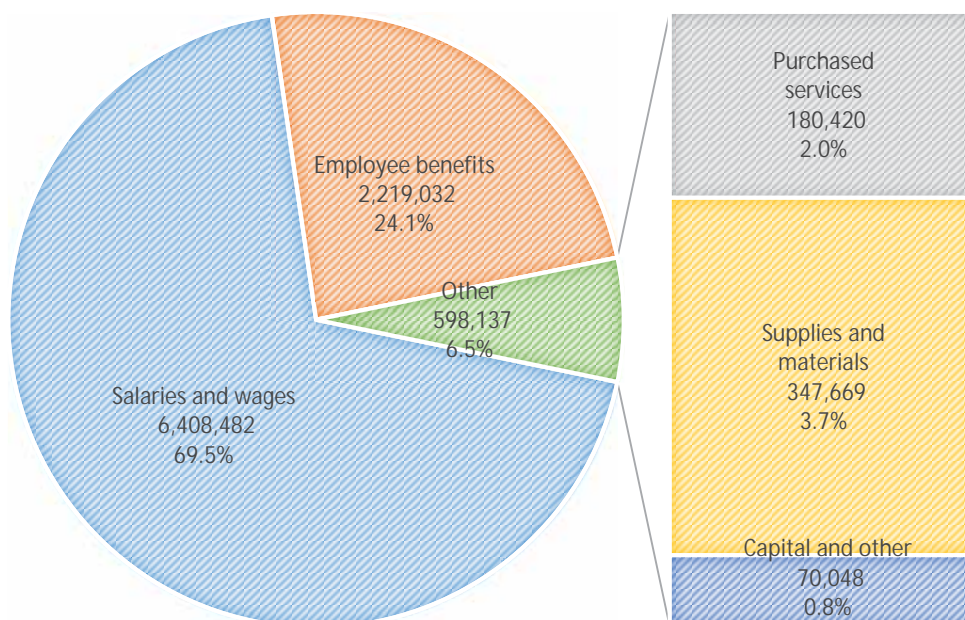
Greenleaf's enrollment decreased from 872 students on October 1, 2018 to 832 students on October 1, 2019. The enrollment projection for the 2020-21 school year is 793. While the school's enrollment decreased, the percentage of students eligible for free or reduced-price school meals also decreased from 37.8 percent in 2017-18 to 30.5 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	122	121	126	124	124	124
1	134	130	125	131	129	129
2	133	140	128	126	132	130
3	171	141	147	126	128	134
4	177	176	136	149	132	130
5	163	164	170	137	149	133
<b>Total</b>	<b>900</b>	<b>872</b>	<b>832</b>	<b>793</b>	<b>794</b>	<b>780</b>
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	37.8%	32.0%	30.5%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	6,381,190	6,487,146	6,565,211	6,260,165	6,408,482
Employee benefits	2,164,559	2,175,213	2,230,345	2,144,425	2,219,032
Purchased services	173,584	482,359	413,834	205,931	180,420
Supplies and materials	155,467	325,084	319,331	397,774	347,669
Capital expenditures	34,890	1,240,238	966,705	119,028	70,048
Other expenditures	-	6,315	1,461	1,718	-
<b>Total expenditures</b>	<b>8,909,691</b>	<b>10,716,357</b>	<b>10,496,887</b>	<b>9,129,041</b>	<b>9,225,651</b>
<b>Total students</b>	<b>961</b>	<b>900</b>	<b>872</b>	<b>832</b>	<b>793</b>
<b>Spending per student</b>	<b>9,271</b>	<b>11,907</b>	<b>12,038</b>	<b>10,972</b>	<b>11,634</b>

#### 2020-21 EXPENSES BY OBJECT (%) – GREENLEAF ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 93.6 percent of the total expenditures at the school. Over 3.7 percent of the budget is earmarked for supplies and materials, which makes up the next largest share of the budget. This includes classroom and instructional supplies, textbooks and workbooks, media resources and office supplies. Purchased services, at 2.0 percent, is made up of professional fees, utilities, postage, communication, etc. Additionally, 0.8 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Highland Elementary School  
14007 Pilot Knob Road, Apple Valley, MN 55124

Principal: Chad Ryburn  
Phone: 952-423-7595

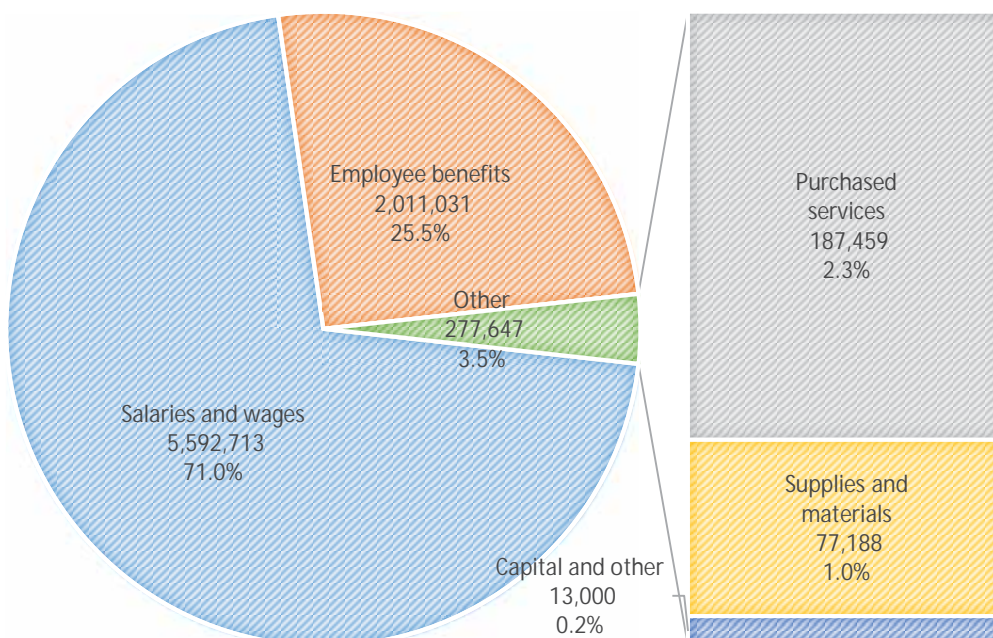
Highland's enrollment has fluctuated over the past few years. The projected student enrollment for the 2020-21 school year is 697. As the school's enrollment fluctuates, the percentage of students eligible for free or reduced-price school meals increased from 9.7 percent in 2018-19 to 10.6 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	117	111	121	119	119	119
1	110	121	106	126	124	124
2	111	117	125	107	127	125
3	105	117	116	107	109	129
4	120	107	120	117	128	110
5	142	120	109	121	118	130
Total	705	693	697	697	725	737
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	15.3%	9.7%	10.6%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	4,986,686	5,120,404	5,274,606	5,337,144	5,592,713
Employee benefits	1,703,618	1,796,236	1,979,152	1,909,096	2,011,031
Purchased services	170,385	265,952	290,897	171,082	187,459
Supplies and materials	124,268	113,889	105,387	82,016	77,188
Capital expenditures	120,034	266,672	416,882	45,909	13,000
Other expenditures	-	2,180	917	1,670	-
Total expenditures	7,104,991	7,565,333	8,067,841	7,546,917	7,881,391
Total students	695	705	693	697	697
Spending per student	10,223	10,731	11,642	10,828	11,308

2020-21 EXPENSES BY OBJECT (%) – HIGHLAND ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for nearly 96.5 percent of the total expenditures at the school. Purchased services, at 2.4 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Approximately 1.0 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and office supplies. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Northview Elementary School  
965 Diffley Road, Eagan, MN 55123

Principal: Kerri Town  
Phone: 651-683-6820

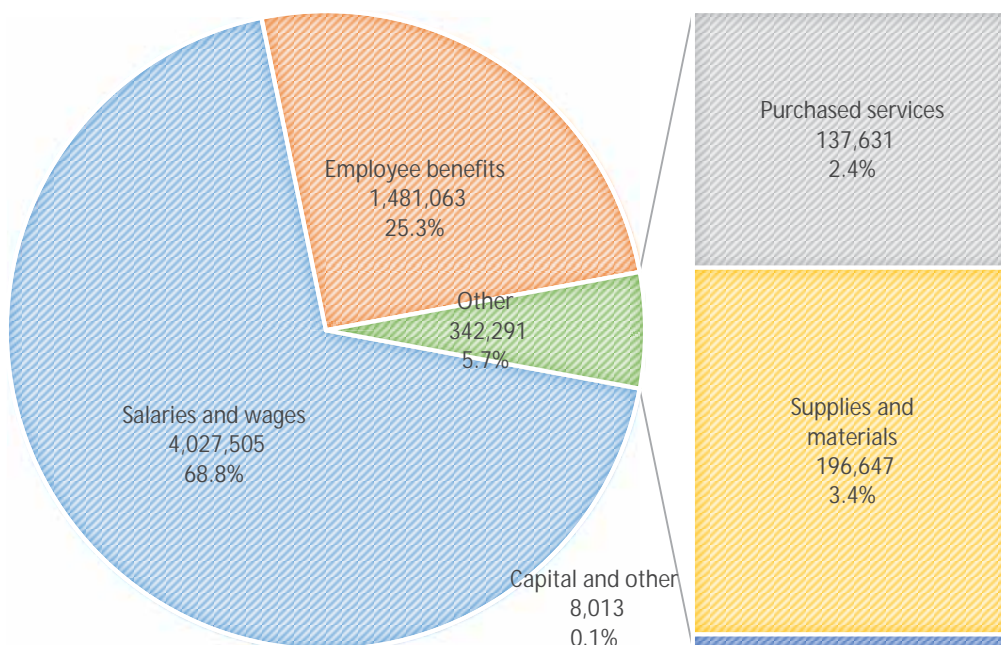
Northview's enrollment has increased over the past two years. The enrollment on October 1, 2017 was 409 students and the actual enrollment was 450 on October 1, 2019. Enrollment is projected to remain relatively stable for the 2020-21 school year. While the school's enrollment remains stable, the percentage of students eligible for free or reduced-price school meals has gradually decreased. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	79	68	81	79	80	80
1	76	78	60	84	83	83
2	67	76	82	60	85	84
3	60	76	73	60	62	86
4	51	67	83	74	84	62
5	76	56	71	84	74	85
Total	409	421	450	441	468	480
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	19.5%	17.1%	14.5%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	3,669,603	3,918,628	3,976,846	4,022,467	4,027,505
Employee benefits	1,273,666	1,438,535	1,474,498	1,520,654	1,481,063
Purchased services	142,720	217,497	238,866	140,809	137,631
Supplies and materials	119,670	172,888	186,129	210,665	196,647
Capital expenditures	344,991	762,943	134,944	33,839	8,013
Other expenditures	-	435	220	1,678	-
Total expenditures	5,550,650	6,510,926	6,011,503	5,930,112	5,850,859
Total students	396	409	421	450	441
Spending per student	14,017	15,919	14,279	13,178	13,267

#### 2020-21 EXPENSES BY OBJECT (%) – NORTHVIEW ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 94.1 percent of the total expenditures at the school. Approximately 3.4 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at roughly 2.4 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Oak Ridge Elementary School of Leadership, Environmental & Health Studies  
4350 Johnny Cake Ridge Road, Eagan, MN 55122

Principal: Cathy Kindem  
Phone: 651-683-6970

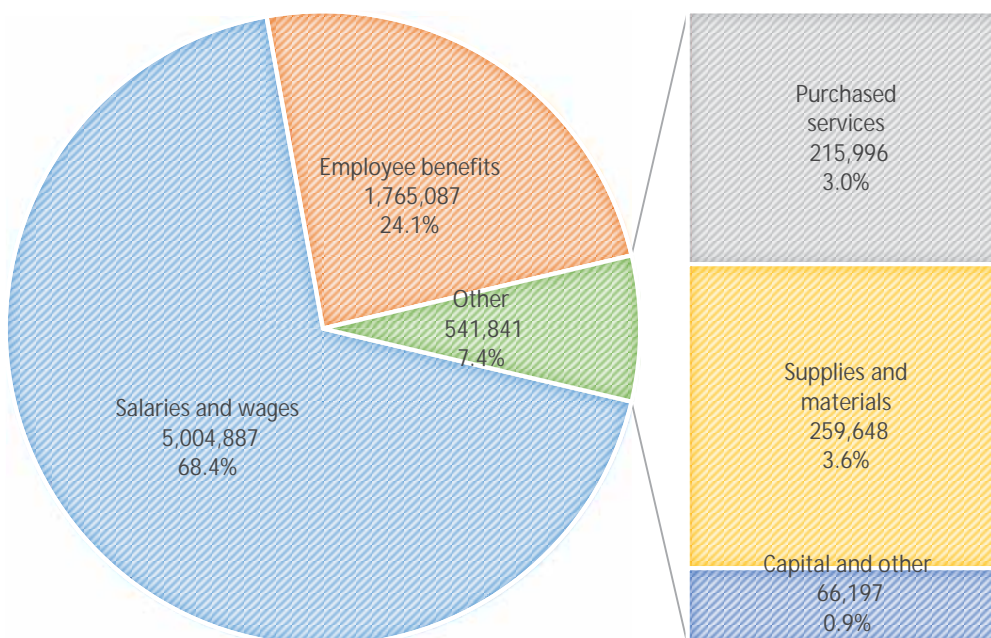
Oak Ridge's enrollment has remained relatively flat between the 2018 and 2020 school years. Enrollment is projected to significantly increase to 542 students for the 2020-21 school year. During the same period, the percentage of students eligible for free or reduced-price school meals fluctuated, ending at 41.5 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	88	102	97	96	96	96
1	86	89	94	100	99	99
2	78	84	87	95	101	100
3	95	74	83	95	96	103
4	80	85	72	83	90	97
5	87	78	78	73	85	90
Total	514	512	511	542	567	585
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	48.2%	39.5%	41.5%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	4,531,751	4,549,924	4,647,588	4,788,191	5,004,887
Employee benefits	1,639,938	1,652,897	1,640,080	1,770,500	1,765,087
Purchased services	149,715	319,201	371,711	232,067	215,996
Supplies and materials	137,442	287,986	276,924	541,360	259,648
Capital expenditures	74,128	491,503	446,938	49,572	66,197
Other expenditures	-	2,240	9,059	8,797	-
Total expenditures	6,532,975	7,303,750	7,392,299	7,390,487	7,311,815
Total students	537	514	512	511	542
Spending per student	12,166	14,210	14,438	14,463	13,490

2020-21 EXPENSES BY OBJECT (%) – OAK RIDGE ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for nearly 92.5 percent of the total expenditures at the school. Supplies and materials, at 3.6 percent, represent the next largest share of the budget. This is made up of classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 3.0 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.9 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

**Parkview Elementary School**  
**6795 Gerdine Path, Rosemount, MN 55068**

**Principal: Nicole Garcia**  
**Phone: 952-431-8350**

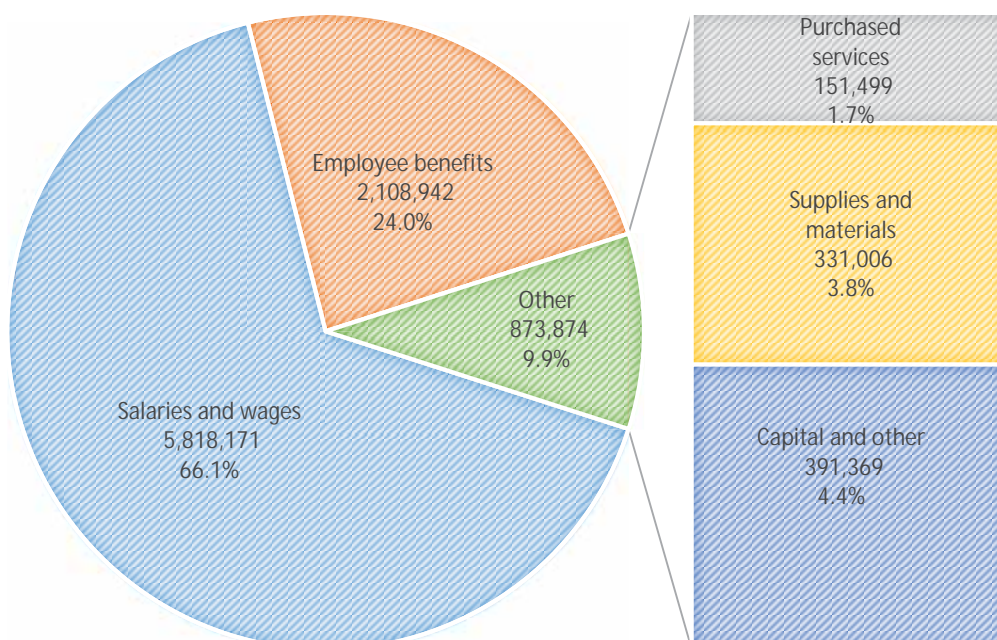
Parkview's enrollment decreased, from 795 students on October 1, 2018 to 786 students on October 1, 2019. The projected student count for 2020-21 is 774. The percentage of students eligible for free or reduced-price school meals has remained stable around 21 percent in for the past three years. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	148	106	133	131	131	131
1	132	146	114	138	136	136
2	135	137	141	115	139	137
3	128	143	126	115	117	142
4	141	124	147	127	145	118
5	119	139	125	148	128	146
<b>Total</b>	<b>803</b>	<b>795</b>	<b>786</b>	<b>774</b>	<b>796</b>	<b>810</b>
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	21.1%	21.0%	21.3%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	5,332,481	5,545,258	5,504,646	5,371,168	5,818,171
Employee benefits	1,799,487	1,933,563	1,928,658	1,966,607	2,108,942
Purchased services	167,032	812,220	368,103	136,862	151,499
Supplies and materials	142,330	316,723	250,248	278,234	331,006
Capital expenditures	479,943	3,277,413	1,754,410	416,720	391,369
Other expenditures	-	1,340	962	1,140	-
<b>Total expenditures</b>	<b>7,921,273</b>	<b>11,886,517</b>	<b>9,807,028</b>	<b>8,170,731</b>	<b>8,800,987</b>
<b>Total students</b>	<b>943</b>	<b>803</b>	<b>795</b>	<b>786</b>	<b>774</b>
<b>Spending per student</b>	<b>8,400</b>	<b>14,803</b>	<b>12,336</b>	<b>10,395</b>	<b>11,371</b>

#### 2020-21 EXPENSES BY OBJECT (%) – PARKVIEW ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 90.1 percent of the budget at the school. The third largest share, at 4.4 percent of the budget, is planned for capital and other expenditures, such as equipment, dues, membership and license fees. Over 3.8 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 1.7 percent, include professional fees, utilities, postage, communication, etc.

**Pinewood Elementary School**  
**4300 Dodd Road, Eagan, MN 55123**

**Principal: Cris Town**  
**Phone: 651-683-6980**

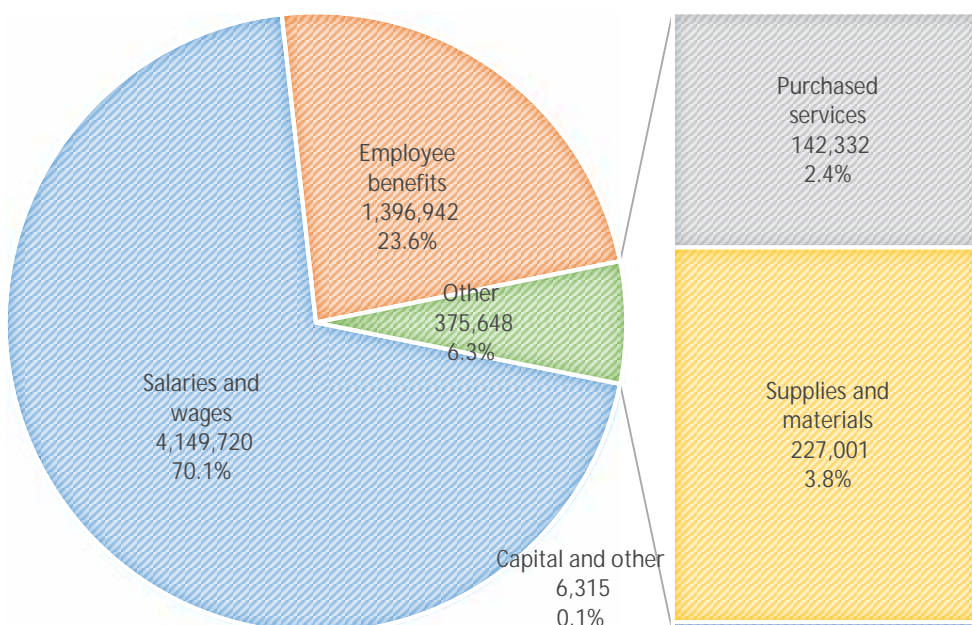
Pinewood's enrollment has been fairly stable over the past five years, fluctuating from 593 students on October 1, 2017 to 585 students in 2019-20. The projected enrollment for the 2020-21 school year is 598 students. During the same period, the percentage of students eligible for free or reduced-price school meals has decreased from 19.8 percent in 2017-18 to 14.7 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	92	84	103	102	102	102
1	102	98	88	107	105	105
2	103	102	98	89	108	106
3	77	110	103	89	90	110
4	105	84	106	104	101	91
5	114	109	87	107	105	102
Total	593	587	585	598	611	616
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	19.8%	16.1%	14.7%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	3,928,347	4,215,532	4,166,260	3,915,375	4,149,720
Employee benefits	1,315,461	1,369,066	1,486,513	1,374,442	1,396,942
Purchased services	146,120	164,244	144,250	149,466	142,332
Supplies and materials	131,711	201,068	218,576	220,219	227,001
Capital expenditures	10,945	94,891	20,314	5,650	6,315
Other expenditures	-	459	1,152	1,855	-
<b>Total expenditures</b>	<b>5,532,584</b>	<b>6,045,260</b>	<b>6,037,065</b>	<b>5,667,007</b>	<b>5,922,310</b>
<b>Total students</b>	<b>615</b>	<b>593</b>	<b>587</b>	<b>585</b>	<b>598</b>
<b>Spending per student</b>	<b>8,996</b>	<b>10,194</b>	<b>10,285</b>	<b>9,687</b>	<b>9,904</b>

#### 2020-21 EXPENSES BY OBJECT (%) – PINEWOOD ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 93.7 percent of the total expenditures at the school. The next largest share, at 3.8 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 2.4 percent, includes professional fees, utilities, postage, communication, etc.. The remaining 0.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Red Pine Elementary School  
530 Red Pine Lane, Eagan, MN 55123

Principal: Drew Goeldner  
Phone: 651-423-7870

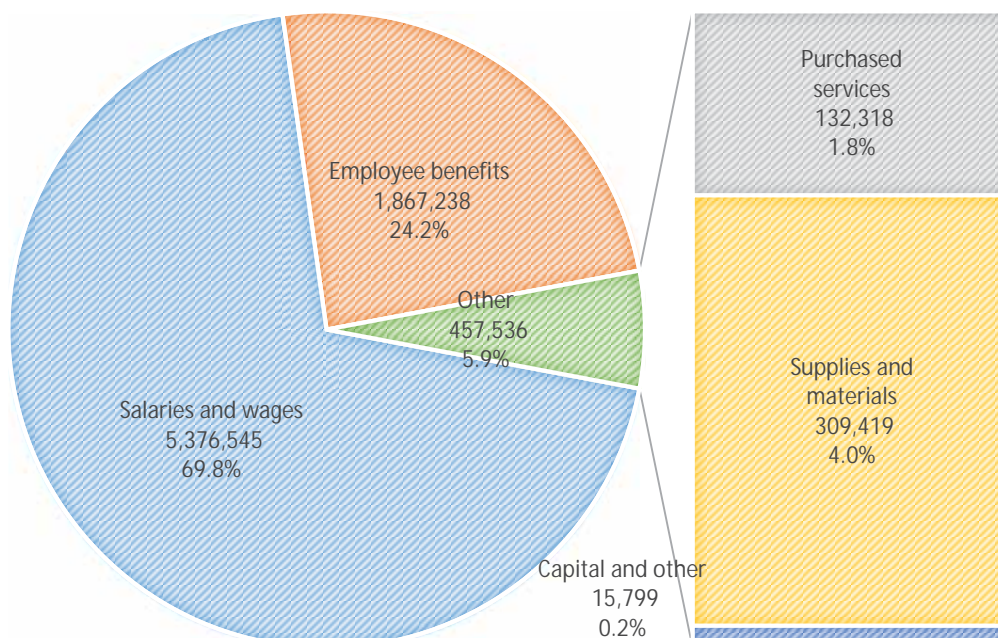
Red Pine's enrollment declined from 769 students on October 1, 2017 to a projection of 701 students for the 2020-21 school year. During the same period, the percentage of students eligible for free or reduced-price school meals has slightly declined, from 10.6 percent in 2017-18 to 9.8 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	109	103	115	113	113	113
1	106	112	111	120	118	118
2	129	104	122	112	120	119
3	134	135	109	112	114	122
4	132	132	133	110	126	115
5	159	134	127	134	111	126
Total	769	720	717	701	702	713
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	10.6%	10.5%	9.8%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	5,086,920	5,121,431	5,090,080	4,861,406	5,376,545
Employee benefits	1,689,386	1,735,963	1,762,234	1,688,113	1,867,238
Purchased services	129,513	128,945	131,508	132,906	132,318
Supplies and materials	112,728	248,126	211,171	265,896	309,419
Capital expenditures	96,550	242,449	34,965	51,242	15,799
Other expenditures	-	1,357	917	1,291	-
Total expenditures	7,115,096	7,478,271	7,230,876	7,000,854	7,701,319
<b>Total students</b>	797	769	720	717	701
<b>Spending per student</b>	8,927	9,725	10,043	9,764	10,986

#### 2020-21 EXPENSES BY OBJECT (%) – RED PINE ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 93.5 percent of the total expenditures at the school. Supplies and materials, making up the third largest share of the budget at 4.0 percent, includes classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 1.7 percent, includes professional fees, utilities, postage, communication, etc. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Rosemount Elementary School  
3155 144<sup>th</sup> Street West, Rosemount, MN 55068

Principal: Thomas Idstrom  
Phone: 651-423-7690

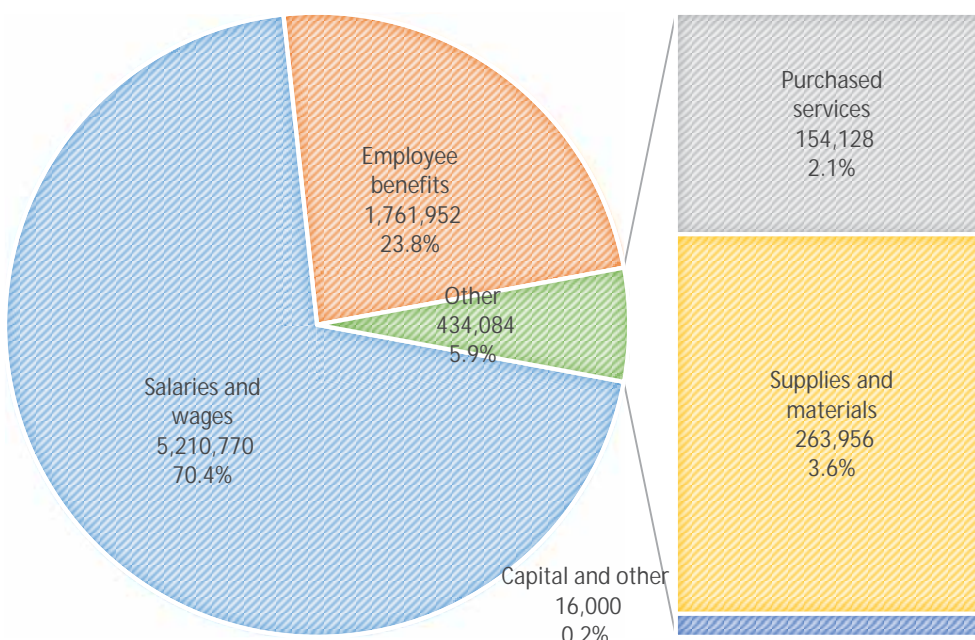
Rosemount's enrollment increased from 681 in 2017-18 to 738 in 2019-20. The projected enrollment for the 2020-21 school year is 732 students. During the same period, the percentage of students eligible for free or reduced-price school meals has fluctuated, finishing at 18.5 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	106	129	104	103	103	103
1	117	112	128	108	106	106
2	124	117	130	129	109	107
3	114	125	126	129	131	111
4	105	115	135	127	134	133
5	115	109	115	136	128	135
Total	681	707	738	732	711	695
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	23.4%	15.0%	18.5%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,627,390	4,602,387	4,828,120	4,927,877	5,210,770
Employee benefits	1,529,898	1,548,395	1,627,964	1,693,480	1,761,952
Purchased services	137,036	381,920	354,575	133,836	154,128
Supplies and materials	100,551	183,982	228,470	215,522	263,956
Capital expenditures	52,003	304,010	1,058,361	41,585	16,000
Other expenditures	-	449	-	1,583	-
Total expenditures	6,446,877	7,021,142	8,097,491	7,013,883	7,406,806
<b>Total students</b>	745	681	707	738	732
<b>Spending per student</b>	8,654	10,310	11,453	9,504	10,119

#### 2020-21 EXPENSES BY OBJECT (%) – ROSEMOUNT ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.2 percent of the total expenditures at the school. Supplies and materials make up the next largest share at approximately 3.6 percent. These expenses include classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 2.1 percent, include professional fees, utilities, postage, communication, etc. The remaining budget of .2 percent is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Shannon Park Elementary School  
13501 Shannon Parkway, Rosemount, MN 55068

Principal: Erik Davis  
Phone: 651-423-7670

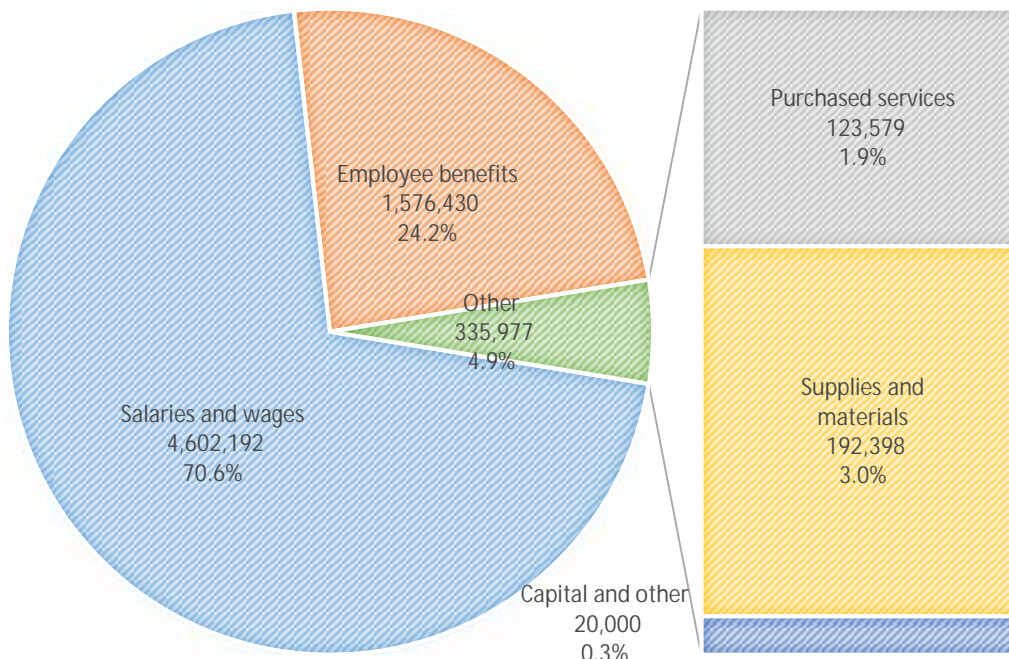
Shannon Park's enrollment significantly decreased from 647 students on October 1, 2017 to 608 students on October 1, 2019. The projected student count for 2020-21 is expected to decline to 571. As the school's enrollment has decreased, the percentage of students eligible for free or reduced-price school meals has remained relatively stable in the mid-single digits. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	94	83	85	84	84	84
1	96	101	96	88	87	87
2	99	99	95	97	89	88
3	125	99	103	97	98	94
4	126	128	100	104	98	100
5	107	126	129	101	105	98
Total	647	636	608	571	561	551
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	7.1%	4.8%	5.7%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	5,393,322	4,770,400	4,671,026	4,528,000	4,602,192
Employee benefits	1,739,081	1,605,149	1,589,308	1,557,217	1,576,430
Purchased services	162,113	210,920	154,747	124,168	123,579
Supplies and materials	79,399	192,235	205,865	169,804	192,398
Capital expenditures	206,611	113,834	44,368	(28,725)	20,000
Other expenditures	-	2,220	1,904	2,061	-
Total expenditures	7,580,525	6,894,759	6,667,219	6,352,525	6,514,599
<b>Total students</b>	800	647	636	608	571
<b>Spending per student</b>	9,476	10,657	10,483	10,448	11,409

2020-21 EXPENSES BY OBJECT (%) – SHANNON PARK ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.8 percent of the total expenditures at the school. Supplies and materials, making up 3.0 percent of the budget, make up the next largest share. This includes classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 1.9 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.3 percent of the budget is earmarked for capital and other expenditures, such as equipment, dues, membership and license fees.

**Southview Elementary School**  
**1025 Whitney Drive, Apple Valley, MN 55124**

**Principal: Christine Evans**  
**Phone: 952-431-8370**

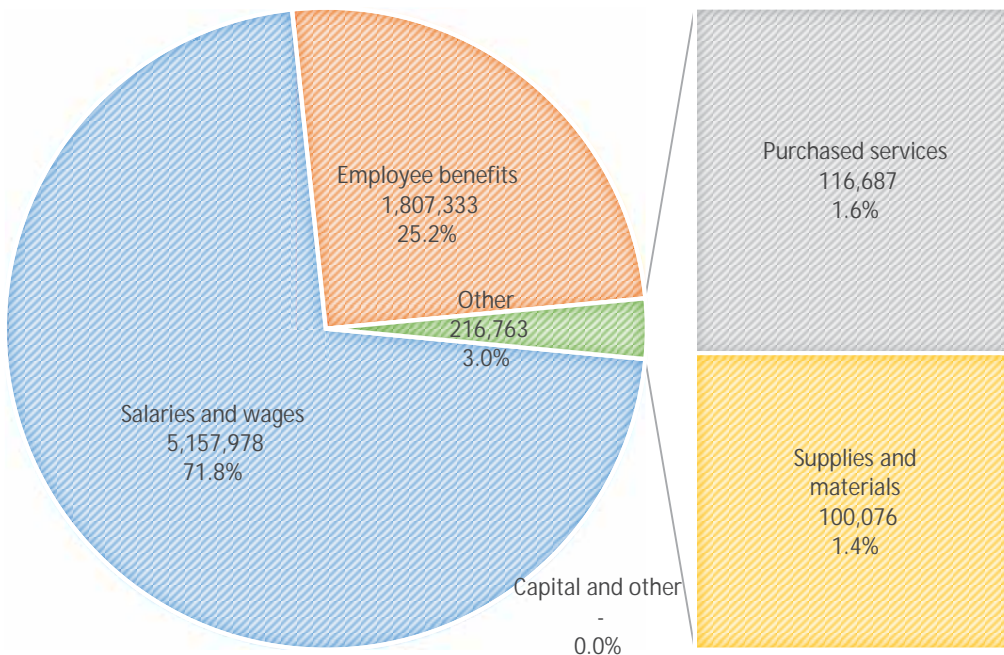
Southview's enrollment has remained relatively stable over the past three years. The student count for 2020-21 is projected to remain flat at 631. As the school's enrollment remains relatively stable, the percentage of students eligible for free or reduced-price school meals has also remained relatively flat, ending at 28.3 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	100	118	101	100	100	100
1	113	101	109	105	103	103
2	105	106	104	109	106	104
3	101	103	109	109	111	107
4	105	108	97	110	107	113
5	102	103	110	98	111	108
Total	626	639	630	631	638	635
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	31.9%	28.2%	28.3%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	4,470,044	4,674,840	4,798,049	4,860,359	5,157,978
Employee benefits	1,588,303	1,667,968	1,722,553	1,731,899	1,807,333
Purchased services	139,634	549,731	314,181	158,337	116,687
Supplies and materials	84,785	124,575	114,720	127,775	100,076
Capital expenditures	25,569	2,647,010	140,171	38,831	-
Other expenditures	-	1,310	1,841	1,430	-
<b>Total expenditures</b>	<b>6,308,335</b>	<b>9,665,434</b>	<b>7,091,514</b>	<b>6,918,631</b>	<b>7,182,074</b>
<b>Total students</b>	<b>640</b>	<b>626</b>	<b>639</b>	<b>630</b>	<b>631</b>
<b>Spending per student</b>	<b>9,857</b>	<b>15,440</b>	<b>11,098</b>	<b>10,982</b>	<b>11,382</b>

#### 2020-21 EXPENSES BY OBJECT (%) – SOUTHVIEW ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The salary and employee benefits budget remains the largest cost drivers, accounting for 97.0 percent of the total expenditure budget at the school. Supplies and materials represent 1.4 percent of the budget, which include classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 1.6 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.0 percent of the budget allocations are planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Thomas Lake Elementary School  
4350 Thomas Lake Road, Eagan, MN 55122

Principal: Rachel Hughes  
Phone: 651-683-6890

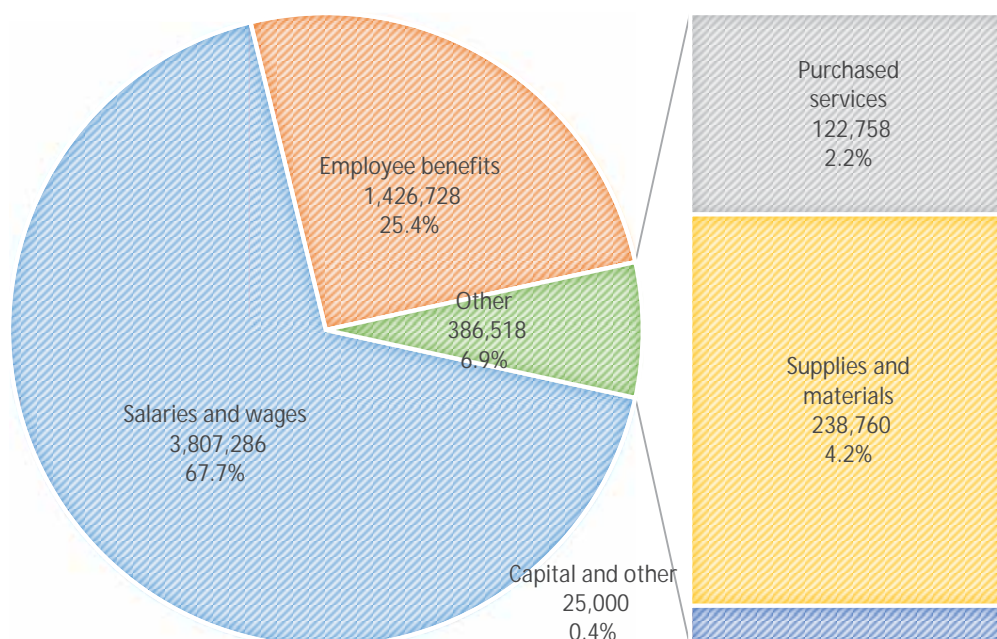
Thomas Lake's enrollment has increased steadily since 2017-18, from 475 students on October 1, 2017 to 540 on October 1, 2019. The projection for 2020-21 is 600 students. During the same period, the percentage of students eligible for free or reduced-price school meals decreased, from 16.5 percent in 2017-18 to 13.8 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	71	104	100	99	99	99
1	86	73	114	103	102	102
2	77	86	70	115	104	103
3	92	76	83	115	117	106
4	78	94	83	84	72	118
5	71	76	90	84	85	73
Total	475	509	540	600	579	601
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	16.5%	12.5%	13.8%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	3,414,836	3,474,227	3,520,840	3,528,099	3,807,286
Employee benefits	1,178,015	1,316,365	1,301,980	1,333,025	1,426,728
Purchased services	214,294	468,590	201,178	128,833	122,758
Supplies and materials	78,379	191,662	159,786	209,279	238,760
Capital expenditures	58,056	1,157,657	324,246	26,414	25,000
Other expenditures	-	2,220	1,794	2,025	-
<b>Total expenditures</b>	<b>4,943,581</b>	<b>6,610,721</b>	<b>5,509,824</b>	<b>5,227,675</b>	<b>5,620,532</b>
<b>Total students</b>	<b>473</b>	<b>475</b>	<b>509</b>	<b>540</b>	<b>600</b>
<b>Spending per student</b>	<b>10,452</b>	<b>13,917</b>	<b>10,825</b>	<b>9,681</b>	<b>9,368</b>

2020-21 EXPENSES BY OBJECT (%) – THOMAS LAKE ELEMENTARY



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 93.1 percent of the total expenditures at the school. Supplies and materials, which makes up the third largest share at 4.2 percent of the budget, includes classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 2.2 percent, includes professional fees, utilities, postage, communication, etc. The remaining 0.4 percent of the budget allocations are planned for capital and other expenditures, such as equipment, dues, membership and license fees.

**Westview Elementary School**  
**225 Garden View Drive, Apple Valley, MN 55124**

**Principal: Tami Staloch-Schultz**  
**Phone: 952-431-8380**

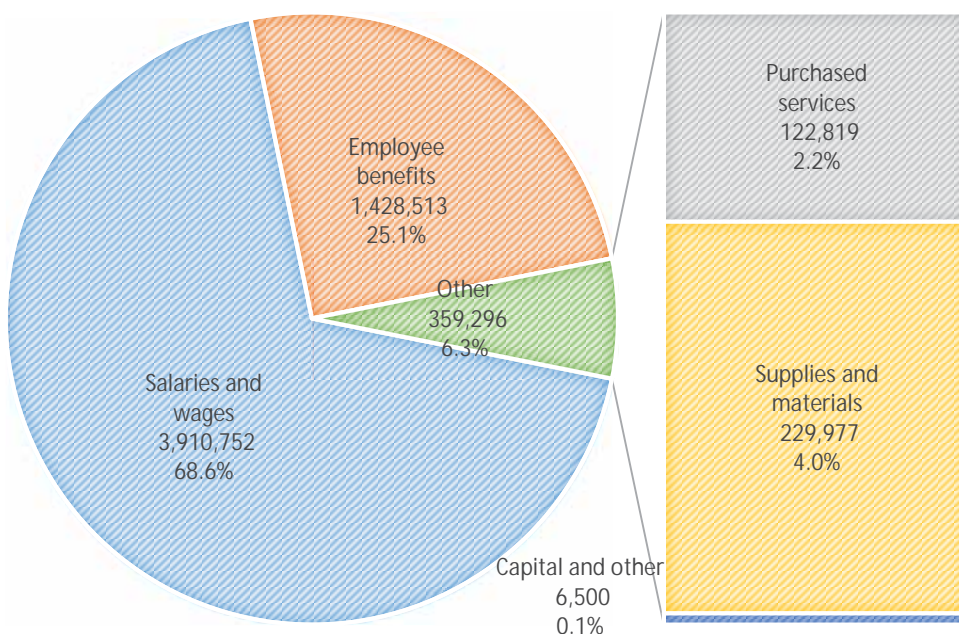
Westview's enrollment increased from 401 on October 1, 2018 to 413 on October 1, 2019. The projected student count for the 2020-21 school year is expected to slightly rise to 434. During the same time period, the percentage of students eligible for free or reduced-price school meals has fluctuated from 43.8 percent in 2017-18 to 30.5 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	88	71	79	78	78	78
1	55	81	82	82	81	81
2	63	55	82	83	83	81
3	69	57	52	83	84	84
4	72	70	56	52	84	85
5	74	67	62	56	53	85
<b>Total</b>	<b>421</b>	<b>401</b>	<b>413</b>	<b>434</b>	<b>463</b>	<b>494</b>
	Actual	Actual	Actual	Proj	Proj	Proj
<b>F/R</b>	<b>43.8%</b>	<b>33.8%</b>	<b>30.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	3,558,905	3,782,241	3,958,497	3,728,092	3,910,752
Employee benefits	1,271,120	1,454,825	1,491,622	1,361,988	1,428,513
Purchased services	164,735	416,891	231,795	136,076	122,819
Supplies and materials	116,451	199,934	196,542	231,043	229,977
Capital expenditures	409,766	1,135,931	323,046	47,856	6,500
Other expenditures	-	1,310	932	1,554	-
<b>Total expenditures</b>	<b>5,520,977</b>	<b>6,991,132</b>	<b>6,202,433</b>	<b>5,506,609</b>	<b>5,698,561</b>
<b>Total students</b>	<b>395</b>	<b>421</b>	<b>401</b>	<b>413</b>	<b>434</b>
<b>Spending per student</b>	<b>13,977</b>	<b>16,606</b>	<b>15,467</b>	<b>13,333</b>	<b>13,130</b>

#### 2020-21 EXPENSES BY OBJECT (%) – WESTVIEW ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 93.7 percent of the total expenditures at the school. Supplies and materials represent 4.0 percent of the budget and the third largest share of the budget, include classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 2.2 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.1 percent of the budget allocations are planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Woodland Elementary School  
945 Westcott Road, Eagan, MN 55123

Principal: Lisa Carlson  
Phone: 651-683-6990

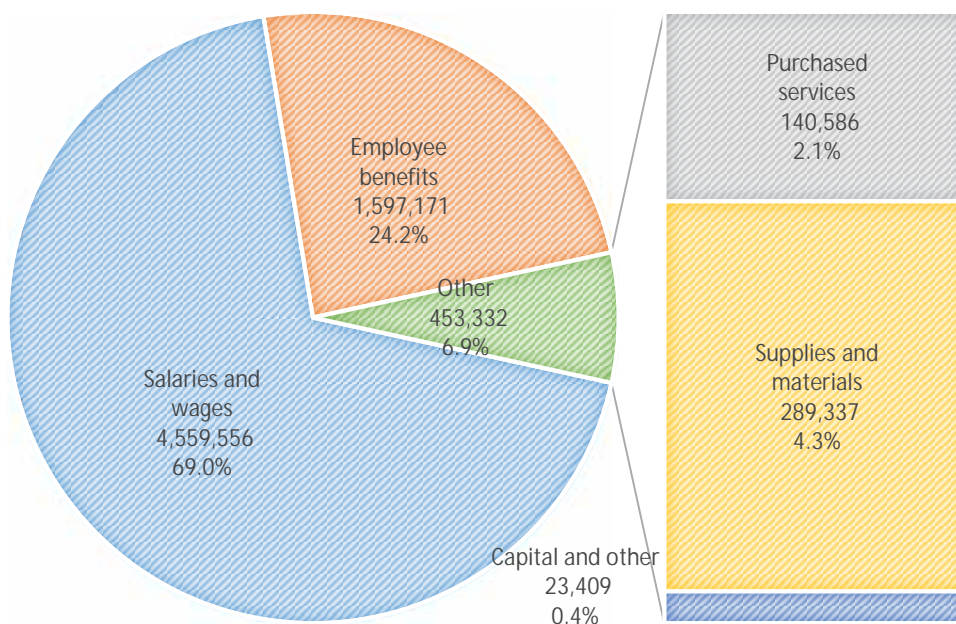
Woodland's enrollment increased from 602 on October 1, 2017 to 665 students on October 1, 2019. The projected enrollment for 2020-21 is 687 students. As the school's enrollment has increased, the percentage of students eligible for free or reduced-price school meals has significantly decreased, from 15.4 percent in 2017-18 to 9.1 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
K	112	105	117	115	116	115
1	109	104	111	122	120	120
2	98	112	112	112	122	121
3	84	97	120	112	114	125
4	96	87	104	121	115	115
5	103	100	101	105	122	116
Total	602	605	665	687	709	712
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	15.4%	9.9%	9.1%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	3,953,294	4,024,196	4,250,429	4,350,902	4,559,556
Employee benefits	1,373,293	1,399,228	1,473,921	1,485,393	1,597,171
Purchased services	131,616	282,188	207,590	141,622	140,586
Supplies and materials	119,109	188,628	205,934	222,100	289,337
Capital expenditures	21,475	993,464	161,702	42,293	23,409
Other expenditures	-	2,220	1,794	2,150	-
<b>Total expenditures</b>	<b>5,598,786</b>	<b>6,889,925</b>	<b>6,301,372</b>	<b>6,244,460</b>	<b>6,610,059</b>
<b>Total students</b>	<b>587</b>	<b>602</b>	<b>605</b>	<b>665</b>	<b>687</b>
<b>Spending per student</b>	<b>9,538</b>	<b>11,445</b>	<b>10,415</b>	<b>9,390</b>	<b>9,622</b>

#### 2020-21 EXPENSES BY OBJECT (%) – WOODLAND ELEMENTARY SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 93.2 percent of the total expenditures at the school. Supplies and materials make up the third largest share at 4.4 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 2.1 percent, include professional fees, utilities postage, communication, etc. The remaining 0.4 percent of the budget allocations are planned for capital and other expenditures, such as equipment, dues, membership and license fees.

**Black Hawk Middle School**  
1540 Deerwood Drive, Eagan, MN 55122

**Principal: Anne Kusch**  
**Phone: 651-683-8521**

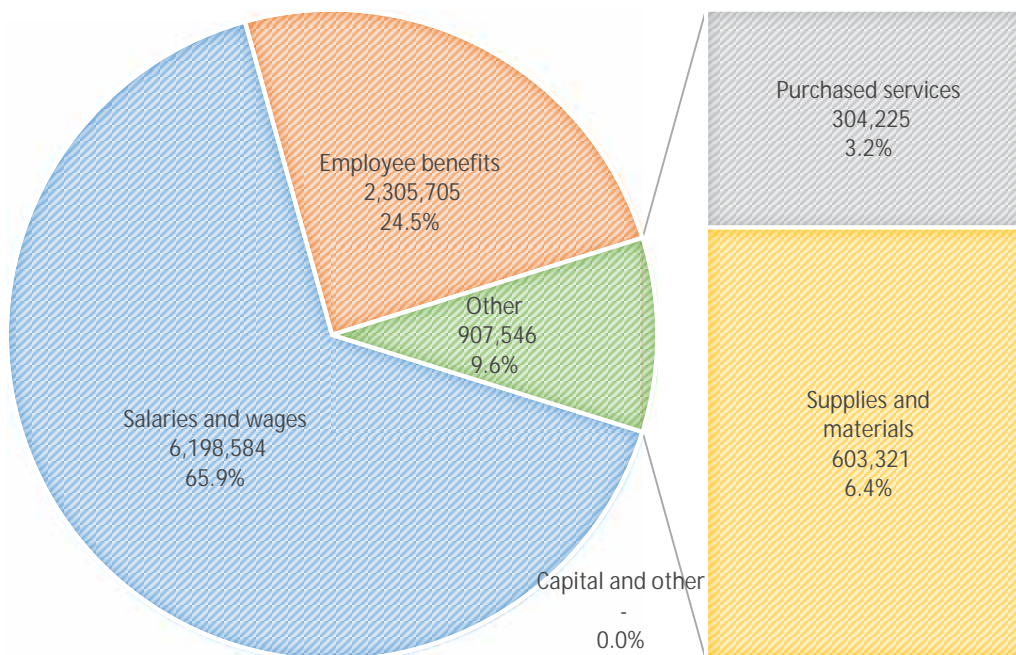
Black Hawk's enrollment slightly decreased, from 868 students on October 1, 2017 to 787 on October 1, 2019. The projected enrollment for the 2020-21 school year is 779 students. During the same time period, the percentage of students eligible for free or reduced-price school meals decreased from 31.9 percent in 2017-18 to 26.8 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

**Enrollment History and Projections**

	2018	2019	2020	2021	2022	2023
6	290	275	250	261	258	256
7	278	288	263	253	264	261
8	300	290	274	265	255	266
Total	868	853	787	779	777	783
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	31.9%	27.3%	26.8%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	5,355,564	5,842,253	5,982,123	5,884,800	6,198,584
Employee benefits	1,906,132	2,180,349	2,193,588	2,207,078	2,305,705
Purchased services	322,561	378,378	507,566	294,019	304,225
Supplies and materials	214,391	556,447	534,194	433,981	603,321
Capital expenditures	128,066	496,650	219,728	29,645	-
Other expenditures	-	3,654	3,115	2,936	-
<b>Total expenditures</b>	<b>7,926,713</b>	<b>9,457,732</b>	<b>9,440,314</b>	<b>8,852,459</b>	<b>9,411,835</b>
<b>Total students</b>	<b>865</b>	<b>868</b>	<b>853</b>	<b>787</b>	<b>779</b>
<b>Spending per student</b>	<b>9,164</b>	<b>10,896</b>	<b>11,067</b>	<b>11,248</b>	<b>12,082</b>

**2020-21 EXPENSES BY OBJECT (%) – BLACK HAWK MIDDLE SCHOOL**



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 90.4 percent of the total expenditures at the school. Supplies and materials, the third largest share at 6.4 percent of the budget, include classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 3.2 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.0 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Dakota Hills Middle School  
4183 Braddock Trail, Eagan, MN 55123

Principal: Trevor Johnson  
Phone: 651-683-6800

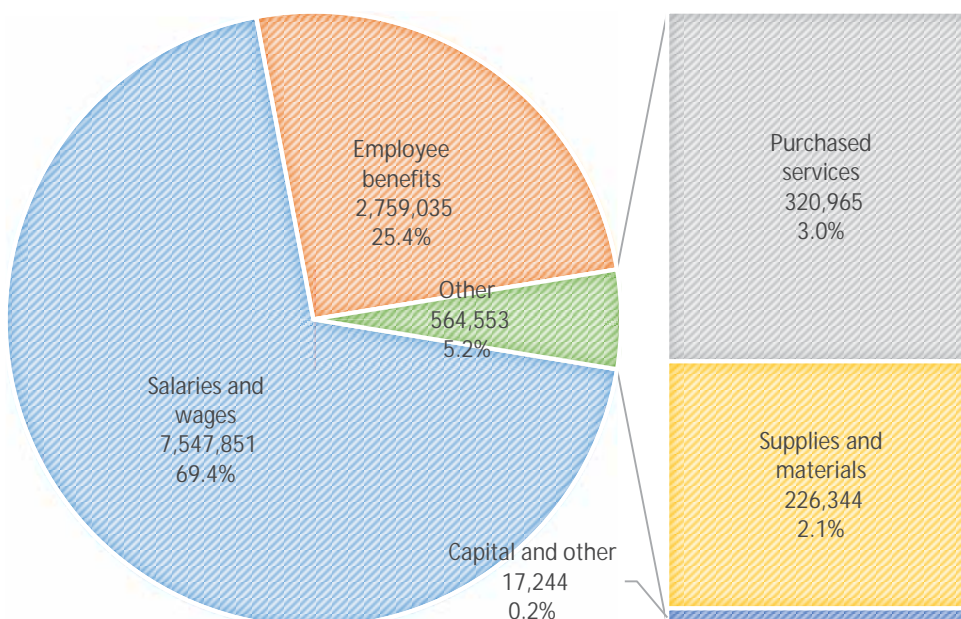
Dakota Hills' enrollment increased from 1,100 students on October 1, 2017 to 1,243 students on October 1, 2019. The projected student count for the 2020-21 school year is 1,241. The percentage of students eligible for free or reduced-price school meals has remained relatively stable, slightly decreasing in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
6	389	426	389	406	401	398
7	381	398	438	394	411	406
8	330	371	416	441	397	414
Total	1,100	1,195	1,243	1,241	1,209	1,218
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	14.5%	13.5%	12.7%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	6,226,058	6,419,470	7,046,757	6,325,589	7,547,851
Employee benefits	2,061,717	2,183,775	2,461,206	2,427,732	2,759,035
Purchased services	369,020	407,557	406,883	500,163	320,965
Supplies and materials	252,233	266,424	321,481	252,642	226,344
Capital expenditures	29,116	289,962	327,206	227,626	17,244
Other expenditures	-	3,854	2,675	6,400	-
Total expenditures	8,938,144	9,571,042	10,566,208	9,740,152	10,871,439
 Total students	1,100	1,100	1,195	1,243	1,241
 Spending per student	8,126	8,701	8,842	7,836	8,760

2020-21 EXPENSES BY OBJECT (%) – DAKOTA HILLS MIDDLE SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.8 percent of the total expenditures at the school. Purchased services, at 3.0 percent of the budget, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 2.1 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining 0.2 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

**Falcon Ridge Middle School**  
**12900 Johnny Cake Ridge Road, Apple Valley, MN 55124**

**Principal: Becky Melville**  
**Phone: 952-431-8760**

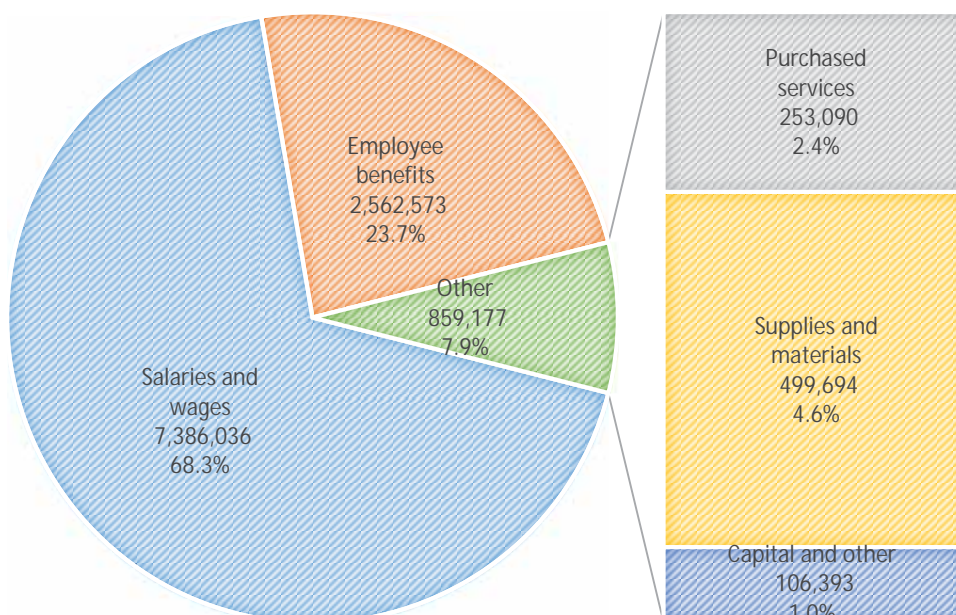
Falcon Ridge's enrollment decreased from 1,097 students on October 1, 2017, to 1,058 students on October 1, 2019. The projection for the 2020-21 school year is expected to decrease to 1,033 students. During the same time period, the percentage of students eligible for free or reduced-price school meals has remained fairly stable. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
6	370	325	335	350	346	343
7	355	372	342	339	354	350
8	372	366	381	344	341	356
Total	1,097	1,063	1,058	1,033	1,041	1,049
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	23.6%	24.1%	25.3%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	6,149,742	6,639,227	6,829,822	7,010,577	7,386,036
Employee benefits	2,122,915	2,312,886	2,337,007	2,470,112	2,562,573
Purchased services	268,154	436,012	288,453	252,996	253,090
Supplies and materials	257,974	368,197	517,698	336,810	499,694
Capital expenditures	190,931	1,177,676	1,064,572	99,750	106,393
Other expenditures	-	3,461	1,930	3,045	-
<b>Total expenditures</b>	<b>8,989,715</b>	<b>10,937,459</b>	<b>11,039,481</b>	<b>10,173,290</b>	<b>10,807,786</b>
<b>Total students</b>	<b>1,064</b>	<b>1,097</b>	<b>1,063</b>	<b>1,058</b>	<b>1,033</b>
<b>Spending per student</b>	<b>8,449</b>	<b>9,970</b>	<b>10,385</b>	<b>9,616</b>	<b>10,463</b>

#### 2020-21 EXPENSES BY OBJECT (%) – FALCON RIDGE MIDDLE SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 92.0 percent of the total expenditure budget. Supplies and materials make up the third largest share at 4.8 percent of the budget, include classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 2.3 percent, include professional fees, utilities, postage, communication, etc. The remaining 1.0 percent of the budget allocations are planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Rosemount Middle School  
3135 143<sup>rd</sup> Street West, Rosemount, MN 55068

Principal: Eric Hansen  
Phone: 651-423-7570

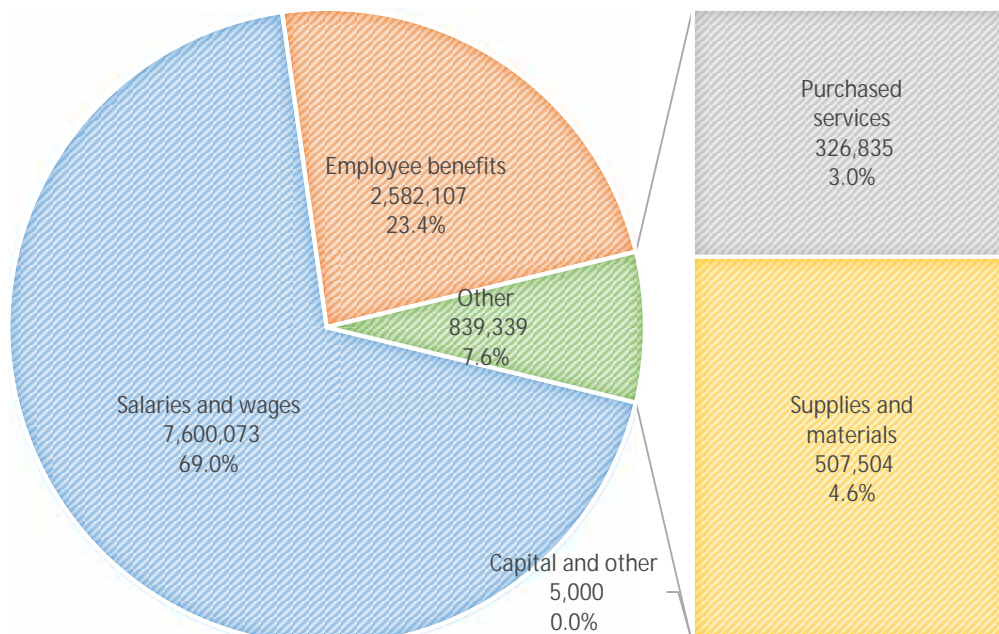
Rosemount's enrollment increased from 1,288 students on October 1, 2018 to 1,307 on October 1, 2019. The projected enrollment for the 2020-21 school year is 1,283 students. During the same time period, the percentage of students eligible for free or reduced-price school meals decreased from 14.2 percent in 2017-18 to 10.2 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
6	458	415	417	436	430	427
7	421	451	423	422	441	435
8	421	422	467	425	425	443
Total	1,300	1,288	1,307	1,283	1,296	1,305
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	14.2%	11.4%	10.2%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	6,624,697	7,004,753	7,247,762	6,791,763	7,600,073
Employee benefits	2,141,854	2,377,262	2,424,023	2,273,947	2,582,107
Purchased services	439,314	469,968	626,148	398,113	326,835
Supplies and materials	335,813	547,801	515,534	543,371	507,504
Capital expenditures	404,039	750,256	1,099,869	505,138	5,000
Other expenditures	-	6,111	3,220	5,483	-
Total expenditures	9,945,718	11,156,151	11,916,556	10,517,815	11,021,519
<b>Total students</b>	1,275	1,300	1,288	1,307	1,283
<b>Spending per student</b>	7,801	8,582	9,252	8,047	8,590

#### 2020-21 EXPENSES BY OBJECT (%) – ROSEMOUNT MIDDLE SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 92.4 percent of the total budget. Supplies and materials account for the third largest share at 4.6 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. Purchased services, at 3.0 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.0 percent of the expenditure budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Scott Highlands Middle School  
14011 Pilot Knob Road, Apple Valley, MN 55124

Principal: Dan Wilharber  
Phone: 952-423-7581

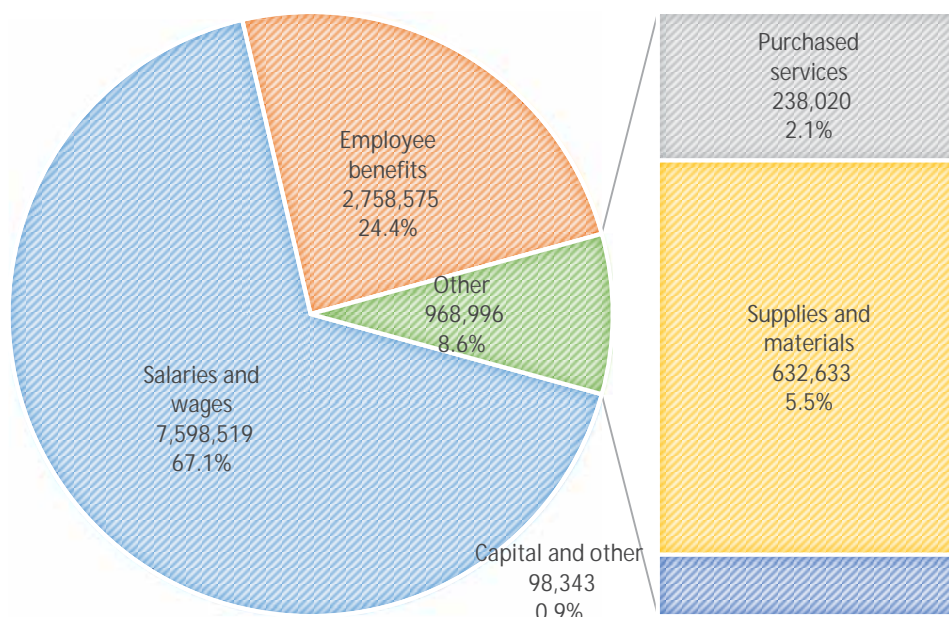
Scott Highlands' enrollment increased from 1,108 on October 1, 2018 to 1,150 on October 1, 2019. The projected student count for 2020-21 is 1,243. As the school's enrollment has increased, the percentage of students eligible for free or reduced-price school meals has remained relatively flat the past two years. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
6	343	415	403	421	415	413
7	347	343	412	408	426	421
8	347	350	335	414	411	428
Total	1,037	1,108	1,150	1,243	1,252	1,262
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	24.2%	17.2%	16.3%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	6,188,236	6,517,057	6,807,258	6,692,969	7,598,519
Employee benefits	2,146,870	2,312,365	2,473,380	2,387,615	2,758,575
Purchased services	296,604	794,453	458,968	249,598	238,020
Supplies and materials	219,422	479,176	621,013	535,520	632,633
Capital expenditures	410,165	1,769,273	977,008	124,970	98,343
Other expenditures	-	3,259	2,785	710	-
Total expenditures	9,261,298	11,875,581	11,340,411	9,991,382	11,326,090
Total students	1,010	1,037	1,108	1,150	1,243
Spending per student	9,170	11,452	10,235	8,688	9,112

2020-21 EXPENSES BY OBJECT (%) – SCOTT HIGHLANDS MIDDLE SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 91.5 percent of the total expenditures. Supplies and materials account for 5.6 percent of the budget and the third largest share, include classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 2.1 percent, include professional fees, utilities, postage, communication, etc. The remaining .90 percent of the expenditure budget is earmarked for capital and other expenditures, such as equipment, dues, membership and license fees.

Valley Middle School of STEM  
900 Garden View Drive, Apple Valley, MN 55124

Principal: Dave McKeag  
Phone: 952-431-8300

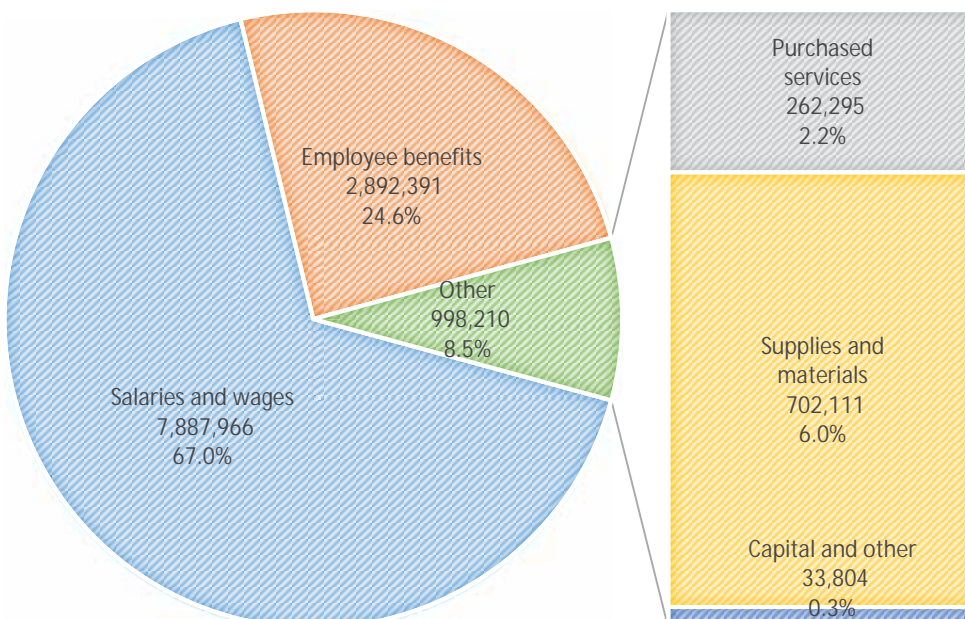
Valley Middle's enrollment has remained relatively stable over the past two years, ending at 1,076 on October 1, 2019. The projection for 2020-21 is 1,098 students. During the same time period, the percentage of students eligible for free or reduced-price school meals remained flat around 34 percent. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
6	354	372	351	367	362	360
7	351	358	374	355	371	366
8	311	350	351	376	357	373
Total	1,016	1,080	1,076	1,098	1,090	1,099
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	41.4%	34.5%	34.0%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	7,117,372	7,312,497	7,823,524	7,424,514	7,887,966
Employee benefits	2,498,951	2,579,019	2,708,404	2,631,871	2,892,391
Purchased services	354,509	966,721	611,492	267,517	262,295
Supplies and materials	213,347	592,110	654,367	538,630	702,111
Capital expenditures	105,497	7,618,039	2,310,037	58,775	33,804
Other expenditures	-	3,267	3,013	4,150	-
Total expenditures	10,289,676	19,071,654	14,110,838	10,925,457	11,778,567
Total students	982	1,016	1,080	1,076	1,098
Spending per student	10,478	18,771	13,066	10,154	10,727

2020-21 EXPENSES BY OBJECT (%) – VALLEY MIDDLE SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 91.6 percent of the total expenditures. Supplies and materials, the third largest share, accounts for 6.0 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 2.2 percent, include professional fees, utilities, postage, communication, etc. The remaining .3 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

**Apple Valley High School**  
**14450 Hayes Road, Apple Valley, MN 55124**

**Principal: Drew Mons**  
**Phone: 952-431-8200**

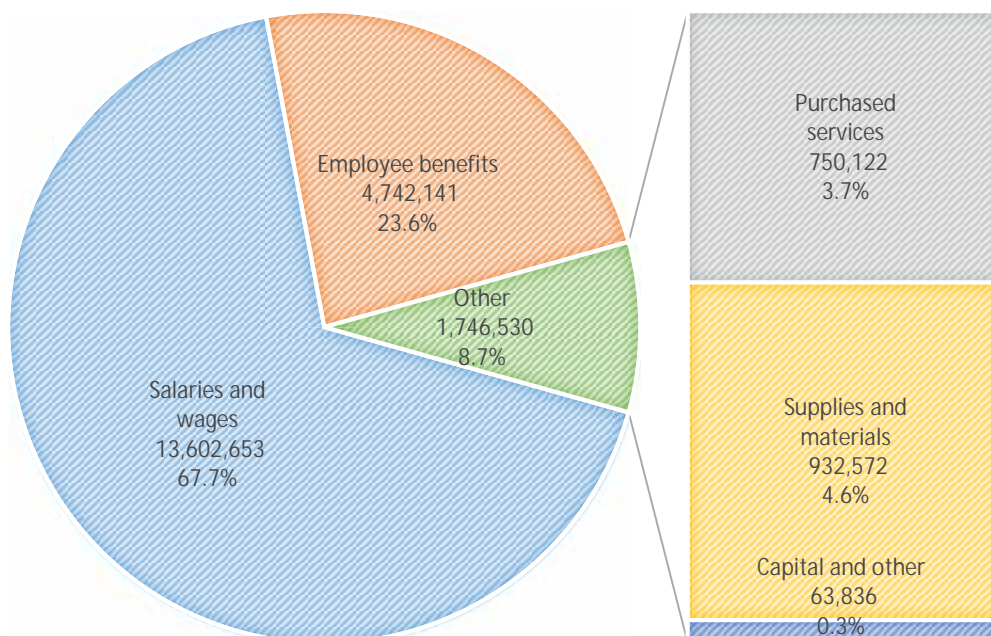
Apple Valley's enrollment increased from 1,560 on October 1, 2018 to 1,620 on October 1, 2019. Student enrollment is projected to rise to 1,678 students for the 2020-21 school year. During the same time period, the percentage of students eligible for free or reduced-price school meals has slightly decreased to 30.4 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

**Enrollment History and Projections**

	2018	2019	2020	2021	2022	2023
9	443	431	460	475	484	465
10	405	440	445	461	476	485
11	369	354	390	388	402	415
12	385	335	325	354	352	365
<b>Total</b>	<b>1,602</b>	<b>1,560</b>	<b>1,620</b>	<b>1,678</b>	<b>1,714</b>	<b>1,730</b>
	Actual	Actual	Actual	Proj	Proj	Proj
<b>F/R</b>	<b>36.3%</b>	<b>32.0%</b>	<b>30.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	11,383,772	12,032,531	12,206,530	12,065,565	13,602,653
Employee benefits	3,837,232	4,163,058	4,232,585	4,162,169	4,742,141
Purchased services	1,118,841	1,925,144	1,600,562	943,666	750,122
Supplies and materials	505,668	845,642	917,848	954,908	932,572
Capital expenditures	375,932	6,358,914	4,216,921	264,578	63,836
Other expenditures	-	14,283	52,900	18,293	-
<b>Total expenditures</b>	<b>17,221,445</b>	<b>25,339,571</b>	<b>23,227,346</b>	<b>18,409,179</b>	<b>20,091,324</b>
<b>Total students</b>	<b>1,572</b>	<b>1,602</b>	<b>1,560</b>	<b>1,620</b>	<b>1,678</b>
<b>Spending per student</b>	<b>10,955</b>	<b>15,817</b>	<b>14,889</b>	<b>11,364</b>	<b>11,973</b>

**2020-21 EXPENSES BY OBJECT (%) – APPLE VALLEY HIGH SCHOOL**



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 91.3 percent of the total expenditures. Supplies and materials account for 4.6 percent of the budget and the third largest share, include classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 3.7 percent, include professional fees, utilities, postage, communication, etc. The remaining 0.3 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Eagan High School  
4185 Braddock Trail, Eagan, MN 55123

Principal: Polly Reikowski  
Phone: 651-683-6900

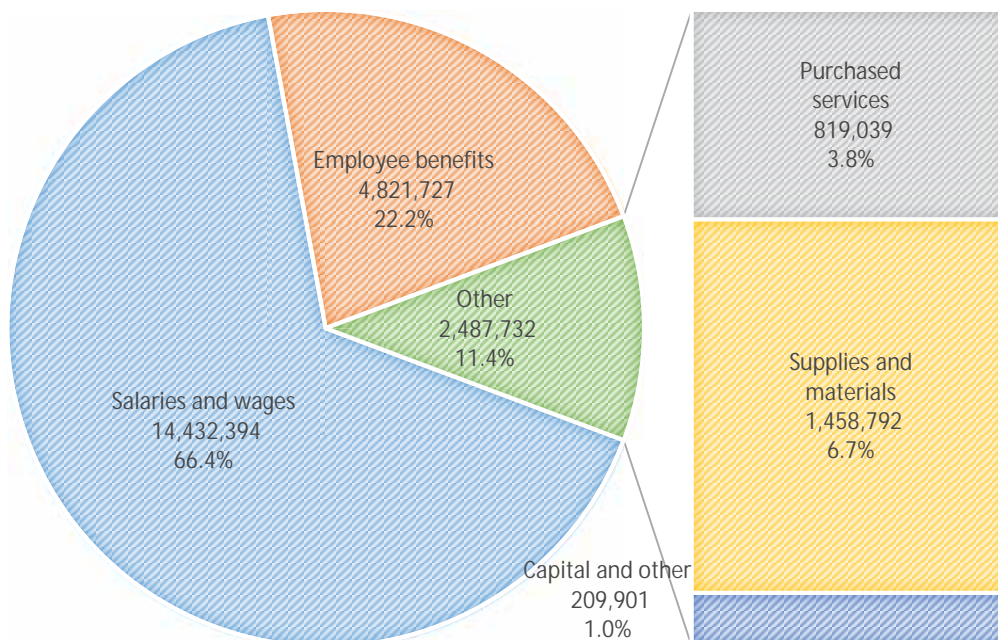
Eagan's enrollment decreased from 2,014 students in 2017-18 to 1,954 students in 2019-20. Enrollment is projected to increase slightly to 2,023 for the 2020-21 school year. During the same time period, the percentage of students eligible for free or reduced-price school meals decreased from 13.7 percent in 2017-18 to 11.2 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
9	566	498	544	561	572	550
10	487	574	480	498	514	523
11	491	429	517	514	533	550
12	470	461	413	450	447	464
Total	2,014	1,962	1,954	2,023	2,066	2,087
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	13.7%	11.6%	11.2%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	12,688,980	13,442,359	13,742,604	13,425,810	14,432,394
Employee benefits	4,123,206	4,426,092	4,577,279	4,567,900	4,821,727
Purchased services	1,024,922	1,129,392	1,260,297	773,862	819,039
Supplies and materials	634,262	1,331,080	1,178,742	1,459,718	1,458,792
Capital expenditures	245,444	1,104,330	1,252,656	73,338	209,901
Other expenditures	-	24,077	39,119	22,481	-
<b>Total expenditures</b>	<b>18,716,814</b>	<b>21,457,331</b>	<b>22,050,698</b>	<b>20,323,109</b>	<b>21,741,853</b>
<b>Total students</b>	<b>1,945</b>	<b>2,014</b>	<b>1,962</b>	<b>1,954</b>	<b>2,023</b>
<b>Spending per student</b>	<b>9,623</b>	<b>10,654</b>	<b>11,239</b>	<b>10,401</b>	<b>10,747</b>

#### 2020-21 EXPENSES BY OBJECT (%) – EAGAN HIGH SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 88.6 percent of the total expenditures. Supplies and materials account for the third largest share at 6.7 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. Purchased services, at 3.8 percent, include professional fees, utilities, postage, communication, etc. The remaining 1.0 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.



Eastview High School  
6200 140<sup>th</sup> Street West, Apple Valley, MN 55124

Principal: Bruce Miller  
Phone: 952-431-8900

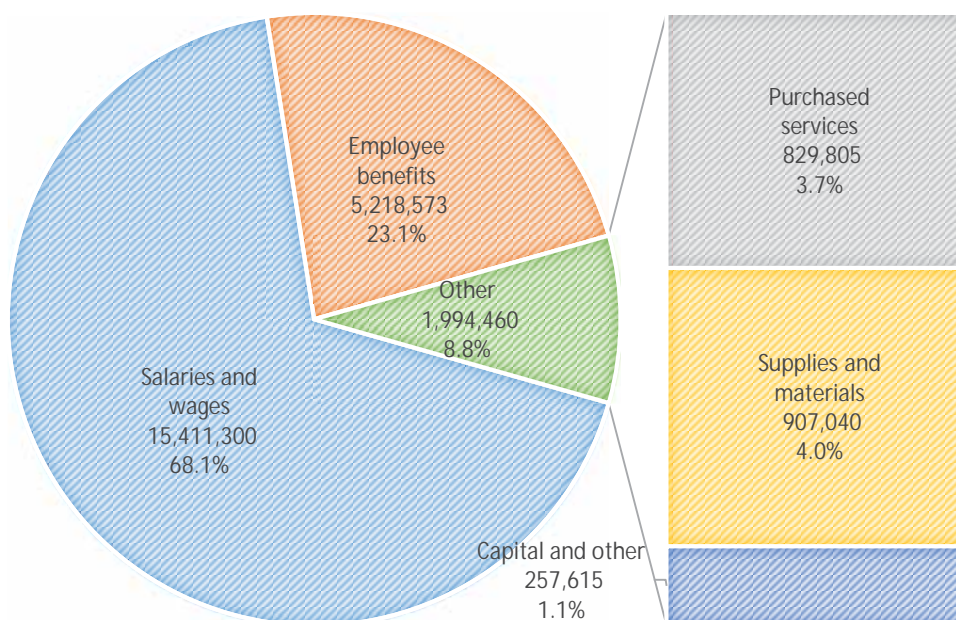
Eastview's enrollment increased from 2,121 students in 2017-18 to 2,187 students in 2019-20. During the same time period, the percentage of students eligible for free or reduced-price school meals decreased from 17.0 percent to 13.6 percent, which was a slight increase from 13.1 percent in 2018-19. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
9	546	612	617	637	649	623
10	554	537	617	640	660	672
11	542	496	484	481	499	515
12	479	509	469	511	508	526
Total	2,121	2,154	2,187	2,269	2,316	2,336
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	17.0%	13.1%	13.6%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
Expenditures					
Salaries and wages	12,811,713	13,510,631	13,945,722	13,943,538	15,411,300
Employee benefits	4,264,200	4,640,177	4,715,240	4,868,406	5,218,573
Purchased services	1,008,223	1,142,576	1,265,170	784,255	829,805
Supplies and materials	568,670	895,239	976,317	849,834	907,040
Capital expenditures	171,682	1,023,955	214,919	59,529	257,615
Other expenditures	-	24,122	30,062	27,132	-
Total expenditures	18,824,489	21,236,699	21,147,430	20,532,694	22,624,333
Total students	2,152	2,121	2,154	2,187	2,269
Spending per student	8,747	10,013	9,818	9,389	9,971

2020-21 EXPENSES BY OBJECT (%) – EASTVIEW HIGH SCHOOL



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 91.2 percent of the total expenditures. Purchased services, at 3.7 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 4.0 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resource and general office supplies. The remaining 1.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Rosemount High School  
3335 142<sup>nd</sup> Street West, Rosemount, MN 55068

Principal: Pete Roback  
Phone: 651-423-7501

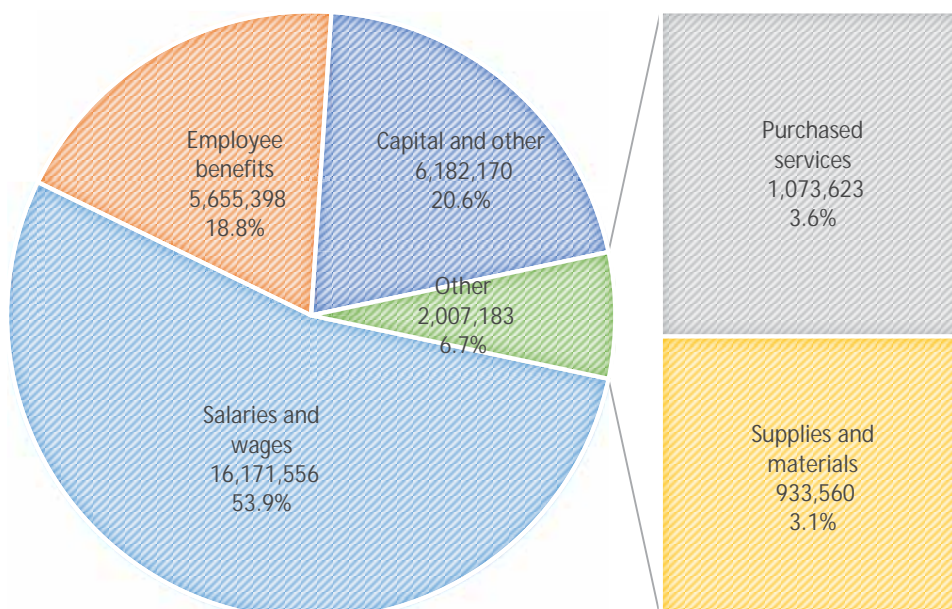
Rosemount's enrollment of 2,342 students for the 2018-19 school year increased to 2,369 students for the 2019-20 school year. The percentage of students eligible for free or reduced-price school meals continues to decline, down to 11.2 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

#### Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
9	656	642	646	667	679	653
10	538	652	644	667	688	701
11	553	501	603	600	622	642
12	492	547	476	518	516	534
Total	2,239	2,342	2,369	2,452	2,505	2,530
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	15.5%	11.6%	11.2%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	13,147,398	13,805,286	14,625,234	14,753,919	16,171,556
Employee benefits	4,412,796	4,725,286	4,969,859	5,073,206	5,655,398
Purchased services	1,298,661	2,530,052	1,834,927	991,090	1,073,623
Supplies and materials	622,433	1,142,513	1,114,712	965,149	933,560
Capital expenditures	1,055,251	6,779,164	6,335,563	306,939	6,182,170
Other expenditures	-	25,978	25,078	26,371	-
Total expenditures	20,536,540	29,008,280	28,905,373	22,116,674	30,016,307
 Total students	2,124	2,239	2,342	2,369	2,452
 Spending per student	9,669	12,956	12,342	9,336	12,242

#### 2020-21 EXPENSES BY OBJECT (%) – ROSEMOUNT HIGH SCHOOL



The pie chart at left shows the school's 2020-21 preliminary budget by object series. The budgets for salary and benefits are the largest cost drivers, accounting for nearly 72.7 percent of the total expenditures. Purchased services account for 3.6 percent of the budget. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 3.1 percent of the total budget, including classroom and instructional supplies, textbooks and workbooks, media resources, and office supplies. The remaining 20.6 percent of the budget is planned for capital and other expenditures, such as equipment and turf construction.



School of Environmental Studies  
12155 Johnny Cake Ridge Road, Apple Valley, MN 55124

Principal: Lauren Trainer  
Phone: 952-431-8750

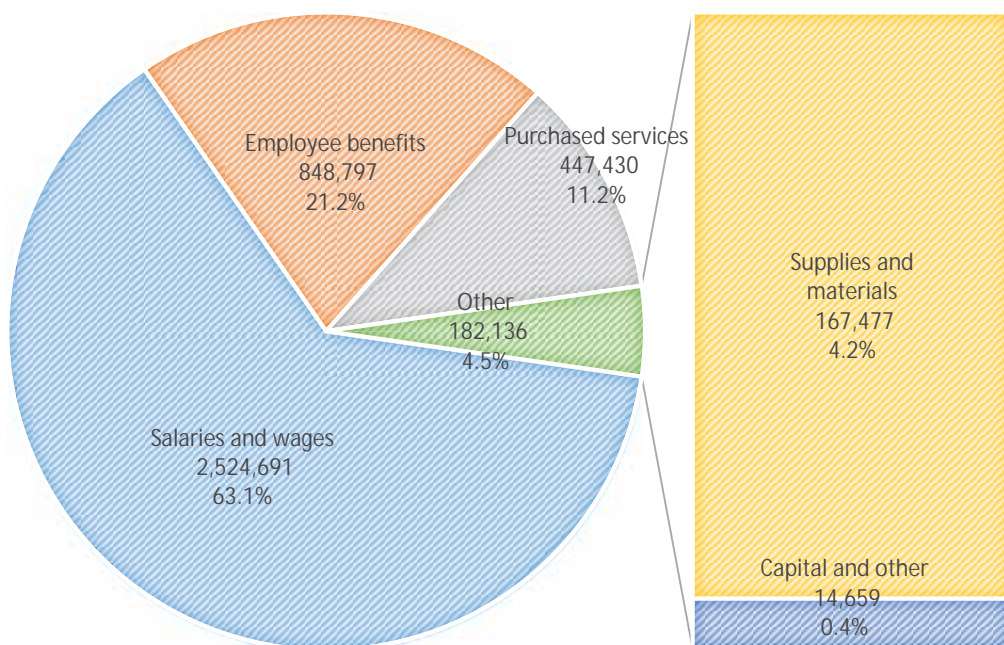
The School of Environmental Studies' enrollment fluctuates from year to year, as the school draws most of its students from the district's four comprehensive high schools. The projected enrollment for the 2020-21 school year is 354 students. Similar to other schools within the district, the percentage of students eligible for free or reduced-price school meals has fluctuated, which included 11.5 percent for the 2019-20 school year. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	207	185	187	186	193	199
12	188	166	155	168	168	174
Total	395	351	342	354	361	373
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	14.8%	11.8%	11.5%	0.0%	0.0%	0.0%

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	2,412,126	2,370,284	2,604,110	2,386,457	2,524,691
Employee benefits	813,020	825,833	957,666	857,057	848,797
Purchased services	550,745	575,685	560,524	442,924	447,430
Supplies and materials	121,870	162,915	167,363	137,110	167,477
Capital expenditures	60,718	212,875	267,432	121,782	14,659
Other expenditures	-	5,117	4,101	1,731	-
Total expenditures	3,958,480	4,152,710	4,561,195	3,947,061	4,003,054
<b>Total students</b>	416	395	351	342	354
<b>Spending per student</b>	9,516	10,513	12,995	11,541	11,308

2020-21 EXPENSES BY OBJECT (%) – SCHOOL OF ENVIRONMENTAL STUDIES



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 84.3 percent of the total expenditures. Purchased services, at 11.2 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, student travel, etc. Supplies and materials account for 4.2 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.4 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

Area Learning Center  
5840 149<sup>th</sup> Street West, Apple Valley, MN 55124

Principal: David Schmitz  
Phone: 952-431-8720

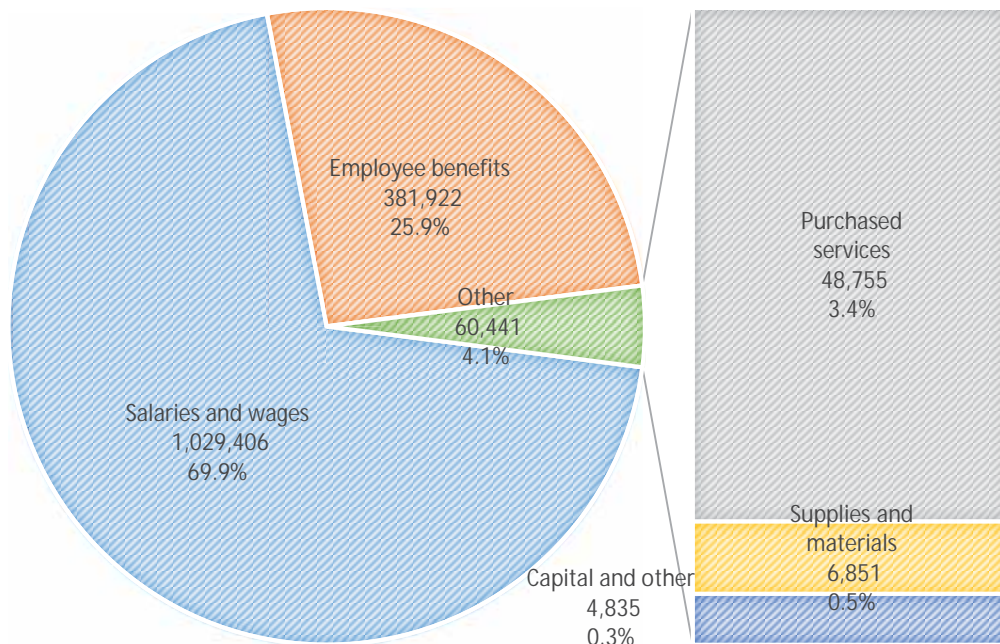
Enrollment for the district's Area Learning Center, an alternative high school program, continues to fluctuate from annually. The projected student count for the 2020-21 school year is 127. The percentage of students eligible for free or reduced-price school meals has decreased, from 48.5 percent in 2017-18 to 36.1 percent in 2019-20. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next three fiscal years. The total free or reduced-price school meal counts are summarized at the bottom of the enrollment schedule. Below is the school's actual spending and budget by object series for the same time period.

Enrollment History and Projections

	2018	2019	2020	2021	2022	2023
9	0	3	2	2	2	2
10	13	9	18	19	19	20
11	24	31	29	29	30	31
12	62	80	71	77	77	80
Total	99	123	120	127	128	133
	Actual	Actual	Actual	Proj	Proj	Proj
F/R	48.5%	40.2%	36.1%	0.0%	0.0%	0.0%

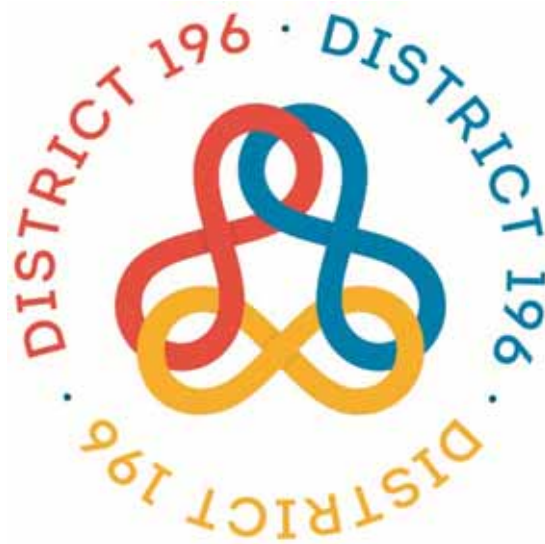
	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Prelim Budget
<b>Expenditures</b>					
Salaries and wages	986,402	906,610	974,618	1,011,085	1,029,406
Employee benefits	360,336	342,679	366,550	373,606	381,922
Purchased services	55,362	69,378	66,519	102,682	48,755
Supplies and materials	34,151	50,390	34,792	75,389	6,851
Capital expenditures	-	103,841	7,002	26,982	4,835
Other expenditures	-	484	279	2,900	-
Total expenditures	1,436,252	1,473,382	1,449,760	1,592,644	1,471,769
<b>Total students</b>	100	99	123	120	127
<b>Spending per student</b>	14,363	14,883	11,787	13,272	11,589

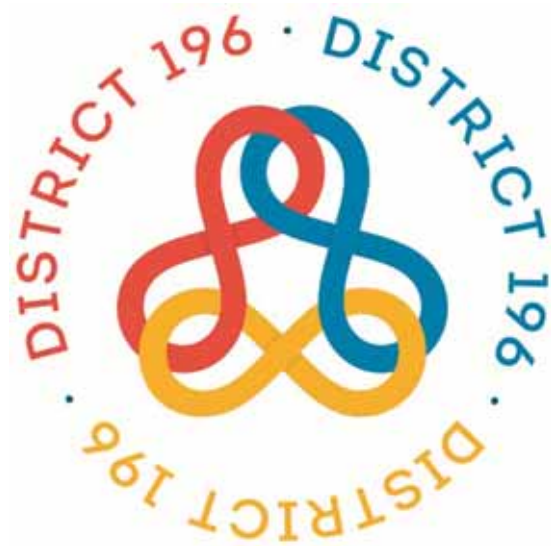
2020-21 EXPENSES BY OBJECT (%) – AREA LEARNING CENTER



The pie chart at left shows the school's 2020-21 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 95.8 percent of the total expenditures. Purchased services, at 3.3 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 0.5 percent of the school's budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.3 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

# Informational Section





## Enrollment by grade by year:

Grade	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
K	1,944	2,002	2,002	2,026	2,028	2,027	2,026
1	2,025	2,064	2,065	2,137	2,105	2,105	2,104
2	2,052	2,001	2,099	2,079	2,151	2,121	2,119
3	2,104	2,053	2,057	2,113	2,119	2,197	2,161
4	2,054	2,093	2,089	2,055	2,136	2,141	2,216
5	2,114	2,043	2,126	2,092	2,074	2,153	2,156
6	2,179	2,228	2,130	2,251	2,222	2,207	2,295
7	2,155	2,210	2,261	2,179	2,275	2,247	2,232
8	2,090	2,149	2,237	2,274	2,195	2,289	2,260
9	2,227	2,186	2,264	2,354	2,398	2,305	2,399
10	2,029	2,212	2,205	2,296	2,368	2,412	2,319
11	2,174	1,996	2,224	2,212	2,293	2,366	2,411
12	2,096	2,098	2,101	2,208	2,198	2,273	2,338
CBSE (1)	652	984	817	825	821	832	848
ECSE (2)	510	515	510	550	550	550	550
ABE	80	41	39	41	41	43	44
<b>Totals</b>	<b>28,485</b>	<b>28,875</b>	<b>29,226</b>	<b>29,692</b>	<b>29,974</b>	<b>30,268</b>	<b>30,478</b>

## Enrollment Projection Methodology

The district uses several methods to project student enrollments. These projection methods are reviewed by the district enrollment committee and a combination of the projection methods described below is agreed upon and presented to the School Board for approval.

- Cohort Survival (grade progression):** Based on the ratio between the number of students at one grade level versus the number in the previous grade level the prior year.
- Live births-to-actual:** Live births information obtained from the Minnesota Department of Health is used to project the number of eligible kindergarten students who will reside in the district at age five.
- Eligible-to-actual enrolled:** The actual number of eligible kindergarten students is determined by the number of preschoolers within the kindergarten age group in each elementary school attendance area.
- Census based:** The district is divided into 130 census/sub areas. Student Information staff work with various utilities companies within the district boundary to track the number of household units, school-aged children and actual number of students per household enrolled in the district's schools, other private or public schools, or being educated at home. To project student enrollment, students who are enrolled in the district as of October 1 of each school year are advanced to the next grade. In addition, the district also maintains child per housing unit (CPU) by dwelling types and uses this data to project the number of additional school-aged children who might attend from new housing developments within each attendance area. CPU ratios are calculated based on actual October 1 information per dwelling types (i.e. single family homes, townhomes and apartments). The number of new students to be added to the preliminary enrollment projection totals is determined by applying the appropriate CPU ratios to the respective new housing units. These numbers are then added to the preliminary enrollment projection totals.

Note: Enrollments as of October 1.

(1) Center Based Special Education (CBSE)

(2) Early Childhood Special Education (ECSE)

All School Years 2020-21 through 2023-24 are projections

## Enrollment by school by year:

School	Actual 2017-18	Actual 2018-19	Actual 2019-20	Projection 2020-21	Projection 2021-22	Projection 2022-23	Projection 2023-24
Cedar Park Elementary STEM School (CP)	726	683	693	694	722	756	783
Deerwood Elementary (DW)	635	635	655	619	606	608	600
Diamond Path Elementary (DP)	786	739	746	753	750	746	758
East Lake Elementary (EL)	436	631	673	730	765	779	777
Echo Park Elementary (EP)	663	713	755	735	741	760	759
Glacier Hills Elementary (GH)	742	758	742	696	682	663	655
Greenleaf Elementary (GL)	950	872	842	797	794	780	781
Highland Elementary (HL)	712	693	695	717	725	737	735
Northview Elementary (NV)	407	421	440	465	468	480	481
Oak Ridge Elementary (OR)	547	512	544	536	567	585	599
Parkview Elementary (PV)	823	795	774	803	796	810	806
Pinewood Elementary (PW)	611	587	573	608	611	616	624
Red Pine Elementary (RP)	746	720	701	713	702	713	710
Rosemount Elementary (RE)	683	707	739	735	711	695	670
Shannon Park Elementary (SP)	669	636	603	570	561	551	538
Southview Elementary (SV)	638	639	666	628	638	635	635
Thomas Lake Elementary (TL)	494	509	545	556	579	601	635
Westview Elementary (WV)	403	401	411	435	463	494	493
Woodland Elementary (WL)	612	605	620	689	709	712	720
<b>Elementary (K-5) Totals</b>	<b>12,283</b>	<b>12,256</b>	<b>12,417</b>	<b>12,479</b>	<b>12,590</b>	<b>12,721</b>	<b>12,759</b>
Black Hawk Middle (BHMS)	883	853	830	779	777	783	788
Dakota Hills Middle (DHMS)	1,104	1,195	1,237	1,241	1,209	1,218	1,226
Falcon Ridge Middle (FRMS)	1,086	1,063	1,013	1,033	1,041	1,049	1,056
Rosemount Middle (RMS)	1,283	1,288	1,270	1,283	1,296	1,305	1,314
Scott Highlands Middle (SHMS)	1,022	1,108	1,161	1,243	1,252	1,262	1,270
Valley Middle School of STEM (VMS)	1,027	1,080	1,091	1,098	1,090	1,099	1,106
<b>Middle School (6-8) Totals</b>	<b>6,405</b>	<b>6,587</b>	<b>6,602</b>	<b>6,677</b>	<b>6,665</b>	<b>6,716</b>	<b>6,760</b>
Apple Valley High (AVHS)	1,607	1,560	1,587	1,678	1,714	1,730	1,749
Eagan High (EHS)	1,984	1,962	1,990	2,023	2,066	2,087	2,114
Eastview High (EVHS)	2,195	2,154	2,191	2,269	2,316	2,336	2,363
Rosemount High (RHS)	2,167	2,342	2,377	2,452	2,505	2,530	2,558
School of Environmental Studies (SES)	425	351	361	354	361	373	382
Area Learning Center (ALC)	102	123	121	127	128	133	134
<b>High School (9-12) Totals</b>	<b>8,480</b>	<b>8,492</b>	<b>8,627</b>	<b>8,903</b>	<b>9,090</b>	<b>9,189</b>	<b>9,300</b>
Adult Basic Education (ABE)	80	41	39	41	41	43	44
Center-Based Special Education (CBSE)	652	890	937	825	821	832	848
Dakota Ridge (DR)	75	94	94	97	97	97	97
Early Childhood Special Education (ECSE)	510	515	510	550	550	550	550
Transition Plus (TP)				120	120	120	120
<b>Other Enrollment Totals</b>	<b>1,317</b>	<b>1,540</b>	<b>1,580</b>	<b>1,633</b>	<b>1,629</b>	<b>1,642</b>	<b>1,659</b>
<b>Grand Totals</b>	<b>28,485</b>	<b>28,875</b>	<b>29,226</b>	<b>29,692</b>	<b>29,974</b>	<b>30,268</b>	<b>30,478</b>

Note: Enrollment Actuals include official enrollment as of October 1 of fiscal year. Enrollment projections include official enrollment projections approved by the school board in November previous to the budget year



## Enrollment by school by grade:

School	K(1)	1	2	3	4	5	6	7	8	9	10	11	12	SE	Total
CP	127	134	113	109	102	109	-	-	-	-	-	-	-	-	694
DW	94	99	106	107	99	114	-	-	-	-	-	-	-	-	619
DP	120	127	124	116	133	133	-	-	-	-	-	-	-	-	753
EL	124	130	122	135	119	100	-	-	-	-	-	-	-	-	730
EP	116	123	145	124	106	121	-	-	-	-	-	-	-	-	735
GH	102	107	119	116	128	124	-	-	-	-	-	-	-	-	696
GL	124	131	126	130	149	137	-	-	-	-	-	-	-	-	797
HL	119	126	107	127	117	121	-	-	-	-	-	-	-	-	717
NV	79	84	60	84	74	84	-	-	-	-	-	-	-	-	465
OR	96	100	95	89	83	73	-	-	-	-	-	-	-	-	536
PV	131	138	115	144	127	148	-	-	-	-	-	-	-	-	803
PW	102	107	89	99	104	107	-	-	-	-	-	-	-	-	608
RP	113	120	112	124	110	134	-	-	-	-	-	-	-	-	713
RE	103	108	129	132	127	136	-	-	-	-	-	-	-	-	735
SP	84	88	97	96	104	101	-	-	-	-	-	-	-	-	570
SV	100	105	109	106	110	98	-	-	-	-	-	-	-	-	628
TL	99	103	115	71	84	84	-	-	-	-	-	-	-	-	556
WV	78	82	83	84	52	56	-	-	-	-	-	-	-	-	435
WL	115	122	112	114	121	105	-	-	-	-	-	-	-	-	689
AVHS	-	-	-	-	-	-	-	-	-	475	461	388	354	-	1,678
EHS	-	-	-	-	-	-	-	-	-	561	498	514	450	-	2,023
EVHS	-	-	-	-	-	-	-	-	-	637	640	481	511	-	2,269
RHS	-	-	-	-	-	-	-	-	-	667	667	600	518	-	2,452
SES	-	-	-	-	-	-	-	-	-	-	-	186	168	-	354
BHMS	-	-	-	-	-	-	261	253	265	-	-	-	-	-	779
DHMS	-	-	-	-	-	-	406	394	441	-	-	-	-	-	1,241
FRMS	-	-	-	-	-	-	350	339	344	-	-	-	-	-	1,033
RMS	-	-	-	-	-	-	436	422	425	-	-	-	-	-	1,283
SHMS	-	-	-	-	-	-	421	408	414	-	-	-	-	-	1,243
VMS	-	-	-	-	-	-	367	355	376	-	-	-	-	-	1,098
ABE	-	-	-	-	-	-	-	-	-	-	-	-	41	-	41
ALC	-	-	-	-	-	-	-	-	-	2	19	29	77	-	127
CBSE	-	-	-	-	-	-	-	-	-	-	-	-	-	825	825
ECSE	-	-	-	-	-	-	-	-	-	-	-	-	-	550	550
DR	-	3	1	6	6	7	10	8	9	12	11	14	10	-	97
Trans +	-	-	-	-	-	-	-	-	-	-	-	-	120	-	120
Totals	2,026	2,137	2,079	2,113	2,055	2,092	2,251	2,179	2,274	2,354	2,296	2,212	2,249	1,375	29,692

## Students Average Daily Membership (ADM) (1):

Year Ended June 30,	Ealry Childhood & Kindergarten	Elementary	Secondary	Total	Total Pupil Units	Total Lunches Served	Free Lunch Served	Reduced Lunch Served
2011	2,021.13	11,839.43	13,238.22	27,098.78	31,510.72	2,668,882	563,511	186,803
2012	2,092.37	11,948.37	13,012.52	27,053.26	31,406.83	2,633,781	625,915	168,576
2013	2,086.14	11,926.58	12,780.09	26,792.81	31,079.22	2,398,031	606,438	170,748
2014	2,001.38	12,116.23	12,800.68	26,918.29	31,261.97	2,385,935	643,503	165,163
2015	2,251.04	12,235.89	12,718.96	27,205.89	29,748.93	2,528,744	676,947	195,960
2016	2,230.74	12,423.99	12,871.30	27,526.03	30,100.29	2,561,285	694,018	207,102
2017	2,283.73	12,577.14	14,877.39	29,738.26	30,493.39	2,585,768	667,303	227,423
2018	2,396.69	12,831.89	12,949.34	28,177.92	30,766.98	2,598,724	671,874	227,855
2019	2,404.42	12,865.40	13,293.57	28,563.39	31,045.11	2,603,191	622,877	238,377

(1) ADM is weighted as follows in computing pupil units:

	Kindergarten	Elementary Grades 1-3	Elementary Grades 4-6	Secondary
Fiscal 2008-2014	0.612	1.115	1.060	1.300
Fiscal 2015 & Later	0.550	1.000	1.000	1.200

Source: Minnesota Department of Education

## Assessment and Student Achievement:

	2015	2016	2017	2018	2019
<b>State Accountability Tests (1)</b>					
<b>Reading</b>					
Grade 3	63	59	65	64	61
Grade 4	65	65	62	66	60
Grade 5	72	73	72	70	73
Grade 6	71	66	69	69	66
Grade 7	63	65	64	63	62
Grade 8	67	66	68	66	63
Grade 10	71	74	73	73	73
<b>Math</b>					
Grade 3	76	74	75	73	71
Grade 4	77	73	73	74	70
Grade 5	69	65	64	62	62
Grade 6	66	66	65	64	59
Grade 7	64	63	62	61	59
Grade 8	64	66	66	66	65
Grade 11	63	64	68	64	62
<b>Science</b>					
Grade 5	67	70	68	66	66
Grade 8	57	63	61	59	56
High School	69	73	74	70	74
<b>Measures of Academic Progress (MAP) (2)</b>					
<b>Reading</b>					
Grades 2-5	72.8	N/A	N/A	N/A	N/A
Grades 6-7	63.2	56.6	55.3	56.4	54.5
<b>Math</b>					
Grades 2-5	71.9	55	54.6	51.2	48.3
Grades 6-7	63.2	58.4	60.4	60.8	58.8
<b>American College Testing (ACT)</b>	24.4	23.0	23.0	23.1	23.0
<b>Graduation and Dropout Data (3)</b>					
District graduation rates	90	91	90	91	91
State graduation rates	82	83	83	83	84
District dropout rates	2.63	3.32	4.12	2.1	1.9
State dropout rates	8.43	8.28	8.56	4.6	4.4

(1) Percentage of students scoring at or above proficiency.

(2) Percentage of students who met or exceeded their mean growth projection.

(3) To comply with U.S. Department of Education reporting requirements, calculations for high school graduation rates have changed. The district rates shown for FY 2013 are percentages of students graduating from high school within four years after they enrolled in grade nine. Students who took an additional year to meet graduation requirements are not included in this calculation.

Source: State graduation and dropout rates obtained from the Minnesota Department of Education

## Food and Nutrition Services Data:

Year Ended June 30,	Average Daily Attendance (1)	Total Lunches Served	Average Daily Lunches Served	School Days	Participation as a % of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2011	23,857	2,668,882	15,251	175	63.9	563,511	21.1	186,803	7.0
2012	23,868	2,633,781	15,137	174	63.4	625,915	23.8	168,576	6.4
2013	23,602	2,398,031	14,106	170	59.8	606,438	25.3	170,748	7.1
2014	24,571	2,385,935	14,460	165	58.9	643,503	27.0	165,163	6.9
2015	24,853	2,528,744	14,963	169	60.2	676,947	26.8	195,960	7.7
2016	25,198	2,561,285	15,156	169	60.1	694,018	27.1	207,102	8.1
2017	26,416	2,585,768	15,300	169	57.9	667,303	25.8	227,423	8.8
2018	25,296	2,598,724	15,750	165	62.3	671,874	25.9	227,855	8.8
2019	25,988	2,603,191	15,777	165	60.7	622,877	23.9	238,377	9.2

(1) Attendance is deemed to be 95 percent of enrollment

## Employees by Full-Time Equivalent (FTE)

Employee Group	Bargaining Group	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget
District Administrators	Special Staff	39.00	39.35	38.20	41.87	44.50	41.88
Principals/Assistant Principals	Principals	44.84	44.34	45.34	45.36	45.86	48.00
Special Staff	Special Staff	59.37	65.92	69.53	73.92	75.25	76.80
Other Non-Licensed Staff	Special Staff	47.11	48.39	51.45	54.04	50.71	50.72
Assistant Administrators	Principals	21.20	22.99	23.93	25.36	24.77	25.48
Deans	Teachers	3.39	2.00	2.00	2.00	3.00	3.51
Teachers	Teachers	1,985.35	2,031.47	2,062.07	2,066.75	2,070.69	2,197.71
Nurses	Teachers	30.51	30.51	32.91	31.45	33.39	31.47
Secretarial/Clerical	Secretarial and Clerical	641.79	647.18	682.98	673.68	709.11	730.38
Building Chiefs	Building Chiefs	32.00	32.00	33.00	33.00	35.00	33.00
Custodians	Custodial	148.50	149.50	149.50	152.50	153.83	153.10
Food Service	Food Service	101.06	100.86	112.26	114.28	103.07	117.86
Bus Drivers and Chaperones	Bus Drivers and Chaperones	184.75	175.75	183.00	200.50	223.57	215.00
Vehicle Technicians	Vehicle Technicians	8.00	8.00	9.00	8.00	9.00	9.00
		<b>3,346.87</b>	<b>3,398.26</b>	<b>3,495.17</b>	<b>3,522.72</b>	<b>3,581.75</b>	<b>3,733.90</b>

## Employment Contracts

Bargaining Unit	Effective period		Approval Date
	Start Date	End Date	
Teachers	July 1, 2019	June 30, 2021	November 18, 2019
Secretarial and Clerical	July 1, 2019	June 30, 2021	November 18, 2019
Custodial	July 1, 2019	June 30, 2021	November 18, 2019
Bus Drivers	July 1, 2019	June 30, 2021	October 10, 2019
Food Service	July 1, 2018	June 30, 2020	August 13, 2018
Special Staff	July 1, 2018	June 30, 2020	June 25, 2018
Principals	July 1, 2018	June 30, 2020	October 8, 2018
Building Chiefs	July 1, 2018	June 30, 2020	September 18, 2018
Vehicle Technicians	July 1, 2018	June 30, 2020	September 24, 2018

## School Facilities:

Facility	Constructed	Acres	Classrooms (1)	Square Footage	Capacity
<b>Elementary schools</b>					
Cedar Park	1977	16.64	29	69,678	595
Deerwood	1987	(3a)	35	77,060	595
Diamond Path	1970	40.00	39	76,880	725
East Lake	2017	22.40	38	84,600	750
Echo Park	1979	16.29	45	83,824	790
Glacier Hills	1993	15.01	39	80,017	680
Greenleaf	1975	30.40	50	84,530	835
Highland	1986	(3b)	43	85,497	725
Northview	1960	39.50	37	67,743	705
Oak Ridge	1991	9.95	45	80,000	680
Parkview	1970	13.00	39	89,230	680
Pinewood	1990	17.31	44	85,328	815
Red Pine	1995	13.09	47	88,784	815
Rosemount	1960	(3c)	38	73,251	660
Shannon Park	1990	13.50	47	83,936	770
Southview	1967	(3d)	46	72,391	790
Thomas Lake	1979	15.00	34	66,312	595
Westview	1964	18.00	41	68,028	725
Woodland	1988	18.43	37	80,043	680
<b>Middle schools</b>					
Black Hawk	1994	38.81	71	198,534	1,200
Dakota Hills	1989	(3e)	64	223,560	1,300
Falcon Ridge	1996	32.46	73	197,014	1,200
Rosemount	1918	(3c)	61	172,796	1,055
Scott Highlands	1979	40.00	60	163,535	1,030
Valley	1972	32.74	60	186,598	1,165
<b>High schools</b>					
Apple Valley	1976	80.00	83	360,104	1,990
Eagan	1990	94.00	87	382,970	2,040
Eastview	1997	54.00	97	338,242	2,015
Rosemount	1963	120.13	91	398,998	2,015
School of Environmental Studies	1995	12.25	53	71,171	400
ALC/Transitions Plus	2006	N/A	18	27,659	310
Dakota Ridge	1997	(3f)	26	50,338	160
Cedar Valley Learning Center	1993	1.59	6	13,730	309
Dakota Valley Learning Center	2014	(3f)	22	54,000	529
District Office	2006	2.10	N/A	25,600	368
District Service Center	1972	40.00	N/A	23,937	N/A
Facilities	1972	(3f)	N/A	28,964	N/A
District Office East	1984	9.50	N/A	18,677	N/A

N/A – Not Available

(1) All rooms dedicated for instructional purposes, including regular classrooms, portable classrooms, computer labs, art rooms, band/choir/music rooms, special services rooms, science rooms, F.A.C.S. rooms, and industrial technology rooms.

(2) Enrollment is defined as the adjusted ADMs served excluding resident students tuitioned out to other Minnesota school districts. Students served by the school of environmental studies are included in the students' home high school.

(3) Joint sites

(a) with Black Hawk Middle School

(b) with Scott Highlands Middle School

(c) with Rosemount High School

(d) with Valley Middle School

(e) with Eagan High School

(f) with District Service Center/Facilities/Dakota Ridge/Dakota Valley Learning Center

Source: Building square footage totals are based on Minnesota Department of Education January 6, 2016 Building Age Report; enrollment based on Minnesota Department of Education August 9, 2016 School ADM Served Report. Years of construction and acreages are based on district property records.



## Demographics and Economic Data:

Calendar Year	District Population (1)	Dakota County (2)					School Enrollment (3)
		Population	Personal Income (Thousands)	Per capita Personal Income	Median Age	Unemployment Rate (%)	
2004	145,439	376,537	15,286,872	40,599	34.7	4.0	28,382
2005	146,683	381,027	15,915,188	41,769	35.2	3.7	28,269
2006	147,108	385,076	16,627,273	43,179	35.7	3.6	28,040
2007	147,786	389,418	17,541,174	45,045	34.6	4.1	27,873
2008	150,298	393,528	18,242,899	46,357	36.0	4.9	27,683
2009	152,443	390,478	17,594,416	45,059	34.6	7.3	27,443
2010	152,440	397,650	17,970,760	45,192	36.8	6.7	27,454
2011	153,051	400,480	18,612,486	46,475	36.5	6.1	27,403
2012	147,703	405,088	20,192,381	49,847	36.7	4.9	27,168
2013	148,392	408,509	N/A	N/A	37.4	4.7	27,202
2014	149,616	412,529	21,524,339	51,220	37.5	3.7	27,412
2015	149,406	414,686	N/A	N/A	37.3	3.7	27,790
2016	153,051	417,486	N/A	N/A	N/A	3.4	28,182
2017	153,174	421,751	N/A	N/A	N/A	3.1	28,257
2018	157,475	428,484	N/A	N/A	N/A	2.5	28,875

N/A - Not Available

(1) District population is based upon an annual school district census and U.S. census.

(2) 2015 Comprehensive Annual Financial Report for Dakota County, Minnesota.

(3) Actual number of students enrolled in the district on October 1 of each school year.

## Taxable Market Value of Properties:

Payable Year	Taxable Market Value of Properties			Total Direct School Tax Rate
	Residential Property	Commercial Property	Total Assessed Value	
2008	13,389,424,100	2,414,835,700	15,804,259,800	21.14%
2009	13,211,223,400	2,507,438,800	15,718,662,200	21.11%
2010	12,263,165,600	2,506,300,700	14,769,466,300	25.39%
2011	11,467,538,700	2,349,912,000	13,817,450,700	26.96%
2012	10,453,531,427	2,311,271,769	12,764,803,196	28.44%
2013	9,745,395,241	2,323,710,666	12,069,105,907	27.96%
2014	10,151,312,747	2,332,197,240	12,483,509,987	27.61%
2015	11,307,112,722	2,407,942,077	13,715,054,799	23.27%
2016	12,022,285,312	2,472,680,178	14,494,965,490	24.32%
2017	12,520,363,410	2,612,101,889	15,132,465,299	21.32%
2018	13,377,627,905	2,903,178,636	16,280,806,541	21.35%
2019	14,599,757,395	1,687,545,724	16,287,303,119	20.61%
2020	15,677,654,749	3,335,329,956	19,012,984,705	19.86%

## Property Tax Capacity and Estimated Market Value of Property:

Tax Collection Year	Tax capacity (1)					Referendum Market Value	
	Real and Personal Property	Fiscal Disparities Contribution	Tax Increment	Amount	Fiscal Disparities Distribution		Total Tax Capacity
2013	140,967,953	(15,126,445)	(1,921,746)	123,919,762	17,944,344	141,864,106	12,717,603,775
2014	145,202,900	(14,651,943)	(2,002,926)	128,548,031	17,217,872	145,765,903	13,089,930,995
2015	158,041,081	(14,673,864)	(2,147,523)	141,219,694	17,328,300	158,547,994	14,246,590,466
2016	166,440,791	(14,921,393)	(1,904,735)	149,614,663	17,855,260	167,469,923	14,984,685,831
2017	173,554,906	(15,383,671)	(2,471,521)	155,699,714	19,309,802	175,009,516	15,593,078,470
2018	186,318,358	(15,403,001)	(3,128,406)	167,786,951	20,713,134	188,500,085	16,705,743,318
2019	201,428,701	(15,818,379)	(3,731,389)	181,878,933	22,023,827	203,902,760	18,061,396,485

(1) Tax capacity is calculated by applying class rates (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Dakota County Department of Property Tax and Public Records

## Property Tax Information/Valuation Data:

Year	Property Tax Information/Valuation Data (\$)						
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Average Home Value	267,363	298,665	257,764	246,104	206,936	198,819	214,511
Average School District Property Tax Per Home	1,320	1,374	1,285	1,161	1,153	1,069	1,124
District Property Tax Per 100K Home Value After Credits	494	460	499	472	557	538	524
ANTC Per APU	6,026	5,810	5,677	5,119	4,815	4,737	5,002
RMV Per RPU	513,025	498,912	483,701	448,960	437,454	435,539	446,055

Source:

MN Department of Education - Property Tax Information

\*1 Dakota County website - Residential Homestead Market Value Statistics

## Tax Revenues:

Fiscal Year	Property Tax				
	General Purposes	Community Service	Capital Projects – Facility Improvement	Debt Service	Total
2008	\$ 46,474,687	\$ 1,641,337	\$ 6,728,396	\$ 20,077,143	\$ 74,921,563
2009	48,799,954	1,382,457	6,176,945	17,711,200	74,070,556
2010	50,921,613	1,613,879	4,847,224	17,203,207	74,585,923
2011	75,606,000	2,444,228	7,322,623	18,379,723	103,752,574
2012	48,125,441	1,591,757	7,703,130	18,497,035	75,917,363
2013	47,579,360	1,658,474	6,637,900	19,463,752	75,339,486
2014	24,660,338	850,036	6,020,570	18,533,559	50,064,503
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2017	66,731,765	1,671,770	–	17,426,213	85,829,748
2018	71,069,187	1,670,006	–	16,767,998	89,507,191
2019	72,968,496	1,675,955	–	212,253,653	286,898,104
2020 (Estimated)	96,430,887	1,720,819	–	17,925,595	116,077,301

(1) Legislative changes in the “tax shift” impacted the amount of tax revenue recognized in fiscal year 2014. These changes were offset by an adjustment to state aid payments of an equal amount.

## Tax Rates:

Tax Year	Rate	Last Ten Fiscal Years			Total
		General Fund	Community Service Fund	Debt Service Fund	
2010	Tax Capacity Rate	12.918	1.013	11.460	25.391
2010	Market Value Rate	0.223	-	-	0.223
2011	Tax Capacity Rate	13.718	1.061	12.180	26.959
2011	Market Value Rate	0.226	-	-	0.226
2012	Tax Capacity Rate	14.102	1.116	13.222	28.440
2012	Market Value Rate	0.221	-	-	0.221
2013	Tax Capacity Rate	13.627	1.182	13.147	27.956
2013	Market Value Rate	0.235	-	-	0.235
2014	Tax Capacity Rate	13.325	1.149	13.132	27.606
2014	Market Value Rate	0.258	-	-	0.258
2015	Tax Capacity Rate	12.859	1.032	9.380	23.271
2015	Market Value Rate	0.255	-	-	0.255
2016	Tax Capacity Rate	12.843	1.004	10.470	24.317
2016	Market Value Rate	0.270	-	-	0.270
2017	Tax Capacity Rate	13.000	0.915	9.421	23.336
2017	Market Value Rate	0.274	-	-	0.274
2018	Tax Capacity Rate	11.728	0.880	8.744	21.352
2018	Market Value Rate	0.267	-	-	0.267
2019	Tax Capacity Rate	12.511	0.860	7.242	39.603
2019	Market Value Rate	0.261	-	-	0.017

(1) Tax capacity is calculated by applying class rates (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Dakota County Department of Property Tax and Public Records



## Long-Term Debt – Minimum Future Payments Summary:

Year Ending June 30,	General Obligation Bonds		Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	11,330,000	5,771,170	860,031	194,367	1,025,000	377,531
2021	11,800,000	5,254,920	883,872	170,525	1,060,000	346,781
2022	12,205,000	4,713,970	808,354	146,014	1,090,000	314,506
2023	12,765,000	4,154,623	641,689	122,828	1,125,000	281,319
2024	13,350,000	3,570,620	660,684	103,832	1,155,000	246,819
2025	13,955,000	2,959,270	680,241	84,275	1,195,000	210,213
2026	10,695,000	2,318,400	700,378	64,139	1,230,000	170,838
2027	11,250,000	1,783,650	721,110	43,406	1,045,000	127,788
2028	11,820,000	1,221,150	322,695	26,674	1,085,000	88,600
2029	12,290,000	748,350	332,154	17,216	1,130,000	45,200
2030	12,655,000	379,650	341,890	7,480	-	-
	<u>134,115,000</u>	<u>32,875,773</u>	<u>6,953,098</u>	<u>980,755</u>	<u>11,140,000</u>	<u>2,209,594</u>

## Long-Term Debt Obligations:

Issue	Type	Issue Date	Interest Rate (%)	Issue Amount	Final Maturity	Principal Outstanding	Due in One Year
2012C Refunding	Bond	06/07/12	3.00-4.50	24,210,000	02/01/25	14,455,000	1,885,000
2013A Refunding	Bond	06/15/13	2.00-3.00	12,100,000	02/01/25	8,110,000	1,170,000
2014A Refunding	Bond	06/04/14	3.00	2,230,000	02/01/20	400,000	400,000
2016A School Building Bonds	Bond	02/16/16	1.00-5.00	112,150,000	02/01/30	111,150,000	7,875,000
ATP Building	Lease	06/29/12	4.54	5,028,875	06/01/27	2,948,768	331,813
School Addition (PV)	Lease	11/25/14	2.91	4,200,000	02/01/30	3,268,551	256,104
Maintenance Vehicles/Equip	Lease	06/17/17	2.91	480,000	07/01/20	194,177	96,121
Sped Bus Lease Purchase	Lease	07/25/17	2.56	903,052	07/25/21	84,046	27,195
Instrument Lease	Lease	07/01/17	2.94	140,157	07/01/21	541,601	175,991
2010A Certificates	COP	10/01/10	2.00-3.50	2,705,000	04/01/26	1,405,000	180,000
2013B Certificates	COP	12/01/13	2.00-4.00	13,710,000	02/01/29	9,735,000	845,000

## Legal Debt Margin Information:

	as of June 30,				
	2015	2016	2017	2018	2019
Estimated market value (MV)	14,246,590,466	14,984,685,831	15,593,078,470	16,705,743,318	18,061,396,485
Debt f (15% of MV)	2,136,988,570	2,247,702,875	2,338,961,771	2,505,861,498	2,709,209,473
Debt applicable to limit					
General Obligation Bonds	81,775,000	170,930,000	158,470,000	146,585,000	132,415,009
Less cash in reserves for repayment	(16,385,721)	(7,362,951)	5,338,810	(3,592,701)	(1,699,991)
Total debt applicable to limit	65,389,279	163,567,049	153,131,190	142,992,299	130,715,018
Legal Debt Margin	2,071,599,291	2,084,135,826	2,185,830,581	2,362,869,199	2,578,494,455
Net debt as a % of debt limit	3.06%	7.28%	6.55%	5.71%	4.82%

## Long-Term Debt – Minimum Future Payments – General Obligations Bonds:

Year Ending June 30,	2012C Refunding		2013A Refunding	
	Principal	Interest	Principal	Interest
2020	1,885,000	617,026	1,170,000	201,744
2021	2,365,000	541,626	1,270,000	166,644
2022	2,440,000	447,026	1,325,000	128,544
2023	2,510,000	349,429	1,390,000	88,794
2024	2,590,000	236,476	1,440,000	60,994
2025	2,665,000	119,926	1,515,000	32,194
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
	<u>14,455,000</u>	<u>2,311,509</u>	<u>8,110,000</u>	<u>678,914</u>

## Long-Term Debt – Minimum Future Payments – General Obligation Bonds (continued):

Year Ending June 30,	2014A Refunding		2016A School Building		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	400,000	12,000	7,875,000	4,940,400	11,330,000	5,771,170
2021	-	-	8,165,000	4,546,650	11,800,000	5,254,920
2022	-	-	8,440,000	4,138,400	12,205,000	4,713,970
2023	-	-	8,865,000	3,716,400	12,765,000	4,154,623
2024	-	-	9,320,000	3,273,150	13,350,000	3,570,620
2025	-	-	9,775,000	2,807,150	13,955,000	2,959,270
2026	-	-	10,695,000	2,318,400	10,695,000	2,318,400
2027	-	-	11,250,000	1,783,650	11,250,000	1,783,650
2028	-	-	11,820,000	1,221,150	11,820,000	1,221,150
2029	-	-	12,290,000	748,350	12,290,000	748,350
2030	-	-	12,655,000	379,650	12,655,000	379,650
	<u>400,000</u>	<u>12,000</u>	<u>111,150,000</u>	<u>29,873,350</u>	<u>134,115,000</u>	<u>32,875,773</u>

## Long-Term Debt – Minimum Future Payments – Capital Leases:

Year Ending June 30,	Elementary Additions		Generators		Maintenance Vehicles		ATP Building	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	-	-	-	-	96,121	3,908	331,813	83,333
2021	-	-	-	-	98,056	1,974	341,710	73,437
2022	-	-	-	-	-	-	351,902	63,245
2023	-	-	-	-	-	-	362,397	52,750
2024	-	-	-	-	-	-	373,206	41,941
2025	-	-	-	-	-	-	384,337	30,810
2026	-	-	-	-	-	-	395,800	19,347
2027	-	-	-	-	-	-	407,604	7,542
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
	-	-	-	-	194,177	5,882	2,948,768	372,405



## Long-Term Debt – Minimum Future Payments – Capital Leases (continued):

Year Ending June 30,	Elementary Addition (PV)		Sped Bus		Instrument Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	256,104	93,265	175,991	13,860	27,195	2,511	887,225	196,877
2021	263,611	85,758	180,495	9,356	28,007	1,698	911,879	172,223
2022	271,338	78,031	185,114	4,737	28,844	862	837,198	146,876
2023	279,292	70,078	-	-	-	-	641,689	122,828
2024	287,478	61,891	-	-	-	-	660,684	103,832
2025	295,905	53,465	-	-	-	-	680,241	84,275
2026	304,578	44,792	-	-	-	-	700,378	64,139
2027	313,506	35,864	-	-	-	-	721,110	43,406
2028	322,695	26,674	-	-	-	-	322,695	26,674
2029	332,154	17,216	-	-	-	-	332,154	17,216
2030	341,890	7,480	-	-	-	-	341,890	7,480
2031	-	-	-	-	-	-	-	-
	<u>3,268,551</u>	<u>574,515</u>	<u>541,600</u>	<u>27,953</u>	<u>84,046</u>	<u>5,071</u>	<u>7,037,143</u>	<u>985,825</u>

## Long-Term Debt – Minimum Future Payments – Certificates of Participation:

Year Ending June 30,	2010A Certificates of Participation		2013B Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	180,000	46,806	845,000	330,725	1,025,000	377,531
2021	190,000	41,406	870,000	305,375	1,060,000	346,781
2022	195,000	35,231	895,000	279,275	1,090,000	315,406
2023	200,000	28,894	925,000	252,425	1,125,000	281,319
2024	205,000	22,144	950,000	224,675	1,155,000	246,819
2025	215,000	15,225	980,000	194,988	1,195,000	210,213
2026	220,000	7,700	1,010,000	163,138	1,230,000	170,838
2027	-	-	1,045,000	127,788	1,045,000	127,788
2028	-	-	1,085,000	88,600	1,085,000	88,600
2029	-	-	1,130,000	45,200	1,130,000	45,200
2030	-	-	-	-	-	-
	<u>1,405,000</u>	<u>197,406</u>	<u>9,735,000</u>	<u>2,012,188</u>	<u>11,140,000</u>	<u>2,210,494</u>

## Fund Balances of Governmental Funds:

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
General Fund						
Reserved	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Nondspendable	940,209	924,736	967,324	1,061,586	1,050,944	1,421,379
Restricted	3,010,821	3,296,572	2,454,724	5,838,313	9,318,698	10,840,842
Assigned	8,895,095	6,636,835	10,790,390	7,472,160	8,399,254	1,311,999
Unassigned	18,284,761	21,074,506	16,839,773	22,263,362	25,699,811	37,352,793
Total General Fund	<u>31,130,886</u>	<u>31,932,649</u>	<u>31,052,211</u>	<u>36,635,421</u>	<u>44,468,707</u>	<u>50,927,013</u>
All other governmental funds						
Reserved	-	-	-	-	-	-
Unreserved, reported in						
Special revenue funds	-	-	-	-	-	-
Capital Projects – Building Construction Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nondspendable	172,385	132,289	136,641	163,619	208,298	244,503
Restricted (1)	30,575,969	19,888,229	138,407,574	104,910,947	45,393,559	14,947,727
Unassigned, reported in						
Capital Projects – Building Construction Fund	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	(554,624)
Total all other governmental funds	<u>30,748,354</u>	<u>20,020,518</u>	<u>138,544,215</u>	<u>105,074,566</u>	<u>45,601,857</u>	<u>14,637,606</u>

## Change in Fund Balances of Governmental Funds (Actuals):

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Revenues						
Local sources						
Taxes	50,312,679	79,262,313	78,828,084	85,651,484	89,682,487	91,158,991
Investment earnings	254,245	197,264	990,686	1,525,963	1,720,017	2,390,487
Other	24,827,075	21,183,365	20,303,840	21,655,777	21,241,570	21,450,041
State sources	251,943,911	247,270,824	258,200,427	264,144,986	275,878,205	285,746,486
Federal sources	12,123,310	12,820,914	13,700,319	14,628,580	15,834,368	16,232,102
Total revenues	339,461,220	360,734,680	372,023,356	387,606,790	404,356,647	416,978,107
Expenditures						
Current						
Administration	12,662,675	13,188,527	14,846,637	14,931,628	15,599,003	16,342,073
District support services	8,245,964	8,802,535	9,360,367	9,807,545	10,694,868	12,008,717
Elementary and secondary instruction	151,453,547	160,442,599	165,181,027	169,848,898	173,672,800	177,357,744
Vocational education instruction	3,899,432	4,161,539	5,198,949	5,013,173	5,137,316	5,396,017
Special education instruction	60,749,987	62,011,436	65,226,216	68,020,953	71,133,191	72,650,167
Instructional support services	16,734,739	18,361,748	19,695,766	20,664,400	21,616,857	22,489,640
Pupil support services	23,318,080	22,991,342	23,694,661	24,615,829	25,550,001	26,181,738
Sites and buildings	22,906,580	21,468,077	21,979,790	25,390,808	23,681,891	25,398,051
Fiscal and other fixed cost programs	697,917	651,864	650,603	613,851	582,782	1,182,069
Food service	11,253,357	11,509,963	11,757,651	11,992,184	11,258,394	12,113,867
Community service	9,784,435	7,739,627	8,044,250	8,822,111	8,751,046	8,933,712
Capital outlay	13,388,239	19,028,484	11,640,890	33,546,532	68,021,071	40,050,087
Debt service						
Principal	16,460,404	17,880,544	13,326,884	14,394,446	14,079,855	14,694,828
Interest and fiscal charges	4,897,774	4,586,660	4,384,850	7,911,158	7,595,387	6,992,089
Total expenditures	356,453,130	372,824,945	374,988,541	415,573,516	457,374,462	441,790,799
Revenues over (under) expenditures	(16,991,910)	(12,090,265)	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)
Other financing sources (uses)						
Transfers in	6,128,424	6,225,838	8,554,099	20,122	-	135,509
Transfers out	(6,128,424)	(6,225,838)	(8,554,099)	(20,122)	-	(135,509)
Refunding debt issued	2,230,000	-	-	-	-	-
Debt issued	13,710,000	-	112,150,000	-	-	-
Premium on debt issued	325,933	-	20,355,238	-	-	-
Discount on debt issued	-	-	-	-	-	-
Insurance Recovery	-	-	-	-	311,212	56,303
Bond refunding payments	(26,850,000)	(2,325,000)	(12,125,000)	-	-	-
Capital leases and other loans	96,569	4,200,000	480,000	-	1,043,209	-
Judgements for the School District	-	-	-	-	-	369
Sale of capital assets	8,143	10,180	27,218	80,287	23,971	19,383
Total other financing sources (uses)	(10,479,355)	1,885,180	120,887,456	80,287	1,378,392	76,055
Net change in fund balances	(27,471,265)	(10,205,085)	117,922,271	(27,886,439)	(51,639,423)	(24,736,637)
Fund balances						
Beginning of year	89,350,505	61,879,240	51,674,155	169,596,426	141,709,987	90,070,564
End of year	61,879,240	51,674,155	169,596,426	141,709,987	90,070,564	65,333,927

## Glossary of Terms and Acronyms

### A

**Accounting System:** The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.

**Accrual Basis of Accounting:** The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

**ACT:** The American College Testing program commonly taken for application and enrollment in many post-secondary education institutions.

**Adjusted Marginal Cost Pupil Units:** The current pupil units or sum of 77 percent of the adjusted pupil units computed using current year data, plus 23 percent of the adjusted pupil units computed using prior year data, whichever is greater.

**Adjusted Net Tax Capacity (ANTC):** The net tax capacity of a school district as adjusted by the sales ratio (Net Tax Capacity divided by the sales ratio). The purpose of the adjustment is to neutralize the effect of different assessment practices among the taxing jurisdiction of the state.

**Adjusted Pupil Units (APU):** The sum of pupil units served plus pupil units whom the district pays tuition under an agreement with another district, minus pupil units for whom the district receives tuition under an agreement with another district.

**Apportionment:** (1) The act of apportioning; (2) An item of receipts resulting from the act of apportioning, such as state apportionment (see *allotment*).

**Assessed Valuation:** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**Assessment:** (1) The process of making the official valuation of property for the purpose of taxation, and (2) The valuation placed upon property as a result of this process. **Note:** *Assessment* is sometimes used to denote the amount of taxes levied but such usage is not recommended since it fails to distinguish between the valuing process and the tax levying process. The term is also used erroneously as a synonym for *special assessment*.

**Assets:** Economic resources that are owned or controlled by an entity.

**Audit:** The result of an independent accountant's review of the statements and footnotes to ensure compliance with generally accepted accounting principles and to render an opinion on the fairness of the financial statements.

**Audit Report:** A report issued by an independent certified public accountant that expresses an opinion about whether the financial statements fairly present an organization's financial position, operating results and cash flows in accordance with generally accepted accounting principles.

**Average Daily Attendance (ADA):** The aggregate attendance of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period.

**Average Daily Membership (ADM):** The aggregate membership of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period.

**B**

**BAC:** Acronym for the Budget Advisory Council which is group of district stakeholders and community members which contribute to the financial direction of the district.

**Bond:** A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future (the maturity date), together with periodic interest at a specified rate.

**Bond Referendum:** Funding for a proposed public building or major remodeling project submitted for local voter approval.

**Budget:** A plan of financial operation expressing the estimates of proposed expenditures for a fiscal year and the proposed means of financing them (revenue estimates).

**Budgeting:** Pertains to budget planning, formulation, administration, analysis and evaluation.

**Budget Planning Calendar:** Schedule of key dates which the School Board and administrators follow in preparation, adoption and administration of the budget.

**C**

**Capital Lease:** A leasing transaction that is recorded as a purchase by the lessee; ownership is transferred to the lessee at the conclusion of the leasing agreement.

**Capital Outlay:** An expenditure that is generally greater than \$5,000 and results in ownership, control or possession of assets intended for continued use over relatively long periods of time.

**Compensatory Revenue:** A portion of general education revenue based on the number of students in a school district that qualify for free or reduced-price school meals.

**Contracted Services:** Service rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the contract.

**CPU:** Child per housing unit

**Credit:** An entry on the right side of the account.

**D**

**Debt:** Money owed by one party (the debtor) to a second party (creditor), generally subject to contractual terms regarding the amount and timing of repayments of principal and interest.

**Debt Service:** Expenditures for the retirement of principal and payment of interest on debt.

**Debit:** An entry on the left side of an account.

**Delinquent Taxes:** Taxes remaining unpaid on and after the date on which they become delinquent by statute.



## E

**Elementary School:** A school classified as elementary by state and local practice and composed of any span of grades not above grade eight. Preschool or kindergarten is included under this heading only if it is an integral part of an elementary school or a regularly established school system.

**Employee Benefits:** Compensation, in addition to regular salary, provided to an employee. This may include such benefits as health insurance, life insurance, annual leave, sick leave, retirement and Social Security.

**Enrollment:** The total number of students registered in a given school unit at a given time, generally in the fall. (October 1 in Minnesota)

**Entry:** The record of a financial transaction in its appropriate book of accounts. Also, the act of recording a transaction in the books of accounts.

**Equalization:** The process of (1) reducing the tax rate or tax base disparities among different taxing jurisdictions, or (2) reducing net tax disparities among different properties within the same class in a given taxing jurisdiction.

**Expenditures:** Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year. For elementary/secondary schools, these include all charges for current outlays plus capital outlays and interest on school debt.

**Expenditures Per Pupil:** Charges incurred for a particular period of time divided by a student unit of measure, such as enrollment, average daily attendance, or average daily membership.

**Expenses:** Costs incurred in the normal course of operations.

## F

**Fiscal Year:** The twelve-month period of time to which the annual budget applies. All Minnesota school districts, by law, must observe a fiscal year that runs July 1 through June 30.

**Free School Meals:** In order to qualify for free school meals, a household must submit an application. The federal government, comparing the household's size to its income, sets guidelines.

**Full-Time Equivalency (FTE):** The result of a computation that divides the amount of time for a less than full-time activity by the amount of time normally required in a corresponding full-time activity.

**Fund:** A sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations, and constituting an independent fiscal and accounting entity.

**Fund Balance (equity):** Mathematical excess of assets over liabilities.

**Federal Sources:** Revenues received from federal government appropriations.

**Fiduciary Funds:** Account for assets held in a trustee capacity or as an agent for individuals, organizations or other governmental units and/or funds.

**Formula Allowance:** Minnesota's basic general education formula allowance provided school districts with a majority of their revenue.

## G

**General Fund:** Typically, the largest fund in the budget. It is comprised of money not in other funds. Most of this fund is not earmarked for specific purposes.

**Generally Accepted Accounting Principles (GAAP):** Standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice. These include the standards, conventions and rules that accountants follow in recording and summarizing financial transactions and in the preparation of financial statements.

**General Obligation Bonds (GO Bonds):** Bonds that the state stands behind with its taxing powers.

**Grant:** A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments (school districts) from state and federal governments and are usually made for specified purposes.

## H

**High School:** A secondary school offering the final years of high school work necessary for graduation, usually including grades 9-12.

## I

**Interest:** The payment (cost) for the use of money.

**Internal Service Funds:** Funds internal to the operation of a unit that provide a variety of services to that unit, such as a printing activity. The funds must recover the full costs of services provided through billing back.

## J

No entries

## K

**Kindergarten:** This category of students includes transitional kindergarten, kindergarten and pre-first-grade students, and is traditionally found in elementary schools.

## L

**Lease:** A contract that specifies the terms under which the owner of an asset (the lessor) agrees to transfer the right to use the asset to another party (the lessee).

**Lessee:** The party that is granted the right to use property under the terms of a lease.

**Lessor:** The owner of property that is rented (leased) to another party.

**Levy:** A tax imposed on property, which a school board may levy, and is limited by statute.

**Liabilities:** Obligations measurable in monetary terms that represent amounts owed to creditors, governments, employees and other parties.

**LTFMR:** Long-Term Facilities Maintenance Revenue

## M

**Mandates:** Requirements imposed by one level of government on another.

**Marginal Cost Pupil Unit:** Used to indicate pupil count. It is a calculation whereby 77 percent of the current year pupil count is added to 23 percent of the prior year pupil count.

**Market Value:** The value assigned to property by an assessor. The market value is intended to reflect the sales value of the property.

**Middle School:** A secondary school following elementary school and preceding high school, usually including grades 6-8.

**Minnesota Department of Education (MDE):** The formal agency within the executive branch of government in Minnesota that oversees the operations of education, K-12 education in particular.

**Modified Accrual Basis of Accounting:** The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/ or available revenues, which should be accrued to reflect property taxes levied and revenue earned.

## N

**Net Tax Capacity (NTC):** This value is derived by multiplying the estimated market value of each parcel by the appropriate class (use) rate for that parcel.

**Nonresident Student:** A student whose legal residence is outside the geographical area served by the district.

## O

**Operating Lease:** A simple rental agreement where ownership is retained by the lessor at the conclusion of the leasing agreement.

## P

**Professional Growth Plan (PGP):** Staff development program in which building teachers directly assist in implementing staff training

**Principal (face value or maturity value):** The amount that will be paid on a bond at its maturity date.

**Public Employees Retirement Association (PERA):** This group administers pension plans that cover local, county and school district non-teaching employees.

**Pupil Units:** A weighted count of pupils in average daily membership used in the calculation of state aid and local tax levies.

## Q

No entries

## R

**Review and Comment:** A process by which the commissioner of Minnesota Department of Education reviews and comments on the feasibility and practicality of proposed school district building projects.

**Refunding Bonds:** Bonds issued to pay off bonds already outstanding.

**Reserve:** An amount set aside for some specified purpose.

**Resident Student:** A student whose legal residence is within the geographic area served by the district.

**Resident Pupil Units (RPU):** A weighted count of resident pupils in ADM used in the calculation of state aid and local tax levies.

**RMV:** Residential Market Value

**Revenues:** Money received by a unit from external sources net of refunds and other correcting transactions, other than from the issuance of debt, liquidation of investments, and as agency and probate trust transactions.

S

- School Board:** Elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in the school district.
- School District:** A unit for administration of a public-school system often comprising several cities within a state.
- Social Security (FICA) Taxes:** Federal Insurance Contributions Act taxes imposed on employees and employers; used mainly to provide retirement benefits.
- Statute:** A written law passed by a legislative body.
- STEM:** Acronym for Science, Technology, Engineering and Mathematics

T

- Tax Base:** The value of commercial, industrial, residential, agricultural and other properties in a school district, city, municipality and county.
- Tax Capacity:** The taxable value of property. Tax capacity of a property is determined by the type of property, taxable market value of the property and state-determined class rates for different types or property.
- Tax Credit:** A state-allowed reduction on local property taxes.
- Teachers Retirement Association (TRA):** A statewide public pension fund for public school teachers throughout Minnesota, except for teachers in the first class cities, and some teachers in community colleges, state universities and technical colleges.
- Transfer:** The movement of money between funds; transfer must be consistent with legislative intent.
- Trust Fund:** A fund consisting of resources received and held by the district as trustee to be expended or invested in accordance with the conditions of the trust.

U

- Uniform Financial Accounting and Reporting Standards (UFARS):** Minnesota’s legally prescribed set of accounting standards for all school districts.

V

No entries

W

- Weighted Pupil Units:** A varied weighting of pupils by grade. For example, a student in grades 1-6 may be counted as a 1.06 pupil unit, whereas a student in grades 7-12 may be counted as a 1.3 pupil unit.

X

No entries

Y

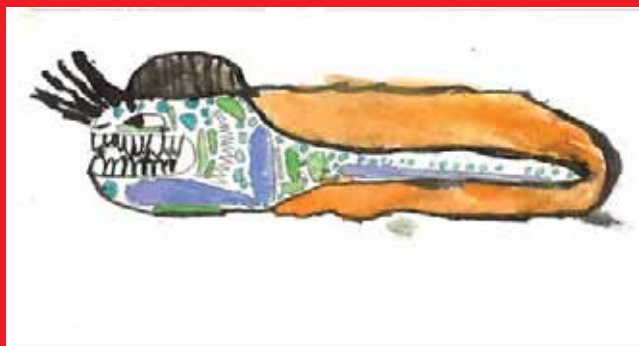
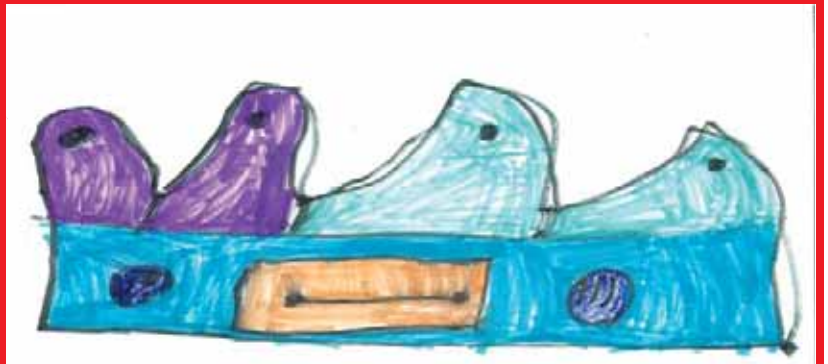
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Z

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**DISTRICT196**  
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