



**DISTRICT196**

One District. Infinite Possibilities.



# 2018-19 Preliminary Budget

Fiscal Year Ending June 30, 2019

**INDEPENDENT SCHOOL DISTRICT 196**

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

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



*Educating  
our students  
to reach their  
full potential*



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June 25<sup>th</sup>, 2018

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

## INTRODUCTION

Pursuant to the Minnesota Statute 123B.77, we are pleased to submit the district’s 2018-19 Preliminary Budget for your 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 learning 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 2018. It was also reviewed by the School Board at its regular meeting on June 11, 2018. This budget seeks to continue to support the district’s mission of “*Educating our students to reach their full potential*,” and keep expenditures and taxpayer burden to a minimum.

This budget has been designed to give readers a better understanding of the financial structure and budgeting process of the district. All budgets have 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 they move from the beginning to the end of the document.

## REPORT FORMAT

This budget 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 budgets to receive a MBA. The District received the ASBO Meritorious Budget Award for the last three fiscal years’ budget book presentations.

This budget document is presented in four sections:

- The **Introductory – I** section is an executive summary of the remaining three sections described below.
- The **Organizational – II** section provides an explanation of the district’s legal autonomy, governance structure, mission and goals. In addition, it discusses the policies, assumptions and procedures used in developing the budget.
- The **Financial – III** section is organized into four levels, using a pyramid approach to provide a further level of 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 School/Sites
- The **Informational – IV** section provides selected financial, demographic, and economic data on a multi-year comparative basis.



## REPORTING ENTITY AND ITS SERVICES

The district was incorporated in 1950 and serves a portion of 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 management of the district is responsible for establishing and maintaining internal controls designed to ensure that the assets of the district are protected from theft, misuse or losses.

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, first, on development of a budget projection model that attempts to project available resources and expenditures over a multiple-year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. This budget has been prepared in accordance with the budget parameters and personnel staffing guidelines approved by the School Board on February 12, 2018.

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 STRAEGIC 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 2018-19 Preliminary Budget:

	Projected Fund Balance July 1, 2018	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance June 30, 2019
General Fund	33,620,697	364,162,094	369,629,127	(1,400,181)	26,753,483
Special Revenue Funds	4,338,324	21,774,285	21,992,506	-	4,120,103
Building Construction Fund	33,784,656	230,000	32,976,300	-	1,038,356
Debt Service Funds	3,246,109	16,564,783	20,230,002	-	(419,110)
Internal Service Funds	33,445,219	47,730,000	49,266,000	-	31,909,219
Fiduciary Funds	617,056	1,600,000	1,500,000	-	717,056
	<u>109,052,061</u>	<u>452,061,162</u>	<u>495,593,935</u>	<u>(1,400,181)</u>	<u>64,119,107</u>

**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 much of its general operating revenue. Funding for operations from the state come in the form of the general education funding, special education, and other categorical funds.

State general education aid is distributed on a per pupil unit basis, with the formula allowance of \$6,312 for the 2018-19 school year, established at the beginning of the 2017-2019 biennium. Increases to the basic general education formula allowance have been at 2% over the past five years. This is marked improvement from the previous five years, which averaged 0.70% growth, much below the rate of inflation.

Like other school districts across the state, ISD 196 continues to grapple with the effects of inadequate funding for special education services. The district anticipates a variance of \$31 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 mandated services to meet needs, growing both in volume and complexity, without a corresponding increase in revenues.

The district is committed to continue to engage staff and community members in further budget discussions and to consider 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.

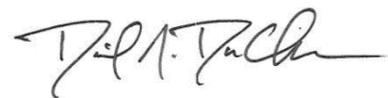
Respectfully,



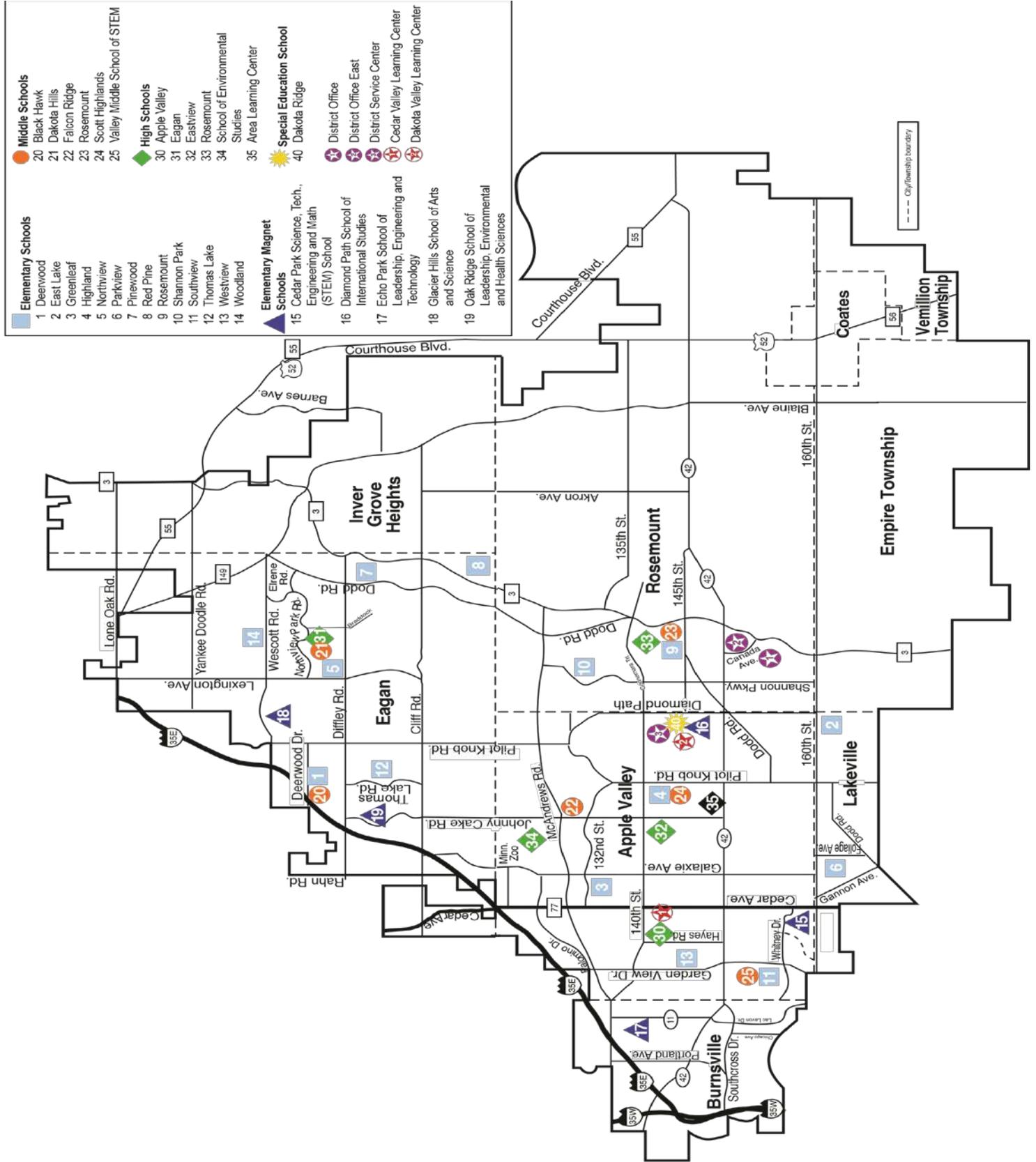
Jeffrey M. Solomon  
Director of Finance and Operations



Christopher Onyango-Robshaw  
Coordinator of Finance



Danny DuChene  
Mgr. 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 2017–2018.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

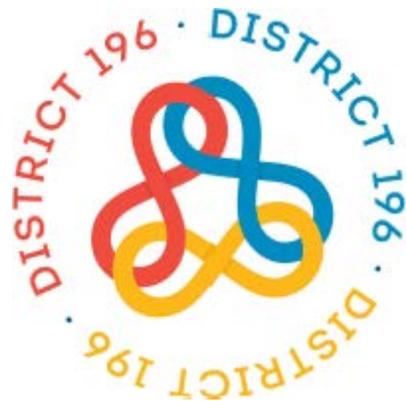
Charles E. Peterson, Jr. MBA, PRSBA, SFO  
President

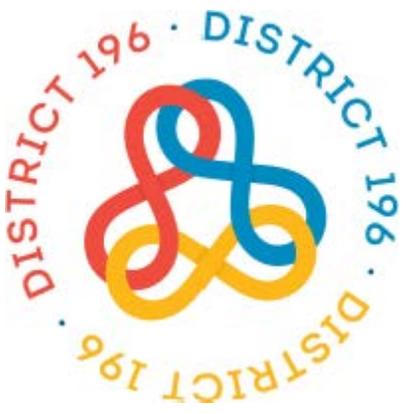
A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

# SECTION I

Executive Summary

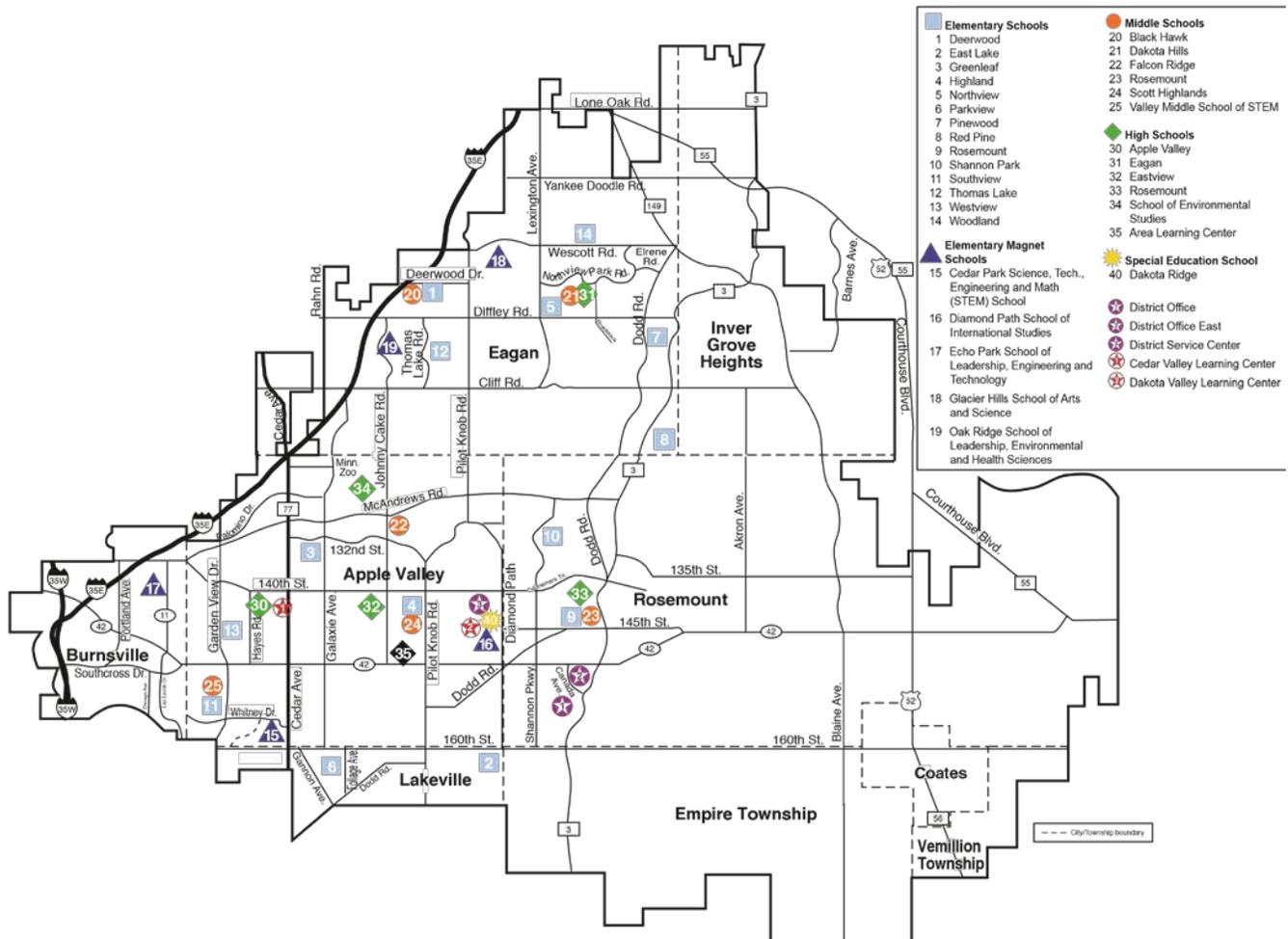




**The District**

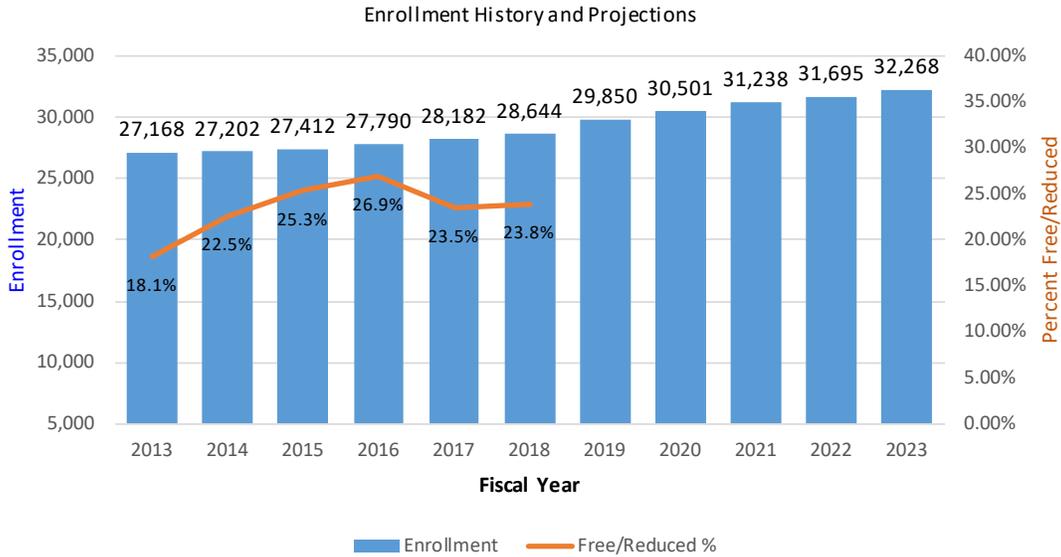
Independent School District 196 is a public school district in Dakota County, Minnesota serving approximately 29,850 students in early childhood programs through grade 12, and Community Education programming for the district’s more than 150,000 total residents. The mostly suburban district covers 110 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.

The district operates educational programs in 34 facilities, including 19 elementary schools, six middle schools, four comprehensive high schools, an optional high school for grades 11-12, an alternative high school, a school for students with special needs and two learning centers for early childhood family education and adult basic education. The district also has three facilities that provide support services.



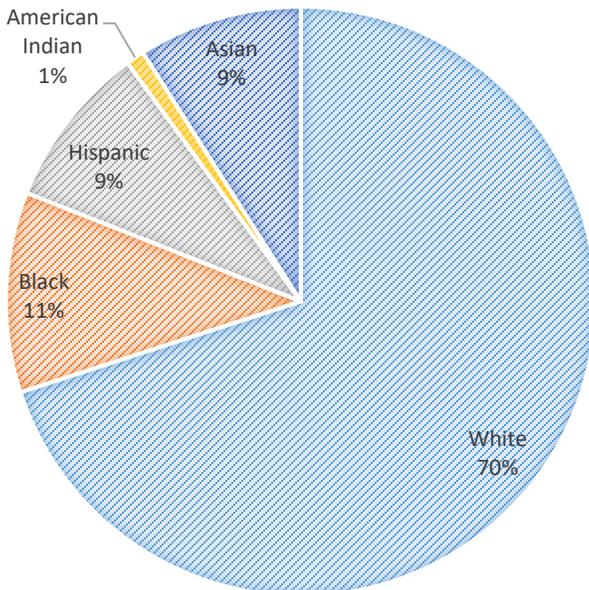
**District Students**

With an estimated enrollment of 29,850 students, District 196 is the fourth largest public school district in the great 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 of approximately 2.3 percent annually. The graph below shows the district’s actual October 1 enrollment for the years ended June 30, 2013 through 2017 and projected October 1 enrollment for the years ended June 30, 2018 through 2023.



The pie chart below shows the ethnicity of District 196 students. The percentage of White students decreased from 72 percent in 2013 to 70 percent in 2018. The representative percentage of Black, Hispanic, and Asian students has remained relatively unchanged over the same time period. The percentage of students qualifying for free or reduced-price school meals increased from 18.1 percent in 2013 to 23.8 percent in 2018. While below the statewide average of 37.7 percent in 2017, the percentage of students living in poverty in District 196 has increased faster than the State average.

**STUDENT ETHNICITY**



Percent of Student by Ethnicity					
Year	White	Black	Hispanic	Asian	A.Indian
2013	72	11	7	9	1
2014	70	12	8	9	1
2015	68	13	8	10	1
2016	68	13	8	10	1
2017	71	11	9	8	1
2018	70	11	9	9	1

In addition to demographic and diversity changes, the district’s growing student population requires a variety of educational needs focused around English Learners (EL) and special education programming. With over 103 languages represented throughout the district, EL programs ensure students new to the English language have equal access to a high quality education. 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 2018, the number eligible for EL programs has risen to approximately 1,726 (6.2 percent). Providing high quality and effective special education services remains a focal point for the district. In 2018, approximately 4,177 (14.8 percent) students qualified to receive special education services as part of an individualized education plan (IEP), compared to 4,168 (15.6%) who qualified for special education services in 2013.

**The School Board and Administration**

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 that proper facilities and equipment are available to support teaching and learning in the district.

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 workshops, committee meetings and public hearings, as needed. The public is invited to attend board meetings and may address items on the agenda during the open forum and special communication portions of the meeting.

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

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.



Jackie Magnuson  
Chairperson



Joel Albright  
Vice Chairperson



Sachin Isaacs  
Clerk



Art Coulson  
Treasurer



Craig Angrimson  
Director



Mike Roseen  
Director



Bob Schutte  
Director



Mary Kreger  
Interim  
Superintendent



Khia Brown  
Director of  
Community Education



Jill Coyle  
School District  
Attorney



Janet Fimmen  
Interim Director of  
Special Education



Mark Parr  
Director of  
Secondary Education



Tom Pederstuen  
Director of  
Human Resources



Sally Soliday  
Director of  
Elementary Education



Jeffrey Solomon  
Director of  
Finance and Operations



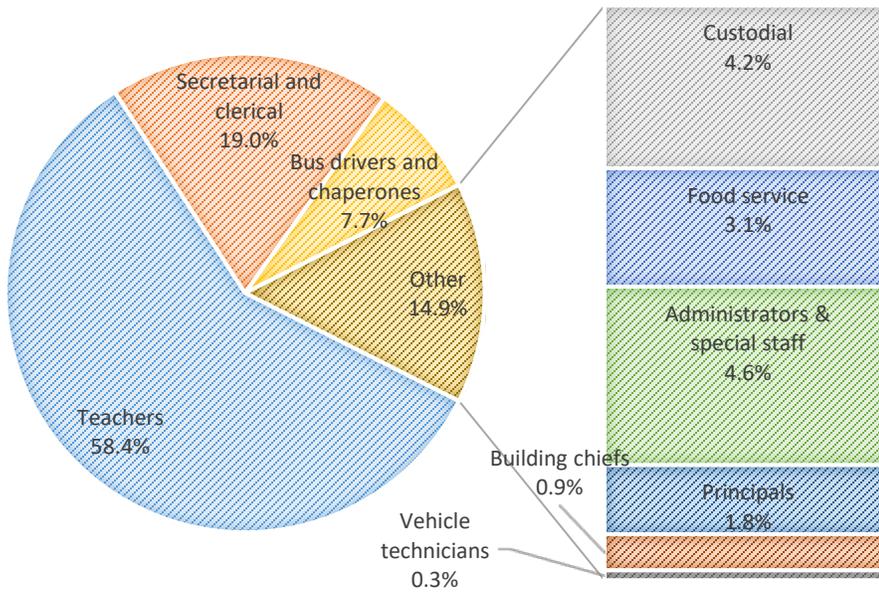
Tony Taschner  
Director of  
Communications



Steven Troen  
Director of  
Teaching and Learning

**District Staff**

**FULL-TIME EQUIVALENT EMPLOYEES BY GROUP**



The district employs approximately 4,000 staff. The majority are teachers and classified staff who provide instructional support in the classroom. The graph to the left shows the number of full-time equivalent (FTE) staff employed by the district. Almost all district employees are organized under one of the eight collective bargaining agreements (CBAs) in effect between the groups and the district. The eight CBAs currently in effect are: teachers, principals, secretarial and clerical, building chiefs, custodial, 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.

The table below shows the history of FTEs by employee group. Staffing has increased in tandem with the increase of students over the last several years.

Employee Group	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Actual	Actual	Actual	Prelim Budget
Teachers	1,918.90	1,988.90	2,015.53	2,012.73	2,059.67	2,059.67
Secretarial and clerical	649.60	651.00	640.06	642.29	670.41	670.41
Custodial	145.00	142.00	148.50	149.50	148.75	148.75
Bus drivers and chaperones	202.24	201.71	201.71	239.00	271.00	271.00
Food service	98.22	111.69	101.06	100.86	108.29	108.29
Administrators & special staff	133.69	137.90	144.48	153.66	144.59	163.22
Principals	65.75	66.86	66.04	67.33	70.59	71.05
Building chiefs	32.00	31.00	31.00	32.00	33.00	33.00
Vehicle technicians	8.00	7.00	9.00	8.00	9.00	9.00
<b>Totals</b>	<b>3,253.40</b>	<b>3,338.06</b>	<b>3,357.38</b>	<b>3,405.37</b>	<b>3,515.30</b>	<b>3,534.39</b>

The total number of staffing FTEs projected for the 2018-19 school year is based on projected October 1, 2018 student enrollment and School Board approved staffing guidelines and ratios.

The final staffing FTEs for the 2018-19 school year will be recalculated this fall, using actual October 1, 2018 student enrollment. By school staffing information can be found in Note 7 – Budget Allocations within Section II, Organizational Section.

## District Strategies and Goals

In spring 2011, Superintendent Jane K. Berenz convened the District 196 Strategic Planning Task Force and charged the group to develop a vision for education to guide district work and goals. The 60-member task force included parents, staff, School Board members and civic and faith leaders. Below are the district belief statements and strategies that resulted from the process.

### 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 One: TEACHING AND 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 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**

- Coordinate and align educational experiences between early childhood services (birth to kindergarten) and elementary schools (K-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 Three: 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 Four: 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 Timelines

The district's budget cycle is a continuous five-step process, beginning with the property tax levy, preliminary budget, final budget, spring budget adjustments, and the year-end annual financial audit and report. Each of these steps requires School Board approval and is open for public inspection and comments. Below are general descriptions on 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. The MDE calculates the maximum levy amount for each school district based on current legislation 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** – During the middle of each school year, the district moves to 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 during the spring of the current fiscal year. 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 the actual enrollment is determined.
3. **Final Budget** – The third step in the budgeting process happens during the fall each year. The finance department updates the preliminary budget with revised estimates and staffing allocations, and develops the final budget. The revisions are based on any changes in laws that affect education finance and are based on actual enrollment on October 1 of the current year.
4. **Budget Adjustments** – The fourth step in the process is a 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 that the revised budget is closely aligned with actual expenditures for the year. This adjustment allows for accurate funding for programs and provided 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 in Note 6 – Budget Development Process within Section II – Organization Section of this budget document.

A detailed budget planning calendar for the 2018-19 school year can be found in the Appendix Section of this budget document.

**District Budget – All Funds Summary**

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 2018 for each of the district's funds.

	<b>Projected Fund Balance July 1, 2018</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Other Financing Sources (Uses)</b>	<b>Fund Balance June 30, 2019</b>
General Fund	33,620,697	364,162,094	369,629,127	(1,400,181)	26,753,483
Special Revenue Funds					
Food Service	2,359,324	12,868,833	12,981,833	-	2,246,324
Community Service	1,979,000	8,905,452	9,010,673	-	1,873,779
Total Special Revenue Funds	4,338,324	21,774,285	21,992,506	-	4,120,103
Building Construction Fund	33,784,656	230,000	32,976,300	-	1,038,356
Debt Service Funds					
Regular	1,312,677	7,006,771	10,647,752	-	(2,328,304)
OPEB Bonds	1,933,432	9,558,012	9,582,250	-	1,909,194
Total Debt Service Funds	3,246,109	16,564,783	20,230,002	-	(419,110)
Internal Service Funds					
GASB #16	(3,267,568)	600,000	930,000	-	(3,597,568)
OPEB Trust	26,240,624	1,730,000	2,880,000	-	25,090,624
Self-Insured Dental	50,937	400,000	400,000	-	50,937
Self-Insured Health	10,421,226	45,000,000	45,056,000	-	10,365,226
Total Internal Service Funds	33,445,219	47,730,000	49,266,000	-	31,909,219
Fiduciary Funds					
Agency	100,833	1,600,000	1,500,000	-	200,833
Trust	516,223	-	-	-	516,223
Total Fiduciary Funds	617,056	1,600,000	1,500,000	-	717,056
<b>Total All Funds</b>	<b>109,052,061</b>	<b>452,061,162</b>	<b>495,593,935</b>	<b>(1,400,181)</b>	<b>64,119,107</b>

**Funds – Revenue Summary**

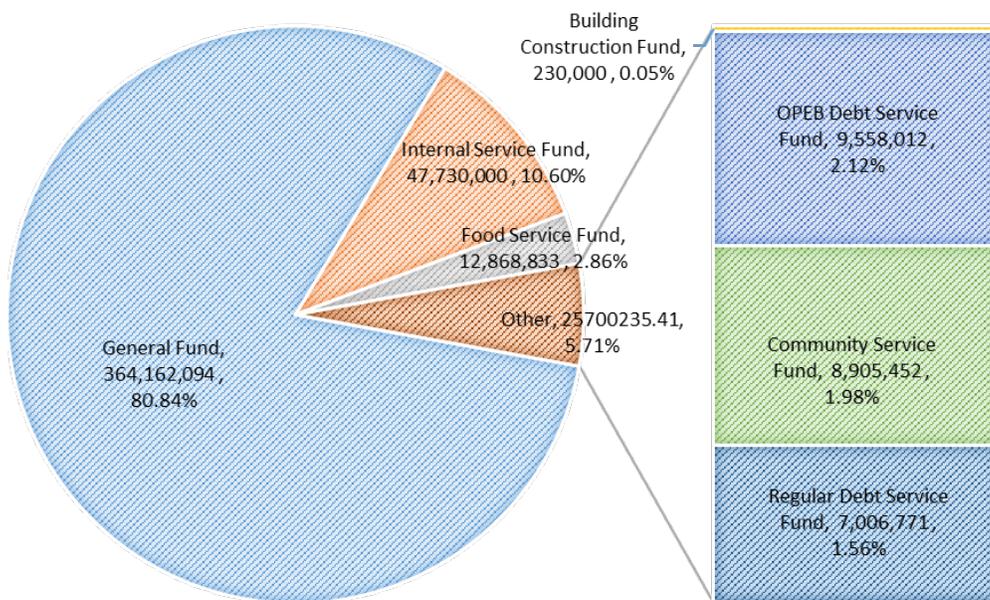
Revenues: Below is a summary of district revenues by fund:

	<u>2014-15 Actual</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>2017-18 Final Budget</u>	<u>2018-19 Prelim Budget</u>
General Fund	322,404,949	336,687,861	347,590,944	354,928,321	364,162,094
Food Service Fund	11,370,177	12,002,114	12,566,999	12,625,819	12,868,833
Community Service Fund	7,735,009	7,936,098	8,914,636	8,856,765	8,905,452
Building Construction Fund	6,248,392	139,492,614	1,147,192	500,000	230,000
Regular Debt Service Fund	16,721,220	7,067,082	7,474,670	6,778,620	7,006,771
OPEB Debt Service Fund	2,548,471	10,029,898	10,133,972	9,917,549	9,558,012
Internal Service Fund	46,023,650	47,672,538	54,515,451	46,980,000	47,730,000
Agency Fund	7,343	2,978	-	-	-
Trust Fund	1,547,985	1,351,522	1,601,685	1,590,000	1,600,000
<b>Total</b>	<u>414,607,196</u>	<u>562,242,705</u>	<u>443,945,548</u>	<u>442,177,074</u>	<u>452,061,162</u>

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 2018-19 general fund revenue budget, including other financing sources, is \$364.16 million. This is \$9,233,773 or 2.61 percent more than the estimate for the current fiscal year. The main reasons for this increase are:

- 1) A projected net increase of \$1.88 million in property tax revenue.
- 2) A projected \$6.7 million increase in general education aid. This increase is due to a \$124 per pupil unit formula allowance increase and an increase of adjusted pupil units used to calculate basic general education aid.
- 3) A projected increase of \$1.98 million in special education state aid, due to projected changes in enrollment and expenditures

The 2018-19 regular debt service fund revenue budget is \$7.00 million. This is \$0.23 million more than the budget for the current school year. Revenues for the regular debt service fund are directly tied to the district’s bond principal and interest payments. For the 2018-19 school year, almost 100 percent of the revenue budget comes from property taxes and a very small percentage from state aid in the form of market value homestead and agricultural credits.



The 2018-19 OPEB debt service fund revenue budget is \$9.56 million. This is \$0.36 million less than the current year budget. Similar to the regular debt service fund, revenues for the OPEB debt service fund are directly tied to the district’s OPEB bond principal and interest payments. Similar to the regular debt service fund, nearly 100 percent of the OPEB debt service revenues come from property taxes and a very small percentage come 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.

**All Funds – Expenditure Summary**

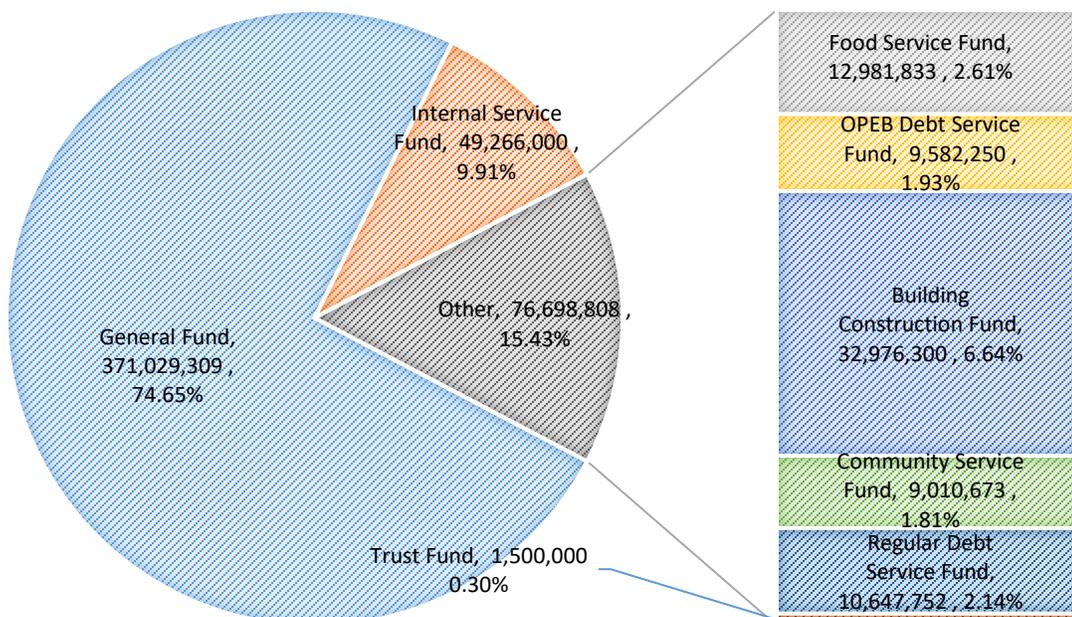
Expenditures: Below is a summary of the district expenditures by fund:

	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Actual</b>	<b>2017-18 Final Budget</b>	<b>2018-19 Prelim Budget</b>
General Fund	321,652,480	337,501,517	342,061,682	360,822,777	371,029,309
Food Service Fund	11,788,021	12,252,385	12,205,178	12,336,563	12,981,833
Community Service Fund	7,721,580	7,820,647	8,574,200	8,747,709	9,010,673
Building Construction Fund	14,404,915	11,532,316	33,294,959	62,524,088	32,976,300
Regular Debt Service Fund	19,219,161	16,582,713	10,037,982	9,234,370	10,647,752
OPEB Debt Service Fund	2,496,438	9,537,038	9,594,800	9,554,500	9,582,250
Internal Service Fund	48,473,686	50,655,241	52,388,414	48,230,000	49,266,000
Agency Fund	6,983	6,257	-	-	-
Trust Fund	1,500,210	1,370,253	1,554,268	1,590,000	1,500,000
<b>Total</b>	<b>427,263,475</b>	<b>447,258,365</b>	<b>469,711,483</b>	<b>513,040,007</b>	<b>496,994,117</b>

Note: The general fund 2014-15 actual and 2015-16 final budgeted expenditures include transfers out of \$6,225,838 and \$8,554,099 respectively.

The 2018-19 general fund expenditure, including other financing uses, is \$371.0 million. This is \$10.2 million or 2.83 percent greater than the estimate for the current fiscal year. The primary reasons for this change are:

- 1) An increase of \$10.8 million in the budgets for salary and employee benefits based on School Board approved contracts or budget planning guidelines reviewed by the School Board in February 2018.
- 2) Reductions of \$0.6 million in other discretionary budget areas



The 2018-19 building construction fund expenditure budget amounts to \$32.98 million. This is a \$29.55 million decrease from the current school year projection. These expenditures represent the third phase of planned facilities and technology improvements districtwide. These upgrades are funded by a \$130 million building bonds district voters approved in November 2015. More in depth analysis and information for the remaining funds can be found in the Financial Section of this document.

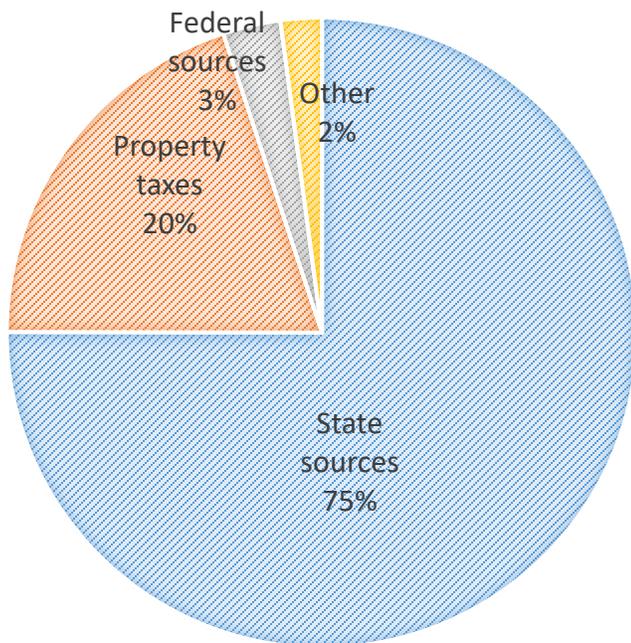
**General Fund – Revenues by Source**

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 the district’s activities.

	<u>2014-15 Actual</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>2017-18 Final Budget</u>	<u>2018-19 Prelim Budget</u>
Revenues					
State sources	244,220,251	254,809,742	260,157,330	264,157,378	273,250,017
Property taxes	58,338,748	62,523,327	66,590,727	70,426,840	72,446,818
Federal sources	8,318,521	8,655,141	9,427,560	12,275,461	10,785,262
Other	11,527,429	10,699,651	11,415,328	8,068,642	7,679,997
Total revenue	<u>322,404,949</u>	<u>336,687,861</u>	<u>347,590,944</u>	<u>354,928,321</u>	<u>364,162,094</u>

**State Sources:** The majority of the district’s general fund revenues come from state sources. These include per pupil basic general education aid; special education regular and excess cost aid; basic skills aid, including 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. The Minnesota Legislature determines the level of funding provided by the state. For the 2018-19 school year, state aids account for 75 percent of the 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 levy referendum. In November 2013, district voters approved a single ballot question to revoke the district’s current levy for \$1,111 per pupil and replace it with a new 10-year levy for \$1,486 per pupil, an increase of \$375 per pupil, beginning with 2014-15 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 Title programs such as Title I, which focuses on improving the achievement of educationally disadvantaged students, and aids to support special education services for students with special needs.

**Other Sources:** These revenues include miscellaneous School Board-approved fees for cocurricular 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 the fall to align with actual performance.

**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 services expenditures. Salaries, wages and benefits account for 85 percent of the general fund expenditures, as shown in the pie chart below.

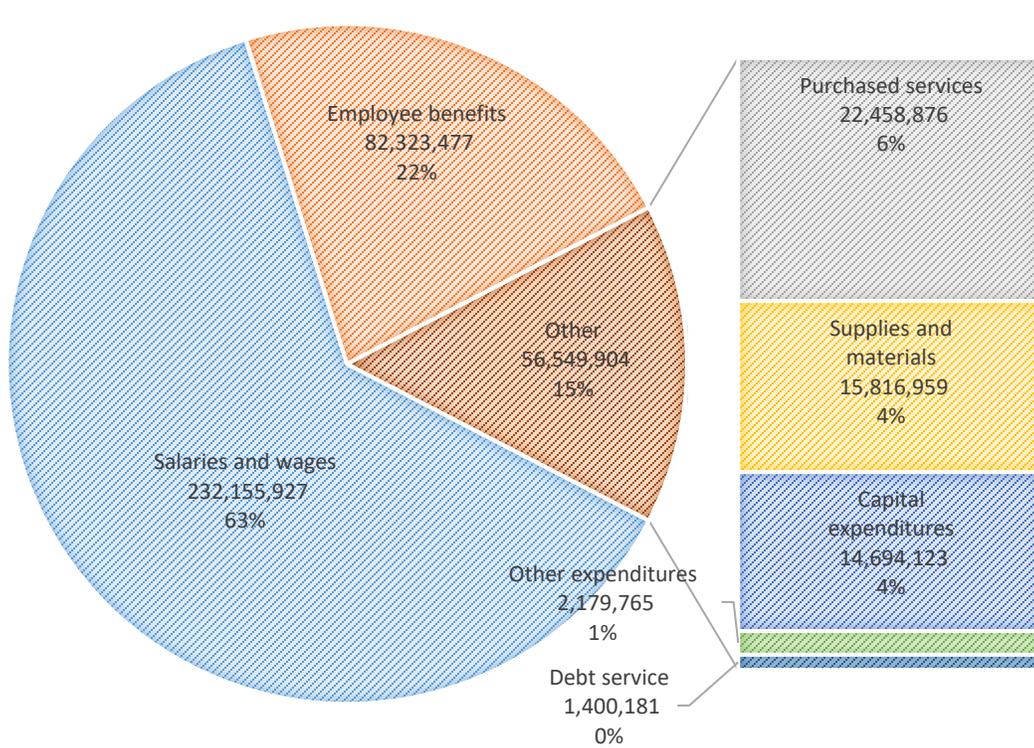
	<u>2014-15 Actual</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>2017-18 Final Budget</u>	<u>2018-19 Prelim Budget</u>
Expenditures					
Salaries and wages	202,142,161	208,897,809	215,617,882	225,085,867	232,155,927
Employee benefits	70,513,264	79,330,889	76,360,634	78,581,443	82,323,477
Purchased services	21,406,466	19,978,956	21,656,947	23,246,863	22,458,876
Supplies and materials	10,474,957	10,298,052	15,097,993	17,085,699	15,816,959
Capital expenditures	9,908,289	8,402,065	9,801,227	14,078,997	14,694,123
Other expenditures	753,187	632,004	2,098,147	577,101	2,179,765
Debt service	228,319	1,407,644	1,408,731	2,166,807	1,400,181
<b>Total expenditures</b>	<u>315,426,642</u>	<u>328,947,418</u>	<u>342,041,561</u>	<u>360,822,777</u>	<u>371,029,309</u>

**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 contribution for employee retirement (Social Security & Medicare, 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.

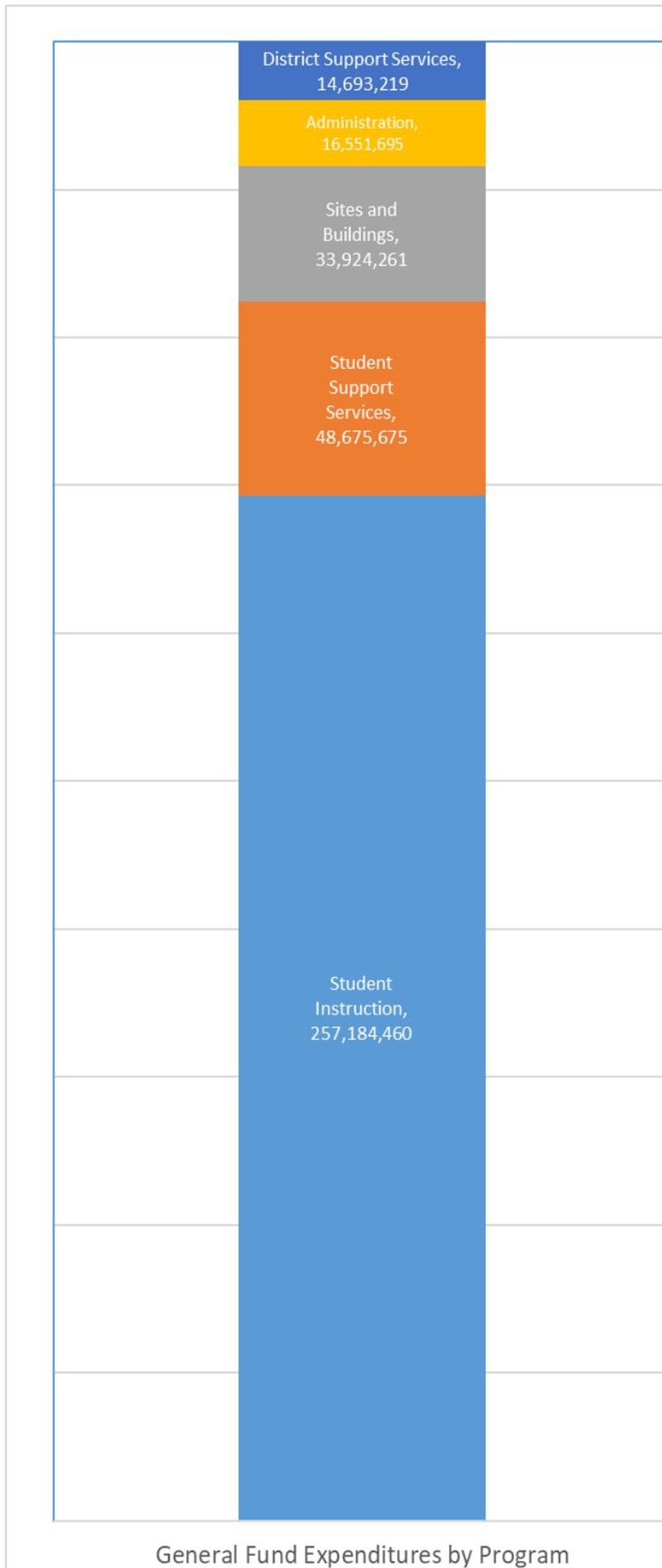
**Supplies and Materials:** Includes general supplies such as paper, instructional supplies for classrooms, textbooks and workbooks, standardized tests and media resources.



**Capital Expenditures:** Includes building and site repairs and other improvements, replacement of technology equipment such as computers for classrooms, printers, 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 table at the 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:** This includes expenses for services provided centrally by the district, such as human resources, business services, communication, 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 administrations and school administration. These expenses are reported in UFARS program dimension series 010-099 (Administration).

**Sites and Buildings:** Includes 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 their support staff. 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 cocurricular 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)

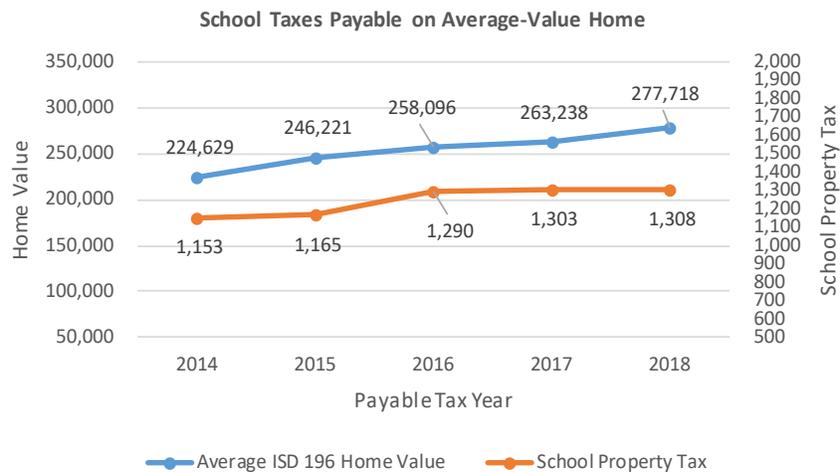
**Property Taxes**

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 tax paid by property owners. The two types of property tax levies are:

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

The graph below shows the average home value for the district and the corresponding school tax from 2013 to 2017. 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.



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. 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 years 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 Revenues					Total
	General Purposes	Community Service	Capital Projects Facility Improvements	Regular Debt Service	OPEB Debt Service	
2014	24,829,408	856,143	6,020,570	16,098,740	2,507,818	50,312,679 (1)
2015	52,118,695	1,683,323	6,220,053	16,692,852	2,547,390	79,262,313
2016	53,988,090	1,666,669	8,535,237	10,025,045	4,613,043	78,828,084
2017	55,619,568	1,668,406	10,971,159	7,309,963	10,082,389	85,651,484
2018 (Estimate)	58,970,882	1,653,648	11,455,958	6,728,620	9,917,549	88,726,657
2019 (Estimate)	61,594,018	1,654,113	10,852,800	6,956,771	9,558,012	90,615,714

(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.

**Achievement and Initiatives:**

**Achievement:** District 196 students have a tradition of outstanding achievement both in and out of the classroom. They win a large number of state and national awards in a variety of curricular and cocurricular 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.

Graduation Rates		
Fiscal Year	ISD 196	State
2017	90	83
2016	92	82
2015	90	82
2014	92	81
2013	92	80

As shown in the table, District 196 students graduated at a higher rate than the state average. 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 2013 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.

District 196 students in the class of 2017 scored well above state and national composite scores on the American College Test (ACT) entrance exam as the table to the right shows. The ACT average composite score for the district was 23.0, 1.5 points higher than the Minnesota average of 21.5, which was highest in the nation among states where more than half of all graduates took the test. Further data and information related to achievement can be found in the Informational Section-IV of this report.

American College Test (ACT) Scores			
Fiscal Year	ISD 196	State	National
2017	23.0	21.5	21.0
2016	23.0	21.1	20.8
2015	24.4	22.7	21.0
2014	24.1	22.9	21.0
2013	24.0	23.0	20.9

**Ongoing Initiatives:**

The district is continuing the implementation of the facilities improvement plan funded by the voter approved \$130 million in bonding authority. The funds are geared toward safety and security improvements at all schools, providing additional spaces for learning, and upgrades to technology infrastructure districtwide. Among the completed projects was the addition of a new school, East Lake Elementary, which began operating in the fall of 2017 with an enrollment of 436 students. The referendum question also included approximately \$5.0 million per year for 10 years to increase access to technology for all students and maintain that access over the life of the levy.

Some of the improvements, such as infrastructure upgrades and security equipment upgrade, as summarized below, have already begun.

**Safety and Security**

- Modify entrances at all schools to better control visitor access
- Upgrade security equipment at all schools (cameras, door locks and emergency response buttons)
- Site improvements at 16 sites with identified need to improve pedestrian and traffic safety

**Space for Learning**

- A new elementary school in the southern part of the district
- Additions to five elementary magnet schools and Parkview Elementary School
- STEM improvements at all six middle schools, Cedar Park Elementary STEM School and Apple Valley High School
- Improvements to meet district standards for space at Rosemount High and elementary schools with identified need
- Replacement of worn-out student furniture at middle and high schools

**Technology for Learning**

- Infrastructure upgrades
- Mobile learning device for each student in grades 4-12, phased in over three years
- 9-to-1 ratio of students-to-mobile learning device for grades pre-K-3

## Frequently Asked Questions (FAQs) and Contact Information

Below are answers to some frequently asked questions regarding the school district budget and finances.

### 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		\$371,029,309
Average Daily Membership	÷	29,850
Spending per Student	=	12,430

### 2) 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.

### 3) 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:

- 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.
- 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 districts.
- 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 education funding levels until the legislative session concludes in the spring.

### 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 (BAC).

#### More Information

If you have questions about the Budget, contact:

#### **Jeffrey M. Solomon, Director of Finance and Operations**

Email: [Jeff.Solomon@district196.org](mailto:Jeff.Solomon@district196.org)  
Phone: (651) 423-7713

#### **Christopher Onyango-Robshaw, Coordinator of Finance**

Email: [Christopher.Onyango-Robshaw@district196.org](mailto:Christopher.Onyango-Robshaw@district196.org)  
Phone: (651) 423-7748

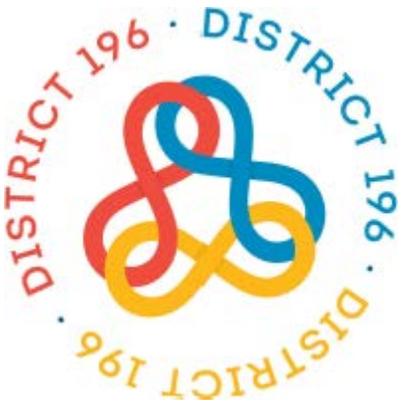
#### **Danny DuChene, Mgr. of Financial Systems/Reporting/Compliance**

Email: [Daniel.DuChene@district196.org](mailto:Daniel.DuChene@district196.org)  
Phone: (651) 423-7780

Budget information for the current and previous nine school years is available on the district website at:

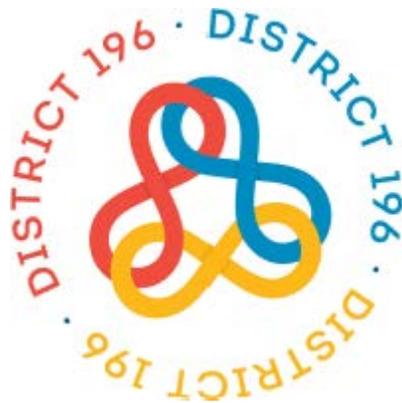
[www.district196.org/District/Departments/Finance](http://www.district196.org/District/Departments/Finance)

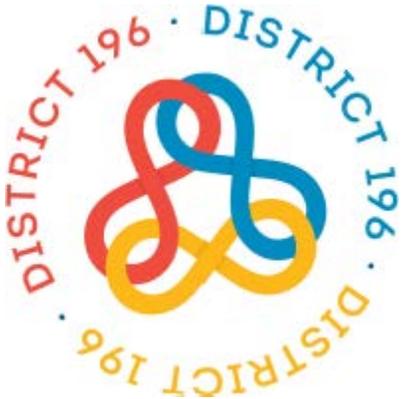
The site includes information about the annual budget process and timelines, an introduction to school finance and printable capital expenditure budgets, preliminary budgets, final budgets and year-end audit reports.



# SECTION II

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 a portion of nine suburban communities within Dakota County located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The district encompasses all or part of the cities of Apple Valley, Burnsville, Coates, Eagan, Inver Grove Heights, Lakeville, Rosemount and 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.

Extracurricular 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 extracurricular activities. Accordingly, the extracurricular 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 29,850 students from a population of more than 150,000 residents in a 110 square mile area.

The district has an increasingly diverse population of students with a variety of needs. For the 2017-18 school year, nearly 70 percent of students were White, 11 percent were Black, 9 percent Asian, 9 percent Hispanic and 1 percent were American Indian.

In the 2017-18 school year, 23.8 percent of district students qualified for free or reduced-price school meals and 14.8 percent students qualified to receive special education services. Also, in the 2017-18 school year, the number eligible for EL programs has risen to 6.2 percent.

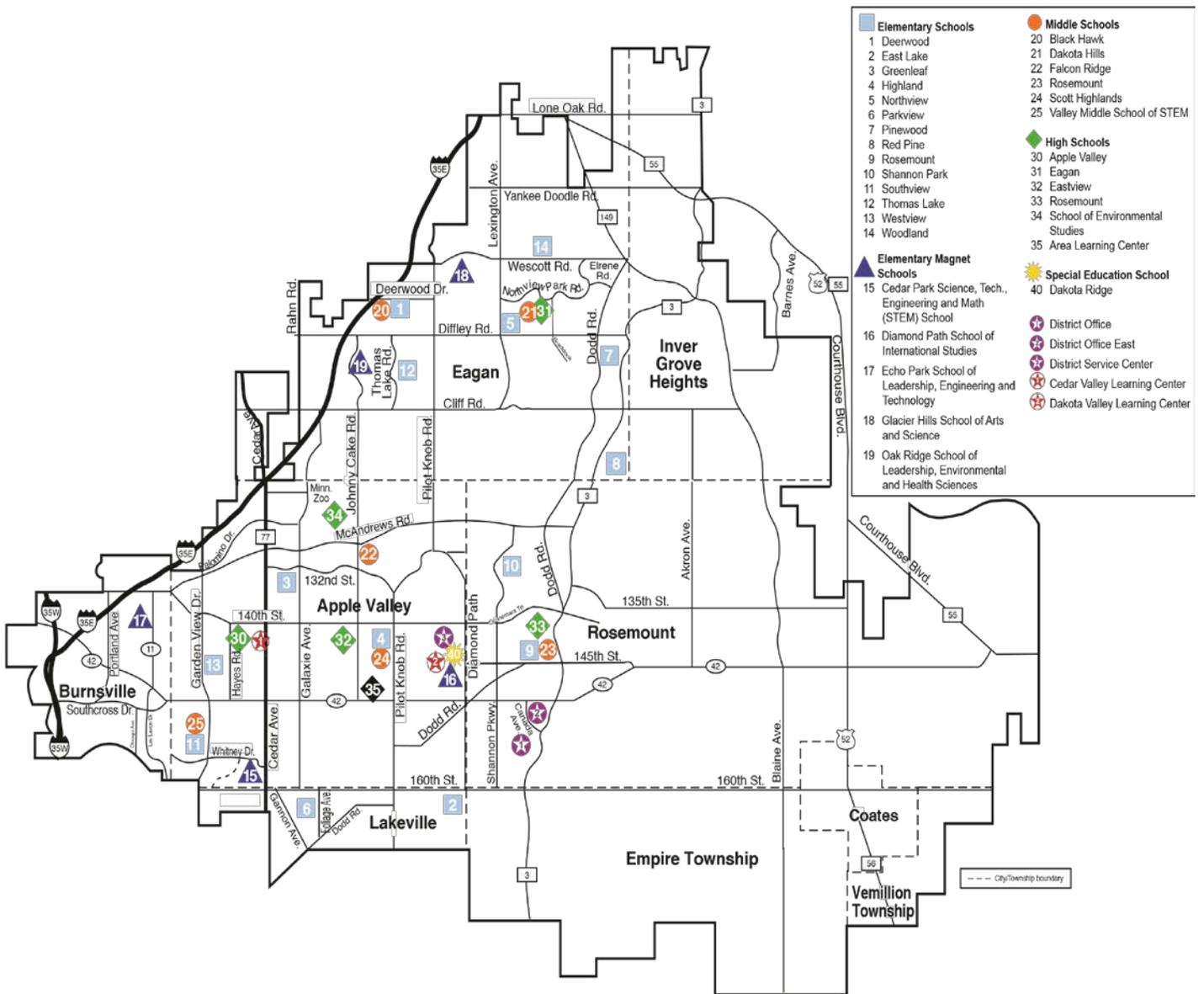
**NOTE 1 – DISTRICT OVERVIEW (CONTINUED)**

**D. District Schools and Facilities**

The district operates 34 instructional facilities including four comprehensive high schools (grades 9–12), one optional high school (grades 11–12), six middle schools (grades 6–8), 19 elementary schools (kindergarten through grade 5), one area learning center, one school for students with special needs (K-12), and two learning centers dedicated to adult basic education, early childhood education and early childhood special education.

The average age of the district’s facilities is approximately 33 years. The district utilizes funding through the Long Term Facilities Maintenance Program to keep up with routine repairs, maintenance and other facility improvements.

**E. District Map**



**NOTE 2 – GOVERNANCE**

**A. School Board and Superintendent’s Cabinet**

**School Board**

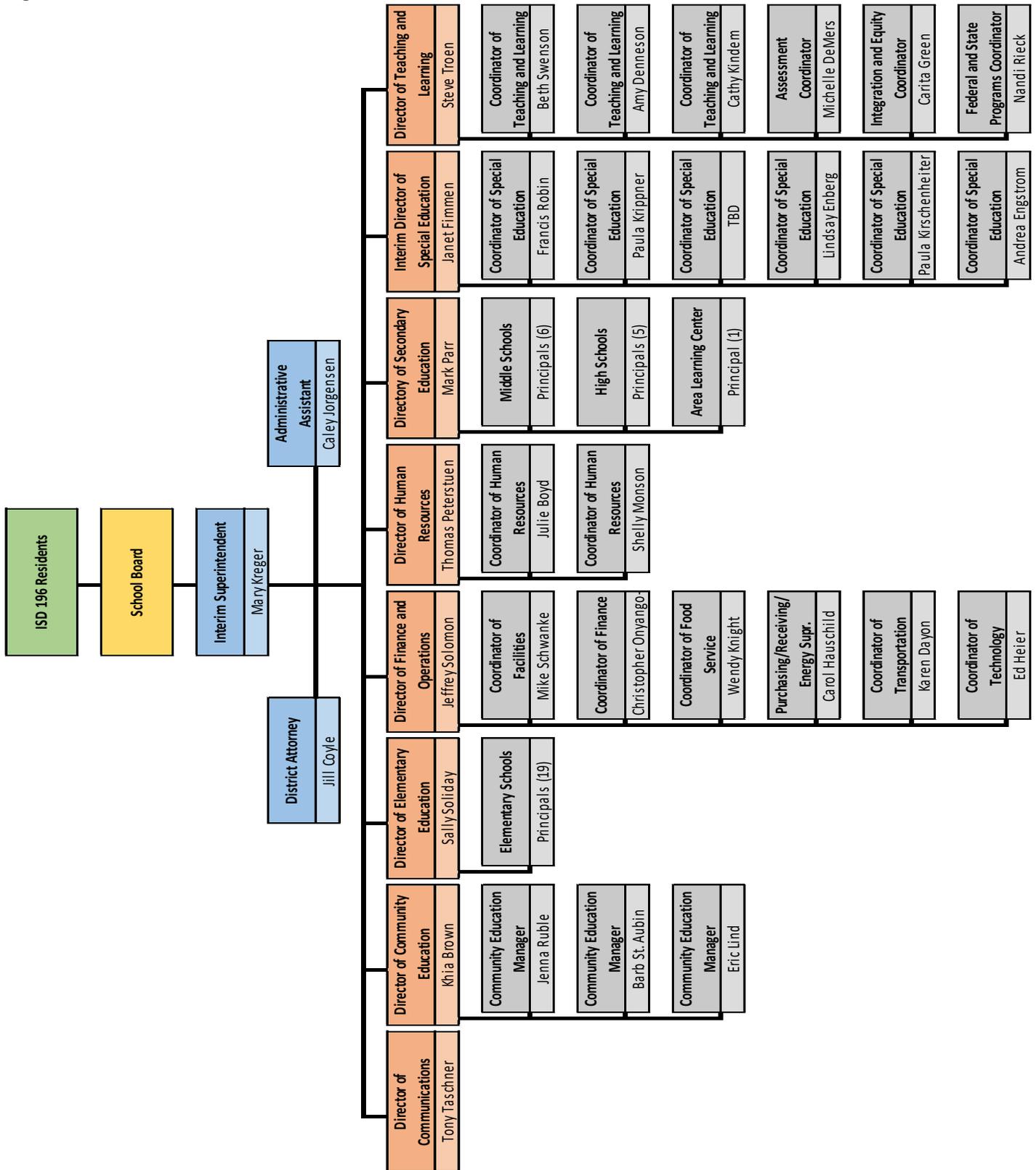
Jackie Magnuson	Chairperson
Joel Albright	Vice Chairperson
Art Coulson	Treasurer
Sachin Isaacs	Clerk
Craig Angrimson	Director
Mike Roseen	Director
Bob Schutte	Director

**Superintendent's Cabinet**

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

NOTE 2 – GOVERNANCE (CONTINUED)

B. Organization Chart



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

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

**Middle Schools**

<b>School</b>	<b>Abbreviation</b>	<b>Principal</b>
Black Hawk Middle School	BHMS	Richard Wendorff
Dakota Hills Middle School	DHMS	Trevor Johnson
Falcon Ridge Middle School	FRMS	Noel Mehus
Rosemount Middle School	RMS	Eric Hansen
Scott Highlands Middle School	SHMS	DanWilharber
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	Michael Bolsoni
Eagan High School	EHS	Paulette Reikowski
Eastview High School	EVHS	Randall Peterson
Rosemount High School	RHS	TBD
School of Environmental Studies	SES	Lauren Trainer

**NOTE 3 – DISTRICT MISSION AND STRATEGIC PLAN**

In spring 2011, the district convened a 60-member task force to develop a vision for education that is guiding district goals through 2016. The task force included parents, staff, School Board members, business, civic and faith community leaders. Task force members attended four informational meetings to establish a shared base of knowledge about district enrollment and demographics, school finance, teaching and learning, community and partnerships, educational trends and innovation. These informational meetings, led by a facilitator, were followed by four planning meetings where the task force members developed revised belief statements for the district and four guiding strategies. The School Board approved the plan in December 2011. A brief summary of the plan is listed below.

**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 42 through 49, 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
- **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 four internal service funds:
  - Severance Benefits
  - Other Post-Employment 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).
- **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.

**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

<u>Series Name</u>	<u>Series Range</u>
General Fund	01
Food Service	02
Community Service	04
Building Construction	06
Debt Service	07
Post-Employment Benefits Debt Service	47
Trust	08
Agency	09
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

<u>Series Name</u>	<u>Series Range</u>
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

<u>Series Name</u>	<u>Series Range</u>
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

<u>Series Name</u>	<u>Series Range</u>
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.

<b>TYPE</b>	<b>FUND</b>	<b>ORG/SITE</b>	<b>PROGRAM</b>	<b>FINANCE</b>	<b>OBJ/SRC</b>	<b>COURSE</b>
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.

<b>Dimension</b>	<b>District Description</b>	<b>UFARS Description</b>
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 2017-18 school year is \$6,188 per adjusted pupil unit (APU).

School Year	Formula Allowance	
	Amount	Percent Change
2013-14	5,302	1.5
2014-15 (1)	5,831	2.0
2015-16	5,948	2.0
2016-17	6,067	2.0
2017-18	6,188	2.0
2018-19	6,312	2.0

(1) The increase of \$529 in 2015 is to account for changes made to pupil count weighting enacted in the same year. The higher amount was used to offset the weighting reductions, which would have negatively impacted school districts. This is thus a funding mechanism meant to ensure districts were held harmless by the change.

- 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 for FY 2017 is \$14,740 of adjusted net tax capacity per pupil unit; in FY 2018 it will increase to \$17,473; and in FY 2019 it will increase to \$20,510.

For FY 2017, the district’s operating capital revenue is estimated to be \$220.77 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 - Beginning in FY 2005, a district's equity revenue is equalized on referendum market value using an equalizing factor of \$476,000.

- 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.

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.

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

**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.

**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 FY 2017. 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.
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** - Beginning in FY 2005, a district's equity revenue was equalized on referendum market value using an equalizing factor of \$476,000 (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. For FY 2014, about \$21 million in equity revenue was provided in state aid; the remaining \$72 million was raised through the levy. The current equalizing factor is \$510,000, adjusting for the lower pupil weight.
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:

- 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;

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

- 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.

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.

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

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.

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.

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

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 2014 and Later** - The 2013 Omnibus Education Finance bill modified the way Minnesota’s special education services are funded for FY 2014 and later. Prior to the changes, Minnesota’s special education formula was considered a partial cost reimbursement formula. As described on the previous two pages, this formula calculated each district’s authorized spending on special education services (consisting primarily of the salary costs of special education teachers and aides providing services to students with IEPs) and reimbursed the district for a portion of those costs.

During the 2013 session, the Governor proposed modifying the formula to base a portion of the funding on a “census style” of funding. Under a census-funding basis, a count (census) of different types of students is made and funding is assigned for each category of disability.

The 2013 Legislature adopted a modified version of the governor’s funding proposal. The goal of the formula is to provide some special education funding based on student characteristics and to partially move away from a cost-reimbursement formula.

For FY 2014 and 2015, the new formula is being phased in and combines elements of the cost-based special education aid formula with a cross-subsidy reduction aid based on the characteristics of the district. A district’s cross-subsidy reduction aid equals the lesser of:

- a. the product of the cross-subsidy reduction aid limit and the district’s average daily membership, or
- b. the product of the cross-subsidy reduction aid percentage, the district’s average daily membership and the sum of:
  - \$450;
  - \$400 times the district’s number of pupils eligible for free school meals and 50 percent of the number of pupils eligible for reduced-price school meals; and
  - .008 times the district’s average daily membership, plus
  - \$10,100 times the count of students with autism spectrum disorder, developmental delay or severely impaired;
  - \$17,500 times the count of students who are deaf/hard of hearing or have an emotional behavioral disorder, and
  - \$26,000 times the count of students who are developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deaf/blind.

Once the formula is phased in, beginning in FY year 2016, a district will be eligible for the sum of its special education-related transportation services, and the lesser of:

- a. 50 percent of the district’s nonfederal expenditures for the previous year;
- b. 62 percent of the district’s special education revenue computed under the old formulas, or
- c. 56 percent of the sum of the district’s average daily membership times the sum of:
  - \$450;
  - \$400 times the district’s number of pupils eligible for free lunch and 50 percent of the number of pupils eligible for reduced-price school meals;
  - .008 times the district’s average daily membership;
  - \$10,100 times the count of students with autism spectrum disorder, developmental delay, or severely multiply impaired
  - \$17,500 times the count of students who are deaf/hard of hearing or have an emotional behavioral disorder, and
  - \$26,000 times the count of students who are developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired or deaf/blind.

**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.

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

2. **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.
3. **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.
4. **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.
5. **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.

- 1.) **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.
- 2.) **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.
- 3.) **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.
- 4.) **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.
- 5.) **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												Fiscal Year											
	2018-19						2019-20						2018-19						2019-20					
	2017						2018						2019						2020					
Calendar Year	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 2018-19 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 2018-19 preliminary budget																								
Reviews staffing guidelines and allocations																								
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 2018-19 school year can be found in the appendix of this budget document.

**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 School Board at the November 13, 2017 meeting:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Projected Enrollment	28,257	28,485	28,803	29,570	30,248	30,693

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 increase by 6 percent for future years
- 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 held at current level
- General inflationary adjustment at 2 percent
- 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 reviewed by the School Board in November 2015 and the revenue and expenditure assumptions listed above.

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Revenues	358,522,238	364,162,094	368,252,865	379,937,014	389,376,024
Expenditures	360,916,072	371,029,309	384,097,906	398,998,134	414,220,794
Revenues over expenditures	<u>(2,393,834)</u>	<u>(6,867,215)</u>	<u>(15,845,041)</u>	<u>(19,061,120)</u>	<u>(24,844,770)</u>

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

Below is a detailed budget calendar for the 2018-19 Preliminary Budget;

<b>Activity</b>	<b>Person Responsible</b>	<b>Delivery Date</b>
Completion of long range enrollment projections and 2018-19 enrollment projections by school	Director of Finance & Operations Coordinator of Finance Student Information Supervisor School Board	November 15, 2017
Preparation of preliminary five-year general fund budget forecast	Director of Finance & Operations Coordinator of Finance Manager of Financial Systems, Reporting & Compliance	November 2017 through January 2018
Budget Advisory Council meet to provide assumptions for preliminary five-year general fund budget forecast	Director of Finance & Operations Budget Advisory Council	January 10, 2018
School Board meet to discuss assumptions and review a range of five-year general fund forecast scenarios. School Board identify “most likely” scenario for 2018-19 preliminary budget planning, including budget assumptions	Superintendent Director of Finance & Operations School Board	January 22, 2018
School Board meet to review 2018-19 capital expenditure account budget	School Board Superintendent Director of Finance & Operations Coordinator of Finance	February 12, 2018
School Board review 2018-19 staffing guidelines (Other Action Item)	Superintendent Director of Human Resources School Board	February 12, 2018
Preliminary 2018-19 staffing allocations to director of elementary education and director of secondary education	Coordinator of Finance Manager of Financial Systems, Reporting & Compliance	February 25, 2018
2018-19 staffing allocations, building allocations and budget instructions send to principals and district-level administrators	Coordinator of Finance Manager of Financial Systems, Reporting & Compliance	March 14, 2018
MyBudgetFile® budget centers open for 2018-19 budget preparation	Coordinator of Finance & Staff	March 19, 2018
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 13, 2018
Directors review budgets with superintendent, then submit budgets to finance when ready for processing	Superintendent Directors	April 20, 2018
Director of Finance & Operations review 2018-19 preliminary budgets analysis with Superintendent	Superintendent Director of Finance & Operations	April 26, 2018
Prepare draft copy of 2018-19 preliminary budget	Director of Finance & Operations Coordinator of Finance Manager of Financial Systems, Reporting & Compliance	May 25, 2018
Cabinet review proposed 2018-19 preliminary budget	Cabinet	June 3, 2018
School Board Audit/Finance committee meet to review proposed 2018-19 preliminary budget	School Board Audit and Finance Committee	June 11, 2018
First reading of proposed 2018-19 preliminary budget (new business)	School Board	June 11, 2018
Second reading and approval of 2018-19 preliminary budget (old business)	School Board	June 25, 2018
2018-19 preliminary budget in place and being expended and monitored	Coordinator of Finance, Principals District-Level Administrators	July 1, 2018

**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 2018-19 staffing allocations to the schools are based on the guidelines and ratios approved by the School Board on February 12, 2018, and enrollment projections completed in November 2017. 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 2017.
- 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, 2018. 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, 2018
- 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, 2018

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

**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 January 8, 2018 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 2018-19 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.

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

	2018-2019 Per-pupil Allocations			
	Instructional Supplies	Staff Development	Co-curricular Supplies	Co-curricular Staffing
Alternative Learning Center	362.46	8.00	-	-
High schools	176.80	8.00	147.97	78.18
Co-curricular Fixed Costs				716,561.00
Middle schools	112.83	8.00	31.48	20.76
				113,176.00
Elementary Schools - Title I schools	122.86	8.00		1,169 /Stipend
Elementary Schools - Non-Title I schools	126.87	8.00		1,169 /Stipend
Special Education				
Early Childhood Special Ed.	35.17	8.00		
Other Elementary Schools	54.35	8.00		
Other middle & High Schools	58.99	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

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

- **Compensatory Education Allocations** – Compensatory education revenues for the 2018-19 school year are based on estimates prepared by the Minnesota Department of Education dated January 9, 2018. These estimates are based on the district's actual enrollment and actual free and reduced-price school meal counts on October 1, 2017. 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 2018-19, 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.

**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 2017 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 elementary schools are shown below.

School	Enrollment				Teachers (Licensed Staff)				
	SpEd	K-2	3-5	Total	K-2 (1)	Grades 3-5	Specialists	Band	Enrichment
Cedar Park	5	336	366	707	14.609	13.071	5.014	0.580	0.550
Deerwood	27	336	339	702	14.609	12.107	4.979	0.490	0.550
Diamond Path	-	361	381	742	15.696	13.607	5.262	0.590	0.550
East Lake	17	347	265	629	15.087	9.464	4.461	0.190	0.300
Echo Park	26	355	331	712	15.435	11.821	5.050	0.390	0.550
Glacier Hills	11	324	410	745	14.087	14.643	5.284	0.520	0.550
Greenleaf	13	386	492	891	16.783	17.571	6.319	0.480	0.800
Highland	37	352	343	732	15.304	12.250	5.191	0.630	0.550
Northview	41	240	181	462	10.435	6.464	3.600	0.340	0.300
Oak Ridge	24	268	259	551	11.652	9.250	3.908	0.360	0.300
Parkview	18	437	413	868	19.000	14.750	6.156	0.490	0.800
Pinewood	16	292	291	599	12.696	10.393	4.248	0.480	0.300
Red Pine	17	331	403	751	14.391	14.393	5.326	0.590	0.550
Rosemount	18	336	351	705	14.609	12.536	5.000	0.530	0.550
Shannon Park	31	290	357	678	12.609	12.750	4.809	0.430	0.550
Southview	31	320	318	669	13.913	11.357	4.745	0.350	0.550
Thomas Lake	26	233	253	512	10.130	9.036	3.631	0.200	0.300
Westview	39	236	208	483	10.261	7.429	3.600	0.320	0.300
Woodland	24	341	284	649	14.826	10.143	4.603	0.340	0.550
Totals					266.132	223.035	91.186	8.300	9.450

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 12, 2018. The following shows some of the key staffing ratios:

- **Classroom teachers:** grades K-2, 1.0 FTE to 23 students, by building; grades 3-5, 1 to 28 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 FY2017-18, with final FTE allocation updated once actual fall 2018 enrollment is available
- **Gifted and talented teachers:** allocations are based on actual number of students identified for the gifted and talented program, no proration factor
- **Nurses:** 0.875 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 / 127 Special Education students
- **12-month secretary:** 1.0 FTE per building, no proration factor of enrollment
- **10-month secretary:** 1.000 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	Secretaries		Clerks	Total
			Administrator	12-Month	10-Month	10-Month	
CP	0.938	1.000	0.613	1.000	0.955	4.218	42.547
DW	0.938	1.000	0.770	1.000	0.948	4.055	41.446
DP	0.938	1.000	0.605	1.000	1.002	4.458	44.708
EP	0.938	1.000	0.637	1.000	0.900	3.677	37.653
EP	0.938	1.000	0.771	1.000	0.962	4.121	42.037
GH	0.938	1.000	0.688	1.000	1.006	4.410	44.125
GL	0.938	1.000	0.822	1.000	1.203	5.275	52.191
HL	0.938	1.000	0.868	1.000	0.989	4.175	42.895
NV	0.938	1.000	0.677	1.000	0.900	3.450	29.104
OR	0.938	1.000	0.625	1.000	0.900	3.450	33.382
PV	0.938	1.000	0.839	1.000	1.172	5.107	51.252
PW	0.938	1.000	0.606	1.000	0.900	3.503	36.063
RP	0.938	1.000	0.737	1.000	1.014	4.410	44.349
RE	0.938	1.000	0.707	1.000	0.952	4.127	41.949
SP	0.938	1.000	0.780	1.000	0.916	3.887	39.668
SV	0.938	1.000	0.773	1.000	0.904	3.833	39.362
TL	0.938	1.000	0.608	1.000	0.900	3.450	31.193
WV	0.938	1.000	0.680	1.000	0.900	3.450	29.878
WL	0.938	1.000	0.705	1.000	0.900	3.755	38.759
Totals	17.813	19.000	13.511	19.000	18.323	76.811	762.560

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

Staffing allocations for middle schools are shown below.

	<b>BHMS</b>	<b>DHMS</b>	<b>FRMS</b>	<b>RMS</b>	<b>SHMS</b>	<b>VMS</b>	<b>Total</b>
Enrollment	867	1,171	1,106	1,350	1,044	1,070	6,608
<b>FTE Allocations</b>							
Classroom Teacher	32.022	43.250	40.849	49.861	38.560	39.520	244.063
Counselor	2.000	2.000	2.000	2.300	2.000	2.000	12.300
Technology Assistant	0.450	0.450	0.450	0.450	0.450	0.450	2.700
<b>Specialists</b>							
Library/Media	0.900	0.900	0.900	0.900	0.900	0.900	5.400
Gifted and Talented	0.900	0.900	0.900	0.900	0.900	0.900	5.400
Band	1.800	2.600	2.500	3.140	3.000	1.800	14.840
<b>Administrative</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
Administrative Assistant	0.068	0.092	0.087	0.106	0.082	0.084	0.520
<b>Secretarial/Clerical</b>							
12-month Secretaries	2.000	2.000	2.000	2.000	2.000	2.000	12.000
10-month Secretaries	0.650	0.732	0.691	0.844	0.653	0.669	4.238
10-month Clerks	3.315	4.477	4.229	5.161	3.992	4.091	25.264
Nurse	1.000	1.000	1.000	1.000	1.000	1.000	6.000
<b>Total FTE Allocations</b>	<b>47.105</b>	<b>60.401</b>	<b>57.606</b>	<b>68.663</b>	<b>55.536</b>	<b>55.414</b>	<b>344.726</b>

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 12, 2018. The following shows some of the key staffing ratios:

- **Classroom teachers:** 1.0 FTE per 26.25 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
- **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 FY2017-18, 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:** 0.00007875 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 high schools are shown below.

	<b>AVHS</b>	<b>EHS</b>	<b>EVHS</b>	<b>RHS</b>	<b>SES</b>	<b>ALC</b>	<b>Total</b>
Enrollment	1,621	2,033	2,143	2,254	384	100	8,535
<b>FTE Allocations</b>							
Counselors/Dean	3.643	4.569	4.816	5.065	0.863	0.000	18.955
Classroom Teacher	61.752	77.448	81.638	85.867	14.629	4.211	325.544
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>Specialists</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	1.621	2.033	2.143	2.254	0.384	0.000	8.435
6th/7th period requests (SES Adj)	0.119	0.109	0.124	0.089	(0.441)	0.000	0.000
<b>Administrative</b>							
Principal / ALC Coordinator	1.000	1.000	1.000	1.000	1.000	0.500	5.500
Assistant Principal	3.000	3.000	3.000	3.000	0.000	0.000	12.000
Administrative Assistant	0.095	0.118	0.196	0.274	0.000	0.000	0.684
<b>Secretarial/Clerical</b>							
12-month Secretaries	4.000	4.000	4.000	4.000	1.000	1.000	18.000
10-month Secretaries	2.108	2.643	2.787	2.931	1.350	0.900	12.719
10-month Clerks	3.878	4.863	5.127	5.392	0.000	0.675	19.935
Building Security Specialists	2.000	2.000	2.000	2.000	0.000	1.000	9.000
Nurse	1.000	1.000	1.000	1.000	0.813	0.250	5.063
<b>Total FTE Allocations</b>	<b>89.264</b>	<b>107.831</b>	<b>112.878</b>	<b>117.920</b>	<b>20.272</b>	<b>8.536</b>	<b>456.701</b>

Staffing allocations are based on the staffing allocation guidelines approved by the School Board on February 12, 2018. The following shows some of the key staffing ratios:

- **Classroom teachers:** 1.0 FTE per 26.25 (23.75 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)
- **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 (0.450 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:** 1.000 FTE per 1416 students of enrollment over 2,000, with minimum 0.095 FTE per site
- **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 (0.000 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.

School	Type	Enrollment				Per-pupil Allocations		Professional	Team
		SpED	ECSE	K-12	Total	Instructional	Staff Development	Growth Plan (PGP)	Leaders
CP	Elementary (a)	5	2	702	709	86,590	5,616	2,233	17,399
DW	Elementary	27	-	675	702	87,105	5,400	2,147	17,308
DP	Elementary	-	-	742	742	94,138	5,936	2,360	17,670
EP	Elementary (a)	26	9	686	721	86,012	5,488	2,182	17,632
EL	Elementary	17	39	612	668	79,940	4,896	1,947	16,205
GH	Elementary (a)	11	-	734	745	90,777	5,872	2,335	17,805
GL	Elementary (a)	13	-	878	891	108,578	7,024	2,793	18,717
HL	Elementary	37	14	695	746	90,678	5,560	2,211	17,799
NV	Elementary	41	-	421	462	55,641	3,368	1,339	15,969
OR	Elementary (a)	24	-	527	551	66,052	4,216	1,676	16,540
PV	Elementary (a)	18	-	850	868	105,409	6,800	2,704	18,256
PW	Elementary	16	30	583	629	75,890	4,664	1,854	16,421
RP	Elementary	17	12	734	763	94,469	5,872	2,335	17,650
RE	Elementary (a)	18	-	687	705	88,138	5,496	2,185	17,447
SP	Elementary	31	-	647	678	83,770	5,176	2,058	17,156
SV	Elementary (a)	31	15	638	684	80,597	5,104	2,029	17,172
TL	Elementary	26	27	486	539	64,022	3,888	1,546	16,027
WV	Elementary (a)	39	33	444	516	57,830	3,552	1,412	16,078
WL	Elementary	24	-	625	649	80,598	5,000	1,988	16,748
BHMS	Middle School	25	-	883	908	99,121	6,936	2,758	14,341
DHMS	Middle School	19	-	1,104	1,123	133,186	9,368	3,725	15,826
FRMS	Middle School	14	-	1,086	1,100	125,793	8,848	3,518	15,945
RMS	Middle School	18	-	1,283	1,301	153,854	10,800	4,294	17,746
SHMS	Middle School	35	-	1,022	1,057	120,036	8,352	3,321	16,284
VMS	Middle School	20	-	1,027	1,047	122,203	8,560	3,403	15,684
AVHS	High School	36	-	1,621	1,657	288,717	12,968	5,194	30,177
EHS	High School	44	-	2,033	2,077	362,030	16,264	6,515	34,254
EVHS	High School	39	-	2,143	2,182	381,183	17,144	6,867	34,942
RHS	High School	59	-	2,254	2,313	401,987	18,032	7,223	37,459
SES	High School	-	-	384	384	67,891	3,072	1,230	6,941
ALC	Other	-	-	100	100	36,246	800	320	715
Totals						3,868,480	220,072	87,500	566,314

(a) Denotes Title I Schools

## NOTE 7 – BUDGET ALLOCATIONS (CONTINUED)

School	Cocurricular			Compensatory	Basic Skills	Total
	Staffing	Supplies	Substitute			
CP	2,338	-	-	371,962	14,216	500,354
DW	2,338	-	-	101,647	27,338	243,283
DP	3,507	-	-	79,238	30,051	232,901
EP	2,338	-	-	697,129	13,892	824,674
EP	2,338	-	-	18,666	24,786	148,779
GH	2,338	-	-	109,290	14,864	243,282
GL	2,338	-	-	408,357	17,780	565,587
HL	3,507	-	-	40,711	28,148	188,614
NV	2,338	-	-	41,231	17,051	136,937
OR	4,676	-	-	358,495	10,672	462,327
PV	2,338	-	-	164,403	17,213	317,124
PW	2,338	-	-	57,609	23,612	182,388
RP	2,338	-	-	34,316	29,727	186,707
RE	2,338	-	-	75,183	27,824	218,611
SP	2,338	-	-	7,695	26,204	144,397
SV	4,676	-	-	193,104	12,920	315,602
TL	2,338	-	-	34,368	19,683	141,872
WV	2,338	-	-	266,467	8,991	356,668
WL	3,507	-	-	36,811	25,313	169,966
BHMS	131,175	27,293	-	249,413	41,388	572,425
DHMS	137,486	36,863	-	60,884	30,396	427,734
FRMS	136,137	34,817	-	234,647	43,375	603,079
RMS	141,202	42,498	-	61,976	40,840	473,210
SHMS	134,849	32,865	-	132,739	42,734	491,180
VMS	135,389	33,684	-	470,697	68,892	858,512
AVHS	851,265	254,952	3,023	685,430	-	2,131,726
EHS	882,694	314,436	3,023	92,392	-	1,711,608
EVHS	891,841	331,749	3,023	135,703	-	1,802,452
RHS	899,893	346,990	3,023	143,034	-	1,857,641
SES	8,771	-	-	14,922	-	102,828
ALC	-	-	-	71,647	-	109,728
Totals	4,403,311	1,456,147	12,092	5,450,166	657,910	16,722,194

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

The operating capital allocations for all schools are shown below.

School	Enrollment				Total	WADM (1)	Allocation	Age Factor Addition	Total Allocation
	K	1-3	4-6	7-12					
CP	108	340	254	-	702	732.4	27,755	6,176	33,930
DP	111	384	247	-	742	766.7	29,055	6,465	35,520
DW	115	346	214	-	675	724.3	21,341	-	21,341
EL	121	318	173	-	612	646.7	19,054	-	19,054
EP	123	344	219	-	686	734.4	27,830	6,192	34,023
GH	106	338	290	-	734	774.6	22,823	-	22,823
GL	123	399	356	-	878	926.6	35,114	7,813	42,927
HL	118	347	230	-	695	756.5	22,289	-	22,289
NV	80	228	113	-	421	474.8	17,992	4,003	21,996
OR	89	259	179	-	527	569.4	16,777	-	16,777
PV	149	426	275	-	850	895.8	33,947	7,553	41,501
PW	93	304	186	-	583	618.1	18,212	-	18,212
RE	107	356	224	-	687	727.7	27,577	6,136	33,713
RP	110	353	271	-	734	778.8	22,946	-	22,946
SP	95	296	256	-	647	704.6	20,760	-	20,760
SV	101	326	211	-	638	690.9	26,183	5,826	32,008
TL	72	240	174	-	486	530.3	20,096	4,471	24,568
WL	113	328	184	-	625	668.1	19,685	-	19,685
WV	89	211	144	-	444	498.6	18,895	4,204	23,099
AVHS	-	-	-	1,621	1,621	2,485.5	94,190	20,958	115,147
EHS	-	-	-	2,033	2,033	3,115.5	91,794	-	91,794
EVHS	-	-	-	2,143	2,143	3,273.0	96,435	-	96,435
RHS	-	-	-	2,254	2,254	3,469.5	131,480	29,255	160,734
SES	-	-	-	384	384	576.0	16,971	-	16,971
BHMS	-	-	290	577	867	1,214.7	35,790	-	35,790
DHMS	-	-	389	782	1,171	1,625.9	47,905	-	47,905
FRMS	-	-	370	736	1,106	1,534.1	45,200	-	45,200
RMS	-	-	458	892	1,350	1,877.6	71,153	15,832	86,985
SHMS	-	-	343	701	1,044	1,480.6	56,108	12,484	68,593
VMS	-	-	354	716	1,070	1,498.1	56,772	12,632	69,404
ALC	-	-	-	100	100	150.0	6,500	-	6,500
Totals	1,973	6,088	6,209	12,581	27,509	35,519.80	1,198,629	150,000	1,348,629

(1) Weight Average Daily Membership

**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. *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:** April 2009

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

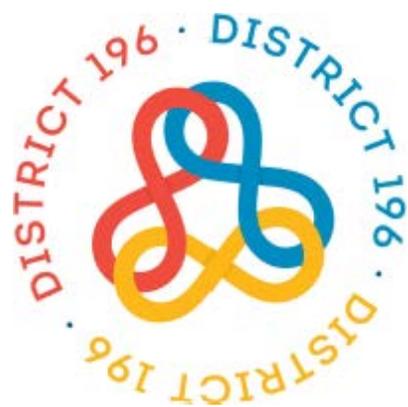
1. Purpose – Prudent fiscal management requires the maintenance of reasonable fund balances to mitigate financial risk from unforeseen circumstances and provide cash flow liquidity for general operations. Fund balance classifications described in this policy allow for more useful fund balance reporting 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 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.

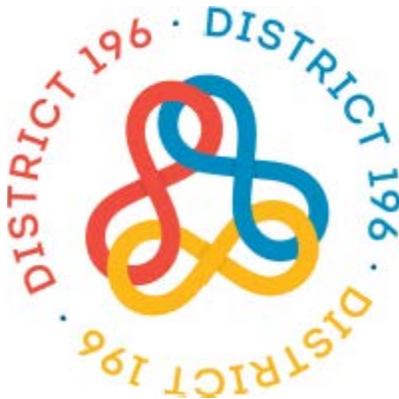
**References:**

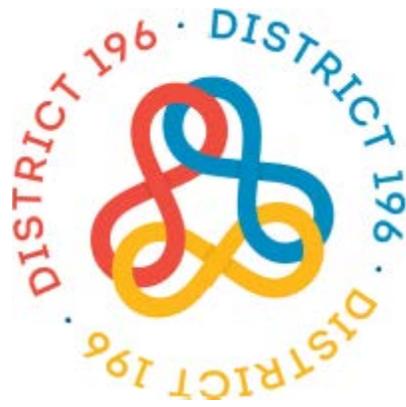
- Statement No. 54 of the Governmental Accounting Standards Board



# SECTION III

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.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Final Budget</b>	<b>Prelim Budget</b>
<b>Revenue</b>					
State sources	247,270,822	258,200,427	264,144,985	269,766,742	277,249,043
Property taxes	79,262,313	78,828,084	85,651,484	88,726,657	90,615,714
Federal sources	12,820,912	13,700,320	14,628,582	17,444,421	16,035,825
Other sources	69,076,606	70,387,754	79,554,324	68,243,171	67,201,753
Total revenue	<u>408,430,652</u>	<u>421,116,586</u>	<u>443,979,374</u>	<u>444,180,991</u>	<u>451,102,335</u>
<b>Expenditures</b>					
Salaries & wages	211,765,015	218,675,842	226,485,679	235,383,129	242,731,792
Employee benefits	120,989,092	131,186,324	130,414,454	128,832,015	133,833,472
Purchased services	24,466,241	24,539,695	30,228,020	28,288,037	24,525,512
Supplies & materials	16,442,971	16,421,859	21,552,535	23,430,968	22,468,648
Capital expenditures	27,362,565	17,420,935	36,281,921	74,033,065	48,262,779
Other expenditures	2,275,519	2,031,885	3,693,670	617,411	2,223,975
Debt service	19,611,593	15,822,724	21,035,083	20,945,677	21,392,127
Total expenditures	<u>422,912,995</u>	<u>426,099,264</u>	<u>469,691,362</u>	<u>511,530,302</u>	<u>495,438,305</u>
Revenue over expenditures	(14,482,343)	(4,982,678)	(25,711,988)	(67,349,311)	(44,335,970)
<b>Other financing sources (uses)</b>					
Capital lease	4,200,000	(480,000)	-	-	-
Bond refunding payments	(2,325,000)	(12,125,000)	-	-	-
Proceeds from sale of bonds	-	132,505,238	-	-	-
Transfer in	6,225,838	8,554,099	20,122	-	-
Transfer out	(6,225,838)	(8,554,099)	(20,122)	-	-
Total other financing sources (uses)	<u>1,875,000</u>	<u>119,900,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(12,607,343)	114,917,559	(25,711,988)	(67,349,311)	(44,335,970)
<b>Fund balances (deficits)</b>					
Beginning of year	<u>100,492,780</u>	<u>87,885,437</u>	<u>202,802,996</u>	<u>177,091,008</u>	<u>109,741,697</u>
End of year	<u>87,885,437</u>	<u>202,802,996</u>	<u>177,091,008</u>	<u>109,741,697</u>	<u>65,405,727</u>

**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 2014-15 through the 2021-22 school years reported by the source and expenditures reported by object.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
<b>Revenues</b>								
State Sources	244,220,251	254,809,742	260,157,330	265,706,295	273,250,017	276,319,538	285,086,771	292,169,359
Property Taxes	58,338,748	62,523,327	66,590,727	70,426,840	72,446,818	73,260,641	75,585,098	77,462,906
Federal Sources	8,318,521	8,655,141	9,427,560	12,275,461	10,785,262	10,906,417	11,252,462	11,532,014
Other Sources	11,576,724	10,632,868	11,469,276	10,113,642	7,679,997	7,766,269	8,012,682	8,211,746
Total revenue	322,454,243	336,621,079	347,644,892	358,522,238	364,162,094	368,252,865	379,937,014	389,376,024
<b>Expenditures</b>								
Salaries and wages	202,142,161	207,937,809	215,617,882	225,077,977	232,155,972	241,308,614	250,669,648	260,233,249
Employee benefits	70,513,264	79,330,889	76,360,634	78,581,443	82,323,621	85,569,059	88,888,521	92,279,815
Purchased services	21,406,466	19,978,956	21,656,947	23,251,163	22,458,876	23,344,311	24,249,902	25,175,089
Supplies and materials	10,474,957	10,298,052	15,097,993	17,182,584	15,817,359	16,440,539	17,078,313	17,729,888
Capital expenditures	9,908,289	8,882,065	9,801,227	14,078,997	14,921,179	15,273,435	15,865,934	16,471,255
Other expenditures	753,187	632,004	2,098,147	577,101	2,179,365	706,565	733,974	761,977
Debt service	228,319	1,407,644	1,408,731	2,166,807	1,173,125	1,455,383	1,511,841	1,569,521
Total expenditures	315,426,642	328,467,418	342,041,561	360,916,072	371,029,497	384,097,906	398,998,134	414,220,794
Revenue over expenditures	7,027,601	8,153,661	5,603,332	(2,393,834)	(6,867,403)	(15,845,041)	(19,061,120)	(24,844,770)
<b>Other financing sources (uses)</b>								
Capital lease	-	(480,000)	-	-	-	-	-	-
Certificates of participation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	(6,225,838)	(8,554,099)	(20,122)	-	-	-	-	-
Total other financing sources(uses)	(6,225,838)	(9,034,099)	(20,122)	-	-	-	-	-
Net change in fund balances	801,763	(880,438)	5,583,210	(2,393,834)	(6,867,403)	(15,845,041)	(19,061,120)	(24,844,770)
<b>Fund balances</b>								
Beginning of year	31,130,886	31,932,649	31,052,211	36,635,421	34,241,587	27,374,183	11,529,142	(7,531,977)
End of year	31,932,649	31,052,211	36,635,421	34,241,587	27,374,183	11,529,142	(7,531,977)	(32,376,747)

As stated in Note 4 – 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 2018-19 school year with a \$34.2 million fund balance, or 9.50 percent of projected operating expenditures.

The projection for the 2019-20 through the 2021-22 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.

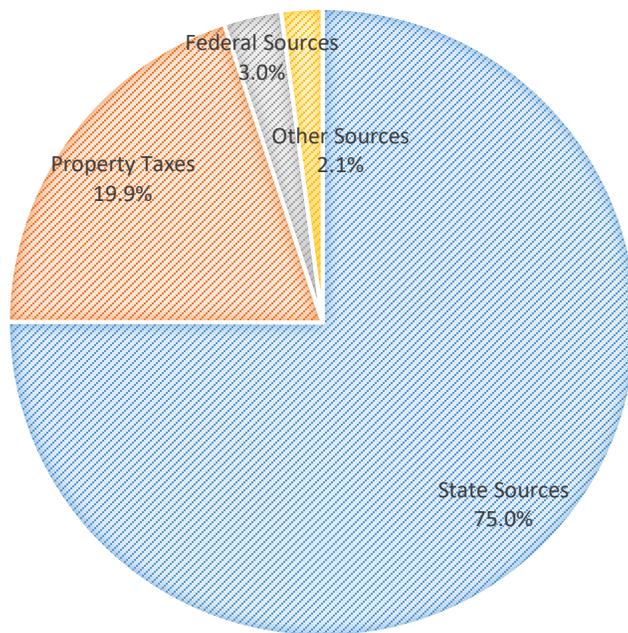
**General Fund**  
**All Sub-Accounts (continued)**

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

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Projection	2020-21 Projection	2021-22 Projection
Revenues								
State Sources	244,220,251	254,809,742	260,157,330	265,706,295	273,250,017	276,319,538	285,086,771	292,169,359
Property Taxes	58,338,748	62,523,327	66,590,727	70,426,840	72,446,818	73,260,641	75,585,098	77,462,906
Federal Sources	8,318,521	8,655,141	9,427,560	12,275,461	10,785,262	10,906,417	11,252,462	11,532,014
Other Sources	11,576,724	10,632,868	11,469,276	10,113,642	7,679,997	7,766,269	8,012,682	8,211,746
Total revenue	322,454,243	336,621,079	347,644,892	358,522,238	364,162,094	368,252,865	379,937,014	389,376,024

The 2018-19 general fund revenue budget totaled \$364.16 million. This is \$5,639,856 or 1.57 percent more than the estimate for the current fiscal year. The primary reasons for this increase are:

- 1) A projected net increase of \$2.02 million in property tax revenue.
- 2) A projected \$7.5 million increase in state aid, which includes \$1.98 million increase in special education aid. The general education aid increase is due to a \$124 per pupil unit formula allowance increase and an increase of adjusted pupil units used to calculate basic general education aid.
- 3) The district is projecting a reduction of \$1.49 million in federal aid due to the sunset of two grants, and reductions of \$2.43 million in other revenue sources due to revised estimates from budget managers.



The pie chart shows the 2018-19 projected general fund revenues. State sources account for the largest share of general fund revenues, at 75.0 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 19.9 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 3.0 and 2.1 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.

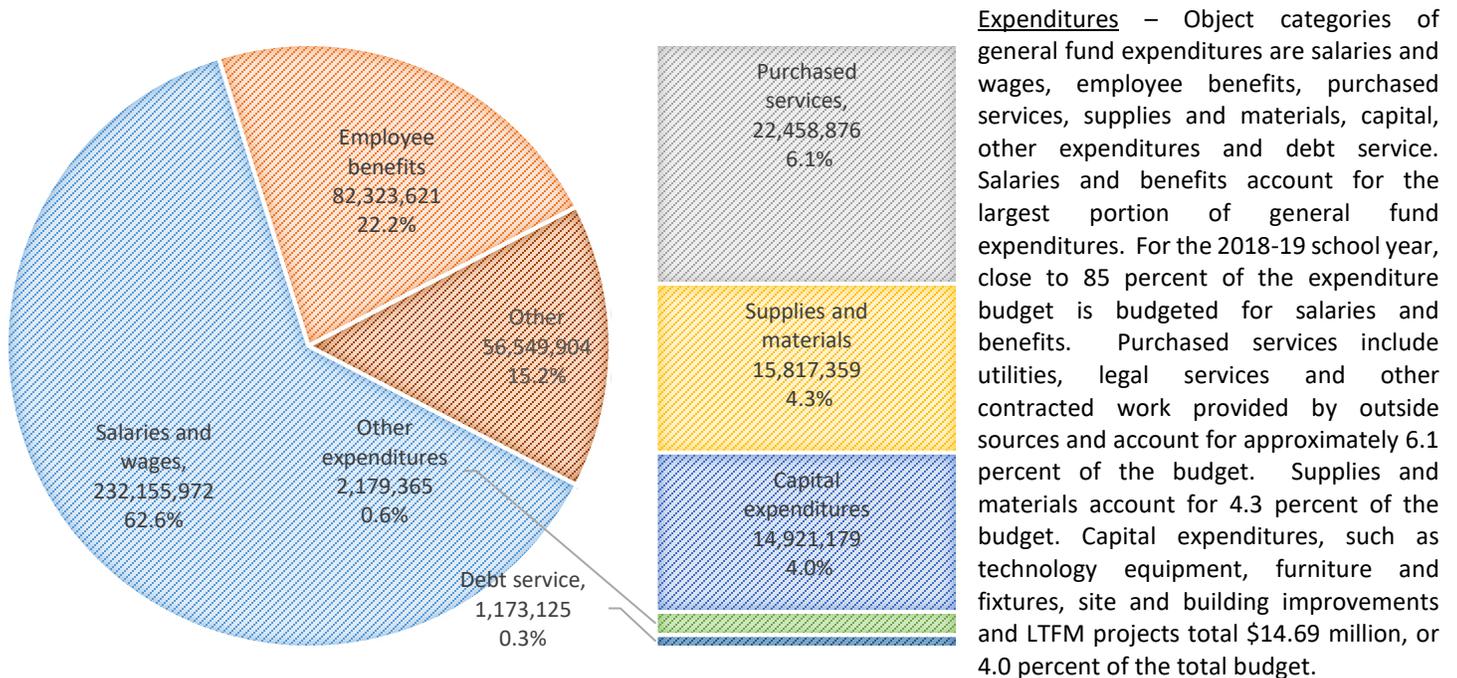
**General Fund  
All Sub-Accounts (continued)**

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

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Projection	2020-21 Projection	2021-22 Projection
Expenditures								
Salaries and wages	202,142,161	207,937,809	215,617,882	225,077,977	232,155,972	241,308,614	250,669,648	260,233,249
Employee benefits	70,513,264	79,330,889	76,360,634	78,581,443	82,323,621	85,569,059	88,888,521	92,279,815
Purchased services	21,406,466	19,978,956	21,656,947	23,251,163	22,458,876	23,344,311	24,249,902	25,175,089
Supplies and materials	10,474,957	10,298,052	15,097,993	17,182,584	15,817,359	16,440,539	17,078,313	17,729,888
Capital expenditures	9,908,289	9,362,065	9,801,227	14,078,997	14,921,179	15,273,435	15,865,934	16,471,255
Other expenditures	6,979,025	9,186,102	2,118,269	577,101	2,179,365	706,565	733,974	761,977
Debt service	228,319	1,407,644	1,408,731	2,166,807	1,173,125	1,455,383	1,511,841	1,569,521
Total expenditures	321,652,480	337,501,517	342,061,682	360,916,072	371,029,497	384,097,906	398,998,134	414,220,794

The 2018-19 general fund expenditure budget totaled \$371.03 million. This is \$10.11 million or 2.80 percent more than the estimate for the current fiscal year. The two main reasons for this increase are:

- 1) An increase of \$10.82 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, 2018.
- 2) A decrease of \$0.70 million in the budgets for other expenditure categories. These other areas include discretionary expenditures by buildings on purchased services, supplies and capital expenditures.



### 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 2014-15 through 2021-22 school years, with revenues reported by the source and expenditures reported by object.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
<b>Revenues</b>								
State sources	3,047,019	3,386,594	3,884,146	4,060,447	3,999,026	3,833,194	4,178,074	4,258,788
Property taxes	1,683,323	1,666,669	1,668,406	1,653,648	1,654,113	1,660,790	1,650,161	1,648,194
Federal sources	4,502,391	5,045,179	5,201,022	5,168,960	5,250,563	5,216,877	5,402,357	5,485,500
Other Sources	9,866,669	9,820,908	10,707,939	10,599,529	10,870,583	10,577,862	10,936,275	11,024,590
Total revenue	19,099,402	19,919,350	21,461,513	21,482,584	21,774,285	21,288,724	22,166,867	22,417,072
<b>Expenditures</b>								
Salaries and wages	8,822,249	9,009,887	9,749,874	9,375,152	9,645,820	9,498,675	9,775,419	9,841,803
Employee benefits	2,673,908	2,797,822	2,783,330	2,950,572	3,229,851	2,998,911	3,253,319	3,265,453
Purchased services	1,619,327	1,584,803	1,707,715	1,976,354	2,066,636	1,842,826	2,064,811	2,063,829
Supplies and materials	5,955,878	6,122,112	6,252,062	6,248,384	6,651,289	6,409,550	6,702,185	6,728,311
Capital expenditures	423,569	534,504	251,574	490,500	365,300	271,456	263,686	234,028
Other expenditures	14,672	23,903	34,824	30,310	33,610	29,952	35,570	36,677
Total expenditures	19,509,601	20,073,032	20,779,378	21,071,272	21,992,506	21,051,370	22,094,989	22,170,101
Revenue over expenditures	(410,200)	(153,681)	682,135	411,312	(218,221)	237,354	71,877	246,971
<b>Other financing sources (uses)</b>								
Other	-	-	-	-	-	-	-	-
Transfers in	5,785	18,862	20,122	-	-	-	-	-
Total other financing sources (uses)	5,785	18,862	20,122	-	-	-	-	-
Net change in fund balances	(404,415)	(134,820)	702,257	411,312	(218,221)	237,354	71,877	246,971
<b>Fund balances</b>								
Beginning of year	3,763,989	3,359,574	3,224,755	3,927,012	4,338,324	4,120,103	4,357,457	4,429,334
End of year	3,359,574	3,224,755	3,927,012	4,338,324	4,120,103	4,357,457	4,429,334	4,676,305

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.

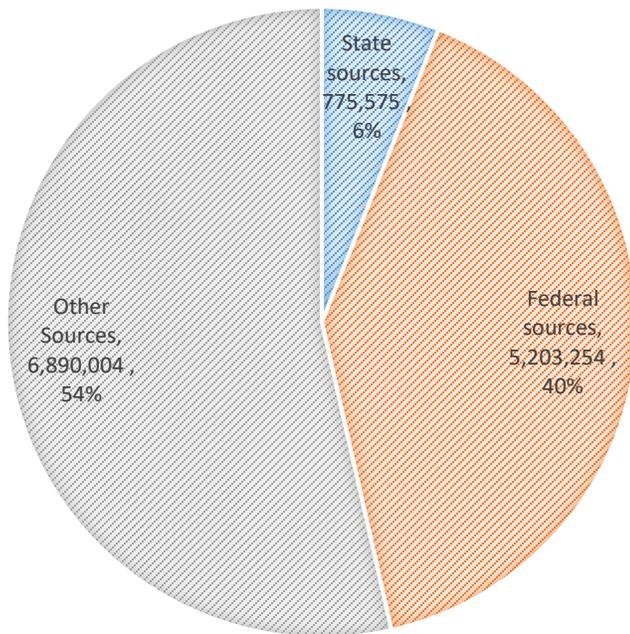
Similar to the food service special revenue fund, the community service special revenue fund is also self-sustaining. Unlike the food service special revenue fund, the fund balance for the community service special revenue fund has been stable through the years. This is likely due to the partnerships 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 provides 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.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Projection	2020-21 Projection	2021-22 Projection
<b>Revenues</b>								
State sources	581,450	604,210	733,998	793,133	775,575	744,140	822,297	832,666
Federal sources	4,406,814	4,992,952	5,148,289	5,113,950	5,203,254	5,169,505	5,366,163	5,453,555
Other Sources	6,381,914	6,404,952	6,684,711	6,718,736	6,890,004	6,740,725	6,910,965	6,976,249
Total revenue	11,370,177	12,002,114	12,566,999	12,625,819	12,868,833	12,654,370	13,099,425	13,262,470
<b>Expenditures</b>								
Salaries and wages	4,104,946	4,241,785	4,364,594	4,101,496	4,122,812	4,210,029	4,167,901	4,190,453
Employee benefits	1,260,302	1,272,803	1,217,139	1,342,024	1,568,364	1,396,620	1,557,158	1,551,273
Purchased services	555,959	524,560	554,504	727,407	728,509	625,354	716,423	710,027
Supplies and materials	5,577,771	5,703,052	5,843,605	5,748,204	6,202,716	5,981,516	6,248,530	6,272,026
Capital expenditures	278,059	494,735	212,995	400,000	340,000	282,249	264,942	232,984
Other expenditures	10,985	15,451	12,342	17,432	19,432	16,124	19,698	19,846
Total expenditures	11,788,021	12,252,385	12,205,178	12,336,563	12,981,833	12,511,893	12,974,653	12,976,609
Revenue over expenditures	(417,844)	(250,271)	361,820	289,256	(113,000)	142,478	124,772	285,861
<b>Other financing sources (uses)</b>								
Other	-	-	-	-	-	-	-	-
Net change in fund balances	(417,844)	(250,271)	361,820	289,256	(113,000)	142,478	124,772	285,861
<b>Fund balances</b>								
Beginning of year	2,376,363	1,958,519	1,708,248	2,070,068	2,359,324	2,246,324	2,388,801	2,513,574
End of year	1,958,519	1,708,248	2,070,068	2,359,324	2,246,324	2,388,801	2,513,574	2,799,434

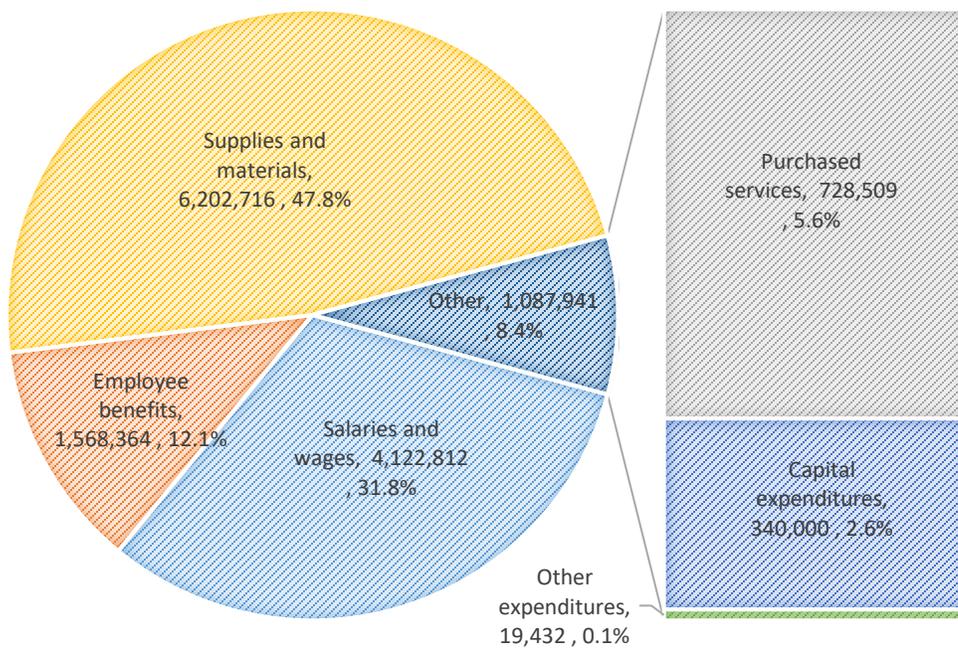
**Special Revenue Fund**  
**Food Service Fund (continued)**



**Revenues** – At 54 percent of the budget, other revenues represent the largest share of revenues in the food service special revenue fund. A majority of this source of the revenue comes from meal and a la carte food sales. Federal sources, at 40 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 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 2017-18 school year. The table above shows district prices for lunch and breakfast for the 2018-19 school year. The 2018-19 food service fund revenue budget is \$12.87 million, an increase of \$243,000 over the 2017-18 final budget. The

2017-18 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	3.70
Milk (all)	0.40	0.40

projected increase is due to increased meal sales of \$171,000 and an increase in federal reimbursement of \$89,000. The table above shows district prices for lunch and breakfast for the 2018-19 school year. The 2018-19 food service fund revenue budget is \$12.87 million, an increase of \$243,000 over the 2017-18 final budget. The projected increase is due to increased meal sales of \$171,000 and an increase in federal reimbursement of \$89,000.



**Expenditures** – At approximately 48 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 44 percent of the food service fund expenditures. The 2018-19 food service expenditure budget is \$12.98 million, an increase of \$645,000, or 5.23 percent over the 2017-18 final budget. The projected increase is a result of many factors, chief among which, is the

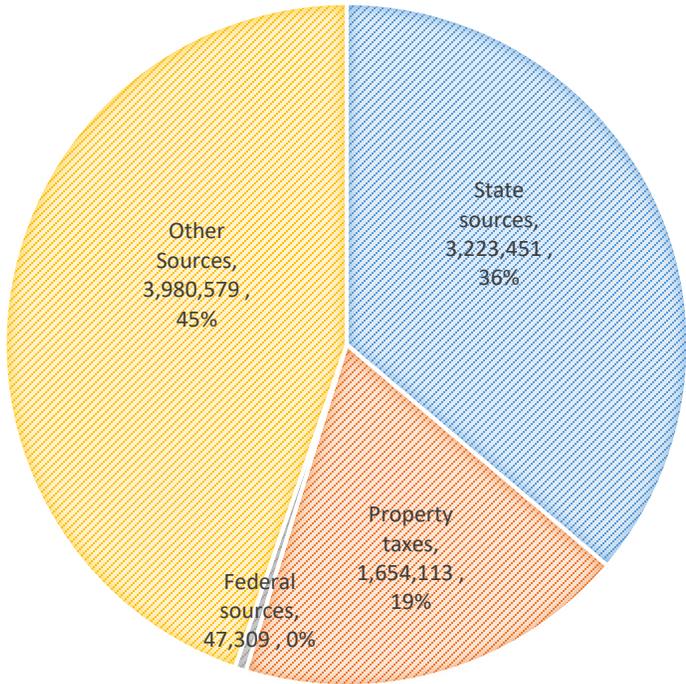
projected increases in salary and benefits based on School Board approved contracts or budget planning guidelines reviewed by the School Board on February 12, 2018.

**Special Revenue Fund**  
**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, sales 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.

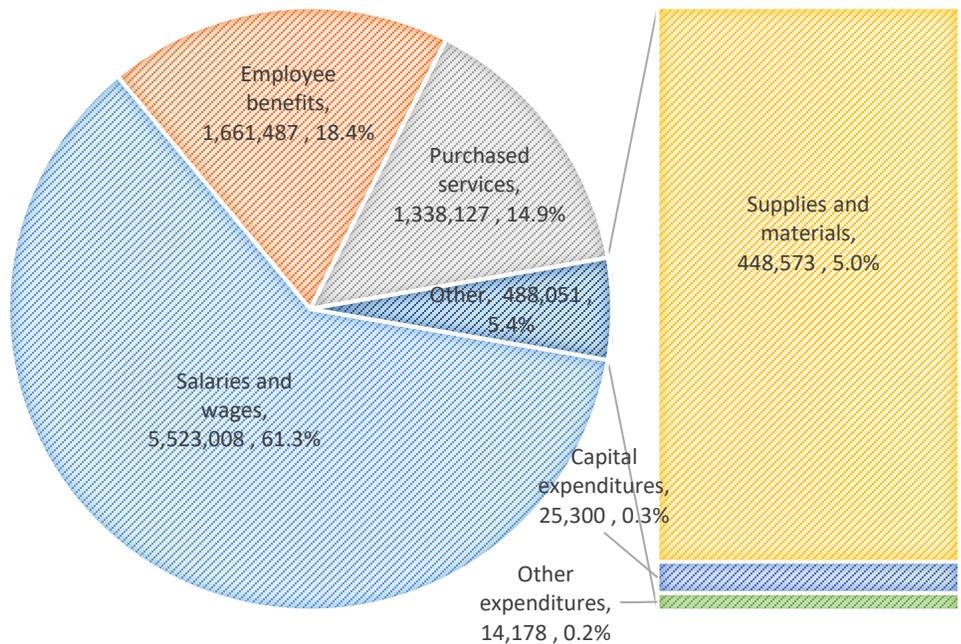
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Actual	Actual	Final Budget	Prelim Budget	Projection	Projection	Projection
<b>Revenues</b>								
State sources	2,465,568	2,782,384	3,150,148	3,267,314	3,223,451	3,089,054	3,355,777	3,426,122
Property taxes	1,683,323	1,666,669	1,668,406	1,653,648	1,654,113	1,660,790	1,650,161	1,648,194
Federal sources	95,578	52,227	52,733	55,010	47,309	47,372	36,194	31,945
Other Sources	3,484,755	3,415,956	4,023,227	3,880,793	3,980,579	3,837,137	4,025,310	4,048,341
Total revenue	7,729,224	7,917,237	8,894,514	8,856,765	8,905,452	8,634,354	9,067,442	9,154,602
<b>Expenditures</b>								
Salaries and wages	4,717,303	4,768,102	5,385,279	5,273,656	5,523,008	5,288,645	5,607,518	5,651,350
Employee benefits	1,413,606	1,525,020	1,566,191	1,608,548	1,661,487	1,602,291	1,696,161	1,714,180
Purchased services	1,063,367	1,060,243	1,153,211	1,248,947	1,338,127	1,217,472	1,348,388	1,353,802
Supplies and materials	378,107	419,060	408,457	500,180	448,573	428,034	453,655	456,285
Capital expenditures	145,510	39,770	38,579	90,500	25,300	(10,792)	(1,257)	1,044
Other expenditures	3,687	8,452	22,482	12,878	14,178	13,828	15,872	16,831
Total expenditures	7,721,580	7,820,647	8,574,200	8,734,709	9,010,673	8,539,478	9,120,336	9,193,492
Revenue over expenditures	7,644	96,590	320,315	122,056	(105,221)	94,876	(52,895)	(38,890)
<b>Other financing sources (uses)</b>								
Transfers in	5,785	18,862	20,122	-	-	-	-	-
Net change in fund balances	13,429	115,452	340,437	122,056	(105,221)	94,876	(52,895)	(38,890)
<b>Fund balances</b>								
Beginning of year	1,387,626	1,401,055	1,516,507	1,856,944	1,979,000	1,873,779	1,968,655	1,915,760
End of year	1,401,055	1,516,507	1,856,944	1,979,000	1,873,779	1,968,655	1,915,760	1,876,871

**Special Revenue Fund  
Community Service Fund (continued)**



**Revenues** – The 2018-19 community service fund revenue budget is \$8.90 million; an increase of \$48,000, or 0.55 percent compared to the current year 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 45 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 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 2018-19 school year, property tax revenue is projected to be \$1.65 million, or 19 percent of the revenue budget. The 2018-19 projections for state aids and property tax levy revenue show a net decrease of \$43,000 when compared to the current school year.

**Expenditures** – The 2018-19 community service fund expenditure budget totaled \$9.01 million, a net increase of \$263,000, or 3.01 percent over the 2017-18 final budget. Salaries and benefits represents close to 80 percent, and accounts for the largest portion of the budget. These expenditures comprise the bulk of the increase in expenditures at \$302,000. Purchased services, including utilities, legal services and other contracted work provided by outside sources, account for approximately 15 percent of the budget. The budgets for supplies and materials account for 5 percent of the budget. Capital and other expenditures, such as technology equipment, furniture and fixture, site and building improvements, memberships and license fees totaled 0.6 percent of the total budget. Non-salary related expenditures are projected to decrease by \$39,000 from current year budget.



## 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. 2018-19 LTFM projects did not meet the criteria to be reported in the building construction fund.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Prelim Budget
<b>Revenues</b>						
Other Sources	28,339	894,573	1,147,192	500,000	871,173	661,173
<b>Expenditures</b>						
Salaries and wages	83,120	84,655	-	-	-	-
Employee benefits	38,737	39,856	-	-	-	-
Purchased services	1,440,089	2,975,687	6,863,359	3,060,520	-	-
Supplies and materials	12,137	1,696	202,480	-	-	-
Capital expenditures	17,030,707	8,004,366	26,229,120	59,463,568	32,976,300	4,000,000
Other expenditures	125	125	-	-	-	-
Debt Service	-	425,930	-	-	-	-
Total expenditures	<u>18,604,915</u>	<u>11,532,315</u>	<u>33,294,959</u>	<u>62,524,088</u>	<u>32,976,300</u>	<u>4,000,000</u>
Revenue over expenditures	(18,576,576)	(10,637,742)	(32,147,767)	(62,024,088)	(32,105,127)	(3,338,827)
<b>Other financing sources (uses)</b>						
Debt issuances	-	130,062,804	-	-	-	-
Capital lease	4,200,000	-	-	-	-	-
Certificates of participation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	6,220,053	8,535,237	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,420,053</u>	<u>138,598,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,156,523)	127,960,299	(32,147,767)	(62,024,088)	(32,105,127)	(3,338,827)
<b>Fund balances</b>						
Beginning of year	<u>8,152,736</u>	<u>(3,787)</u>	<u>127,956,512</u>	<u>95,808,745</u>	<u>33,784,657</u>	<u>1,679,530</u>
End of year	<u>(3,787)</u>	<u>127,956,512</u>	<u>95,808,745</u>	<u>33,784,657</u>	<u>1,679,530</u>	<u>(1,659,297)</u>

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 2018-19 school year marks the third 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.

**Capital Projects****Building Construction Fund (continued)**

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 2018-19 revenue budget includes the district estimate for investment earnings from the bond proceeds.

The 2018-19 capital projects building construction fund expenditure budget is \$32.98 million. This expenditure budget will be used to fund the third phase of construction. A delineated list of the buildings and type of projects involved is listed below.

<b>Building</b>	<b>Project</b>	<b>Amount</b>
Apple Valley High School	Addition and Renovations	\$12,411,700
Highland ES & Scott Highlands MS	Secure Entries	\$2,029,500
Thomas Lake, Greenleaf, Westview	Secure Entries	\$5,316,625
Glacier Hills Elementary	Addition and Renovations	\$2,367,500
Diamond Path Elementary	Addition and Renovations	\$7,459,860
Cedar Park Elementary	Addition and Renovations	\$4,787,926
Parkview Elementary	Addition and Renovations	\$6,006,110
Rosemount ES & MS	Addition and Renovations	\$2,670,120
Rosemount High School BP#1	Addition and Parking	\$7,296,200
Rosemount High School BP#2	Addition and Parking	\$5,073,800
Glacier Hills Elementary	Paving	\$354,200

## 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 2014-15 through 2019-20 school years, with revenues reported by the source and expenditures reported by object.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2017-18 Projection	2018-19 Projection	2019-20 Projection
<b>Revenues</b>								
State Sources	3,553	4,091	103,508	-	-	-	-	-
Property Taxes	19,240,241	14,638,088	17,392,351	16,646,169	16,514,783	17,000,000	17,000,000	16,900,000
Other	25,897	12,367	112,782	50,000	50,000	50,000	50,000	50,000
Total revenue	<u>19,269,691</u>	<u>14,654,546</u>	<u>17,608,642</u>	<u>16,696,169</u>	<u>16,564,783</u>	<u>17,050,000</u>	<u>17,050,000</u>	<u>16,950,000</u>
<b>Expenditures</b>								
Principal	15,605,000	10,870,000	12,460,000	11,885,000	13,458,000	11,330,000	11,800,000	12,205,000
Interest	3,778,274	3,119,150	7,166,352	6,893,870	6,761,002	5,771,170	5,254,920	4,713,970
Fiscal charges and other	7,325	5,600	6,430	10,000	11,000	10,000	10,000	10,000
Total expenditures	<u>19,390,599</u>	<u>13,994,750</u>	<u>19,632,782</u>	<u>18,788,870</u>	<u>20,230,002</u>	<u>17,111,170</u>	<u>17,064,920</u>	<u>16,928,970</u>
Revenue over expenditures	(120,908)	659,796	(2,024,140)	(2,092,701)	(3,665,219)	(61,170)	(14,920)	21,030
<b>Other financing sources (uses)</b>								
Debt issuances	-	2,442,434	-	-	-	-	-	-
Debt refunding payments	(2,325,000)	(12,125,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,325,000)</u>	<u>(9,682,566)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,445,908)	(9,022,770)	(2,024,140)	(2,092,701)	(3,665,219)	(61,170)	(14,920)	21,030
<b>Fund balances</b>								
Beginning of year	<u>18,831,629</u>	<u>16,385,721</u>	<u>7,362,951</u>	<u>5,338,811</u>	<u>3,246,110</u>	<u>(419,109)</u>	<u>(480,279)</u>	<u>(495,199)</u>
End of year	<u>16,385,721</u>	<u>7,362,951</u>	<u>5,338,811</u>	<u>3,246,110</u>	<u>(419,109)</u>	<u>(480,279)</u>	<u>(495,199)</u>	<u>(474,169)</u>

Funding for debt service is controlled in accordance 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 2018-19, 68 percent of the combined debt service expenditures are related to the OPEB debt service fund. This is also the last year of these obligations for the district.

### 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.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Prelim Budget	2020-21 Prelim Budget	2021-22 Prelim Budget
<b>Revenues</b>								
State Sources	3,082	1,277	101,154	-	-	-	-	-
Property Taxes	16,692,852	4,613,043	7,309,963	6,728,620	6,956,771	17,000,000	17,000,000	16,900,000
Other Sources	25,286	10,328	63,554	50,000	50,000	50,000	50,000	50,000
Total revenue	16,721,220	4,624,648	7,474,670	6,778,620	7,006,771	17,050,000	17,050,000	16,950,000
<b>Expenditures</b>								
Principal	14,745,000	2,935,000	4,130,000	3,220,000	4,333,000	11,330,000	11,800,000	12,205,000
Interest	2,142,286	1,517,563	5,902,002	6,004,370	6,304,752	5,771,170	5,254,920	4,713,970
Fiscal charges and other	6,875	5,150	5,980	10,000	10,000	10,000	10,000	10,000
Total expenditures	16,894,161	4,457,713	10,037,982	9,234,370	10,647,752	17,111,170	17,064,920	16,928,970
Revenue over expenditures	(172,942)	166,936	(2,563,312)	(2,455,750)	(3,640,981)	(61,170)	(14,920)	21,030
<b>Other financing sources (uses)</b>								
Debt issuances	-	2,442,434	-	-	-	-	-	-
Debt refunding payments	(2,325,000)	(12,125,000)	-	-	-	-	-	-
Total other financing sources (uses)	(2,325,000)	(9,682,566)	-	-	-	-	-	-
Net change in fund balances	(2,497,942)	(9,515,631)	(2,563,312)	(2,455,750)	(3,640,981)	(61,170)	(14,920)	21,030
<b>Fund balances</b>								
Beginning of year	18,345,312	15,847,370	6,331,740	3,768,428	1,312,678	(2,328,303)	(2,389,473)	(2,404,393)
End of year	15,847,370	6,331,740	3,768,428	1,312,678	(2,328,303)	(2,389,473)	(2,404,393)	(2,383,363)

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 2018-19 school year is \$7.0 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 2018-19 school year is \$10.65 million for the use in satisfying the year's bond principal and interest payments.

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.

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	18,080,000	1,820,000
2013A Refunding	Bond	06/15/13	2.00-3.00	12,100,000	02/01/25	10,280,000	1,025,000
2014A Refunding	Bond	06/04/14	3.00	2,230,000	02/01/20	1,170,000	375,000
2016A School Building Bonds	Bond	02/16/16	1.00-5.00	112,150,000	02/01/30	111,150,000	-

**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.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Prelim Budget	2020-21 Prelim Budget	2021-22 Prelim Budget
<b>Revenues</b>								
State Sources	471	2,814	2,354	-	-	-	-	-
Property Taxes	2,547,390	10,025,045	10,082,389	9,917,549	9,558,012	-	-	-
Other Sources	611	2,039	49,229	-	-	-	-	-
Total revenue	2,548,471	10,029,898	10,133,972	9,917,549	9,558,012	-	-	-
<b>Expenditures</b>								
Principal	860,000	7,935,000	8,330,000	8,665,000	9,125,000	-	-	-
Interest	1,635,988	1,601,588	1,264,350	889,500	456,250	-	-	-
Fiscal charges and other	450	450	450	-	1,000	-	-	-
Total expenditures	2,496,438	9,537,038	9,594,800	9,554,500	9,582,250	-	-	-
Net change in fund balances	52,034	492,861	539,172	363,049	(24,238)	-	-	-
<b>Fund balances</b>								
Beginning of year	486,317	538,351	1,031,212	1,570,383	1,933,432	1,909,194	1,909,194	1,909,194
End of year	538,351	1,031,212	1,570,383	1,933,432	1,909,194	1,909,194	1,909,194	1,909,194

The 2018-19 school year is 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. Below are details of this bond issue. Additional information regarding debt issues and future minimum payments can be found in the Informational Section-IV of this document.

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	17,790,000	8,665,000

**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.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Prelim Budget	2020-21 Prelim Budget	2021-22 Prelim Budget
<b>Revenues</b>								
<b>Other</b>								
GASB #16	1,477,202	1,071,400	1,673,418	930,000	600,000	600,000	600,000	600,000
OPEB Trust	2,121,068	2,582,833	7,093,326	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000
Self-Insured Dental Plan	293,560	382,223	419,323	320,000	400,000	400,000	400,000	400,000
Self-Insured Health Plan	42,131,820	43,636,081	45,329,383	44,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Total revenue	46,023,650	47,672,538	54,515,451	46,980,000	47,730,000	47,730,000	47,730,000	47,730,000
<b>Expenditures</b>								
<b>Salaries and wages</b>								
GASB #16	711,440	1,638,295	1,117,924	930,000	930,000	930,000	930,000	930,000
<b>Employee Benefits</b>								
OPEB Trust	5,688,650	5,710,165	5,817,254	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000
Self-Insured Dental Plan	326,845	356,359	390,514	370,000	400,000	400,000	400,000	400,000
Self-Insured Health Plan	41,746,751	42,950,421	45,062,723	44,050,000	45,000,000	45,000,000	45,000,000	45,000,000
Total expenditures	48,473,686	50,655,240	52,388,414	48,230,000	49,210,000	49,210,000	49,210,000	49,210,000
Net change in fund balances	(2,450,036)	(2,982,702)	2,127,036	(1,250,000)	(1,480,000)	(1,480,000)	(1,480,000)	(1,480,000)
<b>Fund balances</b>								
Beginning of year	38,000,921	35,550,885	32,568,183	34,695,219	33,445,219	31,965,219	30,485,219	29,005,219
End of year	35,550,885	32,568,183	34,695,219	33,445,219	31,965,219	30,485,219	29,005,219	27,525,219

The district maintains four internal service funds to report activities related to other post-employment benefits, severance, and self-insured health and dental plan. 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.

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget	2019-20 Prelim Budget	2020-21 Prelim Budget	2021-22 Prelim Budget
<b>Fund balance</b>								
GASB #16	(3,256,167)	(3,823,062)	(3,267,568)	(3,267,568)	(3,597,568)	(3,927,568)	(4,257,568)	(4,587,568)
OPEB Revocable Trust	29,241,883	26,114,552	27,390,624	26,240,624	26,240,624	26,240,624	26,240,624	26,240,624
Self-Insured Dental Plan	46,263	72,127	100,937	50,937	50,937	50,937	50,937	50,937
Self-Insured Health Plan	9,518,906	10,204,566	10,471,226	10,421,226	10,421,226	10,421,226	10,421,226	10,421,226
Total Fund Balance	35,550,885	32,568,183	34,695,219	33,445,219	33,115,219	32,785,219	32,455,219	32,125,219

**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 2018-19 revenue estimate includes projected interest income of \$600,000 from short-term investments and \$930,000 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.

The 2018-19 projected revenues include an estimate of \$1,230,000 in interest income and/or realized gains, as well as a contribution of \$500,000 from the general fund to pay for estimated OPEB payments for eligible retirees. Projected expenditures for the 2018-19 school year include \$2,880,000 in estimated OPEB payments to eligible retirees.

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 2018-19 projected revenue is \$400,000 and the projected expenditure is \$400,000.

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 2018-19 school year total \$45.00 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 2018-19 school year are estimated to be \$45.00 million, which is based on prior claims, plan membership, inflation and other cost increases. The district anticipates performing better than maximum claims, but the maximum claims for which the district could potentially be liable for are \$51.75 million for the 2018-19 plan year.

**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.

	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Actual</b>	<b>2017-18 Actual</b>	<b>2018-19 Final Budget</b>
Revenues					
Other Sources	7,343	2,978	-	-	-
Expenditures					
Salaries and wages	6,045	5,198	-	-	-
Employee benefits	938	811	-	-	-
Purchased services	359	248	-	-	-
Supplies and materials	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Other expenditures	-	-	-	-	-
Total expenditures	<u>7,342</u>	<u>6,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1	(3,280)	-	-	-
Fund balances					
Beginning of year	<u>30,272</u>	<u>30,273</u>	<u>26,993</u>	<u>26,993</u>	<u>26,993</u>
End of year	<u><u>30,273</u></u>	<u><u>26,993</u></u>	<u><u>26,993</u></u>	<u><u>26,993</u></u>	<u><u>26,993</u></u>

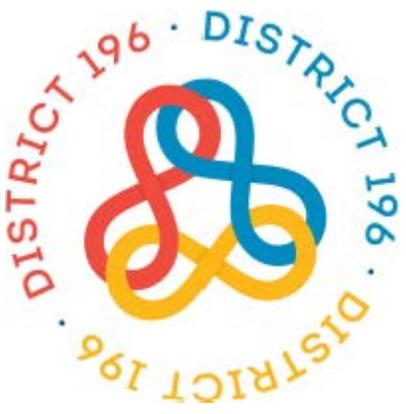
The district does not budget for either agency fund. While the District Graduate Credit Program has been in existence in the past it has not had financial activity in the past two fiscal years. As stated above, the district agreed to act as the fiscal host for the Minnesota literacy conference beginning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

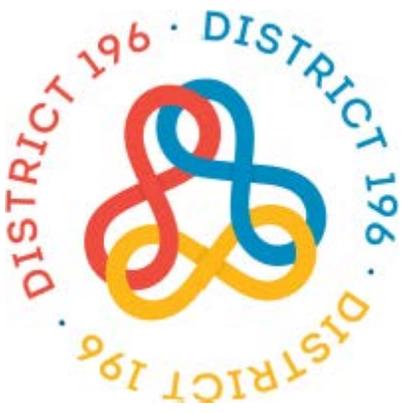
**Fiduciary Fund**  
**Trust Funds**

**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.

	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Final Budget</u>
Revenues					
Other Sources	1,547,985	1,351,522	1,601,685	-	-
Expenditures					
Other expenditures	<u>1,500,210</u>	<u>1,370,253</u>	<u>1,554,268</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,500,210</u>	<u>1,370,253</u>	<u>1,554,268</u>	<u>-</u>	<u>-</u>
Net change in fund balances	47,775	(18,730)	47,416	-	-
Fund balances					
Beginning of year	<u>582,347</u>	<u>630,122</u>	<u>611,391</u>	<u>658,808</u>	<u>658,808</u>
End of year	<u>630,122</u>	<u>611,391</u>	<u>658,808</u>	<u>658,808</u>	<u>658,808</u>

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. The scholarship trust fund was established to account for gifts and scholarship contributions. With the disbursement of the remaining funds in this account at the end of 2016-17, the district will no longer maintain this fund.





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

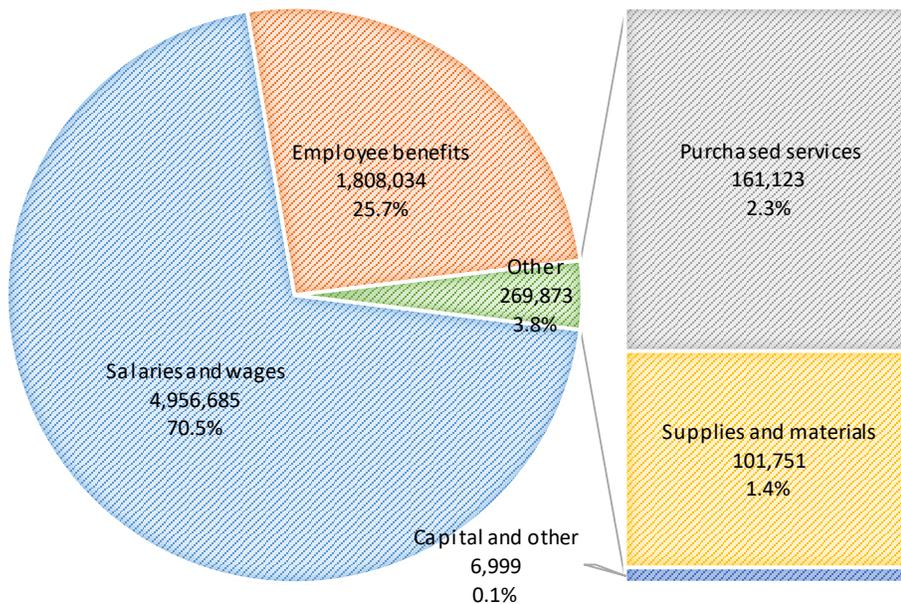
**Principal: John Garcia**  
**Phone: 952-431-8360**

Cedar Park’s enrollment slightly declined, on October 1, 2017 student count for the 2017-18 school year was 726. Projection for 2018-19 school year is 702. As the school’s enrollment remains stable, the percentage of students eligible for free or reduced-price school meals has remained consistent over the same time period. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	99	108	108	108	113	114
1	114	114	113	111	114	118
2	127	127	118	117	118	117
3	118	129	130	112	121	120
4	120	122	132	134	116	124
5	117	131	125	120	138	118
<b>Total</b>	<b>695</b>	<b>731</b>	<b>726</b>	<b>702</b>	<b>720</b>	<b>711</b>

F/R	46.8%	45.0%	45.2%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,407,507	4,742,497	4,747,336	4,820,341	4,737,931	4,956,685
Employee benefits	1,537,880	1,680,012	1,718,872	1,675,210	1,631,955	1,808,034
Purchased services	197,413	217,208	208,085	234,769	182,299	161,123
Supplies and materials	112,823	110,075	123,953	151,184	155,069	101,751
Capital expenditures	51,874	83,295	46,691	10,044	107,705	6,999
Other expenditures	6,582	-	-	-	-	-
<b>Total expenditures</b>	<b>6,314,078</b>	<b>6,833,086</b>	<b>6,844,937</b>	<b>6,891,549</b>	<b>6,814,959</b>	<b>7,034,592</b>
<b>Total students</b>	<b>706</b>	<b>708</b>	<b>695</b>	<b>731</b>	<b>726</b>	<b>702</b>
<b>Spending per student</b>	<b>8,943</b>	<b>9,651</b>	<b>9,849</b>	<b>9,428</b>	<b>9,387</b>	<b>10,021</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 96.2 percent of the total expenditure budget at the school. Purchased services, at 2.3 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. The budget for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources, and office supplies totaled \$101,751 or 1.4 percent of the total budget. 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**

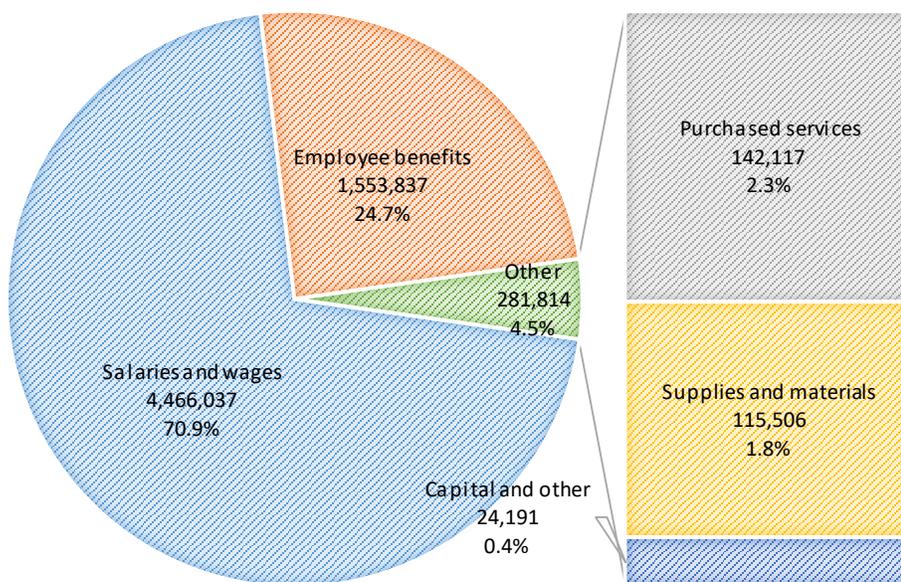
**Principal: Jeremy Sorenson**  
**Phone: 651-683-6801**

Deerwood’s enrollment has decreased from 678 students on October 1, 2015, to 625 on October 1, 2016. The projected student count for the 2018-19 school year is 675. As the school’s enrollment increases, the percentage of students eligible for free or reduced-price school meals has remained consistent over the same time period. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	126	101	101	115	121	122
1	108	117	105	118	122	126
2	103	105	121	103	126	125
3	110	96	108	125	107	128
4	110	100	98	114	129	110
5	121	106	102	100	117	131
<b>Total</b>	<b>678</b>	<b>625</b>	<b>635</b>	<b>675</b>	<b>722</b>	<b>742</b>

F/R	22.8%	22.4%	23.1%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	3,708,006	4,107,615	4,393,315	4,572,927	4,490,301	4,466,037
Employee benefits	1,276,892	1,464,088	1,629,147	1,633,059	1,582,191	1,553,837
Purchased services	148,111	145,720	144,319	136,012	145,068	142,117
Supplies and materials	57,415	70,120	62,035	97,166	121,623	115,506
Capital expenditures	35,956	45,061	140,975	66,691	29,189	24,191
Other expenditures	455	-	-	-	-	-
<b>Total expenditures</b>	<b>5,226,835</b>	<b>5,832,604</b>	<b>6,369,790</b>	<b>6,505,856</b>	<b>6,368,372</b>	<b>6,301,689</b>
<b>Total students</b>	<b>561</b>	<b>605</b>	<b>678</b>	<b>625</b>	<b>635</b>	<b>675</b>
<b>Spending per student</b>	<b>9,317</b>	<b>9,641</b>	<b>9,395</b>	<b>10,409</b>	<b>10,029</b>	<b>9,336</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 95.5 percent of the total expenditures at the school. Purchased services, at 2.3 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 1.8 percent of the budget. These expenses include classroom and instructional supplies, textbooks and workbooks, media resources and 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.

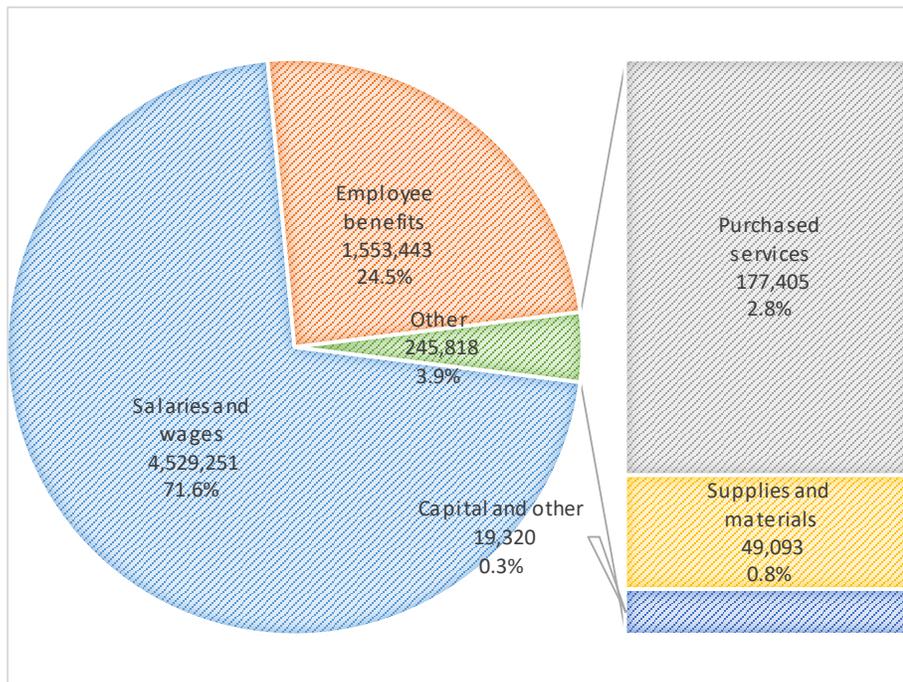
**Diamond Path Elementary School of International Studies**  
**14455 Diamond Path West, Apple Valley, MN 55124**

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

Diamond Path’s enrollment increased from 809 students on October 1, 2015, to 832 on October 1, 2016. The projected student count for the 2018-19 school year is 742 students. As the school’s enrollment fluctuates, the percentage of students eligible for free or reduced-price school meals has also fluctuated from 20.8 percent in 2015-16 to 23.1 percent in 2017-18. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	137	137	116	111	117	117
1	140	143	136	114	143	122
2	134	143	143	136	122	120
3	131	131	131	134	142	124
4	133	139	123	121	138	145
5	134	139	137	126	124	140
<b>Total</b>	<b>809</b>	<b>832</b>	<b>786</b>	<b>742</b>	<b>786</b>	<b>768</b>
<b>F/R</b>	<b>20.8%</b>	<b>21.7%</b>	<b>23.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	<b>2013-14</b> <b>Actual</b>	<b>2014-15</b> <b>Actual</b>	<b>2015-16</b> <b>Actual</b>	<b>2016-17</b> <b>Actual</b>	<b>2017-18</b> <b>Final Budget</b>	<b>2018-19</b> <b>Prelim Budget</b>
<b>Expenditures</b>						
Salaries and wages	4,261,534	4,290,313	4,419,563	4,802,826	4,581,509	4,529,251
Employee benefits	1,528,332	1,579,194	1,565,483	1,616,297	1,522,845	1,553,443
Purchased services	150,583	145,143	145,792	158,741	185,587	177,405
Supplies and materials	94,431	63,138	66,769	126,923	151,318	49,093
Capital expenditures	97,883	52,439	13,871	390,001	21,777	19,320
Other expenditures	5,291	-	-	-	-	-
<b>Total expenditures</b>	<b>6,138,054</b>	<b>6,130,226</b>	<b>6,211,478</b>	<b>7,094,787</b>	<b>6,463,036</b>	<b>6,328,511</b>
<b>Total students</b>	<b>747</b>	<b>755</b>	<b>809</b>	<b>832</b>	<b>786</b>	<b>742</b>
<b>Spending per student</b>	<b>8,217</b>	<b>8,120</b>	<b>7,678</b>	<b>8,527</b>	<b>8,223</b>	<b>8,529</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits continue to be the largest cost drivers, accounting for 96.1 percent of the total expenditures budget at the school. Purchased services, at 2.8 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. 0.8 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 expenditure budget of 0.3 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.

	2016	2017	2018	2019	2020	2021
K	0	0	117	121	127	128
1	0	0	74	124	128	133
2	0	0	60	102	133	131
3	0	0	67	92	106	135
4	0	0	58	98	95	109
5	0	0	60	75	100	96
Total	0	0	436	612	689	732

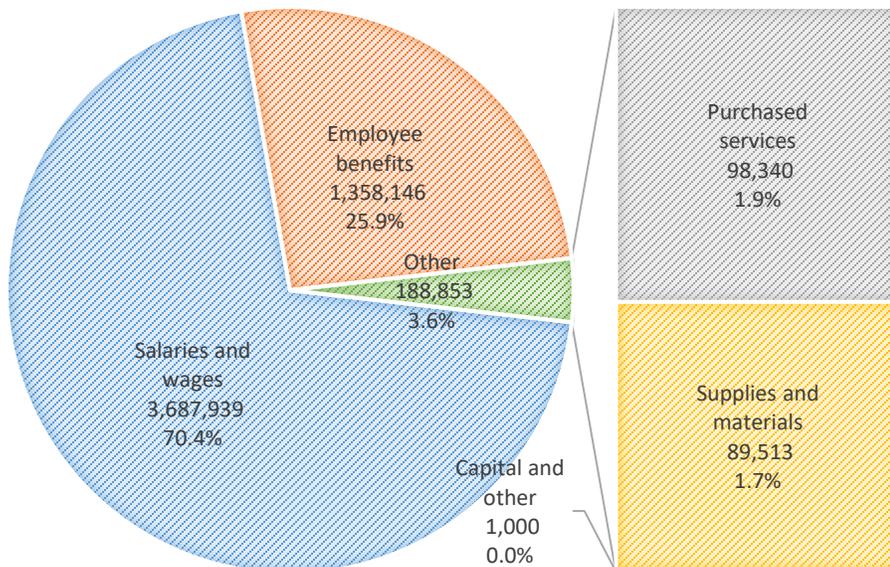
F/R	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
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Expenditures

Salaries and wages	-	-	-	2,187	3,194,033	3,687,939
Employee benefits	-	-	-	346	1,167,780	1,358,146
Purchased services	-	-	-	219	126,991	98,340
Supplies and materials	-	-	-	-	122,962	89,513
Capital expenditures	-	-	-	-	8,722	1,000
Other expenditures	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,751</b>	<b>4,620,488</b>	<b>5,234,938</b>

Total students	-	-	-	-	436	612
Spending per student	N/A	N/A	N/A	N/A	10,597.45	8,553.82



The pie chart at left shows the school's 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 96.4 percent of the total expenditure budget at the school. Purchased services, at 1.9 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, fieldtrip admission fees, etc.

An additional 1.7 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 0.00 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: Scott Thomas**  
**Phone: 952-431-8390**

Echo Park’s enrollment declined from 684 students on October 1, 2016 to 641 on October 1, 2017. Since that time, the school’s enrollment has slightly fluctuated. The enrollment on October 1, 2017 was 663 students, and the projected enrollment for the 2018-19 school year is 686. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

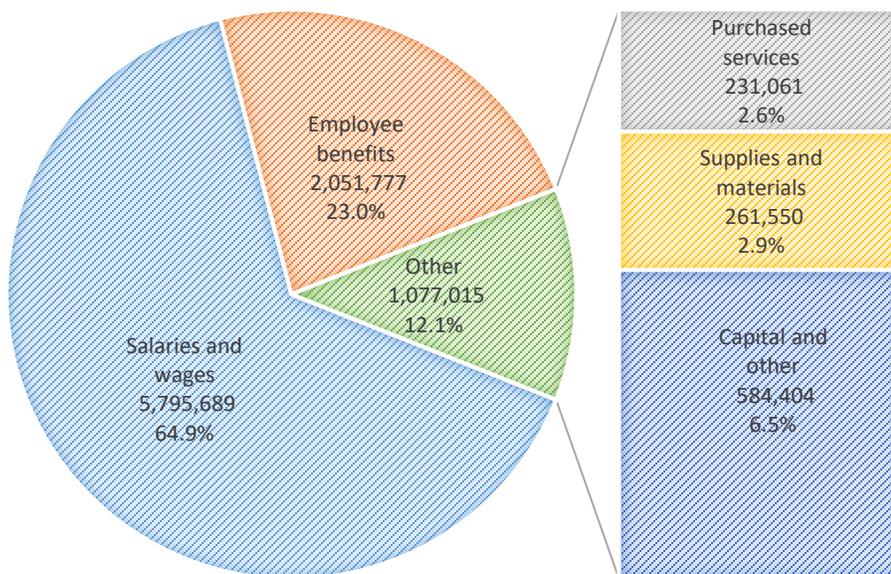
	2016	2017	2018	2019	2020	2021
K	113	104	104	123	129	130
1	137	113	108	126	131	135
2	104	119	117	106	135	134
3	112	103	122	112	111	137
4	110	105	105	112	116	113
5	108	97	107	107	115	118
<b>Total</b>	<b>684</b>	<b>641</b>	<b>663</b>	<b>686</b>	<b>737</b>	<b>767</b>

F/R	53.7%	57.0%	55.0%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
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Expenditures

Salaries and wages	4,184,815	4,817,418	5,175,698	5,210,400	5,429,748	5,795,689
Employee benefits	1,450,870	1,682,633	1,882,441	1,752,727	1,932,406	2,051,777
Purchased services	137,280	157,957	160,833	207,706	219,142	231,061
Supplies and materials	72,881	78,824	82,943	193,994	197,904	261,550
Capital expenditures	28,671	85,499	26,021	56,198	612,580	584,404
Other expenditures	1,137	-	-	-	-	-
<b>Total expenditures</b>	<b>5,875,655</b>	<b>6,822,331</b>	<b>7,327,936</b>	<b>7,421,025</b>	<b>8,391,780</b>	<b>8,924,481</b>
Total students	631	683	684	641	663	686
Spending per student	9,312	9,989	10,713	11,577	12,657	13,009



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 87.9 percent of the total expenditure budget at the school. Purchased services, at 2.6 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. 2.9 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 6.5 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**

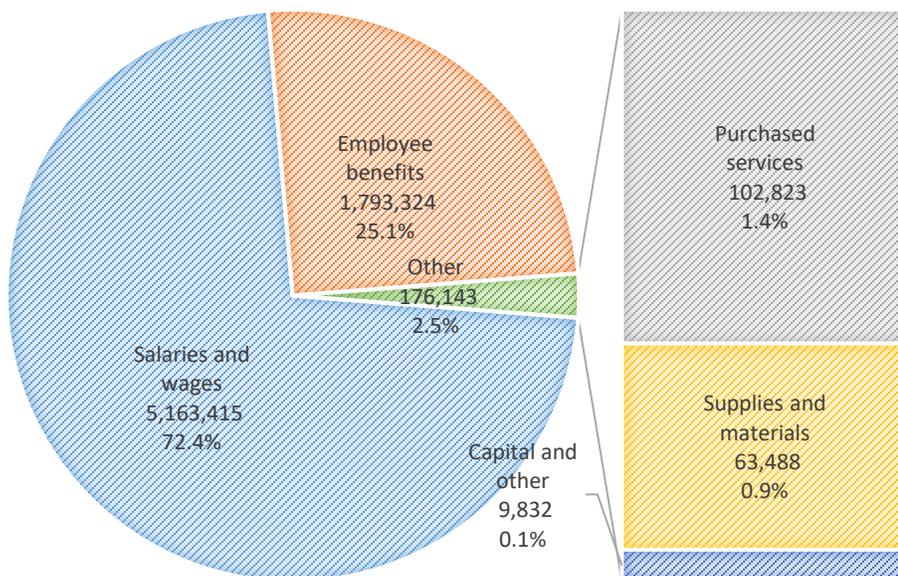
**Principal: Adriana Henderson**  
**Phone: 651-683-8570**

Glacier Hills' enrollment declined from 768 students on October 1, 2016 to 759 on October 1, 2017. The projection for 2018-19 school year is 734 students. As the school's enrollment has increased, the percentage of students eligible for free or reduced-price school meals has remained the same over the past three years at approximately 24 percent. The increase in enrollment is mainly due to the arts and science magnet program established by the School Board in 2007-08 and allowing open enrollment of students from throughout the district. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	114	99	99	106	111	112
1	133	119	103	108	112	116
2	129	138	123	110	116	115
3	142	132	142	120	114	118
4	135	137	135	148	123	116
5	115	134	140	142	151	125
Total	768	759	742	734	727	702

F/R	24.0%	23.8%	24.1%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,225,758	4,742,273	4,778,502	4,969,167	5,187,910	5,163,415
Employee benefits	1,482,833	1,555,128	1,670,104	1,643,657	1,805,566	1,793,324
Purchased services	128,511	144,066	158,943	157,998	129,064	102,823
Supplies and materials	101,517	124,274	107,083	116,220	144,304	63,488
Capital expenditures	74,343	122,910	71,100	(128,982)	36,364	9,832
Other expenditures	2,236	-	-	-	-	-
<b>Total expenditures</b>	<b>6,015,200</b>	<b>6,688,651</b>	<b>6,785,732</b>	<b>6,758,060</b>	<b>7,303,208</b>	<b>7,132,882</b>
<b>Total students</b>	<b>692</b>	<b>721</b>	<b>768</b>	<b>759</b>	<b>742</b>	<b>734</b>
<b>Spending per student</b>	<b>8,692</b>	<b>9,277</b>	<b>8,836</b>	<b>8,904</b>	<b>9,843</b>	<b>9,718</b>



The pie chart at left shows the school's 2018-19 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 97.5 percent of the total expenditure budget at the school. Purchased services at 1.4 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Close to 0.9 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 0.1 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**

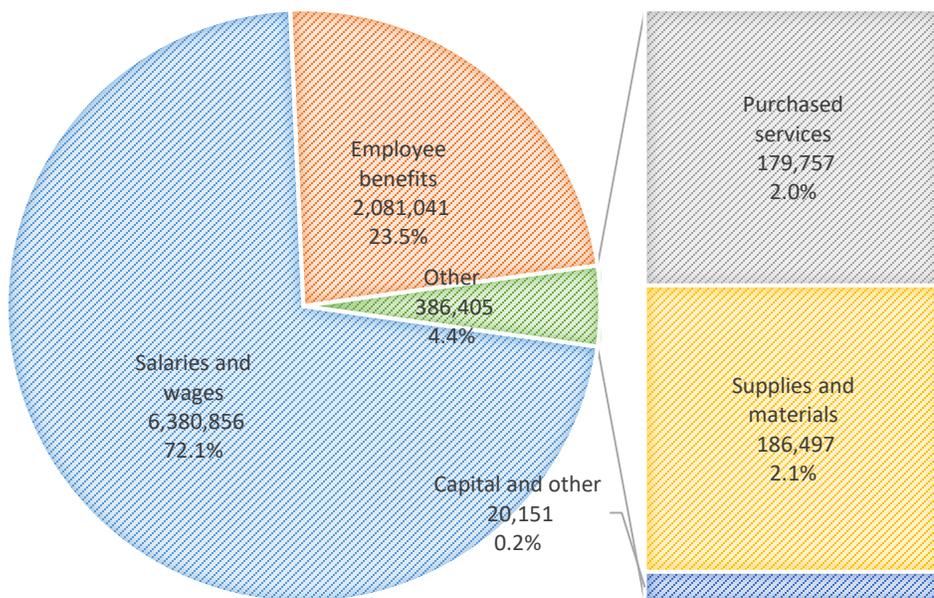
**Principal: Michelle deKam Palmieri**  
**Phone: 952-431-8270**

Greenleaf’s enrollment has remained fairly stable. The projected student count for 2018-19 is 878. While the school’s enrollment remains stable, the percentage of students eligible for free or reduced-price school meals increased from 35.7 percent in 2015-16 to 37.8 percent in 2017-18. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	127	143	143	123	129	130
1	173	132	149	126	131	135
2	155	184	136	137	135	134
3	157	162	189	136	143	137
4	166	164	165	174	140	146
5	170	176	168	182	179	142
<b>Total</b>	<b>948</b>	<b>961</b>	<b>950</b>	<b>878</b>	<b>857</b>	<b>824</b>

F/R	35.7%	38.6%	37.8%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	5,235,609	5,749,208	6,154,608	6,381,190	6,184,196	6,380,856
Employee benefits	1,728,842	1,894,843	2,054,769	2,164,559	2,006,825	2,081,041
Purchased services	176,441	175,614	190,584	173,584	206,920	179,757
Supplies and materials	111,865	136,129	139,000	155,467	246,804	186,497
Capital expenditures	101,805	195,296	40,587	34,890	21,077	20,151
Other expenditures	20,769	-	-	-	-	-
<b>Total expenditures</b>	<b>7,375,331</b>	<b>8,151,089</b>	<b>8,579,548</b>	<b>8,909,691</b>	<b>8,665,822</b>	<b>8,848,302</b>
<b>Total students</b>	<b>912</b>	<b>927</b>	<b>948</b>	<b>961</b>	<b>950</b>	<b>878</b>
<b>Spending per student</b>	<b>8,087</b>	<b>8,793</b>	<b>9,050</b>	<b>9,271</b>	<b>9,122</b>	<b>10,078</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 95.6 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. 2.1 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and office supplies. 0.2 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**

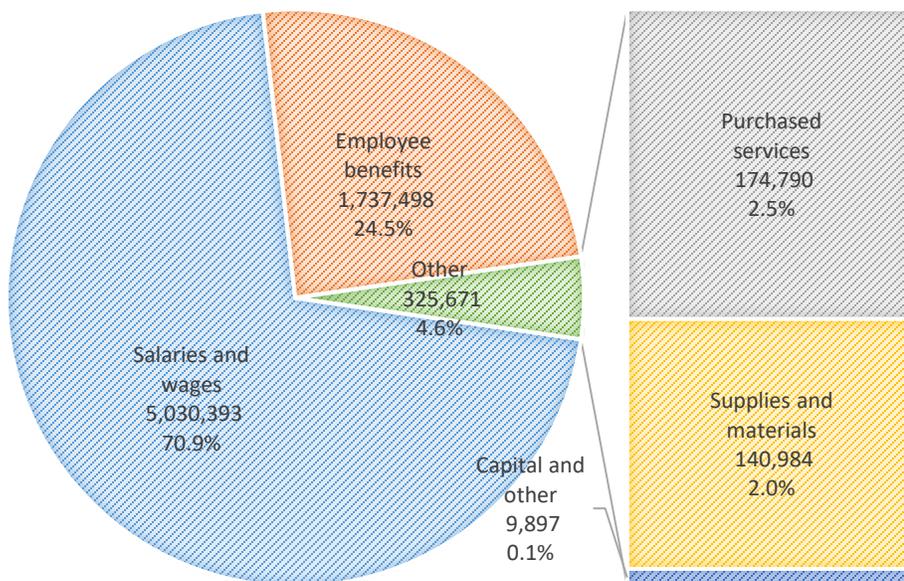
**Principal: Chad Ryburn**  
**Phone: 952-423-7595**

Highland’s enrollment has fluctuated for the past couple years. The projection for 2018-19 is 695. As the school’s enrollment fluctuates, the percentage of students eligible for free or reduced-price school meals decreased from 18.7 percent in 2016-17 to 15.3 percent in 2017-18. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	117	112	106	118	124	125
1	112	115	115	121	125	129
2	118	111	117	113	129	128
3	134	118	113	113	117	132
4	100	140	120	107	117	120
5	132	99	141	123	110	119
<b>Total</b>	<b>713</b>	<b>695</b>	<b>712</b>	<b>695</b>	<b>722</b>	<b>753</b>

F/R	18.7%	18.4%	15.3%	0.0%	0.0%	0.0%
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	2012-13 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,387,486	4,805,879	4,871,278	4,986,686	4,989,133	5,030,393
Employee benefits	1,431,373	1,682,123	1,723,516	1,703,618	1,685,091	1,737,498
Purchased services	131,007	122,796	126,759	170,385	202,481	174,790
Supplies and materials	107,739	98,451	70,631	124,268	124,425	140,984
Capital expenditures	11,656	79,932	28,659	120,034	24,250	9,897
Other expenditures	1,957	-	-	-	-	-
<b>Total expenditures</b>	<b>6,071,218</b>	<b>6,789,181</b>	<b>6,820,842</b>	<b>7,104,991</b>	<b>7,025,380</b>	<b>7,093,562</b>
<b>Total students</b>	<b>721</b>	<b>650</b>	<b>713</b>	<b>695</b>	<b>712</b>	<b>695</b>
<b>Spending per student</b>	<b>8,421</b>	<b>10,445</b>	<b>9,566</b>	<b>10,223</b>	<b>9,867</b>	<b>10,207</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for nearly 95.5 percent of the total expenditures at the school. Purchased services, at 2.5 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Approximately 2.0 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 0.1 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**

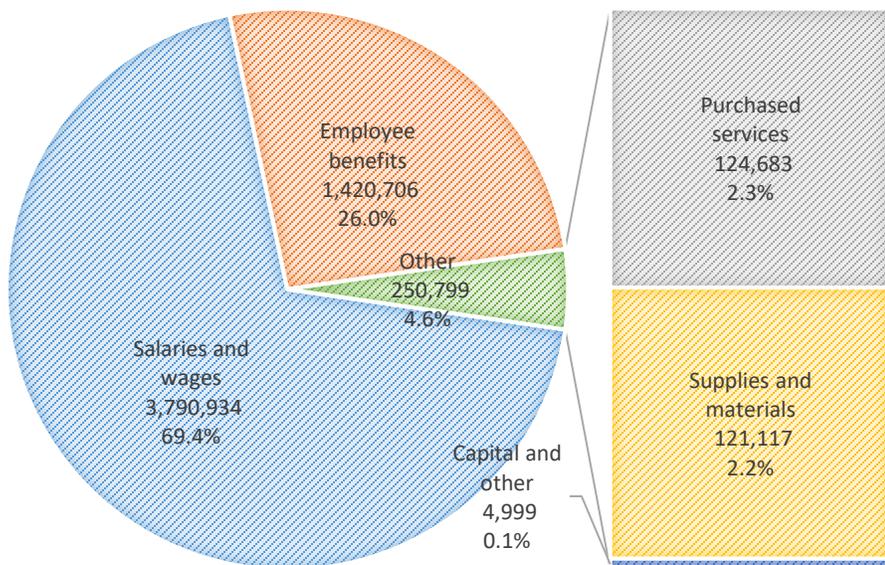
**Principal: Kerri Town**  
**Phone: 651-683-6820**

Northview’s enrollment has remained relatively stable over the past five years. The actual enrollment on October 1, 2016 was 416 and the projected student count for 2018-19 is 421. While the school’s enrollment remains stable, the percentage of students eligible for free or reduced-price school meals has increased from 16.9 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	73	74	74	80	84	84
1	68	68	77	82	85	87
2	49	59	70	78	87	87
3	80	50	61	68	81	89
4	77	72	51	61	71	83
5	69	73	74	52	63	72
<b>Total</b>	<b>416</b>	<b>396</b>	<b>407</b>	<b>421</b>	<b>471</b>	<b>502</b>

F/R	16.9%	20.6%	19.5%	0.0%	0.0%	0.0%
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	2012-13 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	2,869,926	3,372,672	3,387,211	3,669,603	3,784,819	3,790,934
Employee benefits	1,011,810	1,195,855	1,316,097	1,273,666	1,393,461	1,420,706
Purchased services	123,430	145,946	124,810	142,720	130,687	124,683
Supplies and materials	73,011	62,937	81,836	119,670	83,765	121,117
Capital expenditures	50,699	26,300	8,737	344,991	20,766	4,999
Other expenditures	15,493	-	-	-	-	-
<b>Total expenditures</b>	<b>4,144,370</b>	<b>4,803,709</b>	<b>4,918,692</b>	<b>5,550,650</b>	<b>5,413,498</b>	<b>5,462,439</b>
<b>Total students</b>	<b>395</b>	<b>387</b>	<b>416</b>	<b>396</b>	<b>407</b>	<b>421</b>
<b>Spending per student</b>	<b>10,492</b>	<b>12,413</b>	<b>11,824</b>	<b>14,017</b>	<b>13,301</b>	<b>12,975</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits continue to be the largest cost drivers, accounting for 95.4 percent of the total expenditures at the school. Purchased services, at roughly 2.3 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Approximately 2.2 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. 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 Sciences**  
**4350 Johnny Cake Ridge Road, Eagan, MN 55122**

**Principal: Cathy Kindem**  
**Phone: 651-683-6970**

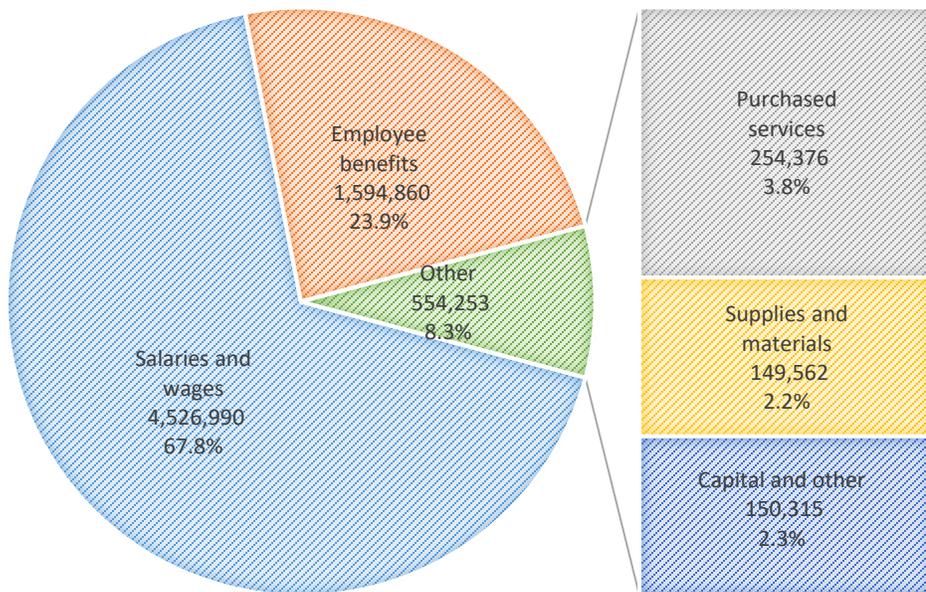
Oak Ridge’s enrollment remained stable over the last four years, at 563 students on October 1, 2015 to 537 on October 1, 2016. The actual student count for 2017-18 is 547 and the projection for 2018-19 is 527. During the same period, the percentage of students eligible for free or reduced- rice school meals increased from 47.9 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	86	91	91	89	93	94
1	94	87	95	91	94	97
2	95	89	90	88	97	96
3	99	89	91	80	92	99
4	95	87	91	97	82	94
5	94	94	89	82	99	84
<b>Total</b>	<b>563</b>	<b>537</b>	<b>547</b>	<b>527</b>	<b>557</b>	<b>564</b>

F/R	47.9%	50.9%	48.2%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,087,992	4,434,174	4,292,046	4,531,751	4,461,400	4,526,990
Employee benefits	1,414,668	1,540,697	1,511,523	1,639,938	1,555,685	1,594,860
Purchased services	130,135	158,392	143,123	149,715	269,287	254,376
Supplies and materials	75,891	56,652	51,223	137,442	219,251	149,562
Capital expenditures	74,661	23,161	47,933	74,128	140,437	150,315
Other expenditures	6,356	-	-	-	-	-
<b>Total expenditures</b>	<b>5,789,703</b>	<b>6,213,076</b>	<b>6,045,848</b>	<b>6,532,975</b>	<b>6,646,060</b>	<b>6,676,104</b>
<b>Total students</b>	<b>624</b>	<b>616</b>	<b>563</b>	<b>537</b>	<b>547</b>	<b>527</b>
<b>Spending per student</b>	<b>9,278</b>	<b>10,086</b>	<b>10,739</b>	<b>12,166</b>	<b>12,150</b>	<b>12,668</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for nearly 91.7 percent of the total expenditures at the school. Purchased services, at 3.8 percent, represent the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials make up 2.2 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 2.3 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 Frovik**  
**Phone: 952-431-8350**

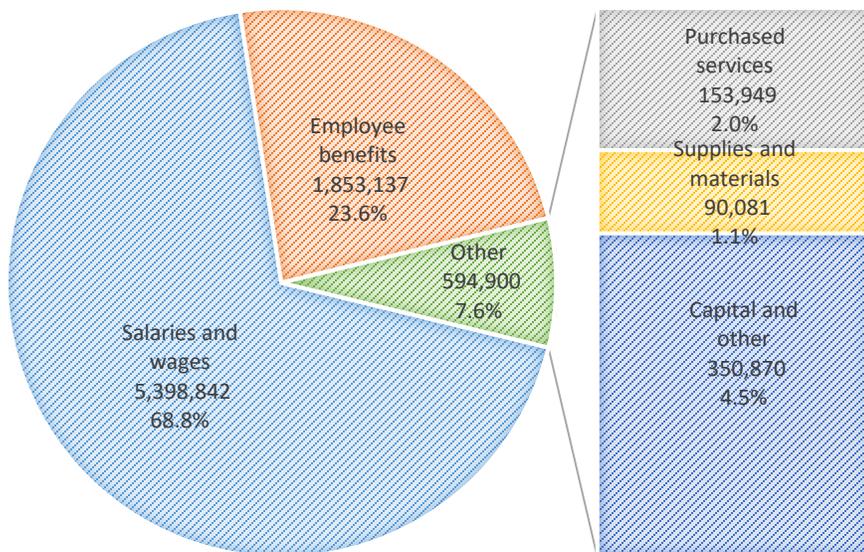
Parkview’s enrollment has decreased, from 898 students on October 1, 2016, to 823 on October 1, 2017. The projected student count for 2018-19 is 850. The percentage of students eligible for free or reduced-price school meals fluctuates, from 23.6 percent in 2015-16, peaked at 24.7 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	154	182	134	149	157	158
1	158	161	149	153	158	164
2	166	155	145	135	164	162
3	146	164	129	138	140	166
4	141	142	149	130	142	143
5	133	139	117	145	134	145
<b>Total</b>	<b>898</b>	<b>943</b>	<b>823</b>	<b>850</b>	<b>895</b>	<b>938</b>

F/R	23.6%	24.7%	21.1%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,492,776	4,872,021	4,994,627	5,332,481	5,247,997	5,398,842
Employee benefits	1,448,700	1,590,473	1,679,462	1,799,487	1,784,340	1,853,137
Purchased services	150,375	153,360	157,888	167,032	131,183	153,949
Supplies and materials	49,144	63,425	73,495	142,330	93,803	90,081
Capital expenditures	55,729	175,222	394,941	479,943	399,334	350,870
Other expenditures	3,578	-	-	-	-	-
<b>Total expenditures</b>	<b>6,200,303</b>	<b>6,854,501</b>	<b>7,300,412</b>	<b>7,921,273</b>	<b>7,656,657</b>	<b>7,846,879</b>
<b>Total students</b>	<b>746</b>	<b>848</b>	<b>898</b>	<b>943</b>	<b>823</b>	<b>850</b>
<b>Spending per student</b>	<b>8,311</b>	<b>8,083</b>	<b>8,130</b>	<b>8,400</b>	<b>9,303</b>	<b>9,232</b>



The pie chart at left shows the school’s 2018-19 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 budget at the school. Purchased services, at 2.0 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. About 1.1 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 4.5 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

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

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

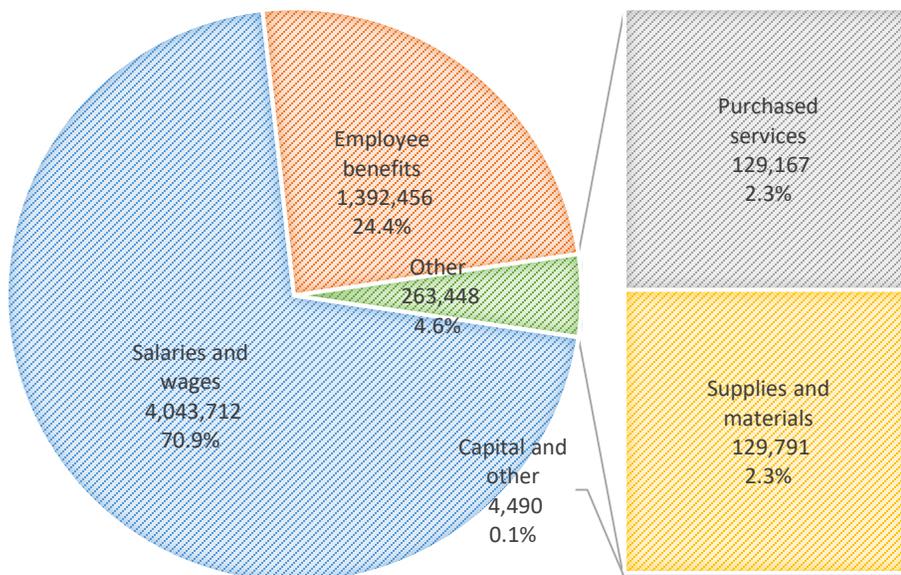
Pinewood’s enrollment has been fairly stable over the past five years, with 627 students in 2015-16 and 615 students in 2016-17. The projected enrollment for 2018-19 is 583 students. During the same period, the percentage of students eligible for free or reduced-price school meals has fluctuated, from 18.5 percent in 2015-16 to 16.9 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	105	97	97	93	97	98
1	84	103	101	95	98	102
2	98	82	106	104	102	101
3	110	103	84	105	109	104
4	113	115	105	78	109	111
5	117	115	118	108	80	110
<b>Total</b>	<b>627</b>	<b>615</b>	<b>611</b>	<b>583</b>	<b>595</b>	<b>626</b>

F/R	18.5%	16.9%	19.8%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	3,378,808	3,561,715	3,870,911	3,928,347	4,034,950	4,043,712
Employee benefits	1,130,160	1,241,331	1,411,598	1,315,461	1,332,009	1,392,456
Purchased services	143,213	142,896	146,374	146,120	126,804	129,167
Supplies and materials	62,644	72,433	64,207	131,711	124,204	129,791
Capital expenditures	67,097	43,586	113,746	10,945	(6,182)	4,490
Other expenditures	8,051	-	-	-	-	-
<b>Total expenditures</b>	<b>4,789,973</b>	<b>5,061,961</b>	<b>5,606,835</b>	<b>5,532,584</b>	<b>5,611,785</b>	<b>5,699,616</b>
<b>Total students</b>	<b>605</b>	<b>577</b>	<b>627</b>	<b>615</b>	<b>611</b>	<b>583</b>
<b>Spending per student</b>	<b>7,917</b>	<b>8,773</b>	<b>8,942</b>	<b>8,996</b>	<b>9,185</b>	<b>9,776</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 95.4 percent of the total expenditures at the school. Purchased services, at 2.3 percent, is the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Close to 2.3 percent of the budget is earmarked for supplies and materials, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. 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**

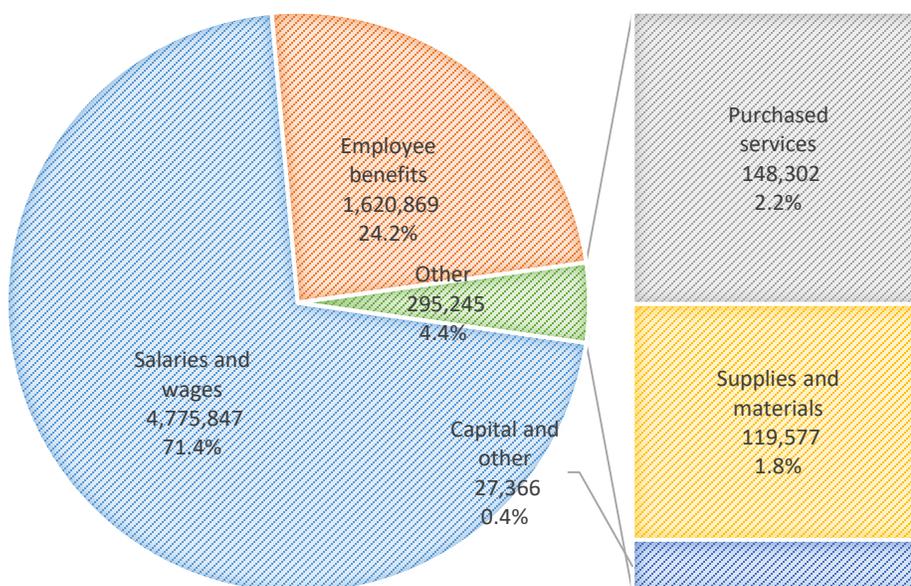
**Principal: Drew Goeldner**  
**Phone: 651-423-7870**

Red Pine’s enrollment declined from 821 students on October 1, 2015 to a projected of 734 students for 2018-19. During the same period, the percentage of students eligible for free or reduced-price school meals has slightly declined, with a peak of 14.5 percent in 2014-15 to 12.4 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	117	102	102	110	116	116
1	124	122	106	113	117	120
2	119	128	126	108	120	119
3	154	121	130	132	113	123
4	163	156	123	136	136	115
5	144	168	159	135	140	138
<b>Total</b>	<b>821</b>	<b>797</b>	<b>746</b>	<b>734</b>	<b>742</b>	<b>731</b>

F/R	14.5%	12.4%	10.6%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,747,227	5,129,857	5,135,658	5,086,920	4,954,046	4,775,847
Employee benefits	1,479,063	1,626,980	1,737,488	1,689,386	1,624,853	1,620,869
Purchased services	122,566	147,907	133,445	129,513	144,467	148,302
Supplies and materials	105,384	87,003	81,733	112,728	123,002	119,577
Capital expenditures	74,936	125,438	95,424	96,550	74,991	27,366
Other expenditures	1,318	-	-	-	-	-
<b>Total expenditures</b>	<b>6,530,493</b>	<b>7,117,184</b>	<b>7,183,748</b>	<b>7,115,096</b>	<b>6,921,359</b>	<b>6,691,961</b>
<b>Total students</b>	<b>931</b>	<b>873</b>	<b>821</b>	<b>797</b>	<b>746</b>	<b>734</b>
<b>Spending per student</b>	<b>7,014</b>	<b>8,153</b>	<b>8,750</b>	<b>8,927</b>	<b>9,278</b>	<b>9,117</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 95.6 percent of the total expenditures at the school. Budgets for purchased services and supplies and materials each represent 2.2 percent of the budget. Purchased services include professional fees, utilities, postage, communication, etc. Approximately 1.8 percent of the budget is earmarked for supplies and materials. Supplies and materials include 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.

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

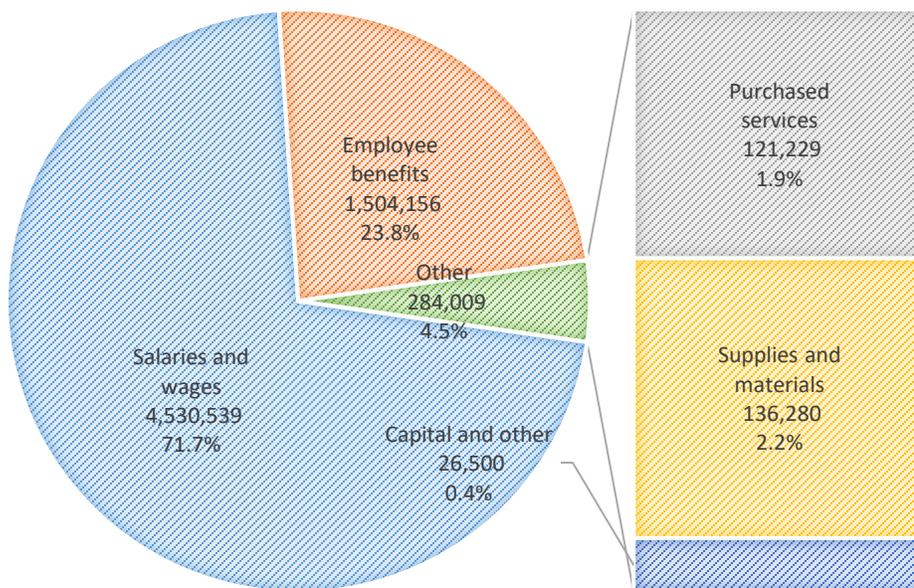
**Principal: Thomas Idstrom**  
**Phone: 651-423-7690**

Rosemount’s enrollment decreased from 719 students in 2015-16 to 745 students for the 2016-17 school year. The projection for 2018-19 is 687 students. During the same period, the percentage of students eligible for free or reduced-price school meals slightly increased, from 21.7 percent in 2015-16 to 22.8 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	126	125	111	107	112	113
1	110	127	120	109	113	117
2	119	117	120	120	117	116
3	116	119	112	127	124	119
4	130	121	106	116	131	127
5	118	136	114	108	119	133
<b>Total</b>	<b>719</b>	<b>745</b>	<b>683</b>	<b>687</b>	<b>716</b>	<b>725</b>

F/R	21.7%	22.8%	23.4%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	3,887,025	4,018,526	4,242,833	4,627,390	4,465,418	4,530,539
Employee benefits	1,302,927	1,301,091	1,440,383	1,529,898	1,476,858	1,504,156
Purchased services	119,067	121,045	118,999	137,036	118,016	121,229
Supplies and materials	59,569	61,071	49,992	100,551	81,863	136,280
Capital expenditures	18,671	54,986	34,586	52,003	43,624	26,500
Other expenditures	1,283	-	-	-	-	-
<b>Total expenditures</b>	<b>5,388,542</b>	<b>5,556,719</b>	<b>5,886,792</b>	<b>6,446,877</b>	<b>6,185,779</b>	<b>6,318,704</b>
<b>Total students</b>	<b>641</b>	<b>670</b>	<b>719</b>	<b>745</b>	<b>683</b>	<b>687</b>
<b>Spending per student</b>	<b>8,406</b>	<b>8,294</b>	<b>8,187</b>	<b>8,654</b>	<b>9,057</b>	<b>9,198</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 95.9 percent of the total expenditures at the school. Purchased services make up the next largest share at approximately 1.9 percent. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 2.2 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining budget of 0.4 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**

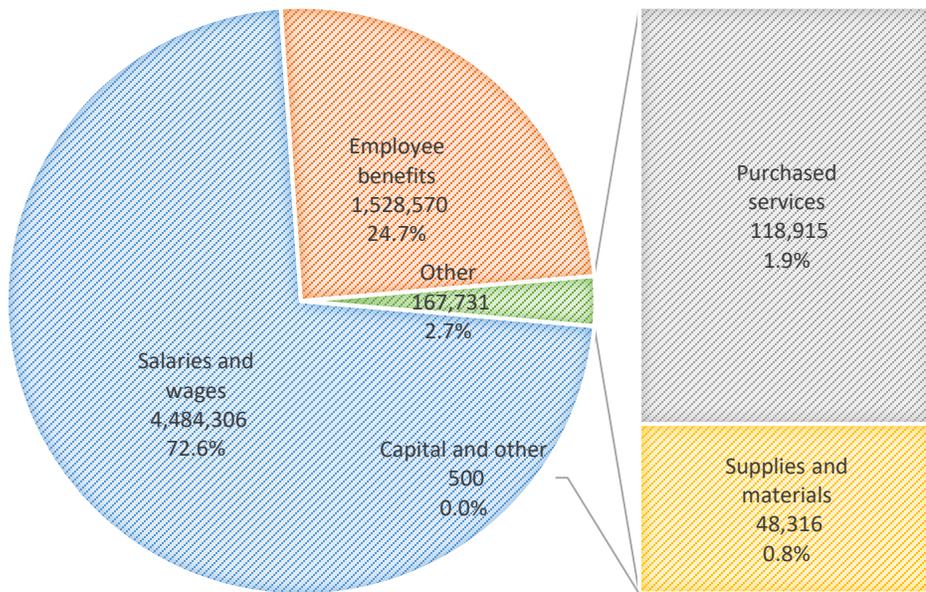
**Principal: Erik Davis**  
**Phone: 651-423-7670**

Shannon Park’s enrollment decreased from 843 students on October 1, 2015 to 800 on October 1, 2016. Since then enrollment has slightly declined. The projected student count for 2018-19 is expected to decline to 647. As the school’s enrollment fluctuates, the percentage of students eligible for free or reduced-price school meals has slightly increased from 6.9 percent in 2015-16 to 7.0 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	122	116	88	95	100	100
1	141	125	107	97	101	104
2	139	141	108	98	104	103
3	119	136	134	101	102	106
4	170	119	125	127	104	104
5	152	163	107	129	131	106
<b>Total</b>	<b>843</b>	<b>800</b>	<b>669</b>	<b>647</b>	<b>642</b>	<b>623</b>

F/R	6.9%	7.0%	7.1%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,547,240	4,860,342	5,103,357	5,393,322	4,521,582	4,484,306
Employee benefits	1,498,430	1,665,037	1,765,874	1,739,081	1,505,649	1,528,570
Purchased services	129,197	151,850	145,308	162,113	123,087	118,915
Supplies and materials	90,774	70,025	76,156	79,399	81,312	48,316
Capital expenditures	21,287	29,903	26,928	206,611	744	500
Other expenditures	1,387	-	-	-	-	-
<b>Total expenditures</b>	<b>6,288,316</b>	<b>6,777,158</b>	<b>7,117,622</b>	<b>7,580,525</b>	<b>6,232,374</b>	<b>6,180,607</b>
<b>Total students</b>	<b>819</b>	<b>824</b>	<b>843</b>	<b>800</b>	<b>669</b>	<b>647</b>
<b>Spending per student</b>	<b>7,678</b>	<b>8,225</b>	<b>8,443</b>	<b>9,476</b>	<b>9,316</b>	<b>9,553</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 97.3 percent of the total expenditures at the school. Purchased services, at 1.9 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials represent 0.8 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.00 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**

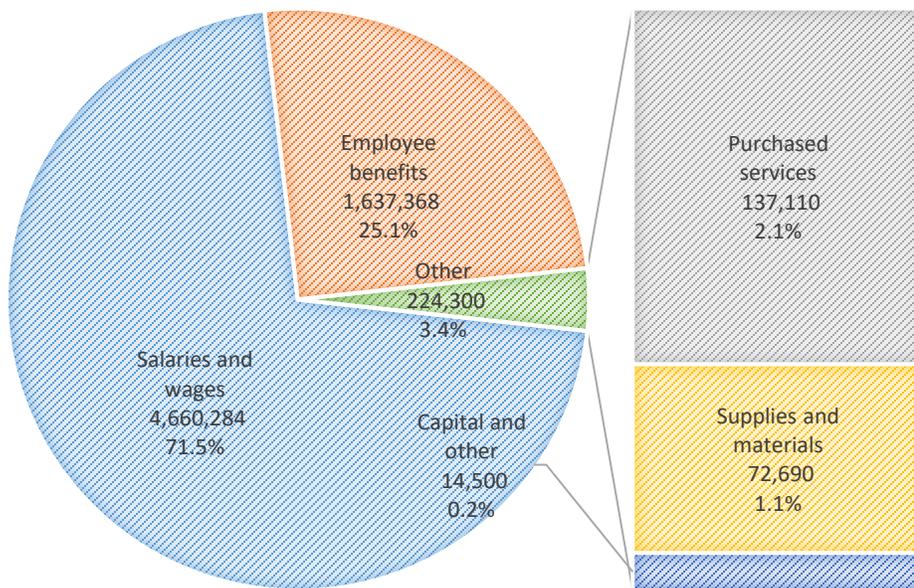
**Principal: Christine Heilman**  
**Phone: 952-431-8370**

Southview’s enrollment remains relatively stable over the years, from a high of 661 students on October 1, 2015 to 638 on October 1, 2017. The projected student count for 2018-19 is 638. As the school’s enrollment slightly declines, the percentage of students eligible for free or reduced-price school meals slightly increased, from 30.2 percent in 2015-16 to 31.2 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	101	106	106	101	106	107
1	97	104	110	103	107	110
2	106	97	107	116	111	109
3	99	115	100	107	120	113
4	124	96	117	103	111	123
5	134	122	98	108	105	112
<b>Total</b>	<b>661</b>	<b>640</b>	<b>638</b>	<b>638</b>	<b>660</b>	<b>674</b>

F/R	30.2%	31.2%	31.9%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,028,398	4,315,916	4,185,347	4,470,044	4,575,403	4,660,284
Employee benefits	1,437,067	1,606,256	1,494,119	1,588,303	1,620,593	1,637,368
Purchased services	121,445	121,874	127,700	139,634	152,591	137,110
Supplies and materials	75,065	69,082	64,993	84,785	115,825	72,690
Capital expenditures	52,277	48,505	20,908	25,569	109,090	14,500
Other expenditures	2,782	-	-	-	-	-
<b>Total expenditures</b>	<b>5,717,033</b>	<b>6,161,633</b>	<b>5,893,068</b>	<b>6,308,335</b>	<b>6,573,502</b>	<b>6,521,952</b>
<b>Total students</b>	<b>637</b>	<b>626</b>	<b>661</b>	<b>640</b>	<b>638</b>	<b>638</b>
<b>Spending per student</b>	<b>8,975</b>	<b>9,843</b>	<b>8,915</b>	<b>9,857</b>	<b>10,303</b>	<b>10,222</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The salary and employee benefits budget remains the largest cost drivers, accounting for 96.6 percent of the total expenditure budget at the school. Purchased services, at 2.1 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials represent 1.1 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 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**

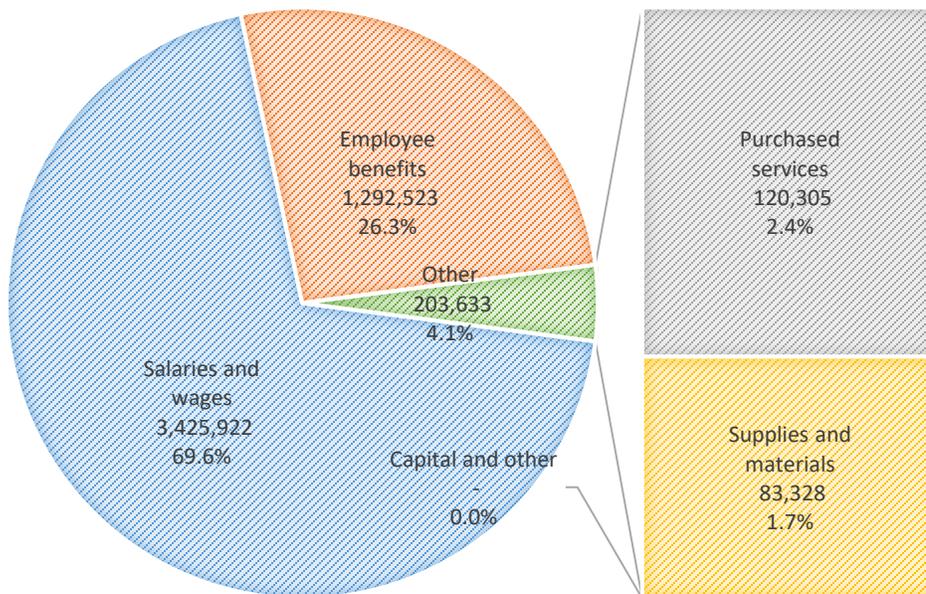
**Principal: Mary Jelinek**  
**Phone: 651-683-6890**

Thomas Lake’s enrollment has increased steadily since 2015-16, from 459 students on October 1, 2015 to 473 on October 1, 2016. The projection for 2018-19 is 486 students. During the same period, the percentage of students eligible for free or reduced-price school meals decreased, from 17.6 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	78	83	83	72	75	76
1	93	78	86	73	76	78
2	72	92	80	88	78	78
3	68	77	94	79	92	80
4	75	70	79	94	81	93
5	73	73	72	80	96	82
<b>Total</b>	<b>459</b>	<b>473</b>	<b>494</b>	<b>486</b>	<b>498</b>	<b>487</b>

F/R	17.6%	15.1%	16.5%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	2,892,137	3,078,332	3,154,074	3,414,836	3,265,871	3,425,922
Employee benefits	1,043,572	1,075,850	1,133,206	1,178,015	1,223,961	1,292,523
Purchased services	141,326	122,221	137,454	214,294	116,658	120,305
Supplies and materials	70,448	62,602	59,850	78,379	127,171	83,328
Capital expenditures	46,531	17,685	20,118	58,056	(1,480)	-
Other expenditures	1,693	-	-	-	-	-
<b>Total expenditures</b>	<b>4,195,707</b>	<b>4,356,690</b>	<b>4,504,702</b>	<b>4,943,581</b>	<b>4,732,181</b>	<b>4,922,079</b>
<b>Total students</b>	<b>376</b>	<b>406</b>	<b>459</b>	<b>473</b>	<b>494</b>	<b>486</b>
<b>Spending per student</b>	<b>11,159</b>	<b>10,731</b>	<b>9,814</b>	<b>10,452</b>	<b>9,579</b>	<b>10,128</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 95.9 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. Supplies and materials represent slightly more than 1.7 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining 0.00 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**

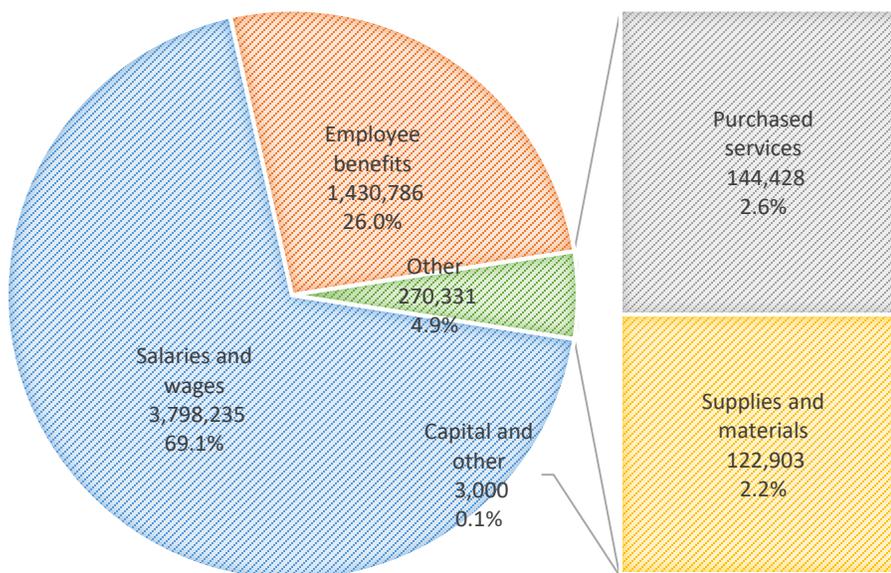
**Principal: Tami Staloch-Schultz**  
**Phone: 952-431-8380**

Westview’s enrollment has declined from 418 students on October 1, 2015 to 395 students on October 1, 2016. The projected student count for 2018-19 is expected to rise to 444. During the same time period, the percentage of students eligible for free or reduced-price school meals has fluctuated from 42.7 percent in 2015-16 to 40.0 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	83	56	56	89	93	94
1	71	67	58	91	94	97
2	71	66	69	56	97	96
3	74	75	68	64	59	99
4	58	74	76	70	66	60
5	61	57	76	74	72	67
<b>Total</b>	<b>418</b>	<b>395</b>	<b>403</b>	<b>444</b>	<b>481</b>	<b>513</b>

F/R	42.7%	40.0%	43.8%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	3,403,289	3,537,656	3,617,118	3,558,905	3,625,596	3,798,235
Employee benefits	1,218,575	1,331,672	1,319,956	1,271,120	1,365,496	1,430,786
Purchased services	120,116	135,305	129,781	164,735	123,800	144,428
Supplies and materials	67,864	66,687	60,351	116,451	110,616	122,903
Capital expenditures	17,337	51,344	22,213	409,766	22,013	3,000
Other expenditures	1,293	-	-	-	-	-
<b>Total expenditures</b>	<b>4,828,473</b>	<b>5,122,663</b>	<b>5,149,419</b>	<b>5,520,977</b>	<b>5,247,521</b>	<b>5,499,353</b>
<b>Total students</b>	<b>422</b>	<b>398</b>	<b>418</b>	<b>395</b>	<b>403</b>	<b>444</b>
<b>Spending per student</b>	<b>11,442</b>	<b>12,871</b>	<b>12,319</b>	<b>13,977</b>	<b>13,021</b>	<b>12,386</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 95.1 percent of the total expenditures at the school. Purchased services, at 2.6 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials represent 2.2 percent of the budget including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. 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 Wescott Road, Eagan, MN 55123**

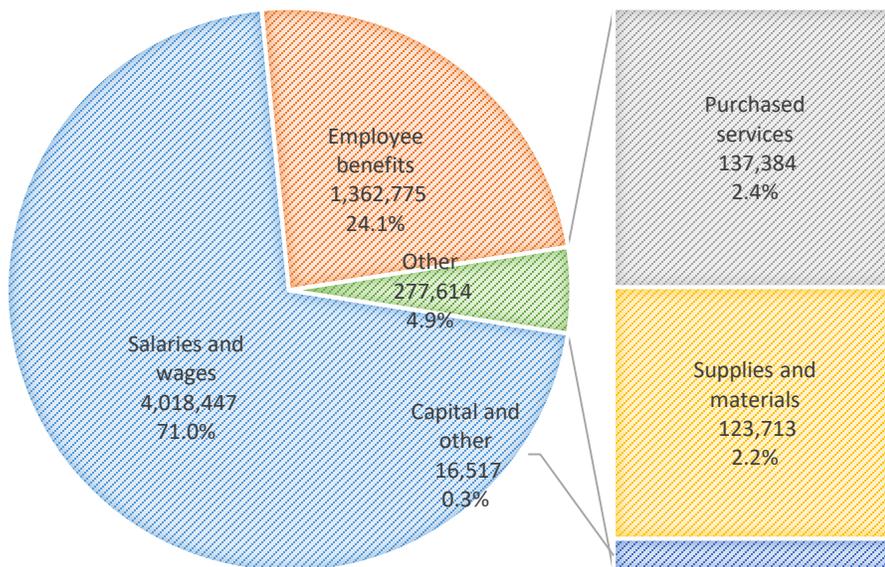
**Principal: Lisa Carlson**  
**Phone: 651-683-6990**

Woodland’s enrollment has increased from 570 students on October 1, 2015, to 587 on October 1, 2016. The projection for 2018-19 is 625 students. As the school’s enrollment increases, the percentage of students eligible for free or reduced-price school meals has remained stable, from 15.4 percent in 2015-16 to 16.0 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
K	90	108	108	113	119	120
1	95	92	113	116	120	124
2	93	94	95	112	124	123
3	105	92	96	100	116	126
4	97	104	94	85	103	118
5	90	97	106	99	88	105
<b>Total</b>	<b>570</b>	<b>587</b>	<b>612</b>	<b>625</b>	<b>670</b>	<b>716</b>

F/R	15.4%	16.0%	15.4%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	3,330,827	3,650,240	3,658,565	3,953,294	3,926,527	4,018,447
Employee benefits	1,079,784	1,273,168	1,278,948	1,373,293	1,346,063	1,362,775
Purchased services	129,033	129,936	127,381	131,616	139,088	137,384
Supplies and materials	54,107	47,492	59,686	119,109	93,512	123,713
Capital expenditures	13,129	35,920	15,564	21,475	44,475	16,517
Other expenditures	1,382	-	-	-	-	-
<b>Total expenditures</b>	<b>4,608,262</b>	<b>5,136,756</b>	<b>5,140,143</b>	<b>5,598,786</b>	<b>5,549,665</b>	<b>5,658,836</b>
<b>Total students</b>	<b>523</b>	<b>525</b>	<b>570</b>	<b>587</b>	<b>612</b>	<b>625</b>
<b>Spending per student</b>	<b>8,811</b>	<b>9,784</b>	<b>9,018</b>	<b>9,538</b>	<b>9,068</b>	<b>9,054</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for 95.1 percent of the total expenditures at the school. Purchased services, at 2.4 percent, make up the third largest share. These expenses include professional fees, utilities postage, communication, etc. Supplies and materials make up 2.2 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining 0.3 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**

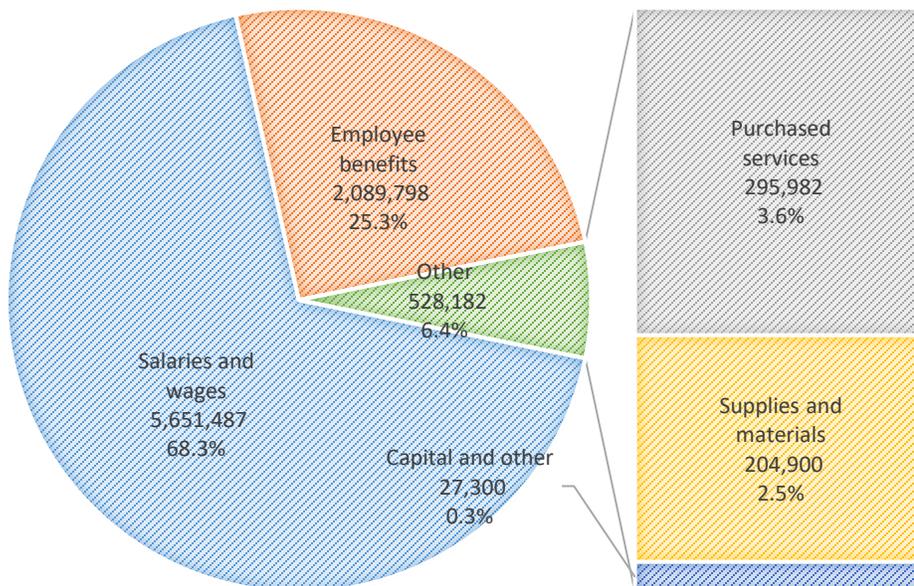
**Principal: Richard Wendorff**  
**Phone: 651-683-8521**

Black Hawk’s enrollment has slightly decreased, from 891 students on October 1, 2015 to 865 on October 1, 2016. The projection for 2018-19 is 867 students. During the same time period, the percentage of students eligible for free or reduced-price school meals increased from 28.2 percent in 2015-16 to 30.8 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	297	286	295	290	281	291
7	309	293	292	296	290	289
8	285	286	296	281	296	293
<b>Total</b>	<b>891</b>	<b>865</b>	<b>883</b>	<b>867</b>	<b>867</b>	<b>873</b>

F/R	28.2%	30.8%	31.9%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	4,594,998	4,895,661	5,267,890	5,355,564	5,563,221	5,651,487
Employee benefits	1,677,725	1,814,210	1,954,909	1,906,132	2,083,860	2,089,798
Purchased services	326,005	336,294	330,988	322,561	323,634	295,982
Supplies and materials	95,350	106,750	99,838	214,391	185,054	204,900
Capital expenditures	73,364	97,467	62,080	128,066	46,012	27,300
Other expenditures	4,838	-	-	-	-	-
<b>Total expenditures</b>	<b>6,772,279</b>	<b>7,250,382</b>	<b>7,715,705</b>	<b>7,926,713</b>	<b>8,201,781</b>	<b>8,269,466</b>
<b>Total students</b>	<b>802</b>	<b>847</b>	<b>893</b>	<b>865</b>	<b>883</b>	<b>867</b>
<b>Spending per student</b>	<b>8,444</b>	<b>8,560</b>	<b>8,640</b>	<b>9,164</b>	<b>9,289</b>	<b>9,538</b>



The pie chart at left shows the school’s 2018-19 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. Purchased services, at 3.6 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials represent 2.5 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other 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.

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

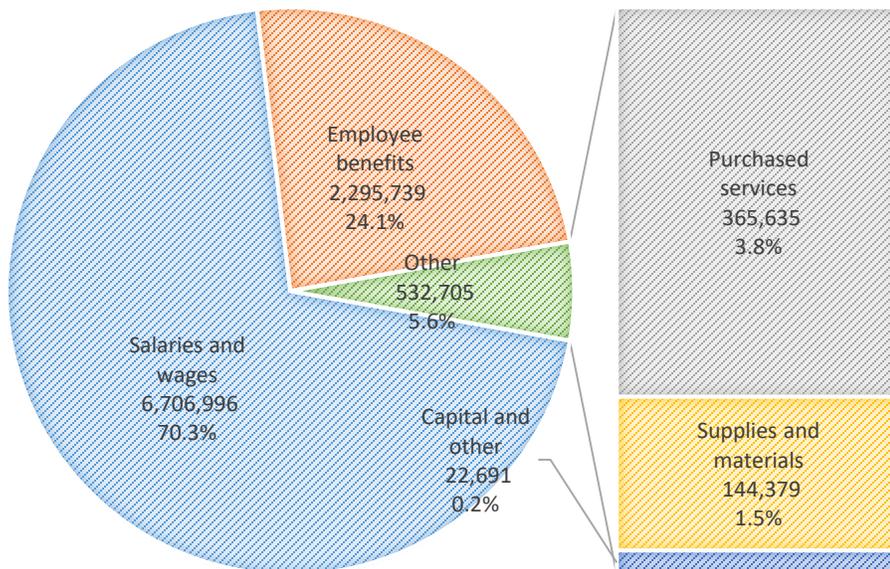
**Principal: Trevor Johnson**  
**Phone: 651-683-6800**

Dakota Hills' enrollment has increased from 1,041 students on October 1, 2015 to 1,100 students in 2016-17. The projected student count for the 2018-19 school year is 1,171. The percentage of students eligible for free or reduced-price school meals has increased from 12.1 percent in 2015-16 to 13.0 percent in 2016-17. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	325	375	387	389	377	390
7	383	330	383	397	389	387
8	333	395	334	385	397	393
<b>Total</b>	<b>1041</b>	<b>1100</b>	<b>1104</b>	<b>1171</b>	<b>1163</b>	<b>1170</b>

F/R	12.1%	13.0%	14.5%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	6,225,987	6,422,189	6,173,686	6,226,058	6,404,913	6,706,996
Employee benefits	2,110,028	2,187,306	2,131,804	2,061,717	2,182,617	2,295,739
Purchased services	408,178	394,311	362,435	369,020	516,002	365,635
Supplies and materials	190,823	171,323	162,627	252,233	213,305	144,379
Capital expenditures	350,232	27,601	17,994	29,116	258,245	22,691
Other expenditures	6,831	-	-	-	-	-
<b>Total expenditures</b>	<b>9,292,079</b>	<b>9,202,731</b>	<b>8,848,546</b>	<b>8,938,144</b>	<b>9,575,082</b>	<b>9,535,440</b>
<b>Total students</b>	<b>1,151</b>	<b>1,102</b>	<b>1,041</b>	<b>1,100</b>	<b>1,104</b>	<b>1,171</b>
<b>Spending per student</b>	<b>8,073</b>	<b>8,351</b>	<b>8,500</b>	<b>8,126</b>	<b>8,673</b>	<b>8,143</b>



The pie chart at left shows the school's 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.4 percent of the total expenditures at the school. Purchased services, at 3.8 percent of the budget, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 1.5 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**

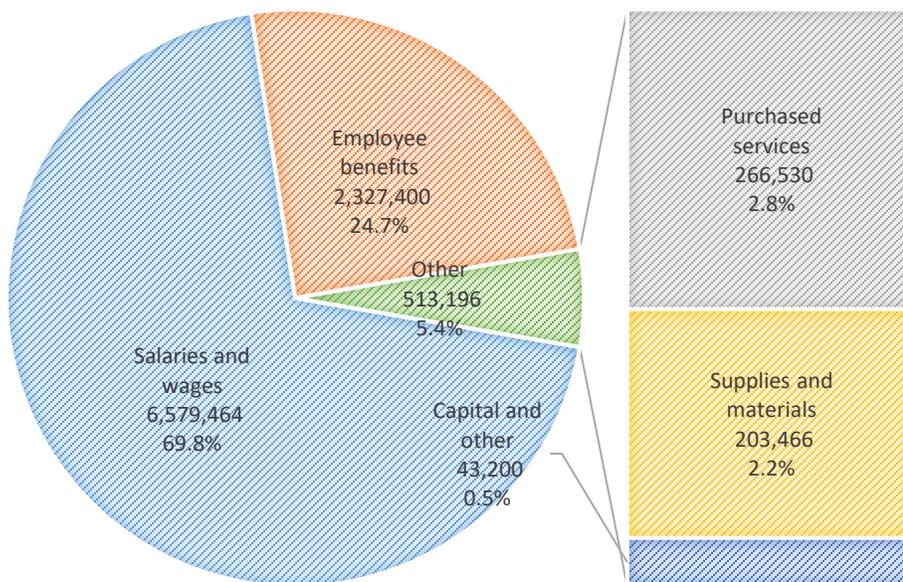
**Principal: Noel Mehus**  
**Phone: 952-431-8760**

Falcon Ridge’s enrollment has increased from 1,054 on October 1, 2015, to 1,064 on October 1, 2016. The projection for 2018-19 is expected to decrease to 1106 students. During the same time period, the percentage of students eligible for free or reduced-price school meals increased from 21.2 percent in 2015-16 to 23.8 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	363	341	352	370	359	371
7	345	381	349	377	370	368
8	346	342	385	359	378	374
<b>Total</b>	<b>1054</b>	<b>1064</b>	<b>1086</b>	<b>1106</b>	<b>1107</b>	<b>1113</b>

F/R	21.2%	23.8%	23.6%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	6,143,640	6,210,337	6,026,781	6,149,742	6,167,710	6,579,464
Employee benefits	2,102,108	2,147,437	2,103,254	2,122,915	2,153,616	2,327,400
Purchased services	306,570	284,243	272,459	268,154	256,734	266,530
Supplies and materials	134,834	155,501	142,753	257,974	145,171	203,466
Capital expenditures	99,574	89,899	37,255	190,931	103,401	43,200
Other expenditures	9,610	-	-	-	-	-
<b>Total expenditures</b>	<b>8,796,337</b>	<b>8,887,418</b>	<b>8,582,502</b>	<b>8,989,715</b>	<b>8,826,632</b>	<b>9,420,059</b>
<b>Total students</b>	<b>1,090</b>	<b>1,032</b>	<b>1,054</b>	<b>1,064</b>	<b>1,086</b>	<b>1,106</b>
<b>Spending per student</b>	<b>8,070</b>	<b>8,612</b>	<b>8,143</b>	<b>8,449</b>	<b>8,128</b>	<b>8,517</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.6 percent of the total expenditure budget. Purchased services, at 2.8 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials make up 2.2 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining 0.5 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**

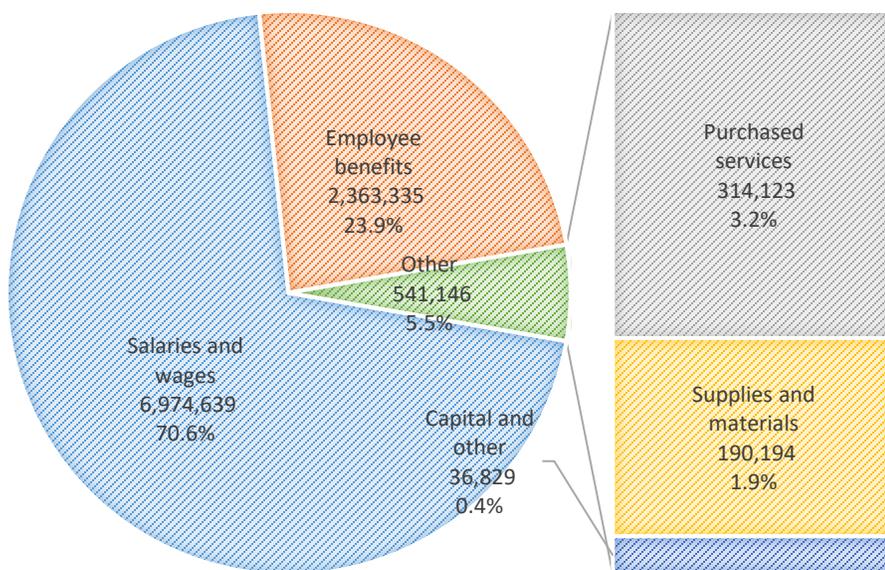
**Principal: Eric Hansen**  
**Phone: 651-423-7570**

Rosemount’s enrollment has increased from 1,236 students on October 1, 2015, to 1,283 students on October 1, 2017. The projection for the 2018-19 school year is 1,350 students. During the same time period, the percentage of students eligible for free or reduced-price school meals slightly decreased from 16.3 percent in 2015-16 to 14.2 percent in 2017-18. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	414	419	433	458	444	460
7	435	418	428	467	458	456
8	387	438	422	425	468	463
<b>Total</b>	<b>1236</b>	<b>1275</b>	<b>1283</b>	<b>1350</b>	<b>1370</b>	<b>1379</b>

F/R	16.3%	14.4%	14.2%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	6,041,012	6,061,839	6,332,332	6,624,697	6,772,240	6,974,639
Employee benefits	2,008,144	2,044,595	2,220,499	2,141,854	2,223,185	2,363,335
Purchased services	358,601	326,493	329,019	439,314	393,643	314,123
Supplies and materials	137,801	205,381	184,100	335,813	300,595	190,194
Capital expenditures	64,181	66,678	49,507	404,039	388,046	36,829
Other expenditures	2,969	-	-	-	-	-
<b>Total expenditures</b>	<b>8,612,709</b>	<b>8,704,986</b>	<b>9,115,457</b>	<b>9,945,718</b>	<b>10,077,709</b>	<b>9,879,119</b>
<b>Total students</b>	<b>1,158</b>	<b>1,199</b>	<b>1,236</b>	<b>1,275</b>	<b>1,283</b>	<b>1,350</b>
<b>Spending per student</b>	<b>7,438</b>	<b>7,260</b>	<b>7,375</b>	<b>7,801</b>	<b>7,855</b>	<b>7,318</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 94.5 percent of the total budget. Purchased services, at 3.2 percent, make up the third largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 1.9 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and other general office supplies. The remaining 0.4 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**

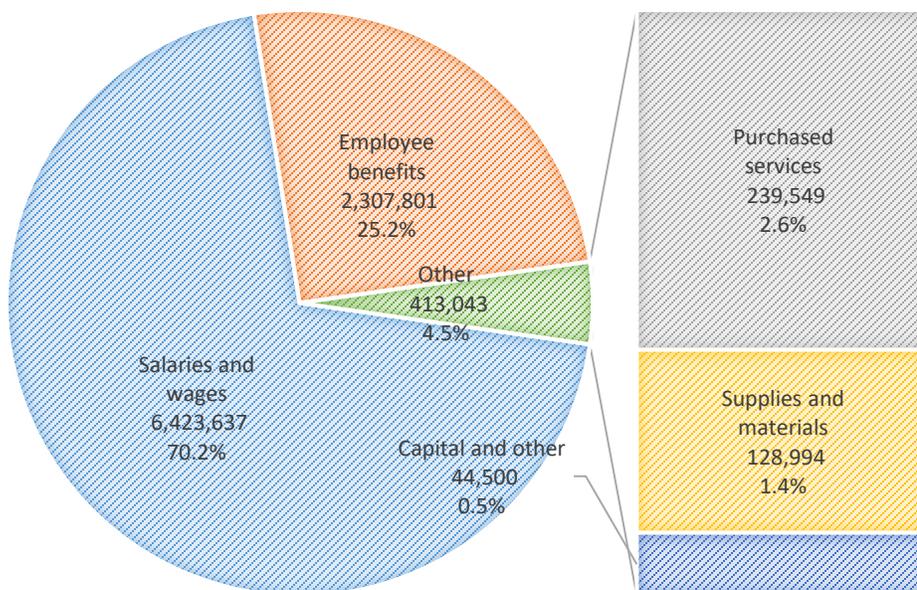
**Principal: Dan Wilharber**  
**Phone: 952-423-7581**

Scott Highlands' enrollment increased from 986 students on October 1, 2015 to 1,010 students on October 1, 2016. The projected student count for 2018-19 is 1,044. As the school's enrollment increases, the percentage of students eligible for free or reduced-price school meals has remained relatively stable from 23.8 percent in 2015-16. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	338	333	344	343	333	344
7	340	333	341	350	343	341
8	308	344	337	351	350	347
<b>Total</b>	<b>986</b>	<b>1010</b>	<b>1022</b>	<b>1044</b>	<b>1026</b>	<b>1032</b>

F/R	23.8%	23.8%	24.2%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	5,568,712	5,928,989	5,840,224	6,188,236	6,197,372	6,423,637
Employee benefits	2,020,806	2,198,238	2,189,952	2,146,870	2,156,479	2,307,801
Purchased services	289,635	269,159	245,799	296,604	263,830	239,549
Supplies and materials	113,228	99,951	131,484	219,422	320,175	128,994
Capital expenditures	125,410	96,105	71,367	410,165	185,741	44,500
Other expenditures	9,135	-	-	-	-	-
<b>Total expenditures</b>	<b>8,126,928</b>	<b>8,592,443</b>	<b>8,478,826</b>	<b>9,261,298</b>	<b>9,123,597</b>	<b>9,144,481</b>
<b>Total students</b>	<b>910</b>	<b>936</b>	<b>986</b>	<b>1,010</b>	<b>1,022</b>	<b>1,044</b>
<b>Spending per student</b>	<b>8,931</b>	<b>9,180</b>	<b>8,599</b>	<b>9,170</b>	<b>8,927</b>	<b>8,759</b>



The pie chart at left shows the school's 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 95.5 percent of the total expenditures. Purchased services, at 2.6 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 1.4 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.5 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**

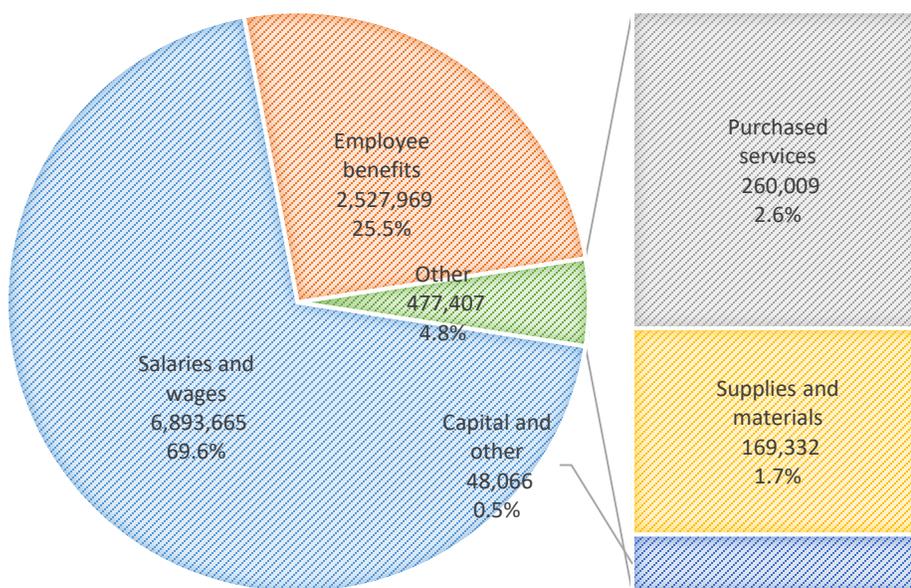
**Principal: Dave McKeag**  
**Phone: 952-431-8300**

Valley Middle’s enrollment has increased from 937 students on October 1, 2015 to 982 students on October 1, 2016. The projection for 2018-19 is 1,070 students. During the same time period, the percentage of students eligible for free or reduced-price school meals has increased, from 38.2 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
6	320	349	361	354	343	355
7	323	306	357	361	354	352
8	294	327	309	355	362	358
<b>Total</b>	<b>937</b>	<b>982</b>	<b>1027</b>	<b>1070</b>	<b>1059</b>	<b>1065</b>

F/R	38.2%	41.0%	41.4%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	5,911,510	6,199,153	6,359,112	7,117,372	6,667,820	6,893,665
Employee benefits	2,079,443	2,231,911	2,202,611	2,498,951	2,408,588	2,527,969
Purchased services	343,471	316,643	310,650	354,509	254,651	260,009
Supplies and materials	97,879	101,866	119,056	213,347	87,775	169,332
Capital expenditures	217,090	350,793	55,183	105,497	51,089	48,066
Other expenditures	14,256	-	-	-	-	-
<b>Total expenditures</b>	<b>8,663,648</b>	<b>9,200,366</b>	<b>9,046,611</b>	<b>10,289,676</b>	<b>9,469,923</b>	<b>9,899,041</b>
<b>Total students</b>	<b>888</b>	<b>839</b>	<b>937</b>	<b>982</b>	<b>1,027</b>	<b>1,070</b>
<b>Spending per student</b>	<b>9,756</b>	<b>10,966</b>	<b>9,655</b>	<b>10,478</b>	<b>9,221</b>	<b>9,251</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 95.2 percent of the total expenditures. Purchased services, at 2.6 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 1.7 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.5 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

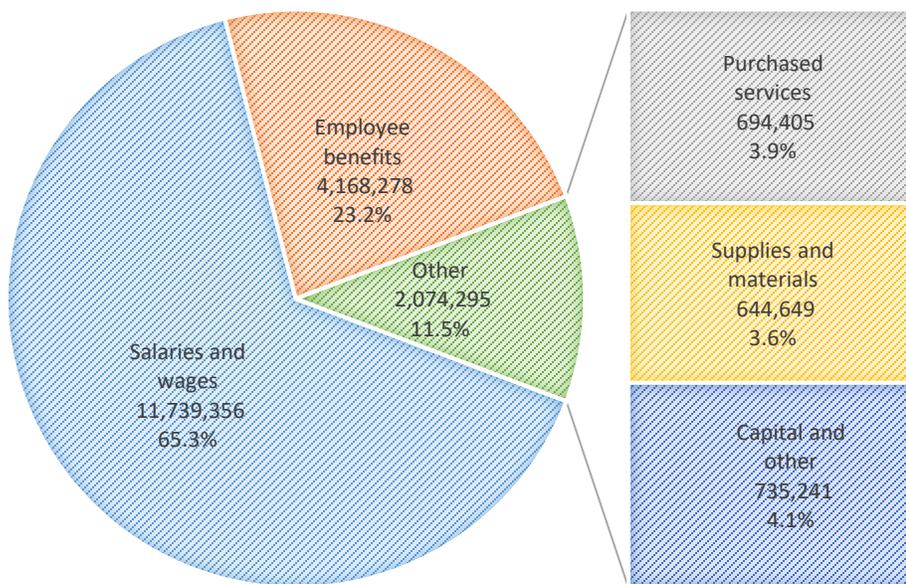
**Apple Valley High School**  
**14450 Hayes Road, Apple Valley, MN 55124**

**Principal: Michael Bolsoni**  
**Phone: 952-431-8200**

Apple Valley’s enrollment declined from 1,592 students on October 1, 2015, to 1,572 on October 1, 2016. The projected enrollment is expected to rise to 1,621 for 2018-19. During the same time period, the percentage of students eligible for free or reduced-price school meals has increased from 33.3 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	413	401	447	434	458	473
10	466	408	381	450	447	468
11	378	394	398	341	379	371
12	335	369	381	396	359	401
<b>Total</b>	<b>1592</b>	<b>1572</b>	<b>1607</b>	<b>1621</b>	<b>1643</b>	<b>1713</b>
<b>F/R</b>	<b>33.3%</b>	<b>35.6%</b>	<b>36.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	10,929,122	11,179,149	11,566,589	11,383,772	11,672,920	11,739,356
Employee benefits	3,824,521	4,027,419	4,006,122	3,837,232	4,076,687	4,168,278
Purchased services	796,801	777,296	757,523	1,118,841	1,493,293	694,405
Supplies and materials	330,382	478,978	413,839	505,668	698,935	644,649
Capital expenditures	211,681	611,774	152,497	375,932	206,893	735,241
Other expenditures	30,827	-	-	-	-	-
<b>Total expenditures</b>	<b>16,123,335</b>	<b>17,074,616</b>	<b>16,896,569</b>	<b>17,221,445</b>	<b>18,148,728</b>	<b>17,981,929</b>
<b>Total students</b>	<b>1,624</b>	<b>1,665</b>	<b>1,592</b>	<b>1,572</b>	<b>1,607</b>	<b>1,621</b>
<b>Spending per student</b>	<b>9,928</b>	<b>10,255</b>	<b>10,613</b>	<b>10,955</b>	<b>11,294</b>	<b>11,093</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and benefits remain the largest cost drivers, accounting for nearly 88.5 percent of the total expenditures. Purchased services, at 3.9 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 3.6 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 4.1 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

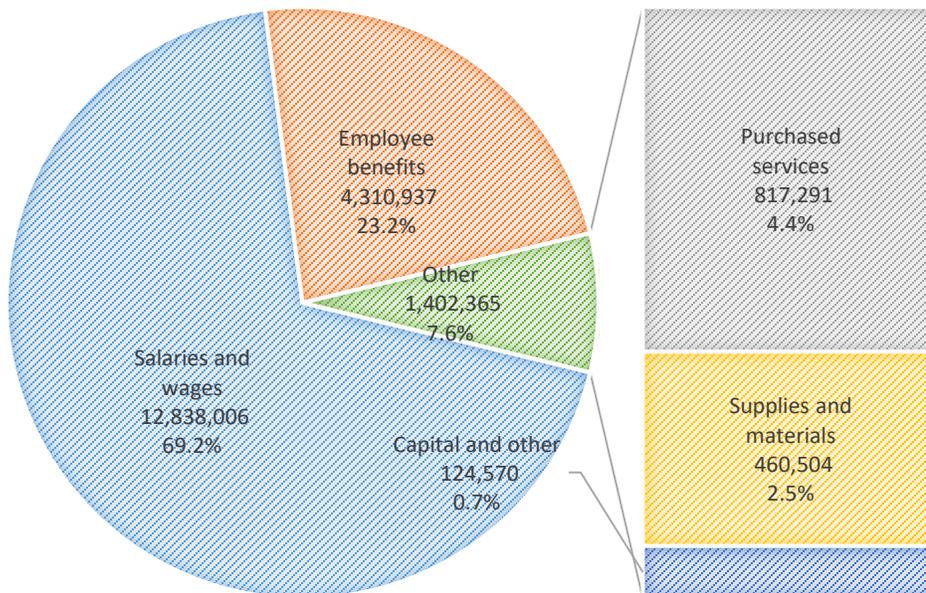
**Eagan High School**  
**4185 Braddock Trail, Eagan, MN 55123**

**Principal: Polly Reikowski**  
**Phone: 651-683-6900**

Eagan’s enrollment increased from 2,010 in 2015-16 to a projected count of 2,033 for 2018-19. During the same time period, the percentage of students eligible for free or reduced-price school meals increased from 12.8 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	532	496	552	555	585	604
10	551	539	503	541	538	563
11	456	482	487	454	505	494
12	471	428	442	483	438	490
Total	2010	1945	1984	2033	2066	2151
F/R	12.8%	13.0%	13.7%	0.0%	0.0%	0.0%

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	11,627,389	12,207,293	12,402,872	12,688,980	12,533,724	12,838,006
Employee benefits	3,806,295	4,111,659	4,111,084	4,123,206	4,154,386	4,310,937
Purchased services	1,258,885	1,030,093	966,538	1,024,922	903,692	817,291
Supplies and materials	464,795	497,766	461,422	634,262	576,764	460,504
Capital expenditures	477,618	176,750	198,068	245,444	296,812	124,570
Other expenditures	50,436	-	-	-	-	-
<b>Total expenditures</b>	<b>17,685,418</b>	<b>18,023,561</b>	<b>18,139,984</b>	<b>18,716,814</b>	<b>18,465,378</b>	<b>18,551,307</b>
<b>Total students</b>	<b>2,018</b>	<b>2,031</b>	<b>2,010</b>	<b>1,945</b>	<b>1,984</b>	<b>2,033</b>
<b>Spending per student</b>	<b>8,764</b>	<b>8,874</b>	<b>9,025</b>	<b>9,623</b>	<b>9,307</b>	<b>9,125</b>



The pie chart at left shows the school’s 2018-19 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 expenditures. Purchased services, at 4.4 percent, make up the third largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 2.5 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources and general office supplies. The remaining 0.7 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

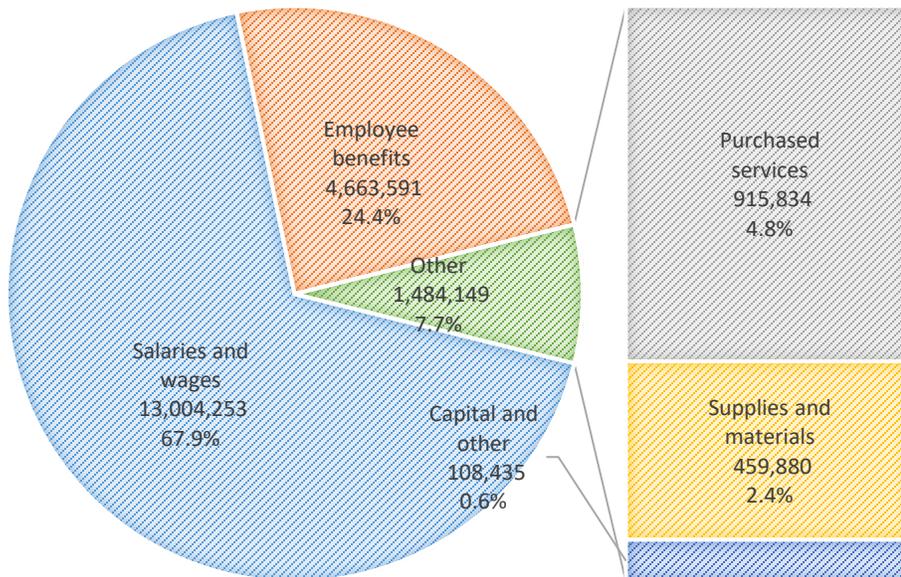
**Eastview High School**  
**6200 140<sup>th</sup> Street West, Apple Valley, MN 55124**

**Principal: Randall Peterson**  
**Phone: 952-431-8900**

Eastview’s enrollment decreased from 2,171 in 2015-16 to a projected 2,143 in 2018-19. During the same time period, the percentage of students eligible for free or reduced-price school meals increased from 16.9 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	621	549	611	535	565	582
10	581	611	570	615	612	640
11	506	510	516	501	557	545
12	463	482	498	492	446	499
<b>Total</b>	<b>2171</b>	<b>2152</b>	<b>2195</b>	<b>2143</b>	<b>2180</b>	<b>2266</b>
<b>F/R</b>	<b>16.9%</b>	<b>18.7%</b>	<b>17.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	12,096,713	12,345,930	12,643,170	12,811,713	12,457,973	13,004,253
Employee benefits	4,017,519	4,142,909	4,253,730	4,264,200	4,343,693	4,663,591
Purchased services	1,103,095	1,059,490	1,370,307	1,008,223	770,810	915,834
Supplies and materials	427,644	462,396	474,683	568,670	409,533	459,880
Capital expenditures	128,804	140,304	67,274	171,682	114,454	108,435
Other expenditures	30,359	-	-	-	-	-
<b>Total expenditures</b>	<b>17,804,133</b>	<b>18,151,028</b>	<b>18,809,165</b>	<b>18,824,489</b>	<b>18,096,463</b>	<b>19,151,992</b>
<b>Total students</b>	<b>2,070</b>	<b>2,089</b>	<b>2,171</b>	<b>2,152</b>	<b>2,195</b>	<b>2,143</b>
<b>Spending per student</b>	<b>8,601</b>	<b>8,689</b>	<b>8,664</b>	<b>8,747</b>	<b>8,244</b>	<b>8,937</b>



The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 92.3 percent of the total expenditures. Purchased services, at 4.8 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 2.4 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resource and general office supplies. The remaining 0.6 percent of the budget is planned for capital and other expenditures, such as equipment, dues, membership and license fees.

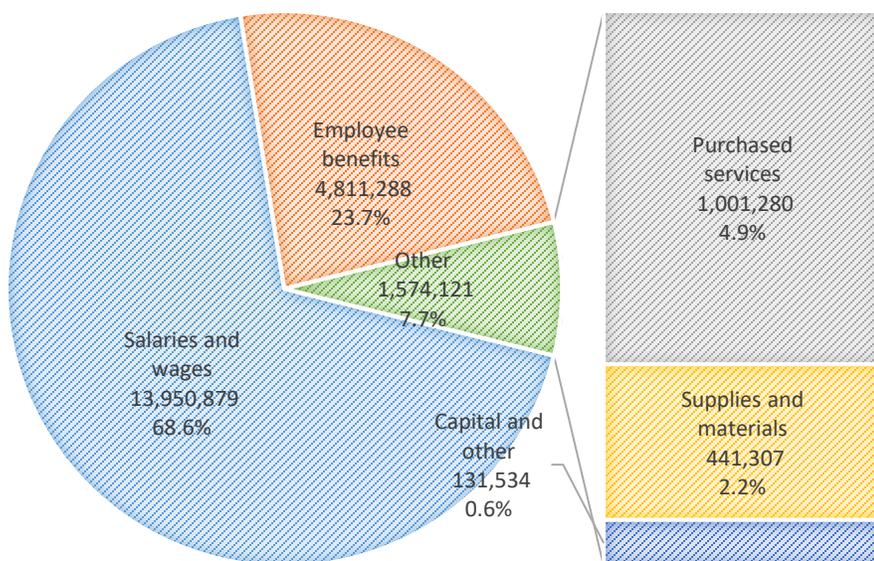
**Rosemount High School**  
**3335 142<sup>nd</sup> Street West, Rosemount, MN 55068**

**Principal: To Be Determined**  
**Phone: 651-423-7501**

Rosemount’s enrollment was 2,069 students in 2015-16 and is projected to be 2,254 for the 2018-19 school year. The percentage of students eligible for free or reduced-price school meals remains close at 16.0 percent in 2015-16. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	604	549	611	643	678	700
10	572	604	564	597	594	622
11	466	518	524	511	569	556
12	427	453	468	503	458	513
<b>Total</b>	<b>2069</b>	<b>2124</b>	<b>2167</b>	<b>2254</b>	<b>2299</b>	<b>2391</b>
<b>F/R</b>	<b>16.0%</b>	<b>16.4%</b>	<b>15.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	11,979,652	12,164,675	12,550,671	13,147,398	13,179,111	13,950,879
Employee benefits	4,042,464	4,236,004	4,361,405	4,412,796	4,440,660	4,811,288
Purchased services	1,122,151	1,064,540	1,051,016	1,298,661	1,061,670	1,001,280
Supplies and materials	423,558	397,851	423,243	622,433	423,830	441,307
Capital expenditures	283,405	212,381	287,493	1,055,251	198,050	131,534
Other expenditures	30,720	-	-	-	-	-
<b>Total expenditures</b>	<b>17,881,951</b>	<b>18,075,451</b>	<b>18,673,829</b>	<b>20,536,540</b>	<b>19,303,321</b>	<b>20,336,288</b>
<b>Total students</b>	<b>2,029</b>	<b>2,026</b>	<b>2,069</b>	<b>2,124</b>	<b>2,167</b>	<b>2,254</b>
<b>Spending per student</b>	<b>8,813</b>	<b>8,922</b>	<b>9,026</b>	<b>9,669</b>	<b>8,908</b>	<b>9,022</b>



The pie chart at left shows the school’s 2018-19 preliminary budget by object series. The budgets for salary and benefits are the largest cost drivers, accounting for nearly 92.3 percent of the total expenditures. Purchased services, at 4.9 percent, make up the next largest share of the budget. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 2.2 percent of the total budget, including classroom and instructional supplies, textbooks and workbooks, media resources, and office supplies. The remaining 0.6 percent of the budget is planned for capital and other expenditures, such as equipment.

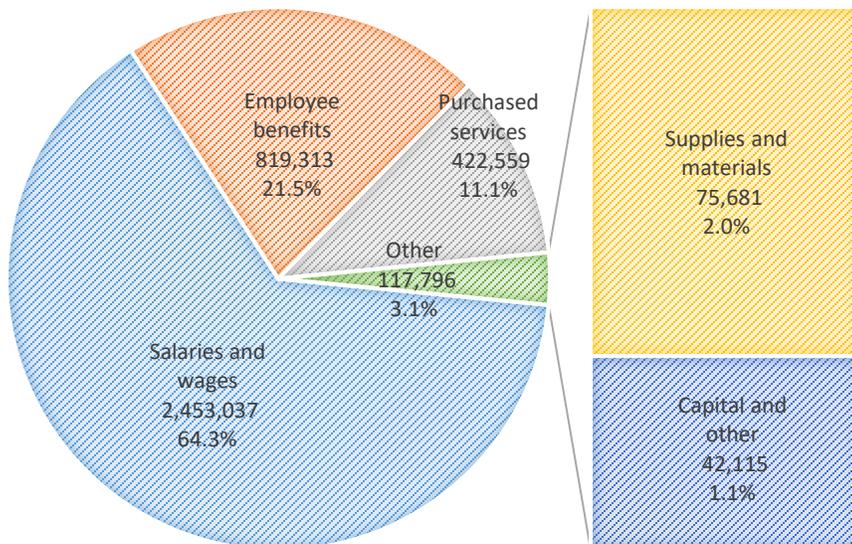
**School of Environmental Studies**  
**12155 Johnny Cake Ridge Road, Apple Valley, MN 55124**

**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 2018-19 school year is 384. Similar to other schools within the district, the percentage of students eligible for free or reduced-price school meals has slightly increased, from 13.9 percent in 2015-16 to 14.0 percent in 2016-17. The table at right shows the history of the school's enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	215	210	212	191	0	208
12	204	206	213	193	213	196
<b>Total</b>	<b>419</b>	<b>416</b>	<b>425</b>	<b>384</b>	<b>213</b>	<b>404</b>
<b>F/R</b>	<b>13.9%</b>	<b>14.0%</b>	<b>14.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Actual</u>	2016-17 <u>Actual</u>	2017-18 <u>Final Budget</u>	2018-19 <u>Prelim Budget</u>
<b>Expenditures</b>						
Salaries and wages	1,980,858	2,015,630	2,201,031	2,412,126	2,304,967	2,453,037
Employee benefits	639,400	662,450	761,282	813,020	806,824	819,313
Purchased services	446,381	444,270	604,070	550,745	535,023	422,559
Supplies and materials	43,977	43,798	48,462	121,870	75,546	75,681
Capital expenditures	63,941	41,319	49,966	60,718	71,080	42,115
Other expenditures	2,509	-	-	-	-	-
<b>Total expenditures</b>	<b>3,177,066</b>	<b>3,207,467</b>	<b>3,664,811</b>	<b>3,958,480</b>	<b>3,793,440</b>	<b>3,812,704</b>
<b>Total students</b>	<b>373</b>	<b>388</b>	<b>419</b>	<b>416</b>	<b>425</b>	<b>384</b>
<b>Spending per student</b>	<b>8,518</b>	<b>8,267</b>	<b>8,747</b>	<b>9,516</b>	<b>8,926</b>	<b>9,929</b>



The pie chart at left shows the school's 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 85.8 percent of the total expenditures. Purchased services, at 11.1 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 2.0 percent of the budget, including classroom and instructional supplies, textbooks and workbooks, media resources 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.

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

**Principal: Dave Schmitz**  
**Phone: 952-431-8720**

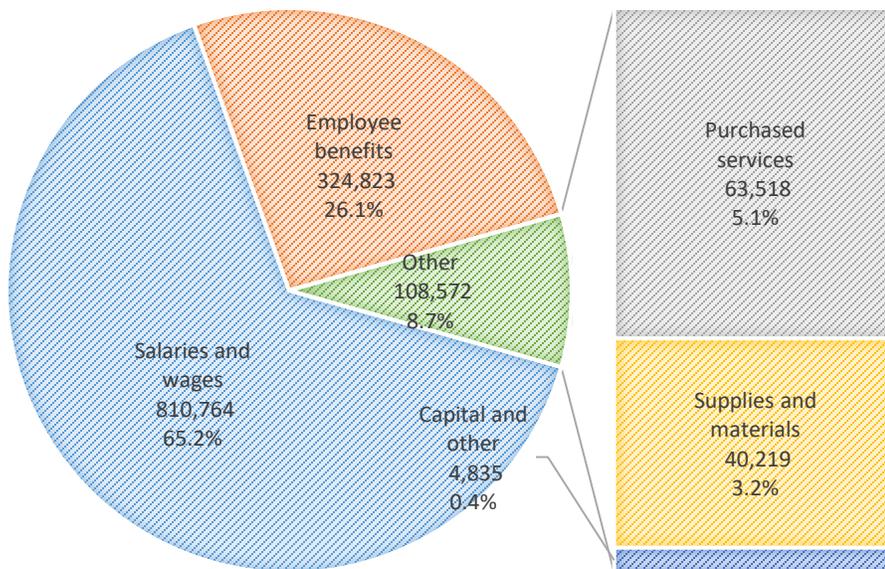
Enrollment for the district’s Area Learning Center, an alternative high school program, fluctuates from year to year. The projected student count for the 2018-19 school year is 100. The percentage of students eligible for free or reduced-price school meals has decreased, from 61.5 percent in 2015-16 to 51.5 percent in 2016-17. The table at right shows the history of the school’s enrollment by year and by grade and includes projected enrollment for the next two 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.

	2016	2017	2018	2019	2020	2021
9	2	0	0	0	0	0
10	15	0	4	14	0	14
11	29	24	24	22	14	24
12	73.56	72	74	64	25	65
<b>Total</b>	<b>119.6</b>	<b>96</b>	<b>102</b>	<b>100</b>	<b>39</b>	<b>103</b>

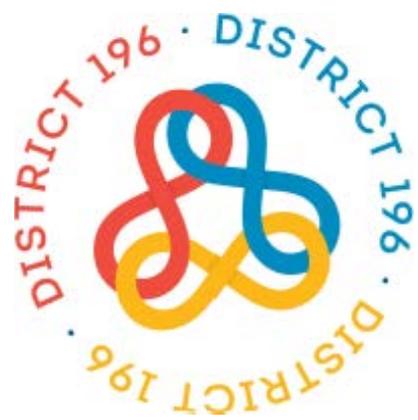
  

F/R	61.5%	51.5%	48.5%	0.0%	0.0%	0.0%
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	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Final Budget	2018-19 Prelim Budget
<b>Expenditures</b>						
Salaries and wages	906,325	1,022,031	1,024,608	986,402	905,710	810,764
Employee benefits	344,307	405,162	380,333	360,336	347,395	324,823
Purchased services	84,755	81,370	68,590	55,362	64,720	63,518
Supplies and materials	23,276	26,585	10,672	34,151	63,557	40,219
Capital expenditures	24,252	8,969	1,770	-	14,825	4,835
Other expenditures	335	-	-	-	-	-
<b>Total expenditures</b>	<b>1,383,250</b>	<b>1,544,117</b>	<b>1,485,973</b>	<b>1,436,252</b>	<b>1,396,207</b>	<b>1,244,160</b>
<b>Total students</b>	<b>113</b>	<b>136</b>	<b>120</b>	<b>96</b>	<b>102</b>	<b>100</b>
<b>Spending per student</b>	<b>12,241.15</b>	<b>11,354</b>	<b>12,429</b>	<b>14,961</b>	<b>13,688</b>	<b>12,442</b>

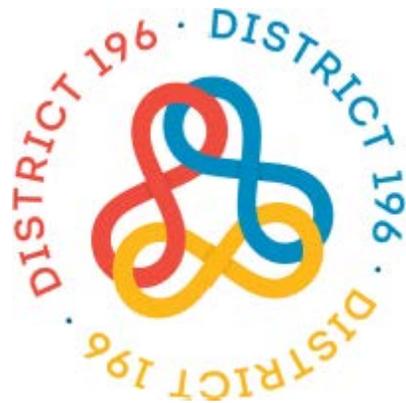


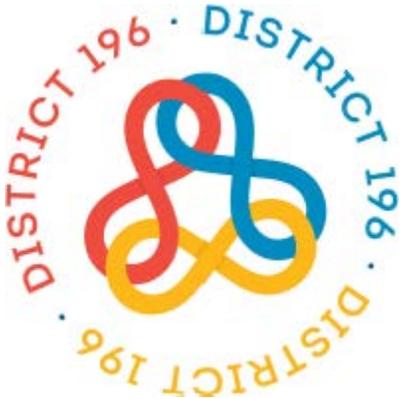
The pie chart at left shows the school’s 2018-19 preliminary expenditure budget by object series. The budgets for salary and employee benefits remain the largest cost drivers, accounting for 91.3 percent of the total expenditures. Purchased services, at 5.1 percent, make up the next largest share. These expenses include professional fees, utilities, postage, communication, etc. Supplies and materials account for 3.2 percent of the school’s 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.



# SECTION IV

Informational Section





**Enrollment by grade by year:**

<b>Grade</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
K	1,910	1,944	1,944	2,023	2,123	2,138	2,151
1	1,981	1,987	2,025	2,071	2,144	2,214	2,231
2	1,943	2,048	2,052	2,028	2,216	2,195	2,267
3	2,027	2,015	2,104	2,048	2,112	2,258	2,234
4	2,061	2,065	2,054	2,107	2,112	2,156	2,305
5	2,043	2,123	2,114	2,099	2,165	2,147	2,193
6	2,027	2,110	2,179	2,211	2,144	2,218	2,204
7	2,107	2,066	2,155	2,253	2,209	2,198	2,273
8	1,925	2,139	2,090	2,163	2,258	2,235	2,224
9	2,144	2,001	2,227	2,173	2,292	2,365	2,342
10	2,172	2,173	2,029	2,224	2,212	2,314	2,389
11	2,081	2,152	2,174	2,033	2,261	2,211	2,312
12	2,127	2,106	2,096	2,151	1,960	2,184	2,137
CBSE (1)	812	842	652	652	799	847	864
ECSE (2)	505	486	510	510	510	510	510
ABE			80	57	53	58	57
<b>Totals</b>	<b>27,865</b>	<b>28,257</b>	<b>28,485</b>	<b>28,803</b>	<b>29,570</b>	<b>30,248</b>	<b>30,693</b>

Note: Enrollments as of October 1.

- (1) Center Based Special Education (CBSE)
- (2) Early Childhood Special Education (ECSE)
- (3) Projected

**Enrollment by school by year:**

<b>School</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Cedar Park Elementary STEM School (CP)	697	731	726	702	720	711	723
Deerwood Elementary (DW)	643	625	635	675	722	742	748
Diamond Path Elementary	805	832	786	742	761	768	759
School of International Studies (DP)							
East Lake Elementary (EL)			436	612	689	732	781
Echo Park Elementary (EP)	665	641	663	686	737	767	796
Glacier Hills Elementary	758	759	742	734	727	702	705
School of Arts and Science (GH)							
Greenleaf Elementary (GL)	949	961	950	878	857	824	829
Highland Elementary (HL)	676	695	712	695	722	753	774
Northview Elementary (NV)	381	396	407	421	471	502	525
Oak Ridge Elementary (OR)	550	537	547	527	557	564	586
Parkview Elementary (PV)	890	943	823	850	895	938	972
Pinewood Elementary (PW)	609	615	611	583	595	626	626
Red Pine Elementary (RP)	823	797	746	734	742	731	724
Rosemount Elementary (RE)	704	745	683	687	716	725	721
Shannon Park Elementary (SP)	812	800	669	647	642	623	631
Southview Elementary (SV)	636	640	638	638	660	674	682
Thomas Lake Elementary (TL)	427	473	494	486	498	487	491
Westview Elementary (WV)	385	395	403	444	481	513	552
Woodland Elementary (WL)	545	587	612	625	670	716	746
Black Hawk Middle (BHMS)	868	865	883	867	867	873	880
Dakota Hills Middle (DHMS)	1,041	1,100	1,104	1,171	1,163	1,170	1,179
Falcon Ridge Middle (FRMS)	1,038	1,064	1,086	1,106	1,107	1,113	1,122
Rosemount Middle (RMS)	1,220	1,275	1,283	1,350	1,370	1,379	1,388
Scott Highlands Middle (SHMS)	951	1,010	1,022	1,044	1,026	1,032	1,040
Valley Middle School of STEM (VMS)	922	982	1,027	1,070	1,059	1,065	1,073
Apple Valley High (AVHS)	1,594	1,572	1,607	1,621	1,643	1,713	1,731
Eagan High (EHS)	2,001	1,945	1,984	2,033	2,066	2,151	2,174
Eastview High (EVHS)	2,175	2,152	2,195	2,143	2,180	2,266	2,296
Rosemount High (RHS)	2,078	2,124	2,167	2,254	2,299	2,391	2,419
School of Environmental Studies (SES)	434	416	425	384	393	404	410
Adult Basic Education (ABE)	62	77	80	57	53	58	57
Area Learning Center (ALC)	134	100	102	100	98	103	104
Center-Based Special Education (CBSE)	812	842	652	652	799	847	864
Dakota Ridge (DR)	75	75	75	75	75	75	75
Early Childhood Special Education (ECSE)	505	486	510	510	510	510	510
<b>Totals</b>	<b>27,865</b>	<b>28,257</b>	<b>28,485</b>	<b>28,803</b>	<b>29,570</b>	<b>30,248</b>	<b>30,693</b>

Note: Enrollment projections as of October 1.

(1) Projected

## Enrollment by school by grade:

School	K(1)	1	2	3	4	5	6	7	8	9	10	11	12	SE	Total
CP	108	111	117	112	134	120	-	-	-	-	-	-	-	-	702
DW	115	118	103	125	114	100	-	-	-	-	-	-	-	-	675
DP	111	114	136	134	121	126	-	-	-	-	-	-	-	-	742
EP	123	126	106	112	112	107	-	-	-	-	-	-	-	-	686
EL	121	124	102	92	98	75	-	-	-	-	-	-	-	-	612
GH	106	108	110	120	148	142	-	-	-	-	-	-	-	-	734
GL	123	126	137	136	174	182	-	-	-	-	-	-	-	-	878
HL	118	121	113	113	107	123	-	-	-	-	-	-	-	-	695
NV	80	82	78	68	61	52	-	-	-	-	-	-	-	-	421
OR	89	91	88	80	97	82	-	-	-	-	-	-	-	-	527
PV	149	153	135	138	130	145	-	-	-	-	-	-	-	-	850
PW	93	95	104	105	78	108	-	-	-	-	-	-	-	-	583
RP	110	113	108	132	136	135	-	-	-	-	-	-	-	-	734
RE	107	109	120	127	116	108	-	-	-	-	-	-	-	-	687
SP	95	97	98	101	127	129	-	-	-	-	-	-	-	-	647
SV	101	103	116	107	103	108	-	-	-	-	-	-	-	-	638
TL	72	73	88	79	94	80	-	-	-	-	-	-	-	-	486
WV	89	91	56	64	70	74	-	-	-	-	-	-	-	-	444
WL	113	116	112	100	85	99	-	-	-	-	-	-	-	-	625
AVHS	-	-	-	-	-	-	-	-	-	434	450	341	396	-	1,621
EHS	-	-	-	-	-	-	-	-	-	555	541	454	483	-	2,033
EVHS	-	-	-	-	-	-	-	-	-	535	615	501	492	-	2,143
RHS	-	-	-	-	-	-	-	-	-	643	597	511	503	-	2,254
SES	-	-	-	-	-	-	-	-	-	-	-	191	193	-	384
BHMS	-	-	-	-	-	-	290	296	281	-	-	-	-	-	867
DHMS	-	-	-	-	-	-	389	397	385	-	-	-	-	-	1,171
FRMS	-	-	-	-	-	-	370	377	359	-	-	-	-	-	1,106
RMS	-	-	-	-	-	-	458	467	425	-	-	-	-	-	1,350
SHMS	-	-	-	-	-	-	343	350	351	-	-	-	-	-	1,044
VMS	-	-	-	-	-	-	354	361	355	-	-	-	-	-	1,070
ABE	-	-	-	-	-	-	-	-	-	-	-	1	56	-	57
ALC	-	-	-	-	-	-	-	-	-	-	14	22	64	-	100
CBSE	-	-	-	-	-	-	-	-	-	-	-	-	-	652	652
ECSE	-	-	-	-	-	-	-	-	-	-	-	-	-	510	510
DR	-	-	1	3	2	4	7	5	7	6	7	13	20	-	75
Totals	2,023	2,071	2,028	2,048	2,107	2,099	2,211	2,253	2,163	2,173	2,224	2,034	2,207	1,162	28,803

Note: Enrollments projctions as of October 1, 2018

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

<u>Year Ended June 30,</u>	<u>Ealry Childhood &amp; Kindergarten</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>	<u>Total Pupil Units</u>	<u>Total Lunches Served</u>	<u>Free Lunch Number Served</u>	<u>Reduced Lunch Number Served</u>
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

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

	<u>Kindergarten</u>	<u>Elementary Grades 1-3</u>	<u>Elementary Grades 4-6</u>	<u>Secondary</u>
Fiscal 2008 through 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:**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>State Accountability Tests (1)</b>					
Reading					
Grade 3	64	63	63	59	65
Grade 4	63	61	65	65	62
Grade 5	73	75	72	73	72
Grade 6	66	67	71	66	69
Grade 7	65	65	63	65	64
Grade 8	64	65	67	66	68
Grade 10	74	72	71	74	73
Math					
Grade 3	76	76	76	74	75
Grade 4	77	77	77	73	73
Grade 5	67	68	69	65	64
Grade 6	64	65	66	66	65
Grade 7	64	64	64	63	62
Grade 8	61	63	64	66	66
Grade 11	67	62	63	64	68
Science					
Grade 5	66	71	67	70	68
Grade 8	51	56	57	63	61
High School	67	69	69	73	74
<b>Measures of Academic Progress (MAP) (2)</b>					
Reading					
Grades 2-5	64.3	72.3	72.8		
Grades 6-7	62.5	61.0	63.2	55.3	56.4
Math					
Grades 2-5	66.3	65.0	71.9	54.6	51.2
Grades 6-7	55.5	60.3	63.2	60.4	60.8
<b>American College Testing (ACT)</b>	24.0	24.1	24.4	23.0	23.0
<b>Graduation and Dropout Data (3)</b>					
District graduation rates	92	92	90	91	90
State graduation rates	80	81	82	83	83
District dropout rates	2.98	3.15	2.63	3.32	4.12
State dropout rates	9.9	8.92	8.43	8.28	8.56

(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

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

**Employees by Full-Time Equivalent (FTE):**

<b>Employee Group</b>	<b>Bargaining Group</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Teachers	Teachers	1,743.24	1,817.67	1,844.79	1,850.65	1,893.45
Nurses	Teachers	28.84	28.76	30.51	30.51	32.92
Social Workers	Teachers	16.95	17.58	17.18	15.50	16.15
Psychologists	Teachers	24.95	25.41	25.75	28.18	29.88
Occupational/Physical Therapists	Teachers	29.70	28.75	26.50	29.75	27.90
Psychologist/Speech Evaluation	Teachers	9.15	9.35	8.35	0.00	0.00
Q Comp Peer Leaders	Teachers	25.58	26.20	24.88	21.00	22.00
Counselors	Teachers	30.60	29.70	29.30	30.70	33.20
Deans	Teachers	2.39	2.39	3.39	2.00	2.00
Trainers	Teachers	7.50	3.10	4.89	4.45	2.50
Secretarial and Clerical	Secretarial and Clerical	649.60	651.00	640.06	642.29	736.37
Custodial	Custodial	145.00	142.00	148.50	149.50	149.50
Bus Drivers and Chaperones	Bus Drivers and Chaperones	202.24	201.71	201.71	239.00	229.89
Food Service	Food Service	98.22	111.69	101.06	100.86	120.44
Principals	Principals	30.00	30.00	29.00	29.00	31.00
Assistant Administrators	Principals	35.75	36.86	37.04	38.33	32.23
District Office Administrators	Special Staff	35.00	38.00	39.00	39.35	39.87
Building Chiefs	Building Chiefs	32.00	31.00	31.00	32.00	33.00
Vehicle Technicians	Vehicle Technicians	8.00	7.00	9.00	8.00	18.00
Special Staff	Special Staff	98.69	99.90	105.48	114.31	123.35
	<b>Totals</b>	<b>3,253.40</b>	<b>3,338.06</b>	<b>3,357.39</b>	<b>3,405.37</b>	<b>3,573.64</b>

<b>Bargaining Unit</b>	<b>Effective period</b>		<b>Approval Date</b>
	<b>Start Date</b>	<b>End Date</b>	
Teachers	July 1, 2017	June 30, 2019	September 9, 2013
Secretarial and Clerical	July 1, 2017	June 30, 2019	December 11, 2017
Custodial	July 1, 2017	June 30, 2019	November 13, 2017
Bus Drivers	July 1, 2016	June 30, 2018	February 12, 2018
Food Service	July 1, 2016	June 30, 2018	September 12, 2016
Special Staff	July 1, 2016	June 30, 2018	July 25, 2016
Principals	July 1, 2016	June 30, 2018	July 25, 2016
Building Chiefs	July 1, 2016	June 30, 2018	July 25, 2016
Vehicle Technicians	July 1, 2016	June 30, 2018	December 12, 2016

**School Facilities:**

<b>Facility</b>	<b>Year Built</b>	<b>Acres (1)</b>	<b>Square Footage</b>	<b>Classrooms (2)</b>	<b>Capacity</b>
Cedar Park Elementary STEM School	1977	16.64	79,178	29	595
Deerwood Elementary	1987	38.81 (a)	80,741	35	595
Diamond Path Elementary	1970	40.00	83,780	39	725
School of International Studies					
East Lake Elementary	2017	22.40	84,600	38	750
Echo Park Elementary	1979	16.29	94,876	45	790
Glacier Hills Elementary	1993	15.01	85,167	39	680
School of Arts and Science					
Greenleaf Elementary	1975	30.40	88,130	50	835
Highland Elementary	1986	40.00 (b)	85,497	43	725
Northview Elementary	1960	39.50	67,743	37	705
Oak Ridge Elementary	1991	9.95	86,896	45	680
Parkview Elementary	1970	13.00	95,430	39	680
Pinewood Elementary	1990	17.31	85,328	44	815
Red Pine Elementary	1995	13.09	88,784	47	815
Rosemount Elementary	1960	120.13 (c)	76,251	38	660
Shannon Park Elementary	1990	13.50	83,936	47	770
Southview Elementary	1967	32.74 (d)	72,391	46	790
Thomas Lake Elementary	1979	15.00	69,912	34	595
Westview Elementary	1964	18.00	71,678	41	725
Woodland Elementary	1988	18.43	83,724	37	680
Black Hawk Middle School	1994	38.81 (a)	198,534	71	1,200
Dakota Hills Middle School	1989	94.00 (e)	223,560	64	1,300
Falcon Ridge Middle School	1996	32.46	197,014	73	1,200
Rosemount Middle School	1918	120.13 (c)	173,796	61	1,055
Scott Highlands Middle School	1979	40.00 (b)	165,735	60	1,030
Valley Middle School	1972	32.74 (d)	192,198	60	1,165
Apple Valley High School	1976	80.00	370,234	83	1,990
Eagan High School	1990	94.00 (e)	382,970	87	2,040
Eastview High School	1997	54.00	338,242	97	2,015
Rosemount High School	1963	120.13 (c)	414,998	91	2,015
School of Environmental Studies	1995	12.25	71,171	53	400
Area Learning Center and Transition Plus	2006	3.12	27,659	18	310
Dakota Ridge	1997	40.00 (f)	50,338	26	160
Cedar Valley Learning Center	1993	1.59	13,730	6	309
Dakota Valley Learning Center	2015	40.00 (f)	54,000	22	529
District Office	2006	2.10	25,900	N/A	368
District Service Center	1972	40.00 (f)	23,937	N/A	N/A
Facilities	1972	40.00 (f)	28,964	N/A	N/A
District Office East	1984	9.50	18,677	N/A	N/A

(1) (a)-(f) Joint sites, acres listed is total for the whole site.

(2) All rooms dedicated for instructional purposes.

**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	153,174	417,486	N/A	N/A	N/A	3.4	28,182

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:**

<b>Payable Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Total Assessed Value</b>	<b>Total Direct School Tax Rate</b>
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%

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

Tax Collection Year	Tax capacity (1)					Total Tax Capacity	Referendum Market Value
	Real and Personal Property	Fiscal Disparities Contribution	Tax Increment	Amount	Fiscal Disparities Distribution		
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	19,311,063	175,010,777	15,593,078,470

(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						
	2016-17 (1)	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Average Home Value	277,718	257,764	246,104	206,936	198,819	214,511	237,600
Average School District Property Tax Per Home	1,308	1,285	1,161	1,153	1,069	1,124	1,135
District Property Tax Per 100K Home Value After Credits	471	499	472	557	538	524	478
ANTC Per APU	NA	5,677	5,119	4,815	4,737	5,002	5,551
RMV Per RPU	NA	483,701	448,960	437,454	435,539	446,055	470,843

## Source:

MN Department of Education - Property Tax Information

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

**Tax Revenues:**

Fiscal Year	Property Tax					Total
	General Purposes	Community Service	Capital Projects Facility Improvements	Regular Debt Service	OPEB Debt Service	
2013	47,741,740	1,661,685	6,637,900	16,489,752	3,003,753	75,534,830
2014 (1)	24,829,408	856,143	6,020,570	16,098,740	2,507,818	50,312,679
2015	52,118,695	1,683,323	6,220,053	16,692,852	2,547,390	79,262,313
2016	53,988,090	1,666,669	8,535,237	10,025,045	4,613,043	78,828,084
2017	66,590,726	1,668,406	-	10,077,109	7,376,577	85,712,818
2018	70,567,079	1,673,417	-	6,811,472	9,998,235	89,050,204

(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 Collection Year	Rate	Property Tax Rates(1) Last Ten Fiscal Years			Total
		General Fund	Community Service Special Revenue Fund	Debt Service Fund	
2007	Tax Capacity Rate	10.623	0.944	12.040	23.607
2007	Market Value Rate	0.208	-	-	0.208
2008	Tax Capacity Rate	10.146	0.793	10.197	21.136
2008	Market Value Rate	0.213	-	-	0.213
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

Source: Dakota County Department of Property 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
2018	11,885,000	6,893,870	1,015,299	248,791	960,000	443,981
2019	12,470,000	6,345,820	1,051,194	212,897	985,000	415,181
2020	11,330,000	5,771,170	684,039	180,506	1,025,000	377,531
2021	11,800,000	5,254,920	703,377	161,169	1,060,000	346,781
2022	12,205,000	4,713,970	623,239	141,277	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>158,470,000</u>	<u>46,115,463</u>	<u>8,477,989</u>	<u>1,414,490</u>	<u>13,085,000</u>	<u>3,068,756</u>

**Long-Term Debt Obligations:**

<b>Issue</b>	<b>Type</b>	<b>Issue Date</b>	<b>Interest Rate (%)</b>	<b>Issue Amount</b>	<b>Final Maturity</b>	<b>Principal Outstanding</b>	<b>Due in One Year</b>
2009A Taxable OPEB	Bond	02/12/09	3.00-5.00	37,440,000	02/01/19	17,790,000	8,665,000
2012C Refunding	Bond	06/07/12	3.00-4.50	24,210,000	02/01/25	18,080,000	1,820,000
2013A Refunding	Bond	06/15/13	2.00-3.00	12,100,000	02/01/25	10,280,000	1,025,000
2014A Refunding	Bond	06/04/14	3.00	2,230,000	02/01/20	1,170,000	375,000
2016A School Building Bonds	Bond	02/16/16	1.00-5.00	112,150,000	02/01/30	111,150,000	-
Elementary School Additions	Lease	05/20/99	4.25-5.00	2,570,558	02/01/19	652,147	319,154
Generators	Lease	08/31/09	5.5	392,979	08/31/19	102,141	49,180
ATP Building	Lease	06/29/12	4.54	5,028,875	06/01/27	3,583,844	312,872
School Addition (PV)	Lease	11/25/14	2.91	4,200,000	02/01/30	3,759,089	241,726
Maintenance Vehicles and Equi	Lease	06/17/17	2.91	480,000	07/01/20	380,768	92,366
Sped Bus Lease Purchase	Lease	07/25/17	2.56	903,052	07/25/21	713,200	189,852
Instrument Lease	Lease	07/01/17	2.94	140,157	07/01/21	84,045	29,705
2010A Certificates	COP	10/01/10	2.00-3.50	2,705,000	04/01/26	1,750,000	170,000
2013B Certificates	COP	12/01/13	2.00-4.00	13,710,000	02/01/29	11,335,000	790,000

**Long-Term Debt – Minimum Future Payments - General Obligation Bonds:**

Year Ending June 30,	2009A Taxable OPEB		2012C Refunding		2013A Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	9,125,000	456,250	1,805,000	689,226	1,145,000	236,094
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>9,125,000</u>	<u>456,250</u>	<u>16,260,000</u>	<u>3,000,735</u>	<u>9,255,000</u>	<u>915,008</u>

2009A Taxable OPEB – Post employee benefits

2012C Refunding – Refinancing of past obligations

2013A Refunding – Refinancing of past obligations

**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
2019	395,000	23,850	-	4,940,400	12,470,000	6,345,820
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>795,000</u>	<u>35,850</u>	<u>111,150,000</u>	<u>34,813,750</u>	<u>146,585,000</u>	<u>39,221,593</u>

2014A Refunding – Refinancing of past obligations

2016A School Building - Construction of new elementary school. Addition and renovation of all new buildings across the district.

**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
2019	332,993	10,752	52,961	2,839	94,225	5,804	322,204	92,943
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	-	-	-	-	-	-	-	-
	<u>332,993</u>	<u>10,752</u>	<u>52,961</u>	<u>2,839</u>	<u>288,402</u>	<u>11,686</u>	<u>3,270,972</u>	<u>465,348</u>

**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
2019	248,811	100,558	171,600	18,252	27,195	2,511	1,249,988	233,659
2020	256,104	93,265	175,991	13,860	28,007	1,698	888,037	196,065
2021	263,611	85,758	180,495	9,356	28,844	862	912,716	161,169
2022	271,338	78,031	185,114	4,737	-	-	808,354	146,014
2023	279,292	70,078	-	-	-	-	641,689	122,828
2024	287,478	61,891	-	-	-	-	660,684	41,941
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>3,517,363</u>	<u>675,073</u>	<u>713,200</u>	<u>46,205</u>	<u>84,045</u>	<u>5,070</u>	<u>8,259,936</u>	<u>1,144,864</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
2019	175,000	52,056	810,000	363,125	985,000	415,181
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	314,506
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	-	45,200
2030	-	-	-	-	-	-
	<u>1,580,000</u>	<u>249,463</u>	<u>10,545,000</u>	<u>2,375,313</u>	<u>10,995,000</u>	<u>2,624,775</u>

2010A Certificate of Participation – Cedar Valley Learning Center – Purchase and renovate space for ABE and ECFE programs

2013B Certificates of Participation – Dakota Valley Learning Center – Design and build for ABE and ECFE programs

**Legal Debt Margin Information:**

	<b>as of June 30,</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Estimated market value (MV)	12,717,603,775	13,089,930,995	14,246,590,466	14,984,685,831	15,593,078,470
Debt limit (15% of MV)	1,907,640,566	1,963,489,649	2,136,988,570	2,247,702,875	2,338,961,771
Debt applicable to limit					
General Obligation Bonds	139,405,000	99,705,000	81,775,000	170,930,000	158,470,000
Less cash in reserves for repayment	<u>(44,234,187)</u>	<u>(18,831,629)</u>	<u>(16,385,721)</u>	<u>(7,362,951)</u>	<u>5,338,810</u>
Total debt applicable to limit	<u>95,170,813</u>	<u>80,873,371</u>	<u>65,389,279</u>	<u>163,567,049</u>	<u>153,131,190</u>
Legal Debt Margin	1,812,469,753	1,882,616,278	2,071,599,291	2,084,135,826	2,185,830,581
Net debt as a % of debt limit	4.99%	4.12%	3.06%	7.28%	6.55%

**Fund Balances of Governmental Funds:**

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	854,963	940,209	924,736	967,324	1,061,586
Restricted	1,714,690	3,010,821	3,296,572	2,454,724	5,838,313
Assigned	20,341,273	8,895,095	6,636,835	10,790,390	7,472,160
Unassigned	16,844,900	18,284,761	21,074,506	16,839,773	22,263,362
Total General Fund	<u>39,755,826</u>	<u>31,130,886</u>	<u>31,932,649</u>	<u>31,052,211</u>	<u>36,635,421</u>
All other governmental funds					
Reserved	-	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Capital Projects – Building Construction F	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Nonspendable	249,138	172,385	132,289	136,641	163,619
Restricted (1)	49,345,541	30,575,969	19,888,229	138,407,574	104,910,947
Unassigned, reported in					
Capital Projects – Building Construction F	-	-	(279,012)	-	-
Total all other governmental funds	<u>49,594,679</u>	<u>30,748,354</u>	<u>19,741,506</u>	<u>138,544,215</u>	<u>105,074,566</u>

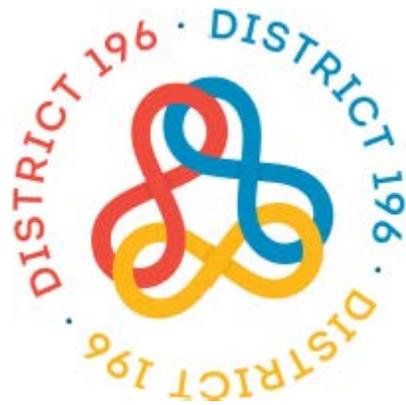
Note: (1) Includes the 2016 building bonds amounting to \$126 million.

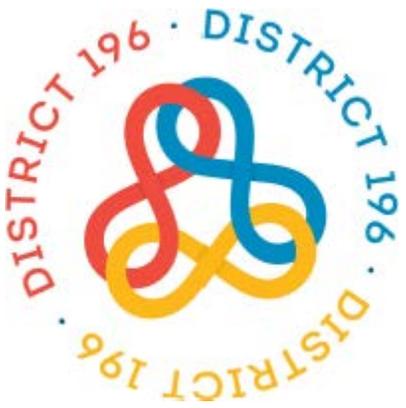
The District implemented GASB Statement No. 54 in fiscal 2011, establishing new fund balance classifications.

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

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
Local sources					
Taxes	75,534,830	50,312,679	79,262,313	78,828,084	85,651,484
Investment earnings	183,896	254,245	197,264	990,686	1,525,963
Other	24,762,575	24,827,075	21,183,365	20,303,840	21,655,777
State sources	224,715,822	251,943,911	247,270,824	258,200,427	264,144,986
Federal sources	12,289,808	12,123,310	12,820,914	13,700,319	14,628,580
Total revenues	<u>337,486,931</u>	<u>339,461,220</u>	<u>360,734,680</u>	<u>372,023,356</u>	<u>387,606,790</u>
<b>Expenditures</b>					
Current					
Administration	11,685,219	12,662,675	13,188,527	14,846,637	14,931,628
District support services	8,303,655	8,245,964	8,802,535	9,360,367	9,807,545
Elementary and secondary instruction	146,884,786	151,453,547	160,442,599	165,181,027	169,848,898
Vocational education instruction	3,860,595	3,899,432	4,161,539	5,198,949	5,013,173
Special education instruction	57,700,284	60,749,987	62,011,436	65,226,216	68,020,953
Instructional support services	16,120,814	16,734,739	18,361,748	19,695,766	20,664,400
Pupil support services	22,686,884	23,318,080	22,991,342	23,694,661	24,615,829
Sites and buildings	22,380,519	22,906,580	21,468,077	21,979,790	25,390,808
Fiscal and other fixed cost programs	598,093	697,917	651,864	650,603	613,851
Food service	10,707,855	11,253,357	11,509,963	11,757,651	11,992,184
Community service	9,772,281	9,784,435	7,739,627	8,044,250	8,822,111
Capital outlay	6,200,964	13,388,239	19,028,484	11,640,890	33,546,532
Debt service					
Principal	16,871,223	16,460,404	17,880,544	13,326,884	14,394,446
Interest and fiscal charges	5,368,621	4,897,774	4,586,660	4,384,850	7,911,158
Total expenditures	<u>339,141,793</u>	<u>356,453,130</u>	<u>372,824,945</u>	<u>374,988,541</u>	<u>415,573,516</u>
Revenues over (under) expenditures	(1,654,862)	(16,991,910)	(12,090,265)	(2,965,185)	(27,966,726)
<b>Other financing sources (uses)</b>					
Transfers in	6,749,505	6,128,424	6,225,838	8,554,099	20,122
Transfers out	(7,456,023)	(6,128,424)	(6,225,838)	(8,554,099)	(20,122)
Refunding debt issued	12,100,000	2,230,000	-	-	-
Debt issued	-	13,710,000	-	112,150,000	-
Premium on debt issued	811,026	325,933	-	20,355,238	-
Discount on debt issued	-	-	-	-	-
Bond refunding payments	-	(26,850,000)	(2,325,000)	(12,125,000)	-
Capital leases and other loans	-	96,569	4,200,000	480,000	-
Sale of capital assets	404,526	8,143	10,180	27,218	80,287
Total other financing sources (uses)	<u>12,609,034</u>	<u>(10,479,355)</u>	<u>1,885,180</u>	<u>120,887,456</u>	<u>80,287</u>
Net change in fund balances	10,954,172	(27,471,265)	(10,205,085)	117,922,271	(27,886,439)
<b>Fund balances</b>					
Beginning of year	<u>78,396,333</u>	<u>89,350,505</u>	<u>61,879,240</u>	<u>51,674,155</u>	<u>169,596,426</u>
End of year	<u>89,350,505</u>	<u>61,879,240</u>	<u>51,674,155</u>	<u>169,596,426</u>	<u>141,709,987</u>

## Glossary





**Glossary of Terms:****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).

**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:** 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**

**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 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.

**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.

**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.

**Non-Resident 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**

**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.

**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.

**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**

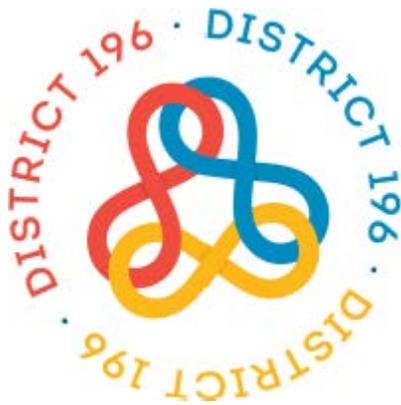
No entries

**Y**

No entries

**Z**

No entries





**DISTRICT 196**  
One District. Infinite Possibilities.

Rosemount  
Apple Valley  
Eagan  
Public Schools