



2019-2020 PRELIMINARY BUDGET

Prepared by Jerrud Rossing, Director of Business Services
June 12th, 2019

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This is the proposed the 2019-2020 Preliminary Budget information for the Monona Grove School District. I hope that this information is useful to you in understanding the current and proposed financial status of our School District.

This preliminary budget is a financial plan to achieve the educational objectives of the Monona Grove School District. The Business Office works with administration, staff, and board members in preparing the annual budget.

The budget process for the 2019-2020 fiscal year began in December 2018. The 2019-2020 Preliminary Budget will be presented at the Annual Meeting/Budget Hearing on September 9th, 2019, with community approval of the Tax Levy. The Board of Education must approve the final version of the Budget and set the Tax Levy by November 1st, 2019.

The District will continue to make updates to the preliminary budget until the final budget is presented to the Board of Education for final approval in October.

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BOARD OF EDUCATION

President	Andrew McKinney	Cottage Grove	Term Expires	2021
Vice President	Susan Fox	Monona	Term Expires	2020
Treasurer	Peter Sobol	Monona	Term Expires	2022
Clerk	Jeff Simpson	Cottage Grove	Term Expires	2021
Member	Dean Bowles	Monona	Term Expires	2020
Member	Dr. Eric J. Hartz	Monona	Term Expires	2021
Member	Susan Manning	Monona	Term Expires	2022

Monona Grove School District Mission and Vision

“Promoting Excellence for Global Opportunities”

The Vision:

MGSD is a student-focused culture that empowers continuous learners to embrace global opportunities and excellence.

The Mission:

The mission of the MGSD is to enhance achievement for all students by cultivating a desire for learning and instilling social responsibility.

We will achieve this by...

- Building positive relationships among students, staff, parents, and community.
- Working together to inspire and engage students in meaningful learning opportunities by using research-based practices to address individual academic and social/emotional needs.
- Providing a safe and healthy environment that fosters respect and culturally responsive practices.
- Attracting, retaining, and developing a diverse, high-quality staff
- Using resources efficiently and effectively.

FUND DEFINITIONS

Various Funds used to account for school district resources. Those funds are:

General Fund (Fund 10): The general fund is used to account for all financial transactions relating to the District's current operations, except for those required to be accounted for in other accounts.

Special Education Fund (Fund 27): The fund is used to account for the cost of providing special education and related services for students with disabilities during the regular school year or extended school year.

Non-Referendum Debt Service Fund (Fund 38): This fund is used to account for transactions for the repayment of debt issues that incurred without referendum approval.

Referendum Approved Debt Service Fund (Fund 39): This fund is used to account for transaction for repayment of debt issues that were authorized by a referendum.

Food Service Fund (Fund 50): This fund is used to account for all revenues and expenditures related to food service activities.

Community Service Fund (Fund 80): This fund is used to account for activities such as adult education, community recreation programs such as swimming pool operations.

ENROLLMENT PROJECTIONS

Below is a breakdown of projected enrollment by grade at each building in our District.

<u>SCHOOL</u>	<u>GRADE</u>	<u>2018-2019 ENROLLMENT</u>	<u>2019-2020 PROJECTED ENROLLMENT</u>
T4K OFF SITES	K4	81	90
	TOTAL	81	90
TAYLOR PRAIRIE	PK	12	8
	K4	62	68
	KDG	147	148
	1	147	154
	BLDG TOTAL	368	378
COTTAGE GROVE	2	154	154
	3	147	156
	4	161	154
	BLDG TOTAL	462	464
WINNEQUAH	PK	4	4
	K4	46	42
	KDG	93	79
	1	87	98
	2	75	87
	3	100	78
	4	104	103
	5	87	108
	BLDG TOTAL	596	599
GLACIAL DRUMLIN	5	159	167
	6	241	241
	7	241	242
	8	232	234
	BLDG TOTAL	873	884
HIGH SCHOOL	9	270	275
	10	272	271
	11	235	274
	12	261	242
	BLDG TOTAL	1038	1062
MG21	GR 6-12*	49	71
	TOTAL	49	71
	<i>OVERALL TOTAL:</i>	3467	3548

* MG21 expanded to grades 6 through 8 beginning in the 2019-2020 school year.

** For the purpose of revenue limit calculations, we are predicting an increase of 10 FTE resident students.

2019-2020 REVENUE LIMIT PROJECTIONS

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020 Proposed
Revenue Limit	\$31,872,929	\$35,291,299	\$35,786,534	\$36,278,113	\$39,056,705
State Equalization Aid	\$11,762,647	\$12,105,933	\$12,952,549	\$13,333,953	\$13,600,632
State Aid for Exempt Computers				\$925,523	\$934,800
State Aid for Exempt Personal Property				\$227,474	\$227,474
Allowable Limited Revenue	\$20,110,282	\$23,185,366	\$22,833,985	\$21,791,164	\$24,293,799

The 2019-2020 Revenue Limit incorporates the following:

- Projected increase of 10 FTE resident enrollments
- \$175 per pupil increase
- \$1,206,625 Energy Efficiency Exemption for our Phase 2 and 3 McKinstry Projects
- \$2,600,000 from 2016 operational referendum passage
- \$930,000 from 2018 operational referendum passage
- \$118,958 Adjustment for Refunded or Rescinded Taxes
- \$266,679(2%) (increase in State Equalization Aid over 2018-2019 (Reminder: As State Equalization Aid increases or decreases, the Local Levy increases or decreases in the opposite manner as they are counterbalancing.)
- \$9,277 increase in State Aid for Exempt Computers (The previous state budget made a change to this in regards to how it's calculated and how it's incorporated into the State Revenue Limit worksheet. Just like State Equalization Aid, the Local Levy will increase or decrease in the opposite manner as the aid and levy are counterbalancing. This increase does not give the District additional funds to use towards educational programming.)

Revenue limits cap the amount of funds that can be generated from these sources through a state calculation largely based on resident student enrollment.

2019-2020 PRELIMINARY BUDGET

We are projecting the tax base (Tax Apportionment Values) to increase by 4.00%. Four years of historical information and the projection for 2019-2020 are shown below.

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020 Estimated
Tax Apportionment Values	\$1,975,858,242	\$2,043,259,716	\$2,100,930,689	\$2,181,494,597	\$2,268,754,380
Amount Change from Previous Year	\$72,391,451	\$67,401,474	\$57,670,973	\$80,563,908	\$87,259,783
Percent Change from Previous Year	3.80%	3.41%	2.82%	3.83%	4.00%

* The total tax apportionment values assist in determining the mill rate for local taxpayers.

TAX LEVY & MILL RATE ANALYSIS

Projected Property Tax Levy				
Fund	2016-2017	2017-2018	2018-2019	2019-2020 Projected
General Fund (Fund 10)	\$21,697,838	\$21,328,366	\$21,156,559	\$22,706,014
Non-Referendum Debt Service (Fund 38)	\$596,965	\$601,965	\$634,605	\$1,587,785
Referendum Debt Service (Fund 39)	\$4,929,626	\$5,768,500	\$5,854,276	\$5,627,342
Community Service Fund (Fund 80)	\$275,000	\$350,500	\$385,000	\$385,000
Total Levy	\$27,499,429	\$28,049,331	\$28,030,440	\$30,306,141

Our Total Levy could increase or decrease depending on our actual resident growth and the amount we receive in State Equalization Aid from the State.

Three years of historical information and the proposed Mill Rates are shown below.

Projected Mill Rate				
Fund	2016-2017	2017-2018	2018-2019	2019-2020 Projected
General Fund (Fund 10)	\$10.96	\$10.15	\$9.70	\$10.01
Non-Referendum Debt Service (Fund 38)	\$0.30	\$0.29	\$0.29	\$0.70
Referendum Debt Service (Fund 39)	\$2.49	\$2.75	\$2.68	\$2.48
Community Service Fund (Fund 80)	\$0.14	\$0.17	\$0.18	\$0.17
Total Mill Rate	\$13.89	\$13.35	\$12.85	\$13.36

FUND 10 – GENERAL FUND**REVENUES**

The purpose of the General Fund 10 is to account for the educational programs and operations of the School District, excluding special education programs. Below is the breakdown of revenues projected for Fund 10.

Fund 10 - General Fund Revenue History and Projection		
	2018-2019 Budget	2019-2020 Projected
Local Tax Levy	\$21,156,559	\$22,706,014
Other Local Revenue	\$609,675	\$599,175
WI Inter-District Payments	\$2,707,720	\$2,737,184
State Categorical Aid	\$2,255,356	\$2,346,966
State Equalization Aid	\$13,333,953	\$13,600,632
Other State Revenue	\$1,193,197	\$1,202,474
Federal Revenue	\$291,006	\$183,006
Other Revenue	\$130,000	\$117,000
Total Revenue	\$41,677,466	\$43,492,451

Below is a breakdown of the sources where revenues are received.

Local Tax Levy is the amount that comes from property taxes after the State has applied the Districts Equalization Aid. Represents an increase of \$175 per pupil.

Other Local Revenue includes admissions, lease/rent payments to the district, interest and student fees.

WI Inter-District Payments are payments received for students open enrolled into the District. The 2019-2020 open enrollment budget will be adjusted based on the actual number of students that attend in the fall of 2019. In addition to open enrollment, other types of payment from other WI school districts are coded here, such as reimbursement for homeless transportation.

State Categorical Aid includes Transportation, Common School Funds (Library Aid) and \$679 Per-Pupil aid.

State Equalization Aid also called State General Aid is general financial assistance to public school districts for use in funding a broad range of school district operational expenditures. The purposes for which general aid can be used are not restricted as they would be in a categorical aid program. Projecting an increase of approximately 2%.

Other State Revenue includes Computer Aid and other special project aid from the state.

Federal Revenue includes special project grants from the Federal Government such as Title Grants. Represents a reduction on 50% funding in Title 1 (\$100,000).

Other Revenue includes Medicaid reimbursement, refunds and miscellaneous revenue.

FUND 10 – GENERAL FUND

EXPENDITURES

Expenses By Object - Fund 10			
Object	Description	2018-2019 Budget	2019-2020 Projected
100/200	Salaries/Benefits	\$29,046,923	\$30,177,004
300	Purchased Services	\$5,892,428	\$5,770,623
400	Non Capital Objects	\$1,383,938	\$1,678,141
500	Capital Objects	\$351,211	\$700,000
600/700	Debt Service/Insurance & Judgments	\$381,115	\$385,500
800	Transfers	\$4,476,511	\$4,502,683
900	Other	\$145,340	\$278,500
	Total	\$41,677,466	\$43,492,451

- Salaries/Benefits: FICA, WRS, Health/Dental & Post Retirement Benefits
- Purchased Services: Transportation, Utilities & Contracts
- Non-Capital Objects: Supplies, Apparel, Textbooks & Workbooks
- Capital Objects: Equipment
- Debt Retirement: Capital lease payments
- Insurance: Liability, Workers Compensation & Property
- Transfers: Food Service & Special Education
- Other Objects: District Dues, Fees & Prior Year Expenditures

FUND 10 – GENERAL FUND
REVENUES vs. EXPENDITURES BREAKDOWN

Fund 10 - General Fund		
Revenues vs Expenditures Breakdown		
	2018-2019 Budget	2019-2020 Projected
Total Revenues	\$41,677,466	\$43,492,451
Total Expenditures	\$41,677,466	\$43,492,451
Total	\$0.00	\$0.00

Assumptions and Considerations for Fund 10 – General Fund:

Revenues:

- \$2,600,000 Referendum
- \$930,000 Referendum
- Increase of 10 FTE in resident enrollment
- \$175 Per Pupil increase on Revenue Limit
- \$679 Per Pupil Categorical Aid
- Title I (-50%) reduction of \$100,000

Expenditures:

- Health insurance 0% budget impact
- Dental insurance 0% budget impact
- Increase of 3% for transportation (fuel cost and routing)
- Implementation of approved staffing plan approved by Board of Education

FUND 27 – SPECIAL EDUCATION

No Fund Balance or deficit can exist

The purpose of the Special Education Fund 27 is to account for special education programs and operations in the School District.

Fund 27 - Special Education		
Revenue History and Projections		
	2018-2019 Budget	2019-2020 Projected
Operating Transfer	\$4,476,511	\$4,502,683
State Sources	\$1,445,592	\$1,499,092
Federal Sources	\$831,576	\$800,000
	\$6,753,679	\$6,801,775

Breakdown of Fund 27 – Special Education Revenues:

Operating Transfer: Transfer from Fund 10 (General Fund)

State Sources: State Special Education Aid

Federal Sources: Special Education Grants such as Flow-Through and Preschool Flow-Through

Fund 27 - Special Education			
Expenditures by Object			
Object	Description	2018-2019 Budget	2019-2020 Projected
100/200	Salaries/Benefits	\$5,650,824	\$5,798,489
300	Purchased Services	\$1,000,534	\$923,936
400	Non Capital Objects	\$43,045	\$38,000
500/600	Capital Objects/Debt	\$57,926	\$40,000
900	Other	\$1,350	\$1,350
	Total	\$6,753,679	\$6,801,775

FUND 38/39 DEBT SERVICE

Monona Grove School District Debt Service (Fund 38 & 39)									
As of June 30th, 2019									
Fund 38: Non-Referendum Debt Service Fund									
Issue #:	Issue Amount:	Type of Borrowing:	Date of Borrowing:	Description of Borrowing:	Remaining Principal:	Remaining Interest:	Total Remaining:	Date of Final Payment:	
Issue #1:	\$729,000	Taxable General Obligation Refunding Bonds (QSCBs-TC)	September 18th, 2009	Energy Efficiency Projects	\$ 214,000.00	\$ -	\$ 214,000.00	September, 2019	
Issue #2:	\$6,135,000	General Obligation School Improvement Bonds, Series 2013A	March 20th, 2013	Energy Efficiency Projects	\$ 6,135,000.00	\$ 792,990.00	\$ 6,927,990.00	May, 2028	
Issue #3:	\$5,730,000	General Obligation School Improvement Bonds, Series 2014A	May 14th, 2014	Energy Efficiency Projects	\$ 5,730,000.00	\$ 1,729,137.54	\$ 7,459,137.54	May, 2034	
Issue #4:	\$2,040,000	Taxable General Obligation Refunding Bonds, Series 2015B (CR)	May 1st, 2015	OPEB	\$ 2,040,000.00	\$ 765,190.00	\$ 2,805,190.00	May, 2035	
Issue #5:	\$1,600,000	Taxable Note Anticipation Notes	December 5th, 2017	40 Acre Land Purchase (Buss Road)	\$ 1,600,000.00	\$ 57,280.00	\$ 1,657,280.00	May, 2020	
Fund 39: Referendum Approved Debt Fund									
Issue #:	Issue Amount:	Type of Borrowing:	Date of Borrowing:	Description of Borrowing:	Remaining Principal:	Remaining Interest:	Total Remaining:	Date of Final Payment:	
Issue #1:	\$3,795,000	General Obligation Refunding Bonds (AR)	April 1st, 2011	2002 Referendum: District-Wide Repairs, Land Purchase	\$ 1,980,000.00	\$ 168,376.00	\$ 2,148,376.00	May, 2022	
Issue #2:	\$9,995,000	General Obligation Refunding Bonds (AR)	March 14th, 2015	2006 Referendum: Glacial Drumlin, Site Improvements to Winnequah, Maywood, & Cottage Grove	\$ 9,275,000.00	\$ 1,280,300.00	\$ 10,555,300.00	May, 2026	
Issue #3:	\$3,860,000	General Obligation Refunding Bonds, Series 2013B (AR)	March 20th, 2013	2006 Referendum: Glacial Drumlin, Site Improvements to Winnequah, Maywood, & Cottage Grove	\$ 3,655,000.00	\$ 305,968.00	\$ 3,960,968.00	May, 2024	
Issue #4:	\$4,270,000	General Obligation Refunding Bonds, Series 2014B (AR)	May 14th, 2014	2006 Referendum: Glacial Drumlin, Site Improvements to Winnequah, Maywood, & Cottage Grove	\$ 4,075,000.00	\$ 363,700.00	\$ 4,438,700.00	May, 2023	
Issue #5:	\$10,000,000	General Obligation Refunding Bonds, Series 2015A (CR)	April 15th, 2015	1997 Referendum: New High School, Roof Repair, Asbestos Abatement Project, Swimming Pool at the High School	\$ 2,175,000.00	\$ 43,500.00	\$ 2,218,500.00	May, 2019	
Issue #6:	\$8,110,000	General Obligation Refunding Bonds, Series 2016 (CR)	March 29th, 2016	2006 Referendum: Glacial Drumlin, Site Improvements to Winnequah, Maywood, & Cottage Grove	\$ 6,040,000.00	\$ 270,800.00	\$ 6,310,800.00	May, 2022	
Issue #7:	\$57,000,000	General Obligation Funding Bonds, Series 2019	May 6th, 2019	2018 Referendum: New Elementary School, Site Improvements to Cottage Grove School, Taylor Prairie, Glacial Drumlin, High School, MG21, and Winnequah	\$ 57,000,000.00	\$ 27,059,559.55	\$ 84,059,559.55	May, 2039	
2018-2019 Budget Information:									
Fund 38:	Principal Payment:	\$3,014,000.00			Fund 39:		Principal Payment:	\$6,595,000.00	
	Interest Payment:	\$420,605.00					Interest Payment:	\$2,440,166.05	
	Total Fund 38 Debt Payment:	\$3,434,605.00					Total Fund 39 Debt Payment:	\$9,035,166.05	

FUND 50 – SCHOOL NUTRITION

Revenue History and Projection		
	2018-2019 Budget	2019-2020 Projected
Food Sales	\$846,000	\$850,000
State Sources	\$22,300	\$25,000
Federal Sources	\$445,000	\$453,000
Other Sources	\$1,000	\$1,000
Total Revenue	\$1,314,300	\$1,329,000

Expenditures History and Projection		
Description	2018-2019 Budget	2019-2020 Projected
Salaries/Benefits	\$679,956	\$700,472
Purchased Services	\$22,300	\$25,000
Food and Supplies	\$668,500	\$750,000
Miscellaneous	\$4,000	\$4,000
Total	\$1,374,756	\$1,479,472

FUND 80 – COMMUNITY SERVICE FUND

The purpose of Fund 80 is used to account for activities and programs that are open to the community and are outside the District’s regular and extracurricular programs.

Revenue	2018-2019 Budget	2019-2020 Projected
Property Tax	\$385,000	\$385,000
Community Service Fees	\$137,400	\$145,000
Total	\$522,400	\$530,000

Expenditures	2018-2019 Budget	2019-2020 Projected
Salaries/Benefits	\$399,806	\$399,955
Purchased Services	\$186,000	\$200,000
Supplies	\$27,705	\$28,000
Equipment	\$6,000	\$7,000
Miscellaneous Expenditures	\$6,000	\$3,000
Total	\$625,511	\$637,955

Uses of Fund 80 at Monona Grove School District:

- Director of Communications and Engagement
- Funding the Aquatics Center
- Custodial salaries and benefits associated with Community Use of Facilities
- Assist with funding of Auditorium
- Summer Camps
- School Resource Officer and Community Cable Personnel and equipment