



# 2020-2021 PRELIMINARY BUDGET

Prepared by Jerrud Rossing, Director of Business Services  
June 16<sup>th</sup>, 2020 Board Meeting

June 16<sup>th</sup>, 2020

This is the proposed the 2020-2021 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 2020-2021 fiscal year began in December 2019. The 2020-2021 Preliminary Budget will be presented at the Annual Meeting/Budget Hearing on September 14<sup>th</sup>, 2020, 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 1<sup>st</sup>, 2020.

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.

**TABLE OF CONTENT**

Board of Education ..... 3

District Mission and Vision/Strategic Plan ..... 3

Fund Definition ..... 4

2020-2021 Revenue Limit Projections ..... 5

Tax Levy & Mill Rate Analysis ..... 6

Fund 10 – General Fund Revenues ..... 7

Fund 10 – General Fund Expenditures ..... 8

Fund 10 – General Fund Revenue vs Expenditures ..... 9

Fund 27 – Special Education Fund ..... 10

Fund 38/39 – Debt Service Fund ..... 11

Fund 50 – Food Service Fund ..... 12

Fund 80 – Community Service Fund ..... 13

## BOARD OF EDUCATION

President	Andrew McKinney	Cottage Grove	Term Expires 2021
Vice President	Susan Fox	Monona	Term Expires 2023
Treasurer	Loreen Gage	Cottage Grove	Term Expires 2021
Clerk	Susan Manning	Monona	Term Expires 2022
Member	Elizabeth Cook	Cottage Grove	Term Expires 2023
Member	Dr. Eric J. Hartz	Monona	Term Expires 2021
Member	Peter Sobol	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.

**Capital Projects Fund (Funds 49):** This fund is used to account for transactions for capital/maintenance projects authorized by a capital (facilities) 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.

**2020-2021 REVENUE LIMIT PROJECTIONS**

The 2020-2021 Revenue Limit is projected to increase by approximately \$569,151 over the 2020-2021 Fiscal Year. This equates to a 1.45% increase over 2019-2020.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021 (Projected)
<b>State Equalization Aid</b>	\$12,105,933	\$12,952,549	\$14,486,949	\$15,076,656	\$15,215,706
<b>Allowable Limited Revenue</b>	\$23,185,366	\$22,833,985	\$21,791,164	\$24,206,113	\$24,639,214
<b>Revenue Limit</b>	\$35,291,299	\$35,786,534	\$36,278,113	\$39,285,769	\$39,854,920

The 2020-2021 Revenue Limit incorporates the following:

- Projected increase of 8 FTE (25 students) resident enrollments
- \$179 per pupil increase
- \$219,899 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
- \$139,050 (1%) increase in State Equalization Aid over 2020-2021 (Reminder: As State Equalization Aid increases or decreases, the Local Levy increases or decreases in the opposite manner as they are counterbalancing.) DPI will release our estimated aid amount on July 1<sup>st</sup>, 2020. The final State Equalization Aid amount won't be released until October 15<sup>th</sup>, 2020.

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

We are projecting the tax base (Tax Apportionment Values) to increase by 3.75%. Four years of historical information and the projection for 2020-2021 are shown below.

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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021 (Projected)
<b>Tax Apportionment Values</b>	\$2,043,259,716	\$2,100,930,689	\$2,181,494,597	\$2,311,304,697	\$2,397,978,623
<b>Amount Change from Previous Year</b>	\$67,401,474	\$57,670,973	\$80,563,908	\$129,810,100	\$86,673,926
<b>Percent Change from Previous Year</b>	3.41%	2.82%	3.83%	5.95%	3.75%

**TAX LEVY & MILL RATE ANALYSIS**

Based on the projections on the Revenue Limit (State Equalization Aid Amount and Resident Enrollment) along with our current Debt Service schedule we are projecting an overall increase in our Tax Levy by 1.49%.

<b>Projected Property Tax Levy</b>				
Fund	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021 (Projected)</b>
<b>General Fund (Fund 10)</b>	\$21,328,366	\$21,156,559	\$22,621,328	\$23,145,013
<b>Non-Referendum Debt Service (Fund 38)</b>	\$601,965	\$634,605	\$1,587,785	\$1,494,201
<b>Referendum Debt Service (Fund 39)</b>	\$5,768,500	\$5,854,276	\$5,627,341	\$5,600,000
<b>Community Service Fund (Fund 80)</b>	\$350,500	\$385,000	\$550,000	\$600,000
<b>Total Levy</b>	<b>\$28,049,331</b>	<b>\$28,030,440</b>	<b>\$30,386,454</b>	<b>\$30,839,214</b>
Percentage Change Over Prior Years	2.00%	-0.07%	8.41%	1.49%

*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.

<b>Projected Mill Rate</b>				
Fund	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021 (Projected)</b>
<b>General Fund (Fund 10)</b>	\$10.15	\$9.70	\$9.79	\$9.65
<b>Non-Referendum Debt Service (Fund 38)</b>	\$0.29	\$0.29	\$0.69	\$0.62
<b>Referendum Debt Service (Fund 39)</b>	\$2.75	\$2.68	\$2.43	\$2.34
<b>Community Service Fund (Fund 80)</b>	\$0.17	\$0.18	\$0.24	\$0.25
<b>Total Mill Rate</b>	<b>\$13.36</b>	<b>\$12.85</b>	<b>\$13.15</b>	<b>\$12.86</b>

**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		
	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
Local Tax Levy	\$22,621,328	\$23,145,013
Other Local Revenue	\$660,500	\$660,500
WI Inter-District Payments	\$3,036,690	\$3,100,000
State Categorical Aid	\$2,561,774	\$2,600,000
State Equalization Aid	\$13,905,030	\$14,044,080
Other State Revenue	\$1,211,876	\$1,211,876
Federal Revenue	\$417,910	\$400,000
Other Revenue	\$70,000	\$70,000
<b>Total Revenue</b>	<b>\$44,485,108</b>	<b>\$45,231,469</b>

**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.

**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 2020-2021 open enrollment budget will be adjusted based on the actual number of students that attend in the fall of 2020. 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 \$742 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.

**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.



**Other Revenue** includes Medicaid reimbursement, refunds and miscellaneous revenue.

**FUND 10 – GENERAL FUND**

**EXPENDITURES**

<b>Expenses By Object - Fund 10</b>			
<b>Object</b>	<b>Description</b>	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
100/200	Salaries/Benefits	\$30,250,000	\$31,119,390
300	Purchased Services	\$7,135,637	\$7,244,096
400	Non Capital Objects	\$1,579,140	\$1,457,700
500	Capital Objects	\$314,552	\$350,000
600/700	Debt Service/Insurance & Judgments	\$160,000	\$160,000
800	Transfers	\$4,762,638	\$4,625,283
900	Other	\$283,141	\$275,000
	<b>Total</b>	<b>\$44,485,108</b>	<b>\$45,231,469</b>

- 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		
	2019-2020 Budget	2020-2021 Projected
Total Revenues	\$44,485,108	\$45,231,469
Total Expenditures	\$44,485,108	\$45,231,469
Total	\$0.00	\$0.00

**Assumptions and Considerations for Fund 10 – General Fund:**

**Revenues:**

- \$179 Per Pupil increase on Revenue Limit
- \$742 Per Pupil Categorical Aid (No Increase)
- Projected increase of 8 FTE (25 students) resident enrollments
- \$179 per pupil increase (Revenue Limit)
- \$2,600,000 from 2016 operational referendum passage
- \$930,000 from 2018 operational referendum passage
- \$139,050 (1%) increase in State Equalization Aid over 2020-2021 (Reminder: As State Equalization Aid increases or decreases, the Local Levy increases or decreases in the opposite manner as they are counterbalancing.) DPI will release our estimated aid amount on July 1<sup>st</sup>, 2020. The final State Equalization Aid amount won't be released until October 15<sup>th</sup>, 2020.

**Expenditures:**

- Health insurance premiums increase of 5.9% (projected)
  - Proposed change for employee contributions from 5% to 10%
- Dental insurance premiums increase of 0% (projected)
- Increase of 4% for transportation
- Implementation of approved certified staffing plan
- Open enrollment out increase of 5 students
- Increase of 2% for utilities
- Increase of 4% for business insurance (Liability, Property, Workers Compensation & Unemployment)

**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		
	2019-2020 Budget	2019-2020 Projected
Operating Transfer	\$4,762,638	\$4,625,283
State Sources	\$1,670,779	\$2,059,558
Federal Sources	\$764,806	\$740,000
	\$7,198,223	\$7,424,841

**Breakdown of Fund 27 – Special Education Revenues:**

**Operating Transfer:** Transfer from Fund 10 (General Fund)

**Inter-District Payments:** Open Enrollment Tuition & Tuition Payments from Other WI School Districts

**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	2019-2020 Budget	2020-2021 Projected
100/200	Salaries/Benefits	\$6,035,015	\$6,166,598
300	Purchased Services	\$1,082,248	\$1,179,243
400	Non Capital Objects	\$40,350	\$38,000
500/600	Capital Objects/Debt	\$40,000	\$40,000
900	Other	\$610	\$1,000
	Total	\$7,198,223	\$7,424,841

FUND 38/39 DEBT SERVICE

<b>Monona Grove School District Debt Service (Fund 38 &amp; 39)</b>									
<b>As of June 30th, 2020</b>									
<b>Fund 38: Non-Referendum Debt Service Fund</b>									
<b>Issue #:</b>	<b>Issue Amount:</b>	<b>Type of Borrowing:</b>	<b>Date of Borrowing:</b>	<b>Description of Borrowing:</b>	<b>Remaining Principal:</b>	<b>Remaining Interest:</b>	<b>Total Remaining:</b>	<b>Date of Final Payment:</b>	
Issue #1:	\$6,135,000	General Obligation School Improvement Bonds, Series 2013A	March 20th, 2013	Energy Efficiency Projects	\$ 6,135,000.00	\$ 511,894.00	\$ 6,646,894.00	May, 2028	
Issue #2:	\$5,730,000	General Obligation School Improvement Bonds, Series 2014A	May 14th, 2014	Energy Efficiency Projects	\$ 5,730,000.00	\$ 1,376,887.00	\$ 7,106,887.00	May, 2034	
Issue #3:	\$2,040,000	Taxable General Obligation Refunding Bonds, Series 2015B (CR)	May 1st, 2015	OPEB	\$ 2,040,000.00	\$ 614,606.00	\$ 2,654,606.00	May, 2035	
Issue #4:	\$1,615,000	G:O Promissory Note	April 11th, 2025	40 Acre Land Purchase (Buss Road)	\$ 1,615,000.00	\$ 159,436.00	\$ 1,774,436.00	April, 2025	
<b>Fund 39: Referendum Approved Debt Fund</b>									
<b>Issue #:</b>	<b>Issue Amount:</b>	<b>Type of Borrowing:</b>	<b>Date of Borrowing:</b>	<b>Description of Borrowing:</b>	<b>Remaining Principal:</b>	<b>Remaining Interest:</b>	<b>Total Remaining:</b>	<b>Date of Final Payment:</b>	
Issue #1:	\$3,795,000	General Obligation Refunding Bonds (AR)	April 1st, 2011	2002 Referendum: District-Wide Repairs, Land Purchase	\$ 1,070,000.00	\$ 55,588.00	\$ 1,125,588.00	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	\$ 9,015,000.00	\$ 911,900.00	\$ 9,926,900.00	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	\$ 3,195,000.00	\$ 183,204.00	\$ 3,378,204.00	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	\$ 3,975,000.00	\$ 201,700.00	\$ 4,176,700.00	May, 2023	
Issue #5:	\$8,110,000	General Obligation Refunding Bonds, Series 2016(CR)	March 29th, 2016	2006 Referendum: Glacial Drumlin, Site Improvements to Winnequah, Maywood, & Cottage Grove	\$ 2,560,000.00	\$ 61,700.00	\$ 2,621,700.00	May, 2022	
Issue #6:	\$57,000,000	General Obligation Funding Bonds	May 6th, 2019	2018 Referendum: New Elementary School in Cottage Grove, Improvements to all buildings including turf and track upgrade	\$ 53,375,000.00	\$ 25,082,888.00	\$ 78,457,888.00	May, 2022	
<b>2020-2021 Budget Information:</b>									
<b>Fund 38:</b>					<b>Fund 39:</b>				
	Principal Payment:		\$1,110,000.00				Principal Payment:		\$3,115,000.00
	Interest Payment:		\$385,201.00				Interest Payment:		\$2,262,537.00
	Total Fund 38 Debt Payment:		<b>\$1,495,201.00</b>				Total Fund 39 Debt Payment:		<b>\$5,377,537.00</b>

**FUND 50 – SCHOOL NUTRITION**

Fund 50 – SCHOOL NUTRITION Revenue History and Projection		
	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
Food Sales	\$798,500	\$812,500
State Sources	\$22,500	\$22,500
Federal Sources	\$443,000	\$459,000
Other Sources	\$10,500	\$10,000
<b>Total Revenue</b>	<b>\$1,274,500</b>	<b>\$1,304,000</b>

Fund 50 – SCHOOL NUTRITION Expenditures		
<b>Description</b>	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
Salaries/Benefits	\$726,317	\$747,700
Purchased Services	\$20,843	\$18,000
Food and Supplies	\$525,322	\$536,300
Miscellaneous	\$2,018	\$2,000
<b>Total</b>	<b>\$1,274,500</b>	<b>\$1,304,000</b>

**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.

<b>Revenue</b>	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
Property Tax	\$550,000	\$600,000
Community Service Fees	\$113,500	\$100,000
Total	\$663,500	\$700,000

<b>Expenditures</b>	<b>2019-2020 Budget</b>	<b>2020-2021 Projected</b>
Salaries/Benefits	\$430,903	\$458,841
Purchased Services	\$205,975	\$218,159
Supplies	\$13,800	\$17,000
Equipment	\$3,000	\$1,000
Miscellaneous Expenditures	\$5,000	\$5,000
Total	\$658,678	\$700,000

**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