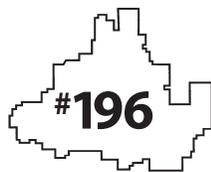


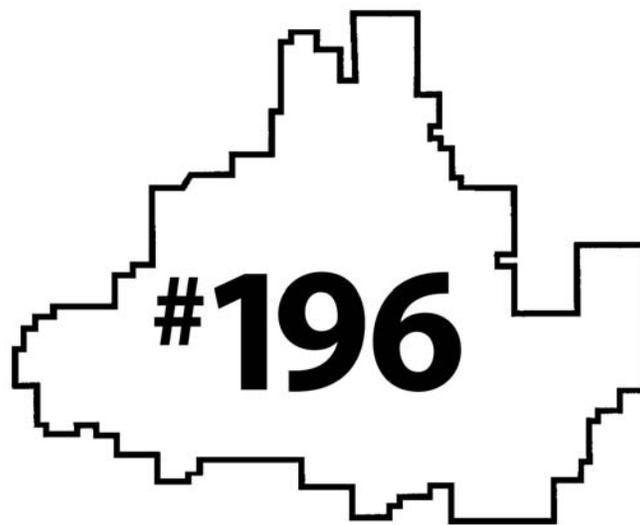
# A Budget Guide For Our Community

2016-17



**INDEPENDENT SCHOOL DISTRICT 196**  
**Rosemount-Apple Valley-Eagan Public Schools**

*Educating our students to reach their full potential*

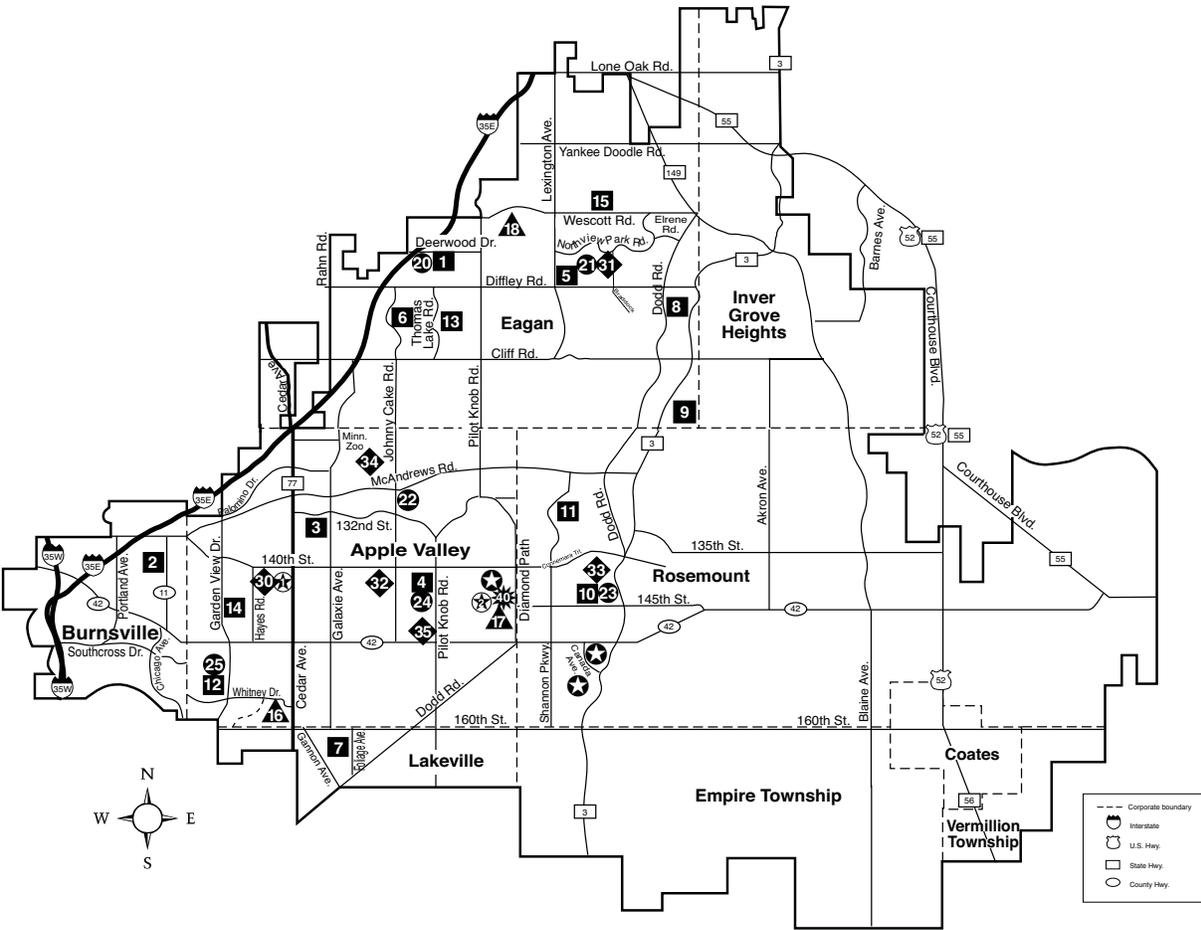


# Our District



District 196 is a public school district in Dakota County, Minnesota serving approximately 28,200 students in early childhood programs through grade 12. The mostly suburban district covers 110 square miles in Dakota County and serves all or parts of the cities of Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights and Lakeville, and Empire and Vermillion townships. Total district population is approximately 153,000.

District 196 operates its programs in 34 facilities, including an Early Childhood Learning Center, 18 elementary schools, 6 middle schools, 4 comprehensive high schools, an optional high school for grades 11-12, an alternative high school, a school for students with special needs and two Adult Basic Education learning centers. The district also has three facilities for support staff.



**■ Elementary Schools**

- 1 Deerwood
- 2 Echo Park
- 3 Greenleaf
- 4 Highland
- 5 Northview
- 6 Oak Ridge
- 7 Parkview
- 8 Pinewood
- 9 Red Pine
- 10 Rosemount
- 11 Shannon Park
- 12 Southview
- 13 Thomas Lake
- 14 Westview
- 15 Woodland

**▲ Elementary Magnet Schools**

- 16 Cedar Park Science, Technology, Engineering and Math (STEM) School
- 17 Diamond Path School of International Studies
- 18 Glacier Hills School of Arts and Science

**● Middle Schools**

- 20 Black Hawk
- 21 Dakota Hills
- 22 Falcon Ridge
- 23 Rosemount
- 24 Scott Highlands
- 25 Valley Middle - School of STEM

**◆ High Schools**

- 30 Apple Valley
- 31 Eagan
- 32 Eastview
- 33 Rosemount
- 34 School of Environmental Studies
- 35 Area Learning Center

**★ Special Education Schools**

- 35 Transition Plus/Pathway
- 40 Dakota Ridge

**★ District Offices**

- ★ Cedar Valley Learning Center
- ★ Dakota Valley Learning Center

# District 196 By the Numbers



For **14 years** in a row, District 196 has been selected to receive the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) International for excellence in the preparation and issuance of the district's Comprehensive Annual Financial Reports. The Certificate of Excellence is the highest recognition of school district financial operations given by ASBO.

District 196 has a **general fund budget of \$351 million** for the 2016-17 school year. On a per pupil basis, District 196 is slightly above average in spending compared to the average of the 48 school districts in the Twin Cities metro area. Historically, District 196 allocates a higher percentage of expenditures for regular classroom instruction and a lower percentage for district administration and support services compared to the state and metro-area averages.

In November 2015, **District 196 voters approved a \$180 million referendum** question to provide funding for safety and security improvements at all district schools; additional space for learning, including construction of nineteenth elementary school, and increased access to technology for all students.

*Newsweek's* 2016 ranking of **America's Top High Schools** included all four, four-year high schools in District 196 based on a review of student achievement and college-readiness data.

District 196 high school students in 2016 earned an **average composite score of 23.0 on the ACT college entrance exam**, more than two points higher than the national average of 20.8 and nearly two points higher than the Minnesota average of 21.1, which was highest in the nation among the 18 states that offer the ACT to all students.

Each year, approximately **90 percent of District 196 graduates** indicate plans to continue their education in college or vocational school. District 196 students consistently earn scholarships to colleges and universities throughout the country, as well as appointments to the United States military academies.

District 196 has exceeded **\$3 million in energy savings** during the first nine years participating in an energy-reduction program which the district now administers. The program focuses on low- and no-cost behavior changes that save energy and energy costs.

District 196 students won **35 of the 104 total medals awarded** at the 2016 Minnesota Speech Tournament, including four state titles in the 13 categories of competition.

During the 2015-16 school year, **District 196 high school students earned 6,182 college credits** valued at more than \$2.9 million participating in the College in the Schools program offered in cooperation with the University of Minnesota. Students earn these transferable U of M credits while taking advanced courses at their high school that are taught by their high school teachers.

During the 2015-16 school year, **734 District 196 high school students were named Advanced Placement (AP) scholars** by The College Board for their performance on AP course exams. Thirty students received the highest honor of National AP Scholar, which recognizes students who received an average score of 4 (on a scale of 1 to 5) on all AP exams taken.

Of the more than 54,000 households in District 196, approximately **40 percent have preschool and/or school-aged children** and nearly one-fourth of the district's 153,000 residents are under age 18.

Nearly nine of 10 school-aged children who live in District 196 attend District 196 schools. The district's **87 percent "capture rate"** of school-aged children living within the district is considered among the highest in the state.

**Students of color represent 34 percent** of enrollment in District 196 schools, nearly double the percentage of 10 years ago.

**Twenty-three percent of District 196 students receive free or reduced-price school meals** based on National School Lunch Program qualification criteria. That is more than double what the percentage was 10 years ago. Each year, the district's Food and Nutrition Services Department serves more than 3 million meals.

District 196 owns and operates approximately **200 school buses**, making it the largest district-owned bus fleet in Minnesota. The district provides bus transportation to more than 20,000 of its 28,000 students based on service distances. Each year, district bus drivers and chaperones travel more than 2.7 million miles transporting students safely to and from school.

In 2016, **16 District 196 seniors were National Merit Scholarship finalists** (top 1 percent of seniors nationwide) and another 23 were named National Merit commended students (top 5 percent) based on their scores on the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test, which they took as juniors. Students named finalists competed for more than \$32 million in college scholarships.

# Our Students



District 196 has an increasingly diverse population of students with a variety of needs. It is the district's mission to *educate our students to reach their full potential*. Numbers below are based on the district's *October 3, 2016 Official Enrollment Report*.

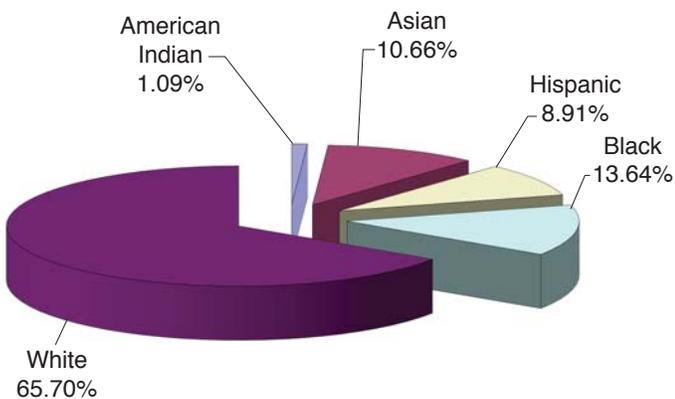
## Total Students: 28,182 (10-3-16)

- Fourth largest public school district in Minnesota
- Early Childhood Special Education: 486 (1.72% of students)
- Center-Based Special Education: 842 (2.98%)
- Grades K - 5: 12,172 (43.19% of students)
- Grades 6 - 8: 6,296 (22.34% of students)
- Grades 9 - 12: 8,386 (29.77% of students)

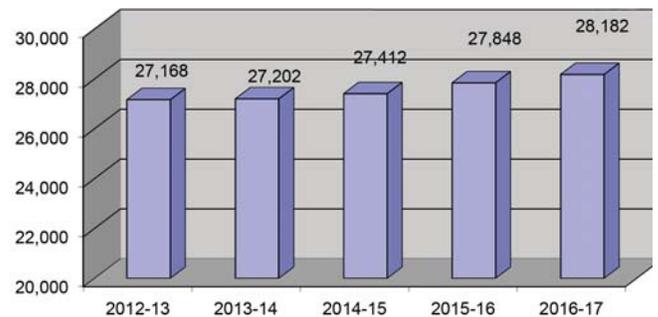
## Free or Reduced-Price School Meals

- 23.15% of District 196 students qualify to receive free or reduced-price school meals compared to 38.1% of students statewide in 2015-16

### Student Ethnicity



### 5-Year Enrollment History



District 196 enrollment has been growing since 2012-13 school year, 2016-17 enrollment of 28,182 is 1.20% higher than the previous school year.

## English Learners (EL): 1,780

- 6.33% of all students, compared to a 2015-16 Minnesota average of 8.3%
- More than 87 languages spoken by families living in the district

## Special Education: 4,110

- 14.61% of all students qualify to receive special education services, compared to a 2015-16 Minnesota average of 15.1%

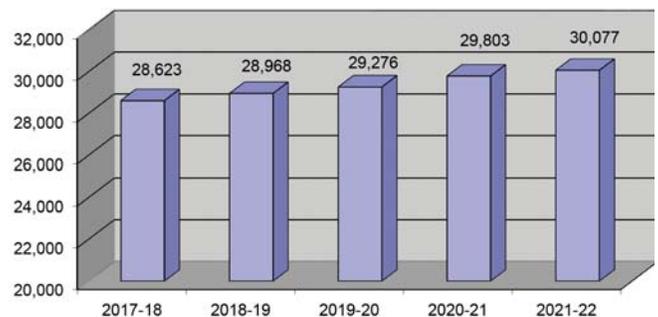
## Gifted and Talented: 2,910

- 10.34% of all students qualify to participate in the district's Gifted and Talented Program

## Federal Title I Program

- Nine District 196 elementary schools receive federal Title I funds to improve the achievement of educationally disadvantaged students

### 5-Year Enrollment Projections



District 196 enrollment is projected to increase over the next five years, the average annual increase for the next 5 years is 1.30%.

# 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.

District 196 students consistently score well above average on state and national assessments and graduate at a high rate (see bottom table).

The Minnesota Comprehensive Assessments (MCAs) and Minnesota Test of Academic Skills (MTAS) are given annually to all students statewide in grades 3-8 (reading and math), grade 10 (reading), grade 11 (math), and in science grades 5, 8 and once in high school. The MCAs and MTAS are designed to measure district and student progress on teaching and learning the Minnesota Academic Standards which are required for graduation. Students who meet or exceed the standards are considered to be "proficient" in the subject areas.

### 2015-16 Reading - Percentage of Students Proficient

| Grade               | 3           | 4           | 5           | 6           | 7           | 8           | 10          |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>District 196</b> | <b>58.9</b> | <b>64.5</b> | <b>72.8</b> | <b>65.5</b> | <b>65.4</b> | <b>66.2</b> | <b>73.5</b> |
| Statewide           | 57.5        | 58.4        | 67.7        | 62.3        | 56.7        | 57.3        | 59.1        |
| Difference          | +1.4        | +6.1        | +5.1        | +3.2        | +8.7        | +8.9        | +14.4       |

### 2015-16 Math - Percentage of Students Proficient

| Grade               | 3           | 4           | 5           | 6           | 7           | 8           | 11          |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>District 196</b> | <b>73.5</b> | <b>72.9</b> | <b>65.3</b> | <b>65.8</b> | <b>63.0</b> | <b>66.2</b> | <b>64.4</b> |
| Statewide           | 69.6        | 68.8        | 58.8        | 56.1        | 56.2        | 58.2        | 47.2        |
| Difference          | +3.9        | +4.1        | +6.5        | +9.7        | +6.8        | +8.0        | +17.2       |

### 2015-16 Science - Percentage of Students Proficient

| Grade               | 5           | 8           | High School |
|---------------------|-------------|-------------|-------------|
| <b>District 196</b> | <b>69.9</b> | <b>62.8</b> | <b>69.5</b> |
| Statewide           | 61.6        | 47.5        | 56.3        |
| Difference          | +8.3        | +15.3       | +13.2       |

District 196 high school students in the class of 2016 scored well above state and national composite scores on the American College Test (ACT) entrance exam. The ACT average composite score for the district's class of 2016 was 23.0. The district average was 1.9 point higher than the Minnesota average of 21.1, which was highest in the nation among states where more than half of all graduates took the test.

### ACT Average Composite Scores, 2010-2016

| School Year Ending | District 196 | State | National |
|--------------------|--------------|-------|----------|
| 2016               | <b>23.0</b>  | 21.1  | 20.8     |
| 2015               | <b>24.4</b>  | 22.7  | 21.0     |
| 2014               | <b>24.1</b>  | 22.9  | 21.0     |
| 2013               | <b>24.0</b>  | 23.0  | 20.9     |
| 2012               | <b>24.1</b>  | 22.8  | 21.1     |
| 2011               | <b>24.0</b>  | 22.9  | 21.1     |
| 2010               | <b>24.0</b>  | 22.9  | 21.0     |

### High School Graduation Rates

|                     | 2007-08      | 2008-09      | 2009-10      | 2010-11*     | 2011-12      | 2012-13      | 2013-14      | 2014-15     |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>District 196</b> | <b>95.3%</b> | <b>95.3%</b> | <b>96.7%</b> | <b>88.2%</b> | <b>90.7%</b> | <b>92.2%</b> | <b>91.9%</b> | <b>89.8</b> |
| Minnesota           | 91.7%        | 91.8%        | 92.8%        | 76.9%        | 77.55%       | 80.0%        | 81.2%        | 81.9        |

\* Effective with the 2010-11 school year, the methods used to calculate cohort-adjusted graduation rates were changed to comply with requirements set by the US Department of Education.



# Our School Board and Staff

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 and during the open forum and special communication portions of the meeting.



Joel Albright



Art Coulson



Gary Huusko



Sachin Isaacs



Jackie Magnuson



Mike Roseen

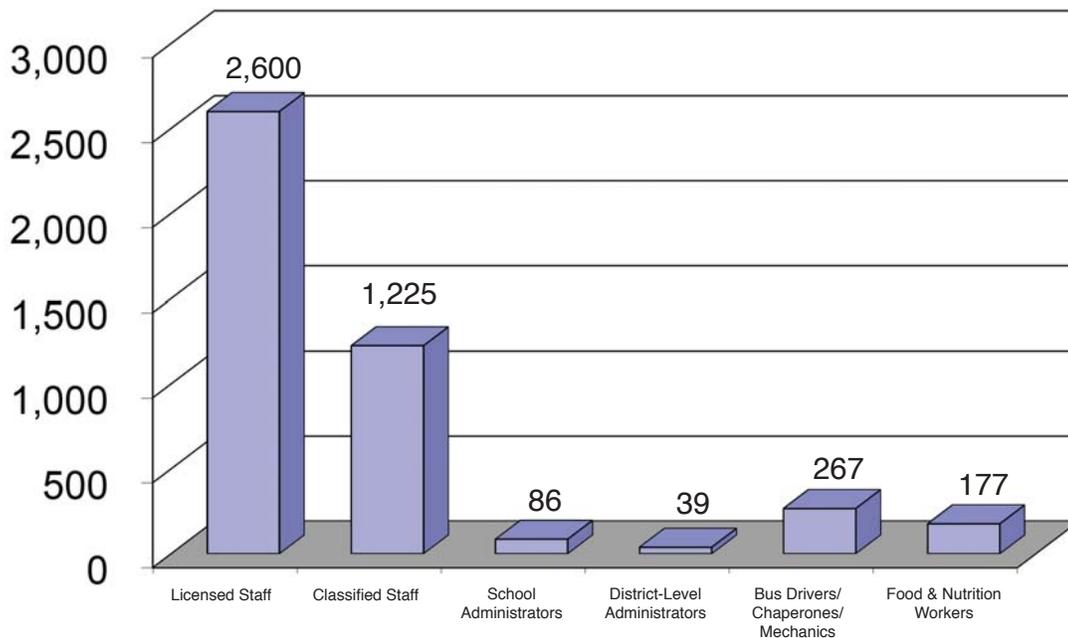


Bob Schutte



Jane K. Berenz,  
Superintendent

## Total Employees by Classification



The graph shows the number of staff employed by the school district. The majority of the district's 4,394 employees are teachers (licensed staff) and classified (non-licensed) staff who provide support to the classroom.

# Our Strategies and Goals



In spring 2011, Superintendent Jane K. Berenz established the District 196 Strategic Planning Task Force and charged the group to develop a vision for education that would guide district goals. The 60-member task force included parents, staff, School Board members and leaders from the local business, civic and faith communities. Task force members first attended informational meetings to establish a shared base of knowledge about the district, then facilitator-led planning meetings to develop the belief statements and strategies and goals that were approved by the School Board in December 2011 as outlined below.

## 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 (kindergarten to grade 3)
- Offer a continuum of high-quality, culturally responsive, early learning services to meet all students' needs
- Investigate and develop strategies for outreach, community engagement and collaboration

## Strategy 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 cocurricular 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**

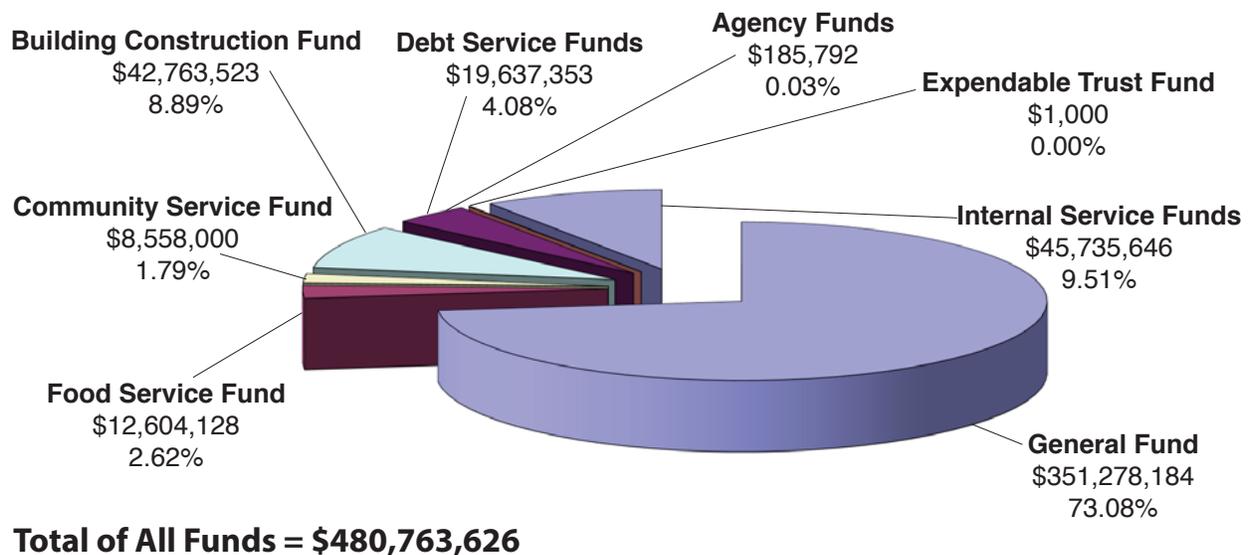
- Establish a structure that will support new and existing partnerships
- Increase partnerships by enhancing relationships among schools and between schools and the community

# Our Budget



The preliminary budget adopted by the School Board each June is the official authorization for expenditures for the upcoming school year, which begins July 1 each year. This budget plan guides staff in how funds are spent toward instructional programs for students. The budget is developed by the superintendent and administration with input from the district's citizen-led Budget Advisory Council and in accordance with School Board-approved budget and staffing guidelines. The School Board Audit and Finance Committee reviews the proposed budget. If necessary, revisions are incorporated into the proposed budget for School Board review. The School Board is required by state law to adopt the preliminary budget by June 30 each year.

## 2016-17 Expenditure Budget - All Funds



## School district budgeting is a continuous five-step process

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** – The School Board must 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 law. The School Board typically reviews the audited financial report in October or November.

# Budget Funds



## General Fund

**2016-17 budgeted amount: \$351,278,184** (73.08%)

The general fund is divided into five separate accounts. They are:

### General Account

**2016-17 budgeted amount: \$248,562,303** (70.76%)

This is the district's main operating budget. This account pays for the instructional programs, daily operations of schools, general functions of the district and long-term facility maintenance expenditures. More in-depth information on this account is provided in the following pages of this publication.

### Special Education Account

**2016-17 budgeted amount: \$66,672,091** (18.98%)

This account is used to record all financial activities associated with providing special education services to students with special needs.

### Quality Compensation Account

**2016-17 budgeted amount: \$7,224,126** (2.05%)

The Quality Compensation for Teachers (Q Comp) Program was approved by the Minnesota Legislature in 2005. This program is designed to advance the teaching profession by providing structured professional development and evaluation, and an alternative pay schedule that compensates teachers based on performance, not just seniority. The district was first approved to participate in this program in 2007-08. The district uses this account to track revenues and expenditures associated with providing additional compensation to licensed teachers and nurses.

### Pupil Transportation Account

**2016-17 budgeted amount: \$18,078,544** (5.15%)

This account is used to record and report all pupil transportation activities including transportation of students with special needs and students who attend non-public schools.

### Capital Expenditure Account

**2016-17 budgeted amount: \$10,741,120** (3.06%)

This account is used to record all financial activities related to major building maintenance projects, capital equipment and technology equipment purchases, instructional facilities lease payments, curriculum and media resource materials.

## Food Service Fund

**2016-17 budgeted amount: \$12,604,128** (2.62%)

This fund is used to record financial activities of the district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

## Community Service Fund

**2016-17 budgeted amount: \$8,558,000** (1.79%)

This fund is comprised of five components, each with its own fund balance. The five components are community service, community education, early childhood family education, school readiness and adult basic education.

## Building Construction Fund

**2016-17 budgeted amount: \$42,763,523** (8.89%)

When voters approve a building construction or facilities renovation bond, the district sells bonds in order to pay for the work. This is the fund that receives the money from the sale of the bonds and pays for the land purchases, construction of new schools, renovations of existing schools and other costs directly associated with the voter-approved bond.

## Debt Service Funds

**2016-17 budgeted amount: \$19,637,353** (4.08%)

When the district sells bonds to finance voter-approved construction of new facilities or major renovation of existing facilities and funding for other post employment benefits, the district also receives authority to levy a direct general tax upon the property of the district for the repayment of principal and interest on the bonds as due.

## Expendable Trust Fund

**2016-17 budgeted amount: \$1,000** (0.00%)

This fund is used to record revenues and expenditures for trust agreements where the School Board has accepted the responsibility to serve as trustee. The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year.

## Agency Funds

**2016-17 budgeted amount: \$185,792** (0.03%)

Agency funds are used to account for assets where the district has a formal agency agreement with other governmental units, employees, students or others. The district maintains two agency funds to account for activities related to a continuing education program (District Graduate Credit Program) for district licensed staff and receipts and disbursements related to the Local Collaborative Time Study (LCTS) managed by the district's community education department. The agency fund budget reflects activities related to LCTS; the district does not budget for the District Graduate Credit Program.

## Internal Service Funds

**2016-17 budgeted amount: \$45,735,646** (9.51%)

Internal service funds are used to account for the financing of goods or services provided by one department to another within the school district. The district maintains four internal service funds to report activities related to other post-employment benefits, severance, self-insured health plan and self-insured dental plan.

# General Fund



The majority of general fund expenditures are for student instruction and support services. The general fund is the district's main operating budget and is the fund over which our School Board has the most discretion.

The 2016-17 general fund budget was developed to support the district's mission to *educate our students to reach their full potential and beliefs* (see p.6).

- **Student Instruction: \$253,613,174** (72.20%)

All costs associated with the teaching of students, the interaction between teachers and students in the classroom and cocurricular activities at the kindergarten, elementary and secondary levels. It also includes services for alternative education, special education, English Learner and other compensatory instructional programs.

- **Student Support Services: \$52,342,198** (14.91%)

This includes all costs associated with operating a school, including student transportation, school office, assessment and testing, guidance, counseling, nursing services and instructional administration. Instructional administration includes the directors of elementary and secondary education, and teaching and learning. It also includes the costs of their immediate offices, including those individuals in direct support of the administrator.

- **Sites and Buildings: \$31,634,394** (9.00%)

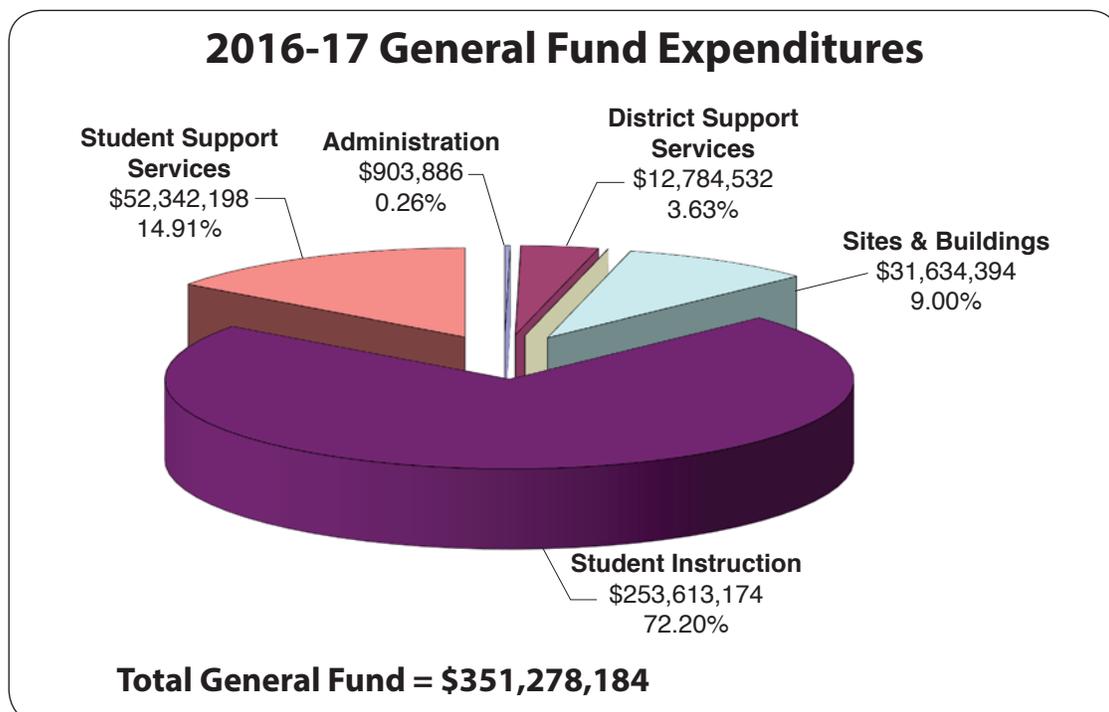
This includes all costs for the acquisition, operation, maintenance, repair and remodeling of all facilities and grounds of the school district. It also includes salary and benefits of the district's building chiefs, custodial staff, groundskeepers and maintenance specialists, and utilities.

- **District Support Services: \$12,784,532** (3.63%)

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.

- **Administration: \$903,886** (0.26%)

This includes the costs for general district administration. General district administration includes the School Board and the superintendent.



# General Fund by Program



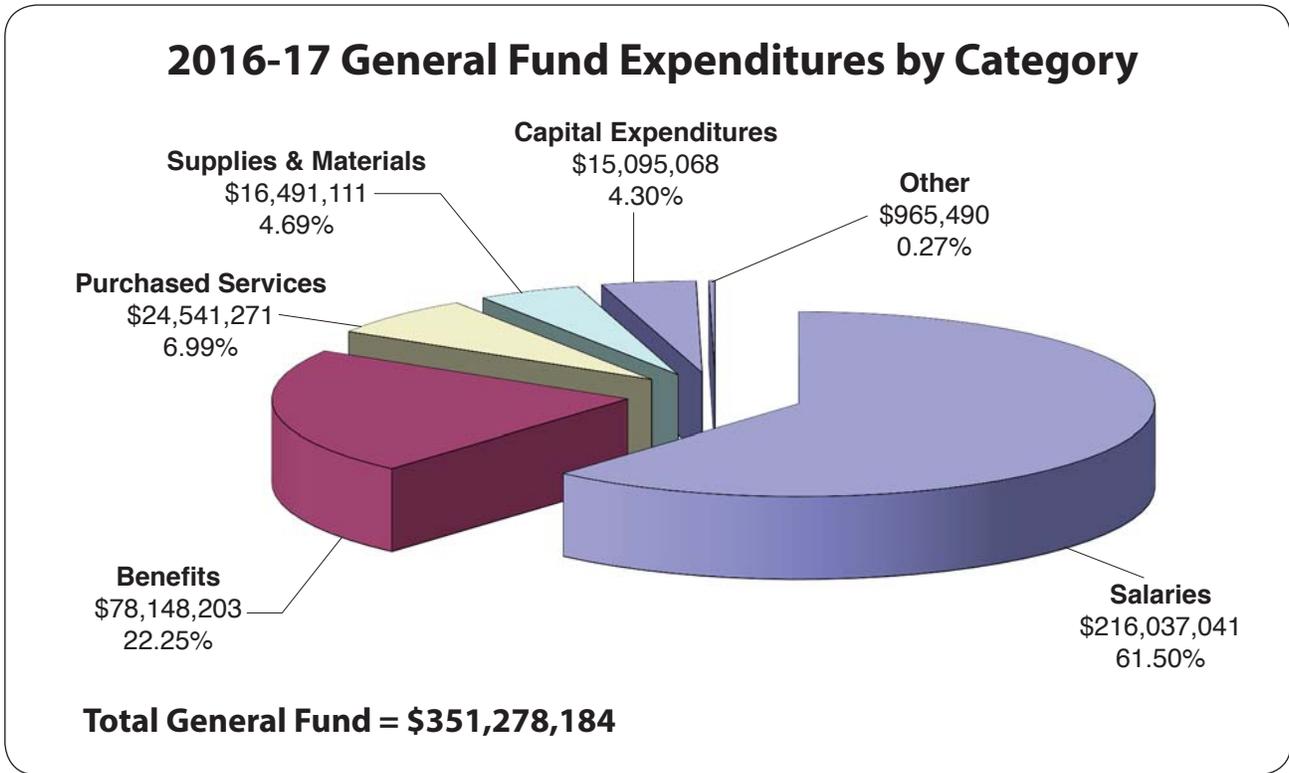
|  |   |                       |
|--|---|-----------------------|
| <b>Student Instruction</b><br><b>\$ 253,613,174</b><br><b>72.20%</b>     | Elementary Instruction                                    | 67,411,660            |
|  | Middle and High School Instruction                        | 90,849,047            |
|  | Cocurricular and Extra Curricular Activities              | 6,560,217             |
|  | Gifted & Talented Program                                 | 2,271,441             |
|  | English Language Learners                                 | 5,942,541             |
|  | Title Programs  | 2,775,331             |
|  | Career and Technical Programs                             | 4,863,200             |
|  | Special Education   | 66,753,792            |
|  | Library/Media Center                                      | 3,886,749             |
|  | Instruction-Related Technology                            | 2,299,196             |
| <b>Student Support Services</b><br><b>\$ 52,342,198</b><br><b>14.91%</b> | Elementary School Administration                          | 7,045,921             |
|  | Middle School Administration                              | 3,707,202             |
|  | High School Administration                                | 2,753,369             |
|  | Instructional Administration                              | 6,459,153             |
|  | Curriculum Development                                    | 3,784,862             |
|  | Guidance and Counseling Services                          | 3,130,101             |
|  | Health Services   | 2,351,681             |
|  | Other Student Support (Attendance & Social Work Services) | 1,622,076             |
|  | Staff Development   | 3,382,205             |
|  | Student Transportation                                    | 18,105,628            |
| <b>Sites and Buildings</b><br><b>\$ 31,634,394</b><br><b>9.00%</b>       | Capital Expenditures                                      | 3,101,708             |
|  | Long-Term Facility Maintenance                            | 7,761,349             |
|  | Operations and Maintenance                                | 19,989,566            |
|  | Property and Other Insurance                              | 781,771               |
| <b>District Support Services</b><br><b>\$12,784,532</b><br><b>3.63%</b>  | Business Services - Finance                               | 2,171,283             |
|  | Business Services - Purchasing and Receiving              | 557,726               |
|  | Human Resources   | 3,375,432             |
|  | Graphics & Mail Processing                                | 368,603               |
|  | Census/Student Information                                | 300,875               |
|  | Communication   | 556,848               |
|  | Legal Services  | 536,027               |
|  | Technology Support  | 4,686,332             |
|  | Retirement of Non-Bonded Debt                             | 231,406               |
| <b>Administration</b><br><b>\$ 903,886</b><br><b>0.26%</b>               | Office of Superintendent                                  | 663,917               |
|  | School Board  | 239,969               |
| <b>TOTAL GENERAL FUND</b>  |   | <b>\$ 351,278,184</b> |

# General Fund by Category



The categories of general fund expenditure are salaries, benefits, purchased services, supplies and materials, capital and other expenditures. As shown in the graph below, more than 83% of the general fund budget pays for people (salaries and benefits), and the majority of those people are teachers and instructional staff who work with students in the classroom.

- Salaries: \$216,037,041 (61.50%)**  
 Includes salaries for district administrators, principals, teachers, secretarial and clerical employees, building chiefs, custodians, transportation, food service and other staff.
- Benefits: \$78,148,203 (22.25%)**  
 Includes the district's contribution for employee retirement (FICA/Medicare, TRA and PERA); health, dental and life insurance premiums, and tax-shelter annuities for eligible employees.
- Purchased Services: \$24,541,271 (6.99%)**  
 Includes utilities, legal services, contracted work and other services that must be purchased from outside sources.
- Supplies and Materials: \$16,491,111 (4.69%)**  
 Includes general supplies such as copier paper, instructional supplies for classrooms, textbooks and workbooks, standardized tests and media resources.
- Capital Expenditures: \$15,095,068 (4.30%)**  
 Includes building repairs and site improvements, technology equipment such as computers for classrooms, printers, copiers, fax machines and school buses.
- Other: \$965,490 (0.27%)**  
 Includes miscellaneous expenditures that are not categorized elsewhere such as membership dues for professional organizations, taxes, special assessments, permanent transfers to other funds and non-bonded debt service payments.

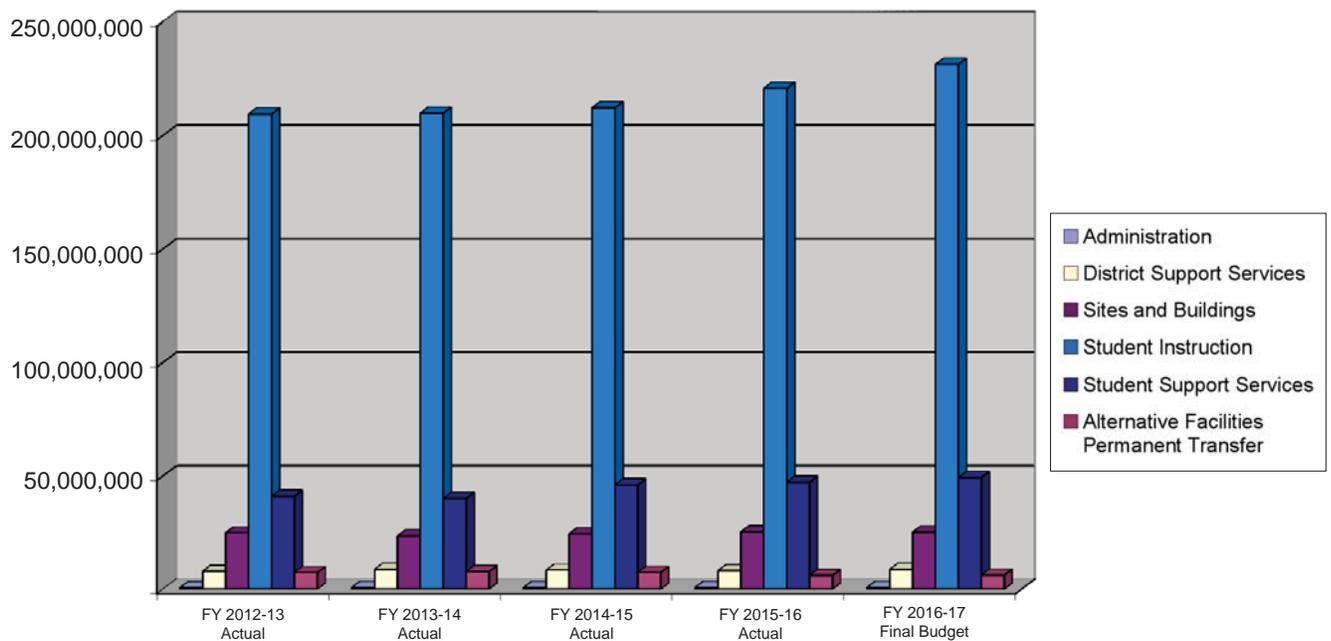


# General Fund History



The general fund is the district's main operating fund. The graph below shows that over 85 percent of the district's general fund resources are used for student instruction and student support services. This is consistent with the district's mission to "educate our students to reach their full potential." Some of the instructional programs that were added in the past years to help close the achievement gap include integration programs, elementary magnet schools, striving readers, Advancement Via Individual Determination (AVID) and Response to Intervention. Actual expenditures for district support services and administration for the past four school years remain relatively stable. This is consistent with the district's goal to focus resources on classroom instruction for students.

## Five-Year Overview

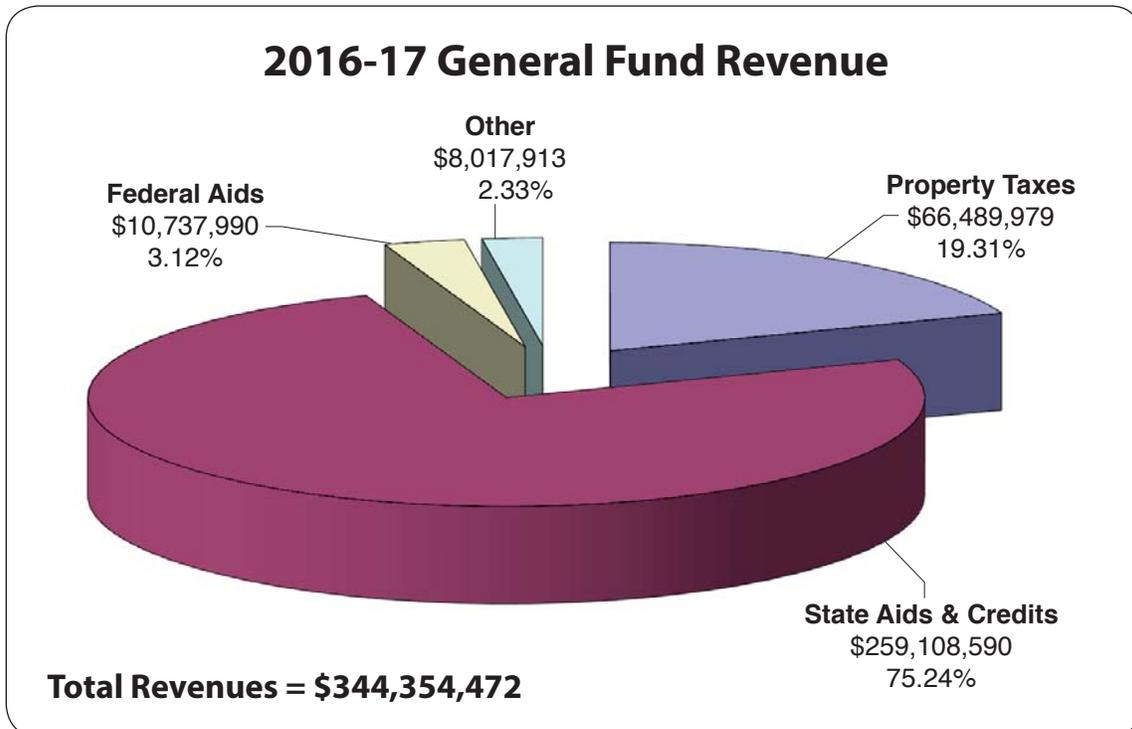


| Fiscal Year      | Admin.  | % of General Fund | District Support Services | % of General Fund | Sites and Buildings | % of General Fund | Student Instruction | % of General Fund | Student Support Services | % of General Fund | Alternative Facilities Permanent Transfer | % of General Fund | Total       |
|------------------|---------|-------------------|---------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|--------------------------|-------------------|---|-------------------|-------------|
| 2011-12          | 746,942 | 0.26%             | 8,813,609                 | 3.03%             | 23,485,755          | 8.08%             | 209,815,788         | 72.16%            | 40,074,827               | 13.78%            | 7,813,886                                 | 2.69%             | 290,750,807 |
| 2012-13          | 745,958 | 0.25%             | 8,515,239                 | 2.84%             | 24,480,638          | 8.17%             | 212,236,139         | 70.86%            | 46,074,398               | 15.38%            | 7,456,023                                 | 2.49%             | 299,508,395 |
| 2013-14          | 824,584 | 0.27%             | 8,245,963                 | 2.67%             | 25,327,993          | 8.21%             | 220,733,192         | 71.55%            | 47,247,279               | 15.31%            | 6,128,529                                 | 1.99%             | 308,507,540 |
| 2014-15          | 755,173 | 0.23%             | 8,803,178                 | 2.73%             | 25,162,631          | 7.82%             | 231,336,502         | 71.96%            | 49,268,129               | 15.33%            | 6,220,053                                 | 1.93%             | 321,545,666 |
| 2015-16          | 875,623 | 0.28%             | 9,360,366                 | 2.77%             | 25,460,515          | 7.54%             | 240,428,662         | 71.24%            | 52,783,277               | 15.64%            | 8,554,099                                 | 2.53%             | 337,462,542 |
| 2016-17 Budgeted | 903,886 | 0.26%             | 12,784,532                | 3.63%             | 31,634,394          | 9.00%             | 253,613,174         | 72.20%            | 52,342,198               | 14.91%            | N/A                                       | N/A               | 351,278,184 |

# Our Revenue Sources



The district receives revenue on a per pupil basis from state aids and credits, property taxes, federal aids and other sources. State aids and property taxes make up more than 94% of total district revenues, while federal aids and other sources account for less than 6% of revenues, as shown in the graph below.



• **State Aids and Credits: \$259,108,590 (75.24%)**

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. The percentage of revenues received from the state has decreased from 84% in 2003-04 to 75.24% projected for 2016-17.

• **Federal Aids: \$10,737,990 (3.12%)**

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.

• **Property Taxes: \$66,489,979 (19.31%)**

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 taxes (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. This will generate an additional \$11 million per year for the district, beginning with the 2014-15 school year. As the percentage of state aid has decreased, the percentage of revenues from local property taxes had increased from 10.9% in 2003-04 to 19.31% projected for 2016-17.

• **Other: \$8,017,913 (2.33%)**

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.

# Property Taxes



School district property tax levies are limited by state law. The Minnesota Department of Education 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.

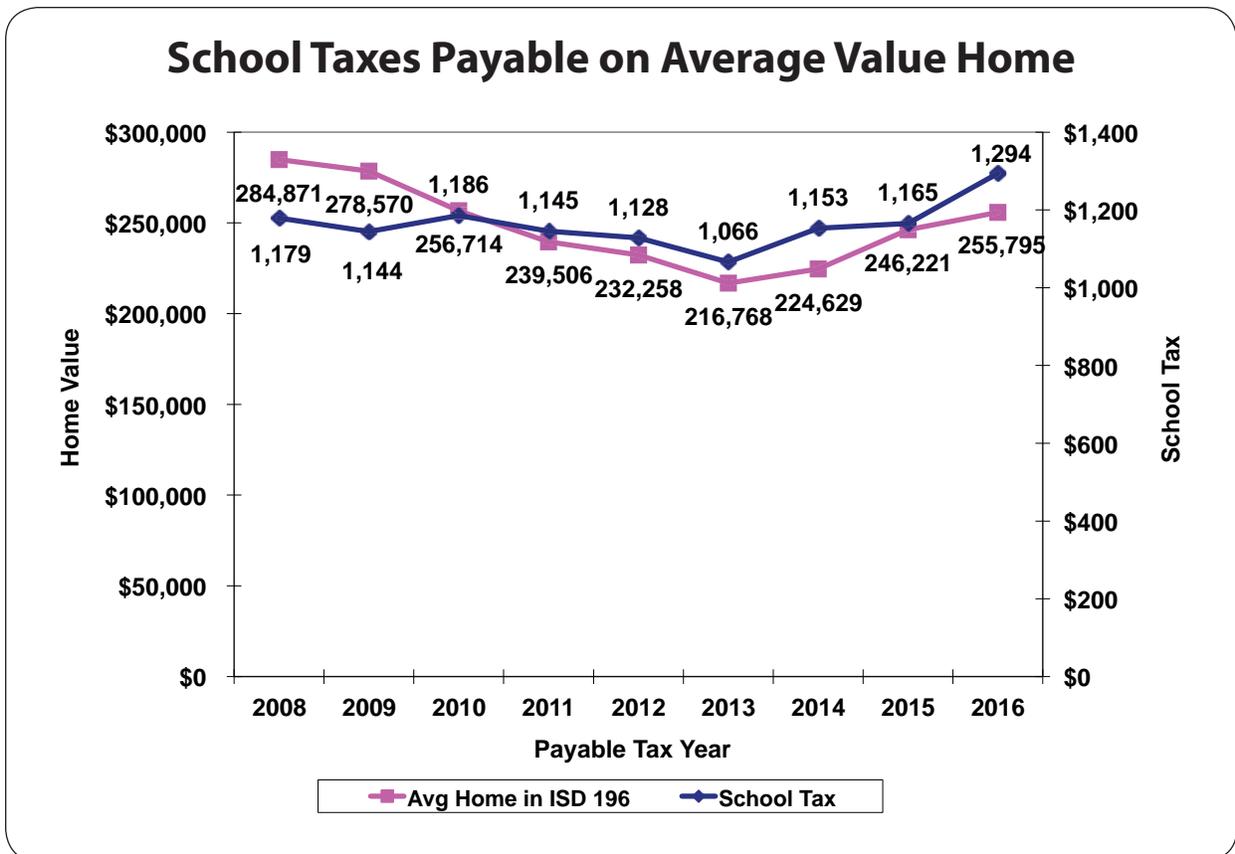
Property taxes are determined by the taxable market value of the property (determined by the county assessor), class rate percentages set in law for each category of property (such as residential homestead, residential non-homestead, apartments, etc.) and state-paid property tax aids and credits. These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

For 2016-17, the voter-approved levies for the district's general fund total \$33.59 million before state aids and credits; levies based on School Board decisions total \$32.86 million before state aids and credits.

The chart below shows the average home value for the district and the corresponding school tax from calendar year 2008 to calendar year 2016. Home values within the district have been increasing the last three years following statewide property value trends.

The two types of property tax levies are:

- Voter-approved levies – These include building bond and operating levy referendum votes.
- Levies resulting from School Board decisions – Levy limitations are calculated by the Minnesota Department of Education based on current legislation and formulas. The School Board can approve levy amounts up to but not exceeding the limits established by the state. Examples include the safe schools levy, alternative facilities levy, health and safety levy, etc.



# Budget FAQs and Contact Info



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

## 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.

|               |  |
|---------------|--|
| \$351,278,184 | 2016-17 general fund budget                  |
| (/)           | 27,855 Divided by average daily membership   |
| -----         |  |
| (=)           | \$12,611 Equals average spending per student |

## 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:

### 1. 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 to that department's budget for next year.

### 2. Aid payments from the state may be less than anticipated based on economic conditions.

The majority of district revenues come from the state (75.24% in 2016-17). 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.

### 3. 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.

## 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. Examples include proration or delay of state aid to the district, a major equipment failure or significant increase in energy or fuel prices. 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.

## 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 the Director of Finance and Operations, District Office, 3455 153rd Street West, Rosemount, MN 55068. All submitted suggestions are reviewed by members of the district's citizen-led Budget Advisory Council.

## More Information

If you have questions about the school district budget, contact:

- Director of Finance and Operations **Jeff Solomon** at [jeff.solomon@district196.org](mailto:jeff.solomon@district196.org) or 651-423-7713, or
- Coordinator of Finance **Stella Y. Johnson** at [stella.johnson@district196.org](mailto:stella.johnson@district196.org) or 651-423-7748.

Budget information for the current 2016-17 school year 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 dating back to the 2007-08 school year.