

ROBBINSDALE AREA SCHOOLS

**INDEPENDENT SCHOOL DISTRICT #281
NEW HOPE, MINNESOTA**

Serving the communities of Brooklyn Center, Brooklyn Park, Crystal, Golden Valley,
New Hope, Plymouth and Robbinsdale

2019-2020 BUDGET



BUDGET OVERVIEW

The Robbinsdale Area School District's fiscal year commences July 1 of each year, which is consistent with most school districts and is law in Minnesota. The School Board, by law, must have a budget adopted for the upcoming fiscal year prior to July 1.

The budget sets forth the financial plan for the forthcoming fiscal year. It is based on the projected financial needs of the District and serves to allocate limited resources in the best possible way to provide the best educational opportunities to students.

FINANCIAL STRUCTURE

The financial activity of the District is accounted for in several funds. Each fund is an independent accounting entity having its own set of accounts, assets, liabilities, fund balances, revenues and expenditures. The Budget, approved by the School Board, reports on the following funds: General, Capital Expenditure (General Fund), Child Nutrition, Community Service, Building Construction and Debt Service.

GENERAL FUND

The General Fund is used to account for K-12 educational activities, instruction and student support programs. Administrative, operational, building maintenance and legal expenditures not specifically designated to be accounted for in any other fund are also recorded within the General Fund.

Transportation Services

The General Fund is also used to show all financial activities of the District's pupil transportation program. Chargebacks will be made against other operating funds when appropriate.

Capital Expenditures

Revenue for total operating capital and the capital lease levy must be recorded in the reserve for operating capital in the General Fund. Revenue for Health and Safety through Long Term Facilities Maintenance (LTFM) funding must be recorded in the LTFM reserve in the General Fund. Revenue and expenses from the Technology Levy are also recorded in the appropriate reserve in the general fund.

Proceeds from the sale or exchange of school buildings or real property must be used according to the requirements of M.S. 123.36, Subd. 13. This statute permits deposit of the proceeds in the Reserve for Operating Capital in the General Fund.

CHILD NUTRITION FUND

The Child Nutrition Fund is used to record financial activities of a school district's food service program. Food service includes preparation and service of milk, meals and snacks in connection with school and community service activities.

All expenditures relating to meal preparation must be recorded in the Child Nutrition Fund. Eligible expenditures include application processing, meal accountability, food preparation, and meal service.

COMMUNITY SERVICE FUND

The Community Service Fund is used to record all financial activities of the Community Education program.

The focus of Community Education is enrichment programs for any age level that are not part of the K-12 education program. Community Education programming may also include K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation. A district may spend up to 10 percent of its community education revenue (levy, aids and fees) to purchase or lease computers and related items, equipment for instructional programs and library books used exclusively for community education.

BUILDING CONSTRUCTION FUND

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans. Revenues and expenses relating to the District's state approved Long Term Facility Maintenance (LTFM) Program are recorded in this fund when bonds have been issued for project costs or if a single project cost is \$2,000,000 or greater using pay-as-you-go LTFM levy.

Construction costs for buildings and additions consist of the following: expenditures for general construction, advertisement for contracts, payments on contracts for construction, installations of plumbing, heating, lighting, ventilation and electrical systems, expenditures for lockers, elevators, and other equipment, architectural and engineering services, paint and decorating expenses, and any other related costs.

DEBT SERVICE FUND

The Debt Service Fund is used to record revenue and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds.

When a bond issue is sold, the school board must levy a direct general tax upon the property of the District for the payment of principal and interest. The revenue from such a tax and related state aid must be separately accounted for in a Debt Service Fund.

GENERAL FUND OVERVIEW (Funds 01/03/05)

General Fund Revenues of \$178.6 Million are expected to be up \$4.7 Million over last year, primarily due to the addition of the new operating referendum, increases in the basic state aid formula by 2%, an increase in Special Education funding and some one-time funding for safe schools, somewhat offset by revenue reductions for federal programs and basic skills (Compensatory and English Learners – primarily due to reduced free and reduced lunch count students).

GENERAL FUND REVENUE ASSUMPTIONS (Fund 01/03/05)

State General Education Aid:

State Basic General Education Aid is budgeted at \$84,807,001. Under current law the basic formula amount is derived from (estimated adjusted pupil units served times \$6,438). The basic formula is increased \$126 per pupil unit or 2.00% from the 2018-19 school year amount of \$6,312. The basic general education aid serves as the district's primary funding source, accounting for 52.07% of the general operating fund revenue.

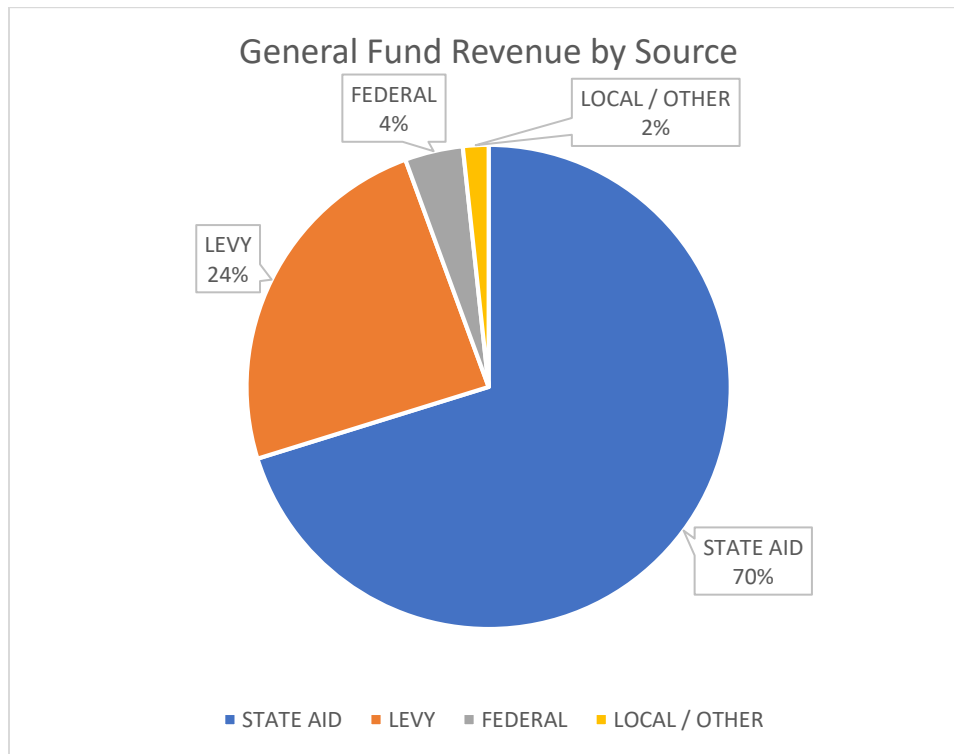
Per-Pupil-Unit Allocation-Basic General Education:

School Year	Basic Formula	Formula Change
2017-18	\$6,188	2.0%
2018-19	\$6,312	2.0%
2019-20	\$6,438	2.0%

Other components of General Education Aid amount to \$17,448,337. Other components of General Education Aid are listed below:

Other General Education Aid	2018-19
Pension Adjustment	\$339,984
Gifted and Talented	\$171,247
Extended Time	\$842,258
Compensatory Revenue	\$13,250,262
Limited English Program	\$948,445
Declining Enrollment	444,225
Referendum Aid	\$1,451,916
TOTAL	\$17,448,337

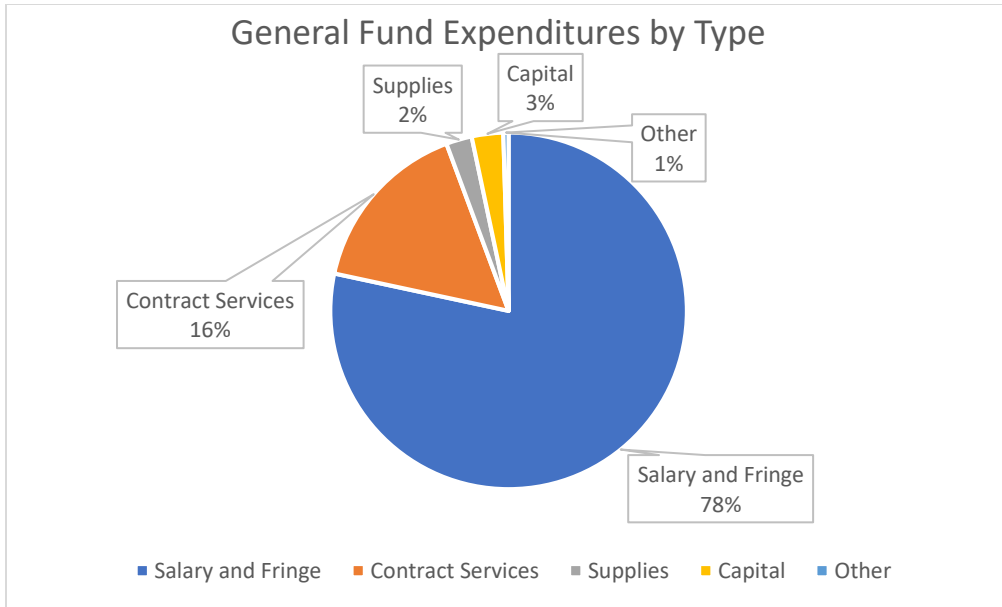
Revenues by Source



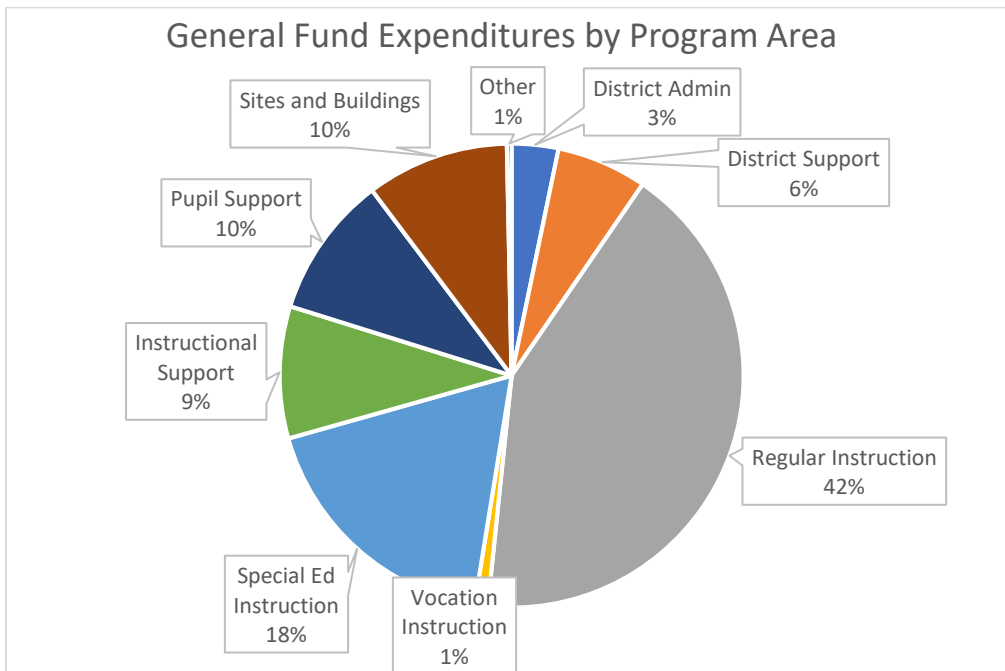
Expenditure Overview

General Fund Expenditures of \$177.3 Million are expected to be flat to last year, with expected increases in salary and fringe benefits, increased operating capital spending (primarily on equipment, curricular resources and the non-LTFM portion of the Cooper High School Auditorium) and inflation (primarily in transportation and utilities) are offset by strategic budgetary realignment items (as discussed in board work sessions in May and June) – see details here <https://v3.boardbook.org/Public/PublicItemDownload.aspx?ik=44565896>

Expenditures by Type:



Expenditures by Program:



Fund Balance Detail:

GF RESERVES					
Category	FY19 End	Rev	Exp	Net	FY20 End
Inventory	\$ 232,567	\$ -		\$ -	\$ 232,567
Prepaid	\$ 253,530	\$ -		\$ -	\$ 253,530
Tech Levy	\$ 202,861	\$ 5,080,600	\$ 4,927,787	\$ 152,813	\$ 355,674
Op Cap	\$ 5,805,537	\$ 6,080,216	\$ 7,261,515	\$ (1,181,299)	\$ 4,624,238
MA	\$ 707,422	\$ 600,000	\$ 75,000	\$ 525,000	\$ 1,232,422
Bldg Carryover	\$ 896,511	\$ -		\$ -	\$ 896,511
Q-Comp	\$ 173,130	\$ 3,222,918	\$ 3,336,810	\$ (113,892)	\$ 59,238
LCTS	\$ 90,739	\$ 110,000	\$ 110,000	\$ -	\$ 90,739
H&S	\$ (616,656)	\$ 1,400,000	\$ 850,000	\$ 550,000	\$ (66,656)
Safe Schools	\$ (348,735)	\$ 900,000	\$ 700,000	\$ 200,000	\$ (148,735)
Unassigned	\$ (5,839,161)	\$ 161,182,321	\$ 160,082,321	\$ 1,100,000	\$ (4,739,161)
TOTAL	\$ 1,557,745	\$ 178,576,055	\$ 177,343,433	\$ 1,232,622	\$ 2,790,366

Unassigned Fund Balance Detail:

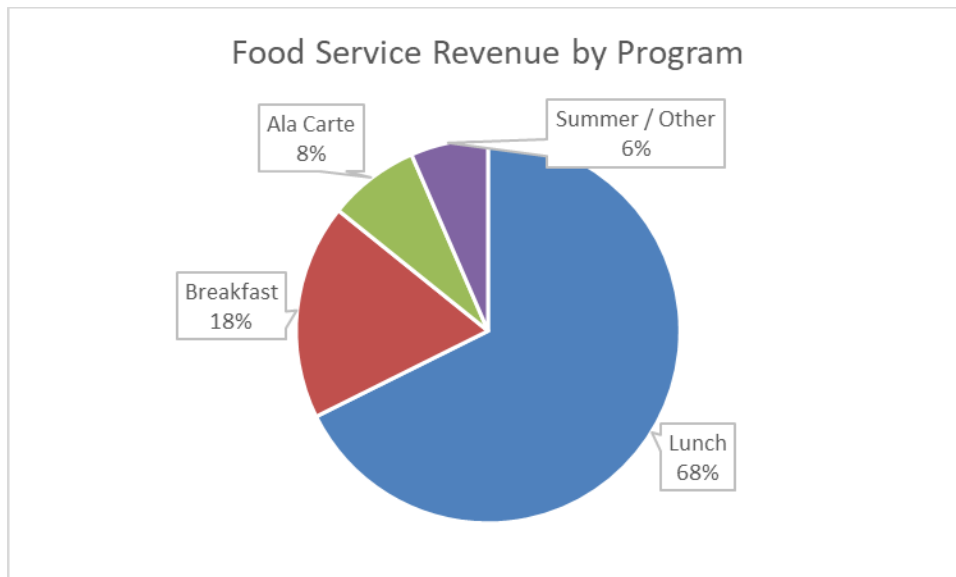
Unassigned Detail:	Beginning	Revenue	Expense	End
Unassigned		\$ 115,909,353	\$ 92,143,097	
ALC		\$ 1,790,861	\$ 4,653,639	\$ (2,862,778)
EXT TIME COMP		\$ 446,259	\$ 446,259	\$ -
A&I		\$ 2,806,581	\$ 2,806,581	\$ -
STAFF D		\$ 1,696,140	\$ 1,696,140	\$ -
BASIC SKILLS		\$ 13,752,448	\$ 16,166,253	\$ (2,413,805)
A&I INCENTIVE		\$ 55,988	\$ 55,988	\$ -
INDIAN ED		\$ 82,000	\$ 82,000	\$ -
L&D		\$ 2,616,689	\$ 2,616,689	\$ -
G&T		\$ 171,247	\$ 618,000	\$ (446,753)
TITLE I		\$ 3,213,482	\$ 3,213,482	\$ -
TITLE II		\$ 655,644	\$ 655,644	\$ -
TITLE III		\$ 149,603	\$ 149,603	\$ -
FED SPED		\$ 2,097,224	\$ 2,097,224	\$ -
SPED PRESCHOOL		\$ 65,000	\$ 65,000	\$ -
SPED BIRTH TO 2		\$ 80,000	\$ 80,000	\$ -
VOLUNTARY CEIS		\$ 65,000	\$ 65,000	\$ -
MANDATORY CEIS		\$ 325,000	\$ 325,000	\$ -
TITLE III IMMIGRANT		\$ 16,000	\$ 16,000	\$ -
MISC FEDERAL		\$ -	\$ -	\$ -
INDIAN ED		\$ 45,000	\$ 45,000	\$ -
JOHNSON O MALLEY		\$ -	\$ -	\$ -
PERKINS		\$ 53,000	\$ 53,000	\$ -
PERKINS C&T		\$ 5,000	\$ 5,000	\$ -
TRANSPORT INTEGRATION		\$ 1,200,000	\$ 1,200,000	\$ -
STATE SPED		\$ 13,534,802	\$ 29,399,291	\$ (15,864,489)
CTE		\$ 310,000	\$ 1,388,431	\$ (1,078,431)
TITLE VIII		\$ 40,000	\$ 40,000	\$ -
TOTALS	\$ (5,839,161)	\$ 161,182,321	\$ 160,082,321	\$ (4,739,161)

Food Service Fund

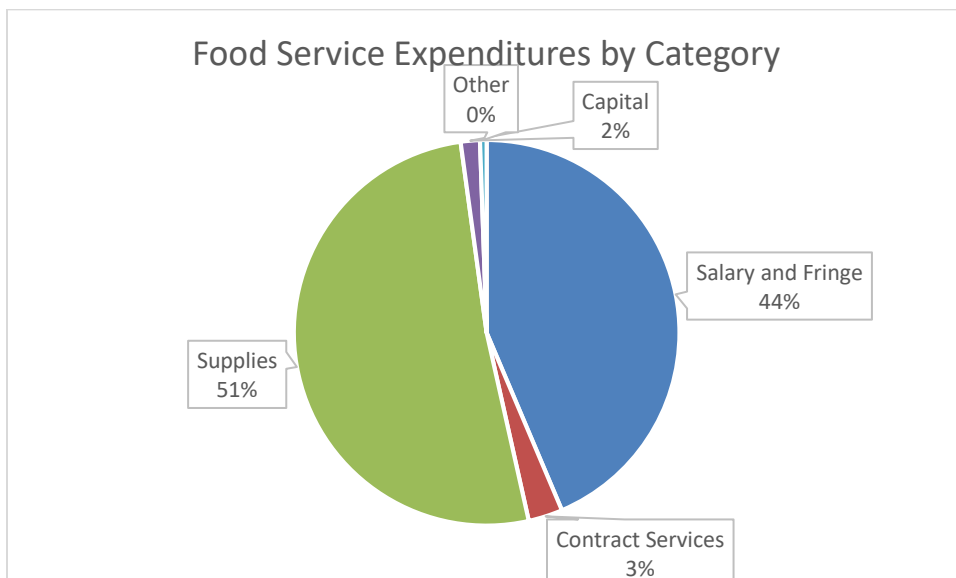
Food Service Revenues of \$7.9 Million are expected to be flat with FY19, as increased lunch prices of \$0.10 per meal, slightly increased federal reimbursements and the addition of the CACFP program are offset by reduced meals served due to lower enrollment and also a reduction in commodity revenue.

Food Service Expenditures of \$8.0 Million are also expected to increase over prior year as increased salary and benefit costs and the increased General Fund Chargeback will be mostly offset by reductions in contract services.

Food Service Revenues by Program:



Food Service Expenditures by Category:



Food Service Fund Balance Summary:

Estimated Fund Balance FY19 - \$	908,000
Budgeted Revenues FY20	- \$7,925,000
Budgeted Expenses FY20	- \$8,025,000

Estimated Fund Balance FY20 -	\$808,000 (10%)

Community Service Fund**COMMUNITY EDUCATION REVENUE ASSUMPTIONS (Fund 04)**

Total revenue for the community education fund is budgeted at \$10,685,475. Changes impacting revenue include:

- Early Childhood Family Education (ECFE) revenue will increase, according to the ECFE formula allowance.
- Adventure Club fees will increase during the 2019-20 school year.
- Early Adventures (full-day child care with a preschool component) will continue to offer care at both Neill Elementary and FAIR School Pilgrim Lane during the 2019-20 school year.
- Adventure Club Special Needs levy will include a positive adjustment of \$308,167 to cover expenditures booked during FY2017. The student enrollment has been 276 during the 2018-19 school year.
- Adult Basic Education state reimbursement for 2019-20 is estimated at \$6.88 per contact hour. Adult Academic Program enrollment decreased over the 2018-19 school year as a result of the positive economic trends and availability of non-skilled jobs.
- Adult Enrichment programming is closing the gap.
- As has been done historically, fees for community use of school spaces will be adjusted upwards if the fees are below the average of surrounding communities.

COMMUNITY EDUCATION EXPENDITURE ASSUMPTIONS (Fund 04)

- Salaries and benefits will reflect bargaining group agreements. If contracts are not in place, modest salary/benefits increases are budgeted.
- Community Education programs' space lease costs are \$6.91/square foot (3% increase from the prior year) for dedicated office and classroom space.
- Each Community Education program area shares the cost of 1 FTE for technology services.
- Community Education administrative costs are reduced by \$36,208 for Fund 04 and \$12,069 for Fund 01 with the reduction of one full-time, 45 week FTE. This Program Assistant position was previously dedicated to the Legislative Action Coalition (LAC) and the Seven Dreams Education Foundation (SDEF). All LAC duties are handled by currently employed staff, led by Kristine Wehrkamp. Staffing costs for the SDEF are transitioning to the 501c3.

Community Education Fund Balance Summary

Community Education Fund Balance Summary

Estimated Fund Balance FY19 -	\$ 1,561,617
Budgeted Revenues FY20	- \$ 10,685,475
Budgeted Expenses FY20	- \$ 10,540,864

Estimated Fund Balance FY20 -	\$ 1,706,228 (16%)

Building Construction Fund

Building Construction Fund revenues of \$18,000,000 are from estimated investment earnings and a spring 2020 Bond Issue. Expenditures of \$9,000,000 are to complete summer 2019 projects and start summer 2020 projects per the 10-year LTFM plan.

Building Construction Fund Balance Summary

Estimated Fund Balance FY19 -	\$ 6,000,000
Budgeted Revenues FY20	- \$ 18,000,000
Budgeted Expenses FY20	- \$ 9,000,000

Estimated Fund Balance FY20 -	\$ 15,000,000

Debt Service Fund

Debt Service Fund revenues of \$23,000,000 from levy and state aid will be used to pay principal and interest on existing debt. A spring LTFM bond issue of \$18,000,000 is expected, but payments on the new issue will not begin until FY 2021.

Self Insured Medical Fund

Budgeted revenues from premiums of \$17.9 Million are not expected to cover budgeted claims and fixed costs of \$19.1 Million.

Estimated Fund Balance FY19 -	\$ (1,772,000)
Budgeted Revenues FY20	- \$ 17,900,000
Budgeted Expenses FY20	- \$ 19,100,000

Estimated Fund Balance FY20 -	\$ (\$2,972,000)

Self Insured Medical Fund

Budgeted revenues from premiums of \$1.3 Million are expected to mostly cover budgeted claims and fixed costs of \$1.35 Million.

Estimated Fund Balance FY19 -	\$	1,150,000
Budgeted Revenues FY20 -	\$	1,300,000
Budgeted Expenses FY20 -	\$	1,350,000

Estimated Fund Balance FY20 -	\$	\$1,100,000

OPEB TRUST FUND

Budgeted revenues are \$0.6 Million from investment earnings, and budgeted expenditures for implicit medical rate subsidy and direct severance payments are \$1.1 Million.

Estimated Fund Balance FY19 -	\$	17,500,000
Budgeted Revenues FY20 -	\$	600,000
Budgeted Expenses FY20 -	\$	1,100,000

Estimated Fund Balance FY20 -	\$	\$17,000,000

Note: An analysis is currently underway to determine the sufficiency of trust fund draws from FY 2008 through FY 2017. This could materially affect the above stated estimated balances. Such adjustment will be recorded in FY 2019 as a prior period audit adjustment.

OPEB DEBT SERVICE FUND

Budgeted revenues are \$1.8 Million from levy and state equalization. They match expected interest and principal payments on outstanding OPEB bonds.

Note: OPEB bonds were recently refunded, saving significant interest over the remaining life of the bonds.